

**U. S. Department of Justice**  
**Office of the Inspector General**  
**Semiannual Report to Congress**  
**October 1, 1996 - March 31, 1997**

**Special Tribute to the FBI Laboratory Investigation Team**

On April 15, 1997, the Office of the Inspector General (OIG) completed a 1½-year investigation into allegations of wrongdoing and improper practices within certain sections of the Federal Bureau of Investigation (FBI) Laboratory. This lengthy and complex investigation involved allegations concerning some of the most significant prosecutions at the Department of Justice (Department). The OIG investigation identified serious problems and deficiencies in the Laboratory, including scientifically flawed and inaccurate testimony, improper preparation of Laboratory reports, insufficient documentation of test results, and various management failures. To enhance quality in the Laboratory, the OIG made numerous remedial recommendations, which the FBI has stated it will implement.

This semiannual report pays special tribute to the dedicated and talented efforts of the team that conducted this important investigation. Leading the team were four Department attorneys detailed to the OIG: Barry Elden, an Assistant United States Attorney (AUSA) and the Chief of Appeals in the U.S. Attorney's Office for the Northern District of Illinois; Scott Bales, an AUSA in the District of Arizona; Lawrence Lincoln, an AUSA in the Western District of Washington; and Nicole Cabbage, a prosecutor in the Fraud Section of the Department's Criminal Division. Several OIG personnel worked on the team, including Inspector Alison Murphy and Special Agents Robert Mellado, Kimberly Thomas, and Joseph Lestrangle.

In addition, the team included five internationally renowned forensic scientists who played an integral role in every phase of the OIG review and brought a level of experience and sophistication that contributed immeasurably to the investigation. The five scientists were Nicholas Cartwright, the Officer in Charge of the Science & Technology Branch of the Royal Canadian Mounted Police and the Manager of the Canadian Police Research Center; Paul Ferrara, the Director of the Division for Forensic Science for the Commonwealth of Virginia; Douglas Lucas, the retired Director of the Centre of Forensic Sciences of the Province of Ontario, Canada, and the past president of the American Academy of Forensic Sciences; Gerard Murray, a Principal Scientific Officer of the Forensic Science Agency of Northern Ireland and

one of the world's leading authorities on the analysis of explosive residues; and Richard Schwoebel, the retired Director of the Surety Assessment Center in the Sandia National Laboratory in New Mexico.

The dedication, judgment, and tenacity of all the team members in conducting this critically important review deserve the highest praise. The OIG is extremely grateful for their outstanding work.

April 29, 1997

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

Dear Madam Attorney General:

This *Semiannual Report to Congress* covers the period from October 1, 1996, through March 31, 1997. During this period, the Office of Inspector General (OIG) brought to near completion the investigations we conducted of the Federal Bureau of Investigation (FBI) Laboratory and of the FBI's performance in the Aldrich Ames affair. Although both of these reports were actually completed two weeks after the close of the semiannual period covered by this report, these reviews were at the center of the OIG's activities during the reporting period and including them in this report is both timely and appropriate.

The Ames and FBI Laboratory reports were remarkable examples of teamwork and collegiality. For the FBI Laboratory investigation, the way the members of the team worked together over the life of the investigation was remarkable. To cite but one example, the entire group (together with members of the OIG's front office staff) met for four grueling days in late November to discuss the draft chapters. On display was a shared commitment to excellence and to fairly and accurately reporting the deficiencies that were identified in the Laboratory. Although strong personalities were involved in the investigation, all of the participants understood the importance of reaching consensus so that every participant could stand by every conclusion and recommendation in the report. I consider it a tribute to this Department—and to your leadership—that even though our review touched on some of the most significant investigations and prosecutions in the last decade, no one in the Department discouraged us from conducting our review.

In the Ames investigation, the team consisted of OIG investigators, special investigative counsel, and counterintelligence agents and other personnel from the FBI. Because of various matters beyond the team's control, the inquiry took longer

than we had originally anticipated. Nevertheless, the team's commitment to making the final report a superb product was always evident and resulted in long hours and many personal sacrifices from team members. I believe the report to be one of the finest analyses of intelligence-related matters that I have ever seen, and it is unfortunate that its top secret classification prevents a wider distribution.

As you know, these special investigations are but a fragment of what the OIG does. Our Investigations, Audit, and Inspections Divisions continued during the reporting period to address programs and operations throughout the Department and to investigate allegations of misconduct. We have attempted to be responsive to the requests of the various components within the Department but are obviously limited by our resources. As you know, we are committed to playing a role in the Department's civil rights and border corruption task forces being organized along the Southwest Border. With your support, I hope that we are able to obtain the additional resources commensurate with the level of commitment to those task forces that I believe to be necessary. I am gratified that, working together with the Justice Management Division and the Congress, we have developed means for providing the OIG with additional resources to oversee the preparation of the first Departmentwide financial statement and to conduct a meaningful number of audits of the grants funded by the Violent Crime Reduction Trust Fund, particularly of the Community Oriented Policing Services program grants that constitute the centerpiece of the Department's crime reduction strategy.

We appreciate the continuing commitment you have shown through your words and deeds to the independence of this Office and we look forward to working with you and your staff 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 its numerous and diverse activities. The

OIG provides leadership and assists management in promoting integrity, economy, efficiency, and effectiveness within the Department and in its financial, contractual, and grant relationships with others. Also by statute, the OIG reports to the Attorney General, Congress, and the public on a semiannual basis regarding the significant work of the office.

The OIG carries out its mission with a workforce of approximately 380 auditors, inspectors, special agents, and support staff.

The special agents are assigned to offices in Washington, D.C., Atlanta, Boston, Chicago, Colorado Springs, Dallas, El Paso, Houston, Los Angeles, McAllen, Miami, New York, San Diego, San Francisco, Seattle, and Tucson. The OIG expects to open an office in El Centro, California, later this year.

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

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

The OIG's Fiscal Year (FY) 1997 direct appropriation is \$31,960,000. The OIG also expects reimbursement from the Immigration and Naturalization Service (INS) for \$5.0 million worth of audit, inspections, and investigative oversight work related to INS fee accounts; the U.S. Trustees for \$1.3 million for trustee audits; and the Working Capital Fund for \$6.7 million to produce a consolidated Department financial statement audit in FY 1997 in compliance with statutory requirements of the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994.

## **Special Inquiries**

Several OIG investigations are of significant interest to the American public and Congress and of vital importance to the Department. Task forces working on these cases comprise OIG special agents, auditors, and inspectors, and in some instances, Assistant U.S. Attorneys from across the country. The following pages highlight these complex OIG investigations.

### **FBI Laboratory**

Just after the close of the reporting period, the OIG completed a 1½-year investigation of allegations of wrongdoing and improper practices within the Federal Bureau of Investigation (FBI) Laboratory. Our investigation focused on explosives-related cases, including some of the most significant cases handled by the Department, such as the World Trade Center and Oklahoma City bombing cases. The allegations implicated fundamental aspects of federal law enforcement: the reliability of the procedures employed by the Laboratory to analyze evidence, the integrity of the persons engaging in that analysis, and the objectivity of the testimony given in cases by Laboratory examiners. The initial allegations were made by Dr. Frederic Whitehurst, a scientist employed in the Laboratory, but the OIG also investigated additional allegations that arose during the course of the investigation.

In the fall of 1995, the OIG assembled an investigative team composed of four special investigative counsel, several OIG special agents and inspectors, and five internationally renowned scientists with experience in the operation of forensic laboratories. The team conducted hundreds of witness interviews, reviewed more than 60,000 pages of documents, and, in April of this year, issued a 517-page report detailing the results of our investigation.

Our investigation did not substantiate the vast majority of allegations concerning Laboratory examiners, including allegations of perjury and fabricated evidence. However, we found deficient practices in several cases handled by the Laboratory, such as scientifically flawed testimony, testimony beyond examiners' expertise, improper preparation of Laboratory reports, insufficient documentation of test results, and an inadequate record management system in the Laboratory. Although our investigation exonerated most of the examiners whose actions we reviewed, we found serious deficiencies by several examiners. We recommended transferring specific examiners from the Laboratory and relieving others of supervisory duties.

To enhance quality in the Laboratory, our report recommended that the FBI pursue Laboratory accreditation (a process already under way), restructure certain units in the Laboratory, change procedures for reporting results of scientific analyses, improve case documentation practices, develop and implement a coordinated training program for examiners, and monitor more closely the court testimony of examiners. Following its review of the report, the FBI stated that it accepts and intends to implement all of our recommendations.

***The New York Times***  
**Wednesday, January 29, 1997**

***The Washington Post***  
**Wednesday, April 16, 1997**

## **Report Finds F.B.I. Lab Slipping From Pinnacle of Crime Fighting**

**Lax Procedures and Handling of Evidence Cited**

By DAVID JOHNSTON and ANDREW C. REVKIN

WASHINGTON, Jan. 28 — For decades the Federal Bureau of Investigation's reputation as a crime-fighting agency has rested heavily on its high-tech forensic laboratory, which could solve baffling crimes from a speck of blood, a sliver of paint or the thinnest filament of human hair.

But an investigation by the Justice Department's inspector general has put the F.B.I. laboratory, and the way the agency has used it, under the glare of public scrutiny. The findings, which were turned over to F.B.I. officials last week, are threatening to shatter the image of an agency on the cutting edge of scientific sleuthing.

On Monday, F.B.I. officials announced a shake-up at the lab, trans-

based on the absence of even trace amounts of explosive materials, went unheeded for months.

After a truck bombing in Oklahoma City in 1995, lab experts complained that field agents had haphazardly examined the crime scene, the clothing of Timothy J. McVeigh, who was later charged with the explosion, and the vehicle driven by him. The evidence was handled sloppily, with some of it mistagged or spilled from evidence bags, when it was sent to the lab for examination.

During the investigation of the 1993 bombing of the World Trade Center, some investigators in the

*Continued on Page B8, Column 1*

## **Justice Dept. Cites Failures Of FBI Lab**

***Evidence Was Flawed  
In Several Major Cases***

By Roberto Suro and Pierre Thomas  
*Washington Post Staff Writers*

The FBI crime laboratory produced scientifically flawed reports and inaccurate testimony in several major cases, including the World Trade Center and Oklahoma City bombings, according to a Justice Department report that recommends a thorough overhaul of the nation's leading forensic facility.

### **Special Inquiries**

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

During this reporting period, the OIG completed its review of the FBI's actions in uncovering the espionage activities of Aldrich H. Ames, who was identified as the cause of lost FBI and Central Intelligence Agency (CIA) Soviet intelligence sources. Our review, initiated at the request of the House Permanent Select Committee on Intelligence, analyzed the FBI's efforts to identify the cause of these losses and the FBI's and CIA's coordination of these efforts.

Our final report contains highly classified and sensitive information about the FBI's and CIA's foreign counterintelligence efforts and their actions in pursuing the Aldrich Ames matter. We provided the report to the congressional intelligence committees and selected high-ranking officials in the Department and CIA. In mid-April, we issued publicly a 15-page unclassified executive summary that found that FBI management

devoted inadequate attention to determining the cause of the sudden and catastrophic losses suffered by both the FBI and CIA in their Soviet intelligence programs.

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

The OIG is conducting an investigation into allegations of drug trafficking by persons associated with the CIA and the Nicaraguan Contras. In August 1996, a series of articles in the *San Jose Mercury News* alleged that the CIA, working with supporters of the Contras, was involved in the importation of crack cocaine into Los Angeles in the 1980s. These allegations received widespread public and congressional attention. Several members of Congress requested that the Department and CIA thoroughly investigate these allegations.

The OIG investigation is focusing on what the Department knew and did regarding the allegations involving drug trafficking by persons associated with the Contras and the CIA. We have reviewed over 20,000 relevant documents collected from the FBI, INS, Drug Enforcement Administration, Criminal Division, U.S. Attorneys' Offices, and other Department components and are currently conducting witness interviews throughout the United States and Central America. Our investigation is being coordinated with the CIA's OIG, which is engaged in a related inquiry that focuses on the CIA's conduct in these matters.

### **Operation Gatekeeper**

Our investigation of Operation Gatekeeperthe primary interdiction effort by the INS Border Patrol intended to halt the flow of illegal immigration across the U.S./Mexico border between California and Baja Californiabegan in July 1996 shortly after allegations were made that Operation Gatekeeper achievements were being misrepresented to make it appear successful. These allegations included claims that data were being altered to make the operation appear to have successfully deterred illegal immigration into the San Diego Sector, that Border Patrol agents were being instructed not to apprehend aliens, and that INS supervisory agents submitted falsified reports showing inaccurately low apprehension totals.

### **Special Inquiries**

The OIG investigative team of over 15 special agents, analysts, and support staff, led by an Assistant U.S. Attorney detailed to the OIG and a senior OIG special agent, has

already conducted hundreds of interviews and reviewed over 50,000 pages of documents, 5,000 computer files, and 100 videotapes. The investigation continues.

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

In September 1995, INS initiated Citizenship U.S.A. (CUSA), a program whose stated goal was to substantially reduce the backlog of pending naturalization applications. Over one million individuals were naturalized during the year the program was in place. In 1996, allegations were made that large numbers of aliens were improperly naturalized in particular, that aliens with serious criminal records had been granted citizenship. Numerous additional allegations have been made, including that CUSA was politically motivated to naturalize individuals in time to vote in the November 1996 election, that community-based organizations were improperly involved in the naturalization process, that INS background inquiries of the aliens were insufficient, and that INS employees who made complaints about CUSA were retaliated against by INS officials.

The OIG's Investigations, Audit, and Inspections Divisions are all involved in examining aspects of CUSA. The Department hired KPMG Peat Marwick LLP (KPMG) to validate a review being conducted by INS employees to identify aliens who were improperly granted citizenship despite having disqualifying criminal convictions. OIG auditors are closely reviewing KPMG's work in this area. After on-site reviews of the naturalization review project, OIG auditors identified and reported to the Department's Justice Management Division and KPMG weaknesses in KPMG's oversight of INS' work on the naturalization project. OIG inspectors are reviewing KPMG's scrutiny of new guidelines issued by INS in November 1996 to enhance the quality of the naturalization process.

The OIG also is investigating numerous pending criminal matters arising from CUSA, including allegations of fraudulent testing, bribery to obtain citizenship, and retaliation against employees. The OIG is initiating a special investigation that will focus on the naturalization process in five major cities and will probe the broader questions surrounding CUSA, including its formulation and implementation.

### **Other Activities**

#### **Legislation and Regulations**

The Inspector General Act of 1978, as amended, directs the Inspector General (IG) to review proposed legislation and regulations relating to the programs and operations of the Department. Although the Department's Office of Legislative Affairs reviews all proposed or enacted legislation that could affect the Department's activities, the OIG



independently reviews proposed legislation regarding the OIG itself or fraud, waste, and abuse in the Department's programs or operations. During this reporting period, the OIG reviewed six bills or other proposed legislation, including the Technical Amendments to the Illegal Immigration Reform and Immigrant Responsibility Act and the Victims' Rights Act of 1997.

## **Other Activities**

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

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

In addition to his formal assignments, the IG is active in the expansion of IGNet, a World Wide Website that publishes audit and inspection reports and makes other information relative to IG activities available to the public. The Audit Division responded to the PCIE semiannual data call for the *Quality of Nonfederal Audits*, provided comments on the *PCIE External Peer Review Guide*, and commented on the Office of Management and Budget Circular A-133 draft *Compliance Supplement for Single Audit Act Audits*.

## **Investigations Division**

### **Overview & Highlights**

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

In addition to responding to misconduct allegations, the OIG believes additional benefits can result from proactive efforts to educate and deter employees from

engaging in misconduct. To educate Department employees on ethics, special agents conducted 41 integrity awareness briefings, reaching 1,070 Department employees.

During this reporting period, the Investigations Division received 3,198 complaints, an 8.6 percent increase over the first half of last fiscal year. We made 49 arrests, including 19 Department employees, 26 civilians, and 4 Department contract personnel. Judicial action resulted in 51 individuals receiving sentences ranging from 1 month to over 33 years' incarceration, and fines, recoveries, and orders of restitution totaling \$350,763. As the result of OIG investigations, 45 employees and 1 contractor received disciplinary action, including 12 who were terminated.

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

## Civil Rights

### Investigating Civil Rights Allegations

During this reporting period, a criminal sentence was imposed in a civil rights case first reported in our March 1996 *Semiannual Report to Congress*. An INS special cases officer, who used his position to extort sexual favors and sexually abuse female aliens while employed at a California Port of Entry, was sentenced to nine years' incarceration and three years' probation.

The San Diego Union Tribune-Tuesday, December 17, 1996

## Ex-INS officer gets 9 years in sex case

*Decorated Vietnam vet solicited sex from women crossing border*

By Valerie Alvord  
STAFF WRITER

A former Immigration and Naturalization Service inspector who admitted soliciting sex from foreign women crossing the border was sentenced yesterday to nine years in prison despite an admirable war record and psychiatrist reports saying he suffers from post-traumatic stress syndrome.

The federal Probation Department and the U.S. Attorney's Office convinced the judge that the civil rights violation admitted to was intimidating a woman into having sex with him. Therefore, they argued, he should be sentenced as if a rape had occurred. Jones agreed. But he did allow who had been free on bond, to remain with his family for one last Christmas. He ordered

He argued in court that \_\_\_\_\_ was a shellshocked veteran who had left "parts of his mind, his body and his life in Vietnam," where he was a Navy SEAL.

Several psychiatrists agreed that \_\_\_\_\_ is suffering from post-traumatic stress syndrome but said it didn't stop him from knowing right from wrong.

Investigations of alleged civil rights violations often result in evidence that misconduct occurred, but the evidence may not support criminal prosecution. INS

terminated six employees in such cases during this reporting period. Compared to earlier reporting periods, this is a significant increase in the number and gravity of administrative actions taken by INS in civil rights-related cases.

### Civil Rights

The following chart summarizes all new allegations of violations of civil rights by INS employees, and their disposition, during the 6-month period ending March 31, 1997.

Civil Rights Allegations Statistics	
Alleged Civil Rights Violations by INS Employees	
Total allegations received	150
OIG investigations opened	37
FBI investigations opened	3
State/Local investigations and prosecutions	0
Administrative investigations by INS	16

### Tracking Civil Rights Allegations

The OIG compiles a monthly civil rights report that lists the credible, serious civil rights allegations made against INS employees and the actions taken by Department components in response to these allegations. The report is distributed to the Attorney General, Deputy Attorney General, Federal Bureau of Investigation (FBI), INS, Civil Rights Division, and Executive Office for U.S. Attorneys.

The chart below summarizes the total number of prosecutive and administrative actions resulting from civil rights investigations of INS employees that were tracked and reported by the OIG during this reporting period.

Civil Rights Tracking Report Statistics	
Prosecutive and Administrative Actions	
Closed no action taken	34
Disciplinary actions taken by INS	7
Criminal convictions	1

### Significant Investigations

#### Drugs

- Our last *Semiannual Report to Congress* described Operation PORT SWEEPER, an investigation by the San Diego Field Office, FBI, and U.S. Customs Service that focused on allegations that corrupt INS and U.S. Customs Service inspectors facilitated the smuggling of drugs between Mexicali, Mexico, and the United States. A former INS inspector and four coconspirators were arrested on cocaine smuggling charges. During this reporting period, the former inspector was sentenced to

### Significant Investigations

27½ years' incarceration and 8 years' supervised release. One coconspirator was sentenced to 20 years' incarceration and 5 years' probation, and the other three coconspirators each received sentences of over 4 years' incarceration and between 1 to 4 years' probation.

- Our September 1995 *Semiannual Report to Congress* provided an update on an investigation of a major drug trafficking ring involving a former INS immigration inspector who accepted over \$33,000 in bribes to allow marijuana to pass through his inspection lane. During the current reporting period, a second INS immigration inspector also involved in the ring was sentenced in the Southern District of Texas to

10 years' incarceration and 5 years' supervised probation and ordered to pay a \$25,000 fine.

Valley Morning Star, Harlingen, Texas

VALLEY

Wednesday, February 12, 1997

**Ex-INS inspector sentenced to decade in prison**

**Man linked to 2 trafficking groups receives term, fine**

By MARISA TAYLOR  
The Morning Star

McALLEN — Authorities sentenced a former immigration and Naturalization Service inspector at the Hidalgo Port of Entry linked to two cocaine trafficking syndicates.

Federal INS inspector received a prison sentence of 10 years and one month. He also received a five-year supervised release term and a \$25,000 fine from a Houston federal judge for evading powerful drug syndicates, including the recently dismantled "Gulf Cartel," FBI officials said Tuesday.

During the trial of drug kingpin Juan Garcia Abrego, witnesses implicated

enforcement officials who had helped the Northeastern Mexican cartel funnel cocaine up north.

also gave drug traffickers information about federal investigations of marijuana and cocaine trafficking, beginning in 1980, officials said.

"The outcome shows that justice has been served," John De Leon, a special agent for the FBI, said.

"It also shows that whenever

anyone is involved in this kind of activity, we're going to pursue them."

Garcia Abrego was sentenced last month to life imprisonment for directing a vast drug dynasty known as the "Gulf Cartel" that smuggled close to 18 tons of cocaine and laundered an estimated \$100 million.

At the time of arrest, federal officials said he had tried to sell a house in Brownsville, Texas, on behalf of a West-

based drug trafficker, Marco Torres.

who worked for the INS for 10 years, worked with a San Grande Valley drug organization that used torture, murder and kidnapping to intimidate and hinder its competition, said FBI officials.

In 1984, four bodies of men who did business with the syndicate were dumped in remote valleys of the Delta Lake area, a federal indictment stated.

Torres, a prominent San Brownsville businessman who pleaded guilty to directing the West-based cartel, is awaiting sentencing, said De Leon.

Former Los Yula Police Chief Steve Foley Jr. also is pleading guilty for helping the organization smuggle cocaine, officials said.

As a result of the investigation of the Torres syndicate, 22 other members have been convicted, officials said.

- Our September 1994 *Semiannual Report to Congress* reported a joint McAllen Field Office and Drug Enforcement Administration (DEA) investigation that led to the arrest of an INS Border Patrol agent, an INS detention enforcement officer, and four coconspirators on charges of bribery, conspiracy, possession with intent to distribute a controlled substance, and engaging in a continuing criminal enterprise. The agent admitted to allowing 5,714 pounds of marijuana to pass into the United States in return for \$40,000, and the detention officer admitted to working with the agent and allowing an additional 400 pounds of marijuana into the country. Since initially reporting this case, 6 additional coconspirators were arrested, and all 12 were convicted and sentenced. The former Border Patrol agent was sentenced to over two years' incarceration and four years' probation and the former detention enforcement officer to two years' incarceration and three years' probation. The 10 coconspirators received sentences ranging from 1 to 13 years' incarceration and up to 5 years' probation.

- A joint investigation by the New York Field Office and DEA led to the indictment and arrest of four Guyanese nationals involved in drug and alien smuggling. The smugglers met with undercover OIG special agents posing as corrupt INS officials and paid them \$7,100 in bribes to allow aliens and drugs to be smuggled into the United States. A balance of \$10,000 was to be paid to the special agents after drugs entered the country and were sold. The smugglers were arrested while attempting to smuggle 5.6 kilograms of cocaine into the country at John F. Kennedy International Airport. Trial is pending.

- In the Southern District of California, a San Diego Border Corruption Task Force investigation led to the indictment and arrest of an INS immigration inspector and her Mexican national boyfriend on drug trafficking charges. At the port of entry where the

inspector worked, her boyfriend was stopped while attempting to smuggle 64 pounds of marijuana into the United States. Further investigation implicated the inspector, who pled guilty to importation of marijuana and was sentenced to 18 months' incarceration and 3 years' supervised release. Her boyfriend also was convicted on drug charges and sentenced to 18 months' incarceration.

## Significant Investigations

### Bribery

- CORRECTION: Our last *Semiannual Report to Congress* reported that an INS assistant district director for examinations was indicted in the District of New Jersey on charges of bribery, conspiracy, alien smuggling, fraud and misuse of U.S. entry documents, aiding and abetting, and making false statements. The investigation involved a fugitive who, upon his return, cooperated with the government and identified his INS inside connection. Our case description should have stated that he identified the assistant district director for examinations, not the district director.
- In the District of South Carolina, a former INS adjudications officer, two Chinese document brokers, and three aliens were arrested on charges including conspiracy, bribery, and aiding and abetting the unlawful procurement of naturalization. This Atlanta Area Office investigation, assisted by the General Services Administration, Federal Protective Service, FBI, and INS, established that the adjudications officer accepted bribes from the document brokers to certify that Chinese and Vietnamese aliens passed the naturalization interview when, in fact, they did not possess the required English proficiency. Trial is pending.
- The Organized Crime Unit in the U.S. Attorney's Office for the Southern District of New York provided information that led to an OIG investigation and arrest of a Bureau of Prisons (BOP) secretary on charges of bribery, conspiracy, and introduction of contraband into a federal prison. This New York Field Office investigation established that the secretary, assigned to the Witness Security Unit at the prison, accepted bribes from inmates in return for providing contraband. Also arrested was an inmate's sister who received money and items to be smuggled into the prison for Witness Security Program inmates. She forwarded these items, as well as bribe payments, to the secretary. Further legal proceedings are pending.
- A 2-year San Diego Border Corruption Task Force case led to the arrest of an INS immigration inspector on charges of conspiracy, bribery, and document fraud. The

inspector accepted bribes from two middlemen in return for providing INS documents, including Border Crosser Cards, to ineligible aliens and narcotics traffickers. The inspector pled guilty and admitted to selling over 80 INS documents. Sentencing is scheduled for early spring.

- Two recent investigations by the El Paso Field Office at the Paseo Del Notre Port of Entry in Texas resulted in the arrests of two Mexican nationals on charges of bribery. One attempted to use a counterfeit INS Record of Arrival and Departure to illegally enter the country. The other illegally used a Mexican passport belonging to someone else. During questioning by INS inspectors and undercover OIG special agents posing as INS inspectors, the aliens offered bribes of \$1,000 and \$100, respectively, to INS inspectors to permit entry into the United States. Both Mexican nationals pled guilty. The first waived his right to a deportation hearing and was sentenced to five months' confinement and three years' probation and fined \$200. Sentencing is pending for the other.

## **Significant Investigations**

### **Sexual Abuse**

- Our last *Semiannual Report to Congress* reported a case in the Southern District of Texas in which a former BOP commissary and warehouse supervisor pled guilty to sexual contact with a ward. During this reporting period, the supervisor was sentenced to five years' probation and four months' home confinement and ordered to pay a \$2,000 fine.

- The San Diego Field Office assisted in an investigation by the San Diego Police Department and District Attorney's Office that established that an on-duty Border Patrol agent sexually assaulted an undocumented female alien from El Salvador. The Border Patrol agent was arrested on California state charges and pled guilty to sexual assault under color of authority. The investigation, monitored by the Department's Civil Rights Division, resulted in a sentence of 10 years' incarceration in state prison. The Border Patrol agent also was mandated to undergo lifetime AIDS testing and to register as a convicted sex offender for life. He was fired by INS.

Los Angeles Times  
Wednesday, November 20, 1996 A3

## Border Agent Gets 10 Years for Sexual Assault

■ **Crime:** Man pleads guilty in case involving an immigrant woman. Agency calls incident isolated, plans to fire offender.

By ANNE-MARIE O'CONNOR  
TIMES STAFF WRITER

SAN DIEGO—A U.S. Border Patrol agent charged with sexually assaulting a Salvadoran woman immigrant near the border pleaded guilty Tuesday and was sentenced to 10 years in prison.

"oral copulation under color of authority while armed with a firearm," according to San Diego Deputy Dist. Atty. Craig Rooten, who prosecuted the case. Superior Court Judge David Daniels imposed a 10-year sentence. "I was facing some severe penalties," Rooten said. "There were a lot of things that could have come out. He

women and raises questions about the ability of immigration authorities to act promptly to halt abusers within their ranks.

Johnny Williams, the chief patrol agent of the San Diego Border Patrol sector, called the case an isolated one and said proceedings to terminate will begin immediately.

has been suspended without pay since March. He has been on leave since he was charged in December 1995. "We are saddened by the actions of

Tijuana River at dawn Dec. 15, 1995. She had crossed the border alone illegally, while her husband and son, both documented residents who had crossed legally, waited in a motel. After the assault, she continued on her way and was apprehended by other Border Patrol agents. When she told them what had happened, they called police.

The woman, who had agreed to testify if the case went to trial, has been living in Los Angeles with her husband and son.

- In the District of Puerto Rico, a BOP psychiatrist, formerly a BOP clinical director, was arrested on charges of sexual abuse of an inmate. A joint investigation by the Miami Field Office, FBI, and BOP's Office of Internal Affairs revealed that the psychiatrist engaged in sexual acts with inmates who sought his medical care and, while employed at BOP, had a long-standing pattern of offensive, sexually oriented behavior. In January 1997, the psychiatrist jumped bail and fled to Mexico. He was arrested shortly thereafter as he attempted to reenter the country through the Brownsville, Texas, Port of Entry. The doctor resigned from BOP. Trial is pending.
- In the District of Connecticut, a BOP correctional officer pled guilty to charges of sexual abuse of a prison ward. This New York Field Office investigation revealed that the correctional officer, who has a master's degree in psychology, emotionally and sexually exploited an inmate assigned to the trauma unit at the prison. When the inmate refused to continue the relationship, the correctional officer threatened to have her transferred, which would have prevented her from seeing her children. The correctional officer was sentenced to 21 months' incarceration and 1 year's supervised release.
- An investigation by the Miami Field Office resulted in INS firing its officer in charge at Guantanamo Bay, Cuba. It had been alleged that the officer expedited exit to the United States in exchange for sexual favors. OIG special agents established that the officer had engaged in sexual relations with male detainees but did not expedite their entry into the United States. Prosecution was declined in lieu of administrative action by INS. The officer was fired based on the findings of the investigation, and the termination was upheld on appeal.



- In the Northern District of Illinois, an INS contract employee was arrested on charges of sexual contact with a juvenile. This Chicago Field Office investigation confirmed that a case worker employed by an INS-contracted facility to house juvenile detainees was forcibly fondling female juvenile aliens housed at the facility. Trial is pending.

- In the District of Connecticut, a BOP physician's assistant pled guilty to charges of sexually abusing a prison ward and introducing contraband to a prison facility. An investigation by the New York Field Office established that the assistant had a sexual relationship with one of his inmate patients and that he fondled another. Additionally, he provided contraband to the inmates, including an antidepressant medication normally requiring prescription. The assistant, who resigned from BOP, was sentenced to 2 months' incarceration in a halfway house, 2 months' home confinement, 8 months' probation, and 100 hours of community service and ordered to pay a \$1,000 fine.

## **Fraud and Waste**

- Our last *Semiannual Report to Congress* reported a case in which the former executive director and the program manager of a Texas drug and alcohol rehabilitation center pled guilty to making false statements and conspiracy to commit money laundering. During this reporting period, the program manager was sentenced to six years' incarceration and three years' supervised release and ordered to make \$187,500 restitution to the rehabilitation center and pay a \$12,500 fine. The executive director was sentenced to 5 years' probation, ordered to perform 250 hours of community service, and fined \$5,000.

March 21, 1997 Austin American-Statesman

# **Ex-program director gets 5-year term**

■ Man's scandalous doings led  
to reform of state agency

- Our last *Semiannual Report to Congress* described a case in which an INS special agent used his position and influence to provide fraudulent and unauthorized INS

documents and benefits to illegal aliens in order to adopt the aliens' children. During this reporting period, the agent was sentenced to 15 months' incarceration and 2 years' supervised release.

- Information provided by U.S. Senator Ben Nighthorse Campbell, Colorado, alleged that fraudulent and wasteful work was being performed by a BOP contractor in the construction of a major federal prison complex. This information led to a 3-year investigation by the Colorado Springs Area Office. An independent engineering firm hired by the OIG inspected the work performed by the contractor and reported several construction problems. BOP's contract engineering management group confirmed the problems, including, among others, seams instead of seamless natural gas lines and faulty welds in gas and water lines. BOP required the contractor to correct the deficiencies at the contractor's cost. The investigation was unable to show criminal intent on the part of the contractor, and prosecution was declined.

## **Significant Investigations**

### **Embezzlement**

- Our September 1996 *Semiannual Report to Congress* described a case in which a former Texas police chief was arrested on state charges of theft and abuse of office. During this reporting period, the former chief pled guilty to abuse of office and was sentenced to 5 years' probation and 200 hours of community service.
- The former budget officer for the U.S. Attorney's Office for the Southern District of New York pled guilty to charges of theft of government property. From January 1991 until May 1996, the budget officer charged the government approximately \$61,000 for unworked and unauthorized overtime hours. The investigation also revealed that he made unauthorized cash withdrawals on various government American Express accounts. The budget officer resigned shortly after the investigation began. He was sentenced to four months' incarceration, three years' supervised release, and six months' home confinement and ordered to pay the cost of the home monitoring. Full restitution was made.
- In the District of Vermont, an INS Service Center contract employee was arrested and charged with embezzlement. This Boston Area Office investigation established that the contractor, who worked in the mail room, stole approximately \$10,500 in checks mailed to the Center as application fees for INS benefits. The contractor

altered the payee's name on approximately 120 checks and deposited them into his local bank account. Sentencing is pending.

- A joint investigation by the Washington Field Office and FBI disclosed that a Justice Management Division financial specialist failed to deposit over \$8,000 into a Department bank account and converted the funds to her own use. She was sentenced to two years' probation and required to make restitution of the funds and to undergo drug testing and outpatient drug treatment.

## Conspiracy to Obstruct Justice

- In the Northern District of Georgia, an attorney and a coconspirator pled guilty to conspiracy to defraud the government and obstruction of justice. A joint investigation by the Atlanta Area Office and FBI established that the attorney and coconspirator sold the "use" of confidential informants to federal inmates who sought to reduce their sentences under Rule 35 of the Federal Rules of Criminal Procedure. The inmates paid fees ranging from \$7,500 to \$250,000 to the attorney and coconspirator, who in turn paid informants to set up alleged criminals in drug busts by local police. The coconspirator then advised the government that the informant had a special relationship with the inmate, when in fact the two had never met, and that the assistance provided by the informant should be credited to the inmate. The attorney also evaded the payment of over \$500,000 in personal income tax. Sentencing is pending.

The Atlanta Journal/The Atlanta Constitution Wednesday, July 3, 1996

## Defense lawyer faces multiple federal charges

Money laundering among indictments handed down

By Bill Rankin  
STAFF WRITER

Flamboyant Atlanta defense attorney was charged Tuesday with laundering a drug client's money, evading taxes and obstructing justice.

He was indicted on the federal charges along with his secretary, who is accused of helping and a former client evade taxes. The indictment said he failed to

pay more than \$500,000 in federal taxes he owed from 1990 through 1994, while he reported \$1.8 million in income.

"He is not guilty of any criminal conduct," lawyer, Ed Garland said. "The grand jury that investigated this case only heard one side of the evidence. I look forward to presenting the other side of the evidence to a jury."

He could not be reached for comment Tuesday afternoon.

Lawyer, Jerry Froelich, said, "The government's theory about my client's involvement is not going to fly."

He has handled some of the most celebrated cases in Atlanta, billing himself as an attorney for notorious defendants. With double-breasted suits

and flashy ties, he dominates courtrooms with a cocky air and hard-nosed style.

"This has been one of the most anguishing investigations I've been involved in," said Assistant U.S. Attorney Buddy Parker, who has known him for 18 years. "I take no pleasure in doing this."

The most serious charge against him is money laundering, which could bring eight years in prison. The indictment accuses him of accepting more than \$327,000 in 1994 from a Dartow County man indicted for marijuana trafficking.

Because he knew the money was derived illegally and placed it in an

escrow account to evade taxes, he laundered the money, the indictment said.

He and two others were charged together with obstructing justice. The indictment said federal inmates paid the two to convince confidential informants to provide information on other criminal suspects. Using the information, the inmates would seek reduced sentences, the indictment said. The men obstructed justice, the indictment said, because they misrepresented the relationships of the inmates and the informants to prosecutors.

■ Rule 35 can be a passport for freedom for federal prisoners; it can also be abused. CI

## Significant Investigations

## Gun Trafficking

• In the Western District of Texas, an INS Border Patrol agent was arrested on charges of unlawfully dealing in firearms, transferring firearms to a nonresident, and possessing firearms with obliterated serial numbers. A multiagency investigation by the El Paso Field Office; Bureau of Alcohol, Tobacco and Firearms; U.S. Customs Service; and Del Rio Police Department found that the agent was responsible for providing firearms to known drug gangs in San Juan, Puerto Rico. A search of his residence provided evidence that the agent also had accessed law enforcement intelligence data bases for personal use. Trial is scheduled for the fall.

San Antonio Express News  
Friday, February 21, 1997

### **Border Patrol agent held in smuggling**

Gun-running charges lodged in Puerto Rico

By JACQUE CROUSE  
EXPRESS NEWS STAFF WRITER

A 38-year-old Border Patrol agent in Del Rio was arrested and held without bond Thursday on federal firearms charges that indicate he was smuggling guns to Puerto Rico.

, who was born in Puerto Rico, became a U.S. Border Patrolman serving in Del Rio on Jan. 8, 1995.

## Theft

- Our March 1996 *Semiannual Report to Congress* described a case in the Eastern District of California in which an INS Border Patrol agent was arrested on charges of converting property under color of law and making false statements. During this reporting period, the Border Patrol agent pled guilty and was sentenced to six months' incarceration and two years' probation. He also was fired by INS.
- A former BOP contract employee was arrested on Arizona state charges of theft. The employee worked as a unit manager for a company that owns and operates a detention center and has contracts with BOP, INS, and the Executive Office for Immigration Review to house detainees. This Tucson Field Office investigation established that the unit manager stole \$2,700 from a detainee who was deported to the Far East. The manager confessed, pled guilty, and was sentenced to three years' probation and ordered to make full restitution.

## Initiative Update

Our March 1996 *Semiannual Report to Congress* described our Witness Security Program (WITSEC) initiative, in which the Investigations Division joined with the USMS Judicial Security Division to inspect the activities of 10 WITSEC field offices. Our inspections revealed management control weaknesses in seven areas. In particular the team found that closer supervision of individual WITSEC inspectors, better monitoring by WITSEC Headquarters, and improved payment verification techniques could deter the types of fraud found in recent OIG investigations of WITSEC funds embezzlement. USMS has already implemented some of the changes required.

### Investigations Statistics

Investigations Statistics	
Source of Allegations	
Hotline (telephone and mail)	446
Other sources	2752
Total allegations received	3198
Investigative Caseload	
Investigations opened this period	395
Investigations closed this period	320
Investigations in progress as of 3/31/97	581
Prosecutive Actions	
Criminal indictments/informations	45
Arrests	49
Convictions/Pleas	42
Monetary Results	
Fines/Restitutions/Recoveries	\$350,763
Seizures	\$20,200

Bribe monies deposited to the Treasury
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\$26,332
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## **Audit Division**

### **Overview & Highlights**

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

The Audit Division works closely with Department management in developing recommendations for corrective actions that will resolve identified weaknesses. By doing so, the Audit Division remains responsive to its customers and promotes more efficient and effective Department operations.

During this period, the Audit Division issued 12 internal reports covering almost \$2.3 billion, 24 external reports covering about \$138 million, 89 audits of bankruptcy trustees with responsibility for funds of over \$156 million, and 176 Single Audit Act audits encompassing over \$228 million. The Division issued nine Management Information Memoranda, one Technical Assistance Memorandum, and two Notifications of Irregularity.

### **Significant Audit Products**

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

The Immigration and Naturalization Service (INS) issues identity cards to assist in providing and controlling immigration benefits and services that are provided to legal resident aliens. Historically, these cards have been highly susceptible to fraud and have been used to obtain public benefits and employment illegally. INS has two versions of identity cards in circulation, one that expires 10 years after issuance and the other with no expiration. In Fiscal Year (FY) 1995, about 10 million cards were in circulation, and about 700,000 applications for replacement cards were processed.

INS is developing a new, secure identity card. The new card should facilitate recognition of genuine cards, thus alleviating the confusion of inspectors and employers who must verify card validity. One card also will decrease the proliferation of fraudulent use that multiple cards encourage and increase the overall integrity of the identity card system. Once the card is developed, we believe INS should replace the 3 million cards with no expiration dates by the year 2001 and replace the 7 million cards with 10-year expiration dates by the year 2007.

Our audit found that streamlining the card replacement process could yield an estimated \$45 million in funds that could be more effectively used, reduce the 6-month to 1-year waiting period to receive cards, improve the level of service, and eliminate the use of temporary stamps, which promote fraud through counterfeiting.

We recommended that INS perform a cost-benefit analysis of the new card production equipment requirements. Failure to conduct such an analysis could result in unnecessary equipment purchases that could cost over \$7 million.

## **Significant Audit Products**

### **Intergovernmental Service Agreements for Detention Facilities**

The U.S. Marshals Service (USMS) establishes intergovernmental service agreements (IGAs) with local jails to acquire space for federal prisoners. As reported in the last *Semiannual Report to Congress*, we have audited a number of IGAs and provided technical assistance to USMS. In FY 1997, USMS has almost 1,000 agreements nationwide at a cost of \$418 million.

During this reporting period, we audited one agreement resulting in questioned costs of about \$1.6 million. Our audit identified unnecessary and unallowable charges to USMS that should be used to reduce the daily rate charged. We believe that substantial additional savings are available nationwide, and we plan additional audits to specifically identify such savings.

We also conducted training for USMS personnel on the review and auditing of the jail agreements and Audit Division, USMS, and Office of Management and Budget staff met to discuss alternative mechanisms for administering the agreements in order to streamline and simplify the process.

## **INS Workforce Analysis Model**

INS invested approximately \$1.35 million and five years of effort to refine and implement a computer modeling program called the Workforce Analysis Model (WAM). The purpose of WAM was to develop an objective means to allocate inspectors at ports of entry.

Our audit found that WAM could not accurately determine the optimum number of inspectors needed at ports of entry. The model only projected the number of inspectors needed above those scheduled and did not detect overstaffed work shifts or project a need for staff decreases. We also found that INS did not validate inspection processing times or WAM's output projections. Further, WAM output reports had to be changed to make them useful to INS' Headquarters and port directors.

We recommended that INS:

- require WAM reprogramming to ensure it can determine the optimum number of inspectors needed at any port of entry;
- validate port of entry-developed inspection processing times and WAM projections;
- perform sensitivity analyses on WAM to determine the accuracy of input data needed for proper results; and
- generate detailed and summary output reports that Headquarters and port directors can use in determining adequate staffing for the workload, preparing inspector shift schedules, and monitoring and controlling use of overtime.

INS agreed to implement our recommended corrective actions.

## **Significant Audit Products**

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

We continued to work with the Office of Community Oriented Policing Services (COPS) in its implementation of the Violent Crime Control and Law Enforcement Act of 1994. During this reporting period, we used a newly developed audit approach to



perform audits of COPS hiring and redeployment grants. We initiated audits based on requests from COPS personnel and on allegations of misuse of grant funds. During FY 1997, we expect to perform 20 to 30 audits of COPS grant recipients.

These audits focus on (1) allowability of grant expenditures, (2) sources of matching funds, (3) 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) analysis of supplanting issues. Initial results indicate that some jurisdictions are not making a good-faith effort to fill locally funded sworn officer positions after receipt of a COPS grant. Additionally, we found that some jurisdictions may have difficulty retaining COPS-funded positions with local funds at the conclusion of the grants.

Based on our findings to date, we have identified about \$3 million in questioned costs and about \$600,000 in funds to be put to better use.

### **Department Use of Administratively Uncontrollable Overtime**

We performed a congressionally mandated audit of Administratively Uncontrollable Overtime (AUO) in the Department. We focused on INS because it was responsible for almost all of the \$57 million of AUO incurred by the Department during FY 1996. Our audit identified the following findings:

- INS policies complied with established statutory, regulatory, and Department policies regarding AUO.
- By statute, federal employees may receive AUO paid at rates no less than 10 percent and no more than 25 percent above the rate of basic pay. Of the INS employees receiving AUO who we sampled, about 83 percent were certified to receive 25 percent.
- INS records did not substantiate that overtime worked was uncontrollable for 95 percent of the employees we sampled. Supervisors did not assess the actual duties of the employees to determine if the overtime worked was uncontrollable. As a further indication that the work performed was actually controllable, we found patterns of employees reporting the same amount of AUO every day.
- Ten percent of INS' AUO recipients were in grades GS-13 and above and earned over 16 percent of all AUO funds at a cost of \$9 million.

Our audit report questioned \$1.5 million of the funds INS paid for AUO in FY 1996 and recommended that INS reconsider whether grades GS-13 and above should continue to receive AUO.

## **Significant Audit Products**

### **Computer Security at DEA**

Computer security was reported by the Attorney General as a high risk area for six Department components, including the Drug Enforcement Administration (DEA). Our recent audit found computer security continues to be a high risk at DEA, as we identified in 1989 and the General Accounting Office also reported in 1992.

Our audit found that computer default settings and audit trails were not implemented effectively to protect DEA's sensitive computer resources and to detect unauthorized access; computer security management was inadequate; and computer security software was inadequately utilized to detect and investigate unauthorized access to DEA's sensitive data base applications.

We recommended that DEA strengthen its controls in system software, computer security management, and security software.

### **Fuel Purchases by BOP, FBI, and INS**

The Federal Bureau of Investigation (FBI), Bureau of Prisons (BOP), and INS spent about \$6 million in FY 1995 for purchases of bulk fuel for heating and power generation and fueling motor vehicles and equipment. The FBI spends an additional \$7 million annually for retail purchases of gasoline primarily to fuel its fleet of 11,500 vehicles. We determined that cost savings are possible in each of the three components audited.

The FBI could save about \$600,000 annually on retail fuel purchases and \$29,000 annually on bulk fuel purchases by purchasing regular gasoline instead of mid-grade and premium gasoline.

BOP could save \$50,000 annually on its current bulk fuel purchases by (1) avoiding paying unnecessary excise taxes, (2) purchasing bulk regular gasoline instead of mid-

grade and premium gasoline, and (3) increasing bulk purchases using a Defense Fuel Supply Center contract. BOP could realize additional cost savings of about \$220,000 over 30 years by installing additional bulk tanks at four field locations.

INS could save over \$13,000 annually by discontinuing its bulk purchase of mid-grade and premium gasoline and replacing it with regular gasoline.

### **INS Contracting for Detention Space**

INS is responsible for taking into custody and detaining aliens pending a determination of their deportability. INS has four sources for detention space: INS-owned Service Processing Centers, private vendors, facilities jointly operated by INS and BOP, and state and local jails. Our audit found that INS contracting practices for obtaining detention space were generally in accordance with federal guidelines.

### **Significant Audit Products**

Specific audit findings and recommendations include:

- The method of reimbursement for the Seattle, Washington, detention facility was not based on the number of aliens in detention and would not be cost-effective if the facility was not adequately utilized. We recommended that INS take steps to assure maximum utilization of the Seattle detention facility and any other such facility contracted for on the basis of a flat daily rate.
- The INS Western Regional Office overallocated by about \$2 million FY 1995 detention obligations for aliens who did not meet User Fee Account guidelines. We recommended that INS allocate the cost of detention for the Western Region to the User Fee Account for only those excludable aliens who arrive on commercial aircraft and vessels.
- INS did not accurately compile and report detention costs, and the costs in the INS cost detention report did not agree with INS' Financial Accounting and Control System. We recommended that INS establish procedures to ensure that detention costs reported in the INS detention cost report are accurate, complete, and consistent.

### **DEA's Third-Party Payment System**

Third-party payments are an alternative payment method for cash such as a check and an effective tool for reducing cash held by federal agencies. DEA uses a third-party payment system to make disbursements for imprest fund expenses, travel reimbursements, small purchases, and investigative expenses.

Our audit of DEA's management controls over the use of third-party payments identified weaknesses such as missing support documents and unauthorized expenses. We also noted differences in the daily and monthly bank reconciliations that were not identified and followed up in a timely manner during the DEA Headquarters reconciliations process. Furthermore, the field offices shared passwords, did not secure bank check stocks, could not locate voided checks, and manually voided checks that later appeared in the Financial Management Information System (FMIS) as issued or cleared.

The weaknesses we identified increase the risk of waste, unauthorized use, or theft not being detected in a timely manner. To reduce this risk, we recommended that DEA (1) reinforce requirements for support documents, authorized expenses, approvals, and voucher packages stamped "PAID," (2) streamline bank reconciliations by incorporating the monthly reconciliations into the daily reconciliations and eliminating the monthly reconciliations, (3) ensure that bank reconciliations identify all differences and are completed in a timely fashion, (4) ensure that each draft technician has and uses a unique user identification and password, (5) ensure that blank check stock is secured from unauthorized access, and (6) ensure voided checks are marked "VOID" and recorded in FMIS.

## **Significant Audit Products**

### **Chief Financial Officers Act of 1990/ The Government Management Reform Act of 1994**

In compliance with the Chief Financial Officers Act of 1990 and the Government Management Reform Act of 1994, financial statement audits are performed at the Department by independent public accountants with oversight by the Audit Division. During this semiannual period, the audit of the Consolidated Departmentwide Annual Financial Statement was started. This is the first time such an audit has been required of the Department; it was delayed while the Department reprogrammed funds for it.

Because the Department is decentralized and uses many automated financial systems, separate audits are being performed of the DEA; FBI; INS; Federal Prison System;

Office of Justice Programs; USMS, along with remaining Department Offices, Boards, and Divisions; Asset Forfeiture Fund; and Working Capital Fund. These audits will be the basis for the opinion we express regarding the fairness of the Consolidated Department Financial Statement.

### **VCRTF Annual Financial Statement for FY 1995**

Established by the Violent Crime Control and Law Enforcement Act of 1994, the Violent Crime Reduction Trust Fund (VCRTF) received \$2.3 billion in FY 1995 to finance public safety and community policing programs and to supplement funding for (1) immigration enforcement, (2) expedited deportation of criminal aliens, (3) asylum reform, and (4) state and local law enforcement, corrections, and violence prevention programs.

Although INS is only one of several Department components receiving VCRTF resources, its share of these funds is material to the VCRTF as a whole. The audit resulted in a disclaimer of opinion on the principal financial statements because of the conditions identified by the auditors while at INS. Our auditors identified material weaknesses in INS' internal control structure for the fund balance with the Treasury reconciliation process, financial reporting, and the financial management control environment. At several other agencies receiving VCRTF resources, the auditors identified material weaknesses in the internal control structure for their grant management systems and accounts payable.

### **Trustee Audits**

The Audit Division has contributed significantly to the integrity of the bankruptcy system by performing financial audits of trustees under a reimbursable agreement with the Executive Office for U.S. Trustees (EOUST). During the reporting period, 89 trustee reports were issued.

For FYs 1996 and 1997, EOUST redirected 52 percent of the funds previously reimbursed to the Office of the Inspector General (OIG) for financial audits to support other bankruptcy initiatives. Commensurate with the funding reduction, audit scrutiny of panel and standing trustees also decreased. This reduction in the reimbursable agreement could substantially reduce oversight of this program designated by the Department as a material weakness and could increase the possibility that trustee fraud will go undetected.

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## Significant Audit Products

### Single Audit Act

The Single Audit Act and Office of Management and Budget (OMB) Circulars A-128 and A-133 require recipients of federal funds to arrange for audits of their activities. During this period, 176 reports were reviewed and transmitted by the Audit Division encompassing 816 Department contracts, grants, and other agreements totaling \$228,383,936. These audits report on financial activities, compliance with applicable laws, and, in many cases, the adequacy of recipients' management controls over federal expenditures. Reports on organizations over which the Department is cognizant or that have a preponderance of Department funds are reviewed to ensure compliance with the generally accepted *Government Auditing Standards*. In certain circumstances and upon request by Department components, the Audit Division performs audits of state and local governments, nonprofit organizations, and Department contracts and provides requested assistance to these entities.

### Single Audit Act Audit Guide Supplement

The Audit Division is participating on an interagency task force, chaired by OMB, to revise the *Compliance Supplement for Single Audit Act Audits* (Supplement). Other task force members include General Accounting Office program managers and President's Council on Integrity and Efficiency representatives from federal agencies providing awards subject to the Single Audit Act.

The Supplement provides guidance to nonfederal auditors in conducting audits of federal awards in accordance with the Single Audit Act. The Audit Division recommended that the Supplement include provisions for determining if grantees are complying with the employer sanctions law to prevent illegal aliens from obtaining employment.

## Follow-up Activities

### 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 March 31, 1997, the OIG had closed 286 audit reports and was monitoring the resolution

process of 121 open audit reports. In addition, four audits remain unresolved over six months.

## **Unresolved Audits**

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

In our May 1996 report, we recommended that BOP negotiate a reimbursable agreement with the Administrative Office of the U.S. Courts for the annual \$14 million cost of supervision cases referred to BOP Community Corrections Centers. BOP does not agree with this recommendation, and it remains unresolved. The OIG is working with BOP to resolve this issue.

## **Unresolved Audits**

### **USMS Intergovernmental Service Agreements**

As of March 31, 1997, three USMS IGA audits remained unresolved over six months. These audits are the USMS IGAs with the City of Mansfield, Texas; Plymouth County, Massachusetts; and Union County, New Jersey. These audits contained questioned costs of about \$7.4 million and funds to be put to better use of about \$819,000. We are working with USMS to resolve these audits.

## **Revised Management Decision**

### **INS Select Enforcement Activities**

In September 1995, we issued the INS Select Enforcement Activities Audit Report as resolved. In November 1996, the report was reclassified as unresolved because INS failed to provide the Audit Division with adequate documentation that the report's open recommendations were being implemented.

These recommendations addressed the following critical INS program activities: (1) identification of all deportable criminal aliens in the state prison systems in California, New York, Florida, Illinois, and Texas, (2) removal of fugitive criminal aliens under deportation proceedings, (3) effective enforcement of the employer sanctions fine structure, and (4) determination of the benefits of or alternatives to compliance

inspections under the employer sanctions program. We continue to work with INS to resolve these issues.

### Audit Statistics

#### Funds Recommended to be Put to Better Use

Audit Reports	Number of Audit Reports	Funds Recommended to be Put to Better Use
No management decision made by beginning of period	3	\$15,327,970
Issued during period	4	\$53,512,005
Needing management decision during period	7	\$68,839,975
Management decisions made during period:		
Amounts management agreed to put to better use	2	\$1,425,322
Amounts management disagreed to put to better use	10	\$14,000,000
No management decision at end of period	4	\$53,414,653

### Audit Statistics

#### Audits With Questioned Costs

Audit Reports	Number of Audit Reports	Total Questioned Costs (including unsupported costs)	Unsupported Costs
No management decision made by beginning of period	22	\$10,728,850	\$1,445,891
Issued during period	22	\$6,319,352	\$1,826,888



Needing management decision during period	44	\$17,048,202	\$3,272,779
Management decisions made during period: --Amounts management agreed to recover (disallowed)	23	\$4,918,586	\$2,042,733
No management decision at end of period	21	\$12,129,616	\$1,230,046

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

Audit Reports	Number of Audit Reports	Total Number of Management Improvements Recommended
No management decision made by beginning of period	41	136
Issued during period	55	247
Needing management decision during period	96	383
Management decisions made during period: --Number management agreed to implement	57 <sup>1</sup>	236
No management decision at end of period	42	147

<sup>1</sup> The number of reports is higher because in some cases management took multiple actions on a single report.

## **Inspections Division**

### **Overview & Highlights**

The Inspections Division provides the Inspector General with an alternative mechanism to traditional audit and investigative disciplines to assess Department of Justice (Department) programs and activities. The Division conducts analyses and makes recommendations to decisionmakers for improvements in Department programs, policies, and procedures. The Inspections Division's strength lies in its multidisciplinary workforce and the ability to quickly address a wide range of issue

areas. In addition to assessing Department programs, the Division also conducts special reviews assignments requiring immediate action that are generally initiated at the request of senior Department management or by Congress.

Inspections Division accomplishments during this reporting period concentrated on identifying critical issues affecting the future success of the multiagency Consolidated Asset Tracking System; assessing the progress of the Justice Prisoner and Alien Transportation System and identifying obstacles confronting the Department in making cost-effective decisions about transportation for criminal and noncriminal aliens, detainees, and prisoners; and coordinating work efforts with the Office of Justice Programs in the implementation of the Violent Offender Incarceration and Truth-In-Sentencing Incentive Grant program.

### **Significant Inspections**

#### **Consolidated Asset Tracking System**

The Departments of Justice and the Treasury signed a memorandum of understanding to develop a Consolidated Asset Tracking System (CATS) - a system that will track assets through their entire life cycle from seizure to final disposition. The Department of Justice's Assistant Attorney General for Administration requested that the Inspections Division review CATS' implementation status as of January 1, 1995, and, subsequently, conduct a user satisfaction survey of participant agencies. The Asset Forfeiture Program is a material weakness area in the Department.

The Department initially projected that it would implement CATS by December 1992 at a cost of \$24 million. An additional \$20.5 million was added later for a telecommunications network. Since the original estimate, numerous software enhancements and expanding user requirements have been incorporated into CATS, thus raising estimated costs to \$106.2 million and delaying the projected implementation until December 1996. However, full system implementation has been delayed further and is now estimated for spring 1997. It is unlikely this full implementation date will be met because only 50 percent of the CATS sites were installed as of January 1997. Costs are expected to increase as delays continue.

Based on information obtained during our review and user survey, we believe that the continual delays in system implementation, increasing system costs, the impact of the Internal Revenue Service's withdrawal from CATS, and the U.S. Customs Service's decision not to participate in the system raise serious concerns.

## Significant Inspections

### Department Implementation of the Child Support Recovery Act of 1992

The Child Support Recovery Act of 1992 (CSRA) makes willful failure to pay a past due support obligation for a child residing in another state a federal offense. We reviewed the Department's implementation of the CSRA and the actions it has taken to comply with the President's July 21, 1996, directive to the Attorney General to strengthen child support enforcement efforts.

The inspection team reviewed CSRA data for 619 case referrals that the Department received between 1993 and mid-1995. As of July 31, 1995, the U.S. Attorneys' Offices (USAOs) had closed 173 of the 619 case referrals, with guilty pleas or convictions in 22 of 23 cases prosecuted. As of that same date, 446 remained open and had been in a prosecutorial or investigative status for an average of 6 months.

As of October 31, 1996, our inspection found that:

- 3 USAOs had not received or accepted any CSRA case referrals,
- 17 USAOs had been unable to prosecute any cases based on the quality of the referrals received,
- prosecutorial and investigative support assigned to the CSRA cases varied among the USAOs that had accepted referrals, and
- several Department procedures impeded prompt and effective CSRA enforcement and case monitoring, including
  - acceptance of incomplete CSRA referral packages,
  - inconsistent case status reporting to state child support enforcement agencies, and
  - compilation of incomplete CSRA case data.

The newly appointed Special Counsel to the Deputy Attorney General, who is responsible for overseeing the Department's CSRA enforcement, agreed with our conclusions and developed Department strategies to accelerate CSRA enforcement efforts. To comply with the President's CSRA directive, the Department:

- formed a task force to enhance criminal prosecution of child support debtors,
- reviewed the sentences given those convicted under the CSRA,
- drafted legislation to amend the CSRA to establish the willful failure to pay a past due child support obligation as a felony offense rather than a misdemeanor, and
- coordinated with the Department of Health and Human Services to develop a pilot program using the internet to identify CSRA fugitives.

We believe the oversight actions taken by the Special Counsel to the Deputy Attorney General, the Executive Office for U.S. Attorneys, and the Criminal Division are now appropriately guiding the Department's implementation and enforcement of the CSRA.

## **Significant Inspections**

### **Justice Prisoner and Alien Transportation System in USMS**

Transporting prisoners and aliens is a rapidly growing activity in the Department. In October 1995, the U.S. Marshals Service (USMS) and the Immigration and Naturalization Service (INS) air operations were merged to form the Justice Prisoner and Alien Transportation System (JPATS), with USMS having primary management responsibility. The merger was intended to provide efficient air transportation by taking advantage of centralized management, scheduling, maintenance, and associated economies of scale for both organizations. Combining the two operations should result in increased passenger loads and lower per passenger costs.

JPATS is moving increasing numbers of prisoners, detainees, and criminal and noncriminal aliens; however, we could not assess the efficiency of JPATS because of the lack of usable operational and cost data related to these moves. Efforts are under way to develop an Automated Prisoner Scheduling System (APSS), which will capture information needed to make future JPATS management decisions about aircraft, routes, hubs, and other related areas. As designed, however, APSS will not capture all the costs incurred by Department components involved in transporting prisoners and aliens. Therefore, our inspection recommended that JPATS management and the Chief Information Officer develop a systematic approach to

collect and analyze components' cost information. We also recommended that USMS establish a senior-level steering committee, with participants from all JPATS user organizations, to ensure customer involvement in all aspects of APSS development.

### **Inmate Health Care Costs in BOP**

The rising costs of inmate health care are a significant concern to the Bureau of Prisons (BOP). Between Fiscal Years (FYs) 1990 and 1994, inmate health care costs increased by \$124.8 million, or 91 percent. BOP attributes most of the increase in inmate health care costs to factors beyond its control: an aging inmate population, inflation in the medical services industry, and an increase in the number of inmates with drug-related conditions.

BOP has implemented numerous health care cost containment initiatives that have kept per capita costs from rising significantly. BOP's average health care cost per inmate increased by 27 percent between FYs 1990 and 1994, which is less than the 28.6 percent rise in the consumer price index for medical care during the same period. However, our review disclosed that some health care costs have continued to increase despite BOP's containment efforts. We recommended that BOP take additional actions to control costs associated with community provider services, medical guard escort services, and mid-level practitioner and nurse positions.

We also recommended that BOP pursue its proposal to implement an inmate copayment system for certain medical services. Anticipated benefits include a decrease in the number of inmates attending sick call and an increase in inmates accountability and responsibility for their health care.

### **Other Activities**

The Inspections Division also performs special reviews and investigates complaints concerning mismanagement, waste, or abuse. During the past six months, these activities included the following.

#### **Court Reporting and Transcript Costs at the USAO for the Eastern District of New York**

Our inspectors initiated a review to examine procurement practices for court reporting services. Inspectors found that the USAO for the Eastern District of New York violated Federal Acquisition Regulations by purchasing grand jury transcripts from a partnership of official court reporters employed by the U.S. District Court. Our review also noted that transcript purchases exceeded delegated procurement authority; physical security of grand jury material was inadequate; and official court reporters, who recorded grand jury proceedings or had access to grand jury information, did not have security clearances.

Inspectors also examined the purchase of FY 1995 court transcripts of trials and other legal proceedings through a review of 1,062 court reporter invoices totalling \$885,953. Inspectors identified \$177,983, or 20 percent of the costs, that may have been for services not requested or necessary.

We recommended that the Director of the Executive Office for U.S. Attorneys and the U.S. Attorney for the Eastern District of New York implement a contract to obtain grand jury court reporting services, take corrective actions that ensure the security of the grand jury information, and revise procedures for ordering transcripts to ensure that obligation forms are correct and payments are made only for services ordered.

Because our review uncovered recurring deficiencies in the ordering of services and payment of court reporter invoices and confusion over the different transcript services available, we prepared an advisory memorandum for use by all USAOs and litigating divisions. By ordering only those transcripts services needed and by carefully reviewing invoices to ensure services were ordered and received, the litigating divisions could reduce court reporter costs.

### **Violent Offender Incarceration and Truth-In-Sentencing Incentive Grant Program**

At the request of the Attorney General, the Inspections Division is working closely with the Office of Justice Programs (OJP) to implement the \$10 billion Violent Offender Incarceration and Truth-In-Sentencing Incentive Grant program. Inspectors participated in a 3-day Truth-in-Sentencing workshop sponsored by OJP and, in coordination with OJP, are developing a review guide and a strategy for performing various grant reviews.

## Inspections Statistics

Inspections Workload Accomplishments	Number of Inspections
Inspections active at beginning of period	12
Inspections canceled/postponed	2
Inspections initiated	5
Final inspection reports issued	4
Inspections active at end of reporting period	11

### AUDIT DIVISION REPORTS

October 1, 1996 - March 31, 1997

#### INTERNAL AND EXTERNAL REPORTS

**Immigration and Naturalization Service Replacement of Resident Alien Identity Cards<sup>1/</sup>**

**Billings, Montana Police Department**

**Justice Management Institute Drug Court Training and Technical Assistance Project<sup>2/</sup>**

**National Council of Juvenile and Family Court Judges <sup>3/</sup>**

**Oglala Sioux Tribal Public Safety Commission, Pine Ridge, South Dakota <sup>4/</sup>**

**Violent Crime Reduction Trust Fund Annual Financial Statement for FY 1995**

**Jersey City, New Jersey Police Department <sup>5/</sup>**

**Drug Enforcement Administration's Third Party Payment System**

**City of Lubbock, Texas Police Department**

**City of Pinellas Park, Florida Police Department <sup>6/</sup>**

**The Prince George's County, Maryland Police Department**

**Western States Information Network**

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**1/ Funds Put to Better Use - \$52 million**

2/ Total Questioned Costs - \$1,378

3/ Total Questioned Costs - \$13,712

Unsupported Costs - \$2,172

4/ Total Questioned Costs - \$67,838

Funds Put to Better Use - \$67,838

5/ Total Questioned Costs - \$195,836

6/ Total Questioned Costs - \$234,875

## A-1

Computer Security at the Drug Enforcement Administration

Fuel Purchases by the Bureau of Prisons, the Federal Bureau of Investigation, and the Immigration and Naturalization Service 7/

Immigration and Naturalization Service Contracting for Detention Space

New Orleans, Louisiana Police Department 8/

The National Judicial College

National Council on Crime and Delinquency 9/

Use of Administratively Uncontrollable Overtime in the Department of Justice 10/

The Search Group, Inc.

DeKalb County, Georgia Department of Public Safety

The Rocky Mountain Information Network 11/

The University of California at Davis

Summary of U.S. Trustee Audit Reports and Findings Issued During FY 1996

Beverly, Massachusetts Police Department

Denver, Colorado Police Department 12/

-----

7/ Funds Put to Better Use - \$916,512

8/ Total Questioned Costs - \$738,719

Funds Put to Better Use - \$527,655

9/ Total Questioned Costs - \$30,669

10/ Total Questioned Costs - \$1,524,497



Unsupported Costs - \$1,524,497

11/ Total Questioned Costs - \$8,406

12/ Total Questioned Costs - \$1,349,697

## A-2

City of Houston, Texas Police Department 13/

Working Capital Fund Management Letter Report for FY 1995

The Escambia County, Florida Sheriff's Office 14/

City of Long Beach, California Police Department 15/

Bureau of Prisons Commissary Trust Fund Management Letter Report for FY 1995

National Court Appointed Special Advocates Association 16/

Nassau County, New York Corrections Center 17/

Immigration and Naturalization Service Operation Alliance Imprest Fund 18/

City of South Pasadena, California Police Department 19/

Immigration and Naturalization Service Workforce Analysis Model

-----

13/ Total Questioned Costs - \$194,371

Unsupported Costs - \$194,371

14/ Total Questioned Costs - \$169,500

Unsupported Costs - \$72,524

Enhanced Revenues - \$44,967

15/ Total Questioned Costs - \$22,917

16/ Total Questioned Costs - \$22,663

Unsupported Costs - \$22,663

17/ Total Questioned Costs - \$1,593,590

18/ Total Questioned Costs - \$19,672

Unsupported Costs - \$9,244

19/ Total Questioned Costs - \$3,883

**TRUSTEE REPORTS**

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

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**Chapter 7 Audit of Panel Trustee**

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**Chapter 7 Audit of Panel Trustee**

**Arthur S. Wallace**

**Chapter 7 Audit of Panel Trustee**

**Barbara Stalzer**

**Chapter 7 Audit of Panel Trustee**

**Harvey Stanley**

**Chapter 7 Audit of Panel Trustee**

**Harry W. Pettigrew**

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**Mary E. Leonard**

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**Barry A. Solodky**

**Chapter 7 Audit of Panel Trustee**

**L. Zube**

**A-5**

**Chapter 7 Audit of Panel Trustee**

**Michael Joseph**

**Chapter 7 Audit of Panel Trustee**

**Arthur Liebersohn**

**Chapter 7 Audit of Panel Trustee**

**David Eisenberg**

**Chapter 7 Audit of Panel Trustee**

**Michael Rood**

**Chapter 7 Audit of Panel Trustee**

**James Nicholson**

**Chapter 7 Audit of Panel Trustee**

**Charles Sims**

**Chapter 7 Audit of Panel Trustee**

**Kenneth Sanders**

**Chapter 7 Audit of Panel Trustee**

**James Proctor**

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**Edward Walsh**

**Chapter 7 Audit of Panel Trustee**

**Angelique Clark**

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**Harold Taxel**

**Chapter 7 Audit of Panel Trustee**

**Alfred Siegel**

**Chapter 7 Audit of Panel Trustee**

**Carolyn Dye**

**Chapter 7 Audit of Panel Trustee**

**Roger Brown**

**Chapter 7 Audit of Panel Trustee**

**Jerome Shank**

**Chapter 7 Audit of Panel Trustee**

**Ralph Boldt**

**Chapter 7 Audit of Panel Trustee**

**Arnold Kupetz**

**Chapter 7 Audit of Panel Trustee**

**Theodore Albert**

**Chapter 7 Audit of Panel Trustee**

**Loring Jahnke**

**Chapter 7 Audit of Panel Trustee**

**Patricia Zimmerman**

**Chapter 7 Audit of Panel Trustee**

**James J. Joseph**

**Chapter 7 Audit of Panel Trustee**

**Ronald L. Durkin**

**Chapter 7 Audit of Panel Trustee**

**Sandra L. Bendon**

**Chapter 7 Audit of Panel Trustee**

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**Chapter 7 Audit of Panel Trustee**

**George McLean, Jr.**

**Chapter 7 Audit of Panel Trustee**

**Roy Creasy, Jr.**

**Chapter 7 Audit of Panel Trustee**

**John Leake**

**Chapter 7 Audit of Panel Trustee**

**Merrill Cohen**

**Chapter 7 Audit of Panel Trustee**

**Robert Trumble**

**Chapter 7 Audit of Panel Trustee**

**Keith Phillips**

## **A-6**

**Chapter 7 Audit of Panel Trustee**

**Richard Kremen**

**Chapter 7 Audit of Panel Trustee**

**Gordon Peyton**

**Chapter 7 Audit of Panel Trustee**

**Roger Schlossberg**

## **A-7**

### **REPORTS OF DEPARTMENT OF JUSTICE** **ACTIVITIES COMPLETED BY OTHERS**

**Audit of the PACE Center for Girls, Inc.**

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

**Audit of the Cuban American National**

**Council, Inc.**

**Audit of the Metropolitan Atlanta**

**Community Foundation, Inc.**

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

**Audit of the City of Cordele, Georgia**

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



**Audit of St. Lucie County, Florida Sheriff**

**Audit of the Research Triangle Institute**

**Audit of the Town of Duncan, Mississippi**

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

**Audit of the City of Lakeland, Florida**

**Audit of Broward County, Florida**

**Audit of the City of Rock Hill,**

**South Carolina**

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

**Florida 1/**

**Audit of Jefferson County Fiscal Court,**

**Kentucky**

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

-----

**1/ Total Questioned Costs - \$54,330**

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

**Audit of the City of Melbourne, Florida**

**Audit of Calhoun County, Florida**

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

**Audit of the City of Homestead, Florida**

**Audit of the Santee-Lynches Regional Council**

**of Governments, South Carolina**

**Audit of the State of South Carolina**

**Audit of the City of Savannah, Georgia**

**Audit of the City of Montgomery, Alabama**

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

**Audit of Hillsborough, Florida**

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

**Audit of the City of Georgetown, Kentucky 2/**

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

**Audit of the City of Wixom, Michigan**

**Audit of the Village of Riverdale, Illinois**

**Audit of the Village of Beecher, Illinois**

**Audit of the Village of Fox Lake, Illinois**

**Audit of Northwestern University**

-----

**2/ Total Questioned Costs - \$9,185**

## **A-8**

**Audit of the University of Wisconsin System**

**Audit of the City of Chicago, Illinois**

**Audit of the Bois Forte Reservation**

**Tribal Council, Nett Lake, Minnesota**

**Audit of the City of Moline, Illinois**

**Audit of the State of Nebraska**

**Audit of Douglas County, Nebraska**

**Audit of the City of Wichita, Kansas**

**FY 1994**

**Audit of Midland County, Michigan**

**Audit of the City of Wichita, Kansas**

**FY 1995**

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

**Audit of Wayne County, Michigan**

**Audit of Allogan County, Michigan**

**Audit of the City of Rockford, Illinois**

**Audit of the Menominee Indian Tribe of**

**Wisconsin**

**Audit of the Grand Traverse Band of**

**Ottawa and Chippewa Indians**

**Audit of the Red Lake Band of Chippewa**

**Indians**

**Audit of the Village of Roseville, Michigan**

**Audit of the State of Kansas**

**Audit of the City of Madison, Wisconsin**

**Audit of the State of Missouri**

**Audit of the Justice Management**

**Institute, Colorado**

**Audit of the Office of Prosecutor Coordinator,**

**Little Rock, Arkansas**

**Audit of the District Attorney of the**

**Orleans Parish, Louisiana**

**Audit of the City of Englewood, Colorado**

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

**Louisiana**

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

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

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

**Audit of Crook County, Wyoming**

**Audit of the City of Belton, Texas**

**Audit of the State of Wyoming, Attorney**

**General's Office**

**Audit of Traill County, North Dakota**

**Audit of Sargent County, North Dakota**

**Audit of Boulder County, Colorado**

**Audit of the City of Colorado Springs,**

**Colorado**

**Audit of Larimer County, Colorado**

**Audit of Baylor College of Medicine, Texas**

**Audit of the State of Oklahoma**

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

**Audit of the State of Louisiana**

## **A-9**

**Audit of Salt Lake City, Utah**

**Audit of the City of Shreveport, Louisiana**

**Audit of the City of Dallas, Texas**

**Audit of the University of Denver**

**Audit of Tarrant County, Texas**

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

**Audit of the City of Austin, Texas**

**Audit of the State of Utah**

**Audit of the Santa Ana Pueblo, New Mexico**

**Audit of the City of North Little Rock,**

**Arkansas**

**Audit of the Ponca Tribe of Colorado**

**Audit of the Oglala Sioux Tribal Public**

**Safety Commission, South Dakota**

**Audit of the City of Boston, Massachusetts**

**FY 1993**

**Audit of the County of Camden, New Jersey**

**FY 1991**

**Audit of the County of Camden, New Jersey**

**FY 1992**

**Audit of the County of Camden, New Jersey**

**FY 1993**

**Audit of the County of Camden, New Jersey**

**FY 1994**

**Audit of the County of Camden, New Jersey**

**FY 1995**

**Audit of the County of Nassau, New York**

**FY 1993**

**Audit of the County of Nassau, New York**

**FY 1995**

**Audit of the City of Boston, Massachusetts**

**FY 1994**

**Audit of the Northwest Immigrant Rights Project**

**Audit of D.A.R.E. America**

**Audit of the National Judicial College**

**Audit of the Search Group, Inc.**

**Audit of Parents Anonymous**

**Audit of the National Immigrant Legal Support**

**Center**

**Audit of the Hawaii Department of Attorney**

**General**

**Audit of the University of California**

**Audit of the Chugachmiut**

**Audit of the University of Southern California**

**Audit of the University and Community College**

**System of Nevada**

**Audit of the City of Modesto, California**

**Audit of the City of El Paso De Robles,**

**California**

**Audit of the City of Ontario, California**

**Audit of the City of Auburn, California**

**Audit of the County of Alameda, California**

**Audit of the City of Los Angeles, California**

**Audit of the County of Los Angeles, California**

## **A-10**

**Audit of the City of Clayton, California**

**Audit of the City of Oakland, California**

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

**Audit of the County of Orange, California**

**Audit of the City of Glendale, California**

**Audit of the City of Manteca, California**

**Audit of the Hawaii Department of Human  
Services**

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

**Audit of the Southern California Tribal**

**Chairmen's Association, Inc.**

**Audit of the State of Arizona, FY 1993**

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

**Audit of the Fallon Paiute-Shoshone Tribe**

**Audit of the Salt River Pima-Maricopa Indian  
Community**

**Audit of the Navajo Nation**

**Audit of the State of Nevada**

**Audit of the City of Hawthorne, California**

**Audit of the Republic of Palau**

**Audit of the Government of Guam, FY 1993**

**Audit of the Government of Guam, FY 1994**

**Audit of Washington County, Oregon**

**Audit of Washoe County, Nevada**

**Audit of the Government of Guam, FY 1995**

**Audit of the City of Fillmore, California**

**Audit of the City of Thousand Oaks, California**

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

**Audit of the City of Watsonville, California**

**Audit of the Confederated Tribes of Warm  
Springs Reservation of Oregon**

**Audit of the Pretrial Service Resource Center**

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

**Audit of the Professional Development**

**Training Center, Inc., FY 1994**

**Audit of the Professional Development**

**Training Center, Inc., FY 1995**

**Audit of the American Prosecutors Research  
Institute**

**Audit of the National Network of Children's  
Advocacy Centers**

**Audit of the National Victim Center  
FY 1994 3/**

**Audit of the National Crime Prevention  
Council**

**Audit of the National Legal Aid and  
Defender Association**

**Audit of the Bureau of Rehabilitation, Inc.  
FY 1995**

**Audit of the National Alliance for Model  
State Drug Laws**

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**3/ Total Questioned Costs - \$1,417**

Unsupported Costs - \$1,417

## A-11

Audit of the Aspen Systems Corporation

Audit of the National Consortium of

TASC Programs

Audit of the Police Executive Research Forum

Audit of the National Criminal Justice

Association

Audit of the Bureau of Rehabilitation, Inc.,

FY 1996

Audit of the Police Foundation

Audit of the National Victim Center

FY 1995 4/

Audit of the Consortium of Universities

of the Washington Metropolitan Area

Audit of the National Center for

State Courts

Audit of the National Organization for

Victim Assistance

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4/ Total Questioned Costs - \$61,789

Audit of the American Correctional

Association 5/

Audit of the Center for Effective Public Policy

Audit of West Virginia University

Audit of the National Academy of Sciences

Audit of the University of Maryland System

Audit of the City of Hampton, Virginia



Audit of the State of West Virginia

Audit of the City of Baltimore, Maryland

Audit of the City of Portsmouth, Virginia

Audit of the City of Roanoke, Virginia

Audit of Arlington County, Virginia

Audit of the City of Baltimore, Maryland

Audit of the Commonwealth of Virginia

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5/ Total Questioned Costs - \$408

## A-12

### INSPECTIONS DIVISION REPORTS

October 1, 1996 - March 31, 1997

#### INTERNAL REPORTS

Consolidated Asset Tracking System

A Review of the Department's Implementation of the Child Support Recovery Act of 1992

Justice Prisoner and Alien Transportation System in the United States  
Marshals Service

Inmate Health Care Costs in the Bureau of Prisons

#### SPECIAL REVIEWS

Court Reporting and Transcript Costs at the United States Attorney's Office for the Eastern District of New York

## Glossary of Terms

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

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

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

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

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

**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.

**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.

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

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

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

**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.

## A-14

### Reporting Requirements Index

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

IG Act References	Reporting Requirement	Page
Section 4(a)(2)	Review of Legislation and Regulations	4
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	7 to 31
Section 5(a)(2)	Significant Recommendations for Corrective Actions	17 to 31
Section 5(a)(3)	Prior Significant Recommendations Unimplemented	None

Section 5(a)(4)	Matters Referred to Prosecutive Authorities	7 to 15
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	A-1 to A-12
Section 5(a)(7)	Summary of Significant Reports	7 to 31
Section 5(a)(8)	Audit Reports--Questioned Costs	25
Section 5(a)(9)	Audit Reports--Funds to be Put to Better Use	24
Section 5(a)(10)	Prior Audit Reports Unresolved	23-24
Section 5(a)(11)	Significant Revised Management Decisions	24
Section 5(a)(12)	Significant Management Decisions with Which the OIG Disagreed	None

## A-15

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### **On-Line Report Availability**

*Many audit, inspections, and special reports are available at the following Internet address: <<http://www.usdoj.gov/oig>>. In addition, the same materials are available through the Inspectors General Network's World Wide Web server at <<http://www.sbaonline.sba.gov/ignet/internal/doj/doj.html>>.*

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INSPECTIONS DIVISION REPORTS

October 1, 1996 - March 31, 1997

INTERNAL REPORTS

Consolidated Asset Tracking System

A Review of the Department's Implementation of the Child Support Recovery Act of 1992

Justice Prisoner and Alien Transportation System in the United States  
Marshals Service

Inmate Health Care Costs in the Bureau of Prisons

### SPECIAL REVIEWS

Court Reporting and Transcript Costs at the United States Attorney's Office for the  
Eastern District of New York

## A-13

### Glossary of Terms

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

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

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

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

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

**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.

**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.

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

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

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

**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.

## A-14

### Reporting Requirements Index

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

IG Act References	Reporting Requirement	Page
Section 4(a)(2)	Review of Legislation and Regulations	4
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	7 to 31
Section 5(a)(2)	Significant Recommendations for Corrective Actions	17 to 31
Section 5(a)(3)	Prior Significant Recommendations Unimplemented	None
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	7 to 15
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	A-1 to A-12
Section 5(a)(7)	Summary of Significant Reports	7 to 31
Section 5(a)(8)	Audit Reports--Questioned Costs	25
Section 5(a)(9)	Audit Reports--Funds to be Put to Better Use	24
Section 5(a)(10)	Prior Audit Reports Unresolved	23-24
Section 5(a)(11)	Significant Revised Management Decisions	24
Section 5(a)(12)	Significant Management Decisions with Which the OIG Disagreed	None

## A-15

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