

**U. S. Department of Justice**  
**Office of the Inspector General**  
**Semiannual Report to Congress**  
**April 1, 1997 - September 30, 1997**

**Special Tribute to Border Patrol Agent C. James Englehardt and Supervisory Border Patrol Agent Stephen S. Martin, Jr.**

*The Office of the Inspector General (OIG) depends upon the assistance of other Department of Justice components and employees for its successes. We would like to take this opportunity to honor two Department employees who have had a special impact on our work.*

Border Patrol Agent C. James Englehardt and Supervisory Border Patrol Agent Stephen S. Martin, Jr., intercepted what they believed to be radio transmissions between a Border Patrol agent and drug traffickers. After proceeding to the area described in the transmissions and summoning assistance, Agents Englehardt and Martin intercepted a 1,200 pound shipment of cocaine valued at \$7,800,000. Because they suspected a colleague of involvement in the smuggling operation, they notified the OIG.

Their action led to an investigation by the OIG Tucson Field Office, Drug Enforcement Administration, and U.S. Customs Service. Investigators gathered physical evidence that placed the suspect Border Patrol agent next to the cocaine-laden vehicle. The investigation also revealed that the agent was involved in the importation of drugs from Mexico. Agents Englehardt and Martin were key witnesses at the agent's trial. The agent was convicted of drug trafficking and sentenced to 30 years' incarceration. Three coconspirators were indicted on charges of conspiracy and possession with intent to distribute a controlled substance; they await trial. The investigation also resulted in the seizure of \$217,000.

The efforts of Border Patrol Agents Englehardt and Martin are particularly noteworthy because they were undertaken at substantial personal risk. The small rural location where these agents lived and worked was also the home of the corrupt agent and his criminal associates.

Border Patrol Agent C. James Englehardt and Supervisory Border Patrol Agent Stephen S. Martin, Jr., displayed tenacity and courage throughout this investigation and prosecution. Their actions are a credit to the Department of Justice and the Immigration and Naturalization Service. We congratulate them for their contributions to protecting and preserving the integrity of the law enforcement community.

Honorable Janet Reno  
Attorney General  
Washington, D.C. 20530

Dear Madam Attorney General:

During this 6-month period, ending September 30, 1997, we continued to invest significant resources into special investigations focusing on matters of substantial importance and interest to the Department and the public. In mid-April, we released the report of our investigation into allegations of misconduct in certain sections of the FBI Laboratory. Less than a week later, we issued an unclassified executive summary of our detailed review of the FBI's conduct in the Aldrich Ames affair. These two reports reflected years of hard and careful work by a talented staff of investigators, lawyers, and other OIG personnel dealing with issues of great complexity and significance. I believe them to be landmarks in the oversight of central aspects of the FBI's operations, which highlight the importance of ensuring that our nation's most powerful and important law enforcement agencies are adequately monitored and overseen.

This reporting period also saw the continuation of work on two significant investigations: (1) our investigation into allegations that Department of Justice personnel had acted improperly in connection with claims that the CIA and the Contras had been involved in distributing crack cocaine in South-Central Los Angeles, and (2) our investigation of Operation Gatekeeper, the principal border enforcement initiative along the California/Mexico border. We also launched an investigation into allegations of misconduct surrounding Citizenship U.S.A., using additional funding provided by Congress. We appreciate the vote of confidence in our work that the special congressional funding reflects.

Our activities also explored important aspects of waste, fraud, and abuse within the Department. A significant and growing part of our investigative caseload focused on the activities of inmates and correctional officers in BOP. We successfully completed Operation BADFELLAS, an 18-month undercover investigation that led to the arrest on bribery and related charges of 11 correctional officers and numerous inmates for bringing contraband into the Metropolitan Detention Center in Brooklyn and establishing a market in special favors. We investigated and successfully prosecuted a

number of correctional officers in various BOP facilities for sexual assault on inmates and the extortion of sexual favors from inmates. Also we conducted criminal investigations in cases involving conspiracies to illicitly reduce the sentences of inmates based on false claims that they were responsible for making criminal cases for investigators and prosecutors. All three areas—correctional officer corruption, sexual assaults on inmates, and schemes to gain early release—require continuing vigilance in the future to ensure that federal inmates properly serve their full sentences without the receipt of improper benefits while, at the same time, remaining free from the depredations of correctional officers and other inmates.

We also continued to review the challenges posed to the Department by advances in computer technology. During this reporting period, we undertook a review of prior audits to provide an overview of computer security within various components of the Department. Unfortunately, the story is not an encouraging one. We will continue to make the strengthening of computer security within the Department a high priority, and we have already initiated new, sophisticated testing of computer systems security. We will also continue to review the vast expenditures on various high-technology initiatives throughout the Department to ensure that these initiatives are cost-effective and will perform as intended. In this connection, we are continuing to review various aspects of the constellation of high-technology initiatives being pursued by INS.

We undertook other important work during the reporting period, including the preparation and audit of a Departmentwide financial statement, a massive effort that will help the Department conduct its business with greater efficiency and accountability; the first substantial audits of grant recipients under the COPS program; and the first reviews of other grantees under other programs funded by the Violent Crime Reduction Trust Fund. We continued to undertake important audits and inspections in other areas; for example, we completed a comprehensive and critical review of the monitoring of nonimmigrant overstays by INS.

In sum, we engaged in a wide range of activities during this period that I believe serve the best interests of the Department, the Congress, and the American people. This kind of work is, I believe, what the drafters of the Inspector General Act of 1978 had in mind when they drafted the Act. As you know, conducting aggressive oversight is not a ticket to popularity; however, I think we have earned a reputation for being tough but fair in the work that we do and for increasingly playing a vital and important role in the life of this Department. I think the Department's senior managers recognize that this Department runs better and more efficiently because of the important work that we do. That is our purpose and our goal.

We appreciate the continuing commitment and support you have shown for our work.

Very truly yours,

/S/

Michael R. Bromwich  
Inspector General

### **OIG Profile**

By Act of Congress, the Office of the Inspector General (OIG) was established in the Department of Justice (Department) on April 14, 1989. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of the Department's employees in its numerous and diverse activities. The OIG provides leadership and assists management in promoting integrity, economy, efficiency, and effectiveness within the Department and in its financial, contractual, and grant relationships with others. Also by statute, the OIG reports to the Attorney General, Congress, and the public on a semiannual basis regarding the significant work of the office. Many of our reports are available on the OIG's Website at the following Internet address: <<http://www.usdoj.gov/oig>>.

The OIG carries out its mission with a workforce of approximately 470 special agents, auditors, inspectors, and support staff.

The special agents are assigned to offices in Washington, D.C., Atlanta, Boston, Chicago, Colorado Springs, Dallas, El Centro, El Paso, Houston, Los Angeles, McAllen, Miami, New York, San Diego, San Francisco, Seattle, and Tucson.

The auditors are located in offices in Washington, D.C., Atlanta, Chicago, Dallas, Denver, Philadelphia, and San Francisco.

Other components of the OIG - the Inspections Division, the Special Investigations and Review Unit, the Management and Planning Division, the Office of General Counsel, and the Inspector General's immediate office - are located in Washington, D.C.

Congress has not yet passed a Fiscal Year (FY) 1998 appropriations bill for the OIG. However, based on House and Senate action as of the end of October, it appears that the OIG's FY 1998 direct appropriation will be \$33,211,000 and 312 workyears. The OIG also expects reimbursement from (1) the Immigration and Naturalization Service (INS) for \$5.0 million worth of audit, inspections, and investigative oversight work

related to INS fee accounts; (2) the U.S. Trustees for \$1.3 million for trustees audits; (3) the Working Capital Fund and other Department components for \$7.0 million for costs incurred to comply with the statutory requirements of the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994 to produce a consolidated Department financial statement audit in FY 1997; (4) INS for \$3.7 million to cover the cost of a congressionally mandated investigation into Citizenship U.S.A. allegations; and (5) the Violent Crime Reduction Trust Fund for \$3.7 million for oversight of its grant programs.

## **Special Inquiries**

Several OIG investigations are of significant interest to the American public and Congress and of vital importance to the Department. Task forces working on these cases comprise OIG special agents, auditors, and inspectors, and in some instances, Assistant U.S. Attorneys from across the country. The following pages highlight these complex OIG investigations. Completed special investigative reports, except as noted, are available on the OIG Website at <<http://www.usdoj.gov/oig>>.

### ***FBI Laboratory***

In April 1997, the OIG issued its report on the Federal Bureau of Investigation (FBI) Laboratory. In this report, we discussed our 18-month investigation of wrongdoing and improper practices within the Laboratory. The report recommended numerous systematic changes in the Laboratory, all of which the FBI agreed to adopt.

Since the report was issued, we have continued to monitor developments in the Laboratory and to oversee the implementation of our recommendations. We have received periodic progress reports from the FBI addressing the implementation of our recommendations. Our investigative team also met with the FBI Director and Deputy Director to discuss ways to improve the Laboratory, and the team separately met with senior Laboratory managers to assess the progress made. In addition, the Inspector General (IG) testified before House and Senate committees concerning the report findings and the recommendations for Laboratory improvements.

### ***Aldrich H. Ames***

In April 1997, we issued a classified report on the OIG's extensive review of the FBI's counterintelligence efforts that preceded the criminal investigation and apprehension of Aldrich H. Ames. The OIG undertook this examination at the request of the House Permanent Select Committee on Intelligence to review the FBI's response to the loss of its Soviet intelligence assets and those of the CIA in the mid-1980s.

Our review found that the FBI devoted inadequate attention to determining the cause of the sudden and catastrophic losses suffered by both the FBI and CIA in their Soviet intelligence programs. We provided the report to congressional intelligence committees and selected high-ranking officials in the Department and CIA. An unclassified executive summary is available on the OIG Website.

### ***Lost Trust***

In the early 1990s, the FBI and U.S. Attorney's Office in South Carolina conducted a major investigation, entitled "Lost Trust," into corruption and vote-buying in the state legislature. After litigation that lasted over six years, a U.S. District Judge dismissed all remaining charges on the grounds that "the government's repetitious, flagrant, and long-standing misconduct in connection with the investigation and prosecution of the legislators warranted dismissal."

The Deputy Attorney General asked the OIG to review the handling of the original Lost Trust investigation and prosecution, as well as the Department's handling of earlier claims of prosecutorial abuse. Our investigation is underway.

## **Special Inquiries**

### ***Citizenship U.S.A.***

In September 1995, INS initiated Citizenship U.S.A. (CUSA), a program whose stated goal was to substantially reduce the backlog of pending naturalization applications. Over one million individuals were naturalized during the year the program was in place.

At the request of Congress and the Attorney General, the OIG began an investigation of the CUSA program in May 1997 following allegations of misconduct within the program. Our investigation focuses on a number of specific allegations of misconduct,

including allegations that applicants with disqualifying criminal backgrounds were nevertheless naturalized and that standards were compromised in an effort to maximize the number of persons eligible to vote in the November 1996 election. A team of more than 30 special agents, program analysts, auditors, and support personnel, along with four senior Department attorneys, is conducting this investigation.

### ***Allegations of Cocaine Trafficking by the CIA and the Nicaraguan Contras***

The OIG continues to conduct its investigation into allegations of drug trafficking by persons associated with the Central Intelligence Agency (CIA) and the Nicaraguan Contras. This investigation was initiated at the request of members of Congress after a public outcry over allegations contained in a series of articles in the *San Jose Mercury News*. The articles suggested that the CIA, working with supporters of the Contras, was involved in the importation of crack cocaine into Los Angeles in the 1980s.

The OIG investigation is focusing on what the Department knew and did regarding various aspects of these allegations. Our investigative team has reviewed over 40,000 relevant documents collected from Department components, including the Drug Enforcement Administration (DEA), INS, FBI, Criminal Division, and various U.S. Attorneys' Offices. The OIG team has conducted over one hundred witness interviews throughout the United States and some interviews in Nicaragua.

The investigation has been coordinated with the CIA's OIG, which is engaged in a related inquiry focusing on the CIA's conduct in these matters. We expect to complete our report this fall.

### ***Operation Gatekeeper***

The OIG investigation of Operation Gatekeeper—the INS Border Patrol's effort to stem the flow of illegal immigration across the U.S./Mexico border between California and Baja California—is nearing completion. The investigation began in July 1996 shortly after allegations were made by officials of the National Border Patrol Council that Operation Gatekeeper achievements were being misrepresented to make it appear successful. Specifically, these allegations included claims that Border Patrol agents were being ordered not to apprehend illegal immigrants,

## Special Inquiries

that apprehended illegal immigrants were not properly processed in order to prevent any record of their apprehension, and that Border Patrol supervisors were altering apprehension figures to make them appear lower.

The OIG investigative team has conducted nearly 400 interviews and reviewed over 65,000 pages of documents, 8,000 computer files, and 100 videotapes. The team is currently writing its report of findings regarding the numerous allegations raised during this investigation.

### *Deception of Congressional Task Force/Miami INS Follow-Up*

As part of the OIG's follow-up process, the Inspections and Audit Divisions conducted a joint review of the actions taken by INS during the past year to address systemic problems at the Krome Service Processing Center (Krome) and the Miami International Airport (Airport) cited in a 1996 OIG special investigative report, "Alleged Deception of Congress: The Congressional Task Force on Immigration Reform's Fact-Finding Visit to the Miami District of INS in June 1995." The follow-up report noted that progress had been made in several areas, but that other areas had not measurably improved since publication of the OIG special investigative report.

The Washington Post Tuesday, September 16, 1997

## Problems Persist at INS Center, Probe Finds

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By William Branigin  
Washington Post Staff Writer

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A year after Justice Department investigators exposed serious defects at an Immigration and Naturalization Service detention center near Miami, some of the problems still exist, and the center continues to release "dangerous, convicted felons" into the community, according to a follow-up investigation.

"We found that progress has been made in several areas, but that other areas have not measurably improved since our report was issued a year ago," Justice Department Inspector General Michael R. Bromwich said in a report released yesterday.

and that none posed any threat to public safety. An INS spokesman said such releases of illegal aliens, some of them on bond, serve the public interest and free up detention space needed for more pressing cases.

Of the nine in question, spokesman Russ Bergeron said, two were Colombians who had not been convicted in the United States, two had serious medical conditions, three were Cubans who could not be sent back to their homeland and two were convicted of minor or nonviolent crimes.

The investigation stemmed from complaints two years ago that INS managers had deceived a congressional task force during a June 1995 visit to

His report further charged that the officials had tried to cover up their actions and impede the investigation.

The INS subsequently fired one senior manager and demoted or suspended 11 other officials for their part in the scheme.

However, judges of the U.S. Merit Systems Protection Board in recent weeks have overruled the firing of one official and the demotion of another.

Valerie Blake, the former INS deputy district director in Miami, was ordered reinstated at a lower grade and given a 60-day suspension instead of dismissal. Constance Weiss, a 25-year veteran of the INS, was ordered reinstated as



At Krome, the overcrowded conditions had eased and juvenile male detainees were no longer housed with the general adult male population. However, male felons and female felons were still being housed with noncriminal male and female detainees. Criminal aliens were still being released from Krome, and sufficient evidence that criminal history checks were being performed prior to the release of aliens was missing from a number of files reviewed. In addition, discrepancies between manual and automated records remained a problem.

At the Airport, criminal aliens were, for the most part, held in cells while their cases were processed. However, there was confusion over which other aliens should be placed in the holding cells, and poor maintenance of Detention Logs remained a problem. In addition, we found that policies were issued regarding inspectors wearing gear belts and carrying weapons and that Miami inspectors were in compliance with these new policies.

The OIG's follow-up report was provided to the Attorney General, the INS Commissioner, and members of Congress.

## **Other Activities**

### ***Inspector General Congressional Testimony***

During the six-month reporting period, the IG testified on six occasions before committees of the House and Senate about the various investigations and oversight functions performed by the OIG.

The IG testified twice in connection with the OIG's report on the FBI Laboratory. On May 13, 1997, the IG testified before the House Judiciary Committee's Subcommittee on Crime during an oversight hearing that focused on the OIG's investigation and its report on the FBI Laboratory, which had been released the previous month. The IG also testified on September 29, 1997, before the Senate Judiciary Committee's Subcommittee on Administrative Oversight & the Courts during a hearing entitled "A Review of the FBI Laboratory: Beyond the IG Report." This hearing focused both on the OIG investigation and the steps taken by the FBI to implement the 40 recommendations contained in the OIG report.

On May 1, 1997, the IG testified before the Senate Subcommittee on Immigration of the Committee on the Judiciary during a hearing entitled "INS Oversight, The Criminal Record Verification Process for Citizenship Applicants." The hearing examined the past and present operation of the fingerprint check and criminal history verification process used for naturalization purposes by INS.

On May 14, 1997, the IG testified before the Senate's Caucus on International Narcotics Control about the threats and effects of corruption on U.S. law enforcement along the Mexican border. The IG's testimony focused on aspects of the border environment most conducive to corruption, summarized some of the OIG's most significant border corruption cases, and described steps that can be taken to reduce the incidence of corruption along the border.

On May 20, 1997, the IG testified before the House Judiciary Committee's Subcommittee on Immigration and Claims concerning the OIG's work in the area of immigration document fraud. The IG's testimony focused on INS' historical failure to block holders of fraudulently obtained INS documents from continuing to use them to obtain benefits.

On June 24, 1997, the IG testified before the House Government Reform and Oversight Committee's Subcommittee on Government Management, Information and Technology concerning the investigative practices of various Inspectors General. The IG's testimony centered on procedures used by OIG special agents during investigative interviews and on the rights of those interviewed during criminal and administrative investigations.

In September 1996, the Inspectors General for the Departments of Justice, Defense, and State and the CIA provided reports to the Senate Select Committee on Intelligence (SSCI) related to the 1985 massacre of U.S. Marines in the Zona Rosa district in San Salvador, El Salvador. The SSCI conducted hearings in October 1996, May 1997, and July 1997 concerning these reports. Representatives from the OIGs, including the Justice Department OIG, were witnesses at the hearings.

## **Other Activities**

### ***Other OIG Contributions***

OIG semiannual reports feature the major investigations and programmatic reviews performed by the office during the past six months. Often overlooked are the daily contributions that OIG employees make to the Department, the larger governmental community, and their professions.

For example, this semiannual report includes the financial statement audits for INS, FBI, DEA, Federal Prison System, and - for the first time - a consolidated Department of Justice financial statement audit. The Audit Division also performs a host of support activities that ease the burden of these requirements for the participating components.

- On a year-round basis, our financial auditors serve as consultants to the other Department components to help with the compilation of financial statements and to assist in the implementation of new financial accounting systems.
- Our auditors worked with the General Services Administration to develop contract vehicles by which all federal agencies can obtain assistance in meeting the financial statement audit requirements; with the Federal Audit Executive Council to design better ways to monitor such contracts; and with the Accounting and Audit Policy Committee to adopt issues from corporate financial accounting to a government structure and method of operation.
- We cochair an Executive Branch-wide task force to establish uniform accounting treatments for nonvalued seized and forfeited property of benefit to numerous federal agencies.

Frequently, OIG supervisors develop a valuable command of a subject matter from working on an audit or inspection that can continue to be useful to the Department even after a report has been issued. Thus, OIG inspectors appeared before the Office of Justice Program's National Corrections Grants Management Workshop regarding the review of Violent Offender Incarceration and Truth-in-Sentencing Incentive Grants; an Inspections director serves on the Attorney General's Visa Waiver Pilot Project Working Group; and a senior auditor serves on a County Criminal Justice Council to assist in evaluations of local criminal justice projects and task forces.

Our investigators have made significant contributions to their profession, serving as a member of the Civil Rights Working Group in San Diego that addresses complaints against law enforcement agencies brought by the Mexican Consul General and community interest groups; helping to host the Annual International Asian Organized Crime Conference that was attended by over 1,100 participants; working with other OIGs on the financing and curriculum for the Inspectors General Criminal Investigator Academy; and, under the auspices of the Criminal Division, traveling to

assist the Bolivian Attorney General in the establishment of what is believed to be the first Inspector General Office for any South American country.

## **Other Activities**

Investigators also conducted 49 Integrity Awareness Briefings for Department employees throughout the country. These briefings are designed to educate employees concerning the misuse of a public official's position for personal gain and to deter employees from committing such offenses. These briefings reached over 1,400 employees with a message highlighting the devastating consequences of corruption to both the employee and the agency.

### ***Legislation and Regulations***

The Inspector General Act of 1978, as amended, directs the IG to review proposed legislation and regulations relating to the programs and operations of the Department. Although the Department's Office of Legislative Affairs reviews all proposed or enacted legislation that could affect the Department's activities, the OIG independently reviews proposed legislation regarding the OIG itself or fraud, waste, and abuse in the Department's programs or operations. During this reporting period, the OIG reviewed three pieces of proposed legislation.

This work is overseen by the OIG's Office of General Counsel (OGC). In addition, OGC has worked on Departmentwide guidance relating to shooting incidents, assistance to victims of crimes, pro bono legal work, and the implementation of better mechanisms for handling sexual harassment issues.

### ***President's Council on Integrity and Efficiency***

The IG is a member of the President's Council on Integrity and Efficiency (PCIE). OIG senior staff participate in PCIE activities - such as the Inspections Round Table, an annual investigations conference, and meetings of the Chief Financial Officers Group - that relate to their respective duties. The IG also is a member of the Investigative Standards and Training Committee.

In addition to his formal assignments, the IG has been active in the development of IGMET, a World Wide Website that publishes audit and inspection reports and makes

other information relative to OIG activities available to the public. In the past six months, the Inspections Division hosted a PCIE/Executive Council on Integrity and Efficiency Inspections Round Table meeting, and a senior manager participated at the PCIE Inspections and Evaluation Annual Conference.

## **Investigations Division**

### **Overview & Highlights**

The Investigations Division investigates allegations of bribery, fraud, abuse, civil rights violations, and violations of other laws and procedures that govern Department of Justice (Department) employees, contractors, and grantees. The Division develops cases for criminal prosecution, civil action, and administrative action. In some instances, the Office of the Inspector General (OIG) refers allegations to components within the Department for appropriate action and requests notification of their findings and of any disciplinary action taken.

During this reporting period, the Investigations Division received 3,567 complaints - the most ever received in any reporting period. We made 69 arrests, including 32 Department employees, 33 civilians, 2 Department contract personnel, and 2 grantees. Judicial action resulted in 31 individuals receiving sentences ranging from one month to life in prison without parole, and in fines, recoveries, and orders of restitution totaling \$4,119,180. As a result of OIG investigations, 28 employees and 3 contractors received disciplinary action, including 7 who were terminated.

### **Significant Investigations**

#### ***Bribery***

- In the Eastern District of New York, a 19-month investigation code-named Operation BADFELLAS resulted in the arrest of 11 current or former Bureau of Prisons (BOP) correctional officers, 4 inmates, and 8 civilians. The investigation determined that the correctional officers accepted bribes in exchange for smuggling drugs, food, and other contraband into the prison. Bribes also were accepted in exchange for moving organized crime inmates within the facility so that they could conduct "mob business," allowing organized crime inmates to receive unauthorized visits, providing access to BOP computer systems, and switching urine samples in order to defeat random drug tests. OIG undercover special agents posed as inmate

family members and organized crime associates, met with corrupt correctional officers, and paid them bribes. BOP fully cooperated in the investigation and the Federal Bureau of Investigation (FBI)/New York Police Department Organized Crime Task Force assisted. To date, four correctional officers, four civilians, and one inmate have pled guilty. Judicial proceedings continue for the other defendants.

THE NEW YORK TIMES,  
FRIDAY, MAY 23, 1997

## ***U.S. Says Guards Turned Jail Into a 'Badfellas' Social Club***

By JOSEPH P. FRIED

Corrupt guards let top mobsters turn a new Federal jail in Brooklyn into a Mafia social club, where they plotted crimes with visiting associates and dined in high style with smuggled-in meatballs, manicotti and chicken cutlets washed down with vodka and wine, Federal officials said yesterday.

But some of the bribe-taking guards also abetted more sinister behavior. Federal prosecutors said that one guard gave inmates linked to organized crime access to confi-

partures from jail routine.

"To my knowledge this is the largest number of arrests of Federal correction officers in Bureau of Prisons history," said Michael R. Bromwich, the Justice Department's Inspector General.

In addition to 11 correction officers, one of whom heads the union local representing the officers at the four-year-old jail, the nine others charged in the case include three inmates and six people outside the

The Washington Times  
FRIDAY, MAY 23, 1997

## **Federal probe busts 11 prison officers on bribery charges**

### **Smuggling of drugs, Italian food found**

By Jerry Seper  
THE WASHINGTON TIMES

The Justice Department yesterday announced the arrests of 11 U.S. Bureau of Prisons corrections officers in New York on bribery charges in an 18-month undercover probe believed to be the largest case ever of suspected corruption at a federal prison.

Code-named "Operation Badfellas," the investigation also netted

is accused of giving inmates with organized-crime ties access to confidential Bureau of Prison computers in order to identify the names and locations of cooperating witnesses.

• Officer 39, is accused of giving organized-crime inmates advance notice of prison searches and hiding contraband in his office during those searches. Mr. is the president of the correction officers' union.

• Our last *Semiannual Report to Congress* described a case in the District of South Carolina in which a former Immigration and Naturalization Service (INS) adjudications officer accepted bribes from Chinese document brokers to certify that Chinese and Vietnamese aliens passed the naturalization interview when, in fact, they did not possess the required English proficiency. During this reporting period, the adjudications officer pled guilty and was sentenced to over five years' incarceration and three years' probation. Four coconspirators pled guilty, and a fifth coconspirator remains a fugitive.

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· In the Eastern District of New York, an INS immigration inspector assigned to the John F. Kennedy International Airport was arrested on charges of providing altered U.S. passports and other identity documents to illegal aliens. The inspector was videotaped accepting a total of \$10,000 in bribes in exchange for identity packages that contained U.S. passports, INS Alien Registration Receipt Cards (Green Cards), and drivers licenses. These documents allow illegal aliens to enter the United States undetected. The inspector was suspended from INS and awaits trial.

· In the Western District of Pennsylvania, an investigation by the New York Field Office, FBI, and BOP led to the arrest of a correctional officer on charges of smuggling contraband into a prison and possession of a controlled substance. The OIG received information that the correctional officer was bringing heroin, cocaine, and marijuana into the institution for resale by inmates in exchange for cash and other items. The correctional officer was arrested after meeting an undercover agent to accept marijuana for smuggling into the prison. His trial is pending.

· In the Eastern District of California, an INS adjudications officer was indicted on charges of bribery and extortion. This San Francisco Field Office investigation established that the adjudications officer demanded \$500 from an immigration consultant to ensure that each of the consultant's clients passed the required English proficiency and citizenship examinations. The adjudications officer was recorded receiving \$3,000 in bribes for six of the clients. Prosecution is pending.

· In the Eastern District of Missouri, a Chicago Field Office investigation confirmed that an INS immigration inspector accepted bribes from an immigration consultant in return for stamping INS Records of Arrival and Departure (I-94s) with a refugee stamp. The inspector charged \$300 per stamp. The I-94s allowed unidentified Middle Eastern nationals to enter and leave the United States without proper examination. The inspector pled guilty to charges of bribery and was sentenced to 6 months' home confinement, 2 years' probation, and 20 hours of community service.

### Drugs

· Our last *Semiannual Report to Congress* updated Operation PORT SWEEPER, an investigation by the San Diego Field Office, FBI, and U.S. Customs Service that focused on allegations that corrupt INS and U.S. Customs Service inspectors

facilitated the smuggling of drugs between Mexicali, Mexico, and the United States. During this reporting period, the three remaining coconspirators received prison sentences: one received over 17 years' incarceration and 5 years' probation and was ordered to forfeit a vehicle and real property valued at \$115,000; a former U.S. Customs Service inspector was sentenced to 24 years' incarceration and 5 years' probation and fined \$4 million; and a former INS employee was sentenced to life in prison and ordered to forfeit 4 residences and \$100,000.

### Significant Investigations

· Our September 1996 *Semiannual Report to Congress* reported an investigation by the McAllen Field Office and INS Anti-smuggling Unit, which established that a Mexican national and an accomplice conspired to distribute over 50 kilograms of marijuana and to sell counterfeit Border Crosser Cards. The Mexican national was convicted on drug trafficking charges and sentenced to seven years in prison and three years' probation and ordered to pay a \$500 fine. The accomplice pled guilty and was sentenced to four months in prison and three years' probation.

#### Sexual Abuse

· Our last *Semiannual Report to Congress* reported a case in the District of Puerto Rico in which a BOP psychiatrist was arrested for engaging in sexual acts with inmates. The psychiatrist pled guilty to charges of sexual abuse and absconding while on bail. He was sentenced to 2 years' incarceration, 2 years' supervised release, and 100 hours of community service and was ordered to pay \$3,707 restitution.

· In the Eastern District of New York, an INS immigration inspector was arrested on charges of extortion and sexual abuse. This New York Field Office investigation was initiated after an alien reported that the inspector sexually assaulted and stole money from him while he was detained at the John F. Kennedy International Airport. The investigation also established that two other aliens were sexually abused and robbed by the inspector. The inspector was suspended from INS and awaits trial.



· In the Northern District of Texas, a BOP chaplain pled guilty to charges of sexual abuse of a ward. This Dallas Area Office investigation established that the chaplain had sex with an inmate on six different occasions in the prison chapel. The chaplain was sentenced to six months' incarceration and one year supervised release and was fined \$5,000.

· A Chicago Field Office and Des Moines Police Department investigation established that an assistant U.S. attorney (AUSA) had taken nude photographs of a minor. The AUSA was convicted in state court of sexual exploitation of a minor, sentenced to 10 years in state prison, and fined \$10,000.

· In the Northern District of Georgia, a BOP case manager was arrested on charges of aggravated sexual abuse of an inmate. This Atlanta Area Office and FBI investigation established that the case manager forced an inmate, over several months, to perform oral sex on him under the threat of bodily harm while the inmate was under the manager's supervision. Judicial proceedings continue.

· In the Southern District of Texas, a McAllen Field Office investigation established through DNA testing that a BOP correctional officer had sex with an inmate at the prison camp where he was assigned. The correctional officer pled guilty to sexual abuse of a ward and resigned from BOP as part of a plea agreement with the U.S. Attorney's Office. He was sentenced to three months' home confinement and five years' probation and was fined \$2,000.

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### Significant Investigations

#### False Statements

· A Colorado Springs Area Office investigation established that, over the past 17 years, a former BOP construction specialist received over \$360,000 in workers' compensation benefits for an alleged back injury he received while employed for only three months by BOP. The OIG special agent documented that the former construction specialist was operating a construction business while falsely reporting to the Office of Workers' Compensation Program that he remained disabled and received no outside income. He was convicted of false statements

relative to a Federal Workers' Compensation Program claim. The U.S. Attorney's Office for the District of Wyoming advised the OIG that this is the first Federal Workers' Compensation Program case ever tried in Wyoming. Sentencing is scheduled for fall 1997.

· A Mexican national reported that she was sexually assaulted by an INS officer whom she encountered at a port-of-entry. The San Diego Field Office and FBI investigation found no evidence to corroborate the allegation. When confronted with the results of the investigation, the woman admitted that she fabricated the allegation. She was arrested and charged with false statements as well as false claim to U.S. citizenship. She pled guilty and was sentenced to two months' incarceration and one year probation.

### Fraud

· In the Central District of California, six document vendors were arrested on charges of filing false INS documents, alien smuggling, mail fraud, and money laundering. A joint investigation by the Los Angeles Field Office, INS, U.S. Postal Inspection Service, and Department of State found that the document-vending ring solicited Philippine and East Indian aliens seeking resident visas and sold them counterfeit immigrant visas. Two of the document vendors pled guilty to charges of conspiracy, visa fraud, and mail fraud and await sentencing. Trial is pending for the remaining defendants.

· The New York Field Office culminated a year-long investigation of a notorious immigration document vendor with her arrest on charges of conspiracy, transfer of fraudulent documents, and false statements. This investigation, in the District of New Jersey, established that the document vendor was submitting fraudulent petitions to INS in New York claiming that aliens were married to U.S. citizens. The document vendor provided her clients with fraudulent marriage and birth certificates as well as fraudulent tax returns, leases, and bank statements. Prosecution is pending.

· In the District of Kansas, a former chief of police was arrested for submitting fraudulent claims and mail fraud. This Chicago Field Office investigation confirmed that the former chief falsified a Community Oriented Policing Services grant application to obtain \$5,000 in order to pay a civil action involving the city. Trial is pending.

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## Significant Investigations

· In the Northern District of Illinois, a Mexican alien was arrested on charges of counterfeiting INS and social security documents. This investigation by the Chicago Field Office and INS determined that counterfeit resident alien cards, birth certificates, and social security cards were printed in Mexico and shipped to the United States. The scheme would allow aliens to purchase a total package of fraudulent documents. The investigation confiscated over 3,000 resident alien and social security cards. INS is in the process of deporting the Mexican alien.

### Obstruction of Justice

· Our March 1997 Semiannual Report to Congress described a case, in the Northern District of Georgia, in which an attorney and a coconspirator sold the use of confidential informants to federal inmates who sought to reduce their sentences under Rule 35 of the Federal Rules of Criminal Procedure. Under the scheme, the attorney and coconspirator arranged for informants to make legitimate criminal cases and to give credit for their efforts to the inmates, who had no previous relationship to the informants. During this reporting period, the attorney was sentenced to 2½ years' incarceration and 3 years' probation, and he lost his license to practice law. The coconspirator was sentenced to over four years' incarceration and three years' probation and fined \$7,250.

· An investigation by the Miami Field Office and FBI resulted in the arrest of a former AUSA, a local defense attorney, a retired deputy sheriff, and a Drug Enforcement Administration (DEA) informant on charges of conspiring to defraud the U.S. Government and obstruction of justice. Under Rule 35 of the Federal Rules of Criminal Procedure, the coconspirators sought to obtain a sentence reduction for an inmate based on the false representation that the inmate had been instrumental in making a drug case with which he had no connection. In fact, the inmate's only role was to provide money to the coconspirators. DEA cooperated in the investigation. The coconspirators await trial.

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# More Informers Buy a Break On U.S. Sentence Guidelines

*Potential for Abuse Worries Many in Justice System*

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By Roberto Suro  
Washington Post Staff Writer

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Like other federal inmates facing a long prison stretch, Danny knew the only way out was to turn informer and give prosecutors something so valuable that they would cut him a break.

information about an impending drug shipment. Hostetter could trade the information to prosecutors, the two informers proposed, according to the indictment, then ask for a reduction in his prison sentence after the shipment was seized and the smugglers were busted.

The informers—a convicted drug

· In the Eastern District of Louisiana, an INS Border Patrol agent was arrested and charged with obstruction of justice. This Atlanta Area Office and INS investigation established that the Border Patrol agent discouraged a witness, scheduled to testify before a grand jury, from telling the truth. Previously, the witness had paid the agent \$1,700 for immigration documents. Judicial proceedings continue.

## Embezzlement

· In the Southern District of Texas, a former INS supervisory detention and deportation officer was convicted of embezzlement at an INS Service Processing Center. This McAllen Field Office investigation, which was assisted by the Dallas Regional Audit Office, found evidence that the former officer had altered and falsely filed official records relating to the deposit of \$65,000 in bond monies posted by aliens into the U.S. Treasury. An audit, conducted as part of the investigation, determined that an additional \$73,000 was unaccounted for. The former officer was sentenced to 18 months' incarceration and 3 years' probation and ordered to pay \$65,000 restitution.

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## Significant Investigations

· In the Northern District of Ohio, an INS immigration inspector pled guilty to embezzlement. This Chicago Field Office investigation confirmed that the inspector accepted legitimate immigration applications and appropriate fees, then destroyed the applications and pocketed the fee money. INS is conducting an audit to determine the extent of the embezzlement. The immigration inspector resigned and was sentenced to two years' probation.

· A joint investigation by the El Paso Field Office and U.S. Customs Service, assisted by the Dallas Regional Audit Office, established that an INS Border Patrol secretary and imprest fund cashier stole \$7,000 from a U.S. Customs Service imprest fund and fraudulently withdrew \$6,500 in ATM cash advances using her government American Express Card. A U.S. Customs Service cashier stole over \$10,000 from the imprest fund and gave the INS secretary a portion of the money and the combination to the U.S. Custom Service's safe where the imprest fund was maintained. The U.S. Customs Service cashier pled guilty and was sentenced to two years' probation and ordered to pay \$4,100 restitution. The INS secretary was convicted in the Western District of Texas on charges of embezzlement and theft and awaits sentencing.

### Misconduct

· An investigation by the Washington Field Office resulted in an AUSA resigning after admitting he had a sexual relationship with a woman under indictment in a narcotics case being prosecuted by his office. The AUSA also admitted that he improperly disclosed information relating to this case to a potential target of the investigation.

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## Civil Rights

The OIG, with the firm support of the Attorney General, continues to play a key role in Department civil rights investigations involving the INS. The OIG has three responsibilities regarding allegations of civil rights violations: (1) conducting criminal and noncriminal investigations of certain complaints, (2) ensuring that persons with complaints know where and how to report them, and (3) tracking the disposition of all complaints among the various Department

components that have responsibility for such matters. The OIG also compiles a monthly civil rights report that is distributed to the Attorney General, Deputy Attorney General, INS, FBI, Civil Rights Division, and Executive Office for U.S. Attorneys.

*Investigating Civil Rights Allegations*

An INS detention enforcement officer was arrested on charges of deprivation of rights under color of law. An investigation by the San Diego Field Office and FBI revealed that the detention officer physically abused a Mexican national in his custody. This finding led to the reinvestigation of a similar 1995 incident involving the same officer. The case, which addresses both incidents, is being prosecuted by the Department's Civil Rights Division and the U.S. Attorney's Office for the Southern District of California. Trial is scheduled for fall 1997.

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**Civil Rights**

The following chart summarizes all new allegations of civil rights violations by INS employees, and their disposition, during the 6-month period ending September 30, 1997.

<b><i>Civil Rights Allegations Statistics</i></b>	
<b><i>Alleged Civil Rights Violations by INS Employees</i></b>	
<i>Total allegations received</i>	168
<i>OIG investigations opened</i>	34
<i>FBI investigations opened</i>	3
<i>Joint OIG and FBI investigations</i>	2
<i>Administrative investigations by INS</i>	35

## Investigations Statistics

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The following chart summarizes the workload and accomplishments of the Investigations Division during the 6-month period ending September 30, 1997.

<b><i>Investigations Statistics</i></b>	
<b><i>Source of Allegations</i></b>	
<i>Hotline (telephone and mail)</i>	521
<i>Other sources</i>	3,046
<i>Total allegations received</i>	3,567
<b><i>Investigative Caseload</i></b>	
<i>Investigations opened this period</i>	394
<i>Investigations closed this period</i>	343
<i>Investigations in progress as of 9/30/97</i>	626
<b><i>Prosecutive Actions</i></b>	
<i>Criminal indictments/informations</i>	63
<i>Arrests</i>	69
<i>Convictions/P leas</i>	47
<b><i>Monetary Results</i></b>	
<i>Fines/Restitutions/Recoveries</i>	\$4,119,180
<i>Seizures</i>	\$183,010
<i>Bribe monies deposited to the Treasury</i>	\$400

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## **Audit Division**

### **Overview & Highlights**

The Audit Division is responsible for independent audits and related reviews of Department of Justice (Department) organizations, programs, functions, computer technology and security systems, and financial statement audits. The Audit Division also conducts or oversees external audits of expenditures made under Department contracts, grants, and other agreements. Audits are conducted in accordance with the Comptroller General's *Government Auditing Standards* and related professional auditing standards. The Audit Division produces a wide variety of audit products designed to provide timely notification to Department management of issues needing attention and assists the Investigations Division in complex fraud cases.

The Audit Division works closely with Department management in developing recommendations for corrective actions that will resolve identified weaknesses. By doing so, the Audit Division remains responsive to its customers and promotes more efficient and effective Department operations. During the course of regularly scheduled audit work, the Audit Division also lends fiscal and programmatic expertise to Department clients.

During this period, the Audit Division issued 21 internal reports of programs funded at almost \$18 billion, 35 external reports of contracts, grants, and other agreements funded at over \$200 million, 114 audits of bankruptcy trustees with responsibility for funds of over \$170 million, and 457 Single Audit Act audits encompassing almost \$524 million. The Division issued three Management Information Memoranda, one Technical Assistance Memorandum, and six Notifications of Irregularity.

### **Significant Audit Products**

#### ***Management of the FBI's Safe Streets Fugitive Task Forces***

The Federal Bureau of Investigation's (FBI) Safe Streets Violent Crime initiative was organized to allow FBI offices to establish long-term, proactive task forces that focus on violent crimes and the apprehension of fugitives who commit those crimes. While the task forces are funded and sponsored by FBI, membership includes state and local law enforcement officers and other federal law enforcement personnel. Total Fiscal Year (FY) 1995 operating costs were \$112.5 million, or 5.3 percent of the FBI's budget for that year. As of April 1996, FBI had established 141 task forces, of which 64 concentrated on locating and apprehending violent state and local fugitives.



Our audit revealed that FBI could put about \$3.7 million to better use. Seven of twenty fugitive task forces we reviewed exhibited operational weaknesses and should be reorganized or redirected. Specifically, the task forces in Charlotte, North Carolina, and Mobile, Alabama, had low numbers of arrests; El Paso, Texas, and Kansas City, Missouri, lacked direct FBI supervision; Sacramento, California, and San Juan, Puerto Rico, had limited participation from state and local members; and Tampa, Florida, handled cases that could have been managed locally.

### **Significant Audit Products**

As part of our audit, we collected and analyzed National Crime Information Center data on persons wanted for violent crimes in the United States. Further, we used mapping software to determine if FBI could use that information to help position task forces. Our audit concluded that FBI did not periodically assess whether task forces were properly situated where the number of warrants for violent crimes was highest, or evaluate the degree of participation and cooperation by member agencies. We recommended that the locations and activities of the task forces be more efficiently located and monitored.

#### ***Computer Security at the Department of Justice***

Computer security continues to be a material management issue for the Department. This report summarized findings that have appeared in eight prior computer security audits completed between FYs 1993 and 1997 and concluded that the Department's computer security program was not effective.

The audit report is not publicly available because of the sensitivity of some items discussed in the report, the detailed disclosure of which could compromise the data contained in the Department's computer systems.

#### ***INS Immigration User Fee Remittances***

The Immigration and Naturalization Service (INS) collects a fee from each international traveler entering the United States. This fee is primarily used to fund immigration inspection and detention services at air and sea ports-of-entry. The fees are collected by the commercial air and sea carriers and travel agencies. Fees are then remitted to INS on a quarterly basis as required by law.

Based on FYs 1995 and 1996 figures, our audit determined that the U.S. Treasury could average enhanced revenues of at least \$1 million per year from interest savings if immigration user fee collections were remitted to the government monthly rather than quarterly. The U.S. Customs Service (Customs) and Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) also collect user fees similar to INS fees. If fees collected by these agencies were also remitted monthly rather than quarterly, the U.S. Treasury could average an additional \$1.4 million per year in enhanced revenue from interest savings.

We recommended to INS, and they agreed, to:

- Initiate changes to the immigration user fee legislation to require that immigration user fee collections be remitted to INS on at least a monthly basis and maintained in a separate escrow account segregated from collectors' operating accounts.
- Coordinate with Customs and APHIS on initiating the recommended legislative change to all three fees.
- Establish a task force with Customs and APHIS designed to improve the remittance of user fee collections and to share common findings.

## **Significant Audit Products**

### ***USMS Management of Property and Capitalized Assets***

The U.S. Marshals Service's (USMS) enforcement of federal laws and the support services it provides to the federal judicial system depend on an infrastructure of equipment and property that should be safeguarded against waste, loss, unauthorized use, and misappropriation. Overall, our audit found that USMS cannot depend on its property management system because it does not adequately record, manage, or control personal property in USMS. Our audit sampled all types of USMS property; however, the most serious problems involved computer equipment.

Specifically, our audit found that:

- At least 2,776 items of USMS property, worth almost \$3.5 million, could not be located, and a disproportionate share of that property was assigned to USMS Headquarters offices.
- At least 5,070 items of property, worth over \$4 million, were not being used.
- Property records were inadequate, inventories were inadequate or not performed in a timely manner, controls over property were weak, and training and supervision of staff responsible for property management were deficient.
- Property management was hampered by a cumbersome and inefficient computer system that required centralized data input at USMS Headquarters.
- The fixed asset account was misstated by at least \$112 million.

We recommended - and USMS agreed to implement - a new, automated system to assist in its management of property nationwide. The new system should take into account the current system's weaknesses, including allowing appropriate field and Headquarters access and update capabilities. USMS also agreed to ensure that inventories are conducted as required and that timely adjustments are made to its property management system. USMS will provide the Justice Management Division with the necessary information to properly adjust the current fixed asset account balances.

### ***Department Financial Statement Audits***

As required by the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994, financial statement audits are performed at the Department by independent public accountants (IPAs). The Audit Division oversees and issues the reports based on the work performed by IPAs. During this semiannual period, the first consolidated Department of Justice audit was completed. The Department received a disclaimer of opinion on the consolidated Statement of Financial Position because the auditors were unable to determine that the consolidated property and equipment and the accounts payable balances were fairly stated. In addition, IPAs could not determine the effect of a significant variance identified in the fund balance with the U.S. Treasury Account. A \$200 million difference

## Significant Audit Products

existed between the amounts reported by the Department and the records maintained by the Treasury Department.

Due to the decentralized structure of the Department and the many automated financial systems in use by the various components, separate audits were performed for each system. The table below lists the Department components whose financial statements were audited and the opinion they received.

<b><i>FY 1996 Financial Statement Audits</i></b>	
<b><i>Audit Opinion <sup>1</sup></i></b>	<b><i>Department of Justice Component</i></b>
<i>Disclaimer</i>	<i>Consolidated Department of Justice Office/Boards/Divisions/United States Marshals Service Drug Enforcement Administration Federal Prison System Immigration and Naturalization Service</i>
<i>Qualified</i>	<i>Federal Bureau of Investigation</i>
<i>Unqualified</i>	<i>Office of Justice Programs Asset Forfeiture Program Working Capital Fund</i>

<sup>1</sup> See glossary (p. A-24) for definitions of audit opinions.

### ***OJJDP Law-Related Education Program***

Law-Related Education (LRE) is a nationally coordinated program to teach young people about the law, the legal system, and the fundamental values (freedom, justice, authority, and responsibility) of constitutional democracy. The Office of Juvenile Justice and Delinquency Prevention (OJJDP) provides discretionary grant funds directly to grantees to carry out program activities. During FYs 1979 through 1995, OJJDP provided about \$34.15 million to numerous grantees for this purpose.

Our audit found that OJJDP adequately reviewed, certified, and approved LRE grant applications for funding. However, efforts to conduct and document program and financial monitoring need strengthening to limit the Department's exposure to fraud, waste, and abuse of grant funds. Finally, OJJDP needs to close LRE grants in a timely manner to account for project accomplishments and to ensure that grantees account for all federal funds.

### ***Controls Over Financial Activities at NDIC***

Congress established the National Drug Intelligence Center (NDIC) as a federal multiagency organization to collect, consolidate, and coordinate drug intelligence. At the request of NDIC, the Audit Division completed an audit of the controls over financial activities at the Center.

## **Significant Audit Products**

The audit determined that NDIC had established adequate controls to perform its financial responsibilities with regard to the funding administered by the Department. However, because the processes used were not always economical or efficient, we identified opportunities for NDIC to enhance controls over its financial operations.

We recommended that the Director, NDIC, either use, reprogram, or de-obligate the \$5 million designated for NDIC in the FY 1995 Organized Crime Drug Enforcement Task Force appropriation that we found had not been expended. In addition, we recommended that the Director consider designating NDIC officials other than the cashiers to sign third-party drafts prepared by the cashiers and eliminate the NDIC imprest fund.

### ***Office of Community Oriented Policing Services***

We continue to work with the Office of Community Oriented Policing Services (COPS) in its implementation of the Violent Crime Control Act of 1994. During this reporting period, we performed audits of COPS hiring and redeployment grants on the basis of requests made by the COPS office, as well as the Office of Justice Programs (OJP) Police Hiring Supplement grants. We initiated audits based on requests from

COPS and OJP personnel and on allegations of misuse of grant funds. During FY 1997, we performed 28 audits of grant recipients.

These audits focus on: (1) the allowability of grant expenditures, (2) the source of matching funds, (3) the implementation or enhancement of community policing activities, (4) efforts to fill vacant sworn officer positions, (5) plans to retain officer positions at grant completion, (6) grantee reporting, and (7) an analysis of supplanting issues. Initial results indicate that some jurisdictions are not making sufficient efforts to fill locally-funded sworn officer positions after receipt of a COPS grant and others cannot demonstrate that officers are being redeployed following receipt of redeployment grants. Additionally, some jurisdictions may have difficulty retaining the officer positions with local funds at the conclusion of the grants.

Based on our audits of grants that totalled about \$97 million, we identified almost \$8.2 million of questioned costs and almost \$1.8 million of funds that could be put to better use.

### ***Agreements for Detention Facilities and Services***

The Bureau of Prisons (BOP), USMS, and INS enter into agreements with state and local jails and private corrections corporations to provide prison facilities and services for federal prisoners. For FY 1998, USMS estimated that it will spend over \$460 million to obtain over 7 million jail days at about 1,000 nonfederal facilities.

During this reporting period, we audited five agreements entered into by these Department components. The audits resulted in questioned costs of \$1,216,330 and \$4,222,067 in funds that could be put to better use. The audits identified unnecessary and unallowable charges that could be used to reduce the daily rate charged. We believe substantial additional savings are available nationwide, and we plan additional audits to specifically identify such savings.

### **Significant Audit Products**

We continue to provide technical assistance and advice to BOP, USMS, and INS regarding the substantive issues developed in our audits. We also have provided advice and information to USMS' Program Review Division regarding the audits they are performing of jail agreements.

## ***Automated Information Systems in USMS***

Automated information systems (AIS) are used to collect, process, store, and transmit information critical to USMS' mission. For FY 1996, USMS reported expenditures of about \$8.9 million for various information technology initiatives.

Prior reviews of USMS information systems have identified problems with planning, assignment of responsibility, and implementing systems in a timely manner. We found that these and other problems continue to exist. Management of systems to support USMS' law enforcement mission has suffered from a lack of full implementation of some systems, failure to integrate systems that use comparable data, and lack of adequate support for users in some locations.

We recommended that USMS (1) initiate a plan to integrate operational systems that use common data elements, (2) ascertain the status of all AIS and update the AIS plan to provide for full and timely implementation of systems deemed needed for operations, and (3) accumulate AIS cost by project and life cycle.

## ***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 U.S. Trustees (EOUST). During the reporting period, 114 trustee reports were issued.

For FYs 1996 and 1997, EOUST redirected 52 percent of the funds previously reimbursed to the OIG for audits to support other bankruptcy initiatives. Audit scrutiny of bankruptcy trustees correspondingly decreased. This reduction in the reimbursable agreement and the decrease in audit activity could substantially reduce oversight of an area that has been designated as a material management issue in the Department and could increase the possibility that trustee fraud will go undetected.

## ***Single Audit Act***

The Single Audit Act and Office of Management and Budget (OMB) Circulars A-128 and A-133 require recipients of federal funds to arrange for audits of their activities. Due to the growing number of government entities receiving COPS grants, the Audit Division reviewed and processed an increased number of reports during this reporting period. We reviewed and transmitted 457 reports encompassing 1,103 Department contracts, grants, and other agreements totaling \$524,478,083. These audits report on financial activities, compliance with applicable laws, and the adequacy of recipients' management controls over federal expenditures.

## **Significant Audit Products**

Reports on organizations over which the Department is cognizant or which have a preponderance of Department funds are reviewed to ensure compliance with *Government Auditing Standards*. In certain circumstances, and upon request by Department components, the Audit Division performs audits of state and local governments, nonprofit organizations, and Department contracts and provides requested assistance to these entities.

## **Audit Follow-Up**

### ***OMB Circular A-50***

OMB Circular A-50, *Audit Follow-Up*, requires audit reports to be resolved within six months of the audit report issuance date. The status of each open audit report is continuously monitored to track the audit resolution and closure process. As of September 30, 1997, the OIG closed 478 audit reports and was monitoring the resolution process of 245 open audit reports. In addition, four audits remain unresolved after the expiration of the 6-month period.

## **Unresolved Audits**

### ***USMS Intergovernmental Service Agreement Audits***

As of September 30, 1997, four USMS Intergovernmental Service Agreement audits remained unresolved over six months: City of Mansfield, Texas; Plymouth County, Massachusetts; Union County, New Jersey; and Nassau County, New York. These audits contained questioned costs of almost \$9 million and \$819,000 in funds to be put to better use. We are working with USMS to resolve these audits.



## **ARC Audit Report Decisions**

### ***The Community Corrections Center Program in BOP***

In our May 1996 report, we recommended BOP negotiate a reimbursable agreement with the Administrative Office of the U.S. Courts for the annual \$14 million cost of supervision cases referred to BOP Community Corrections Centers. BOP disagreed with this recommendation, and the issue was forwarded to the Department's Audit Resolution Committee (ARC), chaired by the then-Acting Deputy Attorney General. The ARC decided that BOP was not required to implement our recommendation and directed the OIG to close our recommendation.

### ***INS Replacement of Resident Alien Cards***

In our January 1997 audit, we recommended INS replace an estimated 7 million identity cards that will expire within the next 10 years with a new, more secure identity card. We also recommended INS streamline the replacement card process by moving processing from the district offices to the service centers and reported \$45 million in funds put to better use associated with the streamlined process. INS disagreed with the recommendation to replace the cards, but agreed to streamline the replacement process. However, the Justice Management Division disagreed with both our estimation and classification of funds to better use. The ARC decided INS did not have to replace the identity cards and directed a question to the Department's Office of Legal Counsel on how funds put to better use should be defined and reported.

## **Audit Statistics**

### ***Enhanced Revenues***

<b>Audit Reports</b>	<b>Number of Audit Reports</b>	<b>Enhanced Revenues</b>
<i>No management decision made by beginning of period</i>	1	\$44,967
<i>Issued during period</i>	1	\$2,400,000 <sup>1</sup>
<i>Needing management decision during period</i>	2	\$2,444,967
<i>Management decisions made during period: – Number management agreed with</i>	2	\$2,444,967
<i>No management decision at end of period</i>	0	\$0

<sup>1</sup> \$1.4 million of this amount applies to the Departments of Treasury and Agriculture

***Funds Recommended to be Put to Better Use***

<b>Audit Reports</b>	<b>Number of Audit Reports</b>	<b>Funds Recommended to be Put to Better Use</b>
<i>No management decision made by beginning of period</i>	4	\$53,414,653
<i>Issued during period</i>	15	\$15,991,005
<i>Needing management decision during period</i>	19	\$69,405,658
<i>Management decisions made during period: – Amounts management agreed to put to better use</i>	7 <sup>2</sup>	\$61,902,357
<i>No management decision at end of period</i>	13	\$7,503,301

<sup>2</sup> The number of reports is higher because in some cases management took multiple actions on a single report.

### Audit Statistics

#### *Audits With Questioned Costs*

<i>Audit Reports</i>	<i>Number of Audit Reports</i>	<i>Total Questioned Costs (including unsupported costs)</i>	<i>Unsupported Costs</i>
<i>No management decision made by beginning of period</i>	21	\$12,130,616	\$1,230,046
<i>Issued during period</i>	54	\$24,251,875	\$8,596,991
<i>Needing management decision during period</i>	75	\$36,382,491	\$9,827,037
<i>Management decisions made during period: – Amounts management agreed to recover (disallowed)</i>	28	\$12,187,827	\$3,905,226
<i>No management decision at end of period</i>	47	\$24,194,664	\$5,921,811

#### *Audits Involving Recommendations for Management Improvements*

<i>Audit Reports</i>	<i>Number of Audit Reports</i>	<i>Total Number of Management Improvements Recommended</i>
<i>No management decision made by beginning of period</i>	42	147
<i>Issued during period</i>	167	566
<i>Needing management decision during period</i>	209	712
<i>Management decisions made during period: – Number management agreed to implement</i>	84	364
<i>No management decision at end of period</i>	125	348

## **Inspections Division**

### **Overview & Highlights**

The Inspections Division (Division) provides the Inspector General with an alternative mechanism to traditional audit and investigative techniques to assess Department of Justice (Department) programs and activities. The Division conducts analyses and makes recommendations to decisionmakers for improvements in Department programs, policies, and procedures. The Division's strength lies in its multidisciplinary workforce and the ability to quickly address diverse issue areas. In addition to assessing Department programs, the Division also conducts special reviews—assignments requiring immediate action—that are generally initiated at the request of senior Department management or by Congress.

During this reporting period, the Division conducted a critical analysis of the Immigration and Naturalization Service's (INS) enforcement efforts to remove aliens who remain illegally in this country after their visas expire, assessed the extent of the VISA purchase card use and identification of barriers to increased card use by Department employees, and worked with the Office of Justice Programs (OJP) in its implementation of the Violent Offender Incarceration and Truth-In-Sentencing Incentive Grant Program.

## Significant Inspections

### *INS' Monitoring of Nonimmigrant Overstays*

In our continuing effort to address illegal immigration issues, we conducted an assessment of INS' monitoring of nonimmigrant overstays. The review was based on nonimmigrant information and enforcement activities for Fiscal Years (FYs) 1992 through 1996.

Our inspection found that INS does not have a specific overstay enforcement program to effectively identify, locate, apprehend, and remove overstays. Although the overstay population is estimated to be about 2 million, with annual increases of 125,000, only about 10,000 overstays were apprehended and about 5,000 deported in FY 1996. We also found that INS' primary information system on nonimmigrants—Non-immigrant Information System (NIIS)—was not producing reliable individual or aggregate overstay data and that it had not produced reliable data on the number of overstays by country of origin since FY 1992. By design, NIIS captures information on only about 10 percent of nonimmigrant entries into the United States. Further, the data on nonimmigrants tracked in NIIS is incomplete and unreliable.

The Washington Times Friday, September 5, 1997

# INS short of ways to catch aliens whose visas expire

Agency 'lacks the resources' for proper enforcement

By Jerry Seper  
THE WASHINGTON TIMES

The Justice Department's Inspector General's Office yesterday criticized enforcement efforts by the U.S. Immigration and Naturalization Service to remove aliens who remain illegally in this country after their visas expire.

Inspector General Michael Bromwich said an investigation showed that the INS, a Justice Department agency, lacked specific enforcement programs to effectively identify, find, apprehend and

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*The government also is investigating a national citizenship test program over questions about whether immigrants were overcharged and allowed to cheat.*

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sary" to develop a comprehensive "interior enforcement strategy" not only for aliens who overstay their visas, but for many other enforcement activities. He said the agency hopes Congress will con-

mishaps.

The government also is investigating a national citizenship test program over questions on whether aliens were overcharged and allowed to cheat. The inquiry has fo-

Based on these findings, we determined that INS is unable to meet its statutory responsibilities under the Visa Waiver Pilot Program (VWPP). The VWPP permits persons from designated countries to enter the United States without obtaining a visa. In FY 1995, over 10 million nonimmigrants entered the

### **Significant Inspections**

United States under this program. By law, a country must maintain a low overstay rate to remain in the VWPP. Because INS' overstay estimates are too unreliable to be used as evidence, INS has stopped disqualification procedures based on high overstay rates.

To address report weaknesses, we recommended that INS correct deficiencies in NIIIS and develop an interior enforcement strategy that effectively addresses the growing overstay population.

#### ***Use of the VISA Purchase Card in the Department***

Since 1989, the Department has participated in the General Services Administration's Governmentwide Commercial Credit Card Services Program. Use of the VISA purchase card provides a more efficient and less costly method of procurement than traditional methods such as purchase orders. At the request of the Assistant Attorney General for Administration (AAG/A), we reviewed the Department's VISA purchase card program to determine the extent of VISA card use, identify barriers to increased use, and assess the program's internal controls.

Our inspection found that most Department components have designated cardholders in their field and program offices and have increased their use of the VISA cards. Despite increased use, the Department used the VISA card for less than 10 percent of its total micropurchases (purchases under \$2,500) in FY 1995 and 31 percent in FY 1996. Further, we noted that none of the components takes full advantage of the refund available from the VISA card contractor.

Our inspection also identified two barriers to increased VISA card distribution and use: a preference in some components for alternative procurement and payment methods and the fear that employees would not use the cards appropriately. However, our review of a sample of cardholders' transactions indicates that, overall, Department cardholders use VISA cards responsibly and that misuse is not a significant problem.

The internal controls contained in the VISA card program and the components' administrative procedures, overall, are sufficient to prevent and detect misuse.

We recommended that:

- OJP, U.S. Marshals Service (USMS), and Executive Office for U.S. Attorneys (EOUSA) complete implementation of the VISA purchase card program by distributing cards to program and field offices that do not have them or notify the AAG/A why this is not feasible.
- The AAG/A follow up on actions taken by USMS, OJP, and EOUSA to complete VISA program implementation and advise us when card distribution is complete.
- The Department mandate VISA card use for micropurchases, when possible.

We also suggested that the Department encourage components to seek the full refund offered by the VISA card contractor.

## **Significant Inspections**

### ***Oversight of Background Investigations by SEPS***

As part of the OIG's follow-up process, inspectors assessed procedures used by the Justice Management Division's Security and Emergency Planning Staff (SEPS) to oversee background investigations (BIs) for Department employees. For the follow-up review, we selected EOUSA and reviewed information gathered from EOUSA and U.S. Attorneys' Offices (USAOs) to test the status of SEPS' oversight of BIs, reinvestigations (RIs), and National Security Information clearances.

Our inspection concluded that SEPS is not closely monitoring how EOUSA administers RIs for its employees to ensure that the highest priority employees receive RIs. In addition, we are concerned that EOUSA is not allocating resources to the USAOs in a manner that ensures the highest priority employees receive RIs. We found that 1,199, or 49 percent, of the 2,445 EOUSA employees due for an RI in FY 1995 had last received clearances seven or more years earlier. Also, 53 of the 1,199

employees with overdue RIs possessed security clearances and, therefore, should have received priority in getting their RIs.

We also found that SEPS is adjudicating BIs and RIs within a reasonable period of time and that new employees received waivers prior to entering on duty. SEPS is also finalizing an automated system called "TRAQ" that will allow it to monitor BIs and RIs effectively and to resolve problems with missing files and data discrepancies.

We recommended that SEPS increase its monitoring to ensure that RIs are initiated, completed, and adjudicated for the highest priority employees and in conformance with the annual guidelines for assigning priorities to RIs. We also recommended that EOUSA allocate RI resources among the USAOs in a manner that ensures the highest priority employees receive RIs.

### ***VOI/TIS Grant Program Reviews***

Through the Violent Offender Incarceration and Truth-in-Sentencing (VOI/TIS) Incentive Grant Program, created under the Violent Crime Control Act of 1994, funding is awarded to eligible states as formula grants to build or expand correctional facilities to increase secure confinement space for violent offenders and for implementing Truth-in-Sentencing statutes. Inspectors conduct site reviews of VOI/TIS grant recipients to ensure that the grantee is achieving program objectives and the federal funds are spent in accordance with program requirements. During this period, we completed reviews for the states of North Carolina and Iowa. Comments, suggestions, and recommendations contained in these reports will be used by OJP to improve and enhance the management of the VOI/TIS program.

## **Inspections Statistics**

The below chart summarizes the Inspections Division's workload accomplishments for the 6-month reporting period ending September 30, 1997.



<i>Inspections Workload Accomplishments</i>	<i>Number of Inspections</i>
<i>Inspections active at beginning of period</i>	11
<i>Inspections canceled/postponed</i>	0
<i>Inspections initiated</i>	11
<i>Final inspection reports issued</i>	5
<i>Inspections active at end of reporting period</i>	17

## INSPECTIONS DIVISION REPORTS

April 1, 1997 - September 30, 1997

### INTERNAL AND EXTERNAL REPORTS

Immigration and Naturalization Service Monitoring of Nonimmigrant Overstays

Use of the Visa Purchase Card in the Department of Justice

Oversight of Background Investigations by the Security and Emergency Planning Staff

North Carolina Grant for the Violent Offender Incarceration and Truth-in-Sentencing Program

Iowa Grant for the Violent Offender Incarceration and Truth-in-Sentencing Program

### SPECIAL REVIEWS

Follow-Up Report on Alleged Deception of Congress: The Congressional Task Force on Immigration Reform's Fact-Finding Visit to the Miami District of INS in June 1995.

**A-1**

**AUDIT DIVISION REPORTS**

**April 1, 1997 - September 30, 1997**

**INTERNAL AND EXTERNAL REPORTS**

**United States Marshals Service Management of Property and Capitalized Assets 1/**

**Department of Justice Consolidated Annual Financial Statement for FY 1996**

**COPS Grant to the Puerto Rico Police Department 2/**

**Immigration and Naturalization Service User Fee Remittances 3/**

**Computer Security at the Department of Justice**

**COPS Grant to the Manchester, Ohio Police Department 4/**

**Comprehensive Communities Program Grant to the City of Gary, Indiana 5/**

**Management of the Federal Bureau of Investigation's Safe Streets Fugitive Task Forces 6/**

**Regional Information Sharing System Administered by the Mid-States Organized Crime Information Center 7/**

**Immigration and Naturalization Service Intergovernmental Service Agreement for Detention Facilities with Corrections Corporation of America, Laredo, Texas 8/**

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1/ Total Questioned Costs - \$7,861,229

Unsupported Costs \$3,482,351

2/ Total Questioned Costs - \$4,048,020

Funds Put to Better Use - \$293,561

5/ Total Questioned Costs - \$1,617,514

Unsupported Costs - \$715,730

Funds Put to Better Use - \$901,784

6/ Funds Put to Better Use - \$3,731,183

3/ Enhanced Revenues - \$2,400,000

4/ Total Questioned Costs - \$54,740

Funds Put to Better Use - \$68,386

7/ Total Questioned Costs - \$731,201

8/ Total Questioned Costs - \$273,359

Funds Put to Better Use - \$413,818

**A-2**

**Use of Equitable Sharing Cash and Property by the Cook County Sheriff's Police Department 9/**

**The Institute for Intergovernmental Research 10/**

**Immigration and Naturalization Service Port Isabel Service Processing Center Administration of Cash Bonds 11/**

**United States Marshals Service Air Maintenance Contract with Stambaugh's Air Service 12/**

**Drug Enforcement Administration Annual Financial Statement for FY 1996**

**Immigration and Naturalization Service Data Input Procedures, State of New York Complaint**

**COPS Grant to the City of Alexander, Arkansas Police Department 13/**

**Immigration and Naturalization Service Annual Financial Statement for FY 1996**

**United States Marshals Service Intergovernmental Service Agreement for Detention Facilities with Torrance County, New Mexico 14/**

**COPS Grant to the City of Houston, Texas Police Department 15/**

**The Middle Atlantic-Great Lakes Organized Crime Law Enforcement Network Asset Forfeiture Program Annual Financial Statement for FY 1996**

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9/ Total Questioned Costs - \$157,147

Unsupported Costs - \$9,758

10/ Total Questioned Costs - \$2,362

11/ Total Questioned Costs - \$138,200

12/ Total Questioned Costs - \$1,731,632

Unsupported Costs - \$1,731,632

13/ Total Questioned Costs - \$23,694

Unsupported Costs - \$23,694

14/ Total Questioned Costs - \$619,795

Funds Put to Better Use - \$619,795

15/ Total Questioned Costs - \$883,128

Unsupported Costs - \$883,128

### **A-3**

**Use of Equitable Sharing Revenues by the Philadelphia, Pennsylvania District Attorney's Office 16/**

**Automated Information Systems in the United States Marshals Service**

**Police Hiring Supplement Grant to the City of Gary, Indiana 17/**

**Superfund Activities in the Environment and Natural Resources Division for FY 1995**

**COPS Grant to the Philadelphia, Pennsylvania Police Department 18/**

**Federal Prison System Annual Financial Statement for FY 1996**

**COPS Grant to the Apolacon Township, Pennsylvania Police Department 19/**

**Indirect Cost Audit of the Corrections Corporation of America**

**COPS Grant to the Los Angeles County, California Sheriff's Department 20/**

**The Regional Organized Crime Information Center 21/**

**Federal Bureau of Investigation Annual Financial Statement for FY 1996**

**Police Hiring Supplement Grant to the City of Houston, Texas Police Department 22/**

**United States Marshals Service Intergovernmental Service Agreement for Detention Facilities with Anoka County, Minnesota 23/**

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16/ Total Questioned Costs - \$96,924

Unsupported Costs - \$2,333

17/ Total Questioned Costs - \$388,892

Funds Put to Better Use - \$319,810

18/ Total Questioned Costs - \$2,525,000

19/ Total Questioned Costs - \$19,924

Funds Put to Better Use - \$25,010

20/ Total Questioned Costs - \$160,082

21/ Total Questioned Costs - \$25,061

22/ Total Questioned Costs - \$15,037

Unsupported Costs - \$15,037

23/ Total Questioned Costs - \$258,709

Unsupported Costs - \$140,667

Funds Put to Better Use - \$118,042

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**COPS Grant to the Santa Ana, California Police Department 24/**

**COPS Grant to the Federal Way Department of Public Safety, Washington**

**United States Marshals Service Intergovernmental Service Agreement with Pinal County, Arizona 25/**

**Use of Equitable Sharing of Cash and Property with the Phoenix, Arizona Police Department 26/**

**Working Capital Fund Annual Financial Statement for FY 1996**

**COPS Grant to the Pasadena, California Police Department 27/**

**Management of the Office of Juvenile Justice Delinquency Prevention Law Related Education Program**

**COPS Grant to the City of Richmond, Virginia Police Department 28/**

**Office of Justice Programs Annual Financial Statement for FY 1996**

**United States Marshals Service Intergovernmental Service Agreement for Detention Facilities with the City of Atlanta, Georgia Department of Corrections 29/**

**COPS Grant to the Haysi, Virginia Police Department 30/**

**The Asian Pacific Immigration Reform and Control Act Discrimination Educational Project**

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24/ Total Questioned Costs - \$72,947

25/ Total Questioned Costs - \$64,467

Unsupported Costs - \$12,000

Funds Put to Better Use - \$41,390

26/ Total Questioned Costs - \$272,951

27/ Total Questioned Costs - \$21,394

28/ Funds Put to Better Use - \$1,008,546

29/ Funds Put to Better Use - \$3,029,022

30/ Funds Put to Better Use - \$83,702

**A-5**

**Violent Crime Reduction Trust Funds Management Letter Report for FY 1995**

**The New England State Police Information Network 31/**

**COPS Grant to the Montgomery County, Maryland Department of Police**

**Self Insurance Cost of the Immigration and Naturalization Service Contract for Detention Services with Corrections Corporation of America 32/**

**Office, Boards and Divisions and United States Marshals Service Annual Financial Statement for FY 1996**

**The University of California at Riverside 33/**

**Indirect Cost Rate Methodology for Corrections Corporation of America**

**Office of the Election Officer Annual Financial Statement for FY 1995**

# **Controls Over Financial Activities at the National Drug Intelligence Center 34/**

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31/ Total Questioned Costs - \$12,591

33/ Total Questioned Costs - \$1,169

32/ Total Questioned Costs - \$334,456

34/ Total Questioned Costs - \$3,441

Funds Put to Better Use - \$334,456

Funds Put to Better Use - \$5,002,500

**A-6**

## **TRUSTEE REPORTS**

**Performed under a reimbursable agreement with the  
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**Chapter 7 Audit of Panel Trustee**

**Peggy E. Stalford**

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**1/ Total Questioned Costs - \$16,270**

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**Chapter 7 Audit of Panel Trustee**

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**Chapter 7 Audit of Panel Trustee**

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**Chapter 12 Audit of Standing Trustee**

**Gilbert L. Rosenbaum**

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**Jan M. Sensenich**

**A-9**

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**Robert D. Pryce**

**Chapter 7 Audit of Panel Trustee**

**Lawrence J. Warfield**

**Chapter 12 Audit of Standing Trustee**

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**Robert G. Mayer**

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**Chapter 7 Audit of Panel Trustee**

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**Chapter 7 Audit of Panel Trustee**

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**Yann Geron**

**Chapter 7 Audit of Panel Trustee**

**Andrew S. Richardson**

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**Alexander Schachter**

**Chapter 7 Audit of Panel Trustee**

**John O. Desmond**

**Chapter 7 Audit of Panel Trustee**

**David M. Nickless**

**Chapter 7 Audit of Panel Trustee**

**Gary M. Growe**

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**AUDIT DIVISION REPORTS**

**April 1, 1997 - September 30, 1997**

**REPORTS OF DEPARTMENT OF JUSTICE**

**ACTIVITIES COMPLETED BY OTHERS**

**Audit of the Coalition of Florida**

**Farmworker Organizations, Inc.**

**Audit of the Catholic Community Services of the Archdiocese of Miami, Florida**

**Audit of the Young Womens Christian Association of Lexington, Kentucky**

**Audit of the Big Brothers/Big Sisters of Northwest Florida, Inc.**

**Audit of the Little Havana Development Authority, Inc.**

**Audit of the Institute for Intergovernmental Research, Inc.**

**Audit of the Pinellas County Education Foundation, Inc.**

**Audit of the National Juvenile Detention Association, Inc.**

**Audit of the Cuban American National Council, Inc.**

**Audit of the Low Country Children's Center, Inc.**

**Audit of the Boys and Girls Clubs of America**

**Audit of the National Children's Advocacy Center, Inc.**

**Audit of the City of Mary Esther, Florida**

**Audit of the Winston County,**

**Alabama Commission**

**Audit of the City of Athens, Alabama**

**Audit of Union City, Tennessee**

**Audit of Fayette County, Georgia**

**Audit of Clay County, Florida**

**Audit of the City of Edgewater, Florida**

**Audit of the Town of Wagram, North Carolina**

**Audit of the City of New Bern, North Carolina**

**Audit of the City of Paris, Tennessee**

**Audit of Hernando County, Florida Sheriff**

**Audit of the City of Lenoir, North Carolina**

**Audit of the City of Independence, Kentucky**

**Audit of the City of Lake Worth, Florida, FY 1995**

**Audit of the City of Conover, North Carolina**

**Audit of the City of North Miami Beach, Florida**

**Audit of the Town of Leland, North Carolina**

**Audit of Cooper City, Florida**

**Audit of the City of Morehead, Kentucky**

**Audit of the Town of Coffeerville, Mississippi**

**Audit of the City of Hialeah Gardens, Florida**

**Audit of the City of Alma, Georgia**

**Audit of the City of Lynn Haven, Florida**

**Audit of Walker County, Georgia**

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**Audit of the City of Woodstock, Georgia**

**Audit of the City of Petal, Mississippi**

**Audit of Charlotte County, Florida**

**Audit of the City of London, Kentucky**

**Audit of the Town of Grifton, North Carolina**

**Audit of the City of Greenwood, South Carolina**

**Audit of Douglas County, Georgia**

**Audit of Lowndes County, Alabama**

**Audit of the City of Belle Glade, Florida**

**Audit of the City of Baxley, Georgia, FY 1996**

**Audit of the City of Margate, Florida**

**Audit of the Village of Tequesta, Florida**

**Audit of the City of Donalsonville, Georgia**

**Audit of the City of Greenwood, South Carolina**

**Audit of the City of Casselberry, Florida**

**Audit of the City of Conyers, Georgia**

**Audit of the City of Lexington, Mississippi**

**Audit of Elizabeth City, North Carolina**

**Audit of the City of Venice, Florida**

**Audit of the City of Barwick, Georgia**

**Audit of the Town of Penney Farms, Florida 1/**

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**1/ Total Questioned Costs - \$35,105**

**Unsupported Costs - \$35,105**

**Audit of the City of Winter Park, Florida**

**Audit of the City of Myrtle Beach, South Carolina**

**Audit of the City of West Columbia, South Carolina**

**Audit of the City of Seminole, Florida**

**Audit of the City of Palmetto, Florida**

**Audit of the City of Russellville, Alabama**

**Audit of the City of Palatka, Florida**

**Audit of the City of Wilson, North Carolina**

**Audit of the City of Carrollton, Georgia**

**Audit of Lake City, Florida 2/**

**Audit of the Town of Wadesboro, North Carolina**

**Audit of the City of Lawrenceburg, Kentucky**

**Audit of Stevens County, Georgia**

**Audit of the Town of Margaret, Alabama**

**Audit of Martin County, Florida**

**Audit of Monroe County, Florida Sheriff**

**Audit of the City of Arcadia, Florida**

**Audit of the City of Lake Worth, Florida, FY 1996**

**Audit of the City of Forest, Mississippi 3/**

**Audit of Union City, Tennessee**

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**2/ Total Questioned Costs - \$4,165**

**3/ Total Questioned Costs - \$2,342**

**Audit of the City of Coral Springs, Florida**

**Audit of the City of Greenville, North Carolina**

**Audit of the City of Baxley, Georgia, FY 1995**

**Audit of Henry County, Georgia**

**Audit of St. Clair County, Alabama**

**Audit of the City of Georgetown, South Carolina**

**Audit of the Town of Siler City, North Carolina**

**Audit of the City of Thomasville, North Carolina**

**Audit of Fannin County, Georgia**

**Audit of the City of Norcross, Georgia**

**Audit of the City of Frankfort, Kentucky**

**Audit of Monroe County, Florida**

**Audit of the City of Newnan, Georgia**

**Audit of the Town of Garner, Georgia**

**Audit of Dade City, Florida**

**Audit of the City of Oakland Park, Florida**

**Audit of the City of Statesboro, Georgia**

**Audit of the Mississippi Band of Choctaw Indians**

**Audit of Emory University**

**Audit of the State of Florida**

**Audit of Metropolitan Dade County, Florida**

**Audit of St. Petersburg, Florida 4/**

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**4/ Total Questioned Costs - \$4,000**

**Audit of the Marshall County Commission, Alabama 5/**

**Audit of the City of Tallahassee, Florida**

**Audit of Fulton County, Georgia**

**Audit of Knox County, Tennessee**

**Audit of the City of Hialeah, Florida**

**Audit of the South Carolina Governor's Office**

**Audit of Hillsborough County, Florida**

**Audit of the Town of Lake Park, Florida 6/**

**Audit of the State of South Carolina**

**Audit of the City of Fort Lauderdale, Florida**

**Audit of the City of Gadsden, Alabama**

**Audit of Alzheimers Disease and Related Disorders Association, Inc.**

**Audit of the YMCA of Greater Des Moines, Iowa**

**Audit of the Chicago Coalition for Immigrant and Refuge Protection**

**Audit of the Northwest Austin Council**

**Audit of the Concerns of Police Survivors FY 1994**

**Audit of the Concerns of Police Survivors FY 1995**

**Audit of the LaRabida Children's Hospital and Research Center**



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**5/ Total Questioned Costs - \$112**

**6/ Total Questioned Costs - \$105**

**A-13**

**Audit of the National Training and Information Center**

**Audit of the Salvation Army Metropolitan Division**

**Audit of the Concerns of Police Survivors FY 1996**

**Audit of the Illinois Law Related Education and Resource Network**

**Audit of the Big Brothers/Big Sisters of Monroe County, Indiana**

**Audit of Project Oz, Inc.**

**Audit of Newton County, Indiana**

**Audit of the City of Papillion, Nebraska, FY 1995**

**Audit of the City of Muskego, Wisconsin**

**Audit of the County of Ogemaw West Branch, Michigan**

**Audit of Riley County Police Department**

**Audit of the City of Mascoutah, Illinois**

**Audit of the City of Bedford, Ohio**

**Audit of the City of Hart, Michigan 7/**

**Audit of Cole County, Missouri, FY 1994**

**Audit of Cole County, Missouri, FY 1995**

**Audit of Harvey County, Kansas**

**Audit of City of Sun Prairie, Wisconsin**

**Audit of Charter Township of Superior, Michigan**

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**7/ Total Questioned Costs - \$26,928**

**Audit of Douglas County, Minnesota**

**Audit of the City of Delphi, Indiana**

**Audit of the Village of Rockton, Illinois**

**Audit of the Charter Township of Ypsilanti, Michigan, FY 1996**

**Audit of the Charter Township of Lyon, Michigan**

**Audit of Edgar County, Illinois**

**Audit of the City of Crystal, Minnesota**

**Audit of the Illinois Department of Corrections**

**Audit of the City of Harvey, Illinois**

**Audit of Charter Township of Ypsilanti, Michigan, FY 1995**

**Audit of the City of Lino Lakes, Minnesota**

**Audit of the City of Verona, Wisconsin**

**Audit of the City of Mentor, Ohio**

**Audit of the Town of Norwood Court, Missouri**

**Audit of the City of Papillion, Nebraska, FY 1996 8/**

**Audit of Kalkaska County, Michigan**

**Audit of the City of Lebanon, Ohio**

**Audit of the City of Fitchburg, Wisconsin**

**Audit of the Town of Highland, Indiana**

**Audit of the City of Chestor, Illinois**

**Audit of the Village of Lansing, Illinois**

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**8/ Total Questioned Costs - \$407**

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**Audit of the Town of Summit, Wisconsin**

**Audit of the City of Sturgis, Michigan**

**Audit of the Macatawa Area Coordinating Council**

**Audit of the City of Belding, Michigan**

**Audit of the Charter Township of Mt. Morris, Michigan**

**Audit of the City of Cottage Grove, Minnesota**

**Audit of the City of Le Claire, Iowa**

**Audit of the City of Elmhurst, Illinois**

**Audit of the City of Fergus Falls, Minnesota**

**Audit of the City of Zeeland, Michigan**

**Audit of the City of Platteville, Wisconsin 9/**

**Audit of the City of Country Club Hills, Illinois**

**Audit of the City of Walled Lake, Michigan**

**Audit of the City of Inkster, Michigan**

**Audit of the Illinois Department of Human Rights**

**Audit of the Police Department of Kansas City, Missouri, FY 1996**

**Audit of the City of Inver Grove Heights, Minnesota**

**Audit of the City of New Brighton, Minnesota**

**Audit of the Village of Windham, Ohio**

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**9/ Total Questioned Costs - \$481**

**Audit of the City of Maplewood, Minnesota**

**Audit of Grant Traverse County, Michigan**

**Audit of the City of Rosemont, Minnesota**

**Audit of the City of Oakdale, Minnesota 10/**

**Audit of the City of Lake Mills, Wisconsin**

**Audit of the City of Ellisville, Missouri**

**Audit of the Police Department of Kansas City, Missouri, FY 1997**

**Audit of Barry County, Michigan**

**Audit of Clark County, Illinois**

**Audit of Pinconning Township,**

**Bay County, Michigan**

**Audit of the City of Chaska, Minnesota**

**Audit of the City of Oregon, Illinois**

**Audit of the City of Warrenton, Missouri**

**Audit of the Town of Highland, Indiana**

**Audit of Wright County, Minnesota**

**Audit of Mahnomen County, Minnesota**

**Audit of the City of Fairview, Missouri**

**Audit of the University of Nebraska**

**Audit of the University of Chicago**

**Audit of the University of Cincinnati, FY 1995**

**Audit of the University of Cincinnati, FY 1996**

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**10/ Total Questioned Costs - \$25,000**

**A-15**

**Audit of Red Lake Band of Chippewa Indians**

**Audit of the City of Lincoln Park, Michigan**

**Audit of the City of Euclid, Ohio**

**Audit of the City of East Chicago, Indiana**

**Audit of the Michigan Department of Management and Budget**

**Audit of the City of Gary, Indiana 11/**

**Audit of the City of Hammond, Indiana**

**Audit of Douglas County, Nebraska**

**Audit of the State of Ohio**

**Audit of Hannahville Indian Community**

**Audit of Montgomery County, Ohio**

**Audit of Midland County, Michigan**

**Audit of the City of Lincoln, Nebraska**

**Audit of the Grand Traverse Band of Ottawa and Chippewa Indians**

**Audit of the Illinois Department of Children and Family Services**

**Audit of Montgomery County, Ohio**

**Audit of the City of Springfield, Ohio**

**Audit of Anoka County, Minnesota**

**Audit of the State of Nebraska**

**Audit of the City of Detroit, Michigan**

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**11/ Total Questioned Costs - \$85,186**

**Audit of Sedgwick County, Kansas**

**Audit of the City of West Allis, Wisconsin**

**Audit of the Catholic Charities Diocese of Beaumont, Texas, FY 1995**

**Audit of the Catholic Charities Diocese of Beaumont, Texas, FY 1994**

**Audit of the Catholic Charities Diocese of Beaumont, Texas, FY 1995**

**Audit of the International Educational Services, Inc. 12/**

**Audit of the South Dakota Coalition of Citizens With Disabilities**

**Audit of the Pueblo Child Advocacy Center, Inc.**

**Audit of the Weld County, Colorado Youth Alternatives, FY 1995**

**Audit of the Weld County, Colorado Youth Alternatives, FY 1996**

**Audit of the Associated Catholic Charities of the Diocese of Galveston-Houston, Texas**

**Audit of the City of Hot Springs, Arkansas**

**Audit of the City of Richmond, Texas**

**Audit of the City of Vermillion, South Dakota**

**Audit of the City of Justin, Texas 13/**

**Audit of the City of Wheatridge, Colorado**

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**12/ Total Questioned Costs - \$137,888**

**Unsupported Costs - \$137,888**

**13/ Total Questioned Costs - \$2,332**

**Unsupported Costs - \$2,332**

**A-16**

**Audit of Fort Belknap College, Montana**

**Audit of Burleson County, Texas**

**Audit of Richland County, North Dakota**

**Audit of the City of Belgrade, Montana**

**Audit of the City of Hearne, Texas**

**Audit of Navarro County, Texas**

**Audit of the County of Commanche, Texas**

**Audit of the City of Groveton, Texas**

**Audit of the City of San Saba, Texas**

**Audit of the City of Live Oak, Texas**

**Audit of the Town of Arcadia, Louisiana**

**Audit of the County of El Paso, Texas**

**Audit of the Town of Arcadia, Louisiana**

**Audit of Pembina County, North Dakota**

**Audit of the City of Sealy, Texas 14/**

**Audit of the City of Lake Village, Arkansas**

**Audit of the City of Jasper, Texas**

**Audit of the City of George West, Texas**

**Audit of the City of Mineral Wells, Texas**

**Audit of the City of Wells, Texas**

**Audit of the City of Bovina, Texas**

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**14/ Total Questioned Costs - \$114**

**Unsupported Costs - \$114**



**Audit of the City of Magnolia, Texas**

**Audit of the West Carroll Parish Sheriff, Louisiana**

**Audit of the City of Ada, Oklahoma**

**Audit of the City of Fort Collins, Colorado**

**Audit of the City of El Paso, Texas 15/**

**Audit of the Village of Palmetto, Louisiana**

**Audit of the Arkansas Department of Correction**

**Audit of the Town of Alta, Utah**

**Audit of the Town of Wright, Wyoming**

**Audit of the City of Glasgow, Montana**

**Audit of the City of Saginaw, Texas**

**Audit of the Town of Coyle, Oklahoma**

**Audit of the City of Seymour, Texas**

**Audit of the City of Havre, Montana**

**Audit of the City of Pilot Point, Texas 16/**

**Audit of the City of Jonesboro Police Department, Arkansas**

**Audit of the Town of Bokchito, Oklahoma**

**Audit of the Town of Dibble, Oklahoma**

**Audit of the Town of Talihina, Oklahoma**

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**15/ Total Questioned Costs - \$735,935**

**Unsupported Costs - \$735,935**

**16/ Total Questioned Costs - \$2,413**

**Unsupported Costs - \$2,413**

**A-17**

**Audit of Lehi City Corporation, Utah**

**Audit of the St. Martin Parish Sheriff, Louisiana**

**Audit of the Calcasieu Parish Sheriff, Louisiana**

**Audit of the City of Trumann, Arkansas**

**Audit of the Department of Finance and Administration, Arkansas**

**Audit of the State of New Mexico Crime Victims Reparation Commission**

**Audit of the City of Navasota, Texas**

**Audit of the City of Rockport, Texas 17/**

**Audit of the City of San Saba, Texas**

**Audit of Turner County, South Dakota**

**Audit of the City of Tioga, Texas**

**Audit of the Town of Youngsville, Louisiana**

**Audit of the City of Georgetown, Texas**

**Audit of the Vernal City Corporation, Utah**

**Audit of the City of Opelousas, Louisiana**

**Audit of the City of Cleveland, Texas**

**Audit of the Farmington City Corporation, Utah**

**Audit of the City of Newcastle, Wyoming**

**Audit of Elmore City, Oklahoma**

**Audit of the City of Heavener, Oklahoma**

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**17/ Total Questioned Costs - \$1,613**

**Unsupported Costs - \$1,613**

**Audit of the Town of Kansas, Oklaho**

**Audit of the City of Waxahachie, Texas**

**Audit of Ovachita County, Arkansas**

**Audit of the City of Moriarty, New Mexico**

**Audit of the City of Clarksville, Arkansas**

**Audit of the Town of Clint, Texas**

**Audit of the Ovachita Parish Sheriff, Louisiana**

**Audit of Dallam County, Texas**

**Audit of the Town of Waukomis, Oklahoma**

**Audit of the City of Alpine, Utah**

**Audit of Oliver County, North Dakota**

**Audit of Wilson County, Texas**

**Audit of the Arkansas Crime Information Center**

**Audit of the City of Euless, Texas**

**Audit of Navarro County, Texas**

**Audit of Harrison County, Texas**  
**Audit of Rockwall County, Texas**  
**Audit of Richland County, North Dakota**  
**Audit of Montrail County, North Dakota**  
**Audit of the City of Weatherford, Texas**  
**Audit of Grayson County, Texas**  
**Audit of the City of Hearne, Texas**  
**Audit of Traill County, North Dakota**

**A-18**

**Audit of the City of Mandan, North Dakota**  
**Audit of Douglas County, Colorado**  
**Audit of Grand Forks County, North Dakota**  
**Audit of the City of Englewood, Colorado**  
**Audit of Morton County, North Dakota**  
**Audit of the City of Jonesboro, Arkansas Police Department**  
**Audit of the Arkansas Crime Information Center**  
**Audit of the Arkansas Department of Corrections**  
**Audit of the Office of Prosecutor Coordinator, Arkansas**  
**Audit of the City of Richmond, Texas 18**  
**Audit of Walker County, Texas**

**Audit of Sargent County, North Dakota**

**Audit of the City of Hot Springs, Arkansas**

**Audit of the City of Fruita, Colorado**

**Audit of the Municipality of Brookings, South Dakota**

**Audit of the City of Northglenn, Colorado**

**Audit of the City of Wheatridge, Colorado**

**Audit of Hays County, Texas**

**Audit of the University of New Mexico**

**Audit of the City and County of Denver, Colorado**

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**18/ Total Questioned Costs - \$2,510**

**Unsupported Costs - \$2,510**

**Audit of the State of Texas**

**Audit of the State of Montana, FY 1994**

**Audit of the State of Montana, FY 1995**

**Audit of the Ramah Navajo School Board, New Mexico**

**Audit of the State of South Dakota**

**Audit of the City of San Antonio, Texas**

**Audit of the Eight Northern Indian Pueblos Council, Inc., New Mexico**

**Audit of the Pueblo of Sandia, New Mexico**

**Audit of the City of Billings, Montana**

**Audit of the Pueblo of Jemez, New Mexico**

**Audit of the City of Albuquerque, New Mexico**

**Audit of the City of Tyler, Texas**

**Audit of the City of Beaumont, Texas**

**Audit of the Commanche Indian Tribe, Oklahoma**

**Audit of the Wyandotte Tribe of Oklahoma**

**Audit of Tarrant County, Texas**

**Audit of Dallas County, Texas**

**Audit of the State of Utah**

**Audit of Webb County, Texas**

**Audit of the State of Texas 19/**

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**19/ Total Questioned Costs - \$608,046**

**Unsupported Costs - \$608,046**

**A-19**

**Audit of Larimer County, Colorado**

**Audit of the State of South Dakota**

**Audit of Boulder County, Colorado**

**Audit of the State of North Dakota**

**Audit of the City and County of Denver, Colorado**

**Audit of the New York State Bar Association**

**Audit of the Abt Associates, Inc.**

**Audit of the National Association of Town Watch, FY 1993**

**Audit of the National Association of Town Watch, FY 1994**

**Audit of the National Council on Crime and Delinquency**

**Audit of the Asian Pacific American Legal Center, Inc.**

**Audit of the National Council of Juvenile and Family Court Judges**

**Audit of the National CASA Association**

**Audit of the Developmental Research and Programs, Inc.**

**Audit of the International Wave Technologies, Inc.**

**Audit of the Central American Resource Center**

**Audit of the University of Southern California**

**Audit of the University of California**

**Audit of the City of San Mateo, California**

**Audit of the City of San Bernardino, California**

**Audit of the City of Sacramento, California**

**Audit of Douglas County, Oregon Sheriff's Office**

**Audit of Pinal County, Arizona**

**Audit of the City and County of Honolulu, Hawaii**

**Audit of the City of Gilroy, California**

**Audit of the State of Idaho**

**Audit of the City of Garden Grove, California**

**Audit of the City of Red Bluff, California**

**Audit of the Girls, Inc. of Alameda County, California**

**Audit of Ferry County, Washington 20/**

**Audit of the City of Republic, Washington**

**Audit of the City of Mesa, Arizona 21/**

**Audit of Douglas County, Nevada 22/**

**Audit of Multnomah County, Oregon**

**Audit of the Stillaguamish Tribe of Indians**

**Audit of the City of Berkeley, California**

**Audit of the City of San Jose, California**

**Audit of the City of Baldwin Park, California**

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**20/ Total Questioned Costs - \$7,276**

**21/ Total Questioned Costs - \$8,681**

**22/ Total Questioned Costs - \$1,772**

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**Audit of the State of California 23/**

**Audit of the City of Roseville, California**

**Audit of the City of Willows, California**

**Audit of the City of La Mesa, California**



**Audit of the City of Long Beach, California**

**Audit of the University and Community College System of Nevada**

**Audit of the City of Atwater, California**

**Audit of the City of Arcata, California**

**Audit of the City of Stockton, California**

**Audit of Clark County, Nevada**

**Audit of the City of Bakersfield, California**

**Audit of the City of Anaheim, California**

**Audit of the City of Corning, California**

**Audit of the City of Benicia, California**

**Audit of the City of Ceres, California**

**Audit of the City of Rialto, California**

**Audit of the City of Grass Valley, California**

**Audit of the City of Arcadia, California**

**Audit of the State of Alaska**

**Audit of the City of Pittsburg, California**

**Audit of the City of East Palo Alto, California**

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**23/ Total Questioned Costs - \$116,141**

**Unsupported Costs - \$54,705**

**Audit of the City of Mt. View, California**

**Audit of the City of Madera, California**

**Audit of the City of Gridley, California**

**Audit of the City of Fremont, California**

**Audit of the National Office for Social Responsibility**

**Audit of the National Association of Towns and Townships**

**Audit of the Victims' Assistance Legal Organization, Inc.**

**Audit of the Key Bridge Foundation for Education and Research**

**Audit of the Proprietorship Activities of Marcia Chaiken, dba LINC**

**Audit of the Center for Effective Public Policy**

**Audit of the Access Video Fund, Inc.**

**Audit of the Coalition for Juvenile Justice**

**Audit of the National Crime Prevention Council**

**Audit of the National Center for State Courts**

**Audit of the National Sheriffs' Association**

**Audit of the American Prosecutors Research Institute**

**Audit of the Justice Research and Statistics Association, Inc.**

**Audit of the Aspen Systems Corporation**

**Audit of the Institute for Social Analysis**

**Audit of the National Council of Agricultural Employers**

**Audit of the National Network of Children's Advocacy Centers, Inc.**

**Audit of the American Correctional Association**

**Audit of the Proprietorship Activities of Marcia Chaiken, dba LINC**

**Audit of the Pretrial Services Resource Center**

**Audit of the Victims' Assistance Legal Organization, Inc.**

**Audit of the National Center for Missing and Exploited Children**

**Audit of the Town of Herndon, Virginia**

**Audit of the County of Rockingham, Virginia**

**Audit of the Town of Vienna, Virginia**

**Audit of the City of Fairfax, Virginia**

**Audit of the City of Winchester, Virginia**

**Audit of the City of Salem, Virginia**

**Audit of the City of Harrisonburg, Virginia**

**Audit of the Epilepsy Foundation of America**

**Audit of the National Federation of the Blind**

**Audit of the University of Maryland System**

**Audit of Baltimore County, Maryland**

**Audit of the Commonwealth of Virginia 24/**

**Audit of the District of Columbia Department of Employment Services, FY 1994**

**Audit of the District of Columbia Department of Employment Services, FY 1991**

**Audit of Baltimore County, Maryland**

**Audit of Anne Arundel County, Maryland**

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**24/ Total Questioned Costs - \$11,967**

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## **Reporting Requirements Index**

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

<b>IG Act References</b>	<b>Reporting Requirement</b>	<b>Page</b>
Section 4(a)(2)	Review of Legislation and Regulations	7
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	9 - 30
Section 5(a)(2)	Significant Recommendations for Corrective Actions	17 - 30
Section 5(a)(3)	Prior Significant Recommendations Unimplemented	None
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	9 - 15
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	A-2 to A-22
Section 5(a)(7)	Summary of Significant Reports	9 - 30
Section 5(a)(8)	Audit Reports--Questioned Costs	25
Section 5(a)(9)	Audit Reports--Funds to be Put to Better Use	24
Section 5(a)(10)	Prior Audit Reports Unresolved	23
Section 5(a)(11)	Significant Revised Management Decisions	None
Section 5(a)(12)	Significant Management Decisions with Which the OIG Disagreed	None

### **Glossary of Terms**

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

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

**Disallowed Cost:** A questioned cost that management has sustained or agreed should not be charged to the government.

**Disclaimer of Opinion:** Unavailability of sufficient competent evidential matter to form an opinion.

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

**Green Card:** INS Alien Registration Receipt Card (Form I-151 or Form I-551).

**Information:** Formal accusation of a crime made by a prosecuting attorney as distinguished from an indictment handed down by a grand jury.

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

**Qualified Opinion:** The judgement by the CPA in the audit report that "except for" something, the financial statements fairly present the financial position and operating results of the component.

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

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

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

**Recovered Funds:** Government funds returned to the Department or the U.S. Treasury as the result of an investigation.

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

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**Seizures:** Property, including cash, real estate, vehicles, etc., used or acquired through illegal activities, that is confiscated by law enforcement officials. A decision is made by a court or civil authority regarding the disposition of the seized property.

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

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

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