

U.S. Department of Justice

Washington, D.C. 20530

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# Office of the Inspector General Semiannual Report to Congress

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*October 1, 1990 - March 31, 1991*



U.S. Department of Justice

Office of the Inspector General

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Washington, D.C. 20530

April 30, 1991

Honorable Dick Thornburgh  
Attorney General  
Department of Justice  
Washington, D.C. 20530

Dear Mr. Thornburgh:

I am pleased to submit the fourth Semiannual Report to Congress on the significant activities and accomplishments of the Office of the Inspector General for the 6-month period ending March 31, 1991. The Inspector General Act of 1978, as amended, requires that you submit this Report, along with any comments you may wish to make, to the appropriate Congressional committees and subcommittees within 30 days.

Through our audits, investigations, and inspections, the Office of the Inspector General has assumed a critical role in promoting economy, efficiency, and effectiveness within the Department of Justice. We appreciate your support and look forward to continuing our working relationship.

Sincerely,

  
Richard J. Hankinson  
Inspector General

Enclosure

## Executive Summary

During the period ending March 31, 1991, the Department of Justice (DOJ) Office of the Inspector General (OIG) continued to actively deter fraud, waste, and abuse through audits, investigations, and inspections.

### The Audit Division:

- Issued 10 internal audit reports that:
  - Challenged the wisdom of a \$20 million United States Marshals Service contract.
  - Found an imbalance of \$51 million between the Immigration and Naturalization Service and Treasury records for FY 1989.
  - Found \$3.4 million that the FBI could have avoided by better planned procurements.
- Issued 124 trustee reports.
- Issued 134 external reports that encompassed 669 Department contracts, grants and other agreements totaling \$217,931,256. Management agreed to:
  - Recover more than \$900,000 in questioned costs.
  - Implement 77 percent of the nearly 500 recommended management improvements in open audits. The remaining 23 percent are pending decision.

### The Investigations Division:

- Doubled the number of arrests; increased the number of indictments by 82 percent; increased convictions by 21 percent.
- Developed a bribery and drug smuggling investigation in which cocaine valued at more than \$6 million was seized.
- Recovered more than \$600,000 hidden in three safes at a conspirator's residence during a bribery investigation.

### The Inspections Division:

- Issued 10 inspections reports containing 148 recommendations for management improvements. The reports:
  - Questioned the authority of the Office of Justice Programs to transfer \$22 million in discretionary grant funds.
  - Showed a U.S. Marshals Service District Office seized properties with low equity values resulting in losses to the government.
  - Showed that due to the Immigration and Naturalization Service's failure to staff a new dormitory complex, detained aliens were housed at non-federal facilities at a cost of more than \$350,000.

The OIG targeted "high risk" areas, such as asset seizure and forfeiture, overcrowding in federal prisons, and financial management systems for additional audits and inspections.

**Executive Summary**

**Overview**

The OIG, which has been operational for two years, has identified critical functional and performance requirements and has identified the resources necessary to meet these requirements.

**Significant Issues ..... 8**

On February 21, 1991, the House Government Operations Subcommittee on Government Information, Justice, and Agriculture, conducted a hearing on DOJ's Office of Justice Programs.

In a past audit, the Audit Division found that the Bureau of Prisons was housing Florida state prison inmates at no charge.

**Department Oversight ..... 9**

The OIG submitted a report on DOJ's compliance with new lobbying restrictions.

The Inspections Division conducted an inspection of the Justice Management Division's oversight in implementing FMFIA and OMB Circular A-123.

The Department and OMB identified specific DOJ activities that have a "high risk" for fraud, waste, and abuse.

**Audit Division**

**Significant Audits ..... 11**

Audits conducted during this period covered activities ranging from FBI procurement activities to the construction of an aircraft hangar in Oklahoma City for the U.S. Marshals Service.

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## Investigations Division *(continued)*

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## THE OFFICE OF THE INSPECTOR GENERAL

### Mission

The OIG provides leadership and assists management to promote economy, efficiency, and effectiveness within the Department. The OIG enforces federal bribery, fraud, waste, abuse, and integrity laws and regulations within the Department and identifies for prosecution those individuals or organizations involved in financial, contractual, or criminal misconduct in DOJ programs and operations.

### Organization

The OIG carries out this mission through these components:

- *The Audit Division* conducts, reports on, and tracks the resolution of financial and performance audits of organizations, programs, and functions within the Department. Financial audits include financial statement and financial related activities; performance audits encompass economy and efficiency, and programmatic issues. Additionally, the Audit Division monitors expenditures made under Department contracts, grants, and other agreements.
- *The Investigations Division* investigates alleged violations of bribery, fraud, abuse, and integrity laws that govern the Department and the operations it finances and develops such allegations for criminal prosecution and civil or administrative action.
- *The Inspections Division* increases efficiency throughout the Department of Justice by performing short-term examinations of operations and programs within or financed by the Department.
- *The Management and Planning Division* provides the Inspector General with advice on administrative and fiscal policy. It serves the components of the OIG with planning, budget, finance, quality assurance and evaluation, personnel, training, procurement, automated data processing/network communications, and general support.

### Staffing and Budget

The OIG is staffed with 336 permanent positions, 320 workyears, five other than full-time positions, \$25,140,000 in direct appropriations, and \$2,441,000 in reimbursable agreements to provide 33 authorized reimbursable workyears. The budget request submitted to Congress for FY 1992 provides for 411 permanent positions, 378 workyears, five other than full-time positions, \$36,019,000 in direct appropriations, and \$2,550,000 in anticipated reimbursements to continue the 33 reimbursable workyears. This request represents an increase of \$10,879,000, 75 positions, and 58 workyears over the 1991 enacted appropriation.

## Personnel Strength

The OIG's current personnel ceiling by function is as follows: Immediate office, 17; Audit, 150 (includes 33 reimbursable workyears/positions); Investigations, 135; Inspections, 42; Management and Planning, 30; total personnel strength, 374.

## Executive Direction

## Administrative Management

The OIG, which has been fully operational for two years, has identified critical functional and performance requirements and has identified the resources necessary to meet such requirements. The level of growth and change that has taken place over the past few years within the Department has greatly increased the OIG's overall workload. These include the increased emphasis on ethics in government, new statutes and mandated procedures to assure economic and efficient operations, and a Department that now consists of a very diverse six major bureaus and 29 offices, boards, and divisions, over 80,000 employees, and a budget in excess of \$9 billion. After the arrival of the permanent Inspector General last summer, the OIG reviewed its mission, organization, and functions. Based on this review, several changes were made to strengthen the organization, encourage cooperation and cohesiveness, and ensure responsiveness to the OIG's mission and goals. These changes have enabled the OIG to provide additional resources for highly visible audit work, create a further link with the law enforcement community, and ensure a cohesive inspection effort.

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*Our efforts emphasize  
the OIG's  
innovative potential  
that makes  
the OIG an important  
part of  
the Department.*

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We developed an OIG planning call, using Management by Objective principles. Each component designed realistic, measurable ways to meet the Inspector General's goals of improving our operations and enhancing our mission. We improved our communications by further building the Inspector General's Network for Information and Telecommunications Exchange (IGNITE)---a fully working nation-wide automated network compatible with the Department's systems. IGNITE now reaches all OIG offices and serves 160 users, approximately one-half of the OIG work force. We completed the entire Investigations volume of the Inspector General Manual and added critical chapters in the Executive Direction, Audit, Inspections, and Management and Planning volumes. We chartered an Internal Control Unit to help OIG managers identify weaknesses within our organization and to assure that our operations meet the same exacting standards that we expect of the rest of the Department. We started a number of programs to improve the work environment and employee productivity, such as a Physical Fitness program and an on-the-spot award program to recognize immediately the small, but important, contributions our employees make to this Office's success. We have continued our employee awareness campaign by developing and distributing an OIG Hot Line brochure that explains the critical role Department employees have in combatting waste, fraud and abuse.

## President's Council On Integrity and Efficiency Activities

The Inspector General participates in the President's Council on Integrity and Efficiency (PCIE). During the past 6 months, the OIG helped formulate the PCIE's legislative agenda, continued to serve on the PCIE Inspections Committee, and remained a participant at the Computer Auditing/Investigation Roundtable. In addition, the OIG was one of 10 OIG offices that participated in the first Inspections Roundtable. The representatives agreed to have quarterly meetings to discuss common interests among the Inspections OIG community. The OIG responded to the PCIE on 18 audit-related initiatives and provided comments on a number of PCIE legislative initiatives. Significant responses addressed:

- OIG involvement with the PCIE sponsored auditor training center
- OMB guidelines for agency implementation of new restrictions on lobbying
- Draft committee projects for FY 1992
- Proposed amendments to the Procurement Integrity Act
- OMB guidelines for agency implementation of computer privacy amendments to the Privacy Act of 1974
- The PCIE initiative promoting a federal drug-free work place.

The OIG also reviewed numerous auditing and accounting standards and, where appropriate, provided substantive comments.

## Review of Legislation and Regulations

The Inspector General Act requires the Inspector General to review existing and proposed legislation relating to the programs and operations of the Department of Justice. Although the Department's Office of Legislative Affairs reviews all proposed or enacted legislation that could affect the Department's activities, the OIG independently reviewed proposed legislative and regulatory actions regarding fraud, waste, or abuse in the Department's programs and operations or affecting interests generally shared by the law enforcement community in the area of white collar crime. Accordingly, over the past 6 months, the OIG reviewed and submitted comments on proposed legislation, including comments on H.R. 5687, the Chief Financial Officers Act of 1990; S. 242, the Ethics in Government Act; the Computer Matching and Privacy Protection Amendments of 1990; and the Procurement Ethics Reform Act of 1991.

## Debt Collection

The Senate Report accompanying the Supplemental Appropriations and Rescissions Act of 1980 (P.L. 96-304) requires Inspectors General to report actions taken to improve debt collections. During the period October 1, 1990, through March 31, 1991, the components of the Department reported the following activities to improve debt collection.

**JMD**

- The Justice Management Division reported the following:
  - The pilot program of contracting with private law firms has been extended through September 30, 1992. The JMD also expanded the Central Intake Facility nationwide to be the sole intake point for all debts under \$200,000 referred to the U.S. Attorneys' Offices, except where debtors are bankrupt. A central, automated database of such debts is being assembled to improve caseload management and the quality of debt packages referred for litigation.
  - The JMD is planning to send Optical Character Recognition scannable coupon payment books to debtors currently on installment repayment plans. The debtors will be selected from the Central Intake Facility's automated collection/litigation system, COLLECTOR. Using the payment books increases the likelihood that installment payers will send in payments; the books increase the efficiency of payment processing.
  - The JMD is working with the Administrative Office of the United States Courts to develop a national center for collection of criminal debts. Under the current plan, the JMD disburses funds collected by the national center. Pilot sites are to be implemented later this year.
  - The Automated Teller Machine (ATM) Cash Advance Program for travel advances continues to grow. More than 3,800 employees are participating in the program, and cash advance volume exceeding \$100,000 per month has been shifted from federal funds to Diners Club.
  - The JMD continued its second year of testing the Internal Revenue Service Corporate Offset Program, and is awaiting results from the IRS.

**Department of the Treasury**

- The Department of the Treasury is studying the concept of an automated link between client agencies and the Department of Justice that would enable a full-range debt collection/litigation system capable of interfacing with the EAGLE automated equipment to be installed in the U.S. Attorneys' Offices.

**BOP Offset Program**

- The number of institutions and inmates participating in the Bureau of Prisons Offset Program continued to grow. During the past 6 months, 22,566 payments totaling \$996,754 were received.

**INS Collection Process**

- The Immigration and Naturalization Service is phasing the U.S. Customs Service out of the collection process. The INS has also developed a plan to consolidate accounts receivable and bond activities into its Eastern and Northern Regions, with implementation scheduled to begin in June 1991. The Bond Accounting and Control System is being modified and expanded from the Eastern Region to the Northern Region. In addition, the General Counsel Debt Tracking System, currently a pilot

## Debt Collection *(continued)*

### Collection Process *(continued)*

program in the Northern Region, is being expanded into the Eastern Region.

### DEA Salary Offsets

- The Drug Enforcement Administration is using salary offsets to improve collections from delinquent employee debtors, and administrative offsets of retirement funds to collect from former employees. The DEA is also requesting debtors' addresses from the IRS.

### BOP and IRS Offset Program

- The Bureau of Prisons is participating in the Internal Revenue Service Offset Program.

The following chart shows the unaudited figures provided by the Department on the amounts of money due and delinquent as of September 30, 1990, and March 31, 1991; and the amounts written off during the 6-month periods ending September 30, 1990, and March 31, 1991.

### Debt Collection Chart

	As of Sept. 30, 1990	As of March 31, 1991
Total Amount Due DOJ	\$80,772,345	\$56,418,053
Amount Delinquent	\$37,772,592	\$46,059,932
Total Amount Written off as Uncollectible	\$1,460,292	\$843,376

### \* Note

\* These unaudited amounts, as reported by the Justice Management Division, do not include receivables or civil matters referred to the Department by outside agencies for collection.

## Significant Issues

### Departmental Grant-Making Authority

#### Inspection of the Department of Justice's Office of Justice Programs.

On February 21, 1991, the House Government Operations Subcommittee on Government Information, Justice, and Agriculture, conducted a hearing on the Department's Office of Justice Programs (OJP). The Subcommittee asked the Inspector General to provide testimony on the findings reflected in the inspection report concerning OJP.

The primary findings showed vague lines of authority existed in OJP and a lack of effective grant administration existed throughout OJP. Following issuance of the report, the Attorney General issued an order clarifying grant-making authority. The Assistant Attorney General (AAG) for OJP also initiated actions to correct many of the problems identified in the report. Significant findings in the report included:

## Departmental Grant-Making Authority *(continued)*

- The Bureau of Justice Assistance transferred about \$22 million of fiscal year 1989 and 1990 discretionary grant funds to other OJP bureaus and other Department of Justice components without having the authority to do so.
- There was an absence of effective monitoring over formula and discretionary grants throughout OJP.
- Conflicts occurred among OJP and its bureaus over the interpretation of authorities granted to the AAG and the heads of the bureaus.

## BOP, Florida State Prison Inmates

### ■ Bureau of Prisons, Florida State Prison Inmates.

In a past audit, the Audit Division found that the Bureau of Prisons (BOP) was housing Florida state prison inmates at no charge, in contravention of federal regulations. The report recommended that either the prisoners be returned to Florida or that the state reimburse BOP for their housing. Florida opted to have the prisoners returned rather than reimburse BOP. During this period, 67 percent of the prisoners have been returned, at a cost savings to the government of about \$30.4 million. In the prior reporting period, an additional 10 percent were returned for a total cost savings of approximately \$33 million.

## Department Oversight

### Inspection of the DOJ's Compliance With New Lobbying Restrictions

By law, the OIG must submit an annual report to the Senate and to the House of Representatives on how well the Department carries out Public Law 101-121 covering restrictions on lobbying. The Law prohibits recipients of federal grants, contracts, loans, or cooperative agreements from using federal funds to pay persons for influencing, or attempting to influence, executive or legislative decisionmakers in awarding financial agreements. The OIG's first annual report covers the period from enactment of the legislation on October 23, 1989, through September 30, 1990. The OIG based its report on:

- An inspection initiated by the OIG.
- Two semiannual reports the Department submitted to the Congress on Disclosure of Lobbying Activities.
- Interviews with the Department's designated representatives to the Office of Management and Budget's (OMB) inter-agency working group. OMB charged its inter-agency working group with adopting and issuing a common rule covering all agencies.

Based on these sources, the Department complied with Public Law 101-121.

## Department Oversight (continued)

### Internal Control Process

The Federal Managers' Financial Integrity Act (FMFIA) of 1982, established by Public Law 97-255, requires each executive agency to conduct annual reviews of its internal accounting and administrative control systems. The FMFIA stipulates that the head of each executive agency must submit an annual report to the President and the Congress on the status of the agency's internal control and accounting systems.

The Inspections Division conducted an inspection of the Justice Management Division's (JMD) oversight in implementing FMFIA and the Office of Management and Budget's (OMB) Circular A-123. We found that JMD generally followed the requirements in Sections 2 and 4 of the FMFIA and OMB Circular A-123. The report showed, however, that JMD could improve the internal control process by: Devoting additional resources to monitor component activities and validate the data submitted by components on the internal control process; enhancing the automated tracking system used to monitor internal controls; revising the Guide for the Implementation of the Department of Justice's Internal Control Process.

### High Risk Areas

The Department and OMB identified specific DOJ activities that have a "high risk" for fraud, waste, and abuse. The Department has eight areas on the High Risk Area list published by OMB. Audits and inspections in these areas provide Department managers with assistance to correct specific high risk activities, thus ensuring improved operations within the Department. During this reporting period, the OIG issued a number of final program and field inspection and audit reports that involved various aspects of the Department's high risk programs.

Other high risk areas will be addressed during the second half of this year's audit and inspections workplan.

<b>HIGH RISK AREA</b>	<b>AUDIT</b>	<b>INSPECTION</b>
Financial Management System (INS)	★	★
Overcrowding in the Federal Prisons	★	
Asset Seizure and Forfeiture (USMS)		★
Monitoring Private Trustees	★	
Legal Process Debt Collection (U.S. Attorneys)		★

## Duties of the Audit Division

The Audit Division is responsible for conducting independent reviews of Department of Justice (DOJ) organizations, programs, functions, automated data processing systems, and financial management information systems. The Audit Division also conducts or reviews the conduct of external audits of expenditures made under Department contracts, grants, and other agreements. All audits are conducted in accordance with the Comptroller General's Government Auditing Standards.

To provide the Department with balanced audit coverage, the Division developed and executed an approved workplan. The workplan complies with the requirements of the Office of Management and Budget (OMB) Circular A-73, Revised, "Audit of Federal Operations and Programs."

Audits are selected based on an audit universe, structured to identify the functions and programs within the Department. The audit universe is used to track the degree of audit coverage in each area, considering prior audit coverage and current management and audit priorities. By adhering to the OMB Circular requirements and the audit workplan, the Division ensures:

- All its resources are used effectively.
- The Department is provided with broad audit coverage.

Audits are performed in three general categories: Internal, Trustee, and External. Internal audits address the programs and activities of the Department. Trustee audits, performed under a reimbursable agreement with the Executive Office for U.S. Trustees, examine the internal controls and cash management practices of panel and standing trustees nationwide. External audit work includes the review, coordination, and, in certain circumstances, the performance of audits of state and local governments and nonprofit organizations for which the Department has cognizance under the provisions of the Single Audit Act of 1984 and OMB Circulars A-128 and A-133.

In addition, the Audit Division has devoted an increasing amount of its resources to the support of complex fraud cases that the Investigations Division is conducting.

## Significant Audits Performed During This Reporting Period

### FBI

#### ■ Procurement Activities in the Federal Bureau of Investigation

The audit of the Federal Bureau of Investigation's (FBI) procurement activities disclosed that the FBI was not complying fully with applicable procurement regulations and DOJ orders. Thus, the acquisition process was untimely. The FBI program offices did not submit requisitions and procurement specifications promptly to the procurement office. In addition, FBI contracting officers processed the requisitions slowly,

## Significant Audits Performed During This Reporting Period (continued)

### FBI (continued)

compounding the deficiency. As a result, multiple purchase orders were being issued until a contract was awarded.

We also found that contracting officers inadequately documented actions taken and inadequately negotiated contracts. Open market purchase orders were also issued that exceeded the \$25,000 small purchase threshold. Moreover, the FBI Competition Advocate's annual report to the Department was inaccurate. As a result of these deficiencies, the FBI:

- Did not have the necessary assurance that its procurements were being made in the most effective, economical, and timely manner.
- Increased the risk that its mission and operational requirements could be adversely affected by the untimely and ineffective procurement actions.
- Did not meet its regulatory requirements to accurately report procurement data.
- Had or will incur expenditures of about \$3.4 million that could have been avoided relating to those procurements reviewed. (The FBI may be able to recover \$563,256 of the \$3.4 million by collecting a refund of the overpayments and making an appropriate contract price adjustment.)

### DEA

#### ■ The Drug Enforcement Administration's Accounting System

An audit of the Drug Enforcement Administration's Accounting System (DEAAS) found accounting data did not produce reliable financial reports or management information during FY 1989. The need for accurate and accountable data is paramount to aid in the mission of the DEA, particularly in light of the approximate \$530 million in appropriations tracked by the DEAAS and the 1.5 million transactions processed by the system.

Because of the DEAAS deficiencies, the DEA made financial decisions with inadequate information. The audit also disclosed instances of noncompliance with legal requirements and accounting standards. The internal control weaknesses in the DEAAS mean there is a high risk that errors and irregularities could occur and may not be detected in a timely manner.

As a result of the audit, DEA management has made preliminary decisions to migrate to the Departmental Financial Management System (FMS), operated by the Department's Justice Management Division (JMD).

**DEA (continued)**

However, full adoption of that system is three to five years away. Thus, successful migration to the Departmental FMS is dependent on the system's availability to DEA, and on DEA and JMD management's commitment. In order to resolve the deficiencies noted during the audit, DEA management should carefully monitor the activities involved during migration to ensure the system generates complete and accurate accounting data with adequate controls established.

**Drug Destruction****■ Implementation of the Department of Justice's Drug Evidence Destruction Policy**

The increasing size, number, and estimated value of bulk drug seizures may raise serious nation-wide storage and security problems. Related to this concern, we conducted an audit to determine whether the FBI, DEA, United States Attorneys, and Criminal Division had implemented the policy regarding the destruction of drug evidence promulgated in 28 CFR Part 50.21 and implementing agency procedures.

The audit determined that each agency made progress in implementing the drug evidence destruction policy, in that substantial amounts of bulk seizures were destroyed. This destruction had the effect of reducing the warehousing of drug evidence and minimizing associated security risks.

However, we found that the FBI and DEA did not properly document bulk drug seizures and their disposition. Destruction was delayed because the FBI and DEA did not immediately notify the United States Attorneys of planned destruction. Requests to stay drug destruction did not meet pertinent policy requiring the signature of the appropriate United States Attorney.

The audit also found weaknesses in the reviewed agencies' oversight of policy compliance. Improved procedures for reporting, coordinating, and inspecting activities related to bulk seizures and their destruction would increase compliance, ensure more timely destruction, and provide sufficient evidence for court proceedings. Management should increase oversight of the policy's implementation and emphasize compliance to increase program effectiveness.

**U.S. Marshals Service****■ United States Marshals Service Aircraft Hangar**

The singular objective of this audit was to determine if an aircraft hangar currently under construction at the Will Rogers World Airport, Oklahoma City, Oklahoma, should be leased by the United States

## Significant Audits Performed During This Reporting Period *(continued)*

### U.S. Marshals Service *(continued)*

Marshals Service (USMS) to fulfill mission objectives. The audit was initiated as a result of information obtained during a concurrent audit of aircraft usage in the DOJ.

The USMS leased a two-bay aircraft hangar from the Oklahoma City Airport Trust (OCAT). Based on this 20-year lease agreement, the OCAT arranged financing and began construction of this hangar to the USMS' specifications on August 22, 1990. The USMS plans to occupy the hangar during FY 1992. The cash expenditures by the USMS over the next 20 years should exceed \$20 million for the lease payments and other costs associated with the hangar.

The audit found that USMS evaluation, planning, and decisionmaking prior to entering the original lease was very poor. The hangar's intended uses for maintenance, security, and office space can either be performed elsewhere or are of only marginal benefit.

We concluded that the agreement to lease should be terminated. Unless a better use can be made of the proposed facility, termination would save as much as \$20 million over the next 20 years, less any contract termination costs. The Deputy Attorney General convened the Audit Resolution Committee to consider this matter.

### INS

#### ■ FY 1989 Immigration and Naturalization Service Financial Closeout

An audit of the FY 1989 Immigration and Naturalization Service (INS) year-end financial closeout disclosed that the INS does not have complete, current, or accurate financial data and that the resultant year-end report was inaccurate. The INS made unsupported adjustments in excess of \$51 million to the amounts reported on the FY 1989 Year-End Closing Statement. This was the result of multifaceted and long-standing problems with performing reconciliations of Financial Accounting and Control System (FACS) and Treasury data, backlogs in posting financial transactions to FACS, and errors in the financial records.

The lack of accurate financial information at year end, when the financial records should be balanced and all accounting data entered for the year-end reports, is an indication that INS management needs to place more emphasis on financial management and accounting functions. Management needs complete, current, and accurate information on the status of funds at any given time if management is to make adequately informed judgments on the proper use of funds and efficiently allocate funds.

**BOP****■ Bureau of Prisons Facility Construction Program**

This audit reviewed new facility construction activities in the Bureau of Prisons (BOP) for the period October 1, 1987, through January 31, 1990. In May 1989, the BOP's prison construction budget was increased to approximately \$1.5 billion, designed to provide an additional 24,000 beds for prisoners. At the end of FY 1989, the BOP's construction activities included nine new construction projects at an estimated cost of \$413 million and the expansion of 30 existing facilities at an estimated cost of \$165.3 million. However, the audit disclosed a need for the BOP to strengthen its system of internal controls over the new facility construction program.

Additional documentation specifically addressing the organizational and individual responsibility, authorities, and limitations of authority pertaining to the BOP's new construction program is necessary. The management and administration of construction site activities by various officials responsible were performed in a manner that can be improved considerably. Inconsistencies and inadequacies were noted in areas such as: proposal review, preconstruction and progress conferences, inspections services, processing requests for information, architect's supplemental instructions, submittals, contract modifications, contractor performance, tracking deficiency reports, and obtaining warranties.

Additional management controls are necessary to reduce the risk that the construction program and related projects: (1) are planned, designed, and constructed in a manner that will minimize cost and time while maintaining quality control; and (2) are not susceptible to fraud, waste, and abuse.

**Value Engineering****■ Value Engineering Program in the Department of Justice**

As part of a President's Council on Integrity and Efficiency initiative, an audit was conducted of the Value Engineering (VE) program in the Department for the period October 1, 1988, through May 31, 1990. The audit disclosed that the Department and its components have not fully developed and implemented an effective VE program promoting the use of VE techniques as required by OMB Circular No. A-131.

Although the OMB Circular became effective in January 1988, the Department's implementing policies were not issued until October 1989. Further, the Department's components had not adequately addressed most of the requirements in the DOJ Order. For example, none of the components had allocated or requested operating funds, established required criteria and guidelines, or provided sufficient staff training.

## Significant Audits Performed During This Reporting Period *(continued)*

### Value Engineering *(continued)*

As a result, the Department and its components increase the risk that potential cost savings are being lost because VE techniques are not being applied to appropriate programs and projects with an objective to reduce nonessential costs.

The inadequacies in the Department's VE program could have been prevented had the:

- Role and responsibilities of the Department's designated single entity and respective VE program manager been clearly defined to address the management and monitoring requirements as established by the OMB Circular.
- Responsible senior management officials at both the Department and component levels taken action to effectively implement the established VE requirements.
- Department's designated single entity and respective VE program manager been required to assume a more active role in managing and monitoring the VE activities and efforts of the Department's components.

### Chapter 7 Panel Trustee

#### ■ Chapter 7 Panel Trustee

At the request of the Executive Office for U.S. Trustees, we completed an audit of a Chapter 7 Panel Trustee. Our audit disclosed diversion of estate funding in 16 of the 67 asset cases reviewed, totaling \$299,222. The actual loss was \$203,147, since the employee later replaced some of the diverted funds in eight of the 16 estates' bank accounts. The loss of funds occurred and went undetected because cash handling and recordkeeping duties were not segregated and there was a lack of supervision. The OIG recommended the U.S. Trustee recover the \$203,147 of funds missing from the bankruptcy estates and ensure that the panel trustee develop and implement an adequate system of internal controls.

### Trustee Audits

The Audit Division has contributed significantly to the integrity of the bankruptcy system by performing financial audits of trustees under a reimbursable agreement with the Executive Office for United States Trustees (EOUST). During the reporting period, 124 trustee reports were issued. In addition, the Audit Division transmitted to the Director, EOUST, a summary report of trustee audits and findings that were issued during FY 1990. This report will enable EOUST to evaluate both standing and panel trustees' bankruptcy operations.

Financial and compliance audits are performed of Chapter 12 family

## Trustee Audits (continued)

farmer trustees and Chapter 13 standing trustees to evaluate the adequacy of the trustees' accounting systems and related internal controls, compliance with major statutes which could have a material effect upon the financial information provided to the U.S. Trustees and the Courts, and the fairness of the trustees' financial representations.

In addition, two other types of reviews are performed of Chapter 7 panel trustees. Operational surveys of recently appointed Chapter 7 trustees are performed to provide the U.S. Trustees with an overview of internal control weaknesses or potential problem areas. Cash management reviews of Chapter 7 trustees assess the accounting and internal control systems employed by individual panel trustees in the high risk area of cash management.

## External Audits

The Single Audit Act of 1984 and OMB Circulars A-128 and A-133 require recipients of federal funds to arrange for an audit of their activities.

During this period, 134 external reports were issued encompassing 669 Department contracts, grants and other agreements totaling \$217,931,256. These audits report on financial activities, compliance with applicable laws and, in many cases, the adequacy of recipients' internal controls over federal expenditures.

Reports on organizations over which the Department is cognizant or which have a preponderance of Departmental funds are reviewed to ensure they comply with generally accepted government auditing standards. In certain limited circumstances, the OIG performs audits of state and local governments, nonprofit organizations, and Departmental contracts.

## Management Memoranda

During this period, the Division issued four Management Memoranda. One memorandum was issued to the Commissioner, INS, regarding the failure to bill cargo carriers for inspection overtime. Another was sent to the Director, U.S. Marshals Service regarding the Air Operations Branch scheduling of pilots. The two remaining memoranda dealt with:

- A panel trustee's weak internal controls governing Chapter 7 bankruptcy estate funds.
- A Chapter 12 standing trustee's practice of accepting percentage fees on direct payments made on behalf of debtors.

## Audit Follow-Up Activities

OMB Circular A-50, "Audit Follow-Up," requires audit reports to be resolved within 6 months of the audit report issuance date. The status of open audit reports are continuously monitored to track the audit resolution and closure process. As of March 31, 1991, the OIG closed 271 audit reports and was monitoring the resolution process of 109 open audit reports. Of this latter number, one was over 6 months old and in disagreement as discussed below.

### Audits in Disagreement

Section 5(a)(12) of the Inspector General Act Amendments of 1988 requires the Inspector General to report on audits in disagreement. On September 26, 1990, the OIG issued the audit report on Superfund Activities in the Environmental and Natural Resources Division (ENRD). The OIG and ENRD have not reached resolution on one recommendation relating to the services of an accounting firm procured under a 1986 expert witness agreement to design, develop, and maintain a cost accounting system for the accounting and reporting of Superfund costs. There has never been a formal contract executed for these day-to-day routine accounting services provided by the firm. All costs have been incurred under the expert witness agreement. As noted in the audit report, there is a disagreement between this Office and the ENRD as to whether the basic accounting services of the firm are severable from the services required of an expert to prepare for litigation and testimony relating to a specific case when the need arises. This matter is being reviewed by appropriate Legal Counsels and opinions are expected in the near future.

## Notices of Irregularity

During this reporting period, OIG auditors issued one Notification of Irregularity to the Investigations Division.

## Audit Statistics

### Highlights

The Inspector General Act Amendments of 1988 set forth mandatory reporting requirements for the semiannual reports of OIG audit activities. A number of OIG audit results do not fit these categories but are still worthy of special note.

During this reporting period, the OIG:

- Challenged the wisdom of a \$20 million USMS contract.
- Found \$3.4 million that the FBI could have avoided by better planned procurements.
- Found a \$51 million imbalance between INS and Treasury records for FY 1989.

**Audits With Funds Recommended to be Put to Better Use**  
**Oct. 1, 1990--March 31, 1991**

<b>Audit Reports:</b>	<b>Number of Audit Reports</b>	<b>Funds Recommended to Be Put to Better Use.</b>
No management decision was made by beginning of period.	0	0
Issued during period.	1	\$7,000
Needing management decision during period.	1	\$7,000
Mgmt decisions made during period:		
• Amounts management agreed to put to better use.	1	\$7,000
• Amounts not agreed to be put to better use.	0	0
No management decision at end of period.	0	0

**Audits With Questioned Costs**  
**Oct. 1, 1990-March 31, 1991**

<b>Audit Reports:</b>	<b>Number of Audit Reports</b>	<b>Total Questioned Costs (including unsupported costs)</b>	<b>Unsupported Costs</b>
No management decision was made by beginning of period.	17	\$457,467	\$94,264
Issued during period.	17	\$1,933,865	\$187,352
Needing management decision during period.	34	\$2,391,332	\$281,616
Management decisions made during period:			
• Amounts management agreed to recover (disallowed) .	25	\$906,281	\$159,650
• Amounts not sustained (not allowed)	0	0	0
No management decision at end of period.	9	\$1,485,051	\$121,966

## Audit Statistics (continued)

### Audits Involving Recommendations for Management Improvements Oct. 1, 1990–March 31, 1991

Audit Reports:	Number of Audit Reports	Total Number of Mgmt. Improvements Recommended
No management decision was made by beginning of period.	49	185
Issued during period.	44	286
Needing management decision during period.	93	471
Management decisions made during period:		
• Number management agreed to implement.	*67	362
• Number not agreed to implement	1	1
No mgmt decision at end of period.	29	108

**\* Note**

\* The number of reports is higher since management has taken different types of action on a single report.

## Duties of the Investigations Division

The Investigations Division investigates alleged violations of bribery, fraud, abuse, and integrity laws that govern the Department and the operations it finances. The Division also develops cases for criminal prosecution and possible civil or administrative action.

Under the Inspector General Act Amendments of 1988, the Office of Professional Responsibility (OPR) retained authority over certain investigations. The Act directed that allegations relating to employees in attorney, criminal investigative and law enforcement positions be referred to OPR in the Department. The OIG and OPR signed a Memorandum of Understanding to ensure close coordination on these investigations. The agreement provides that all OIG resources, investigators and auditors can be used for OPR investigations. This Memorandum has been extended in 45-day increments continuously since April 14, 1989. The OIG has direct responsibility over:

- Allegations of misconduct against employees in other job categories
- Cases of fraud against the Department and its programs.

Also, the Investigations Division refers some cases, noncriminal in nature and involving administrative matters, to bureaus within the Department. The OIG monitors these cases to ensure they are properly handled.

## Division Priorities For Fiscal Year 1991

*Investigative.* The Inspector General directed that investigative priority be given to allegations of corruption of Department employees along the Southern Border of the United States. The Division raised this issue with other law enforcement agencies to identify areas for cooperative efforts and concentrated manpower and financial resources.

*Management.* At its inception, the Investigations Division followed the policies and procedures of Departmental agencies that comprised the new OIG. To standardize operations, the Inspector General appointed a special Task Force to write an Investigations Manual for Department of Justice OIG special agents. The Task Force completed the Manual during this reporting period. All law enforcement agencies within the Department cooperated and assisted the OIG, as did other Inspector General offices.

*Training.* Maintaining a high level of law enforcement skill proficiency by Department of Justice OIG special agents is an ongoing priority of the

## Division Priorities (continued)

Inspector General. During this reporting period a four-week Refresher Training Program was designed for Department of Justice OIG special agents in close cooperation with the Federal Law Enforcement Training Center, Glynco, Georgia. The course includes many skills agents use in their daily work, but its focus is on two important aspects:

- Recent court decisions, and their impact on the ways special agents conduct criminal investigations; and,
- Safety and survival of agents making arrests and executing warrants of search and seizure.

The Public Integrity Section of the Criminal Division, Department of Justice, has become a significant training resource for the Investigations Division. During this reporting period, attorneys from Public Integrity provided four training sessions to OIG special agents on handling bribery and conflict-of-interest investigations and handling of evidence. The training covered new issues in these areas that will help OIG agents use current approaches and techniques.

Agents also received specialized training in methods of conducting financial investigations and identifying fraudulent actions by contractors. The agents used these methods during investigations of Department of Justice contracts where fraudulent or improper costs were alleged. Training that emphasizes fraud detection and financial investigative techniques is now a requirement for all agents. OIG has a cadre of special agents who are attaining an expert level of experience in conducting these complex investigations.

## Updates on Selected Cases Reported in the Previous Semiannual Report

### Embezzlement

- An extensive Department of Justice OIG financial investigation established that an INS employee embezzled approximately \$30,000 over a three-year period by submitting altered or fraudulent invoices for motor vehicle parts, repairs and accessories.

A Federal Grand Jury indicted the subject on September 12, 1990, on nine counts of false, fictitious or fraudulent claims against the government (18 USC 287). OIG special agents arrested the subject on September 13, 1990.

Update -- On February 28, 1991, the subject was found guilty on all nine counts charged. Sentencing is scheduled for May 20, 1991.

## Bribery

- An INS Information Management Specialist, working with various civilian co-conspirators, sold legitimate Alien Registration Receipt Cards (Green Cards) to known Colombian drug cartel members. Using an undercover operative, the INS Forensic Documents Laboratory, a Title I wire intercept, and surveillances in three cities, the OIG determined the scope of the operation and discovered the INS employee fraudulently issued 150 genuine Green Cards.

Investigators arrested the INS employee and two of the three co-conspirators; one co-conspirator is classified as a fugitive. Officials seized the employee's assets, totalling over one million dollars. Bail was set at \$500,000. The co-conspirators in custody were held in lieu of \$150,000 and \$200,000 corporate surety bonds.

On September 18, 1990, a superseding indictment was issued, charging the subject of the investigation, his wife (an INS Immigration Examiner), and three others with money laundering, bribery, and conspiracy; violations of 18 USC § 201, 371, 1028, 1956 and Sections 7201 and 7206 of the Internal Revenue Service Code.

Update -- The subject pled guilty to all counts filed. His wife pled guilty to a single count of felony tax evasion. The two arrested co-conspirators pled guilty to a single count of conspiracy. To date, all four have yet to be sentenced. The OIG, the U.S. Attorney's Office, the local INS District Office, and the U.S. Marshals Service are coordinating efforts to find the remaining co-conspirator. The INS has apprehended many of the aliens who purchased the Alien Registration Receipt Cards. Deportation proceedings are underway.

- A corrupt INS Immigration Inspector, working with an organized smuggling ring, received thousands of dollars for each national of the Peoples Republic of China that he allowed to enter the United States. In a joint investigation, Department of Justice OIG and U. S. Customs Service agents infiltrated the smuggling ring using a Customs agent posing as a corrupt employee.

Using audio and video equipment, investigators monitored conversations and meetings during three controlled smuggling operations. By the end of the investigation, the undercover agent had been paid \$25,000 in bribe monies. Fifteen individuals were arrested, including smuggled aliens and six principal ring members. The majority of the defendants pled guilty and cooperated with the government. The Immigration Inspector was convicted on all 10 felony counts of bribery,

## Updates on Selected Cases Reported in the Previous Semiannual Report (continued)

### Bribery (continued)

conspiracy, and destruction of government records.

Update -- The Immigration Inspector was sentenced to serve 41 months in prison, three years supervised probation, and fined \$550. Another co-conspirator was sentenced to serve 27 months in prison, three years supervised probation, and fined \$7,500.

## Significant Investigations Conducted During This Reporting Period

### Conspiracy To Import A Controlled Substance

■ An individual offered an INS Immigration Inspector money to allow a load of "shrimp and cheese" to pass through an international U.S. Port of Entry. The Inspector notified the Department of Justice OIG. The OIG suspected narcotics smuggling was the ring's ultimate purpose. Thus, the OIG requested the cooperation of Operation Alliance. (Operation Alliance is a federal multi-agency interdiction effort along the United States Mexican border. Special agents from the Drug Enforcement Administration, the U.S. Customs Service, and state and local law enforcement agencies make up Operation Alliance.)

As part of an undercover operation, the cooperating Immigration Inspector allowed a van to pass through the Port of Entry. Department of Justice OIG and Operation Alliance agents kept the van under surveillance. Later, the agents asked that the van be stopped and searched at a Border Patrol checkpoint.

A Border Patrol dog, trained to detect drugs, indicated that drugs were in fact in the van. A search revealed four hidden compartments filled with cocaine. Two hundred and eighty three kilograms of cocaine worth over \$6 million were seized, as were a 1986 Dodge sedan and van.

The four subjects of the investigation were arrested and charged with: conspiracy to import a controlled substance, importation of a controlled substance, conspiracy to distribute a controlled substance, possession with intent to distribute a controlled substance, conspiracy to bribe a public official, and bribery of a public official; violations of 18 USC § 201 and 371 and, 21 USC § 841, 846, 952, 960, and 963.

On March 20, 1991, a detention hearing was held and two subjects were denied bond, while bond was set at \$300,000 each for the other subjects. Grand Jury presentation is scheduled for Spring 1991.

### **Conspiracy To Import A Controlled Substance (Continued)**

- An INS Immigration Inspector accepted bribes to allow narcotics to enter the United States. The Inspector made arrangements for cocaine to be smuggled through a U.S. Port of Entry. He accepted \$30,000 per car load. During a joint OIG and FBI undercover operation, the subject accepted \$35,000 in bribes to allow cocaine to enter the country.

OIG and FBI special agents arrested the subject and two civilian co-conspirators. The subject and the co-conspirators were arraigned on November 19, 1990. Bond was set at \$350,000 for the subject and \$75,000 for each co-conspirator. The three were indicted on November 28, 1990, and charged with: bribery, importation of a controlled substance and possession with intent to distribute; violations of 18 USC § 201 and 21 USC § 841 and 952.

### **Distribution of a Controlled Substance**

- A Bureau of Prisons Correctional Officer was trafficking in marijuana in a federal institution. An OIG investigation revealed that on several occasions, the Correctional Officer had smuggled marijuana into the institution. He had accepted money to do so. (Marijuana is also considered contraband in a federal correctional facility.) Also, an inmate cooperating with the investigation purchased marijuana from the Correctional Officer. A consent search of the Correctional Officer's apartment revealed he had marijuana stored there.

A Federal Grand Jury indicted the BOP employee for distribution of a controlled substance, a violation of 21 USC § 841. An arrest warrant was issued. The Correctional Officer remains a fugitive at this time.

### **Conspiracy and Bribery**

- OIG investigators uncovered a multi-million dollar bribery-fraud scheme. The three-month investigation led to the arrests of fifteen people, charged with conspiracy and bribery, violations of 18 USC § 201 and 371. Among those arrested were four employees of the Immigration and Naturalization Service (INS) and two active duty U.S. Army sergeants.

OIG special agents infiltrated the ring and found that over a three-year period, more than 1,000 undocumented workers paid up to \$6,000 each for INS work permits or other documents. The aliens paid the monies to a husband and wife team and seven "brokers" who operated out of a computer-equipped basement.

## Significant Investigations Conducted During This Reporting Period (*Continued*)

### Conspiracy and Bribery (*continued*)

The ring bribed INS employees to obtain immigration documents, work permits and passport entry-stamps. The recruiting sergeants solicited bribes to allow aliens to enter the U.S. Army.

A task force of approximately 100 law enforcement officers arrested 12 members of the ring. Law enforcement officials from various agencies assisted the Department of Justice's OIG special agents, including:

- Department of Defense OIG
- Department of State's OIG and Office of Diplomatic Security
- U.S. Army Criminal Investigative Division
- Officers from the local police department's emergency services unit

The OIG and the local police department conducted aerial surveillance of the locations they intended to raid. These precautionary measures ensured security and safety during the operation. During the pre-dawn raids, the task force apprehended all the subjects and seized hundreds of INS documents and approximately \$6,000 in cash.

Subsequent investigations led to the arrests of three more "brokers," bringing the total number of arrests to fifteen. One of the three additional "brokers" arrested was identified as a Confidential Investigator for the local PD's Department of Investigations.

One INS employee who admitted to receiving \$80,000 in payments later cooperated with the investigation. The employee pled guilty to conspiracy to commit bribery and has been relocated for the employee's own protection. Three "brokers" also pled guilty to conspiracy to commit bribery. The other individuals are in various stages of the judicial process. To date, none of the individuals has been sentenced.

### Bribery

- A candidate for the Florida State House of Representatives attempted to bribe a senior INS official. The Assistant District Director for an INS District Office notified the Department of Justice OIG that an attempt had been made to bribe him.

During undercover meetings, and in cooperation with OIG special agents, the INS Assistant District Director met with the candidate, who paid the cooperating INS official over \$16,000. In exchange, the INS official was to use his influence to establish Immigration Bonds for particular aliens detained at the INS Krome Detention Center in Florida.

### **Bribery (continued)**

The subject of the investigation was indicted and arrested for bribery of a government official, in violation of Title 18 USC § 201 (b) (1) (A). The subject was released on a \$75,000 Personal Surety Bond with trial scheduled to begin in Spring 1991.

■ An attorney who practiced Immigration Law, her husband--a physician--and her brother were indicted on March 12, 1991, by a Federal Grand Jury for bribery and interstate transportation in aid of racketeering and conspiracy, violations of 18 USC § 371, 201 and 1952.

During a four-month OIG undercover investigation, the attorney processed 144 alien applications in a scheme to obtain illegal INS Employment Authorization Cards. The attorney charged clients approximately \$3,515 apiece for the documentation. She in turn paid \$72,000 in bribe monies to a U.S. Immigration and Naturalization Service employee to process the fraudulent applications. The INS employee was cooperating with the OIG. The attorney operated the scheme in three states, encompassing a number of INS Districts.

The investigation ended on February 14, 1991, when OIG special agents executed arrest warrants for the attorney, her husband, and her brother. A search of the attorney's residence produced over \$600,000 in cash, which had been stored in three safes. The three defendants have been held in federal custody and without bail since their arrest.

A Federal Judge refused to set bail fearing they would flee the country before their trial. The physician is a native of Nigeria, has family ties there, and has money invested in two banks. In a taped conversation, the attorney told an undercover agent she would flee to Nigeria if she was ever caught.

### **Embezzlement and Civil Rights**

■ A Supervisory Criminal Investigator of an INS District Office Anti-Smuggling Unit conducted illegal searches and stole thousands of dollars. The investigator searched Hispanic-owned grocery stores under the pretext of apprehending aliens.

OIG special agents and the U.S. Attorney's Office joined in a one and one-half-year investigation that culminated with a 25-count indictment against the INS investigator for embezzlement and theft of monies, violations of Federal Civil Rights statutes, and false statements in official INS reports, violations of 18 USC § 241, 242, 654, and 1001.

## Significant Investigations Conducted During This Reporting Period *(Continued)*

### False Statements

■ A confidential informant provided by another agency claimed that an INS special agent had murdered an alien and had forced the informant to help dispose of the body. Department of Justice OIG special agents established the identity of the alleged victim and found he was living in Southern California.

OIG agents interrogated the informant, who admitted he held a grudge against the INS agent and wanted to get him in trouble. The OIG investigation prompted the other agency to discontinue using the informant and cleared the INS special agent of any wrongdoing.

### Sale of Government Documents

■ Two contract employees of an organization, qualified by INS to process Amnesty applications for the Legalization Program on behalf of aliens, recruited and accepted applications for the Program after the required deadline.

In addition to announcing to prospective applicants that the program filing deadline had been extended, they also stated it had been expanded to include non-agriculture employment. The two employees forged affidavits and letters confirming the applicants had worked as seasonal agricultural employees. The contract employees then delivered the applications to an INS Legalization Adjudicator. The INS Adjudicator falsely certified that:

- the documents were legitimate
- the applicant had been placed under oath
- she had conducted an applicant interview.

The Adjudicator then assigned an INS alien file number to the false applications and placed them in legitimate files for processing.

As a result of the OIG's investigation, a Grand Jury indicted the conspirators. They were charged with bribery, conspiracy, false statements, possession of false documents, and inducing aliens to reside in the United States illegally; violations of 18 USC § 201, 371, 1001, 1546 and 8 USC §1324.

The Legalization Adjudicator, who pled guilty to bribery and inducing aliens to illegally reside in the United States, is awaiting sentencing. A trial for the two contract employees is scheduled for April 1991. Also, a

### **Sale of Government Documents (continued)**

civilian defendant pled guilty to paying the Legalization Adjudicator a \$10,000 bribe and was sentenced to six months detention.

### **Sexual Abuse and Misconduct**

- A male cook employed by the Bureau of Prisons at a federal prison camp was accused of having sexual relations with female inmates. OIG special agents identified an inmate who admitted to acting as a lookout while the cook was allegedly involved in sexual activities with another inmate. The subject of the investigation resigned his position with BOP.

- A Bureau of Prisons Regional Personnel Administrator assigned to a recruitment team in Puerto Rico was asking female job applicants for sexual favors. The OIG investigation revealed that the Administrator engaged in immoral/outrageous behavior discrediting the government. His unprofessional conduct included making sexually suggestive comments to female job applicants; misusing a government-sponsored credit card by charging off-duty personal items; and providing false statements during an investigation. The employee was demoted and reassigned.

### **Bribery for Approval of INS Legalization (Amnesty) Applications**

- Two Israeli nationals offered an INS Assistant District Director for Immigration Reform monies in exchange for favorable approval of fraudulent INS Amnesty applications. The INS Officer reported the bribe offer to the Department of Justice OIG and agreed to assist OIG agents by posing as a corrupt INS official.

During a two-month undercover investigation, the cooperating INS official received approximately \$68,000 in bribes. On November 15, 1990, OIG special agents arrested the subjects. On February 15, 1991, one subject pled guilty to conspiracy in violation of Title 18 USC §371; the other pled guilty to conspiracy and bribery in violation of Title 18 USC §371 and 201. Both subjects are scheduled to be sentenced on April 10, 1991.

- A Philippine couple approached an INS Immigration and Legalization clerk with a bribe offer. The couple told the INS employee they would pay the employee \$1,000 for each fraudulent INS Amnesty application approved. The Philippine nationals, who were travel agents, also wanted to purchase genuine INS documents that the employee could steal from

## Significant Investigations Conducted During This Reporting Period *(Continued)*

### Bribery for Approval of INS Legalization (Amnesty) Applications *(continued)*

the INS office. The INS clerk reported the bribe offer to Department of Justice OIG agents.

The OIG asked the INS clerk to pose as a corrupt official. Over the period of a month, the couple paid the INS clerk \$28,000 in bribes. On December 26, 1990, OIG special agents executed arrest warrants for the couple, who were charged with conspiracy and bribery of a public official, violations of 18 USC § 201 and 371.

On that same day, a search warrant was served on the couple's place of business. Officials seized numerous fraudulent INS applications, counterfeit INS stamps, marking devices and seals, as well as several thousand dollars in cash.

After their arrest, both subjects appeared before a U.S. Magistrate and each was released on \$25,000 bond. On January 22, 1991, the subjects failed to appear in U.S. District Court as ordered. They were each subsequently indicted and arrest warrants have been issued. They remain fugitives at this time.

■ An East Indian asked an INS Officer, working in the Legalization (Amnesty) Program, to approve fraudulent amnesty applications for some East Indian nationals. The INS officer notified the Department of Justice OIG.

OIG special agents conducted a three-month undercover operation with the assistance of the INS Officer. The subject of the investigation offered the INS Officer \$1,000 per application for each ineligible alien that the Officer approved. The Officer received a total of \$21,000 in bribes. The subject, who claimed to have several hundred potential clients, promised the INS Officer eventual earnings of \$200,000 to \$300,000.

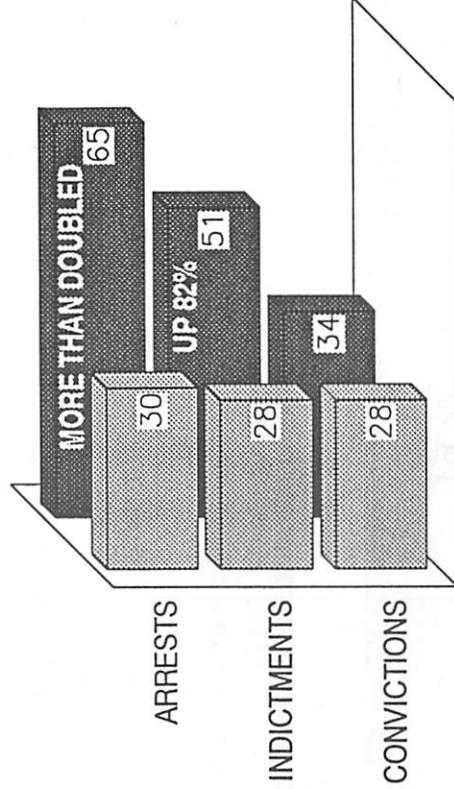
Department of Justice OIG and INS agents arrested the subject and an associate while they met for the last time with the cooperating INS Officer. One subject was indicted on January 30, 1991, on six counts of bribery (violations of 18 USC § 201) and released on a \$50,000 bond. This subject has pled guilty to two counts of bribery in a plea agreement. Sentencing is set for June 3, 1991. The other subject is in INS custody.

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*The Investigations Division investigates alleged violations of bribery, fraud, abuse, and integrity laws that govern the Department.*

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## Investigative Statistics -- October 1, 1990 -- March 31, 1991

Increases in Arrests,  
Indictments, ConvictionsINVESTIGATIONS GET BETTER RESULTS IN THIS  
REPORTING PERIODOIG Hot Line and Complaint  
Statistics

Method of Receipt	
• Hot Line	127
• Other methods	959
<b>TOTAL allegations received</b>	<b>1086</b>
Disposition of total allegations received	
• Investigations initiated	234
• Monitored referrals within DOJ	548
• Mgmt. referrals within DOJ and outside DOJ	127
• Those requiring no action	177
<b>TOTAL</b>	<b>1086</b>

## Investigative Statistics -- October 1, 1990 -- March 31, 1991

## OIG Investigative Caseload

Investigations carried forward as of 9/30/90*	425
• Investigations opened this period	154
• Investigations closed this period	160
<b>Total investigations in progress as of 3/31/91</b>	<b>419</b>

## Prosecutive Actions

Investigations referred for prosecution this period	75 <sup>9</sup>
• Investigations accepted	42
• Investigations declined	17
• Pending acceptance for prosecution	16
<b>Criminal Indictments/Informations</b>	<b>44</b>
Convictions/Pleas	29

## Monetary Results

Fines/Restitutions/Recoveries**	\$9,850
Seizures	\$617,082

## \* Notes

\* A subtraction error in the previous report recorded 197 cases closed instead of 199 cases. Additionally, one case was erroneously included in the previous report as a "pending" case; it was actually closed in August 1990.

\*\* In previous reports, monies seized were reported under the heading of "Fines/Restitutions/Recoveries."

## Investigative Statistics -- October 1, 1990 -- March 31, 1991

### Investigative Caseload in Support of the Office of Professional Responsibility

Investigations carried forward as of 9/30/90*	202
• Investigations opened this period	80
• Investigations closed this period	86
<b>TOTAL investigations in progress as of 3/31/91</b>	<b>196</b>

### Prosecutive Actions

Investigations referred for prosecution	25
• Investigations accepted	6
• Investigations declined	8
• Pending acceptance for prosecution	11
Criminal Indictments/Informations	7
Convictions/Pleas	5

### Monetary Results

Fines/Restitutions/Recoveries**	\$2,975
Seizures	0

### \* Notes

\* During this reporting period, an allegation, previously classified as an OIG/OPR monitored referral, was upgraded to an OIG/OPR investigation.

\*\* In previous reports, monies seized were reported under the heading of "Fines/Restitutions/Recoveries."

## Investigative Statistics -- October 1, 1990 -- March 31, 1991

### Monitored Referrals Within DOJ

Cases carried forward as of 9/30/90	225
• Cases opened	243
• Cases closed	132
<b>TOTAL cases pending as of 3/31/91</b>	<b>336</b>

### Monitored Cases in Support of the Office of Professional Responsibility

Cases carried forward as of 9/30/90*	309
• Cases opened	305
• Cases closed	197
<b>TOTAL cases pending as of 3/31/91</b>	<b>417</b>

#### \* Notes

\* During this reporting period, an allegation previously classified as an OIG/OPR monitored referral was upgraded to an OIG/OPR investigation.

## Duties of the Inspections Division

The Inspections Division provides the OIG with another mechanism for dealing with issues associated with fraud, waste, and mismanagement. The inspections process allows for timely feedback to senior managers and early warning to the Administration and the Congress about Department of Justice problems. The Division has a multi-disciplinary capability to:

- Examine a large number of discrete activities
- Review new operations early in their existence
- Conduct inspections rapidly

Inspections adhere to the standards issued by the President's Council on Integrity and Efficiency.

An annual workplan sets forth the activities of the Division. The workplan's design ensures oversight of Department programs and offices, but allows the Inspector General the flexibility to direct resources to specific problems or troubled areas quickly.

The Division also conducts annual reviews of the Department's efforts to carry out the Federal Managers' Financial Integrity Act of 1982 and the requirements of Public Law 101-121 covering restrictions on using government funds in lobbying activities.

## Significant Inspections Conducted During This Reporting Period

### OJP

#### ■ Inspection of the Office of Justice Programs

The Attorney General requested the inspection. He asked that it emphasize the grant management process and activities of the five bureaus within the Office of Justice Programs (OJP). The bureaus are: the Bureau of Justice Assistance (BJA); Office of Juvenile Justice and Delinquency Prevention (OJJDP); Office for Victims of Crime (OVC); the Bureau of Justice Statistics (BJS); and the National Institute of Justice (NIJ).

We found organizational conflicts between OJP and the bureaus it oversees, and evidence of ineffective grant administration throughout OJP. These conflicts resulted from OJP's efforts to exert stronger direction and coordination over the bureaus. Our findings revealed:

## Significant Inspections Conducted During This Reporting Period *(continued)*

### OJP *(continued)*

- BJA transferred a total of about \$22 million of fiscal year 1989 and 1990 discretionary grant funds to other bureaus within OJP and other Department components, although no authorization existed for these transfers. BJA also did not effectively monitor formula grants.
- BJA needs to improve the quality and timeliness of instructions it provides to states for formula grants; ensure that projects are not funded for more than the four years allowed by statute; and ensure that states comply with all special conditions of grant awards.
- OJJDP used grant funds improperly to accomplish administrative tasks. They also allowed discretionary grants to continue noncompetitively year after year, did not evaluate grantees as required by law, and awarded untimely formula grants.
- OVC, BJS, and NIJ failed to provide adequate on-site monitoring in both the formula and discretionary grant programs.
- OJP and the Office of the Comptroller needed to close grants promptly so they could deobligate unspent funds and use them elsewhere. Unspent funds requiring deobligation totalled at least \$861,451.

### FMFIA and OMB Circular A-123

#### ■ Inspection of the Department of Justice's Implementation of the Federal Managers' Financial Integrity Act and Office of Management and Budget Circular A-123

The Justice Management Division (JMD) administers the internal control process. We focused our inspection on JMD's oversight in the implementation of the Federal Managers' Financial Integrity Act (FMFIA) of 1982 and Office of Management and Budget (OMB) Circular A-123. There are 32 Department components responsible for reporting on the internal control process. We found JMD generally complied with the requirements set forth in Sections 2 and 4 of the FMFIA and OMB Circular A-123. However, JMD needs to make certain improvements in the administration of the internal control process by:

- Devoting additional resources to monitor component activities and validate the data submitted by components on the internal control process.
- Stressing to component heads their responsibility for following the Department's internal control program requirements.
- Enhancing the automated tracking system used to monitor internal controls.

**FMFIA and OMB  
Circular A-123 (continued)**

- Revising the Department's Guide for the Implementation of the Department of Justice's Internal Control Process.
- Strengthening the Department's internal control process training initiative.

**INS, Phoenix**

■ **Inspection of the Immigration and Naturalization Service, Phoenix District**

We conducted the inspection to determine the operational effectiveness and efficiency of the Immigration and Naturalization Service's Phoenix District Office (District). Our inspection revealed:

- The District detained aliens at non-federal facilities at an estimated cost of more than \$350,000. This expenditure was incurred because a new inmate dormitory complex at the Service Processing Center (SPC) in Florence, Arizona, had remained unoccupied, due to staff shortages, since its completion in April 1990. The staff shortages existed because INS officials failed to finalize a contract for 40,000 detention hours of unarmed guard service needed to staff the new dormitory complex.
- INS planned further expansion of the SPC despite its inability to staff the existing dormitory complex.
- The District could reduce overtime costs incurred at Tucson Airport by approximately \$8,400 annually by rescheduling the shifts of the airport's regularly assigned employees to coincide more closely with flight arrivals.

**U.S. Attorney's Office,  
Washington**

■ **Inspection of the United States Attorney's Office, Western District of Washington**

We initiated the inspection to evaluate the management of the United States Attorney's Office (USAO) in the Western District of Washington, and to determine whether management followed applicable laws, regulations, and policies. Our inspection revealed:

- Major cases awaited prosecution for months due to the relatively small number of Assistant United States Attorneys. The office did not prosecute lesser cases at all. Several federal investigative agencies interviewed stated the USAO did not have the resources to adequately service the federal investigative community.

## Significant Inspections Conducted During This Reporting Period *(continued)*

### U.S. Attorney's Office, Washington *(continued)*

- The USAO did not always advise the referring agency promptly of prosecutorial declinations and the reasons for the declinations. This resulted in some of the investigative agencies expending resources on a case only to find out later that the USAO was not going to prosecute.
- Several internal control deficiencies existed in the Financial Litigation Unit and in debt collection procedures.

### U.S. Marshals Service, Montana

#### ■ Inspection of the United States Marshals Service, District of Montana

Our objectives were to evaluate the management of the United States Marshals Service's (USMS), District of Montana (District), and to ensure compliance with Department and USMS policies and procedures. Our inspection revealed:

- The District seized properties having low equity values due to inadequate pre-seizure planning and failure to conduct lien analyses on real property. In some instances, liens and USMS costs were approximately double the seized properties' appraised value.
- A multitude of discrepancies existed in record keeping, accountability, storage, disposal, and management controls of seized properties.
- Improper review and payment of jail bills resulted in overpayment to the jail(s).

### Correctional Institution, Florida

#### ■ Inspection of the Federal Correctional Institution, Tallahassee, Florida

We conducted an inspection to assess the effectiveness of the institution's financial, operational, and administrative program areas. The Federal Correctional Institution in Tallahassee, Florida (FCC Tallahassee) is a low security institution. Our inspection revealed:

- The inmate population exceeded the institution's rated capacity of 577 by about 52 percent.
- The East Tallahassee Jaycees, an inmate organization, was in financial difficulty. An outside accountant failed to detect an \$8,700 overstatement of sales reported by the inmates and was responsible for overstating sales by an additional \$3,300 on financial statements. An outside auditor failed to detect this \$12,000

### **Correctional Institution, Florida (continued)**

overstatement of income reported on the financial statements. The auditor didn't detect the fact that the income significantly exceeded the amount deposited in the bank account. Subsequent to the issuance of the inspection report, the contracts with both of these individuals were terminated.

- FCC Tallahassee did not administer the inmate Financial Responsibility Program (FRP) properly. Some inmates with financial obligations refused to participate in the FRP and inappropriately received full pay.
- FCC Tallahassee did not follow all procedures governing the Victim and Witness Notification Program. They failed to notify all participants in the Program of projected release dates and inmate transfers.

### **U.S. Penitentiary, California**

#### **■ Inspection of the United States Penitentiary, Lompoc, California**

We focused our inspection on assessing the effectiveness of the institution's financial, operational, and administrative programs. The United States Penitentiary in Lompoc, California (USP Lompoc), is a high security institution. The inspection revealed that:

- The inmate population exceeded the institution's rated capacity of 1,130 by about 42 percent.
- The facility had difficulty keeping experienced correctional staff due to the high cost-of-living and the loss of staff to new prison facilities.
- Security deficiencies existed involving controls over keys, locks, and tools. Specifically, the staff did not test all emergency keys; equip all doors and tool cages with approved locks; or administer a preventive maintenance schedule for locks, locking mechanisms, and gates.
- Participation was low in the Inmate Financial Responsibility Program. As a result, many inmates did not satisfy their Court-Ordered obligations.

### **Lobbying Restrictions**

#### **■ Inspection of the Department of Justice's Compliance with New Lobbying Restrictions**

We completed the legislatively required annual inspection of the efforts made by the Department in implementing procedures for responding to

## Significant Inspections Conducted During This Reporting Period *(continued)*

### Lobbying Restrictions *(continued)*

the new lobbying restrictions. These restrictions require any entity receiving a grant, contract, loan, or any other financial award exceeding \$100,000 to certify they used no federal appropriated funds for lobbying purposes. Such entities must also disclose whether they used any other funds for lobbying purposes.

Our inspection revealed that the Department had successfully carried out the new lobbying restrictions since their inception. The Offices of the Procurement Executive and the Comptroller, Office of Justice Programs, handled the task and issued appropriate guidelines.

### Inspections Workload and Accomplishments

Inspections active at beginning of reporting period	9
Inspections initiated	12
Final reports issued	10
Inspections active at end of reporting period	11

*The Inspections Division  
 increases efficiency  
 throughout the Department by  
 performing short-term examinations  
 of operations and  
 programs within or financed  
 by the Department.*

**Audit Reports**  
**October 1, 1990--March 31, 1991**

**Internal Audits**

The Drug Enforcement Administration's Accounting System

Implementation of the Department of Justice's Drug Evidence  
Destruction Policy

Summary of Trustee Reports and Findings Issued During FY 1990

United States Marshals Service Aircraft Hangar

FY 1989 Immigration and Naturalization Service Financial Closeout

Memorandum Report on the Review of the Federal Bureau of  
Investigation's Audit of Federal Bureau of Investigation's  
Financial Management System for FYs 1988/1989

Bureau of Prisons New Facility Construction Program

Value Engineering Program Activities in the Department of Justice

Working Capital Fund

Procurement Activities in the Federal Bureau of Investigation 1/

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1/ Funds Put To Better Use - \$7,000  
Total Questioned Costs - \$563,256

## Trustee Audit Reports

Performed under a reimbursable agreement with the  
Executive Office for U.S. Trustees

<u>Title/Report Number</u>		<u>Title/Report Number</u>	
Cash Management Review of Panel Trustee L. Lou Allen	MR-40-91-001	Cash Management Review of Panel Trustee William J. Miller	MR-40-91-019
Cash Management Review of Panel Trustee William H. Willson, Jr.	MR-40-91-002	Cash Management Review of Panel Trustee Michael H. Fitzpatrick	MR-40-91-022
Cash Management Review of Panel Trustee Gregory M. Eells	MR-40-91-003	Operational Survey of Panel Trustee Robert Silliman	SR-40-91-001
Cash Management Review of Panel Trustee Richard Ellenberg	MR-40-91-004	Operational Survey of Panel Trustee Regina Thomas	SR-40-91-002
Cash Management Review of Panel Trustee Robert Brizendine	MR-40-91-005	Operational Survey of Panel Trustee Frank M. Wolff	SR-40-91-003
Cash Management Review of Panel Trustee Bradley Hoyt	MR-40-91-006	Operational Survey of Panel Trustee Peter N. Hill	SR-40-91-004
Cash Management Review of Panel Trustee Dale R.F. Goodman	MR-40-91-007	Operational Survey of Panel Trustee Melody Genson	SR-40-91-005
Cash Management Review of Panel Trustee Leigh R. Meininger	MR-40-91-009	Operational Survey of Panel Trustee Laurie K. Weatherford	SR-40-91-006
Cash Management Review of Panel Trustee Michael Cielinski	MR-40-91-010	Operational Survey of Panel Trustee Diego Andres Ferrer	SR-40-91-007
Cash Management Review of Panel Trustee William E. Woodrum, Jr.	MR-40-91-011	Operational Survey of Panel Trustee Remigio Antunez	SR-40-91-008
Cash Management Review of Panel Trustee Kenneth Welt	MR-40-91-012	Operational Survey of Panel Trustee Charles A. Medearis	SR-40-91-009
Cash Management Review of Panel Trustee Donna A. Bumgardner	MR-40-91-013	Cash Management Review of Panel Trustee Danny Nelson	MR-50-91-001
Cash Management Review of Panel Trustee William M. Flatau	MR-40-91-014	Cash Management Review of Panel Trustee Philip Kelly	MR-50-91-002
Cash Management Review of Panel Trustee Scott N. Brown, Jr.	MR-40-91-015	Cash Management Review of Panel Trustee William Frye	MR-50-91-003
Cash Management Review of Panel Trustee Thomas G. Reed, III	MR-40-91-016	Cash Management Review of Panel Trustee John V. LaBarge	MR-50-91-004
Cash Management Review of Panel Trustee Richard A. Lee	MR-40-91-017	Cash Management Review of Panel Trustee David A. Sergeant	MR-50-91-005
Cash Management Review of Panel Trustee Victor J. Brook, Jr.	MR-40-91-018	Cash Management Review of Panel Trustee Jack I. Wein	MR-50-91-006

Cash Management Review of Panel Trustee John A. Porter	MR-50-91-007	Cash Management Review of Panel Trustee David O. Simon	MR-50-91-024
Cash Management Review of Panel Trustee Charles Hannan	MR-50-91-008	Cash Management Review of Panel Trustee John P. Rieser	MR-50-91-025
Cash Management Review of Panel Trustee Fredrich J. Cruse	MR-50-91-009	Cash Management Review of Panel Trustee Leslie A. Davis	MR-50-91-026
Cash Management Review of Panel Trustee Jack Brown	MR-50-91-010	Cash Management Review of Panel Trustee Louis Yoppolo	MR-50-91-027
Cash Management Review of Panel Trustee Douglas L. Leitsch	MR-50-91-011	Cash Management Review of Panel Trustee Joel H. Rathbone	MR-50-91-028
Cash Management Review of Panel Trustee Brenda P. Helms	MR-50-91-012	Cash Management Review of Panel Trustee Norman L. Slutsky	MR-50-91-029
Cash Management Review of Panel Trustee Karen Goodman	MR-50-91-013	Cash Management Review of Panel Trustee Fred Dery	MR-50-91-030
Cash Management Review of Panel Trustee Joseph A. Baldi	MR-50-91-014	Cash Management Review of Panel Trustee E. Hanlin Bavely	MR-50-91-031
Cash Management Review of Panel Trustee John E. Gierum	MR-50-91-015	Cash Management Review of Panel Trustee Basil T. Simon	MR-50-91-032
Cash Management Review of Panel Trustee Michael Berland	MR-50-91-016	Cash Management Review of Panel Trustee Sara Daneman	MR-50-91-033
Cash Management Review of Panel Trustee Catherine Steege	MR-50-91-017	Cash Management Review of Panel Trustee Dennis E. Stegner	MR-50-91-034
Cash Management Review of Panel Trustee Charles W. Riske	MR-50-91-018	Cash Management Review of Panel Trustee Marvin Sicherman	MR-50-91-035
Cash Management Review of Panel Trustee Zipporah Lewis	MR-50-91-019	Cash Management Review of Panel Trustee Stuart A. Gold	MR-50-91-036
Cash Management Review of Panel Trustee Richard A. Baumgart	MR-50-91-020	Chapter 12 Audit of Standing Trustee Joseph A. Chrystler	GR-50-91-001
Cash Management Review of Panel Trustee Charles Smith	MR-50-91-021	Chapter 12 Audit of Standing Trustee Brett D. Rodgers <sup>1/</sup>	GR-50-91-002
Cash Management Review of Panel Trustee Richard A. Wilson	MR-50-91-022		
Cash Management Review of Panel Trustee David A. Sosne	MR-50-91-023		

<sup>1/</sup> Total Questioned Costs - \$10,689  
 Unsupported Costs - \$2,938

Chapter 12 Audit of Standing Trustee Anita L. Shodeen <u>1/</u>	GR-50-91-003	Cash Management Review of Panel Trustee Jeffrey A. Weinman	MR-80-91-004
Chapter 12 Audit of Standing Trustee Michael J. Farrell	GR-50-91-004	Cash Management Review of Panel Trustee David E. Lewis	MR-80-91-005
Chapter 12 Audit of Standing Trustee Mark Halverson <u>2/</u>	GR-50-91-005	Cash Management Review of Panel Trustee Josephine Garrett	MR-80-91-007
Chapter 12 Audit of Standing Trustee Daniel Freund <u>3/</u>	GR-50-91-006	Operational Survey of Panel Trustee Dennis King	SR-80-91-001
Chapter 13 Audit of Standing Trustee Robert Musgrave <u>4/</u>	GR-50-91-007	Operational Survey of Panel Trustee C. Edward Stirman	SR-80-91-002
Chapter 12 Audit of Standing Trustee Thomas King <u>5/</u>	GR-50-91-008	Operational Survey of Panel Trustee Robert Albergotti	SR-80-91-003
Chapter 12 Audit of Standing Trustee Raymond Johnson <u>6/</u>	GR-50-91-009	Operational Survey of Panel Trustee Paul Drew Stuber	SR-80-91-004
Cash Management Review of Panel Trustee M. Frances Dorsey	MR-80-91-001	Operational Survey of Panel Trustee R. Kimball Mosier	SR-80-91-006
Cash Management Review of Panel Trustee O.M. Calhoun	MR-80-91-002	Operational Survey of Panel Trustee Phillip Palmer, Jr.	SR-80-91-008
		Operational Survey of Panel Trustee David R. Casey	SR-80-91-013
<u>1/</u> Total Questioned Costs - \$61,478 Unsupported Costs - \$61,478		Chapter 7 Reconstruction Audit of Richard L. Smith <u>7/</u>	GR-80-91-011
<u>2/</u> Total Questioned Costs - \$34,686 Unsupported Costs - \$34,686		Cash Management Review of Panel Trustee Christopher C. Tsien	MR-20-91-001
<u>3/</u> Total Questioned Costs - \$48,393 Unsupported Costs - \$48,393		Cash Management Review of Panel Trustee Ralph W. Hoyer	MR-20-91-002
<u>4/</u> Total Questioned Costs - \$247		Cash Management Review of Panel Trustee Charles A. Docter	MR-20-91-003
<u>5/</u> Total Questioned Costs - \$38,887 Unsupported Costs - \$38,887		Cash Management Review of Panel Trustee Marcia K. Docter	MR-20-91-004
<u>6/</u> Total Questioned Costs - \$4,113 Unsupported Costs - \$970			
		<u>7/</u> Total Questioned Costs - \$299,222	

Cash Management Review of Panel Trustee Richard G. Hall	MR-20-91-005	Cash Management Review of Panel Trustee John A. Maiona	MR-20-91-022
Cash Management Review of Panel Trustee Leslie S. Auerbach	MR-20-91-006	Cash Management Review of Panel Trustee Lawrence D. Coppel	MR-20-91-023
Cash Management Review of Panel Trustee Stephen K. Carper	MR-20-91-007	Cash Management Review of Panel Trustee Jack Fidelman	MR-90-91-001
Cash Management Review of Panel Trustee Nelson J. Kline	MR-20-91-008	Cash Management Review of Panel Trustee Edward F. Towers	MR-90-91-002
Cash Management Review of Panel Trustee William D. White	MR-20-91-009	Cash Management Review of Panel Trustee Tevis T. Thompson, Jr.	MR-90-91-003
Cash Management Review of Panel Trustee H. Jason Gold	MR-20-91-010	Cash Management Review of Panel Trustee Paul D. Guymon	MR-90-91-004
Cash Management Review of Panel Trustee Marc R. Kivitz	MR-20-91-011	Cash Management Review of Panel Trustee Jeri Coppa	MR-90-91-005
Cash Management Review of Panel Trustee Alexander Gordon, IV	MR-20-91-012	Cash Management Review of Panel Trustee Jeffrey Locke	MR-90-91-006
Cash Management Review of Panel Trustee Stanley M. Salus	MR-20-91-013	Cash Management Review of Panel Trustee John McNulty	MR-90-91-007
Cash Management Review of Panel Trustee Wilbur W. Bolton, III	MR-20-91-014	Cash Management Review of Panel Trustee Richard A. Davis	MR-90-91-008
Cash Management Review of Panel Trustee Michael Rinn	MR-20-91-015	Cash Management Review of Panel Trustee Patrick Kavanagh	MR-90-91-009
Cash Management Review of Panel Trustee David Tonnessen	MR-20-91-016	Cash Management Review of Panel Trustee James Nelsen	MR-90-91-011
Cash Management Review of Panel Trustee Robert E. Baker	MR-20-91-017	Cash Management Review of Panel Trustee John R. Roberts	MR-90-91-012
Cash Management Review of Panel Trustee Roy V. Wolfe, III	MR-20-91-018	Cash Management Review of Panel Trustee John J. Kroh	MR-90-91-013
Cash Management Review of Panel Trustee W. Stephen Scott	MR-20-91-019	Operational Survey of Panel Trustee Robert Damir	SR-90-91-001
Cash Management Review of Panel Trustee Sherwood S. Day	MR-20-91-020	Operational Survey of Panel Trustee G. Daniel Minedew	SR-90-91-002
Cash Management Review of Panel Trustee A. Carter Magee	MR-20-91-021	Operational Survey of Panel Trustee Charles L. Riley, Jr.	SR-90-91-003

## External Audit Reports

### Majority Performed under The Single Audit Act or OMB Circular A-123

<u>Title/Report Number</u>	<u>Title/Report Number</u>	<u>Title/Report Number</u>	<u>Title/Report Number</u>
Audit of the Cuban American National Council, Inc.	TJF-40-91-001	Audit of the State of Minnesota	TOP-50-91-004
Audit of the Catholic Community Services, Inc.	TJF-40-91-002	Audit of the State of Iowa	TOP-50-91-005
Audit of the Alabama Crime Victims Compensation Commission	TJP-40-91-001	Audit of the City of Evansville, Indiana	TOP-50-91-006
Audit of the City of Orlando, Florida	TOP-40-91-002	Audit of Office of Justice Assistance, State of Wisconsin	TOP-50-91-007
Audit of the City of Jacksonville, Florida	TOP-40-91-003	Audit of the City of Dubuque, Iowa	TOP-50-91-008
Audit of the State of Mississippi	TOP-40-91-004	Audit of the City of Chicago, Illinois	TOP-50-91-009
Audit of the Alabama Department of Economic and Community Affairs	TOP-40-91-005	Audit of the City of Detroit, Michigan	TOP-50-91-010
Audit of the Alabama Department of Youth Services	TOP-40-91-006	Audit of Berrien County, Michigan	TOP-50-91-011
Audit of the City of Birmingham, Alabama	TOP-40-91-007	Audit of Douglas County, Nebraska	TOP-50-91-012
Audit of the State of North Carolina	TOP-40-91-008	Audit of the International Institute of Metropolitan St. Louis, Missouri <u>3/</u>	TJF-50-91-003
Audit of the State of Tennessee	TOP-40-91-009	Audit of the International Institute of Metropolitan St. Louis, Missouri <u>4/</u>	TJF-50-91-004
Audit of the State of Florida	TOP-40-91-010	Audit of the International Institute of Metropolitan St. Louis, Missouri	TJF-50-91-005
Audit of the Salvation Army Southern Territorial Headquarters <u>1/</u>	GR-40-91-001	Audit of the New Richmond Exempted Village School District, Clermont County, Ohio	TJF-50-91-006
Audit of the Wisconsin Correctional Service <u>2/</u>	TJF-50-91-001	Audit of the Safer Foundation	TJF-50-91-007
Audit of the Wisconsin Correctional Service	TJF-50-91-002	Audit of the Harbour, Inc.	TJF-50-91-008
Audit of Ramsey County, Minnesota	TOP-50-91-002	Audit of Dismas House of Kansas City <u>5/</u>	TJF-50-91-009
Audit of Wayne County, Michigan	TOP-50-91-003		

1/ Total Questioned Costs - \$792,356

2/ Total Questioned Costs - \$18,158

3/ Total Questioned Costs - \$20,612

4/ Total Questioned Costs - \$17,875

5/ Total Questioned Costs - \$5,345

Audit of TASC, Inc.	TJF-50-91-010	Audit of the Boy Scouts of America	TJF-80-91-001
Audit of Parents of Murdered Children and Other Survivors of Homicide Victims, Inc.	TJF-50-91-011	Audit of the Wyoming Attorney General	TJP-80-91-001
Audit of TASC, Inc.	TJF-50-91-012	Audit of the University of North Dakota	TOF-80-91-001
Audit of TASC, Inc.	TJF-50-91-013	Audit of Larimer County, Colorado	TOP-80-91-001
Audit of the Indiana Prosecuting Attorneys Association	TJF-50-91-014	Audit of the City of Colorado Springs, Colorado	TOP-80-91-002
Audit of the Indiana Criminal Justice Institute	TJP-50-91-001	Audit of the City of Riverton, Wyoming	TOP-80-91-003
Audit of the State of Iowa's Department of Management	TJP-50-91-002	Audit of Laramie County, Wyoming	TOP-80-91-004
Audit of the Illinois State Police <u>1/</u>	TJP-50-91-003	Audit of Montgomery County, Texas	TOP-80-91-005
Audit of the University of Illinois	TOF-50-91-001	Audit of the State of South Dakota <u>2/</u>	TOP-80-91-009
Audit of the University of Nebraska	TOF-50-91-002	Audit of Salt Lake County, Utah	TOP-80-91-010
Audit of McHenry County Youth Service Bureau, Inc.	TOF-50-91-003	Audit of the City and County of Denver, Colorado	TOP-80-91-011
Audit of the University of Akron, Ohio	TOF-50-91-004	Audit of the North Dakota Industrial School	TOP-80-91-012
Audit of the Institute for Independent Living	TOF-50-91-005	Audit of the State of Montana	TOP-80-91-013
Audit of the University of Missouri	TOF-50-91-006	Audit of Natrona County, Wyoming	TOP-80-91-014
Audit of the University of Missouri	TOF-50-91-007	Audit of the National Association for Criminal Justice Planners	TJF-20-91-001
Audit of Michigan State University	TOF-50-91-008	Audit of the Police Executive Research Forum	TJF-20-91-002
Audit of Jackson County, Missouri	TOP-50-91-001	Audit of the American Prosecutors Research Institute	TJF-20-91-003
		Audit of the National District Attorney's Association	TJF-20-91-004

1/ Total Questioned Costs - \$1,116

2/ Total Questioned Costs - \$16,667

Audit of the Institute for Rational Public Policy	TJF-20-91-005	Audit of the State of Vermont	TOP-20-91-003
Audit of the Concerns of Police Survivors	TJF-20-91-006	Audit of the Virginia Department of State Police	TOP-20-91-004
Audit of the Metropolitan Assistance Corporation	TJF-20-91-007	Audit of the State of New York	TOP-20-91-005
Audit of the Crime Control Institute	TJF-20-91-008	Audit of the State of Massachusetts	TOP-20-91-006
Audit of the Institute for Law and Justice	TJF-20-91-009	Audit of the College of William and Mary in Virginia	TOP-20-91-007
Audit of the International Association of Chiefs of Police, Inc.	TJF-20-91-010	Audit of the State of Delaware	TOP-20-91-008
Audit of the Castine Research Corporation	TJF-20-91-011	Audit of the City of Philadelphia, Pennsylvania	TOP-20-91-009
Audit of the National Criminal Justice Association	TJF-20-91-012	Audit of the Commonwealth of Pennsylvania	TOP-20-91-010
Audit of the Council for Advancement of Citizenship	TJF-20-91-013	Audit of the State of Maine	TOP-20-91-011
Audit of the Police Foundation	TJF-20-91-014	Audit of the Virginia Department of Education	TOP-20-91-012
Audit of The Lazar Institute	TJF-20-91-015	Audit of the State of New Jersey	TOP-20-91-013
Audit of the Cities in Schools, Inc.	TJF-20-91-016	Audit of the City of Hartford, Connecticut	TOP-20-91-014
Audit of the National Office for Social Responsibility	TJF-20-91-017	Audit of the County of Nassau, New York	TOP-20-91-015
Audit of Georgetown University	TOF-20-91-001	Audit of the County of Chemung, New York	TOP-20-91-016
Audit of the Pacific Institute for Research and Evaluation	TOF-20-91-002	Audit of the City of Syracuse, New York	TOP-20-91-017
Audit of the City of Virginia Beach, Virginia	TOP-20-91-001	Audit of the State of Rhode Island	TOP-20-91-018
Audit of the State of Maryland	TOP-20-91-002	Audit of the Leviticus Project Association, Inc.	TRIG-20-91-001
		Audit of the Leviticus Project Association, Inc.	TRIG-20-91-002
		Audit of the Constitutional Rights Foundation	TJF-90-91-001

Audit of the Constitutional Rights Foundation	TJF-90-91-002	Audit of the Columbia Education Center	TOP-90-91-008
Audit of the Constitutional Rights Foundation	TJF-90-91-003	Audit of the State of California	TOP-90-91-009
Audit of the National Judicial College	TJF-90-91-004	Audit of the County of Humboldt, California	TOP-90-91-010
Audit of the Hawaii Youth Services Network	TJF-90-91-007	Audit of the City of Long Beach, California	TOP-90-91-011
Audit of the Search Group, Inc.	TJF-90-91-015	Audit of Carson City, Nevada	TOP-90-91-012
Audit of the Hawaii Youth Services Network	TJF-90-91-017	Audit of Pierce County, Washington	TOP-90-91-018
Audit of the National Council on Crime and Delinquency	TJF-90-91-027	Audit of the City of Seattle, Washington	TOP-90-91-019
Audit of the National Council on Crime and Delinquency <sup>1/</sup>	TJF-90-91-029	Audit of the State of Nevada	TOP-90-91-020
Audit of the National Consortium of TASC Programs, Inc.	TJF-90-91-031	Audit of the County of Nevada, California	TOP-90-91-021
Audit of the Arizona Criminal Justice Commission	TJP-90-91-013	Audit of the City of Oxnard, California	TOP-90-91-022
Audit of the Alaska Department of Public Safety	TJP-90-91-014	Audit of Benton County, Washington	TOP-90-91-023
Audit of the Department of Law, Alaska	TJP-90-91-016	Audit of the City of Phoenix, Arizona	TOP-90-91-024
Audit of the County of Shasta, California	TOP-90-91-005	Audit of the City of Long Beach, California	TOP-90-91-025
Audit of the City of Tucson, Arizona	TOP-90-91-006	Audit of Clark County, Nevada	TOP-90-91-026
		Audit of the National Council on Crime and Delinquency	TIC-90-91-028
		Audit of the National Council on Crime and Delinquency	TIC-90-91-030

<sup>1/</sup> Total Questioned Costs - \$765

## Final Inspection Reports Issued, October 1, 1990--March 31, 1991

Department of Justice's Office of Justice Programs

Department of Justice's Implementation of the Federal Managers' Financial Integrity Act and OMB Circular A-123

Department of Justice's Compliance With New Lobbying Restrictions

Bureau of Prisons' U.S. Penitentiary, Lompoc, California

Bureau of Prisons' Federal Correctional Institution, Tallahassee, Florida

U.S. Marshals Service's District of Montana

U.S. Attorney's Office Western District of Washington

Immigration and Naturalization Service's Blaine, Washington Border Patrol Sector

Immigration and Naturalization Service's Phoenix District

Drug Enforcement Administration's Demand Reduction Program

**Department of Justice  
Office of the Inspector General  
Headquarters and Field Locations**





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