

Office of the Inspector General

Semiannual Report to Congress



April 1, 2001–September 30, 2001

*The Office of the Inspector General dedicates this report
to the victims of the September 11, 2001, terrorist attacks
on the United States.*

*We also honor the many federal, state, and local
law enforcement officers, emergency personnel, and others
who have responded so valiantly
in the aftermath of this tragedy.*



U.S. Department of Justice

Office of the Inspector General

Message from the Inspector General

This semiannual report summarizes the work of the Office of the Inspector General (OIG) from April 1, 2001, through September 30, 2001. The audits, inspections, investigations, reviews, and other activities highlighted in this report illustrate our continuing commitment to helping improve the integrity and efficiency of Department of Justice (Department) operations.

During the past six months, we completed many important audit and evaluation reports and continued our strong record of investigating allegations of criminal and administrative misconduct by Department employees, contractors, and grantees. This report also describes several sensitive OIG investigations undertaken at the request of the Attorney General and Congress, such as our investigation of the Federal Bureau of Investigation's (FBI) belated production of documents in the Oklahoma City bombing cases and our investigation into the FBI's actions in connection with the espionage activity of Robert Hanssen.

Yet, the normal work of the OIG was dramatically changed by two events during this reporting period. One was the terrorist attacks of September 11. These tragic events have affected all of us, as individuals and as an organization. In the aftermath of September 11, we are revisiting our audit, evaluation, and investigation work plans in an effort to maximize the effectiveness of our reviews given new Department and national priorities. The other event occurred in July 2001 when the Attorney General expanded the OIG's investigative authority to include allegations of misconduct against employees of the FBI and Drug Enforcement Administration (DEA). Previously, the FBI and DEA Offices of Professional Responsibility handled these allegations, except in rare cases when they were assigned to the OIG. The expansion of our jurisdiction enables the OIG to investigate allegations of misconduct in all Department components.

We appreciate the confidence in the OIG the Attorney General showed in assigning us these new responsibilities. We look forward to working with the Attorney General and Congress to meet the new challenges while at the same time continuing our ongoing responsibility to provide comprehensive oversight of Department programs and personnel.

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

Glenn A. Fine
Inspector General
October 31, 2001

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Highlights of OIG Accomplishments

Following are highlights of OIG accomplishments that are discussed in detail in this Semiannual Report to Congress (Report).

Statistical Highlights

April 1, 2001–September 30, 2001

Allegations Received by the Investigations Division	5,239
Investigations Opened	363
Investigations Closed	307
Arrests	92
Indictments/Informations	74
Convictions/Pleas	80
Administrative Actions	93
Fines/Restitutions/Recoveries	\$769,698
<hr/>	
Audit Reports Issued	240
Questioned Costs	\$47 million
Funds Put To Better Use	\$15 million
Recommendations for Management Improvements	382

Investigations

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

- ◆ Three joint investigations by the OIG New York Field Office, FBI, and Federal Bureau of Prisons (BOP) into bribery and contraband smuggling at the Allenwood, Pennsylvania, federal correctional institution resulted in the arrest and prosecution of 11 defendants, including three BOP correctional officers, who pled guilty to accepting cash payments to smuggle contraband into and out of the institution.
- ◆ An INS immigration inspector assigned to the San Francisco International Airport was sentenced to one year's incarceration and three years' supervised release after pleading guilty to charges of bribery of a public official; fraud and misuse of visas, permits, and other documents; and theft of public property. A joint investigation by the OIG San Francisco Field Office and the INS revealed that the immigration inspector stole two INS immigration stamps and two bottles of security ink and agreed to sell those items to confidential informants for \$85,000.
- ◆ New York Field Office agents arrested two Immigration and Naturalization Service (INS) employees, an INS contract employee, and a civilian document broker after an undercover investigation into allegations that the broker was providing valid INS employment authorization documents (EADs) to ineligible aliens. The broker, who was arrested first, agreed to cooperate with investigators. Her cooperation and an analysis of the improperly issued documents led to the arrest of an INS district adjudications officer, an INS clerk, and an INS contract clerk. They confessed to issuing at least 50 fraudulent EADs and placing 10 to 15 ADIT (I-551) stamps in the passports of ineligible aliens for between \$500 and \$2,000 each.

Audits

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

- ◆ In response to congressional requirements, in 1995 the INS began developing a system to automate the processing of airline passengers' I-94 forms to collect arrival and departure data. We audited the design and implementation of the INS's Automated I-94 System and found that the INS has not properly managed the project. As a result, despite having spent \$31.2 million on the system from fiscal year (FY) 1996 to FY 2000, the INS (1) does not have clear evidence that the system meets its intended goal, (2) has won the cooperation of only two airlines, (3) is operating the system at only four airports, and (4) must modify the system to achieve its intended uses.
- ◆ The OIG audited the Combined DNA Index System (CODIS), a national information repository maintained by the FBI that stores, maintains, tracks, and searches DNA specimen information to facilitate the exchange of DNA information by forensic laboratories across the country. We noted that the FBI needs to improve its oversight of participating laboratories to ensure they comply with the FBI's quality assurance standards. For example, at six of the eight laboratories audited, we found 49 unallowable or incomplete forensic profiles in CODIS out of the 608 forensic profiles reviewed.

Inspections

The Evaluation and Inspections Division (E&I) produced management assessments and program evaluations that reviewed the efficiency, vulnerability, and effectiveness of Department operations. Examples of reviews discussed in this Report include:

- ◆ The OIG reviewed the INS's practice of escorting criminal aliens on commercial airlines when the aliens are removed from the

United States to non-border countries. The OIG found that the INS is placing the traveling public at potential risk because it does not consistently follow its established escort policy. In three of the four districts visited by OIG inspectors, INS managers disregarded INS policies, resulting in the removal of violent aliens without escorts on commercial airlines. In addition, we found that the INS does not adequately coordinate the alien escort process with the Department of State.

- ◆ OIG inspectors reviewed the treatment of unaccompanied illegal juveniles who are held in INS custody for more than 72 hours and placed into formal immigration proceedings. The OIG found that the INS has made significant improvements in its juvenile program. However, we found deficiencies at INS districts, Border Patrol sectors, and INS headquarters that could have potentially serious consequences for the well-being of the juveniles. These deficiencies included the failure to separate non-delinquent from delinquent juveniles.

Special Reviews

The Office of Oversight and Review (O&R) investigates sensitive matters involving Department programs or employees. Examples of reviews discussed in this Report include:

- ◆ At the request of the Attorney General, the OIG is investigating the belated disclosure of documents related to the government's prosecution of Timothy McVeigh and Terry Nichols for the 1995 bombing of the Oklahoma City federal building. An OIG team of attorneys, special agents, auditors, and support personnel has conducted on-site investigations at 13 FBI field offices and is currently drafting its report of investigation.
- ◆ The OIG is continuing its review of the Department's performance in preventing, detecting, and investigating the espionage activities of former FBI agent Robert Hanssen. By the end of this reporting period, the OIG team of attorneys, investigators, and analysts had obtained and was reviewing more than 100,000 pages of documents from the FBI related to this investigation.

OIG Profile

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

The OIG has jurisdiction to conduct audits and inspections throughout the entire Department. During this reporting period, the Attorney General expanded the OIG's jurisdiction to conduct criminal or administrative investigations of FBI and DEA employees. Previously, the OIG has had the authority to investigate allegations of misconduct by employees in all other Department components. The Department is seeking additional resources in the FY 2002 budget to enable the OIG to responsibly implement its expanded authority to investigate allegations of misconduct in the FBI and DEA.

The Department's Office of Professional Responsibility retains jurisdiction to investigate allegations of misconduct against Department attorneys that relate to the attorneys' exercise of their authority to investigate, litigate, or provide legal advice. The OIG may investigate other allegations of misconduct against Department attorneys.

The OIG's FY 2001 direct appropriation was \$41.484 million. Additionally, the OIG received reimbursements of \$1.4 million from the INS for the audit, inspections, and investigative oversight work related to the INS User Fee account; \$1.65 million from the Working Capital Fund and other Department components for oversight of financial statement audit work; \$1.25 million from the Executive Office for U.S. Trustees (EOUST) for trustee audits; and \$145,000 for audit oversight work related to the *Government Information Security Reform Act of 2001* (GISRA). In addition, the OIG received nearly \$1.39 million in supplemental funding, which will support the development of a new case tracking and

management system for the Investigations Division, the OIG's investigation of the Department's performance related to the alleged espionage activities of Robert Hanssen, and the purchase of automated workpaper software for the Audit Division.

This Report reviews the accomplishments of the OIG for the 6-month period ending September 30, 2001. As required by Section 5 of the *Inspector General Act of 1978* (IG Act), as amended, this Report is submitted no later than October 31, 2001, to the Attorney General for his review. No later than November 30, 2001, the Attorney General is required to forward the Report to Congress along with his *Semiannual Management Report to Congress*, which presents the Department's position on audit resolution and follow-up activity discussed in the Report.

Information about the OIG and its activities is available on the OIG's website at www.usdoj.gov/oig.

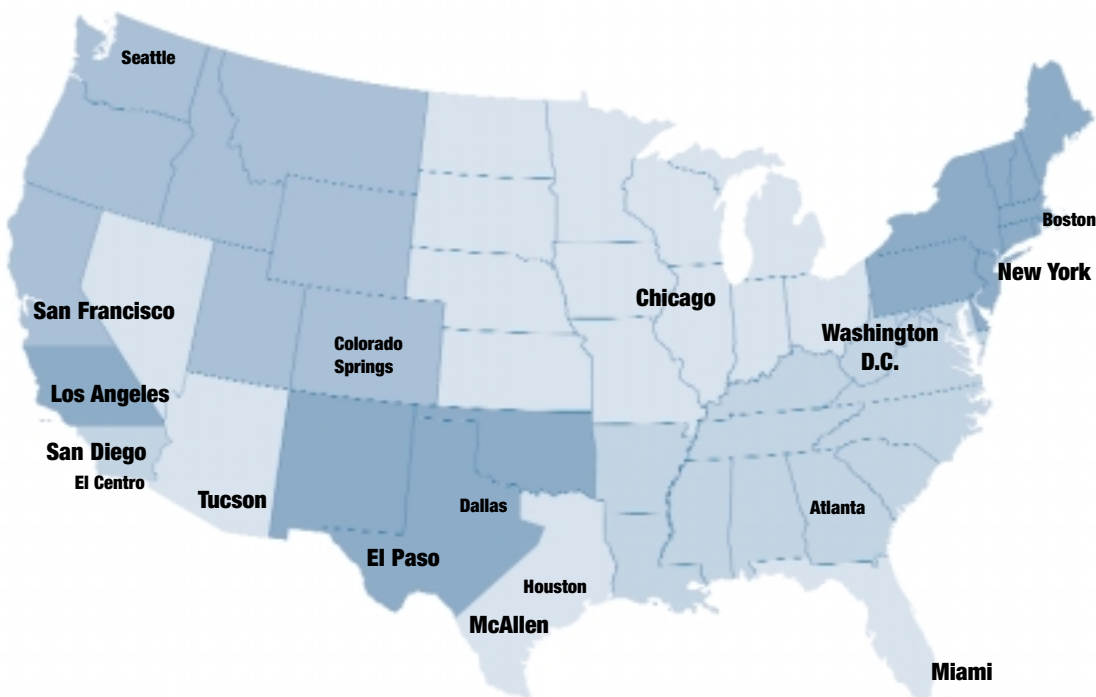
The Investigations Division

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

Investigations carries out its mission through the work of its special agents who are assigned to OIG offices across the country. Currently, Investigations has field offices in Chicago, El Paso, Los Angeles, McAllen, Miami, New York, San Diego, San Francisco, Tucson, and Washington, DC (the Washington Field Office and Fraud Detection Office), and smaller, area offices in Atlanta, Boston, Colorado Springs, Dallas, El Centro, Houston, and Seattle.

Investigations Headquarters in Washington, DC, consists of the immediate office of the Assistant Inspector General (AIG) and three branches: Operations, Investigative Support, and Policy and Administration.

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



During this reporting period, Investigations received 5,239 complaints. It opened 363 investigations and closed 307. OIG agents made 92 arrests involving 41 Department employees, 41 civilians, 1 grantee, and 9 Department contract personnel. Convictions resulted in 43 individuals receiving sentences up to 51 months' incarceration and \$769,698 in fines, recoveries, and orders of restitution. As a result of OIG investigations, 32 employees, 15 contract employees, and 1 contractor received disciplinary action, including 38 who were terminated. In addition, 35 employees and 10 contract employees resigned either during or at the conclusion of OIG investigations.

Significant Investigations

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

Bribery

- ◆ An INS immigration inspector assigned to the San Francisco International Airport was sentenced in the Northern District of California to one year's incarceration and three years' supervised release pursuant to a guilty plea to charges of bribery of a public official; fraud and misuse of visas, permits, and other documents; and theft of public property. A joint investigation by the OIG San Francisco Field Office and the INS revealed that the immigration inspector stole two INS immigration stamps and two bottles of security ink and agreed to sell those items to confidential informants for \$85,000. During the investigation, the immigration inspector met with two confidential informants and accepted a total of \$17,500 for the items before being arrested by the OIG.
- ◆ In the Western District of Texas, two former correctional officers at the Reeves County Detention Center (RCDC) in Pecos, Texas, a facility under contract with the BOP to house federal inmates, were arrested and pled guilty to charges of conspiracy to accept a bribe and aiding and abetting in the conversion of government property. An inmate coconspirator was ar-

raigned on charges of conspiracy to commit bribery and misprision of a felony. An investigation by the El Paso Field Office developed evidence that the correctional officers allowed contraband to be shipped from inmates' families to the RCDC. An inmate served as a broker between the correctional officers and the inmates seeking the contraband and paid the correctional officers \$50 for each package. The inmate broker subsequently delivered the contraband to inmates in exchange for commissary goods. The two former correctional officers await sentencing; judicial proceedings continue for the inmate.

- ◆ An investigation by the Southwest Border Corruption Task Force, of which the Tucson Field Office is a member, led to an indictment alleging that a Border Patrol agent assigned to the Naco, Arizona, Border Patrol Station accepted bribes, possessed and transported illegal drugs, carried a firearm in the course of a drug trafficking crime, and laundered money. The investigation developed evidence that the Border Patrol agent was willing to assist in the smuggling of drugs into the United States by monitoring Border Patrol radio traffic and that he transported \$250,000 in drug proceeds and 20 kilograms of cocaine between Tucson and Phoenix in exchange for more than \$25,000. Judicial proceedings continue.
- ◆ Our September 2000 *Semiannual Report to Congress* described a case that resulted in the arrest and guilty plea of an INS supervisory district adjudications officer in the Eastern District of California on charges of bribery of a public official. During this reporting period, the INS officer was sentenced to one year's incarceration and ordered to pay a \$2,400 fine. This San Francisco Field Office investigation, assisted by the INS, found that the adjudications officer accepted bribes to expedite naturalization applications for several Middle Eastern aliens. INS terminated the supervisory district adjudications officer as a result of this investigation.
- ◆ In our September 2000 *Semiannual Report to Congress* we reported on a case in which a district adjudications officer assigned to the INS Boston District Office was arrested on charges of bribery. During this reporting period, he pled guilty and was sentenced to one year's incarceration and two years' supervised release and ordered to pay a \$5,000 fine. A 15-month investigation by the

OIG Boston Area Office, assisted by the FBI and other federal agencies, developed evidence that the district adjudications officer demanded and accepted approximately \$5,000 in bribes in exchange for granting a naturalization candidate citizenship and removing all references to the candidate's arrest history from his alien file. The investigation also confirmed that the district adjudications officer offered to assist an undercover agent with naturalization candidates for \$1,000 each and to obtain INS employment for doctors for \$1,000 each.

Introduction of Contraband

- ◆ Three related joint investigations by the OIG New York Field Office, FBI, and BOP into bribery and contraband smuggling at the Federal Correctional Institution (FCI) in Allenwood, Pennsylvania resulted in the arrest and prosecution of 11 defendants, including 3 BOP correctional officers. The three correctional officers pled guilty to accepting cash payments to smuggle contraband into and out of the institution. One correctional officer was sentenced to 18 months' incarceration and fined \$4,000; a second was sentenced to probation and community service; the third awaits sentencing. Two inmates and two former inmates also were charged for their roles in the schemes. One inmate and one former inmate pled guilty and await sentencing. In addition, OIG and FBI agents arrested four civilian coconspirators who acted as go-betweens in the exchanges of contraband and bribe monies. All four pled guilty to aiding and abetting charges; sentencing is pending.
- ◆ In the Eastern District of Texas, a civilian and two inmates were arrested and pled guilty to charges of conspiracy to possess with the intent to distribute 500 grams or more of cocaine. An investigation by the Houston Area Office revealed that the civilian conspired with the two inmates, who were detained at the BOP Federal Correctional Complex (FCC) in Beaumont, Texas, to accept drugs from an outside contact and facilitate delivery of the contraband into FCC Beaumont by placing the drugs in a trash can accessible both to visitors and work-detail inmates. The drugs were retrieved by an inmate and then sold to other inmates. The civilian and two inmates were sentenced to 37 months', 70 months', and 84 months' incarceration, respectively.
- ◆ A BOP correctional officer assigned to the Federal Medical Center (FMC) in Fort Worth, Texas, was arrested and pled guilty to an indictment returned in the Northern District of Texas charging him with providing or possessing contraband in prison. An undercover investigation by the OIG Dallas Area Office, FBI, and Fort Worth Police Department developed evidence that the correctional officer introduced marijuana into the FMC in exchange for money. Consensual recordings revealed that the correctional officer had provided several inmates with marijuana and had discussed the possibility of introducing heroin and cocaine into the facility. Sentencing is pending.
- ◆ In the Southern District of Florida, a BOP correctional officer assigned to the FCI in Miami, Florida, was arrested and pled guilty to a felony information charging him with accepting a bribe and attempting to possess with intent to distribute cocaine. A joint investigation by the OIG Miami Field Office and FBI developed evidence that the correctional officer facilitated the entry of drugs into the FCI for distribution to inmates. He was terminated from the BOP as a result of this investigation and was sentenced to 57 months' incarceration and 36 months' supervised release.
- ◆ In the Southern District of Mississippi, a former BOP cook, previously assigned to the FCI in Yazoo City, Mississippi, was arrested and pled guilty to charges of bribery. An investigation conducted by the Atlanta Area Office established that, between October 2000 and February 2001, the cook introduced jewelry and other contraband into the FCI in exchange for \$700. An OIG undercover agent posing as an inmate's relative sent the jewelry to the cook's post office box along with money orders for payment. When confronted by OIG agents, the cook admitted to introducing the contraband into the prison for payment and subsequently resigned his position with the BOP. Judicial proceedings continue.
- ◆ Our September 2000 *Semiannual Report to Congress* described a case in which a former BOP correctional officer assigned to the U.S. Penitentiary in Beaumont, Texas, and a civilian were arrested on charges of conspiracy

to possess with intent to distribute cocaine and heroin. An investigation by the Houston Area Office developed evidence that an inmate was using multiple civilians to acquire drugs and provide them to the former correctional officer who, in exchange for cash, would bring the drugs into the penitentiary. During this reporting period, the former correctional officer was convicted and sentenced in the Eastern District of Texas to more than 12 years' incarceration and 3 years' supervised release. The civilian pled guilty to possession with intent to distribute cocaine and heroin and was sentenced to two and a half years' incarceration and five years' supervised release. A second civilian was arrested, pled guilty to misprision of a felony, and was sentenced to two years' probation.

Fraud

- ◆ A former Missouri chief of police was indicted and subsequently arrested for theft of money from a federal program and making false statements to a government agency. An investigation by the Chicago Field Office established that the former police chief falsified Office of Community Oriented Policing (COPS) Universal Hiring Grant paperwork to claim he hired and paid one additional officer when he in fact used the grant to pay his own salary, including a \$6,000 annual raise. When confronted by OIG special agents, the former police chief admitted he intentionally falsified the COPS paperwork that enabled him to collect the funds. The grants in question cover several years and are in excess of \$50,000. Judicial proceedings continue.

- ◆ New York Field Office agents arrested two INS employees, one INS contract employee, and a civilian document broker after an undercover investigation into allegations that the broker was providing valid INS EADs to ineligible aliens for \$4,000 each. The document broker was arrested, admitted to her role in the scheme, and agreed to cooperate with investigators. Her cooperation, as well as a review and analysis of the improperly issued cards, resulted in the identification and arrest of an INS district adjudications officer, an INS clerk, and an INS contract mail-room clerk, all assigned to the INS Newark District Office. The two employees confessed to

issuing at least 50 fraudulent EADs and to placing 10 to 15 ADIT (I-551) stamps in the passports of aliens not entitled to those documents for between \$500 and \$2,000 each. The two INS employees resigned their positions; the contract employee was terminated. The document broker pled guilty to a bribery charge and awaits sentencing. Judicial proceedings against the former INS employees and contract employee continue.

- ◆ A former BOP warehouse foreman previously assigned to the FCI in Florence was arrested and pled guilty to Colorado state charges of forgery. A joint investigation by the Colorado Springs Area Office and the Department of Labor OIG developed evidence that the warehouse foreman failed to report income from a rental property while receiving workers' compensation benefits that totaled approximately \$35,000. Her plea will bar her from receiving any additional workers' compensation benefits.

- ◆ Our March 2001 *Semiannual Report to Congress* reported on a case in which a clerk assigned to the U.S. Attorney's Office (USAO) for the Central District of California was arrested and pled guilty to charges of mail fraud. An investigation by the Los Angeles Field Office developed evidence that the clerk embezzled approximately \$500,000 over a 3-year period using government credit cards issued to herself and two former coworkers. During this reporting period, the clerk was sentenced to 40 days' incarceration (to be served on weekends) and 5 years' probation. She was ordered to make restitution to the U.S. government in the amount of \$416,000 and to a civilian company in the amount of \$16,000 and to serve 3,000 hours of community service.

Attempts to Corrupt Department Employees

- ◆ A civilian was arrested and pled guilty to charges of bribery of a public official. A joint investigation by the El Paso Field Office and the U.S. Customs Service (Customs Service) Office of Internal Affairs developed information that the civilian attempted to bribe an INS immigration inspector to facilitate the entry of narcotics into the United States. The immigration inspector notified the INS of the bribe attempt and was later replaced by an undercover OIG agent. At a subsequent meeting, the civilian paid the undercover

agent \$4,000 and was immediately arrested. He was sentenced to four months' incarceration and two years' supervised release.

◆ In the Southern District of Texas, a Mexican national was arrested and pled guilty to charges of bribery of a public official. A reverse-bribe investigation by the McAllen Field Office developed evidence that the Mexican national offered an INS immigration inspector \$1,500 in return for entry into the United States after the immigration inspector had canceled his and two other Mexican nationals' Border Crossing Cards. Following the initial bribe attempt, the immigration inspector contacted the OIG and was instructed to initiate a second meeting at which the subject paid the immigration inspector \$800 for three Border Crossing Cards and three I-94 forms (Record of Arrival/Departure). Subsequent to the bribe payment, OIG agents arrested the Mexican national. Sentencing is pending.

◆ In our September 2000 *Semiannual Report to Congress*, we reported on a case in which an alien was arrested on charges of bribery of a public official. During this reporting period, the alien was sentenced to 18 months' incarceration and ordered to pay \$20,833 in restitution as a result of his conviction at trial. An investigation by the Chicago Field Office developed evidence that the alien paid an INS special agent \$300 to make his fraudulent marriage appear legitimate in order to obtain a green card. The alien subsequently used his green card to obtain more than \$37,000 worth of educational loans for which he would not have been eligible without the green card.

Sexual Abuse

◆ A former BOP correctional officer assigned to the Federal Detention Center in Houston, Texas, surrendered pursuant to an information filed in the Southern District of Texas alleging sexual abuse of a ward. During an investigation by the Houston Area Office, the former correctional officer provided a written affidavit denying any sexual contact with a particular inmate. However, when faced with DNA evidence that confirmed sexual contact, the former correctional officer pled guilty to a charge of sexual abuse of a ward. He resigned from the BOP as a result of the investigation. Judicial proceedings continue.

◆ A BOP administrative officer in the Health Services Unit at the BOP Metropolitan Correctional Center in New York was arrested on charges of sexual abuse of a ward. An investigation by the OIG New York Field Office and the USAO for the Southern District of New York utilized a cooperating inmate who engaged the officer in recorded conversation about their previous sexual encounters. The undercover operation led to a 3-count information charging the officer with unlawfully engaging in sexual acts with an inmate. The officer pled guilty and resigned his position with the BOP. Sentencing is pending.

◆ In the Southern District of Florida, a BOP correctional officer assigned to the FCI in Tallahassee, Florida, was arrested and pled guilty to charges of sexual abuse of a ward. A joint investigation by the Miami Field Office and the Florida Department of Law Enforcement developed evidence that the correctional officer engaged in a sexual relationship with an inmate. The correctional officer retired from BOP as a result of the investigation. Sentencing is pending.

◆ Our September 2000 *Semiannual Report to Congress* described a case in which an INS detention enforcement officer was arrested on charges of sexually assaulting an INS detainee at the Krome Service Processing Center, the federal detention facility in western Miami-Dade County. During this reporting period, the detention enforcement officer pled guilty to charges of knowingly engaging in sexual acts with an alien detainee under his custody and control. He was sentenced to eight months' incarceration and one year of supervised release and was ordered to participate in a mental health treatment program upon his release from prison.

Misconduct

◆ A New York Field Office investigation determined that a U.S. marshal had used two on-duty police officers, who were detailed to the U.S. Marshals Service (USMS) fugitive task force, as his personal assistants. While on duty, one officer routinely drove the marshal's ailing wife home from her job and stayed with her until the marshal arrived home. In addition, the investigation uncovered that the marshal failed to report that his wife was in his official government

vehicle when he and one of the police officers were involved in an accident. Based on these findings, the marshal was removed from office.

Theft

◆ In our March 2001 *Semiannual Report to Congress*, we reported on an investigation in which an administrative employee for the USAO in Portland, Oregon, pled guilty to charges of theft of government funds. An investigation conducted by the Seattle Area Office disclosed that the employee converted more than \$39,000 in government money for her personal use. During this reporting period, the administrative employee was sentenced to ten months' incarceration and three years' supervised release. As part of a plea agreement, she agreed to make restitution and resigned her position with the USAO. This investigation resulted in the development of a Procedural Reform Recommendation that addressed weaknesses in USAO procedures and made recommendations to prevent future incidents. (See page 12.)

Alien and Drug Smuggling

◆ A joint investigation by the OIG McAllen Field Office, INS, and FBI resulted in the arrest of two INS immigration inspectors and two civilian alien smugglers on charges of conspiracy; transporting undocumented aliens; fraud and misuse of visas, permits, and other documents; and bribery. This investigation led to multiple indictments alleging that the INS inspectors and civilian smugglers helped Mexican and Central American nationals enter the United States illegally by selling INS documents for \$300 to \$500. The majority of aliens were smuggled into the United States through the INS employees' inspection lanes at the Brownsville, Texas, port of entry. Both immigration inspectors pled guilty, and one has resigned his position with the INS; sentencing is pending. Judicial proceedings continue for the two civilians.

◆ In the Southern District of California, an INS immigration inspector assigned to the Calexico, California, port of entry was arrested pursuant to an indictment alleging conspiracy to import cocaine, importation of cocaine, aiding and abetting, and disclosure of confidential information. A joint investigation by the OIG El Centro

Area Office, Customs Service, and FBI disclosed that the immigration inspector allowed a vehicle laden with more than 1,000 pounds of cocaine to enter the United States from Mexico through his inspection lane without proper inspection. The related arrests of a Calexico police officer and a civilian on importation of cocaine charges revealed the immigration inspector's involvement in the smuggling operation. Judicial proceedings continue.

◆ A 2-year investigation by the OIG Miami Field Office, DEA, Florida Department of Law Enforcement, and Florida Statewide Prosecutor's High Intensity Drug Trafficking Area resulted in the arrest of an INS immigration inspector, his wife, and three Colombian nationals on Florida state charges of conspiracy to traffic heroin. The investigation uncovered an elaborate drug smuggling operation responsible for importing at least 80 kilograms of heroin per year from Columbia, South America. Two of the Colombian nationals financed trips for persons who agreed to smuggle drugs into the United States through the Miami International Airport, generally by ingesting the drugs. The third Colombian national accompanied the drug couriers into the United States, assisting them through U.S. Customs and INS inspections with the aid of the immigration inspector and his wife. Judicial proceedings continue.

Obstruction of Justice

◆ A BOP correctional officer assigned to the FCC in Beaumont, Texas, was arrested and pled guilty to charges of conspiracy and obstruction of justice. In June 1999, the Houston Area Office received an allegation that a correctional officer struck a federal inmate handcuffed behind the back. Subsequent investigation determined that the correctional officer provided false information about his June 3 assault of an inmate and assaults by another officer in June 1997. This case resulted in the initiation of 38 additional civil rights investigations involving more than 30 FCC Beaumont correctional officers who are allegedly involved in physically abusing federal inmates. Due to the ongoing civil rights investigations, the court sealed the correctional officer's arrest and plea. The correctional officer offered subsequent proffers that led to the arrest and guilty pleas of two other

correctional officers for similar crimes. The primary correctional officer resigned his position with the BOP and was later sentenced to four years' probation, fined \$2,400, and ordered to serve 100 hours of community service.

◆ A BOP correctional officer, a member of the Special Operations Response Team (SORT) at the FCC Beaumont, was arrested on charges of witness tampering and conspiracy to obstruct justice. An investigation by the Houston Area Office led to a criminal complaint filed in the Eastern District of Texas alleging that the correctional officer, along with other SORT members, assaulted an FCC Beaumont inmate during an unauthorized SORT operation and encouraged others to provide false or misleading information in an attempt to cover up the unlawful assault. The correctional officer pled guilty to conspiracy to obstruct justice and resigned his position with the BOP. Sentencing is pending.

Mismanagement

◆ Allegations that the Boulder County, Colorado, Sheriff's Office and a private contractor defrauded the State Criminal Alien Assistance Program (SCAAP) were disproved by the Fraud Detection Office (FDO). However, while reviewing those and other allegations about SCAAP, the FDO determined that management failures of the Bureau of Justice Assistance in connection with the program may have led to the misallocation of SCAAP funds. We concluded that critical screening mechanisms were not in place and that poorly designed and managed policies permitted payments that may have been in violation of SCAAP. As a result, the FDO sent a report to the Office of Justice Programs (OJP) recommending substantial changes to the process for determining eligibility of grant applicants.

◆ Based on an investigation by the FDO and the North Carolina Governor's Crime Commission, Hoke County, North Carolina, repaid \$93,467 in Department Byrne Formula grant funds. The county manager was alleged to have purposefully submitted false documentation relating to police vehicle purchases under the grant and then diverted the funds to other uses. Although no proof of intent to defraud was sustained, the supplanted funds were recovered and returned to the state.

Child Pornography

◆ An INS district adjudications officer assigned to the INS Los Angeles District Office was arrested and pled guilty to California state charges of possession of child pornography. A joint OIG Los Angeles Field Office and San Bernadino County Sheriff's Office investigation developed evidence that the adjudications officer attempted to purchase child pornography from an undercover police officer. The investigation also developed evidence that the adjudications officer had stolen arrest reports from the INS file of a child molester who had applied for citizenship and hid these reports in his residence. He was sentenced to time served (22 days) and ordered to serve 3 years' supervised release and register with the state of California as a sex offender. The district adjudications officer resigned from the INS as a result of this investigation.

◆ An INS supervisory immigration inspector assigned to the Detroit Metro International Airport was arrested on Michigan state charges of distribution and possession of child pornography. A joint investigation by the OIG Chicago Field Office, the Canton Police Department, and the Wayne County Internet Crimes Task Force developed evidence that the supervisory immigration inspector downloaded and distributed sexually explicit photographs of young children via his personal computer at home. He was identified after a police investigation in Xenia, Ohio, led to suspects trafficking child pornography throughout the United States. Judicial proceedings continue.

Kidnapping

◆ A BOP correctional officer assigned to the U.S. Penitentiary in Florence, Colorado, was sentenced to eight years' incarceration and three years' supervised release pursuant to his guilty plea to Colorado state charges of kidnapping and menacing with a deadly weapon. A joint investigation by the OIG Colorado Springs Area Office and the Canon City Police Department revealed that the correctional officer attempted to purchase one ounce of methamphetamine. However, when the deal failed, he handcuffed

and assaulted the drug dealer and threatened to kill him with a handgun. The correctional officer was terminated by the BOP as a result of this investigation.

Exoneration

◆ The OIG received an allegation that a DEA special agent in charge had disclosed privileged information concerning the Special Agent Promotional Program (SAPP) test, which would have given an unfair advantage to a DEA special agent participating in the program. An investigation by the Washington Field Office found no evidence that any cheating occurred on the 2000 SAPP test.

Program Improvement Recommendations

Investigations prepares Procedural Reform Recommendations (PRRs) to recommend corrective action by Department components when an investigation identifies a systemic weakness in an internal policy, practice, procedure, or program. Provided below are examples of PRRs sent to components during this reporting period.

◆ An investigation by the Seattle Area Office found that the deputy administrative officer for a USAO misused her Bank One-issued government credit card and defrauded the government in the amount of \$39,104.70. The investigation substantiated that she used her government credit card to obtain unauthorized cash advances and purchase items that were subsequently converted to her own use. In her position, she authorized the issuance of third party draft checks from the Department to herself, her government-issued credit card account, and other businesses for her personal use. She also created fictitious obligation accounts, used existing obligation accounts, and forged signatures in order to improperly obtain the money. The investigation determined that the deputy administrative officer exploited her knowledge of Executive Office for U.S. Attorneys' (EOUSA) audit policies and cycles and circumvented established policies and proce-

dures for issuing third party draft checks. A weakness in Bank One's notification policy concerning misuse of credit cards also contributed to this offense. The OIG developed a PRR that addressed each of the weaknesses and offered specific recommendations to the EOUSA and Bank One to prevent future occurrences.

- ◆ The San Diego Field Office prepared a PRR that offers a suggestion to the INS for tracking a single female or a single unaccompanied juvenile alien who is apprehended and transported by a Border Patrol agent or detention enforcement officer working alone. The PRR was submitted as a result of an OIG investigation that involved a single female alien who had been apprehended and transferred to the custody of a single detention enforcement officer for transport. The alien alleged that the transporting detention enforcement officer took her to a secluded spot and sexually assaulted her. Although the Border Patrol's standard procedures involves radio contact with the Border Patrol dispatcher at the time of apprehension and whenever custody of the alien is transferred, that procedure can be circumvented by a Border Patrol agent who does not make radio contact and destroys the written record of apprehension. The PRR suggests that the Border Patrol institute a form to supplement the tracking of unaccompanied females and minors from the time of apprehension by the Border Patrol agent through turnover to a transportation officer to arrival at the Border Patrol station or other point of processing. Such tracking would increase accountability for custody of single apprehended females and juveniles and possibly reduce the number of sexual or physical assault allegations.
- ◆ The OIG receives a number of complaints alleging the theft or loss of evidence or alien property within the INS. Three separate OIG investigations, all of which found a lack of security and accountability related to the handling and storage of evidence or property within the INS, resulted in three PRRs being forwarded to the INS. Weaknesses identified included a lack of designated evidence/property custodians or too many custodians with full access to the evidence/property rooms; non-existent, inadequate, or poorly

maintained surveillance of evidence/property rooms; and a lack of training at both the staff and management level for those with evidence/property responsibilities. The OIG recommended that the INS review its policies and procedures for safeguarding evidence and property. Specifically, we recommended that the INS closely examine three areas: the existence or number of evidence/property custodians, surveillance of evidence/property rooms, and training for personnel in the appropriate handling and storage of evidence and property.

Investigations Statistics

The following chart summarizes the workload and accomplishments of Investigations during the 6-month period ending September 30, 2001.

Investigations Statistics

Source of Allegations

Hotline (telephone and mail)	670
Other sources	4,569
Total allegations received	5,239

Investigative Caseload

Investigations opened this period	363
Investigations closed this period	307
Investigations in progress as of 9/30/01	573

Prosecutive Actions

Criminal indictments/informations	74
Arrests	92
Convictions/Pleas	80

Administrative Actions

Terminations	38
Resignations	45
Disciplinary action	10

Monetary Results

Fines/Restitutions/Recoveries	\$769,698
Seizures	\$452,410
Bribe monies deposited to the Treasury	\$25,227
Civil penalties	\$93,467

The Audit Division

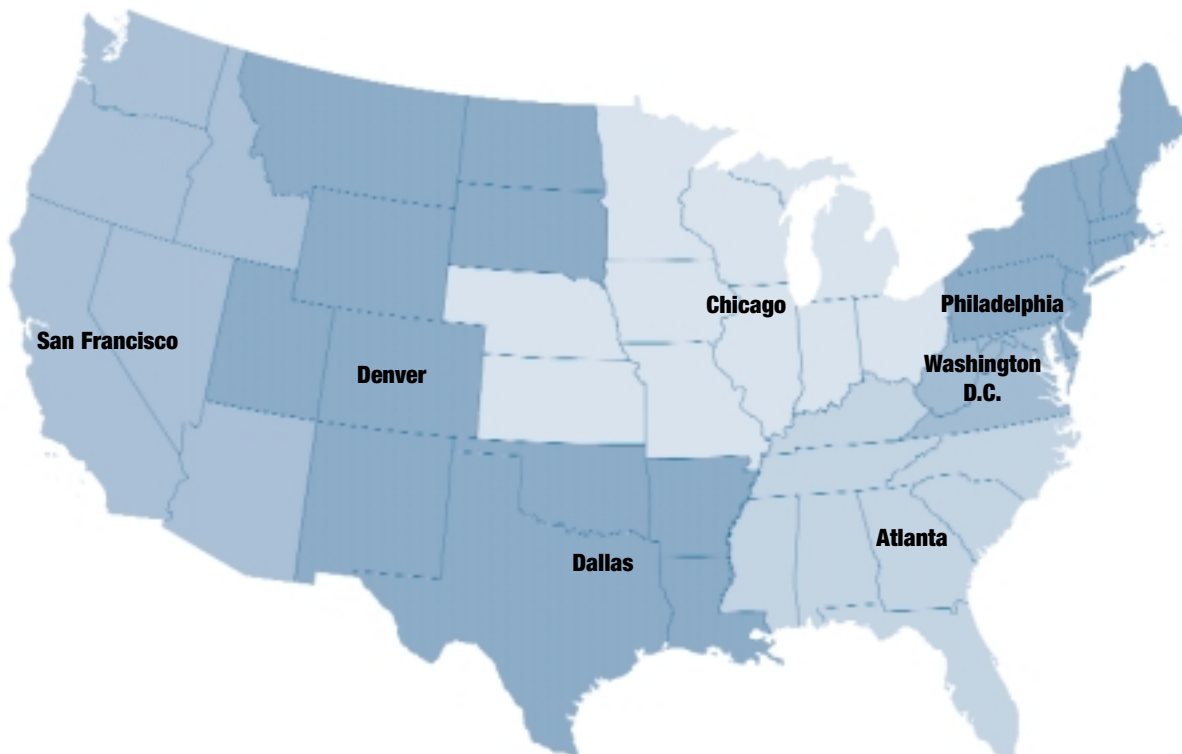
The Audit Division (Audit) audits Department organizations, programs, functions, computer technology and security systems, and financial statements. Audit also conducts or oversees external audits of expenditures made under Department contracts, grants, and other agreements. Audits are conducted in accordance with the Comptroller General's Government Auditing Standards and related professional auditing standards. Audit produces a wide variety of products designed to provide timely notification to Department management of issues that need attention.

Audit works with Department management to develop recommendations for corrective actions that will resolve identified weaknesses. By doing so, Audit remains responsive to its customers and promotes more efficient and effective Department operations. During the course of

regularly scheduled work, Audit also lends fiscal and programmatic expertise to Department components.

Audit has field offices in Atlanta, Chicago, Dallas, Denver, Philadelphia, San Francisco, and Washington, DC. The Financial Statement Audit Office and Computer Security and Information Technology Audit Office are also located in Washington, DC. Audit Headquarters consists of the immediate office of the AIG, the Office of Operations, the Office of Policy and Planning, and an Advanced Audit Techniques Group.

The field offices' geographic coverage is indicated on the map below. The San Francisco office also covers Alaska, Hawaii, Guam, the Northern Mariana Islands, and American Samoa, and the Atlanta office also covers Puerto Rico and the U.S. Virgin Islands.



During this reporting period, Audit issued 240 audit reports containing more than \$47 million in questioned costs and \$15 million in funds to better use and made 382 recommendations for management improvement. Specifically, Audit issued 18 internal reports of programs funded at more than \$115 million; 31 external reports of contracts, grants, and other agreements funded at more than \$131 million; 97 audits of bankruptcy trustees with responsibility for funds of more than \$239 million; and 94 Single Audit Act audits. Audit also issued six Management Improvement Memoranda, two Notifications of Irregularity, one Technical Assistance Memorandum, one Investigative Assistance memorandum, and ten Management Letter Transmittal Memoranda.

Significant Audit Products

The INS's Automated I-94 System

According to the INS, "overstays" – nonimmigrants who do not leave the United States when their authorized stays expire – represent about 40 percent of the estimated 6 million or more illegal immigrants currently residing in the United States. The Department's FY 1999 Annual Accountability Report, which listed the monitoring of overstays as a management challenge, stated that the collection of automated arrival and departure records would help ensure complete and reliable data on overstays.

In 1995, in response to congressional requirements, the INS began developing a system to automate the processing of airline passengers' I-94 forms, the forms INS uses to collect arrival and departure data. We audited the design and implementation of the INS's Automated I-94 System and found that the INS has not properly managed the project. As a result, despite having spent \$31.2 million on the system from FY 1996 to FY 2000, the INS (1) does not have clear evidence that the system meets its intended goal, (2) has won the cooperation of only two airlines, (3) is operating the system at only four airports, and (4) must modify the system to achieve its intended uses.

INS estimates that an additional \$57 million will be needed for FY 2001 through FY 2005 to complete the system. These projections include development, equipment, and operations and maintenance costs. As a result of our concerns and the amount of funding needed to complete the system, we made a series of recommendations to help ensure that the INS rigorously analyzes the costs, benefits, risks, and performance measures of the Automated I-94 System before proceeding with further expenditures or implementation.

In response to our audit, the INS said it plans to conduct a cost-benefit analysis prior to any additional expenditure on the Automated I-94 System. If the INS decides to proceed with the project, the INS said it will also complete the other corrective actions recommended in our report.

Computer Security Audits

During this reporting period, Audit completed a number of computer security audits. We provided management with details about the nature of any deficiencies uncovered in the audits and recommended appropriate corrective or remedial actions.

- ◆ In accordance with GISRA, we evaluated the Department's information security policies, procedures, standards, and guidelines. As part of this evaluation, we tested the effectiveness of information security control techniques for nine systems (five sensitive but unclassified and four classified systems) at the EOUSA, BOP, DEA, Justice Management Division (JMD), and FBI. We used this representative sample of Department systems to reach a conclusion regarding the effectiveness of the Department's overall security program. As required by law, we submitted a summary of our results to the Office of Management and Budget (OMB). Individual audit reports will be issued in the next reporting period.
- ◆ JMD maintains two major data processing centers to support the computer needs of the Department (excluding the FBI, which maintains two major data processing centers to support its needs). An assessment of the general controls environment for the two JMD data centers was performed in support of the FY 2000 financial statement audit of the

Department. Independent public accountants, overseen by Audit, performed the assessment in accordance with the General Accounting Office's (GAO) *Federal Information System Controls Audit Manual* (Manual). The assessment focused on evaluating the adequacy of management and internal controls.

- ◆ The FBI headquarters information system control environment was reviewed in support of the FY 2000 financial statement audit of the FBI. Independent public accountants, overseen by Audit, performed the assessment in accordance with the GAO's Manual. The assessment focused on evaluating the adequacy of management and internal controls.
- ◆ The Environment and Natural Resources Division (ENRD) receives funding from the Environmental Protection Agency under the *Comprehensive Environment Response, Compensation and Liability Act of 1980* (known as Superfund). To capture and report case management and attorney time charges, the ENRD developed an electronic case management system (CMS) that was implemented in March 1998. The CMS is an application on ENRD's Justice Consolidated Office Network 2 (JCON2), the ENRD's primary automation information system. Through independent personal computer workstations, users can access office automation applications. As a result of our findings, we made a number of recommendations for ENRD to develop and implement policies pertaining to JCON2. The ENRD agreed with our findings and said they will take action on our recommendations.

The above audit reports are not publicly available because disclosure could compromise data processed by the Department's computer systems.

The Combined DNA Index System

CODIS is a national information repository maintained by the FBI that permits the storing, maintaining, tracking, and searching of DNA specimen information to facilitate the exchange of DNA information by forensic laboratories. CODIS consists of a hierarchy of DNA indexes at the local, state, and national level. Two types of DNA profiles are maintained in CODIS: (1) forensic profiles, developed from crime scene evidence, and

(2) convicted offender profiles, developed from samples submitted by persons convicted of specific crimes. The FBI established requirements for participating laboratories that specify the types of forensic profiles allowed in CODIS.

We conducted an audit of the FBI's management of CODIS and the National Institute of Justice's (NIJ) administration of Laboratory Improvement Program (LIP) grants. The purpose of the audit was to evaluate the extent to which the FBI implemented and monitored CODIS and to determine the extent of state and local participation in CODIS, especially for those laboratories receiving LIP grants. During the course of our audit, we (1) audited eight state and local laboratories to determine if they complied with the FBI's quality assurance standards, (2) reviewed a sample of the DNA profiles those eight laboratories uploaded to CODIS to determine if they were complete, accurate, and allowable, (3) determined whether the NIJ awarded LIP grants to eligible grantees, and (4) determined whether grantees complied with the grant requirements listed in the *DNA Identification Act of 1994* (the Act).

Our audit disclosed that the FBI has made significant progress in implementing the CODIS program nationwide. However, we noted that the FBI needs to improve its oversight of participating laboratories to ensure the laboratories comply with the quality assurance standards. Of the eight laboratories we audited, four laboratories did not fully comply with the FBI's quality assurance standards. These laboratories agreed to initiate corrective action to resolve the findings from our audits. In addition, although CODIS-participating laboratories are required to undergo annual audits, we noted that the FBI did not have a process in place to ensure that laboratories institute appropriate corrective action for audit findings. FBI personnel stated that they were working to develop such a process and had initiated a pilot program to address this recommendation.

At six of the eight laboratories audited, we found 49 unallowable or incomplete forensic profiles in CODIS out of the 608 forensic profiles reviewed. Further, at two of the eight laboratories, we identified 6 incomplete or unallowable convicted offender profiles in CODIS out of the 700 convicted offender profiles we reviewed.

Generally, the laboratories either removed the unallowable profiles from CODIS or corrected incomplete profiles when we notified them of the problem. To ensure that DNA profiles in CODIS are complete, accurate, and allowable, we recommended that the FBI (1) routinely verify the accuracy, completeness, and allowability of the DNA profiles uploaded to the national index system, and (2) require that laboratories advise DNA analysts of the requirements concerning allowable DNA profiles on an annual basis. The FBI agreed with both recommendations and is working to develop policies and procedures to routinely review CODIS DNA profiles and ensure DNA analysts are aware of the requirements concerning allowable profiles.

Our audit disclosed that the NIJ awarded LIP grants totaling \$30.7 million to eligible grantees and that the grantees generally complied with the matching fund and indirect cost requirements. However, we noted that the NIJ did not ensure that all LIP grants met the requirements of the Act. Of the seven grants reviewed, one grantee received two grants totaling almost \$1.38 million that did not call for the grantee to provide matching funds as required by the Act. The NIJ agreed that the grantee should have been required to provide matching funds. Subsequent to the audit, the NIJ provided documentation demonstrating that the grantee provided adequate matching funds for the project funded by the LIP grants.

CODIS Laboratory Audits

To date, Audit has conducted reviews of 12 laboratories that participate in the FBI's CODIS. During this reporting period, we reviewed laboratories in Austin, Texas, and Frankfort, Kentucky. The laboratory audits were conducted to determine compliance with the FBI's Quality Assurance Standards (QAS) and National DNA Index System (NDIS) requirements and to evaluate the accuracy and appropriateness of the data states and localities have submitted to the FBI. The QAS place specific requirements on laboratories, and the NDIS requirements establish the responsibilities and obligations for laboratories that participate in the program. DNA profiles that clearly match a victim of a crime or another known person other than the suspected perpetrator cannot be included in

the FBI's system. In addition, state legislation establishes the specific crimes for which the DNA profiles of convicted offenders must be obtained and may be submitted to the FBI.

We found, for example, the following exceptions for the Kentucky State Police Forensic Laboratory (Laboratory):

- ◆ The Laboratory had not identified its critical reagents in writing and had not monitored the courtroom testimony of two of its four analysts during the preceding two years. In response to our findings, Laboratory officials stated that they would amend their Quality Control/Quality Assurance Protocol to specify which reagents are critical and that they would institute procedures to ensure that testimony of all analysts is monitored annually.
- ◆ Of the 200 profiles we reviewed, the Laboratory improperly uploaded three DNA profiles to NDIS. Two of those profiles were from convicted offenders who had not violated a Kentucky statute for which DNA collection was permitted, and the other profile matched the DNA profile of the victim in the case. In response to our findings, Laboratory management took immediate steps to remove the three inappropriate profiles from CODIS databases and provided to us documentation of removal prior to the conclusion of audit fieldwork.

The Department's Reliance on Private Contractors for Prison Services

The housing of federal prisoners and detainees is the responsibility of three Department components: the BOP, INS, and USMS. In addition to using their own facilities, all three components obtain space for prisoners through contracts with private contractors and intergovernmental agreements with state and local governments.

We conducted a review to determine the extent to which the Department relies on private contractors for prison and detention services and the status of contingency planning in the event a contractor is unable to carry out its contractual obligations. We found that about 18,000 federal prisoners and detainees are housed each day in facilities owned or operated by private

contractors. Three contractors provide most of the private prison space to the Department. The largest of these providers has experienced severe financial difficulty, and that company's independent auditor expressed concern about its continued operation. We also found that while the BOP, INS, and USMS have plans for dealing with short-term emergency situations at individual contract facilities, they lack overall contingency plans to address potential large scale disruption of private contractor facilities nationwide.

The Department's reliance on a few large private prison contractors raises concerns about how the Department would respond to a long-term loss of multiple private contractor facilities across the country. We concluded that without coordinated contingency planning, the disruption of contract services could lead to a host of legal, health, financial, logistical, safety, and security issues for the Department.

Implementation of the Collection Litigation Automated Support System

The Department's Office of Debt Collection Management (DCM) tracks all civil debts referred by other federal agencies to the Department for litigation and collection. As of September 30, 1999, the balance of civil debts owed totaled about \$3.2 billion. In past years, Department components have used multiple automated systems to track and manage civil debts, and the Department has had a poor record of managing debts. In May 1998, the Department awarded a contract to provide an automated debt collection management system, the Collection Litigation Automated Support System (CLASS), to replace the civil debt collection systems within the USAOs and private attorneys' offices and, ultimately, within all Department components.

We audited the status of CLASS implementation. We found that as of October 1, 2000, DCM was at least 18 months behind schedule in implementing CLASS and had incurred more than \$4.6 million in additional costs. DCM estimated monthly additional costs of more than \$400,000 pending completion. Delays resulted from management indecision, changes in telecommunications requirements, and disagreements between DCM and the EOUSA about CLASS's capabilities. After those disagreements had been unresolved for

more than a year, and after we informally communicated our concerns to DCM officials, the Assistant Attorney General for Administration (AAGA) established a team of independent consultants to perform a study of the systems in use by the USAOs and private attorneys' offices and to recommend the system that best meets the Department's requirements. The team's report, issued on January 19, 2001, recommended that CLASS be modified and used as the single debt collection system for the Department.

Our audit found that (1) the timeliness of entering debt-related data into CLASS by private attorneys' offices could usually not be determined because most offices did not record when incoming documents were received, (2) many CLASS users were dissatisfied with CLASS's method of generating documents and tracking cases, and (3) summary debt collection reports contained material discrepancies. For example, in FY 1998 and FY 1999, unaccounted for differences of \$98.3 million and \$219.8 million, respectively, existed between the dollar amounts reported as collected and the dollar amounts reported as deposited in the U.S. Treasury.

We recommended that the AAGA take actions to (1) implement the independent consultants' recommendations to minimize further delays in implementing CLASS, (2) revise performance goals for implementing CLASS, (3) establish procedures to ensure data is entered timely into CLASS, (4) obtain certifications from the USAOs as to the accuracy of data before migrating the data to CLASS, and (5) obtain input from CLASS users about problems with CLASS and take actions to address those problems. The last three recommendations have been closed, and actions that will close the other two recommendations are being finalized.

INS Deferred Inspections at Airports

The INS is responsible for facilitating entry into the United States of citizens and legally admissible visitors and immigrants while preventing unlawful entry by those not entitled to admission. The more than 75 million individuals who annually seek entry into the United States through airports are required to undergo a primary inspection during which an INS inspector examines documents, performs immigration

and customs database queries, and questions the traveler. When additional examination is required, individuals are sent to secondary inspection. We estimate that 1 million individuals are referred for secondary inspection annually. If an immediate decision regarding admissibility cannot be made at the secondary inspection, INS inspectors have the discretion to defer the inspection until a later date so that documentary evidence – such as an existing INS file – can be reviewed. In these cases, the individual is admitted (or “paroled”) into the country and must report to an INS district office at a later date to complete the inspection.

We reviewed the INS’s practices by examining a statistical sample of 725 deferred inspections cases. We found that nearly 11 percent (79 of 725) of the individuals paroled into the country under the deferred inspections process in this sample failed to appear at an INS office to complete their inspection. Of the one million individuals referred to secondary inspection during our 1-year review period, we estimate that more than 10,000 inspections were deferred. While deferred inspections represent a small percentage of total airport inspections, we found that the INS failed to track these inspections to completion or to penalize individuals who fail to appear.

We also determined that adequate procedures were not in place to ensure that individuals who fail to appear are either brought in to complete their inspections or are appropriately penalized for failing to appear. In many cases, the INS failed to initiate follow-up activity of any kind. Our analysis revealed that among those who failed to appear, INS inspectors had identified over 50 percent as either having criminal records or immigration violations at the time of entry. Subsequent OIG inquiries of criminal history databases revealed that nine individuals in our sample were either charged or convicted of crimes considered to be aggravated felonies after their deferral, making them possibly subject to deportation.

We also found that the INS’s controls were not adequate to determine the effectiveness of the deferred inspection process or the number of individuals deferred and the outcome of those inspections. We found that records maintained at airports and district offices were incomplete.

Inspectors at all nine airports we visited destroyed deferral documentation after limited and varied retention periods. The paper-based tracking of deferred inspections failed to provide an adequate agencywide system of tracking deferrals. As a result, inspectors were unable to detect parole violators and other repeat offenders upon their reentry into the United States.

We recommended that the INS (1) implement an agencywide automated tracking system for deferred inspections, (2) establish or clarify policies and procedures concerning the granting, completing, and reporting of deferred inspections, and (3) conduct proper follow-up on all individuals who fail to appear for their deferred inspection, with special emphasis on the nine individuals identified in the report who were later either charged with or convicted of aggravated felonies.

IGA Audit of York County Prison

We completed an audit of the cost incurred by the York, Pennsylvania, County Prison, to house INS, USMS, and BOP detainees for the Department under Intergovernmental Service Agreements (IGA) between the agencies and York County. For the period January 1, 2000, through December 31, 2000, the INS paid York County \$16 million to house an average of 729 detainees per day, the USMS paid \$280,000 to house an average of 17 detainees per day, and the BOP paid \$7,000 to house an average of 0.4 detainees per day. In total the INS, USMS, and BOP paid York County \$16.3 million for housing detainees and an additional \$872,000 for services such as out-of-prison medical care and translators.

Our audit was initiated in response to a newspaper article that indicated that the INS paid York County substantially more than its cost for housing INS detainees. The object of the audit was to establish audited jail day rates for each IGA based on allowable incurred costs and jail days used during the audit period and to determine whether York County was properly reimbursed. We determined that the Department overpaid York County \$6 million for the review period, and we identified \$6.4 million in future funds to better use.

IGA Audit of Wicomico County Department of Corrections

We completed an audit of the cost incurred by the Government of Wicomico County, Maryland, to house INS detainees for the Department in accordance with an IGA between the INS and Wicomico County. For the period July 1, 1999, through June 30, 2000, the INS paid Wicomico County \$2.4 million to house an average of 132 detainees per day.

Similar to our review of the IGA with York County, our audit was initiated in response to a newspaper article that indicated that the INS paid Wicomico County more than the cost of housing INS detainees. The object of the audit was to establish an audited jail day rate for the IGA based on allowable incurred costs and jail days used during the audit period and to determine whether Wicomico County was properly reimbursed. Based on our audited jail day rate, we determined that the Department overpaid Wicomico County \$347,000 for the review period, and we identified \$297,000 in future funds to better use.

COPS Grant Audits

The *Violent Crime Control and Law Enforcement Act of 1994* (Crime Act) authorized \$8.8 billion for grants to add 100,000 police officers to the nation's streets. During this reporting period, we performed 20 audits of COPS hiring and redeployment grants. Our audits identified more than \$14 million in questioned costs and more than \$1.4 million in funds to better use.

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

- ◆ The El Paso, Texas, Police Department was awarded more than \$24.3 million in COPS grants to hire 231 additional sworn law enforcement officers and to redeploy 86 police officers into community policing activities through the hiring of civilians and purchase of equipment. We determined that the Police Department budgeted for a decrease in local officer positions, salaries, and fringe benefits, did not hire and maintain the required number of officers, did not retain all grant-funded officers, is unlikely to retain 100 additional officers, and could not demonstrate the redeployment

of officers into community policing as a result of hiring civilians. Due to these deficiencies, we identified nearly \$7.2 million in questioned costs and recommended \$314,344 be put to better use. This report is resolved.

- ◆ The Manchester, Connecticut, Police Department was awarded nearly \$1.5 million in COPS grants to hire 12 additional sworn law enforcement officers and to redeploy 18 police officers into community policing activities by hiring civilians and purchasing equipment. We determined that the Police Department did not provide the required local matching funds, received excess reimbursement, charged unallowable costs to its grants, could not demonstrate the redeployment of officers into community policing as a result of hiring civilians and purchasing equipment, did not enhance community policing by the number of officers funded by the grants, and did not submit timely grant monitoring reports. As a result of these deficiencies, we identified \$506,779 in questioned costs and recommended \$86,664 be put to better use. This report is resolved.
- ◆ The Texas Tech University Police Department was awarded \$356,655 in COPS grants to hire five additional sworn law enforcement officers. We determined that the Police Department used grant funds to pay for officers that were previously funded locally, did not retain the five grant-funded positions, charged unallowable costs to its grant, and had grant funds remaining after the grant had expired. As a result, we identified \$355,106 in questioned costs. This report is unresolved because the OIG and COPS disagree on the action necessary to remedy the questioned costs because the police department did not retain five grant-funded positions.

State and Local Equitable Sharing Audits

The Department's equitable sharing program exists to enhance cooperation among federal, state, and local law enforcement agencies by sharing federal forfeiture proceeds. State and local law enforcement agencies may receive equitable sharing revenues by participating directly with Department components in joint

investigations leading to the seizure or forfeiture of property. The amount shared with the state and local law enforcement agencies is based on the degree of the agencies' direct participation in the case.

During this reporting period, we audited the Miami, Florida, Police Department's accountability and use of more than \$2 million in cash and proceeds received through the equitable sharing program during a 27-month period. We found that the Police Department did not always comply with Department guidelines governing equitable sharing funds. The Police Department inappropriately transferred equitable sharing funds to four non-law enforcement entities and made an inappropriate charge against its equitable sharing account. As a result, we questioned \$163,605 in equitable sharing funds.

Department Financial Statement Audits

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

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

Each of these audits was performed in support of the FY 2000 consolidated Department audit, which was issued in the prior semiannual reporting period. The audit resulted in an

unqualified opinion on the FY 2000 consolidated balance sheet and statement of custodial activity and a qualified opinion on the other financial statements.

Because the Department lacks automated systems to readily support financial statement preparation and ongoing accounting operations, many tasks had to be performed manually. One such task, the year-end count of INS applications needed to determine deferred revenue, involved substantial manual effort and caused delays in processing applications. Other problems resulted from the lack of integration between the Department's automated accounting systems and subsystems. The Department's finance staffs had to perform additional manual reconciliations of data because of system deficiencies. In addition, the Department incurred substantial costs and depended heavily on contractors to assist in the cleanup of accounting transactions and provide other accounting support. The Department's ability to maintain or improve its audit results will require continuation of the efforts expended this year; any decrease in this effort could adversely affect the Department's audit results. A comparison of the audit results for FY 2000 and FY 1999 follows.

Comparison of FY 2000 and FY 1999 Audit Results

Reporting Entity	FY 2000		FY 1999	
	Balance Sheet ¹	Other Financial Statements	Balance Sheet	Other Financial Statements
Consolidated Department of Justice	U	Q	Q	Q
Assets Forfeiture Fund and Seized Asset Deposit Fund	U	U	U	U
Bureau of Prisons	U	U	U	U
Drug Enforcement Administration	U	U	U	U
Federal Bureau of Investigation	U	U	U	U
Federal Prison Industries, Inc.	Q	Q	U	U
Immigration and Naturalization Service	U	Q	Q	Q
Offices, Boards, and Divisions	U	U	U	U
Office of Justice Programs	U	U	U	U
U.S. Marshals Service	U	U	U	U
Working Capital Fund	U	U	U	U

D - Disclaimer of Opinion
 Q - Qualified Opinion
 U - Unqualified Opinion

¹ For FY 2000, the consolidated statement of custodial activity also received an unqualified opinion.

Trustee Audits

Audit contributes significantly to the integrity of the bankruptcy program by conducting performance audits of trustees under a reimbursable agreement with the EOUST. During this reporting period, Audit issued 97 reports on the Chapter 7 bankruptcy practices of private trustees under Title 11, United States Code (Bankruptcy Code).

The Chapter 7 trustees are appointed to collect, liquidate, and distribute personal and business cases under Chapter 7 of the Bankruptcy Code. As a representative of the bankruptcy estate, the Chapter 7 trustee serves as a fiduciary, protecting the interests of all estate beneficiaries, including creditors and debtors.

We conduct performance audits on Chapter 7 trustees to provide U.S. Trustees with an assessment of the trustees' compliance with bankruptcy laws, regulations, rules, and the requirements of the Handbook for Chapter 7 Trustees. Additionally, the audits assess the quality of the private trustees' accounting for bankruptcy estate assets, cash management practices, bonding, internal controls, file maintenance, and other administrative practices.

Single Audit Act

The *Single Audit Act of 1984*, as amended, requires recipients of more than \$300,000 in federal funds to arrange for audits of their activities. Federal agencies that award federal funds must review these audits to determine whether prompt and appropriate corrective action has been taken in response to audit findings.

During this reporting period, Audit reviewed and transmitted to OJP 94 reports encompassing 771 Department contracts, grants, and other agreements totaling more than \$486 million. These audits report on financial activities, compliance with applicable laws, and the adequacy of recipients' management controls over federal expenditures.

Audits in Progress

During the reporting period, Audit performed work on several significant projects that are not yet completed, including the following:

Accountability for Selected Law Enforcement Equipment

At the request of the Attorney General, the OIG initiated audits of the accountability for firearms and laptop computers throughout the Department. The Attorney General made the request after disclosures about missing weapons and laptop computers and the need for improved accountability in the FBI and INS. Our objectives are to determine the adequacy of internal controls over this equipment and the reliability and accuracy of components' property records.

Critical Infrastructure Protection

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

As part of an effort sponsored by the President's Council on Integrity and Efficiency (PCIE), we are performing an audit of the Department's planning and assessment activities for protecting its physical infrastructure. We will report on the Department's ability to accomplish vital missions in the event of terrorist attacks or similar threats.

GISRA Audits

We continue to perform audits of the Department's information security policies, procedures, standards, and guidelines. Audit plans to issue a series of individual audit reports on each of the nine systems tested at the EOUSA, BOP, DEA, JMD, and FBI, as well as consolidated reports on the collective systems. While we anticipate issuing these reports in the next reporting period, they will likely not be available publicly because of security concerns.

Maintenance and Disposal of Seized Assets

We are conducting an audit to assess whether seized assets are adequately secured, maintained, and accounted for and whether forfeited assets are disposed of in a cost-effective, timely manner.

Audit Follow-Up

OMB Circular A-50

OMB Circular A-50, Audit Follow-Up, requires audit reports to be resolved within six months of the audit report issuance date. Audit continuously monitors the status of open audit reports to track the audit resolution and closure process. As of September 30, 2001, the OIG had closed 167 audit reports and was monitoring the resolution process of 509 open audit reports.

Unresolved Audits

Audits Over Six Months Old Without Management Decisions or in Disagreement

As of September 30, 2001, the following audits had no management decisions:

- ◆ Combined DNA Index System Activities, Minnesota Bureau of Criminal Apprehension Forensic Science Laboratory
- ◆ Puerto Rico Office of Youth Affairs for FY 1998
- ◆ Puerto Rico Office of Youth Affairs for FY 1999
- ◆ The City of Cathedral City, California
- ◆ The City of East Point, Georgia
- ◆ The Metropolitan Police Department, Washington, DC
- ◆ The State of Idaho
- ◆ The Town of Rhodell, West Virginia
- ◆ U.S. Marshals Service Intergovernmental Service Agreement for Detention Facilities with the Government of Guam
- ◆ White Pine County, Nevada, for FY 1998
- ◆ White Pine County, Nevada, for FY 1999

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	\$3,502,249
Issued during period	11	\$15,755,799
Needing management decision during period	14	\$19,258,048
Management decisions made during period:		
◆ Amounts management agreed to put to better use ¹	9	\$5,979,066
◆ Amounts management disagreed to put to better use	0	\$0
No management decision at end of period	5	\$13,278,982

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

Audits With Questioned Costs

Audit Reports	Number of Audit Reports	Total Questioned Costs (including unsupported costs)	Unsupported Costs
No management decision made by beginning of period	61	\$21,950,941	\$7,770,992
Issued during period	45	\$47,637,192	\$3,780,825
Needing management decision during period	106	\$69,588,133	\$11,551,817
Management decisions made during period:			
◆ Amount of disallowed costs ¹	75	\$28,535,291	\$4,368,036
◆ Amount of costs not disallowed	0	\$0	\$0
No management decision at end of period	31	\$41,052,842	\$7,183,781

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

Audits Involving Recommendations for Management Improvements

Audit Reports	Number of Audit Reports	Total Number of Management Improvements Recommended
No management decision made by beginning of period	110	244
Issued during period	127	382
Needing management decision during period	237	626
Management decisions made during period:		
◆ Number management agreed to implement ¹	151 ²	451
◆ Number management disagreed to implement	0	0
No management decision at end of period	89	175

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

² Includes three reports where management has agreed with some but not all of the reports' recommendations.

The Evaluation and Inspections Division

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

Significant Reviews

Unaccompanied Juveniles in INS Custody

In FY 2000, the INS detained 4,136 unaccompanied illegal juveniles for longer than 72 hours. The average length of time in custody was 33 days. The INS contracts with licensed facilities for shelter care programs, group homes, foster homes, and secure juvenile detention facilities to house the 400 to 500 unaccompanied juveniles in its custody at any one time.

We reviewed the treatment of unaccompanied illegal juveniles who are held in INS custody and placed into formal immigration proceedings. We examined the policies and procedures developed by the INS in response to its 1997 settlement agreement of a class-action lawsuit related to detention, processing, and release of unaccompanied illegal juveniles.

We found that, since it signed the settlement agreement, the INS has made significant improvements in its juvenile program, such as training its employees on new procedures and increasing juvenile bed spaces from 130 in FY 1997 to more than 500 in FY 2000. However, our review found deficiencies at INS districts, Border Patrol sectors, and INS headquarters that could

have potentially serious consequences for the well-being of juveniles. Major findings discussed in our report include:

- ◆ Non-delinquent juveniles are not always segregated from delinquent juveniles; 34 of 57 secure facilities did not have procedures or facilities to properly segregate these two groups. As a result, in FY 2000 non-delinquent and delinquent juveniles may have been housed together in as many as 484 incidents.
- ◆ Although the INS is required to visit all juveniles in its custody on a weekly basis, in three of the eight districts we reviewed, juvenile coordinators were not regularly conducting such visits. In addition, we found that the INS does not have procedures in place to document visits.
- ◆ We found that in FY 2000 the INS was unable to place 19 juveniles in an appropriate secure detention facility or a non-secure shelter within three to five days of entering INS custody, and the data recorded was insufficient to permit a determination for another 90 - juveniles.
- ◆ The lack of adequate administrative support in several districts hampered the work of juvenile coordinators and hindered the effectiveness of the INS's juvenile program.
- ◆ The INS does not analyze the data on juveniles it collects to identify systemic problems or trends that might indicate problems.
- ◆ After their release from custody, 68 percent of the juveniles in our sample failed to appear for their immigration hearings.

Our report contains 28 recommendations to improve the INS's juvenile detention policies and procedures. The INS concurred with all of our recommendations.

Juvenile Repatriation Practices at Border Patrol Sectors on the Southwest Border

As a complement to our review of unaccompanied illegal juveniles in INS custody, we examined whether the Border Patrol promptly returns unaccompanied Mexican juveniles to Mexico. In FY 2000, the Border Patrol apprehended 94,823 accompanied and unaccompanied Mexican juveniles who it subsequently returned to Mexico. These juveniles were not entered into formal immigration proceedings and were expected to be released from INS custody within a few hours.

Our review focused on the El Centro Border Patrol Sector (El Centro), one of nine Border Patrol sectors along the southwest border. In addition to reviewing activities in El Centro, we conducted 1-day unannounced visits at 7 of the 72 Border Patrol stations in other sectors across the southwest border.

We found that El Centro detains unaccompanied Mexican juveniles in holding cells for longer than several hours. From March through May 2001, 42 of the 591 unaccompanied Mexican juveniles returned to Mexico by El Centro were not repatriated within several hours of apprehension. In each of the 42 cases, juveniles were detained over a weekend at Border Patrol stations in holding cells built for temporary confinement.

El Centro officials told the OIG that their "hands are tied" by local agreements with the Mexican Consulate that require a consular interview before a juvenile may be returned to Mexico. Because Mexican officials are not usually available to conduct juvenile interviews on weekends, Mexican juveniles apprehended on weekends often must wait until Monday morning for their interviews. We also found incomplete record keeping procedures in El Centro that made it difficult to establish a complete custody history for apprehended juveniles. Finally, we found that the INS has not established national guidelines for the Border Patrol to apply to unaccompanied Mexican juveniles it intends to return to Mexico.

During the 1-day visits to seven other locations, we found that the Border Patrol stations usually detain juveniles for only a matter of hours

before repatriating them to Mexico. However, we found problems with record keeping at four locations and inadequate detention facilities at four locations. We made seven recommendations to help reduce the time unaccompanied Mexican juveniles remain in Border Patrol holding cells and to improve conditions for juveniles who cannot be promptly returned to Mexico. The INS concurred with all of our recommendations.

The INS Escort of Criminal Aliens

In 1998, the INS adopted a policy of assigning INS officers to escort dangerous aliens who are being removed from the United States to non-border countries on commercial flights. Because of the importance of this issue to public safety, we reviewed the INS's implementation of this policy.

In FY 1999 and FY 2000, the INS removed 139,000 criminal aliens, 30,000 of whom had been involved in violent acts that included homicide, sexual assault, and kidnapping. We estimate that 9,000 of those criminal aliens were removed by aircraft, about 80 percent on commercial flights.

We found that the INS placed the traveling public at potential risk because it did not consistently follow its own escort policy. In three of the four districts we visited, INS supervisory field officials disregarded provisions of the INS escort policy, resulting in the transportation of violent aliens on commercial airlines without escorts. In addition, the INS did not identify some dangerous aliens during the routine pre-removal alien file review process. We also found that INS field officials often failed to provide the required ratio of escorts to dangerous aliens, and the INS did not always provide escorts during the final segment of multi-flight removal trips. Finally, the INS did not adequately coordinate its escort process with the Department of State to facilitate arrival of the criminal aliens in foreign countries.

We recommended that the INS direct each district office to ensure that all aliens charged with or convicted of violent crimes are properly escorted, to implement quarterly reviews of criminal deportation cases, and to certify compliance with the escort guidelines. We also recommended that the INS ensure notification and coordination with the Department of State relating to the removal process. The INS concurred with our recommendations.

The USMS Discipline Process

We evaluated the discipline process in the USMS to determine whether discipline actions taken in response to substantiated misconduct allegations were consistent, timely, and in accordance with USMS policy. To conduct this review, we selected 50 USMS misconduct cases that were closed during FY 1998 to FY 2000. We found 25 cases in which the consistency or the degree of the discipline raised serious concerns. In addition, the rationale for final discipline decisions was not adequately documented in these cases. In 8 of the 50 cases, we also found no documented evidence in the employees' official personnel folders that discipline actions had been enforced. In 14 of the 50 cases, we found significant periods of unexplained elapsed time that prolonged case adjudication. The overall adjudication timeline for these 14 cases ranged from 89 to 330 days, with unexplained elapsed time ranging from 61 to 217 days. Because of incomplete or inaccurate information in the USMS's official case files and automated personnel database, we were unable to reconstruct case events to account for these gaps in time.

Timeliness of case processing was also a problem in the USMS's Alternative Dispute Resolution (ADR) Program, an informal method for mediating disputes. We found that 66 percent of the misconduct cases in the ADR Program had exceeded the Program's established time limit of 60 days.

In addition, the USMS has not fully developed and implemented performance standards for the formal adjudication of misconduct cases. Therefore, personnel involved in processing misconduct cases do not have complete performance goals, standards, and measures to guide their work or identify strengths and weaknesses in case adjudications. We also found a need for improved coordination among the various USMS entities involved in the discipline process. During our interviews, officials expressed concern or uncertainty about their responsibilities and about the procedures, timelines, and quality of the discipline process.

Finally, we found that the USMS is not reporting all allegations of misconduct to the OIG as required by OIG policy. For FY 1998 to FY 2000, the USMS failed to report a total of 239 misconduct

allegations. These allegations included firearms violations, discrimination complaints, fraud, and hostile work environment misconduct. Furthermore, we found that allegations related to 16 of the 50 cases in our sample were not reported to the OIG. We made 12 recommendations to help the USMS improve its discipline process.

Travel Charge Card Delinquencies in the INS

The Department provides employees with travel charge cards to use for official government travel and expects those employees to pay the Department's contractor, Bank One, for any charges incurred. While examining issues related to procurement cards, we learned that Department employees were accruing significant travel charge card debts. In a report issued during the previous reporting period, we determined that unpaid debt over the 2-year period from November 1998 to December 2000 amounted to \$1.2 million. Because INS employees accounted for nearly \$825,000, or 69 percent, of this debt, we conducted a separate review to identify ways for the INS to strengthen its travel charge card program and reduce delinquencies. We selected a sample of 54 INS travel charge card delinquencies from Bank One's January 1, 2001, report of cardholders who were 120 to 180 days delinquent. We identified the INS's procedures for monitoring delinquencies and obtained detailed information on individual delinquencies by contacting INS travel card coordinators. We also discussed procedures with the Bank One official responsible for the Department's account and examined a variety of reports and data he provided.

The high delinquency rates of INS employees indicate that significant improvements are needed in the INS's administration of its travel charge card program. We recommended the following improvements: (1) greater management support for and oversight of the travel charge card program; (2) more timely identification by the program coordinators of delinquencies and misuse, and referral to cardholder supervisors, management, and investigative units for resolution; (3) stronger actions by management against those who misuse their credit cards or neglect to pay their bills; (4) stronger controls

over access to travel cards and use of automated teller machines when not in travel status; and (5) better education of managers, supervisors, coordinators, and cardholders on their roles and responsibilities. The INS concurred with our recommendations.

Indian Gaming Crimes and Child Pornography and Obscenity Prosecutions

During this reporting period, the OIG responded to congressional requests for information on the Department's prosecution of Indian gaming crimes and child pornography and obscenity crimes. We analyzed data from 1992 to 2000 pertaining to Indian gaming crime prosecutions, including the number of cases referred to the USAOs by source of referral; the number of cases prosecuted; the number of cases declined, by reason for declination; and the results of the prosecutions. We also interviewed officials from several Department components, the FBI, and the Office of Tribal Justice to discuss the Department's role with respect to the Indian gaming industry. Finally, we obtained information on the possible infiltration of organized crime into the Indian gaming industry and the Department's opinion of the effectiveness of the National Indian Gaming Commission (Gaming Commission), which regulates the industry.

We found that the Department investigates and prosecutes few cases relating to Indian gaming. Instead, most Indian gaming violations are resolved civilly through regulatory channels, such as the Gaming Commission. However, Department officials expressed concern about the Gaming Commission's ability to meet its regulatory responsibilities given its limited staff.

The OIG also analyzed data from 1992 to 2000 pertaining to child pornography and adult obscenity crime prosecutions, including the number of cases referred to the USAOs by source of referral; the number of cases prosecuted; the number of cases declined, by reason for declination; and the results of the prosecutions. In addition, we interviewed officials from several Department components to discuss their roles in investigating and prosecuting child pornography and adult obscenity crimes. We found that the Department has established several pro-

grams to focus on the investigation and prosecution of crimes against children. As a result, child pornography investigations and prosecutions have increased steadily during the past few years.

Ongoing Reviews

During this reporting period, E&I worked on several reviews that we anticipate issuing in the next reporting period.

International Extradition of Fugitives

The Department's Office of International Affairs (OIA) within the Criminal Division advises federal and state prosecutors about the procedures for requesting extradition from abroad and handling foreign extradition requests for fugitives found in the United States. Inspectors evaluated how the OIA manages the extradition process. The draft report will offer recommendations to address problems with the OIA's management of both individual extradition cases and its overall caseload.

The DEA's Response to Newly Diverted Controlled Substances

The DEA's Diversion Control Program is responsible for deterring the diversion of legal pharmaceutical drugs to the illicit drug trade. One such drug is OxyContin, an opium-derived medication intended for managing major pain. The illegal use of OxyContin as a recreational drug has been increasing at an alarming rate since its introduction in 1996, and many deaths have been attributed to abuse of this drug. The DEA's response to the OxyContin problem should give us insight into the effectiveness of the DEA's Diversion Control Program.

Follow-Up Activities

Unresolved Reviews

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

Evaluation and Inspections Statistics

The chart below summarizes E&I's accomplishments for the 6-month reporting period ending September 30, 2001.

E&I Workload Accomplishments	Number of Inspections
Reviews active at beginning of period	5
Reviews canceled	1
Reviews initiated	8
Final reports issued	7
Reviews active at end of reporting period	5

The Office of Oversight and Review

The Office of Oversight and Review (O&R) – formerly the Special Investigations and Review Unit – is composed of attorneys, special agents, program analysts, and administrative personnel. O&R investigates sensitive allegations involving Department employees, often at the request of the Attorney General, senior Department managers, or Congress. O&R also conducts systemic reviews of Department programs, such as a review of the BOP's system of monitoring inmates' use of prison telephones.

Significant Activities

- ◆ In May 2001, federal prosecutors informed attorneys for Timothy McVeigh and Terry Nichols, who had been convicted for crimes arising from the 1995 bombing of the Alfred P. Murrah Federal Building in Oklahoma City, Oklahoma, that more than 700 documents and other materials relating to the FBI's investigation had not been disclosed to the defense before trial. The government conceded that the failure to disclose the documents violated a discovery agreement in place at the time of the defendants' trials. The belated disclosure of documents led to widespread media attention and accusations that the government had intentionally failed to provide exculpatory material to the defendants. The Attorney General asked the OIG to investigate the belated disclosure of the materials, and the OIG assembled an 11-person team consisting of attorneys, special agents, auditors, and support personnel. Within four months, the team conducted more than 180 interviews, reviewed thousands of documents, and conducted on-site investigations at 13 FBI field offices. The OIG is currently drafting its report of investigation.
- ◆ The OIG has received an increasing number of complaints by FBI personnel alleging violations of the whistleblower regulations. During this reporting period, O&R investigated and closed two such whistleblower matters. In one, the OIG found that a senior FBI manager retaliated against a special agent by threatening to change aspects of the special agent's job. The threats were made after the special agent had complained that the manager had given improper instructions for completing time and attendance records. In the second matter, the OIG did not find that FBI managers retaliated against a senior FBI official.
- ◆ O&R completed its investigation of an allegation that DEA officials improperly closed a criminal investigation due to political pressure and that a DEA official made false statements to a congressional committee. The OIG did not substantiate the allegation that the DEA's criminal case was closed because of political pressure. We concluded that a senior manager in the DEA field office unilaterally curtailed the investigation without properly analyzing the situation or fully considering the consequences of his decision before acting. We also concluded that the manager's statements to the committee were incomplete and misleading.
- ◆ O&R concluded its investigation concerning the kidnapping of an AUSA. In May 2000, the AUSA, attending a training conference in Kiev, Ukraine, was kidnapped and drugged, and several thousand dollars of unauthorized charges were made to his credit cards. As a result of O&R's investigation, the OIG concluded that the AUSA had used extremely poor judgment, had acted unprofessionally, and had placed himself in a vulnerable position while in Kiev. The OIG also concluded that discipline of the AUSA was not handled appropriately and that the

USAO and the EOUSA had failed to notify the OIG and the Department's security office of the incident in a timely manner.

- ◆ O&R investigated two matters involving employee conflicts of interest, one in the Civil Rights Division and another in the Antitrust Division. In both cases, the OIG did not find that the employees violated the conflict of interest regulations. However, the OIG concluded that the employees should have consulted with ethics officials in their divisions.

Ongoing Reviews

- ◆ At the request of the Attorney General and the Senate Select Committee on Intelligence, the OIG is examining the Department's performance in preventing, detecting, and investigating the espionage activities of former FBI agent Robert Philip Hanssen. To conduct its review, the OIG has assembled a team of approximately 10 attorneys, investigators, and analysts. To date, the OIG has obtained from the FBI more than 100,000 pages of documents related to this investigation.
- ◆ O&R has initiated a follow-up review to its 1999 report examining the BOP's management of inmate telephone privileges. In that report, the OIG found a significant problem with federal inmates using prison telephones to commit serious crimes while incarcerated. We also found that BOP management had taken insufficient steps to address the problem, and we made numerous recommendations for corrective action. In this follow-up review, we will evaluate BOP's response to the OIG report. O&R is currently evaluating responses to an OIG survey about monitoring inmate telephone use that was sent to all BOP institutions.
- ◆ O&R continues to investigate FBI whistleblower matters. In one ongoing case, O&R is investigating a claim of retaliation as well as a claim that the FBI practices a "double standard" whereby senior level executives are disciplined less harshly than other personnel.

Other OIG Activities

Briefings and Training

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

- ◆ OIG investigators conducted 64 Integrity Awareness Briefings for Department employees throughout the country. These briefings are designed to educate employees about the misuse of a public official's position for personal gain and to deter employees from committing such offenses. The briefings reached more than 1,907 employees with a message highlighting the devastating effect corruption has on both the employee and the agency.
- ◆ Investigations, with the Criminal Section of the Civil Rights Division, conducted a Civil Rights Investigation training conference in San Diego, California. The conference focused on procedural issues associated with investigating civil rights cases, prosecutorial issues that affect civil rights matters, a legal overview of civil rights criminal statutes, and discussion of concerns and problems associated with addressing civil rights matters. The conference was attended by OIG special agents and personnel from the USAOs for the Southern and Central Districts of California; the Border Patrol's San Diego and El Centro Sectors; the FBI's San Diego Field Office; and the BOP's Office of Internal Affairs, Washington, DC, and Metropolitan Correctional Center, San Diego, California.
- ◆ At the request of the Office of Overseas Prosecutorial Development, Assistance and Training (OPDAT), Investigations personnel met with two foreign dignitaries to discuss the function and role of the OIG within the Department. The Commander of the New South Wales Police Department, Australia, and the Chief Prosecutor in Hungary traveled to the United States to learn how federal law enforcement and prosecutorial components operate and, more specifically, to learn about control of corruption within law enforcement agencies. Investigations personnel discussed such issues as special investigative techniques, multi-agency task forces, and curbing police and judicial corruption. E&I and Audit staff also participated in the briefing.
- ◆ Investigations and E&I staff met with a Republic of Georgia Ministry of Justice official and an OPDAT representative in connection with the Department's plan to assist the Republic of Georgia in revamping its correctional system. Investigations provided statistics concerning BOP complaints the OIG investigated and the resulting arrests and administrative actions taken against BOP employees. Investigations staff also provided information about investigative training resources and OIG investigative techniques. E&I staff discussed resources available for assistance in developing corrections procedures and provided several contacts in correctional systems.
- ◆ At the request of the BOP, a special agent from the El Paso Field Office participated in the South Central Region Community Corrections Contracting Conference. The special agent provided training information to contractors conducting investigations at major detention centers and discussed integrity issues that affect community corrections contract staff. The special agent used case examples to provide guidance on how the OIG and the community corrections staff could coordinate corruption investigations.
- ◆ The special agent in charge of the FDO participated as an instructor in the Inspector General Academy's new Contract and Grant Fraud course for investigators in the IG community. In addition, he and Antitrust Division staff presented a training program to INS and BOP contract managers on fraud and anticompetitive practices in the construction industry.

- ◆ The OIG continues to provide support to the Inspectors General Auditor Training Institute. A member of the Audit staff serves as an instructor for the course on Federal Financial Statement Auditing. This course provides guidance for auditors performing audits required by the *Chief Financial Officer Act* and the *Government Management Reform Act* and instructs them on the use of the recently issued GAO/PCIE Financial Audit Manual, compliance with Government Auditing Standards, and audit requirements of the OMB.
- ◆ E&I and Audit staff briefed members of the House Judiciary Committee on OIG reviews of the INS and distributed executive summaries of recent work products.
- ◆ At the request of the staff of Senator Dianne Feinstein, E&I staff presented a briefing on the results of two reviews completed during this reporting period on Juvenile Repatriation Practices at Border Patrol Sectors on the Southwest Border and Unaccompanied Juveniles in INS Custody. Our findings are pertinent to Senate bill 121, introduced by Senator Feinstein, which addresses INS custody of unaccompanied juveniles.

Task Forces, Working Groups, and Committees

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

- ◆ The San Diego Field Office participates, along with the FBI, DEA, U.S. Customs Office of Internal Affairs, and Internal Revenue Service (IRS), in the San Diego Border Corruption Task Force (BCTF) that investigates allegations of corruption against federal law enforcement officials. Of the 21 ongoing BCTF investigations, 12 were initially reported to the OIG's San Diego Field Office.
- ◆ The Tucson Field Office participates, along with the FBI, DEA, U.S. Customs Service Office of Internal Affairs, and IRS, in the Southern Arizona Corruption Task Forces in Tucson and Yuma, Arizona, that investigate allegations of corruption against federal law enforcement officials. Currently, the groups have 12 employee-related corruption matters under investigation.
- ◆ The McAllen Field Office (MCFO) participates, along with the FBI, DEA, U.S. Customs Office of Internal Affairs, IRS, Texas Department of Public Safety, Texas Rangers, and the Hidalgo County Sheriff's Office, in the South Texas Public Corruption Task Force that investigates allegations of corruption against local and federal law enforcement officials. Currently, there are three ongoing OIG/FBI joint task force investigations targeting Department personnel accused of bribery. The MCFO representative also assists the FBI and Texas Rangers in a variety of cases, including civil rights, narcotics, and bribery investigations. In particular, the MCFO representative provided technical equipment assistance to the Texas Rangers that resulted in gathering evidence against corrupt Rio Grande Valley public officials.
- ◆ Audit continues to participate in the Department's Financial Statement Working Group meetings. These meetings provide continuing guidance to Department components on the compilation of consolidated and component financial statements.
- ◆ Audit participated in the interagency group that revised the GAO's Financial Audit Manual, which will be used by the IG community, GAO, and independent public accountants in performing federal financial statement audits.
- ◆ Audit continues to participate in the Federal Audit Executive Council's Financial Statement Audit Network, which meets monthly to discuss common audit and accounting issues. The network, which includes representatives from OMB, other Executive branch agencies, GAO, and the Federal Accounting Standards Advisory Board, represented the PCIE while working with GAO to develop a Financial Audit Manual (FAM). Audit participated in drafting the joint GAO-PCIE FAM, issued in July 2001.

- ◆ At the request of the Department of Health and Human Services (HHS), E&I staff met with HHS officials to discuss the DEA's sporadic reporting of drug registration revocations to the National Practitioners Data Bank (as required by the *Health Care Quality Improvement Act of 1996*) and its failure to report voluntary surrenders of licenses in lieu of revocations. Through a series of meetings and other communications, the OIG facilitated resolution of the problems between the DEA and HHS.

Legislation and Regulations

The IG Act directs the OIG to review proposed legislation and regulations relating to the programs and operations of the Department. Although the Department's Office of Legislative Affairs reviews all proposed or enacted legislation that could affect the Department's activities, the OIG independently reviews proposed legislation that affects it or legislation that relates to waste, fraud, or abuse in the Department's programs or operations. During this reporting period, the OIG reviewed several dozen pieces of legislation, including (1) House and Senate bills to reauthorize the Department (the Senate bill contains a provision that would codify the Attorney General's recent expansion of the OIG's investigative jurisdiction over the FBI and DEA), (2) legislation responding to the September 11, 2001, terrorist attacks in the United States, (3) the Department of Defense reauthorization bill regarding OIG audits of Superfund expenditures, and (4) an amendment to the *Foreign Relations Authorization Act* that would add OIG audits, inspections, and investigative reports to the list of exclusions from the definition of "grievance" for purposes of action under the Foreign Service Grievance Board.

Congressional Testimony

IG Fine testified before the Senate Committee on the Judiciary on June 20, 2001, about the OIG's oversight work in the FBI. He discussed the OIG's jurisdiction to investigate allegations of misconduct in the FBI (at the time of the hearing, the

Attorney General had not yet expanded the OIG's jurisdiction in this area). He also highlighted the results of significant OIG reviews of FBI matters, including our review of allegations into improper practices in the FBI Laboratory, the handling of sensitive intelligence information related to the Campaign Finance investigation, and our review of the FBI's performance in uncovering the espionage activities of former Central Intelligence Agency employee Aldrich Ames. IG Fine also discussed the OIG's ongoing reviews of the Hanssen spy matter and the belated production of documents in the Oklahoma City bombing case.

During this reporting period, the OIG responded to numerous congressional requests for information, including a request from the Chairman and Ranking Minority Member of the Senate Committee on Governmental Affairs for an assessment of the Department's top ten performance measures.

President's Council on Integrity and Efficiency Activities

The PCIE consists of the 28 Presidentially appointed IGs in the federal government. OIG staff participate in a variety of PCIE activities and serve on numerous PCIE committees and subgroups. During this reporting period, the OIG coordinated the development and publication of the PCIE and ECIE (Executive Council on Integrity and Efficiency) community's A Progress Report to the President for FY 2000. The 75-page report highlights the significant accomplishments of federal IGs during FY 2000.

Audit staff continued to serve as the OIG's representative to the PCIE OIG GPRA (*Government Performance and Results Act*) Coordinators' Interest Group, a committee that addresses consistency issues when OIGs deal with Congress, the OMB, and GAO on GPRA issues.

Appendix 1

EVALUATION AND INSPECTIONS DIVISION REPORTS

April 1, 2001 – September 30, 2001

Unaccompanied Juveniles in INS Custody

Juvenile Repatriation Practices at Border Patrol
Sectors on the Southwest Border

The INS Escort of Criminal Aliens

Review of the USMS Discipline Process

Travel Charge Card Delinquencies – INS

Review of Indian Gaming Crimes

Child Pornography and Obscenity Prosecutions

Appendix 2

AUDIT DIVISION REPORTS

April 1, 2001 – September 30, 2001

INTERNAL AND EXTERNAL AUDIT REPORTS

Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statement for FY 2000	Federal Prison Industries, Inc., Annual Financial Statement for FY 2000
Austin, Texas Police Department	General Controls Review of the Rockville and Dallas Data Centers for FY 2000
Avondale, Arizona Police Department	Glendale, California Police Department
Brea, California Police Department	Hinds County, Mississippi Sheriff's Office
Cass County, Michigan Sheriff's Department	Immigration and Naturalization Service and U.S. Marshals Service Intergovernmental Service Agreements for Detention Services with the York County, Pennsylvania Prison
Combined DNA Index System Activities, Bode Technology Group	Immigration and Naturalization Service Annual Financial Statement for FY 2000
Combined DNA Index System Activities, Kentucky State Police Forensic Laboratory	Immigration and Naturalization Service Deferred Inspections at Airports
Combined DNA Index System Activities, Myriad Genetic Laboratories	Immigration and Naturalization Service Intergovernmental Service Agreement for Detention Services with the Jefferson County, Oklahoma Detention Center
Combined DNA Index System Activities, ReliaGene Technologies	Immigration and Naturalization Service Intergovernmental Service Agreement for Detention Services with the Correction Corporation of America's Houston, Texas Processing Center
Combined DNA Index System Activities, Texas Department of Public Safety Headquarters Laboratory	Immigration and Naturalization Service Intergovernmental Service Agreement for Detention Services with the Wicomico, Maryland Department of Corrections
Drug Enforcement Administration Annual Financial Statement for FY 2000	Immigration and Naturalization Service's Automated I-94 System
El Paso, Texas Police Department	Lawrence, Massachusetts Police Department
Environment and Natural Resources Division Network Computer Security and Case Management System Internal Controls	
Federal Bureau of Investigation Annual Financial Statement for FY 2000	
Federal Bureau of Prisons Annual Financial Statement for FY 2000	

Layton, Utah Police Department

Manchester County, Connecticut Police Department

Morehouse Parish, Louisiana Sheriff's Department

Norfolk, Virginia Police Department

Office of Debt Collection Management's Implementation of the Collection Litigation Automated Support System

Office of Justice Programs Annual Financial Statement for FY 2000

Offices, Boards and Divisions Annual Financial Statement for FY 2000

Peoria, Illinois Police Department

Review of the Federal Bureau of Investigation Headquarters Information Systems Control Environment for FY 2000

Saginaw County, Michigan Consortium

Sherburne County, Minnesota Sheriff's Department

Stafford County, Virginia Police Department

Texas Tech University, Lubbock, Texas Police Department

The Combined DNA Index System

The Department of Justice's Reliance on Private Contractors for Prison Services

United States Marshals Service Annual Financial Statement for FY 2000

United States Virgin Islands Police Department

Use of Equitable Sharing of Revenues by the City of Miami, Florida Police Department

Use of Equitable Sharing of Revenues by the Missouri Highway Patrol

Ventura County, California Sheriff's Department

Worcester County, Maryland Sheriff's Department

Working Capital Fund Annual Financial Statement for FY 2000

TRUSTEE AUDIT REPORTS

Performed under a reimbursable agreement with the
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Chapter 7 Trustee
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SINGLE AUDIT ACT REPORTS OF DEPARTMENT OF JUSTICE ACTIVITIES

Bastrop County, Texas	National Organization of Black Law Enforcement Executives
Bowie County, Texas	New Mexico Institute of Mining and Technology
Boys and Girls Club of the Northern Cheyenne Nation, Montana	Oglala Sioux Tribal Public Safety Commission, South Dakota
Clearfield City, Utah	Oklahoma Police Chief's Training Foundation, Inc.
Communities in Schools, Inc., Alexandria, Virginia	Snohomish County, Washington
Correctional Industries Association, Inc.	South Dakota Coalition Against Domestic Violence and Sexual Assault
DuPage County, Illinois	St. Mary Parish Sheriff, Louisiana
Durham County, North Carolina	St. Tammany Parish Sheriff, Louisiana
Fairfield County, South Carolina	Stark County, North Dakota
Fort Belknap College, Inc., Montana	Sumter County, Florida
Great Oaks Institute of Technology and Career Development	Tangipahoa Parish Sheriff, Louisiana
Greenville County, South Carolina	The City of Arkon, Ohio
Hinds County, Mississippi	The City of Birmingham, Alabama
Horry County, South Carolina	The City of Chicago, Illinois
Indian Health Council, Inc.	The City of Columbia, South Carolina
Iowa Tribe of Kansas and Nebraska	The City of Concord, California
Jackson County, Missouri	The City of Dallas, Texas
Lake County, Montana	The City of Decatur, Alabama
Maricopa County, Arizona	The City of East Palo Alto, California
Miles City, Montana	The City of El Paso, Texas
Mineral Area College	The City of Fort Lauderdale, Florida
Mobile County Commission, Alabama	The City of Galveston, Texas
Multnomah County, Oregon	The City of Garden Grove, California
National Association for Community Mediation	The City of High Point, North Carolina

The City of Houston, Texas

The City of Huntsville, Alabama

The City of Jackson, Mississippi

The City of Kansas City, Missouri

The City of Layton, Utah

The City of LeMars, Iowa

The City of Lemoore, California

The City of Louisville, Kentucky

The City of Luling, Texas

The City of Marlin, Texas

The City of Miami, Florida

The City of Mobile, Alabama

The City of New Orleans, Louisiana

The City of Norco, California

The City of Oak Harbor, Washington

The City of Omaha, Nebraska

The City of Palos Hills, Illinois

The City of Quincy, Illinois

The City of Saginaw, Michigan

The City of San Francisco, California

The City of St. Louis, Missouri

The City of Tempe, Arizona

The City of Tucson, Arizona

The City of Tulsa, Oklahoma

The City of Woodland, California

The County of Torrance, New Mexico

The Government of the U.S. Virgin Islands

The Municipality of Carolina, Puerto Rico

The Municipality of Quebradillas, Puerto Rico

The Municipality of San Juan, Puerto Rico

The Rule of Law Foundation, Washington, DC

The State of Colorado

The State of Hawaii, Department of Public Safety

The State of Illinois

The State of Illinois Criminal Justice Information Authority

The State of Illinois, Department of Police

The State of Nevada

The State of Ohio

The State of South Dakota

The State of Texas

The State of Wyoming

The Town of Eatonville, Florida

The Town of Riverhead, New York

Uinta County, Wyoming

Washington Coalition of Sexual Assault Programs

White Buffalo Calf Woman's Society, Inc., South Dakota

AUDIT DIVISION REPORTS**April 1, 2001 – September 30, 2001**

Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
Austin, Texas Police Department	\$935,464	\$767,896	\$44,238
Avondale, Arizona Police Department	\$51,051		
Clearfield City, Utah	\$4,739		
El Paso, Texas Police Department	\$7,197,770		\$314,344
Hinds County, Mississippi	\$65,616		
Hinds County, Mississippi Sheriff's Office			\$6,083
Immigration and Naturalization Service and U.S. Marshals Service Intergovernmental Service Agreements for Detention Services with the York County, Pennsylvania Prison	\$6,044,595		
Immigration and Naturalization Service Intergovernmental Service Agreement for Detention Services with Corrections Corporation of America's Houston, Texas Processing Center			\$3,238,580
Immigration and Naturalization Service Intergovernmental Service Agreement for Detention Services with the Wicomico County, Maryland Department of Corrections	\$347,189		\$297,510
Indian Health Council, Inc.	\$51,790		
Kansas City, Missouri	\$2,034,822		
Lawrence, Massachusetts Police Department	\$1,247,404	\$1,165,800	
Layton, Utah Police Department	\$84,783		
Manchester, Connecticut Police Department	\$656,523	\$537,809	\$86,664
Maricopa County, Arizona	\$29,686		

Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
Miami, Florida Police Department	\$163,605		
Mineral Area College	\$375,783		
Morehouse Parish, Louisiana Sheriff's Department	\$542,924		
Norfolk, Virginia Police Department	\$493,992		
Office of Debt Collection Management's Implementation of the Collection Litigation Automated Support System	\$4,600,000		\$4,836,636
Oglala Sioux Tribal Public Safety Commission, South Dakota	\$6,922		
Oklahoma Police Chief's Training Foundation, Inc.	\$23,067		
Peoria, Illinois Police Department	\$445,302	\$445,302	
Saginaw County, Michigan Consortium	\$1,903,899		\$518,278
Stafford County, Virginia Sheriff's Office	\$78,168		\$45,000
Texas Tech University, Lubbock, Texas Police Department	\$355,106		\$1,549
The City of Columbia, South Carolina	\$187,165		
The City of Dallas, Texas	\$119,649		
The City of Houston, Texas	\$235,933	\$41,398	
The City of Layton, Utah	\$83,336		
The City of Lemoore, California	\$15,913		
The City of Louisville, Kentucky	\$9,343		
The City of Mobile, Alabama	\$365,347		
The City of New Orleans, Louisiana	\$12,594		
The City of Omaha, Nebraska	\$237,736		
The City of Quincy, Illinois	\$36,644		
The City of Saginaw, Michigan	\$128,617		
The City of St. Louis, Missouri	\$932,051		
The City of Woodland, California	\$230,100		
The Combined DNA Index System	\$459,282	\$459,282	
The Iowa Tribe of Kansas and Nebraska	\$1,543		
The Municipality of Carolina, Puerto Rico	\$11,345		
The Municipality of San Juan, Puerto Rico	\$15,417		

Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
The State of Ohio	\$16,042,886		
Uinta County, Wyoming	\$116,591		
United States Virgin Islands Police Department	\$648,962	\$363,338	
Worcester County, Maryland Sheriff's Department	\$6,538		
Total	\$47,637,192	\$3,780,825	\$15,755,799

Appendix 3

ACRONYMS AND ABBREVIATIONS

The following are acronyms and abbreviations used in the report.

AIG	Assistant Inspector General	GAO	General Accounting Office
Audit	Audit Division of the Office of the Inspector General	GISRA	Government Information Security Reform Act of 2001
AUSA	Assistant U.S. Attorney	IG	Inspector General
BOP	Bureau of Prisons	IGA	Intergovernmental Service Agreement
CODIS	Combined DNA Index System	IG Act	Inspector General Act of 1978, as amended
COPS	Office of Community Oriented Policing Services	IRS	Internal Revenue Service
Department	U.S. Department of Justice	INS	Immigration and Naturalization Service
E&I	Evaluation and Inspections Division of the Office of the Inspector General	Investigations	Investigations Division of the Office of the Inspector General
EADs	Employment Authorization Documents	JMD	Justice Management Division
ECIE	Executive Council on Integrity and Efficiency	O&R	Office of Oversight and Review of the Office of the Inspector General
EOUSA	Executive Office for U.S. Attorneys	OIG	Office of the Inspector General
EOUST	Executive Office for U.S. Trustees	OJP	Office of Justice Programs
FBI	Federal Bureau of Investigation	OMB	Office of Management and Budget
FCI	Federal Correctional Institution	PCIE	President's Council on Integrity and Efficiency
FCC	Federal Correctional Complex	USAO	U.S. Attorney's Office
FDO	Fraud Detection Office	USMS	U.S. Marshals Service
FY	Fiscal Year		

Appendix 4

GLOSSARY OF TERMS

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

ADIT (I-551) Stamp: An INS stamp placed in an alien's passport, signifying temporary evidence of lawful admission for permanent residence.

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

Border Crossing Card: An INS identification card (Form I-586) issued to Mexican nationals residing along the border in Mexico that permits entry into the United States for shopping or visits of short duration.

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

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

Employment Authorization Document (I-688B): An INS document issued to aliens who have been granted permission to be employed in the United States but are not permanent residents or citizens.

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

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

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 of Justice organizations, programs, functions, computer security and information technology, and financial statements. Internal audits are conducted in accordance with the Comptroller General's Government Auditing Standards and related professional auditing standards.

Material Weakness: A failure in a system of control, or a lack of control determined by the agency head to be important enough to be reported to the President and Congress. A weakness of this type could significantly impair fulfillment of an agency's mission; deprive the public of needed services; violate statutory or regulatory requirements; significantly weaken safeguards against waste, loss, unauthorized use or misappropriation of funds, property, or other assets; and/or result in a conflict of interest.

National: A person owing a permanent allegiance to a nation.

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

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

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

Questioned Cost: Cost that is questioned by the OIG because of (a) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

Recommendation that Funds be Put to Better Use: Recommendation by the OIG that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including (a) reductions in outlays; (b) deobligation of funds from programs or operations; (c) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (d) costs not incurred by implementing recommended improvements related to the operations of the establishment, a contractor, or grantee; (e) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or (f) any other savings that are specifically identified.

Record of Arrival and Departure (I-94): Form provided to each nonimmigrant visitor to the United States that contains the alien’s date of arrival, class of admission, and date of departure.

Reportable Condition: Includes matters coming to the auditor’s attention that, in the auditor’s judgment, should be communicated because they represent significant deficiencies in the design or operation of internal controls, which could adversely affect the entity’s ability to properly report financial data.

Restitution Funds: Payments to victims of crimes or civil wrongs ordered by courts as part of a criminal sentence or civil or administrative penalty.

Secondary Inspection: A secondary inspection at a port of entry allows an INS inspector to conduct a more in-depth review of a traveler’s documents and perform tasks that cannot be completed within the limited time frame of the primary inspection.

Senate Bill 121: The *Unaccompanied Alien Child Protection Act of 2001*, introduced by Senator Feinstein.

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

Unqualified Opinion: The judgment of the certified public accountant who has no reservation as to the fairness of the component’s financial statements.

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

Appendix 5

Reporting Requirements Index

The *Inspector General Act of 1978*, as amended, specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages.

IG Act References	Reporting Requirements	Page
Section 4(a)(2)	Review of Legislation and Regulations	39
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	5-36
Section 5(a)(2)	Significant Recommendations for Corrective Actions	15-36
Section 5(a)(3)	Prior Significant Recommendations Unimplemented	25
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	5-13
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	41-50
Section 5(a)(7)	Summary of Significant Reports	5-36
Section 5(a)(8)	Audit Reports—Questioned Costs	27
Section 5(a)(9)	Audit Reports—Funds to be Put to Better Use	26
Section 5(a)(10)	Prior Audit Reports Unresolved	25
Section 5(a)(11)	Significant Revised Management Decisions	None
Section 5(a)(12)	Significant Management Decisions with Which the OIG Disagreed	None

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Department of Justice
Office of the Inspector General

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