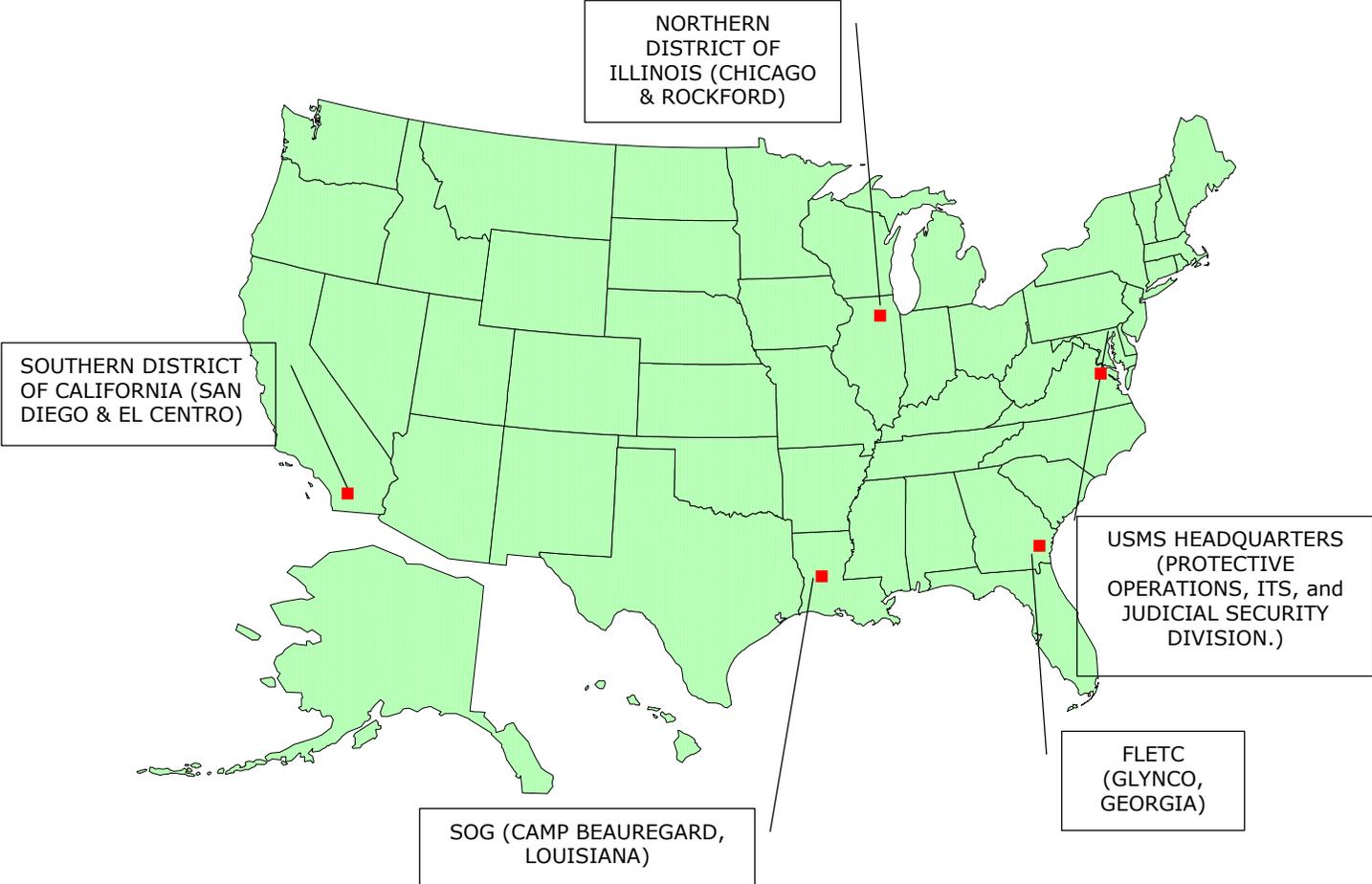


AUDIT OBJECTIVES, SCOPE, AND METHODOLOGY

The objectives of the audit were to review the USMS's: (1) action taken in response to the identification of lost or stolen weapons and laptop computers, and (2) management controls over these types of equipment. We performed our audit in accordance with Government Auditing Standards issued by the Comptroller General of the United States and, accordingly, included such tests of the records and procedures that we considered necessary.

We obtained an understanding of the control environment for weapons and laptop computers from the Property Office at USMS Headquarters. We performed on-site audit work between August 2001 and January 2002 at the following locations:



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To examine the USMS's actions regarding the identification of lost and stolen weapons and laptop computers, we obtained a list of all such losses since October 1, 1999, and reviewed the available Board of Survey files and the circumstances surrounding each loss. In addition, we obtained from the Department Security Officer the USMS's semiannual theft report submissions for the same time period. For weapons, we also queried NCIC in November 2001 and February 2002 to determine if the loss had been reported and if the weapon had been subsequently recovered. We also queried the National Tracing Center maintained by the ATF, for further indication of weapon recoveries through subsequent law enforcement activity.

For laptop computers, our objective was to determine if the loss resulted in the compromise of classified or sensitive information, which if divulged could lead to public harm. This information is based upon the assertions provided; we could not independently verify the sensitivity of the information due to the loss of the machines.

In addition to the testing detailed above, our audit work included: (1) reviewing applicable laws, policies, regulations, manuals, and memoranda; (2) interviewing appropriate personnel; (3) testing management controls; (4) reviewing property and accounting records (with an emphasis on activity since October 1, 1999); and (5) physically inspecting property. Tests of management controls were performed in the following areas as they pertained to weapons and laptop computers:

- purchasing and recording in the official property database, ARGIS;
- receipt and assignment, including pooled property, specialized equipment, and the return of items from separated employees;
- physical inventories, including separation of duties; and
- disposals, including property record deletions.

We tested these controls through a judgmental sample from the 14,361 weapons and 1,450 laptop computers reported in ARGIS as of August 28, 2001. In total, we reviewed 461 items -- 310 weapons and 151 laptop computers; the universe from which these samples were taken, by location, is detailed in Appendix IV, Table 1. Our tests included sampling:

- weapons and laptop computers purchased between October 1, 1999 and August 28, 2001, as recorded in purchase documents, to ensure that the items were recorded in ARGIS;
- weapons and laptop computers not assigned to specific individuals (pooled property) to ensure that the property was accounted for and the records reflected the correct status;

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- weapons and laptop computers found during an on-site walk-through inventory at the USMS location to ensure that the item was accurately reflected in ARGIS; and
- USMS personnel and requesting them to provide all weapons and laptop computers assigned to them to ensure the items were accounted for and the property records were complete (staff testing).

The samples described above are delineated by test, property type, and location, in Appendix IV, Tables 2 through 4. We also reviewed the documentation related to 17 USMS personnel separated between October 1, 1999 and August 28, 2001 to determine if all weapons and laptop computers were returned. Moreover, we reviewed disposal actions initiated between October 1, 1999 and August 28, 2001 to ensure these actions were adequately supported.

CIRCUMSTANCES OF WEAPON AND LAPTOP COMPUTER LOSSES

NBR	REPORT DATE	LOCATION	BRIEF USMS DESCRIPTION OF CIRCUMSTANCES OF LOSS³²
WEAPONS			
1	12/15/00	Central District of California	Weapon was stolen from the deputy's locked car trunk.
2	11/13/99	Western District of Washington	USMS vehicle stolen from deputy's driveway. Upon recovery of the vehicle, the gun rack was found broken and a shotgun was missing.
3	08/02/01	Northern District of Texas	Deputy's car was rear-ended by a semi-truck on the highway; the car was immediately enveloped in flames, destroying the weapon inside.
4	04/23/01	FLETC	The weapon was unaccounted for during a physical inventory; it was likely destroyed by smelting with other outdated shotguns, but mistakenly left off of the destruction certification.
5	10/25/99	Middle District of Georgia	The shotgun was found missing during a program review – the gun was last seen in the shotgun rack of a USMS vehicle.
6	01/29/01	Eastern District of Kentucky	The revolver was unaccounted for during a physical inventory; it was missing since transport from Covington to Lexington, Kentucky in Summer 1999.
LAPTOP COMPUTERS			
1	08/02/01	Northern District of Texas	The laptop was destroyed in a car fire caused by an accident on the highway (along with weapon number 3 above).
2-8	08/07/01	Northern District of Georgia	Seven excess computers could not be repaired, and the hard drives were destroyed because the laptop computers were obsolete and too costly to upgrade.
9-10	06/14/00	Northern District of Georgia	Two laptop computers were damaged and then destroyed before the destruction paperwork was completed. <i>The responsible office received a letter from the Board of Survey stating that the losses could have been prevented through closer compliance with the property regulations.</i>
11-18	07/11/01	Office of Program Review - Houston	Eight laptop computers were destroyed when the District Office was flooded.

³¹ Descriptions are paraphrased from loss reports and/or Board of Survey documents.

APPENDIX II

NBR	REPORT DATE	LOCATION	BRIEF USMS DESCRIPTION OF CIRCUMSTANCES OF LOSS³²
19	08/07/00	District of South Carolina	The laptop computer was stolen from an unsecured vehicle. <i>The responsible Office received a letter from the Board of Survey stating that the loss could have been prevented through closer compliance with the property regulations.</i>
20	06/21/01	HQ: Asset Forfeiture	This laptop computer had not been seen in at least 1 year -- possibly an undocumented transfer.
21	06/21/01	HQ: Asset Forfeiture	This was an older model laptop computer that was possibly excedded.
22-27	05/10/00	HQ: Protective Operations	During the 2000 physical inventory, these six laptop computers could not be located. <i>In response, the Board of Survey requested the office to provide written assurance that internal controls were strengthened and requested the Program Review Team to perform a property management review.</i>
28	11/06/00	HQ: Communications Management	The new Program Manager conducted an inventory in October 2000 and was unable to locate this laptop computer.
29-30	04/26/01	HQ: ITS	Two laptop computers could not be located -- possibly undocumented transfers.
31	07/24/00	District of the Virgin Islands	This laptop computer was discovered missing as a result of the 2000 physical inventory. The item was last seen before a hurricane in November 1999, when property was transferred to a new storage facility.
32-34	06/04/01 & 06/06/01	Western District of Texas	Three laptop computers could not be located during an inventory in May 2001.
35	05/24/01	Southern District of Florida	This laptop computer was discovered missing during the 2001 physical inventory.
36-42	10/20/00	HQ: ITS	Seven laptop computers were reported missing during a physical inventory in 2000. Possibly undocumented transfers as one item was later located in a different office.
43-48	08/08/01	HQ: Business Services Division	Six laptop computers were discovered missing during a physical inventory; one machine was later found.
49-56	06/12/01	HQ: Office of Internal Affairs	Eight laptop computers were reported missing in June 2001; five were subsequently located in September 2001.

APPENDIX III

ANALYSIS OF LOST AND STOLEN WEAPONS AND LAPTOP COMPUTERS

WEAPONS								
NUMBER	LOSS TYPE³²	DAYS BETWEEN LOSS AND REPORT³³	USM-134 TIMELY³³	REPORTED TO NCIC	DAYS ELAPSED BEFORE NCIC ENTRY	REVIEWED BY BOARD OF SURVEY	DAYS ELAPSED BEFORE BOARD OF SURVEY	REPORTED TO DOJ³⁴
1	S	0	YES	YES	0	NO	N/A	NO
2	S	0	YES	YES	0	YES	143	YES
3	O	2	YES	NO	N/A	NO	N/A	NO*
4	O	33	NO	NO	N/A	NO	N/A	NO*
5	L	0	YES	YES	0	YES	162	YES
6	L	CND	CND	YES	15	NO	N/A	NO*

LAPTOP COMPUTERS						
NUMBER	LOSS TYPE	DAYS BETWEEN LOSS AND REPORT	USM-134 TIMELY	REVIEWED BY BOARD OF SURVEY	DAYS ELAPSED BEFORE BOARD OF SURVEY	REPORTED TO DOJ
1	O	2	YES	NO	N/A	NO*
2	O	CND	CND	NO	N/A	NO*
3	O	CND	CND	NO	N/A	NO*
4	O	CND	CND	NO	N/A	NO*
5	O	CND	CND	NO	N/A	NO*
6	O	CND	CND	NO	N/A	NO*
7	O	CND	CND	NO	N/A	NO*
8	O	CND	CND	NO	N/A	NO*
9	O	CND	CND	YES	147	YES
10	O	CND	CND	YES	147	YES
11	O	0	YES	NO	N/A	NO*
12	O	0	YES	NO	N/A	NO*
13	O	0	YES	NO	N/A	NO*
14	O	0	YES	NO	N/A	NO*
15	O	0	YES	NO	N/A	NO*
16	O	0	YES	NO	N/A	NO*
17	O	0	YES	NO	N/A	NO*

³² As previously noted, the USMS categorized as "unauthorized destruction," items that were accidentally destroyed or were destroyed without authorization; these items are designated in the table as O; stolen items are designated S; and lost items are designated L.

³³ In some cases, the USM-134s or other loss documents lacked sufficient information with which to calculate the time elapsed or determine timeliness. These are denoted CND.

³⁴ As stated on page 10, the USMS has not yet submitted a 2001 report. Therefore, all 2001 losses are denoted NO* to show that the report for the period of loss has not been filed.

APPENDIX III

LAPTOP COMPUTERS						
N U M B E R	LOSS TYPE	DAYS BETWEEN LOSS AND REPORT	USM-134 TIMELY	REVIEWED BY BOARD OF SURVEY	DAYS ELAPSED BEFORE BOARD OF SURVEY	REPORTED TO DOJ
18	O	0	YES	NO	N/A	NO*
19	S	50	NO	YES	93	YES
20	L	CND	CND	NO	N/A	NO*
21	L	CND	CND	NO	N/A	NO*
22	L	40	NO	YES	182	YES
23	L	40	NO	YES	182	YES
24	L	40	NO	YES	182	YES
25	L	40	NO	YES	182	YES
26	L	40	NO	YES	182	YES
27	L	40	NO	YES	182	YES
28	L	CND	CND	NO	N/A	NO
29	L	0	YES	NO	N/A	NO*
30	L	0	YES	NO	N/A	NO*
31	L	CND	CND	YES	107	NO
32	L	CND	CND	NO	N/A	NO*
33	L	CND	CND	NO	N/A	NO*
34	L	CND	CND	NO	N/A	NO*
35	L	CND	CND	NO	N/A	NO*
36	L	0	YES	NO	N/A	YES
37	L	0	YES	NO	N/A	YES
38	L	0	YES	NO	N/A	YES
39	L	0	YES	NO	N/A	YES
40	L	0	YES	NO	N/A	YES ³⁵
41	L	0	YES	NO	N/A	YES
42	L	0	YES	NO	N/A	YES
43	L	CND	CND	NO	N/A	NO*
44	L	CND	CND	NO	N/A	N/A ³⁵
45	L	CND	CND	NO	N/A	NO*
46	L	CND	CND	NO	N/A	NO*
47	L	CND	CND	NO	N/A	NO*
48	L	CND	CND	NO	N/A	NO*
49	L	CND	CND	NO	N/A	N/A ³⁵
50	L	CND	CND	NO	N/A	N/A ³⁵
51	L	CND	CND	NO	N/A	N/A ³⁵
52	L	CND	CND	NO	N/A	N/A ³⁵
53	L	CND	CND	NO	N/A	N/A ³⁵
54	L	CND	CND	NO	N/A	NO*
55	L	CND	CND	NO	N/A	NO*
56	L	CND	CND	NO	N/A	NO*

³⁵ These items were subsequently found.

**PROPERTY UNIVERSES AND SAMPLES
BY TEST, TYPE, AND LOCATION**

**TABLE 1. UNIVERSE OF ALL PROPERTY ASSIGNED TO LOCATIONS
AUDITED (PER ARGIS AUGUST 28, 2001)³⁶**

	USMS HQ ³⁷	FLETC	N.D. OF ILLINOIS	S.D. OF CALIFORNIA	SOG	TOTALS
WEAPONS	97	678	179	232	585	1,771
LAPTOP COMPUTERS	142	30	3	22	16	213
TOTALS	239	708	182	254	601	1,984

TABLE 2. SUMMARY OF ALL ITEMS REVIEWED

		USMS HQ	FLETC	N.D. OF ILLINOIS	S.D. OF CALIFORNIA	SOG	TOTALS
PURCHASE DOCUMENTS	WEAPONS	76	35	0	0	7	118
	LAPTOPS	10	3	0	14	3	30
	SUBTOTAL	86	38	0	14	10	148
PHYSICAL INSPECTION	WEAPONS	29	31	64	33	35	192
	LAPTOPS	31	30	17	21	22	121
	SUBTOTAL	60	61	81	54	57	313
TOTALS		146	99	81	68	67	461

³⁶ Several of our sample sizes, as shown on page 13, are greater than the universe of available property shown in Table 1 above. For the Headquarters weapon sample, this is because the purchases tested included transactions executed for the USMS as a whole due to the centralized purchasing policy. The laptop computer samples are sometimes larger than the universe because we identified some items that were not in ARGIS; these omissions are discussed on page 17. In addition, we physically inspected items that were received after August 28, 2001; these were not considered errors because they should not have appeared in our ARGIS listing and we successfully traced them at the time of our inspection.

³⁷ The universe of weapons provided for USMS Headquarters is limited to the three units audited: (1) ITS, (2) Judicial Security Division, and (3) Protective Operations.

APPENDIX IV

TABLE 3. DETAIL OF WEAPONS PHYSICALLY INSPECTED						
	USMS HQ	FLETC	N.D. OF ILLINOIS	S.D. OF CALIFORNIA	SOG	TOTALS
WALK-THROUGH	10	10	11	10	10	51
STAFF TESTING	4	10	11	10	15	50
POOLED INVENTORY	15	11	42	13	10	91
TOTALS	29	31	64	33	35	192

TABLE 4. DETAIL OF LAPTOP COMPUTERS PHYSICALLY INSPECTED						
	USMS HQ	FLETC	N.D. OF ILLINOIS	S.D. OF CALIFORNIA	SOG	TOTALS
WALK-THROUGH	10	10	4	15	2	41
STAFF TESTING	11	10	13	6	12	52
POOLED INVENTORY	10	10	0	0	8	28
TOTALS	31	30	17	21	22	121

SAMPLE USM-134

U.S. Department of Justice
United States Marshals Service
Office of Inspections

AFFIDAVIT REGARDING LOST, STOLEN, OR UNAUTHORIZED
DESTRUCTION OF GOVERNMENT PROPERTY

CHECK APPROPRIATE BOX

1. THIS AFFIDAVIT PERTAINS TO GOVERNMENT PROPERTY THAT HAS BEEN:
 LOST STOLEN DESTROYED WITHOUT AUTHORIZATION

PERSON MAKING STATEMENT		
2. NAME OF PERSON MAKING STATEMENT		3. TITLE OF PERSON MAKING STATEMENT
4. EMPLOYER (AGENCY)	5. DISTRICT OR HQ. DIVISION/STAFF OFFICE	6. OFFICE TELEPHONE NO.
7. I, _____ hereby solemnly (swear) (affirm) that the following information is given freely and voluntarily without promise or coercion.		
8. PROPERTY DESCRIPTION (Give Complete Description, including Make, Model, Serial Numbers, Etc.)		
9. DATE OF LOSS/THEFT/UNAUTHORIZED DESTRUCTION	10. TIME OF LOSS/THEFT/UNAUTHORIZED DESTRUCTION	
11. LOCATION OF LOSS/THEFT/UNAUTHORIZED DESTRUCTION (Also, State Last Place and Time that Property was Accrued for)		
12. PROPERTY ISSUED TO (Name) (Title)		13. HAND RECEIPT ISSUED <input type="checkbox"/> Yes <input type="checkbox"/> No (Attach copy if yes)
14. DISTRICT OFFICE	15. HEADQUARTERS, DIVISION/STAFF OFFICE	
16. CIRCUMSTANCES OF LOSS/THEFT/UNAUTHORIZED DESTRUCTION (Give Full Details, including How and Why Loss Occurred and Who Witnessed Loss)		
(Continue on Reverse (ALL COPIES), if Necessary)		
16. REPORTED TO FBI S/AGENT (Name)	17. DATE REPORTED	18. LOCATION OF FBI OFFICE
19. REPORTED TO POLICE DEPARTMENT (Name of Police Dept. and Officer)	20. DATE REPORTED	21. ATTACH COPY OF LOCAL POLICE REPORT
SUBSCRIBED AND (SWORN TO) (AFFIRMED) BEFORE ME AT _____ ON THIS _____ DAY OF _____, 19 ____		A KNOWINGLY AND INTENTIONALLY FALSE ENTRY ON THIS FORM MAY BE GROUNDS FOR ADMINISTRATIVE DISCIPLINE AND MAY BE PUNISHABLE AS SET FORTH IN U.S. CODE TITLE 18, SECTION 1001.
(NOTARY OR COURT CLERK'S SIGNATURE)		
_____ (AFFIANT'S SIGNATURE)		DATE

PRIOR EDITIONS ARE OBSOLETE AND NOT TO BE USED

FORM USM-134 (Rev. 3/92)