

U. S. Department of Justice
Office of the Inspector General
Semiannual Report to Congress
April 1, 1998 - September 30, 1998

Special Tribute

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

A 30-month investigation into allegations of fraud in the Immigration and Naturalization Service's (INS) citizenship testing program resulted in the indictment of 20 individuals and the discovery of significant systemic problems in the INS testing process. The testing process requires applicants for U.S. citizenship to pass a standardized test demonstrating skill in written English and knowledge of U.S. government and history. In 1992, INS authorized six national testing organizations to administer the testing process. These national organizations then contracted with private individuals to conduct the actual test.

In 1995, the OIG received allegations that some of these private individuals were participating in fraudulent schemes to provide applicants with passing test scores. INS Special Agent Paul Haney and OIG Special Agent Jon Lines conducted an extensive investigation that led to the identification of the individuals responsible for developing and implementing the schemes. As many as 13,000 aliens collectively paid over \$3 million to the conspirators. The agents interviewed dozens of witnesses, used undercover agents, and conducted surveillance of testing locations to obtain the evidence needed for prosecution. Assistant U.S. Attorneys (AUSAs) Daniel Linhardt and Eugene Illovsky of the Eastern District of California U.S. Attorney's Office then skillfully organized this evidence into prosecutable cases that to date have resulted in three guilty pleas. The prosecution significantly benefited from AUSA Robin Taylor's efforts in obtaining guilty pleas and eliciting defendant cooperation.

The extraordinary efforts of AUSAs Daniel Linhardt, Eugene Illovsky, and Robin Taylor, together with the outstanding investigative work of INS Special Agent Paul Haney and OIG Special Agent Jon Lines, have made a significant contribution toward ensuring the integrity of the citizenship testing process.

October 30, 1998

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

Dear Madam Attorney General:

This semiannual report summarizes the work of the Office of the Inspector General (OIG) during the six-month period ending September 30, 1998. This report reflects the OIG's most significant accomplishments by our Audit, Inspections, and Investigations Divisions, and our Special Investigations and Review Unit, with critical support from the OIG's Office of General Counsel and Management & Planning Division.

Although the primary purpose of our semiannual reports is to focus attention on specific accomplishments completed during the reporting period, the preparation of the semiannual report also helps us to consider the relationship among work we have recently completed, work now in progress, and work contemplated for the future. One of the areas to which we have devoted increased attention recently is that of follow-up work. We recognize that our work is most effective when we take steps to ensure that problems we have noted and recommendations we have developed have in fact been substantively addressed. The normal process of resolving audits and inspections does not provide assurance that this has occurred because it is a paper-driven process that does not generally involve further inquiry and fieldwork. Without such further work, we cannot be certain that the underlying problem and deficiencies have been adequately addressed. As a result, and because we recognize that such work is a concern of yours, we have given higher priority to doing substantive follow-up work with respect to audits, inspections, and the systemic recommendations that flow from our special investigations.

In June 1998, we conducted a follow-up review of the progress made by the FBI Laboratory in implementing the recommendations contained in our April 1997 special investigative report. The follow-up report was the culmination of a 14-month process in which we reviewed monthly reports from the FBI documenting its progress and

which concluded with an intensive review involving most of the original investigative team. As a result of this process, we noted substantial progress in most respects but also lingering problems in some areas. We were gratified at the Laboratory Director's constructive approach to the deficiencies we identified, an approach that led to the Laboratory's receiving its first-ever accreditation several months later.

We believe the oversight we provided on this matter served an important function, and we fully understand the value of extending this approach to other areas. As you know, the principal limitation we face in conducting more of these follow-up reviews is resources. Every follow-up review that we conduct means we must forego doing fresh work relating to programs and operations of the Department that we think warrant scrutiny. In a static or shrinking Department, the latitude to conduct more such follow-up reviews would be greater. But because of the rapid growth of the Department in recent years – particularly in the Immigration and Naturalization Service and the Bureau of Prisons – we have attached highest priority to providing broad coverage in our audit and inspections work. We will attempt to balance the need for broad coverage against the desirability of conducting more follow-up reviews. We continue to welcome suggestions from you and members of your staff as to audits, inspections, and other types of reviews that would be of greatest value to the Department.

I very much appreciate your support this past year in providing the OIG with the infusion of resources we so desperately need to fulfill our mission. However, the commitment to furnish us with adequate resources must be shared by the Administration and the Congress. In addition to continuing support from this Department, we need OMB to provide genuine backing for our mission, and we must have strong support from the Congress. If we lack any of these elements, we will not be able to fulfill our important responsibilities.

We look forward to working with you on matters of common interest in the months to come.

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 their 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. Many of our reports are available on the OIG's Website at the following Internet address: <<http://www.usdoj.gov/oig>> .

The OIG carried out its mission during this reporting period with a workforce averaging 450 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 OIG components—the Inspections Division, the Special Investigations and Review Unit, the Management and Planning Division, the Office of General Counsel (OGC), and the Inspector General's immediate office—are located in Washington, D.C.

The OIG's Fiscal Year (FY) 1998 direct appropriation was \$33,211,000, with an additional \$146,565 transferred from the Office of National Drug Control Policy in High Intensity Drug Traffic Area funds. The OIG also received reimbursements of (1) \$5.0 million from the Immigration and Naturalization Service (INS) for audit, inspections, and investigative oversight work related to INS fee accounts; (2) \$1.4 million from the Executive Office for U.S. Trustees for trustee audits; (3) \$7.5 million from the Working Capital Fund and other Department components 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 complete a consolidated Department financial statement audit in FY 1998; (4) \$3.7 million from INS to cover the cost of a congressionally mandated investigation into Citizenship U.S.A. allegations; and (5) \$3.8 million from the Violent Crime Reduction Trust Fund (VCRTF) for oversight of law enforcement grant programs funded through VCRTF.

Special Inquiries

A number of OIG special investigations are of significant interest to the American public and Congress and of vital importance to the Department. Teams working on these cases include senior attorneys, special agents, auditors, and inspectors. 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>>.

Allegations of Cocaine Trafficking by the Nicaraguan Contras

The OIG conducted a 15-month investigation into allegations contained in a series of *San Jose Mercury News* articles that individuals associated with the Nicaraguan Contras were responsible for flooding Los Angeles with crack cocaine in the 1980s, that these dealings started the U.S. crack cocaine epidemic, and that U.S. government officials—including Central Intelligence Agency (CIA) and federal law enforcement officials—were aware of these activities and either protected or ignored the individuals involved.

The OIG investigation focused on the Department's investigations and prosecutions relating to various aspects of these allegations. Our investigative team reviewed over 40,000 relevant documents collected from Department components and conducted over 200 witness interviews throughout the United States and Nicaragua.

Our 407-page report was completed in December 1997. However, the Attorney General invoked her authority to delay its release, pursuant to the Inspector General Act of 1978, as amended (IG Act), "because of law enforcement concerns unrelated to the ultimate conclusions reached in [the] report." In July 1998, the Attorney General indicated that the law enforcement concerns had abated, and the OIG released the report on July 22, 1998.

Our investigation did not substantiate the main allegations contained in the *San Jose Mercury News*. We did not find that any of the individuals cited in the *San Jose Mercury News* articles received special consideration or leniency by the Department because of their Contra connections. While the Department's investigative efforts suffered to some degree from a lack of coordination and insufficient resources, they were not affected by anyone's suspected ties to the Contras. We also did not find that the drug trafficking by individuals discussed in the articles was connected to the CIA or that their drug trafficking was the cause of the crack explosion in Los Angeles or across the country.

Justice inquest finds no link between CIA, crack in L.A.

Conclusions dispute newspaper's charges against agency

By Jerry Seper
THE WASHINGTON TIMES

A 15-month investigation by the Justice Department inspector general's office has uncovered no evidence linking the CIA or federal law enforcement authorities to a Nicaraguan smuggling ring that purportedly shipped tons of crack cocaine into South Central Los Angeles.

Inspector General Michael Bromwich, in a much-delayed report released yesterday, said interviews of more than 200 people and a review of 40,000 pages of documents uncovered no evidence to substantiate accusations raised by the San Jose Mercury News in August 1996.

The newspaper said in a series of articles that persons associated with the Nicaraguan Contras were responsible for a flood of crack cocaine into South Central Los Angeles in the 1980s, which ignited a nationwide crack epidemic, and that government officials — including the CIA and federal authorities — were aware of but did nothing to stop those involved.

"While some drug traffickers supplying cocaine to Los Angeles drug dealers were Contra supporters, they were investigated and pursued by the Department of Justice," Mr. Bromwich said. "These investigations were not always successful, but we did not find that any were obstructed because of claims that these individuals were connected to the Contras or the CIA.

"And we did not conclude, as suggested by the articles, that

Ricky Ross, a Los Angeles-based drug dealer, or his suppliers were the cause of the crack explosion in Los Angeles or in the United States as a whole," he said.

The Mercury News said San Francisco drug dealers sold cocaine in Los Angeles and diverted profits to the Nicaraguan Contras for more than a decade, and claimed it had traced the drugs to dealers who were leaders of a CIA-run guerrilla army in Nicaragua in the 1980s.

The newspaper focused on Ross' connections to Oscar Danilo Blandon and Norwin Meneses, two Nicaraguans with ties to the Contras who used their drug profits to help fund the Contra war effort. The stories suggested the CIA was aware of these activities and sought to protect the drug dealers or ignored their operations.

The articles also questioned how suspected drug dealers were treated by the FBI, the Drug Enforcement Agency, the Immigration and Naturalization Service and federal prosecutors — suggesting the dealers received favorable treatment because of their ties to the Contras or the CIA.

"We did not find that Blandon, Meneses or the other Contra supporters discussed in the articles received special consideration from the Department of Justice because of their Contra connections," Mr. Bromwich said. "While the Department of Justice's investigative efforts suffered, to some extent, from a lack of adequate coordination and insufficient resources, their efforts were not af-

fectured by anyone's suspected ties to the Contras."

Investigators did conclude that Blandon improperly received a legal resident "green card" so he could work undercover for the DEA after his release from prison in 1994, and the INS agent involved "knew or should have known" he was not eligible because of his felony conviction. But they said there was no evidence to show the card had been authorized because of Blandon's ties to the Contras or the CIA.

The report also said that while Blandon was a major supplier and Ross a major distributor, the rise in crack cocaine — both in Los Angeles and nationwide — was "not the result of any single source or seller."

The newspaper's executive editor, Jerry Ceppos, was not available yesterday for comment on the inspector general's report, although he has acknowledged shortcomings in the articles in previous interviews.

The report was completed in December but its release was delayed when DEA and Justice Department officials raised concerns that its description of Blandon's cooperation with authorities would hamper an ongoing investigation.

"By delaying the report's release, federal law enforcement officials were able to protect the integrity of a very important, though unrelated, investigation," Attorney General Janet Reno said in a statement accompanying the report. Mr. Bromwich said no changes were made to the final document.

The Washington Post Friday, July 24, 1998

Justice Dept. IG Rebuts CIA-Crack Allegations

By MICHAEL GRUNWALD
Washington Post Staff Writer

The Justice Department's internal watchdog yesterday offered another major rebuttal to a newspaper's explosive allegations of Central Intelligence Agency complicity in the crack cocaine epidemic, releasing a long-delayed report rejecting the most serious charges of government misconduct.

In August 1996, the San Jose Mercury News reported that the CIA and federal law enforcement officials had protected major Bay Area drug traffickers with ties to the Nicaraguan contras. After a 15-month investigation in which 200 witnesses were interviewed and 40,000 pages of documents were reviewed, Inspector General Michael R. Bromwich concluded that the Justice Department made a legitimate effort to investigate and prosecute those traffickers.

"These investigations were not always successful, but we did not find that they were obstructed because of claims that these individuals were connected to contras or the CIA," he said.

The original allegations sparked outrage in many inner-city neighborhoods, but subsequent investigations by The Washington Post, the New York Times and the Los Angeles Times were unable to substantiate them and Mercury News editors later said the articles were not up to their usual standards. The

author of the series, Gary Webb, is no longer at the paper, but recently published a book restating his allegations: "Dark Alliance: The CIA, The Contras, and the Crack Cocaine Explosion."

The Justice report disagreed with Webb's implication that Los Angeles-based drug dealer Ricky Ross and his Nicaraguan suppliers, Oscar Danilo Bandon and Norwin Meneses, were the cause of the crack cocaine explosion in south-central Los Angeles. He concluded that although Bandon was a major supplier and Ross a major distributor, the crack epidemic was not the result of any single source. He also found no evidence that any of those suspects was connected to the CIA.

However, Bromwich did find a few faults with the Justice Department's investigations. For example, the report concluded that Bandon was improperly granted legal permanent resident status so he could work undercover for the Drug Enforcement Administration after his release from prison in 1994. As a convicted felon, Bandon should have been deemed ineligible for a green card, but Bromwich concluded that this rule-bending had nothing to do with any connection to the contras or the CIA.

The report also found that the CIA interceded in a separate matter involving the seizure of \$36,000 in drug proceeds from Nicaraguan trafficker Julio Zavala in San Francisco during the early 1980s. In that case,

Report Finds CIA Did Not Protect Drug Ring Tied to Contras

From a Times Staff Writer

WASHINGTON—The Justice Department's internal watchdog said Thursday that he found no evidence that U.S. government officials protected a California drug-trafficking ring whose members contributed money to the Nicaraguan rebels known as the Contras during the 1980s.

Inspector General Michael R. Bromwich, reporting on a 15-month investigation, said he concluded that the drug dealers had contributed money to the rebels but that the amounts were "relatively insignificant" and there was no evidence that Contra leaders or the CIA knew about them.

Bromwich's investigation, and

its 407-page report, were produced in response to a 1996 story in the San Jose Mercury News. The newspaper claimed that a San Francisco-based drug-trafficking ring introduced crack cocaine to Los Angeles, sent millions of dollars to the CIA-backed Contras and operated under the protection of U.S. government officials.

"After interviewing more than 200 people and reviewing more than 40,000 pages of documents, we did not substantiate the main allegations suggested by the San Jose Mercury News articles," Bromwich said.

"While some drug traffickers supplying cocaine to Los Angeles drug dealers were Contra supporters, they were investigated and pursued by the Department of Justice. These in-

vestigations were not always successful, but we did not find that they were obstructed because of claims that these individuals were connected to Contras or the CIA."

The report said the two drug dealers at the center of the tale were "Contra supporters, although their roles in this regard were marginal. . . . Both gave charitable contributions to the Contras and, because of their line of business, that money came from drug trafficking. The monetary amounts were relatively insignificant compared to the money they made in drug trafficking."

The report quoted one of the drug dealers as estimating their total contributions at \$49,000, and several of the dealers' associates provided even smaller estimates.

Special Inquiries

Operation Gatekeeper

The OIG investigation of Operation Gatekeeper—the Border Patrol's effort to stem the flow of illegal immigration across the U.S.-Mexico border between California and Baja California—began after officials of the National Border Patrol Council alleged that Operation Gatekeeper's achievements were being misrepresented to make it appear successful.

After conducting a thorough inquiry into the broad allegations of fraud in the reporting and performance of Operation Gatekeeper, we concluded that neither INS

nor Border Patrol personnel attempted to falsify records or mislead the public about Operation Gatekeeper's success. Our 346-page report, issued in July 1998, detailed our findings and offered recommendations to address the operational and managerial failings that created an atmosphere where suspicions about Operation Gatekeeper flourished.

Federal Times July 27, 1998

IG Finds No Border Patrol

Agents Stand By Claims

By Leigh Rivenbark
Federal Times Staff Writer

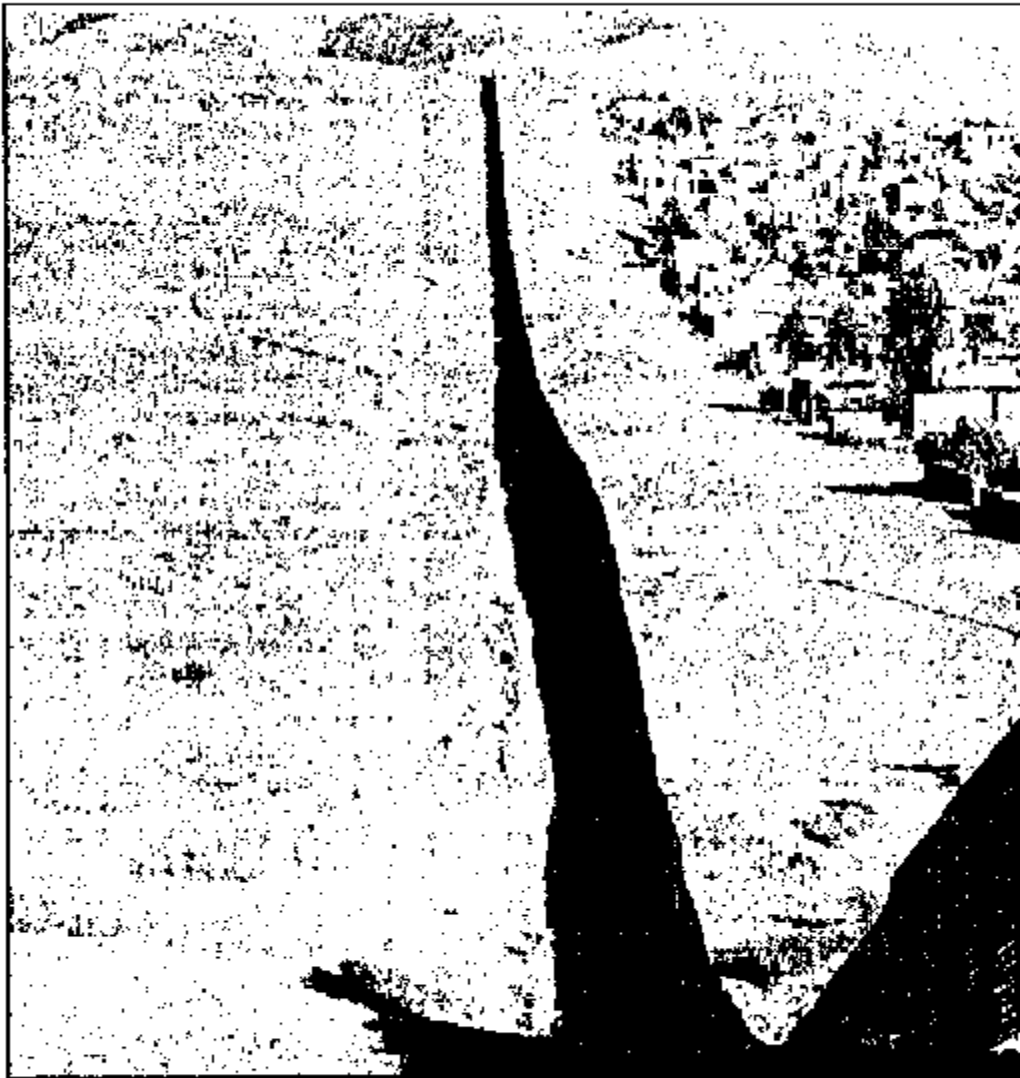
Border Patrol agents' misunderstanding and dislike of a new border enforcement strategy fueled their allegations that managers falsified records to make the strategy look good, the Justice inspector general concluded after a two-year investigation.

Poor communications and inadequate training — not a conspiracy to skew statistics — were the real problems for San Diego's Operation Gatekeeper, IG Michael Bromwich concluded in a report released July 14.

The American Federation of Government Employees' Border Patrol council, which brought the allegations to the department's and Congress' attention, said it still believes the agents who claimed they witnessed or were told about falsified documents and altered equipment.

Gatekeeper is the Border Patrol's effort to crack down on the border in the San Diego sector by posting agents in visible positions to deter people from crossing illegally. The Gatekeeper strategy differs from the old border enforcement strategy, which focused on pursuing and catching people who did cross the border.

Two years ago, agents alleged



This fence lines the border near San Diego. Some Border Patrol agents who work in this a

"We stand by our statements, but management has made ef

ing Gatekeeper had been fabricated or claimed to have seen a

The Washington Post Wednesday, July 15, 1998

Border Patrol Cleared Of Alleged Misconduct

By WILLIAM BRANIGAN
Washington Post Staff Writer

The Justice Department's inspector general yesterday absolved the U.S. Border Patrol of two-year-old allegations that it engaged in a pattern of fraud and misconduct to portray a controversial border-control operation as a success.

In a 346-page report, the inspector general's office said it found no credible evidence that the Border Patrol or its parent agency, the Immigration and Naturalization Service, falsified records on apprehensions of illegal immigrants, suppressed agents' efforts to catch border-crossers or otherwise tried to mislead the public about Operation Gatekeeper, a 1994 initiative along the U.S.-Mexican border south of San Diego.

Inspector General Michael R. Bromwich said interviews with 337

hensions nationwide, but agents were being overwhelmed. Thousands of illegal immigrants were getting through and quickly melding into urban areas on the U.S. side.

The operation fundamentally changed the way many Border Patrol agents did their jobs. Instead of roaming around searching for illegal immigrants to apprehend, frontline agents were ordered to stay in fixed positions to deter illegal crossers, while other agents behind them arrested those who got through. The strategy involved an infusion of new agents and equipment, including night-vision scopes, movement sensors and an electronic fingerprinting system.

Many agents, who previously had operated with substantial autonomy, "disliked these new methods and believed Gatekeeper was merely a political ploy rather than a legitimate strategy," the report said.

Inspector clears Border Patrol in false-report probe

At issue was control of illegal aliens

By Jerry Seper
THE WASHINGTON TIMES

The Justice Department's inspector general yesterday rejected accusations that U.S. Border Patrol agents falsified and altered reports to deceive the public on the success of Operation Gatekeeper in cutting illegal immigration.

Inspector General Michael Bromwich said a two-year investigation found that accusations made by two Border Patrol union officials during separate hearings in 1996 before a House subcommittee and a California Assembly

"We found no misconduct that would warrant being referred for discipline or for further investigation."

—IG Michael Bromwich

tors also found no evidence that a congressional delegation was deceived during an April 8, 1995, visit to San Diego, as claimed by

Citizenship U.S.A.

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

In May 1997, at the request of Congress and the Attorney General, the OIG began an investigation of CUSA following allegations of misconduct within the program, including allegations that applicants with disqualifying backgrounds were naturalized and that standards were compromised in an effort to maximize the number of persons eligible to vote in the November 1996 elections.

A team of attorneys and OIG special agents, inspectors, auditors, and support personnel continues to investigate these allegations. The team has conducted nearly 1,000 interviews of INS personnel and others and has reviewed tens of thousands of documents. The investigation is ongoing in six major cities—Chicago, Miami, Los Angeles, New York, San Francisco, and Washington, D.C.

Special Inquiries

Campaign Finance

In September 1997, the Attorney General and the Director of the Federal Bureau of Investigation (FBI) learned that classified intelligence information pertaining to the Department's campaign finance investigation may not have been appropriately disseminated within the FBI and the Department. In November 1997, the Attorney General asked the OIG to review how this intelligence information was handled. To date, we have reviewed over 15,000 pages of classified information and conducted over 100 interviews. The team is currently writing the report of investigation.

Lost Trust

In the late 1980s and early 1990s, the FBI and the U.S. Attorney's Office in South Carolina conducted a major investigation, called "Lost Trust," into corruption, vote-buying, influence peddling, and drug usage 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 Court alleged misconduct by the FBI, U.S. Attorney's Office, and the Department's Public Integrity Section. The Court also was critical of an earlier investigation by the Department's Office of Professional Responsibility (OPR).

At the request of the Deputy Attorney General, the OIG initiated a review of the prosecutions and investigations implicated in the Court's dismissal order. Our investigative team, led by two attorneys, is reviewing documents related to the investigation and prosecution of the cases and related documents generated by the Department's OPR and FBI's OPR. The team also is concluding interviews with the many persons involved in handling these cases and is beginning to prepare its report.

ICITAP/OPDAT

The Criminal Division's International Criminal Investigative Training Assistance Program (ICITAP) and Overseas Prosecutorial Development Assistance and Training (OPDAT) office are designed to foster, support, and strengthen democratic principles and structures of law enforcement in foreign countries. Particularly in those countries that recently have embraced democracy, ICITAP and OPDAT provide training for police, prosecutors, and the judiciary and advice on American laws and programs to combat crime within a democratic framework.

In April 1997, the OIG began an investigation of ICITAP and OPDAT following allegations of program mismanagement and supervisory misconduct. The investigative team of special agents, auditors, inspectors, and support personnel, under the direction of a senior attorney, has conducted more than 300 interviews in the United States and several foreign countries and has reviewed over 50,000 pages of documents. The investigation is ongoing.

Special Inquiries

Trentadue

Kenneth Trentadue, an inmate held at the Federal Transfer Center in Oklahoma City, Oklahoma, was found dead in his cell in August 1995. The Bureau of Prisons (BOP) concluded that Trentadue committed suicide by hanging. However, allegations that Trentadue was murdered led to an investigation by the FBI and the Department's Civil Rights Division. The investigation concluded that there was insufficient evidence of a violation of federal criminal civil rights laws. Following that investigation and at the Deputy Attorney General's request, the OIG initiated a separate review focusing on whether BOP or FBI employees mishandled evidence or engaged in other misconduct in the events surrounding Trentadue's death. The investigation is ongoing.

FBI Laboratory

In March 1998, the OIG conducted an in-depth review of the FBI's progress in implementing recommendations made in the OIG's 1997 report on the FBI Laboratory. The OIG used many of the same attorneys, scientists, and investigators who conducted the original investigation. The OIG team interviewed examiners and supervisors and reviewed FBI Laboratory policy statements, manuals, and other documents. In June 1998, the OIG released a "one-year-later" follow-up report on the FBI Laboratory, which found significant progress toward implementing the recommendations made in the 1997 report.

The follow-up report noted that while the FBI generally had done a responsible job of implementing the OIG's recommendations, recommendations regarding staffing of the Laboratory's Explosives Unit with qualified scientists and monitoring of examiner testimony were not yet implemented.

Progress, Lingering Problems in FBI Lab

Associated Press

The FBI laboratory's troubled explosives unit still is not staffed entirely with scientists, but the bureau has made significant progress in resolving lab problems, the Justice Department's inspector general reported yesterday.

A year ago, Inspector General Michael Bromwich blasted the lab for flawed scientific work and inaccurate testimony in major cases, including the Oklahoma City and World Trade Center bombings. He recommended major reforms and discipline for five agents.

The new review criticized the training of lab examiners for court testimony and found continuing confusion over who is monitoring the explosives unit for contamination.

But Bromwich said the new lab director, Donald M. Kerr Jr., a physicist-engineer who previously

headed the government's Los Alamos nuclear weapons lab, has promised to rectify remaining problems.

Overall, "the FBI is making a sustained and serious effort to address the substantial problems we identified in our original report," Bromwich wrote.

Bromwich revealed that, years after FBI Director Louis Freeh embraced the idea, the on-site evaluation of the lab for its first accreditation by outside experts finally began last week. It cited progress in case documentation, examiner training, scientific protocols, and evidence handling.

But follow-up report was blasted by Stephen Kohn, lawyer for former FBI chemist-agent Frederic Whitehurst, whose allegations triggered the lab investigation. Kohn said, "The inspector general is responding to the official FBI line from unit chiefs and the lab director and finding some problems."

Bromwich's new report painted a

Other OIG Contributions

OIG semiannual reports feature the major investigations and programmatic reviews performed by the OIG during the past six months. In addition, the OIG has engaged in other noteworthy activities that significantly contribute to the Department and the governmental community.

- In May 1998, the Investigations Division's Miami Field Office sponsored a 2-day Training Symposium, *Sexual Abuse, Contraband Smuggling, and Civil Rights Investigations in Prisons*. Officials of BOP, FBI, Criminal Division, and U.S. Attorney's Office for the Southern District of Miami assisted in the presentations. Symposium attendees were given an overview of the applicable violations of federal laws as well as information about the available resources and challenges encountered while conducting investigations in a prison environment.
- During this reporting period, the Investigations Division's Research and Analysis Unit, with assistance from BOP's research and internal affairs offices, began work on its initial research project—the Federal Bureau of Prisons Corruption Study. The initiative provides an opportunity to implement detection and prevention strategies based on empirical research.

As part of the project's initial phase, the research team identified a study population of former BOP corrections employees who were arrested, terminated, or resigned from service between 1990 and 1997. The research team developed a data collection instrument, which is being used to collect personal and offense data for each of the former employees.

- Investigators conducted 24 Integrity Awareness Briefings for Department employees throughout the country. These briefings are designed to educate employees about the misuse of a public official's position for personal gain and to deter employees from committing such offenses. The briefings reached over 650 employees with a message highlighting the devastating consequences of corruption to both the employee and the agency.
- The Audit Division participated in INS' Intergovernmental Service Agreement (IGA) Working Group, whose purpose is to establish uniformity in how INS awards contracts to state and local governments for detention facilities. Auditors provided technical expertise, reviewed proposed IGA applications, and discussed Audit experiences with the U.S. Marshals Service's IGA program.

- The Audit Division continued to monitor INS' critical automation initiatives to enhance automated data processing operations. Auditors attended INS' quarterly meetings to monitor their effective use of automation resources and provided input regarding INS' monitoring of these initiatives.

Other Activities

- The OIG participated in the Attorney General's Committee on Sexual Harassment that developed a departmentwide plan to combat sexual harassment. Each component and bureau implemented a plan based on the Department's plan. In addition, the OIG participated in subcommittees to develop an ombuds program for the Department and to develop a new, additional investigative resource for the Offices, Boards, and Divisions for sexual harassment cases.
- The OGC currently serves as a member of the Department's Intercomponent Adverse Action Work Group, which is developing and implementing a number of significant improvements to the Department's disciplinary, adverse action, and grievance procedures. OGC provided the working group with a detailed memorandum discussing the state of the law concerning discipline of federal employees for off-duty misconduct and an outline for recommended adverse action training for Department employees, managers, and supervisors.

Inspector General Congressional Testimony

On June 10, 1998, the IG testified before the House Permanent Select Committee on Intelligence concerning legislation that would create a whistleblower procedure for employees of specified intelligence agencies, including the FBI, to follow in order to bring to the attention of Congress complaints or information about intelligence activities that involve classified information. The testimony is available on the OIG Website at <<http://www.usdoj.gov/oig>>.

Legislation and Regulations

The IG Act 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 that affects it or legislation that relates to fraud, waste, and abuse in the Department's programs or operations.

During this reporting period, the OIG reviewed and commented on more than a dozen pieces of proposed legislation including revisions to the IG Act, modification of a requirement that INS develop an automated entry/exit control system by October 1, 1998, and creation of a mechanism to encourage whistleblowers from the intelligence community to report allegations of wrongdoing that involve classified information.

Other Activities

President's Council on Integrity and Efficiency Activities

The IG is a member of the President's Council on Integrity and Efficiency (PCIE). OIG staff participate in PCIE activities—such as the Inspections Round Table, an annual investigations conference, meetings of the Chief Financial Officers Group, and the OIG GPRA (Government Performance and Results Act) Coordinators' Interest Group—that relate to their respective duties. During the reporting period, the IG was a member of the Investigative Standards and Training Committee and the Legislation Committee.

The Investigative Standards and Training Committee reviews issues such as quality standards for investigations and criminal investigator training standards and makes recommendations to the full PCIE. During this reporting period, the Committee completed a study and recommended several improvements to the IG Academy that include developing a new financial management system, selecting a course developer/program manager, and establishing operational policies for funding the IG Academy. To improve communications with the investigative function of IGs, the

Committee also created an Investigations Advisory Subcommittee. The Subcommittee will advise the Committee on policy, training, and investigation practices.

The Legislation Committee focused much of its attention this reporting period on a legislative proposal to amend the IG Act. The legislation would, among other things, provide for renewable 9-year terms for Presidentially-appointed IGs, require external reviews for all IGs every three years, convert semiannual reporting periods to annual reporting cycles, and transfer some of the smaller IGs into larger IGs. The Committee prepared written testimony on the legislation and the state of the IG community for a September 9, 1998, hearing on the bill before the Senate Governmental Affairs Committee.

Office of Investigative Agency Policies

The OIG is a member of the Office of Investigative Agency Policies (OIAP), which is composed of the Department's law enforcement components and which develops coordinated policies for law enforcement activities. Among the issues addressed by the OIAP this reporting period were guidelines on warning persons and notifying law enforcement agents of threats to life or serious bodily injury, disclosure of law enforcement employee names to the media, and timely entry of fugitive information into the National Crime Information Center database.

Investigations Division

Overview and Highlights

The Investigations Division (Investigations) 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. Investigations develops cases for criminal prosecution and civil and administrative action. In many instances, the Office of the Inspector General (OIG) refers allegations to components within the Department for appropriate action and, in the most serious cases that are referred, reviews their findings and disciplinary action taken.

During this reporting period, Investigations received 4,088 complaints, the greatest number reported during a single semiannual reporting period. We made 57 arrests involving 27 Department employees, 28 civilians, and 2 Department contract personnel. Judicial action resulted in 55 individuals receiving sentences ranging from

probation to 30 years' incarceration, and \$400,045 in fines, recoveries, orders of restitution, and civil penalties. As a result of OIG investigations, 9 employees and 2 contract employees received disciplinary action, including 8 who were terminated. In addition, 21 employees resigned either during or at the conclusion of our investigations.

Significant Investigations

Bribery

- In the Northern District of California, a retired Immigration and Naturalization Service (INS) supervisory district adjudications officer and a civilian immigration consultant were arrested on charges of conspiracy, bribery, and immigration document fraud. A San Francisco Field Office investigation led to a criminal complaint alleging that the adjudications officer, while working for INS, accepted bribes from the civilian immigration consultant and a Korean businessman and his wife to approve applications for permanent residency for their clients. The officer confessed to receiving approximately \$400,000 in bribes. To date, approximately 275 ineligible aliens who benefited from this scheme have been identified. The consultant also confessed to his role in the conspiracy. The investigation continues.
- In the District of Columbia, a Bureau of Prisons (BOP) computer specialist assigned to headquarters and his brother, a Northern Virginia businessman who contracted with BOP, pled guilty to a \$63,000 bribery scheme. This 3-year investigation by the Washington Field Office revealed that, during a 2-year period, the computer specialist used his position to influence the award of nine BOP contracts to his brother's business. As part of their plea agreement, the brothers reimbursed BOP \$115,000 prior to their sentencing. Each was sentenced to five months' incarceration and five months' supervised release and ordered to pay an additional \$20,000 for full restitution.
- In the Western District of Texas, an INS immigration inspector assigned to the Yalenta Port of Entry was found guilty of conspiracy to defraud the U.S. Government in a document-for-money scheme. His coconspirator, a Mexican national, was arrested on bribery charges. An investigation by the OIG El Paso Field Office and U.S. Customs Service Internal Affairs discovered evidence that the immigration inspector provided four INS documents to the Mexican national in exchange for \$1,800. The coconspirator was

Significant Investigations

found in possession of over \$10,000 at the time of his arrest, which he admitted were the proceeds from the INS document scheme he operated with the inspector. As a result, the funds were seized. The immigration inspector was sentenced to two years' incarceration and three years' supervised release and fined \$2,500. The coconspirator pled guilty and was sentenced to five months' incarceration.

- In the Eastern District of Michigan, a former case manager employed by a BOP contractor pled guilty to charges of bribery. Following a joint investigation by the OIG Chicago Field Office and Federal Bureau of Investigation (FBI), the employee was charged with accepting leases for two automobiles, money, and free meals at restaurants in exchange for extending federal inmates' hours away from the halfway house and ensuring that the inmates passed drug screening tests. He was sentenced to eight months' incarceration and two years' supervised release.
- The OIG Atlanta Area Office and INS mounted a joint, undercover investigation in which an alien approached an INS special agent at the Gwinnett County Jail and offered the agent \$10,000 to remove an INS detainer that had been lodged against the alien. In subsequent meetings, the undercover agent met with two associates of the alien and was given a total of \$6,950 for removing the alien's detainer. The alien and one associate were arrested, and a warrant was issued for the second associate. Judicial proceedings continue.
- In the District of Arizona, a former BOP correctional officer previously assigned to the Federal Correctional Institution (FCI) Phoenix pled guilty to charges of bribery and sexual contact with a prisoner. The prisoner was charged with bribery of a public official. This Tucson Field Office investigation resulted in evidence that the former correctional officer had engaged in sexual activity with the inmate and introduced drugs into the prison in exchange for \$500. The correctional officer was sentenced to 36 months' probation and fined \$2,000. Judicial proceedings continue for the inmate.

- Our last *Semiannual Report to Congress* reported on a joint investigation by the OIG Washington Field Office, INS, and Bureau of Alcohol, Tobacco and Firearms (ATF) that resulted in the arrest of an ATF special agent, an immigration attorney, and two immigration brokers. During this reporting period, the attorney and the ATF agent pled guilty to charges of bribery and conspiracy, and the two immigration brokers pled guilty to conspiracy. The ATF agent and attorney were sentenced to 41 and 37 months' incarceration, respectively. The two immigration brokers were sentenced to 6 and 24 months' incarceration, respectively, and fined a total of \$5,200.
- Our last *Semiannual Report to Congress* described a New York Field Office case in which four BOP employees pled guilty to charges of accepting bribes and introducing contraband into a federal correctional institution and two inmates pled guilty to charges of smuggling. During this reporting period, two additional BOP employees—one correctional officer and one recreational specialist—and one additional inmate were arrested and pled guilty, the employees to charges of bribery and the inmate to smuggling. Five of the BOP employees were sentenced to an average of 2 months' incarceration and 31 months' supervised release. The

Lawyer Pleads Guilty To Immigration Fraud

By BROOKE A. MASTERS
Washington Post Staff Writer

An Annandale lawyer pleaded guilty yesterday to paying an Immigration and Naturalization Service official to approve false green-card applications filed by 101 South Korean immigrants.

, 36, and three other people, including a special agent with the Bureau of Alcohol, Tobacco and Firearms, were arrested last month after an undercover operation in which the deputy director of the Arlington office of the INS pretended to process false visa forms for a fee. Im pleaded guilty in U.S. District Court in Alexandria to bribing a public official and conspiracy to commit immigration fraud.

, 58, the owner of a small Fairfax County garment factory, has also pleaded guilty to conspiracy in connection with the scheme.

32, who has since been fired by the ATF, and

, 33, a New York immigration broker, are scheduled to go on trial June 8.

During the nine-month sting, received \$260,000 from the applicants. He and paid the supposedly corrupt INS official, \$82,100 to approve passport stamps that would serve as temporary green cards, according to court documents.

In exchange for guilty plea to conspiracy and one count of bribery, Assistant U.S. Attorney Robert A. Spencer asked the judge to dismiss 17 other counts of immigration fraud and bribery. faces a legal maximum of 20 years in prison, but is more likely to receive between two and three years under the federal sentencing guidelines. He also agreed to forfeit \$83,000 to the government as part of his plea.

"The business of illegally selling the right to live and work in the United States is lucrative.

acted out of greed to try to corrupt the INS," said Helen F. Fahey, U.S. attorney for the Eastern District of Virginia.

, a general practice lawyer, drew many clients from the Korean American community in Northern

Significant Investigations

three inmates' sentences were reduced as a result of their cooperation—two were sentenced to 15 days in jail and fined \$100 and the third was released. The sixth BOP employee awaits sentencing.

Drugs

- An investigation by the OIG Miami Field Office, Drug Enforcement Administration (DEA), U.S. Customs Service, Internal Revenue Service, Florida Department of Law Enforcement, and other state and local agencies resulted in the arrest of an INS special operations inspector for multiple violations of federal narcotics and money laundering laws. This 29-month investigation led to an indictment in the Southern District of Florida alleging that the inspector used his position to facilitate the smuggling of drugs by the Francois-Ketant drug-trafficking organization through the Miami International Airport and obtain confidential criminal intelligence information in order to warn coconspirators and help them evade justice. The indictment also alleges that the inspector laundered his drug-trafficking profits through various financial institutions by purchasing real estate. The inspector made an estimated \$4.1 million for his part in this illegal narcotics operation. This investigation also resulted in the arrest of 11 codefendants, including one of the former de facto leaders of Haiti, who was also Haiti's former chief of police. Judicial proceedings continue.

INS Inspector Charged in Drug Scheme

Indictment Says Smuggling Ring Headed by Haitian Fugitive Exploited Ethnic Ties

By WILLIAM BRANTON
Washington Post Staff Writer

As a special operations inspector for the Immigration and Naturalization Service, he had the run of Miami International Airport. And as one of the few INS officers of Haitian origin, he played a key role in ferreting out Haitian travelers suspected of alien smuggling, drug trafficking or organized crime.

But at some point in his 12-year career with the INS, allegedly turned to helping Haitians beat the system. Through family connections, friendship with a corrupt Haitian airport worker and overtures from drug traffickers, prosecutors charge, he became part of a ring that smuggled 33 tons of Colombian cocaine into the United States over a 10-year period.

alleged involvement in a conspiracy headed by a fugitive former Haitian police chief, came to light in Miami with the April 22 arrest of the senior INS inspector on drug trafficking and money laundering charges.

He is being held without bond pending his arraignment.

, 38, was among 12 persons named in an indictment unsealed in Miami. Four are fugitives, including , the former police chief of the Haitian capital, Port-au-Prince. He led the 1991 coup against President Jean-Bertrand Aristide, then turned over power to Haiti's army chief and served as the No. 3 man in the military government that ruled until 1994, when U.S. forces returned Aristide to office. then fled to Honduras.

During his years in power before and after the coup, used his authority to put Haiti's airports and seaports at the disposal of Colombian drug cartels, turning the country into a major transshipment point, the indictment charges. It says "vast quantities" of cocaine were shipped or flown into Haiti from Colombia, Panama and Curacao, then smuggled into the United States by couriers using commercial flights.

ordered construction of an airstrip on the property of Haitian army Col. Jean Claude Paul to facilitate drug flights and placed coconspirators in key posts at Haitian ports, the indictment charges. Among those ar-

The Honduran Supreme Court rejected a U.S. extradition request for last year by a 5-4 vote, citing a provision of a 1908 treaty that U.S. officials say has since been superseded by amendments and international conventions. Honduras receives more than \$21 million a year in U.S. aid.

Three other defendants in the case are also at large. Two alleged ringleaders,

and , are in Haiti, and a reputed cartel emissary, resides in Colombia, investigators said. Both countries have refused to send the men to the United States on grounds that laws bar extradition of their citizens.

According to investigators, the conspiracy began in June 1987 when Colombian drug lords dispatched to open a new smuggling route by bribing Haitian officials. involvement allegedly started in 1989 or 1990, when Haitian traffickers approached him through family members and a Haitian airport worker employed by Metro-Dade County.

Born in New York of Haitian

tor involved "highly sensitive" inspections related to investigations of organized crime, document fraud, alien smuggling and narcotics, said Al Hazen, a special agent for the Justice Department inspector general's office in Miami.

used his position to escort arriving drug couriers from the international side of the airport to the domestic side, where their bags would not be inspected by Customs officers, investigators said. They said the smuggling scheme relied on the couriers, who would bring in 20 to 30 kilos of cocaine at a time in carry-on luggage.

Although was transferred from the airport in 1994, he continued to help the ring by using his access to a confidential computer system to inform co-conspirators whether they were under investigation, the indictment charges.

In addition to drug trafficking, is accused of laundering his payoffs—reportedly totaling more than \$4 million—through investments in real estate and bank accounts in Jamaica and the Cayman Islands.

The Washington Times Thursday, April 23, 1998

INS official indicted on cocaine charges

Linked to ex-Haitian military leader

By Jerry Seper
THE WASHINGTON TIMES

A high-ranking U.S. Immigration and Naturalization Service official was indicted yesterday by a federal grand jury in Florida on charges he helped Haitian smugglers route thousands of kilos of cocaine through Miami International Airport.

INS Inspector General Thomas J. Bondurant, 38, was named on multiple counts of violating federal narcotics and money-laundering laws. He is accused of helping the former de facto leaders of Haiti — smuggle narcotics undetected through the Miami airport.

Bondurant is charged in the same indictment with 11 other co-defendants, including Jean-Bertrand Aristide, who was the military leader of Haiti from 1991 to 1994 and police chief in Port au Prince. He remains a fugitive from Justice in Honduras.

The investigation, which covered 29 months, was handled by the Justice Department's Inspector General's Office, the U.S. Drug Enforcement Administration, the U.S. Customs Service, the Internal Revenue Service and Florida law enforcement officials.

Assistant Inspector General Thomas J. Bondurant, who heads the office's investigations division, said Bondurant compromised his official position by assisting drug dealers in their efforts to smuggle narcotics through the Miami airport. He said the INS official amassed "considerable wealth" from the activity, which he used to buy property through domestic and offshore bank accounts.

He said the organization was responsible for bringing over 30,000 kilos of cocaine or 66,000 pounds — into this country through Haiti from 1987 to 1997.

He said Bondurant was the central figure in the suspected plot, whose central purpose was to use Haiti as a transshipment point for narcotics. The indictment said Bondurant was trusted to courier millions of dollars in illicit profits from the Medellin, Baranquilla and Cali cartels in Columbia to pay off the military for use of a private airstrip; supervised offloading operations; and arranged for storage facilities and the transfer of the drugs to vessels and aircraft.

Bondurant led a military coup that ousted Haiti's first freely elected president, Jean-Bertrand Aristide, in 1991. He was one of three dictators who ruled the Caribbean nation until 20,000 U.S. troops restored Mr. Aristide to power in 1994. While he was imprisoned in Honduras in March last year after the United States indicted him in connection with the drugs scheme, he was released in July when Honduras denied a U.S. request for his extradition.

U.S. Attorney Thomas E. Scott in Miami said Bondurant used his position with the INS to "release sensitive and confidential criminal intelligence information to warn co-conspirators and assist them in evading justice."

INS Director Robert Wallis said the Miami office was "cooperating with the investigation and fully

- A BOP correctional officer assigned to the Metropolitan Correctional Center (MCC) Manhattan was arrested on charges of conspiracy, bribery, and attempt to possess and distribute narcotics. In addition, the correctional officer's civilian accomplice, a former MCC inmate, was arrested on charges of conspiracy and attempting to possess and distribute narcotics. A New York Field Office undercover investigation led to a complaint, issued in the Southern District of New York, alleging that the correctional officer approached a cooperating inmate incarcerated at MCC and offered that he and a civilian accomplice would rob the inmate's rival drug dealer's storage facility of approximately 120 kilograms of cocaine in exchange for proceeds from the future sale of the drugs. The complaint also alleges that the correctional officer accepted a \$1,500 bribe in exchange for bringing the inmate contraband including alcohol and food. A third coconspirator is being sought. Judicial proceedings continue.

Significant Investigations

- An INS contract security guard and a detainee were arrested on charges of distribution of methamphetamine at INS' El Centro detention facility. An OIG El Centro Area Office and FBI investigation established that, over an 8month period, the guard sold narcotics to detainees inside the facility. In addition, the guard sold narcotics outside the facility to a former detainee after he had been released from INS custody. The guard admitted to OIG agents that he made approximately \$2,000 from the sale of narcotics to detainees. Both subjects await trial.
- In the Southern District of Texas, a former INS detention enforcement officer previously assigned to the Laredo Detention Facility was arrested and pled guilty to charges of conspiracy to possess and possession with intent to distribute a controlled substance. The OIG McAllen Field Office assisted in an investigation by the U.S. Customs Service that led to an indictment alleging that, between May 1992 and October 1994, the detention enforcement officer and others conspired to possess and distribute over 1,000 kilograms of marijuana. The officer admitted to OIG agents that he had transported 60,000 pounds of marijuana from Laredo to San Antonio, Texas,

using his INS uniform and credentials and his familiarity with Border Patrol agents to pass through Border Patrol checkpoints approximately 300 times without detection. Sentencing is pending.

- Our last *Semiannual Report to Congress* reported on Operation BAJA BLITZ, an Organized Crime Drug Enforcement Task Force investigation by the OIG San Diego Field Office and DEA that targeted suspected drug traffickers seeking INS documents. This joint investigation led to the guilty plea of a major Mexican drug trafficker with ties to the Cali Cartel for conspiring to distribute a half ton of cocaine in South Texas. During this reporting period, he was sentenced in the Southern District of Texas to 15 years' incarceration and ordered to pay a \$25,000 fine. The drug trafficker still faces charges in the Southern District of California that he paid over \$50,000 in bribes to an undercover OIG agent posing as a corrupt INS official in exchange for INS Temporary Resident Cards (I-688s). Three other Mexican nationals who paid a total of \$80,000 in bribes for three I-688s remain fugitives.
- Our last *Semiannual Report to Congress* described a case in the Northern District of Texas in which a former BOP food service foreman pled guilty to charges of smuggling contraband into a prison facility. During this reporting period, the former BOP employee was sentenced to 46 months' incarceration and 3 years' supervised release.

Sexual Abuse and Exploitation

- In the Southern District of California, a BOP correctional officer assigned to MCC San Diego was arrested and pled guilty to charges of sexual abuse of a ward. A joint investigation by the OIG San Diego Field Office and FBI established that the correctional officer had two sexual encounters with an inmate. The correctional officer resigned as a result of this investigation and was later sentenced to 2 months' incarceration and 36 months' supervised release.

Significant Investigations

- In the Southern District of California, an INS detention enforcement officer was arrested on charges relating to possessing, sending, and receiving material involving the sexual exploitation of minors. A joint OIG San Diego Field Office and FBI investigation led to an indictment alleging that the detention enforcement officer sent and received child pornography via the Internet using his home computer. The investigation was initiated after the FBI received information from an undercover deputy sheriff in Virginia who was communicating with the detention enforcement officer via the Internet regarding the sale of pornographic material involving children. Judicial proceedings continue.

Theft

- In the Central District of California, a former INS supervisory information officer and three civilians were arrested and pled guilty to charges of altering U.S. Postal money orders. This joint OIG Los Angeles Field Office and U.S. Postal Service investigation determined that the information officer stole approximately \$34,000 in money orders submitted by aliens to INS as payment for various application fees. The civilians then cashed the money orders. The three civilians were sentenced to probation and ordered to make restitution. The INS employee awaits sentencing.

- In the Northern District of Texas, a former chief of police was indicted for conspiring to misapply federal program funds. This Dallas Area Office investigation determined that, during the time the police chief was in office, he received approximately \$3,600 in kickbacks from an officer hired with Community Oriented Policing Services (COPS) grant funds. Trial is pending.

Abilene Reporter-News Thursday, Aug. 20, 1998

Rising Star police chief accused of

By ANTHONY WILSON
Staff Writer

Grand jurors have indicted a former Rising Star police chief for allegedly funneling federal dollars meant to fund a fellow officer's salary into his own pocket.

A U.S. district court grand jury in Lubbock agreed Tuesday to indict on one count of conspiracy to misapply federal program funds.

, who left the chief's post two years ago,

is accused of plotting with former officer in 1995 to siphon \$600 a month from salary to supplement the chief's far lower pay.

The news surprised Rising Star City Manager Jan Clark, who exclaimed, "Oh my!" when contacted Wednesday.

In 1995, the city of Rising Star won a federal grant to hire a police officer under the COPS FAST program — an effort to fulfill President Clinton's initiative to hire 100,000 new officers

nationwide.

Among the conditions was that the funds be used for additional officers beyond those employed otherwise. Unless the police department, the money was to be used for the salary or benefits of officers hired before Feb. 8, 1995.

The indictment states the city submitted a budget setting a proposed salary

- In the Southern District of Texas, an INS immigration inspector was arrested and pled guilty to charges of theft of government property. A McAllen Field Office investigation led to the immigration inspector's admission that, while working as a cashier at the Laredo Port of Entry, he embezzled over \$2,000 in fees paid for entry into the United States. As a result of this investigation and other concerns, the Dallas Regional Audit Office initiated an audit of INS' collection of land border fees.
- In the Western District of Washington, an INS clerk and a civilian coconspirator were arrested on charges of theft of government property and conspiracy. This Seattle Area Office investigation led to an indictment alleging that the INS clerk stole over 70 checks and money orders that were submitted to INS as application fees. The clerk and the coconspirator altered the payee portion to reflect the civilian's name, deposited the altered items into the civilian's bank account, withdrew the cash, and split the proceeds—approximately \$8,000. Both pled guilty and await sentencing.

Significant Investigations

Fraud

- In the Northern District of Georgia, an INS supply technician was arrested on state charges of forgery. A joint OIG Atlanta Area Office and Dekalb County Police Department investigation was initiated after a former INS employee was contacted by a major credit card company concerning an application for credit that she did not submit. The investigation established that the supply technician used the identities and forged the signatures of several former and deceased INS employees to obtain credit cards. The supply technician resigned from INS, pled guilty, and was sentenced to 2 years' probation and 100 hours of community service and ordered to pay a \$300 fine.
- In the Central District of California, an INS detention enforcement officer was arrested on charges of making false statements and theft of government monies in a travel voucher fraud scheme. This Los Angeles Field Office investigation established that the employee, while on extended detail as an instructor, filed several false travel vouchers claiming she was staying at a local motel when in fact she was staying with another INS employee. The detention enforcement officer has been placed on administrative leave pending judicial proceedings.

Alien Smuggling

- In the Southern District of Texas, a Border Patrol detention enforcement officer and his civilian girlfriend pled guilty to charges of alien smuggling. A joint investigation by the OIG McAllen Field Office and U.S. Border Patrol Anti-Smuggling Unit established that the detention enforcement officer and his girlfriend conspired to transport 15 undocumented El Salvadoran and Mexican aliens into the United States and harbor them to avoid detection. The detention enforcement officer was arrested at the U.S. Border Patrol Checkpoint in Sarita, Texas, where he was stopped for a routine vehicle inspection that revealed the aliens in the back of his personal van. Sentencing is pending for both defendants.

Thursday, August 13, 1998 n THE MONITOR, McAllen, Texas

Border agent admits to s

By KARISA KING
The Brownsville Herald

BROWNSVILLE — A 20-year immigration service veteran admitted to a federal judge Wednesday that he tried to smuggle 15 illegal immigrants past a U.S. Border Patrol checkpoint near Sarita. _____, 44, pleaded guilty to one count of con-

spiracy and six counts of transporting illegal immigrants as a small group of Border Patrol agents watched silently in the back of the courtroom.

_____ girlfriend, _____, 31, also pleaded guilty to one count of conspiracy after federal prosecutors accused her of arranging the group of immigrants in _____ 1997

Chevrolet Tahoe before they set out for the checkpoint.

_____, who is also an illegal immigrant from Mexico, told the group of Salvadorans and Mexicans to stay still as _____ approached the checkpoint, court documents state.

On July 14, _____ took the immigrants from a house he was renting on Milpa Verde Road in

Brownsville directly to _____ point, where he told them to tend to be asleep."

Assistant U.S. Attorney _____ Young declined to comment on whether investigators believe _____ ricueta expected to have contact waiting for him at the checkpoint to wave him through. "I guess he just as _____ could get through somehow

Obstruction of Justice

- Our last *Semiannual Report to Congress* reported on a joint investigation by the OIG Washington Field Office and INS that resulted in the arrest and guilty plea of a Border Patrol agent on charges of obstruction of justice and bribery. During this reporting period, the Border Patrol agent was sentenced to 24 months' incarceration and 3 years' supervised release.

Significant Investigations

Perjury

- In the Southern District of Texas, an INS special agent was arrested on charges of perjury and entered into a pre-trial diversion agreement that bars him from future employment as a law enforcement officer. This Houston Area Office investigation obtained evidence that the special agent testified falsely to a grand jury regarding an alien smuggling investigation, which resulted in the indictment of an individual for alien smuggling. Upon discovery of the special agent's false testimony, the U.S. Attorney's Office for the Southern District of Texas dismissed the charge against the alleged alien smuggler.

Homicide

- A Border Patrol agent assigned to the Border Patrol station in Nogales, Arizona, was arrested on a warrant issued by the U.S. Attorney's Office in the Eastern District of New York on charges of murder of a Columbian cocaine supplier. An investigation by the OIG New York Field Office, DEA, and the New York Police Department led to the Border Patrol agent's confession that, prior to becoming an agent, he murdered the drug dealer in Brooklyn, New York, during a drug deal. Judicial proceedings continue.

Civil Rights

Civil Rights

The OIG continues to play a key role in Department civil rights investigations involving 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 to investigate such matters. The OIG also compiles a monthly INS civil rights report that is distributed to the Attorney General, Deputy Attorney General, INS, FBI, Civil Rights Division, Executive Office for U.S. Attorneys, and U.S. Attorneys Offices along the Southwest Border. The report tracks the status of all significant INS civil rights matters.

Investigating Civil Rights Allegations

- An investigation by the OIG San Diego Field Office and FBI resulted in charges against an INS detention enforcement officer for physically abusing a Mexican national in his custody. A trial resulted in a hung jury, but the detention enforcement officer subsequently pled guilty to charges of civil rights violations. Sentencing is pending.
- In the Southern District of Texas, an INS immigration inspector was arrested on charges of bribery, fraud, and deprivation of rights under color of law. A McAllen Field Office investigation, assisted by the FBI, led to an indictment alleging that the immigration inspector demanded sexual favors from a female Mexican citizen in return for fraudulent

Civil Rights

immigration documents seized by the inspector and that he committed a willful sexual assault while acting under color of law. The inspector was suspended from INS without pay. Trial is pending.

The following chart summarizes new allegations of civil rights violations by INS employees, and their disposition, during the 6-month period ending September 30, 1998.

Civil Rights Allegations Statistics	
Alleged Civil Rights Violations by INS Employees	
<i>Total allegations received</i>	141
<i>OIG investigations opened</i>	13
<i>FBI investigations opened</i>	10
<i>Joint OIG and FBI investigations</i>	9
<i>Administrative investigations by INS</i>	42

Civil Rights Initiatives

The San Diego Field Office participates, along with the U.S. Attorney's Office for the Southern District of California, Civil Rights Section of the Criminal Division, and FBI, in a Civil Rights Task Force that addresses official misconduct violations. The Task Force provides San Diego and Imperial Counties with a comprehensive law enforcement response to allegations of physical abuse, economic exploitation, and illegal employment.

During this reporting period, the Task Force arrested a San Diego woman on charges of impersonating a federal official and exploiting Mexican nationals. This investigation led to an indictment alleging that the woman posed as an INS official and falsely promised to legalize the status of undocumented aliens in return for payment by manufacturing fraudulent INS I-797 (Notice of Action) forms and presenting them to her alien clients as temporary Green Cards. The subject charged between \$1,000 and \$3,000 for her services and is believed to have defrauded at least 82 individuals. Judicial proceedings continue.

Investigations Statistics

The following chart summarizes the workload and accomplishments of Investigations during the 6-month period ending September 30, 1998.

Investigations Statistics	
Source of Allegations	
<i>Hotline (telephone and mail)</i>	594
<i>Other sources</i>	3,494
<i>Total allegations received</i>	4,088
Investigative Caseload	
<i>Investigations opened this period</i>	356
<i>Investigations closed this period</i>	361
<i>Investigations in progress as of 9/30/98</i>	638
Prosecutive Actions	
<i>Criminal indictments/informations</i>	59
<i>Arrests</i>	57
<i>Convictions/Pleas</i>	53
Monetary Results	
<i>Fines/Restitutions/Recoveries</i>	\$212,995
<i>Seizures</i>	\$43,574
<i>Bribe monies deposited to the Treasury</i>	\$8,700
<i>Civil penalties</i>	\$187,050

Audit Division

Overview and Highlights

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

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

During this reporting period, Audit issued 17 internal reports of programs funded at over \$835 million; 119 external reports of contracts, grants, and other agreements funded at over \$293 million; 143 audits of bankruptcy trustees with responsibility for funds of over \$307 million; and 134 Single Audit Act audits. Audit issued 5 Management Information Memoranda, 1 Technical Assistance Memorandum, 1 Investigative Assistance Memorandum, 6 Notifications of Irregularity, and 10 Management Letter Transmittals.

Significant Audit Products

BOP's Management of New Prison Construction Contracts

Since the 1980s, a major Department concern has been the need to address ever increasing inmate populations. As stated in our audit, as of March 1997, Bureau of Prisons (BOP) facilities had an inmate capacity of 77,796. The federal inmate population is expected to be 122,607 by the year 2002. BOP has undertaken a large, complex construction program, having budgeted approximately \$467 million for new prison construction during Fiscal Years (FYs) 1994, 1995, and 1996.

We noted improvements in BOP's management of construction contracts for new prisons since a similar 1991 audit, after which BOP had implemented detailed guidelines to improve construction project controls. However, improvement is still needed in construction planning and contract administration. We determined that BOP:

- incurred about \$3 million in avoidable contract modification charges;
- could have saved from \$7.1 million to \$8.3 million in construction costs at one federal correctional site had it not compressed the construction schedule;

- did not follow established controls for ensuring timely and accurate contract payments and, as a result, made nearly \$1.5 million in questionable payments and did not withhold funds for non-conforming work valued at \$1.2 million; and
- did not evaluate potential architectural and engineering firm errors or omissions worth \$6.6 million.

Significant Audit Products

Our recommendations addressed deficiencies in compliance with federal handicapped accessibility standards, cost analyses during initial prison design, development of construction schedules to avoid limited competition and excessive prices, review of draft and final payment requests, timeliness of contractor payments, and other aspects of contract administration.

Use of Department Funds by the Calumet Park, Illinois, Police Department

At the request of the Department's Criminal Division, we conducted an audit of funds awarded to the Calumet Park Police Department (CPPD) from the Department's Asset Forfeiture Fund. We also audited Office of Community Oriented Policing Services (COPS) and Office of Justice Programs (OJP) funds received by CPPD following allegations that Village of Calumet Park officials had used asset forfeiture funds for a trip to Disney World.

We determined that CPPD improperly spent asset forfeiture funds and did not have adequate controls over the use of federal funds. We questioned over half of the \$151,674 in funds received by CPPD. We found that CPPD incurred \$44,598 in unsupported or unallowable expenditures by Village officials and their families, including the mayor, chief of police, and assistant chief of police. We also questioned \$37,500 in COPS funds because the CPPD supplanted local monies by not filling a vacant officer position in a timely manner.

Office of Community Oriented Policing Services

We continue to work with the COPS office in its implementation of the Violent Crime Control and Law Enforcement Act of 1994 (Crime Act). The Crime Act authorizes \$8.8 billion over six years for grants to add 100,000 police officers to the nation's streets. During this reporting period, we performed 71 audits of COPS grants. Our audits identified over \$30.6 million in questioned costs, over \$56 million in funds that could be put to better use, and almost \$19,000 in enhanced revenues. We initiate audits based on requests from the COPS office and OJP, allegations of misuse of grant funds, and selection by Audit. COPS findings to date may not necessarily be representative of the universe of grantees and in fact, may represent worst case scenarios. This is because, as a matter of policy, COPS has referred to us what it suspects might be its riskiest grantees. Our results to date, therefore, still may be skewed to problem grantees.

Our 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. Results indicate that some jurisdictions are using federal funds to supplant local funds. Additionally, some jurisdictions may not be making sufficient effort to fill locally funded sworn officer positions, are not documenting efforts to redeploy officers to community policing, and may have difficulty retaining the officer positions with local funds at the conclusion of the grants.

Significant Audit Products

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

- The Atlanta, Georgia, Police Department received \$13 million to hire 128 additional police officers and redeploy 144 officers into community policing. We determined that the Atlanta Police Department did not intend to retain all grant-funded

positions upon grant completion, as required by the terms of the grant. In fact, the city passed a resolution to abolish 38 officer positions after federal funding ceased and to retain only 40 other officer positions if funds were available. We also found that the Atlanta Police Department did not make a good faith effort to perform community policing activities, supplanted local funds with grant funds, and charged unallowable costs to the grant. We questioned \$3 million in reimbursed grant funds and recommended that \$10 million in grant funds be put to better use.

- The Oxford, Michigan, Emergency Safety Authority received \$595,000 to hire an additional 5 full-time and 6 part-time police officers and redeploy 2 officers into community policing. We determined that the Oxford Emergency Safety Authority supplanted local funds with grant funds, charged unallowable costs to the grants, did not enhance community policing by the number of officers funded by the grants, and failed to develop a plan to track the redeployment of the officers into community policing. We questioned \$178,000 in reimbursed grant funds and recommended that \$417,000 be put to better use.

- The Massachusetts State Police received \$5 million to hire 56 new police officers and redeploy 41 officers to community policing. We determined that the Massachusetts State Police supplanted local funds with grant funds, charged unallowable costs to the grant, and did not develop a plan to track the redeployment of officers into community policing. We questioned \$3 million in reimbursed grant funds and recommended that an additional \$2 million be put to better use.

INS Property Management and Financial Statements

The Immigration and Naturalization Service (INS) received a disclaimer of opinion on its FY 1996 Statement of Financial Position in part because of weaknesses in its property management system. To address some of these weaknesses, INS managers requested Audit's assistance to correct deficiencies in accounting for and reporting capitalized property.

We found that INS' current property management system, the Asset Management Information System (AMIS), did not support approximately \$92 million of capitalized property. We also estimated that at least \$5 million in depreciation expenses was not reflected in the general ledger. AMIS lacked adequate support for the general ledger Semiannual Report to Congress

Significant Audit Products

because it could not provide the necessary information for financial reporting purposes, system users did not routinely receive appropriate cost data, and AMIS data were not reconciled to the general ledger and adjusted as necessary.

In order to aggressively strengthen controls to ensure that property transactions are accurately and completely recorded, INS established a working group to address the deficiencies and to discuss alternative solutions. We recommended that INS correct the management control weaknesses by modifying AMIS or by acquiring and implementing a proven capitalized asset system.

USMS Federal Prisoner Detention Budget Execution and Formulation

The U.S. Marshals Service (USMS) provides federal prisoners in its custody with secure confinement, care, transportation, and delivery to judicial proceedings. In FY 1996, USMS used approximately \$357 million of Federal Prisoner Detention funds to provide care and custody to an average of 23,000 prisoners housed each day in approximately 1,100 state and local jails.

Our audit found that USMS does not adequately monitor and control costs associated with the detention and care of federal prisoners. We determined that USMS:

- paid jails \$1.6 million for housing prisoners no longer in jail;
- set aside \$3.4 million more than was needed for prisoners housed at St. Elizabeth's Hospital in Washington, D.C.;
- improperly paid about \$237,000 for guard services, prisoner meals, and prisoner housing;
- improperly paid almost \$180,000 for medical services; and
- improperly recorded \$4.8 million in expenses.

We also found that USMS did not maintain aggregate arrest statistics necessary to forecast housing needs. USMS also did not effectively communicate with other federal law enforcement agencies to obtain arrest data for use in projecting prisoner populations.

We recommended that USMS remedy overpayments to jails, require certification of jail bills, deobligate funds exceeding those needed for St. Elizabeth's Hospital, comply with federal procurement guidelines, properly record expenses, and modify the district prisoner tracking system to include the name and number of arrests for each arresting agency.

Department's Joint Automated Booking System Laboratory

The Joint Automated Booking System (JABS) is a Departmentwide initiative to develop a jointly operated, automated booking process for the law enforcement community. The Justice Management Division (JMD) coordinated the JABS project with

Significant Audit Products

BOP, the Drug Enforcement Agency (DEA), the Federal Bureau of Investigation (FBI), INS, and USMS participating. The Department has spent approximately \$4.8 million and has used JABS to book over 9,500 offenders. Because JABS did not meet its initial schedule for completing operational testing, DEA and USMS continued development of their own automated booking systems.

Our audit assessed whether JABS was adequately planned and managed. We identified significant weaknesses, including the lack of a cost-benefit analysis of the current system and security weaknesses and compatibility issues. We recommended that these be addressed to ensure they are not replicated in any expansion of the system. We also recommended that, prior to Departmentwide expansion of JABS, JMD establish and track milestones, ensure the compatibility and connectivity between the JABS system and other Department systems, and address identified security weaknesses.

Management of OJP's Regional Information Sharing Systems Program

The first Regional Information Sharing System (RISS) project was established in 1974 to assist state and local law enforcement agencies to identify, target, and remove criminal activity across jurisdictions. Currently, six RISS projects serve member agencies in all 50 states, the District of Columbia, Puerto Rico, and the Canadian provinces. The RISS program is administered by OJP. Grant funds received in FY 1996 totaled \$14.5 million, of which \$13.4 million was for operating costs. The remaining \$1.1 million funded the implementation of RISSNET II, an initiative to electronically connect project databases, and a grant to provide technical assistance to improve overall operations.

We determined that RISS can operate cost-effectively by consolidating overhead and management positions from six locations into one. We also found that OJP did not effectively monitor the program, resulting in significant overstatement of RISS accomplishments, excessive reimbursement of program funds, and inappropriate expenditures of about \$304,000.

We recommended that RISS consolidate overhead and management positions into one location, thus saving OJP approximately \$3.2 million annually. We also recommended that OJP strengthen management controls over RISS projects by performing periodic reviews on major aspects of program operations and ensuring that the technical assistance grantee clearly documents tasks performed to meet grant objectives.

Department Financial Statement Audits

The Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994 require financial statement audits of the Department. Audit oversees and issues the reports based on the work performed by independent public accountants. During this semiannual period, reports for seven FY 1997 audits were issued. The Department received a disclaimer of opinion on the FY 1997 consolidated Statement of Financial Position and consolidated Statement of Operations and Changes in Net Position because the auditors found unreconciled balances, deficiencies in reporting seized and

Significant Audit Products

forfeited assets and evidence, and weaknesses in accrual accounting and property accounting. The auditors also cited inadequate accounting records and issues of consistency and completeness in preparing consolidated financial statements.

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

<i>FY 1997 Financial Statement Audits</i>	
<i>Audit Opinion</i> ¹	<i>Department of Justice Component</i>
<i>Disclaimer</i>	<i>Consolidated Department of Justice Asset Forfeiture Program² Drug Enforcement Administration² Immigration and Naturalization Service² Offices/Boards/Divisions² Office of Justice Programs U.S. Marshals Service²</i>
<i>Qualified</i>	<i>Federal Bureau of Investigation² Federal Prison System²</i>
<i>Unqualified</i>	<i>Working Capital Fund</i>

¹ See glossary (p. A-23) for definitions of audit opinions.

² Reports issued during this reporting period.

Computer Security at Department Data Centers

JMD maintains two major data processing centers to support the computer needs of the Department (excluding the FBI). An assessment of the general controls environment established for the Rockville, Maryland, and Dallas, Texas, computer data centers was performed in support of the Department's FY 1997 annual financial statement audit. Independent public accountants, with oversight by Audit, performed the assessment in accordance with the General Accounting Office's *Federal Information System Controls Audit Manual*. Audit then issued a report identifying control vulnerabilities that require management attention at these data centers.

The audit report is not publicly available because the detailed disclosure of the report's sensitive information could compromise data processed by the Department's computer systems.

Significant Audit Products

Violent Crime Reduction Trust Fund

During FY 1998, we completed 33 audits of grants funded under the Violent Crime Reduction Trust Fund with awards totaling about \$20.7 million. The grants included programs related to developing, implementing, and improving drug courts; constructing boot camps; and preventing, detecting, and stopping violence against women.

These audits focused on (1) adequacy of administrative and financial controls; (2) allowability, allocability, and reasonableness of costs claimed; (3) compliance with laws, regulations, guidelines, and terms and conditions of the grants; (4) program and financial reporting; and (5) implementation of program objectives. We identified deficiencies that include unsupported or unallowable costs, lack of full implementation of grant programs, and unreported program income.

Trustee Audits

Audit has contributed significantly to the integrity of the bankruptcy system by performing financial and performance audits of trustees under a reimbursable agreement with the Executive Office for U.S. Trustees. During this reporting period, Audit issued 18 reports on Chapter 12 bankruptcy cases and 125 reports on Chapter 7 bankruptcy cases under Title 11, United States Code.

Financial and compliance audits are performed of Chapter 12 family farmer trustees to evaluate the adequacy of the trustees' accounting systems and related internal controls, compliance with major statutes that could have a material effect upon the financial information provided to U.S. Trustees and the courts, and fairness of the trustees'

financial representations. In addition, performance audits are conducted on Chapter 7 panel trustees to provide the U.S. Trustees with an assessment of the quality of the panel trustees' accounting for bankruptcy estate assets, cash management practices, and other administrative procedures.

Single Audit Act

The Single Audit Act requires recipients of federal funds to arrange for audits of their activities. During this reporting period, Audit reviewed and transmitted 134 reports encompassing 528 Department contracts, grants, and other agreements totaling almost \$232 million. These audits report on financial activities, compliance with applicable laws, and the adequacy of recipients' management controls over federal expenditures.

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 open audit reports is continuously monitored to track the audit resolution and closure process. As of September 30, 1998, the OIG had closed 276 audit reports and was monitoring the resolution process of 390 open audit reports.

Unresolved Audits

USMS Intergovernmental Service Agreement Audits

As of September 30, 1998, three USMS Intergovernmental Service Agreement audits remained unresolved: Plymouth County, Massachusetts; Mansfield, Texas; and Multnomah County, Oregon. These audits contained questioned costs of \$3,445,377.

In addition, the USMS Air Maintenance Contract with Stambaugh's Air Service remains unresolved. This audit contained questioned costs of \$1,731,632. We continue to work with USMS to resolve these audits.

Audit Statistics

Enhanced Revenues

<i>Audit Reports</i>	<i>Number of Audit Reports</i>	<i>Enhanced Revenues</i>
<i>No management decision made by beginning of period</i>	0	\$0
<i>Issued during period</i>	7	\$59,089
<i>Needing management decision during period</i>	7	\$59,089
<i>Management decision made during period: -Number management agreed with</i>	4	\$37,500
<i>No management decision at end of period</i>	3	\$21,589

Audit Statistics

Funds Recommended to be Put to Better Use

<i>Audit Reports</i>	<i>Number of Audit Reports</i>	<i>Funds Recommended to be Put to Better Use</i>
<i>No management decision made by beginning of period</i>	25	\$19,938,401
<i>Issued during period</i>	50	\$61,222,358
<i>Needing management decision during period</i>	75	\$81,160,759
<i>Management decisions made during period: --Amounts management agreed to put to better use</i>	43	\$49,160,517
<i>No management decision at end of period</i>	32	\$32,000,242

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>	46	\$14,906,600	\$7,056,305
<i>Issued during period</i>	101	\$54,612,935	\$9,381,949
<i>Needing management decision during period</i>	147	\$69,519,535	\$16,438,254
<i>Management decisions made during period: -Amounts management agreed to recover (disallowed)</i>	74	\$21,291,351	\$10,337,294
<i>No management decision at end of period</i>	73	\$48,228,184	\$6,100,960

Audit Statistics

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>	93	293
<i>Issued during period</i>	179	797
<i>Needing management decision during period</i>	272	1,090
<i>Management decisions made during period: –Number management agreed to implement</i>	149 ¹	667
<i>No management decision at end of period</i>	126	423

¹ This includes three audit reports that were not resolved during this reporting period. However, management has agreed to implement a number of, but not all, recommended management improvements in these audits.

Inspections Division

Overview and Highlights

The Inspections Division (Inspections) provides the Inspector General with an alternative mechanism to traditional audits and investigations to assess Department of Justice (Department) programs and activities. Inspections conducts analyses and makes recommendations for improvements in Department programs, policies, and procedures. Inspections' strengths lie in its multidisciplinary workforce and the ability to quickly address diverse issues. In addition to assessing Department programs, Inspections also conducts special time-sensitive assignments that are responsive to concerns of senior Department management or Congress.

During this reporting period, Inspections assessed the Border Patrol's drug interdiction activities along the Southwest Border, management controls over Certificates of Naturalization at selected INS district offices, and whether INS had improved the processing of surety bonds and related breach and billing actions since our 1993 inspection. Inspections also conducted reviews of Violent Offender Incarceration and Truth-in-Sentencing Incentive grants.

Significant Inspections

Border Patrol Drug Interdiction Activities on the Southwest Border

While the primary mission of the Border Patrol is to prevent illegal entry across the United States' borders between ports of entry, over the past decade that mission has expanded to include apprehension of drug smugglers and seizure of drugs. The Border Patrol turns the suspects and evidence over to the Drug Enforcement Administration (DEA) or other federal or state law enforcement agency for further investigation and possible prosecution.

Our inspection assessed the Border Patrol's drug storage and transfer practices, its policies on whether to pursue drug smuggling suspects or secure abandoned drugs, its methods for disposition of aliens arrested in drug seizure cases, and its use of drug interdiction intelligence. Inspectors visited 15 stations in 4 of the Border Patrol's 9 Southwest Border sectors and reviewed a random sample of 426 drug seizure cases from Fiscal Year (FY) 1996.

At most stations visited, we found that the Border Patrol stored seized drugs in an insecure manner, including in open areas on the floor of some Border Patrol stations, and did not consistently follow proper procedures for the chain of custody when drugs were transferred to another law enforcement agency to be used as evidence in a possible prosecution or to be destroyed. In addition, we found that the Border Patrol had no consistent policy on the pursuit of drug smuggling suspects who abandon drugs and flee. Based on our sample, 36 percent of drug smuggling suspects who were pursued dropped the drugs

The Washington Times WED., September 23, 1998

Interdiction of drugs in Southwest deficient

Help is welcome, Border Patrol says

By Jerry Seper
THE WASHINGTON TIMES

Fifteen U.S. Border Patrol stations along the U.S.-Mexico border, where nearly half of this country's cocaine and marijuana supply enters each year, have "serious deficiencies" that could compromise drug prosecutions or hamper deportation efforts, the Justice Department said yesterday.

In a report by the department's Office of Inspector General, investigators found a lack of accountability in the storage of drugs, a failure to establish a policy on the pursuit of suspected smugglers who abandon their drugs and flee, and a routine of allowing suspected smugglers to be deported without facing drug charges.

Significant Inspections

and escaped apprehension. In addition, 52 percent of deportable aliens who were arrested during drug seizures were granted a voluntary return or voluntary departure to Mexico, usually with no further processing for drug or immigration violations. We also found that the Border Patrol does not systematically collect, record, and analyze intelligence data available from drug smuggling suspects or coordinate with DEA to ensure that each agency has an opportunity to obtain information from suspects during questioning. Finally, the Border Patrol does not routinely retain suspects' fingerprints in drug seizure cases and enter them into identification databases.

We recommended that INS update procedures and guidance to strengthen controls and improve overall effectiveness of the drug interdiction program. The Border Patrol agreed with our recommendations and is addressing each of our findings.

Follow-Up Inspection of the Management of Delivery Bonds in INS

Delivery bonds, which can be cash, Treasury bonds, or surety bonds, are used to guarantee that aliens appear before an immigration officer for deportation action. This follow-up review covered calendar years 1992 through 1995 and disclosed weaknesses in tracking, breaching, billing, and collecting for surety bonds.

Inspectors visited four INS district offices and found that INS employees failed to process the breach actions in a timely manner. Therefore, INS lost the opportunity to breach and collect an estimated 147 bonds with a value of over \$775,000. Personnel in these offices also had taken no action to breach bonds with an estimated value of over \$440,000 that were still breachable at the time of our review. During FYs 1993 through 1996, INS issued bills for breached bonds amounting to \$25.8 million but collected only \$11.7 million.

Because INS continued to fail to collect millions of dollars owed by surety companies and experienced numerous problems with the delivery bond process, we recommended that INS either reengineer the delivery bond process or discontinue the use of commercial surety bonds and accept only cash or treasury bonds to guarantee an alien's appearance.

Controls Over Certificates of Naturalization (Phase II)

During this reporting period, we issued the second of two reports relating to INS controls over Certificates of Naturalization (N-550s). Because of the N-550's intrinsic value, INS classifies it as a secure document that requires special handling and safeguarding. Phase I, completed in February 1998, examined management controls over N-550s at INS' Forms Centers. Phase II reviewed management control weaknesses at 5 of the 33 domestic INS district offices. These 5 INS district offices received about 849,000 certificates from June 1, 1995, to June 1, 1997.

We found that no district completely followed the prescribed management controls, which were intended to prevent theft or misuse of the certificates. We project that INS may be unable to verify the disposition of approximately 18,000 certificates and lacks

Significant Inspections

supporting documentation that approximately 19,000 certificates were properly voided and destroyed for the 5 district offices visited. In addition, the Central Index System (CIS) may not contain naturalization data for about 62,000 cases in the offices visited. It is important that CIS be current and accurate since inaccurate information given to a benefits provider or employer could result in the denial of benefits or employment.

INS is currently in the process of reengineering the naturalization program. However, until reengineering is complete and new guidelines are established, INS needs to ensure that N-550s are accounted for and safeguarded. Following issuance of the OIG's Phase I report, INS classified controls over N-550s as a material weakness.

Naturalization Fingerprint Process

In September 1995, INS initiated Citizenship U.S.A., a program designed to substantially reduce the backlog of pending naturalization applications. During the year the program was in operation, INS naturalized applicants without completing all

required criminal background checks, resulting in the naturalization of a large number of aliens with criminal records. In response to congressional hearings on this issue in March 1997, INS began a comprehensive redesign of the naturalization program, including changes in the fingerprint process.

At INS' request, we reviewed their redesigned fingerprint process early in its implementation stages. We examined how the new Application Support Centers (ASCs) processed fingerprints, how INS Service Centers tracked and processed fingerprints, and how INS obtained and tracked results of Federal Bureau of Investigation criminal background checks.

Our inspectors found that:

- INS had no efficient way to track fingerprint cards in the early stages of the process.
- ASCs could not easily identify or track cards they processed or sent to Service Centers, and Service Centers lacked an efficient means to track fingerprint cards received from the ASCs.
- Data were not automatically updated to the Revised Naturalization Application Casework System, mostly due to software problems.
- The ASC contractor billed INS for hours employees worked before being granted security clearance.
- ASCs and Service Centers were unable to effectively use their bar code equipment to capture applicant identity data throughout the fingerprint process.
- INS' applicant identity procedures at ASCs may not ensure the authenticity of the applicant being fingerprinted.

INS is taking corrective action on the problems identified.

Significant Inspections

INS' Customer Management Information System

At the request of INS, we conducted an inspection of its Customer Management Information System (CMIS), which is the computer system used to serve walk-in customers who visit district office information waiting areas. CMIS collects and reports information for use by INS to better manage the information waiting areas.

Our inspectors found minimal evidence that INS analyzes or applies CMIS data to enhance use of resources or improve delivery of services. We found little evidence that CMIS produces reliable data and noted numerous instances in which INS personnel incorrectly entered or failed to enter data into CMIS. We concluded that CMIS' management information is of little value to INS.

We recommended that, until INS improves data reliability, it should not spend additional funds to install or upgrade CMIS or use CMIS data for decision making or reporting purposes.

INS is currently assessing the value of CMIS data and will make a determination whether CMIS is the most cost effective and efficient tool to improve employee productivity and service to the public.

Violent Offender Incarceration and Truth-in-Sentencing Incentive Grant Program

Under the Violent Crime Control and Law Enforcement Act of 1994, formula grant funding is awarded to eligible states to build or expand correctional facilities and jails to increase secure confinement space for violent offenders. Inspectors conduct site reviews of grant recipients to ensure that they are achieving program objectives and federal funds are spent in accordance with program requirements. During this reporting period, we completed 13 grant reviews.

Our reviews found that 11 of the 13 states were still in the process of planning and designing many of their grant projects, which often involve lengthy evaluations of alternative sites and proposed structures. The grant program recognizes the complexity of the grant projects and allows the states several years for project completion. Six states, however, had projects under construction, and five states had completed projects. Five states were also using grant funds to increase capacity for violent offenders through the lease of beds in private facilities. The states generally

had adequate administrative controls for monitoring projects and managing grant funds. However, in five states, we noted various shortcomings in accounting for total grant funds awarded, providing matching state funds, and expending federal funds received within required timeframes. In one state, we also found grant funds were used to house dependent children of inmates—an unallowable project cost under the requirements of the grant program. One state was also pursuing a project that was not proposed in the state's grant application and had not amended the application to reflect the change. Nine states omitted or did not submit timely reports required to document the status of program implementation. We asked the Office of Justice Programs to ensure timely and accurate reporting by the states, to ensure grant funds are used for intended purposes and are expended in a timely manner, and to facilitate resolution of questioned costs with individual grantees.

Other Activities

Potential for Fraud in the VISA Program

Inspections prepared an internal OIG document, *Potential for Fraud in the VISA Program*, to advise senior OIG management on the relative risks associated with various classes of nonimmigrant visas. This document provides an overview of nonimmigrant entry into the United States, as well as descriptions of controls over nonimmigrant travel to the United States, types of visa fraud, selected efforts to combat visa fraud, and vulnerabilities in the visa program. It also provides an assessment of the relative risks of nonimmigrant classes based on the nature of travel, volume of use, and indications of fraud and abuse associated with individual nonimmigrant visa types.

Follow-Up Activities

Unresolved Inspections

DOJ Order 2900.10, *Follow-up and Resolution Policy for Inspection Recommendations by the Office of the Inspector General*, requires inspection reports to be resolved within six months of the report issuance date. As of September 30, we were continuing to work with INS to resolve the recommendation in the Immigration Officer Training report that it begin general arrest authority training mandated by the Immigration Act of 1990. An inspection report on the Tri-State Violent Crime Task Force of the U.S. Attorney's Office for the District of Maryland that contained an unresolved recommendation was resolved just after the close of the semiannual reporting period.

Inspections Statistics

The chart below summarizes Inspections' accomplishments for the 6-month reporting period ending September 30, 1998.

<i>Inspections Workload Accomplishments</i>	<i>Number of Inspections</i>
<i>Inspections active at beginning of period</i>	19
<i>Inspections canceled/postponed</i>	0
<i>Inspections initiated</i>	18
<i>Final inspection reports issued</i>	18
<i>Inspections active at end of reporting period</i>	19

Appendix 1

INSPECTIONS DIVISION REPORTS
April 1, 1998 - September 30, 1998

INTERNAL AND EXTERNAL REPORTS

Border Patrol Drug Interdiction Activities on the Southwest Border

Follow-up Inspection of the Management of Delivery Bonds in the Immigration and Naturalization Service

Controls Over Certificates of Naturalization (Phase II)

Naturalization Fingerprint Process

The Immigration and Naturalization Service's Customer Management Information System

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

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

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

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

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

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

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

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

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

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

New Mexico Grant for the Violent Offender Incarceration and Truth-in-Sentencing Incentive Program

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

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

Appendix 2

AUDIT DIVISION REPORTS April 1, 1998 - September 30, 1998

INTERNAL AND EXTERNAL AUDIT REPORTS

United States Marshals Service Federal Prisoner Detention Budget Execution and Formulation ¹

Ouachita Parish, Louisiana Sheriff's Department ²

Minnesota Program Development, Inc., Duluth, Minnesota ³

Claiborn County, Tennessee Sheriff's Department ⁴

Willcox, Arizona Department of Public Safety ⁵

Atlanta, Georgia Police Department ⁶

Offices, Boards and Divisions Annual Financial Statement for FY 1997

Los Alamos County, New Mexico Policy Department ⁷

Talladega, Alabama Police Department ⁸

Drug Court Improvement and Enhancement Grant to Kalamazoo County, Michigan ⁹

Iowa Tribe of Kansas and Nebraska¹⁰

¹ Total Questioned Costs - \$2,016,657
Funds Put to Better Use - \$3,375,900

² Total Questioned Costs - \$1,145
Funds Put to Better Use - \$101,665

³ Total Questioned Costs - \$3,100

⁴ Total Questioned Costs - \$89,120
Unsupported Costs - \$85,454
Funds Put to Better Use - \$330,735

⁵ Total Questioned Costs - \$10,507

⁶ Total Questioned Costs - \$2,695,569
Unsupported Costs - \$2,695,569
Funds Put to Better Use - \$10,209,610

⁷ Total Questioned Costs - \$181,442

⁸ Total Questioned Costs - \$9,730
Funds Put to Better Use - \$376,699

⁹ Total Questioned Costs - \$1,912

¹⁰ Funds Put to Better Use - \$436,054

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Selma, Alabama Police Department ¹¹

Newark, New Jersey Police Department ¹²

Immigration and Refugee Services of America

Efficacy of Court-Mandated Counseling for Domestic Violence Offenders Grant to the Florida Atlantic University ¹³

City of Island City, Oregon Police Department ¹⁴

Police Hiring Supplement to the Oakland, California Police Department

West, Mississippi Police Department ¹⁵

Drug Court Improvement and Enhancement Initiative to the 16th Judicial Circuit Court, Key West, Florida ¹⁶

Union County, Oregon Sheriff's Department

Immigration and Naturalization Service Property Management and Financial Statements

Indian Creek, Florida Public Safety Department ¹⁷

Charlotte-Mecklenburg, North Carolina Police Department ¹⁸

Encourage Arrest Policies Grant to the Cobb County, Georgia Board of Commissioners ¹⁹

Review of the Rockville and Dallas Data Centers for FY 1997

¹¹ Total Questioned Costs - \$154,847
Funds Put to Better Use - \$328,590

¹² Total Questioned Costs - \$1,746,109
Funds Put to Better Use - \$2,685,054

¹³ Total Questioned Costs - \$896
Funds Put to Better Use - \$1,157

¹⁴ Total Questioned Costs - \$4,502
Unsupported Costs - \$4,502

¹⁵ Total Questioned Costs - \$7,430

¹⁶ Total Questioned Costs - \$4,442

¹⁷ Total Questioned Costs - \$56,788
Unupported Costs - \$11,847

¹⁸ Total Questioned Costs - \$796,206
Unupported Costs - \$152,622

¹⁹ Total Questioned Costs - \$10,272

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New Castle County, Delaware Police Department ²⁰

Dunedin, Florida Police Department ²¹

Flint, Michigan Police Department ²²

Rural Domestic Violence and Child Victimization Program, Topeka, Kansas ²³

Carthage, Mississippi Police Department ²⁴

Drug Court Enhancement Grant to the Jackson County, Missouri Prosecutor ²⁵

Management of the Office of Justice Program's Regional Information Sharing
Systems Program Stone Park, Illinois Police Department ²⁶

Federal Bureau of Investigation Annual Financial Statement for FY 1997

St. Louis, Missouri Metropolitan Police Department ²⁷

United States Marshals Service Intergovernmental Service Agreement for Detention
Facilities with Marion County, Indiana ²⁸

Columbus, Ohio Police Department

Port Isabel, Texas Police Department ²⁹

Aurora, Colorado Police Department

²⁰ Total Questioned Costs - \$247,227
Funds Put to Better Use - \$631,137

²¹ Total Questioned Costs - \$64,760

²² Total Questioned Costs - \$222,681

²³ Total Questioned Costs - \$20,025
Unsupported Costs - \$895
Funds Put to Better Use - \$115,134

²⁴ Total Questioned Costs - \$33,166

²⁵ Total Questioned Costs - \$1,981

²⁶ Total Questioned Costs - \$55,766
Unsupported Costs - \$8,466
Funds Put to Better Use - \$26,010

²⁷ Total Questioned Costs - \$892

²⁸ Funds Put to Better Use - \$245,095

²⁹ Total Questioned Costs - \$30,873
Funds Put to Better Use - \$19,536

Encourage Arrest Policies Grant to the Dayton, Ohio Police Department

Boise, Idaho Police Department ³⁰

Rural Domestic Violence and Child Victimization Program, Bismarck, North
Dakota ³¹

Police Executive Research Forum ³²

Office of Election Officer Annual Financial Statement for FYs 1997 and 1996

Bristol, Virginia Police Department ³³

Sandy City, Utah Police Department ³⁴

Summary of COPS Grants to Law Enforcement Agencies

Nashville, Tennessee Metropolitan Police Department ³⁵

Victoria County, Texas Sheriff's Department ³⁶

Baton Rouge, Louisiana Police Department ³⁷

Yavapai-Apache Indian Nation

Domestic Violence Enhanced Response Team Project, Colorado Springs, Colorado
Police Department ³⁸

Tarkington, O'Connor and O'Neal

Federal Prison System Annual Financial Statement for FY 1997

³⁰ Total Questioned Costs - \$67,801

³¹ Total Questioned Costs - \$8,283

³² Total Questioned Costs - \$23,618

³³ Total Questioned Costs - \$114,681
Funds Put to Better Use - \$127,974

³⁴ Total Questioned Costs - \$46,288
Funds Put to Better Use - \$236,010

³⁵ Total Questioned Costs - \$792,258
Funds Put to Better Use - \$1,197
Enhanced Revenues - \$2,063

³⁶ Total Questioned Costs - \$17,904
Funds Put to Better Use - \$25,698

³⁷ Total Questioned Costs - \$1,197,540
Funds Put to Better Use - \$165,000

³⁸ Total Questioned Costs - \$6,432

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Private Prison Contractors Insurance Costs ³⁹

Selected Equitable Adjustment Costs Claimed by Schleicher Community Corrections Center

Starr County, Texas Sheriff's Department ⁴⁰

United States Marshals Service Annual Financial Statement for FY 1997

Encourage Arrest Policies Program, Jefferson County, Colorado ⁴¹

Greenbrier County, West Virginia Sheriff's Department ⁴²

Boston, Massachusetts Police Department ⁴³

Kickapoo Tribe of Oklahoma, McCloud, Oklahoma ⁴⁴

Fauquier County, Virginia Sheriff's Department ⁴⁵

Drug Court Implementation Initiative, Dallas County, Texas District Attorney's Office ⁴⁶

Asset Forfeiture Program Annual Financial Statement for FY 1997

Reno, Nevada Police Department ⁴⁷

City University of New York

Fort Worth, Texas Police Department ⁴⁸

- ³⁹ Funds Put to Better Use - \$16,255
- ⁴⁰ Total Questioned Costs - \$131,625
Funds Put to Better Use - \$301,118
- ⁴¹ Total Questioned Costs - \$10,535
- ⁴² Total Questioned Costs - \$19,994
Funds Put to Better Use - \$137,312
- ⁴³ Total Questioned Costs - \$276,150
- ⁴⁴ Total Questioned Costs - \$36,413
Funds Put to Better Use - \$9,553
- ⁴⁵ Total Questioned Costs - \$70,756
Funds Put to Better Use - \$315,294
- ⁴⁶ Total Questioned Costs - \$3,864
- ⁴⁷ Total Questioned Costs - \$56,892
- ⁴⁸ Total Questioned Costs - \$248,406

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Brevard County, Florida Sheriff's Office

Bureau of Prison's Management of Construction Contracts for New Prisons ⁴⁹

Police Hiring Supplement to the New Haven, Connecticut Police Department ⁵⁰

Pittsburgh, Pennsylvania Police Department ⁵¹

Rural Domestic Violence and Child Victimization Enforcement Grant to the Vermont Center for Crime Victim Services ⁵²

South Dakota Department of Corrections, Boot Camp Construction Initiative

Springfield, Massachusetts Police Department ⁵³

Drug Court Improvement and Enhancement Initiative to the Superior Court of Delaware ⁵⁴

Glenville, New York Police Department ⁵⁵

McKeesport, Pennsylvania Police Department ⁵⁶

Offices, Boards and Divisions and United States Marshals Service Management Letter Report for FY 1996

Rural Domestic Violence Grant to the Delaware Criminal Justice Council ⁵⁷

Use of Equitable Sharing of Revenues by the Warwick, Rhode Island Police Department

Drug Court Implementation Initiative to the New York State Unified Court System

⁴⁹ Total Questioned Costs - \$18,509,229

⁵⁰ Funds Put to Better Use - \$159,521

⁵¹ Total Questioned Costs - \$2,462,928

 Unsupported Costs - \$1,988,771

 Funds Put to Better Use - \$78,618

 Enhanced Revenues - \$10,526

⁵² Total Questioned Costs - \$2,200

 Enhanced Revenues - \$1,006

⁵³ Total Questioned Costs - \$114,146

 Enhanced Revenues - \$5,047

⁵⁴ Enhanced Revenues - \$30,086

⁵⁵ Total Questioned Costs - \$3,614

⁵⁶ Total Questioned Costs - \$68,397

 Funds Put to Better Use - \$39,850

⁵⁷ Total Questioned Costs - \$2,031

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Abt Associates Evaluation of Boot Camps on Confinement Populations ⁵⁸

Nassau County, New York Police Department ⁵⁹

Dallas County Domestic Violence Project, Dallas County, Texas District Attorney's Office

Lowell, Massachusetts Police Department ⁶⁰

Police Hiring Supplement to the Watsonville, California Police Department

Sacramento County, California Sheriff's Department ⁶¹

Encourage Arrest Policies Grant to the Rockcastle County, Kentucky Fiscal Court ⁶²

Center for Effective Public Policy, Symposium on Sex Offender Management

Encourage Arrest Policies Grant to the Governor's Justice Commission of Rhode Island ⁶³

New Haven, Connecticut Police Department

Sacramento, California Police Department ⁶⁴

Police Hiring Supplement to the East Palo Alto, California Police Department ⁶⁵

East Palo Alto, California Police Department ⁶⁶

Las Vegas, Nevada Paiute Tribal Police Department

⁵⁸ Total Questioned Costs - \$1,591

⁵⁹ Total Questioned Costs - \$3,647,224
Funds Put to Better Use - \$16,211,547

⁶⁰ Total Questioned Costs - \$1,861,662
Funds Put to Better Use - \$1,753,328

⁶¹ Total Questioned Costs - \$2,245,607
Unsupported Costs - \$2,245,607

⁶² Total Questioned Costs - \$7,063

⁶³ Total Questioned Costs - \$55,020
Enhanced Revenues - \$9,000

⁶⁴ Total Questioned Costs - \$1,702,797
Funds Put to Better Use - \$13,405,383

⁶⁵ Total Questioned Costs - \$504,096

⁶⁶ Total Questioned Costs - \$121,063
Unsupported Costs - \$109,510
Funds Put to Better Use - \$1,400,451
Enhanced Revenues - \$1,361

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The Department of Justice's Joint Automated Booking System Laboratory

University of Arizona ⁶⁷

Eugene, Oregon Police Department ⁶⁸

Torres-Martinez Desert Cahuilla Indian Tribe ⁶⁹

Washington County, Virginia Police Department ⁷⁰

Gwinnett County, Georgia Police Department ⁷¹

Immigration and Naturalization Service Annual Financial Statement for FY 1997

South Puget Sound Intertribal Planning Agency ⁷²

Police Hiring Supplement to the Richmond, California Police Department ⁷³

Reno, Nevada Consortium ⁷⁴

Drug Court Improvement and Enhancement Initiative to Jefferson County, Kentucky

Syracuse, New York Police Department ⁷⁵

Asset Forfeiture Program Management Letter Report for FY 1996

Riverside County, California Sheriff's Department ⁷⁶

Superfund Activities in the Environment and Natural Resources Division

⁶⁷ Total Questioned Costs - \$1,914

⁶⁸ Total Questioned Costs - \$39,583
Unsupported Costs - \$39,438

⁶⁹ Total Questioned Costs - \$2,515
Unsupported Costs - \$1,557

⁷⁰ Total Questioned Costs - \$14,330
Funds Put to Better Use - \$166,587

⁷¹ Total Questioned Costs - \$401,667

⁷² Total Questioned Costs - \$3,858
Unsupported Costs - \$920

⁷³ Total Questioned Costs - \$944,883

⁷⁴ Total Questioned Costs - \$224,886
Unsupported Costs - \$214,834

⁷⁵ Total Questioned Costs - \$240,413
Funds Put to Better Use - \$50,155

⁷⁶ Total Questioned Costs - \$1,097,064

Kermit, West Virginia Police Department ⁷⁷

Hurricane, Utah Police Department

Police Hiring Supplement to the Sacramento County, California Sheriff's
Department ⁷⁸

Drug Court Clearinghouse and Technical Assistance Cooperative Agreement with the
American University ⁷⁹

Alexandria, Virginia Police Department ⁸⁰

Commonwealth of Massachusetts Department of State Police ⁸¹

Chesterfield County, Virginia Police Department ⁸²

Drug Enforcement Administration Annual Financial Statement for FY 1997

Belleair Beach, Florida Police Department ⁸³

Center for Effective Public Policy, Implementing Effective Sex Offender
Management Strategies ⁸⁴

Louisville, Mississippi School District ⁸⁵

Mescalero Apache Tribe, New Mexico ⁸⁶

Herndon, Virginia Police Department

⁷⁷ Total Questioned Costs - \$60,657
Funds Put to Better Use - \$34,575

- ⁷⁸ Total Questioned Costs - \$644,255
 Unsupported Costs - \$644,255
 Funds Put to Better Use - \$89,125
- ⁷⁹ Total Questioned Costs - \$11,902
- ⁸⁰ Total Questioned Costs - \$406,138
 Funds Put to Better Use - \$39,481
- ⁸¹ Total Questioned Costs - \$2,954,270
 Funds Put to Better Use - \$2,163,819
- ⁸² Total Questioned Costs - \$929,724
 Funds Put to Better Use - \$254,332
- ⁸³ Total Questioned Costs - \$44,019
 Unsupported Costs - \$44,019
 Funds Put to Better Use - \$30,981
- ⁸⁴ Enhanced Revenues - \$1,592
- ⁸⁵ Total Questioned Costs - \$12,235
 Unsupported Costs - \$12,235
- ⁸⁶ Total Questioned Costs - \$105,620
 Funds Put to Better Use - \$324,434

Boot Camp Construction Grant to the Illinois Department of Corrections ⁸⁷

Drug Court Implementation Initiative Grant to Douglas County, Nebraska ⁸⁸

Red Lake Band of Chippewa Indians, Red Lake, Minnesota ⁸⁹

Police Hiring Supplement to the Cleveland, Ohio Police Department ⁹⁰

Cleveland, Ohio Police Department ⁹¹

Oxford, Wisconsin Emergency Safety Authority ⁹²

Use of Department of Justice Funds by the Calumet Park, Illinois Police Department ⁹³

United States Marshals Service Intergovernmental Service Agreement for Detention Facilities with the Lexington County, South Carolina Sheriff's Office ⁹⁴

New Brunswick, New Jersey Police Department ⁹⁵

Oakland, California Police Department ⁹⁶

Richmond, California Police Department ⁹⁷

Maryland State Police ⁹⁸

⁸⁷ Funds Put to Better Use - \$1,195

⁸⁸ Total Questioned Costs - \$106,747
Unsupported Costs - \$83,773
Funds Put to Better Use - \$224,701

⁸⁹ Total Questioned Costs - \$156,842
Funds Put to Better Use - \$161,004

⁹⁰ Total Questioned Costs - \$591,284
Unsupported Costs - \$21,707

⁹¹ Total Questioned Costs - \$1,420,369
Unsupported Costs - \$684,906
Funds Put to Better Use - \$957,825

⁹² Total Questioned Costs - \$177,920
Funds Put to Better Use - \$416,983

⁹³ Total Questioned Costs - \$82,098

⁹⁴ Total Questioned Costs - \$177,934
Unsupported Costs - \$140,568
Funds Put to Better Use - \$287,819

- ⁹⁵ Total Questioned Costs - \$47,388
Funds Put to Better Use - \$248,104
- ⁹⁶ Total Questioned Costs - \$2,861
Funds Put to Better Use - \$300,000
- ⁹⁷ Total Questioned Costs - \$408,979
Unsupported Costs - \$30,142
Funds Put to Better Use - \$676,722
- ⁹⁸ Total Questioned Costs - \$198,130
Funds Put to Better Use - \$1,528,031

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TRUSTEE AUDIT REPORTS

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

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¹ Total Questioned Costs - \$490

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Chapter 7 Audit of Panel Trustee

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Chapter 7 Audit of Panel Trustee

Scott D. Field

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AUDIT REPORTS OF DEPARTMENT OF JUSTICE
ACTIVITIES COMPLETED BY OTHERS

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

Audit of the Institute for Intergovernmental Research, Inc.

Audit of the Conecuh County Commission, Alabama

Audit of the Morgan County Commission, Alabama

Audit of the Wilcox County Commission, Alabama

Audit of the Commonwealth of Puerto Rico, Office of Youth Affairs

Audit of the City of Pine Lake, Georgia ¹

Audit of the Town of Jupiter, Florida

Audit of the City of Coral Springs, Florida

Audit of the City of Riviera Beach, Florida

Audit of the City of Alcoa, Tennessee

Audit of Martin County, Florida

Audit of the City of Ocala, Florida

Audit of the City of Pinellas Park, Florida

Audit of the City of Live Oak, Florida

Audit of Hall County, Georgia

Audit of Douglas County, Georgia

Audit of the City of Kingsport, Tennessee

Audit of the City of Atlanta, Georgia

Audit of Palm Beach County, Florida

Audit of the Metropolitan Government of Nashville and Davidson County,
Tennessee ²

Audit of the City of Covington, Kentucky ³

Audit of the National Training and Information Center

Audit of the Treatment Alternatives for Safe Communities

Audit of the National Child Safety Council - Race Against Drugs

Audit of the Village of Grafton, Wisconsin

Audit of the Village of Hartland, Wisconsin

¹ Total Questioned Costs - \$13,125

² Total Questioned Costs - \$1,000

³ Total Questioned Costs - \$17,236

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Audit of the City of Lawrence, Indiana

Audit of Wright County, Minnesota

Audit of Lac Qui Parle County, Minnesota

Audit of the City of Juneau, Wisconsin

Audit of Washburn County, Wisconsin

Audit of the Village of Hammond, Wisconsin

Audit of Goodhue County, Minnesota

Audit of Union County, Indiana

Audit of Kandiyohi County, Minnesota

Audit of Meeker County, Minnesota

Audit of Harrison County, Indiana

Audit of Otter Tail County, Minnesota

Audit of the City of Sun Prairie, Wisconsin

Audit of the Village of Vernon Hills, Illinois

Audit of the Village of Greenhills, Ohio

Audit of Wabasha County, Minnesota

Audit of Wilkin County, Minnesota

Audit of the City of La Porte, Indiana

Audit of Isanti County, Minnesota

Audit of Wayne County, Michigan

Audit of Clay County, Minnesota

Audit of Cass County, Minnesota

Audit of Becker County, Minnesota

Audit of Stearns County, Minnesota

Audit of Sibley County, Minnesota

Audit of Renville County, Minnesota

Audit of the Village of Genoa City, Wisconsin

Audit of the Village of Somerset, Wisconsin

Audit of the Village of Alsip, Illinois

Audit of Fillmore County, Minnesota

Audit of the County of Otsego, Michigan

Audit of the City of Connersville, Indiana

Audit of the Village of Deforest, Wisconsin

Audit of the Village of Little Chute, Wisconsin

Audit of the City of Beaver Creek, Ohio

Audit of Antrim County, Michigan

Audit of the City of Elmhurst, Illinois

Audit of Mahnommen County, Minnesota

Audit of the City of Lake Station, Indiana

Audit of the Village of Lake Villa, Illinois

Audit of the REGIS Commission

Audit of the State of Illinois, Court of Claims

Audit of the Town of Akron, Indiana

Audit of the Village of Willowbrook, Illinois

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Audit of the Town of Schererville, Indiana

Audit of the Charter Township of Mt.
Morris, Michigan

Audit of the City of Highland, Illinois ⁴

Audit of Calumet City, Illinois

Audit of the Illinois Court of Claims

Audit of Parke County, Indiana

Audit of the Michigan Department of
Corrections

Audit of the Village of Eagle, Wisconsin

Audit of the City of North Branch,
Minnesota

Audit of Earibault County, Minnesota

Audit of Swift County, Minnesota

Audit of the City of East Bethel, Minnesota

Audit of the University of Wisconsin

Audit of the University of Illinois

Audit of Northwestern University

Audit of the City of Rockford, Illinois

Audit of Jackson County, Missouri

Audit of the City of Madison, Wisconsin

Audit of Iowa Tribe of Kansas and Nebraska

Audit of St. Louis County, Missouri

Audit of the Michigan Department of
Management and Budget

Audit of the City of Topeka, Kansas, FY 1994

Audit of the City of Topeka, Kansas, FY 1995

Audit of the City of Topeka, Kansas, FY 1996

Audit of the International Educational

Services Inc. ⁵

Audit of the North Dakota Council on Abused
Women Services

Audit of the State of Wyoming

Audit of the Standing Rock Sious Tribe,
North Dakota

Audit of the Pueblo of Zuni, New Mexico

Audit of the Santa Ana Pueblo, New Mexico

Audit of the Eight Northern Indian Pueblos Council, Inc.

Audit of the Ramah Navajo School Board, Inc., New Mexico

Audit of the State of Colorado

Audit of the Assiniboine and Sioux Tribes, Montana

Audit of the Oglala Sioux Tribe, South Dakota

Audit of State of Montana ⁶

⁴ Total Questioned Costs - \$486

⁵ Total Questioned Costs - \$4,485

⁶ Total Questioned Costs - \$9,528
Unupported Costs - \$9,528

Audit of the Developmental Research and Programs

Audit of the National Indian Justice Center, Inc.

Audit of the State of Hawaii, Department of Attorney General

Audit of the RAND Corporation, FY 1995

Audit of the RAND Corporation, FY 1996

Audit of the City of Eureka, California

Audit of the City of Kerman, California

Audit of the City of San Bernardino, California

Audit of the County of Sonoma, California

Audit of the City of Brentwood, California

Audit of the City of Los Angeles, California

Audit of the Government of Guam

Audit of the City of Coachella, California

Audit of the State of Idaho

Audit of the State of California

Audit of the City of Gonzales, California

Audit of the City of Folsom, California

Audit of the City of Woodland, California

Audit of the County of Cochise, Arizona

Audit of Ferry County, Washington ⁷

Audit of the Proprietorship Activities of Marcia Chaiken dba LINC

Audit of the National Victim Center

Audit of the District of Columbia Board of Parole

Audit of the Town of Ocean City, Maryland

Audit of the District of Columbia Public Safety Cluster, FY 1995 ⁸

Audit of the District of Columbia Public Safety Cluster, FY 1996 ⁹

⁷ Total Questioned Costs - \$7,416

⁸ Total Questioned Costs - \$125,155
Unsupported Costs - \$125,155

⁹ Total Questioned Costs - \$17,386
Unsupported Costs - \$17,386

Glossary of Terms

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

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

Breach Action: The failure of an alien to appear at an immigration hearing or before an immigration officer, as required, resulting in forfeiture of a delivery bond that then becomes due and payable.

Capitalized Property: Property with an initial acquisition cost of \$25,000 or more and an estimated useful life of two years or more.

Certificate of Naturalization (N-550): A certificate, issued by INS to qualified aliens, that serves as proof of citizenship.

Delivery Bond: A financial instrument used to guarantee an alien's appearance before an immigration officer for deportation action. Delivery bonds may be cash, treasury bonds, or surety bonds.

Detainer (I-247): A notice issued to an institution by INS requesting that they be notified 30 days prior to release of an alien from custody.

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) that serves as evidence of authorized stay and employment in the United States.

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

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

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

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

Notice of Action (I-797): A form issued by INS notifying a petitioner for INS benefits or services of INS' intended course of action.

Pre-Trial Diversion: An alternative to prosecution that seeks to divert certain offenders from traditional criminal justice processing into a program of supervision

and services administered by the U.S. Probation Service or other appropriate community agency providing such services. Participants who successfully complete the program have charges against them dismissed; unsuccessful participants are returned for prosecution.

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

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

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

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

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

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

Supplant: To deliberately reduce or replace state or local funds with federal funds.

Surety Bond: A type of delivery bond in which a surety company guarantees INS that it will secure the alien's appearance on demand or pay INS the face value of the bond.

Temporary Resident Card: An INS card (Form I-688) formerly issued to aliens that authorized them to live and work in the United States until adjudication of their application to adjust to lawful permanent resident status.

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

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

Appendix 4

Reporting Requirements Index

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

On-Line Report Availability

Many audit, inspections, and special reports are available at the following Internet address:

<<http://www.usdoj.gov/oig>>.

In addition, other materials are available through the Inspectors General Network's World Wide Web server at:

<<http://www.ignet.gov/>>.

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