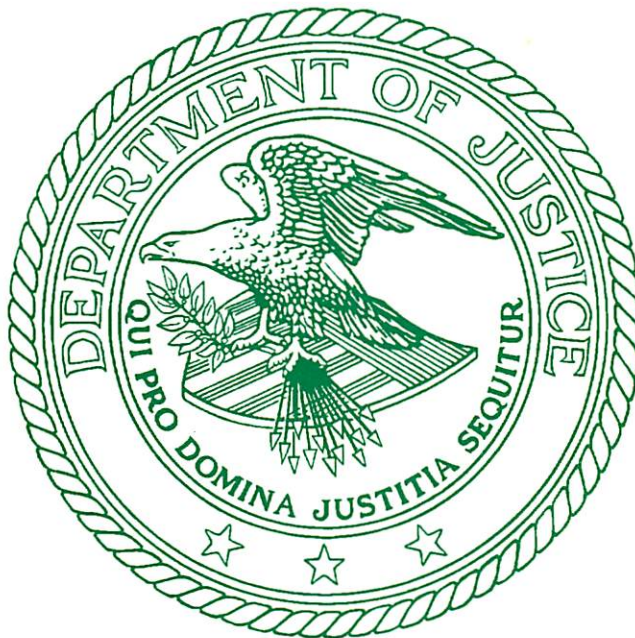


# Office of the Inspector General Semiannual Report to Congress

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*April 1, 1990 - September 30, 1990*





U.S. Department of Justice  
Office of the Inspector General

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October 31, 1990

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


Dear Mr. Thornburgh:

In accordance with Section 5 of the Inspector General Act of 1978 as amended, I am submitting the Semiannual Report to Congress on the activities of the Office of the Inspector General covering the six-month period ending September 30, 1990. The Inspector General Act requires that you submit this Report, along with any comments you may wish to make, to the appropriate Congressional committees and subcommittees within 30 days.

This Report describes our continuing efforts to combat waste, fraud, and abuse in the Department. During this six-month period, the OIG focused its audits, investigations, and inspections on opportunities for substantial cost savings and benefits. Equally important, we have secured management commitments to more efficiently use resources and to recover funds.

We appreciate your support and look forward to continuing our work in enhancing the integrity and accountability of Department programs and operations.

Sincerely,

  
Richard J. Hankinson  
Inspector General

Enclosure

## EXECUTIVE SUMMARY

**D**uring the 6-month period ending September 30, 1990, the Department of Justice (DOJ) Office of the Inspector General (OIG) channeled its efforts toward cost savings initiatives. Recognizing efficient use of resources, effective means of recovering funds, and new management initiatives contributed to the OIG's successes.

The OIG issued 10 internal audit reports on Department programs and activities; 191 trustee reports relating to controls over funds handled pursuant to bankruptcy proceedings; and 169 external reports encompassing 761 Department contracts, grants, and other agreements totaling \$542,292,405. Management agreed with \$4,165,923 in questioned costs and agreed to implement 251 management improvement recommendations, underscoring the OIG's excellent progress in enlisting agency officials as partners in eliminating fraud, waste, and abuse in Department programs. OIG investigations showed equally impressive results. Investigations led to 30 arrests, 28 indictments, 28 successful prosecutions, and \$46,802 in fines, recoveries, and restitutions. In addition, 64 subpoenas were issued and the OIG requested 71 consensual monitorings to support overall investigations. Finally, the Inspections Division issued 20 reports on Departmental activities during this period.

The OIG continued to emphasize its role under the Federal Manager's Financial Integrity Act (FMFIA). The review and assessment of internal controls in each component is an integral part of audits and inspections performed by the OIG. The OIG also performed audits and inspections in areas identified by the General Accounting Office (GAO), Office of Management and Budget (OMB), and the Department as "high risk," including the Asset Seizure and Forfeiture program, management of hazardous materials and waste in the Bureau of Prisons, and the funds control system at the Immigration and Naturalization Service. In addition, the OIG initiated an inspection to examine the Department's internal control oversight program that will assist management in ensuring that an effective internal control system is in place.

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## OVERVIEW

### MISSION

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

### ORGANIZATION

The OIG carries out this mission through these components:

The **Audit Division** conducts, reports on, and tracks the resolution of financial and performance audits of organizations, programs, and functions within the Department. Financial audits include financial statement and financial related activities; performance audits encompass economy and efficiency, and programs. Additionally, the Audit Division's duties cover expenditures made under Department contracts, grants, and other agreements.

The **Investigations Division** investigates violations of fraud, abuse, and integrity laws that govern the Department; investigates operations financed by the Department, and develops such allegations for criminal prosecution and civil or administrative actions.

The **Inspections Division** performs situation-specific and site-specific reviews of efficiency and compliance of the operations and programs within or financed by the Department.

The **Management and Planning Division** provides management with advice on administrative and fiscal policy. It serves the components of the OIG

with planning, budget, finance, quality assurance and evaluation, personnel, training, procurement, automated data processing/network communications, and general support.

### STAFFING AND BUDGET

The OIG was staffed with 296 permanent positions, five other than full-time positions, 33 authorized reimbursable workyears, \$20,541,000 in direct appropriations, and approximately \$2,500,000 in reimbursable agreements. FY 1991 Appropriations Committee conference action provides for 335 appropriated positions, 320 workyears, \$25,140,000 in direct appropriations, \$2,441,000 in anticipated reimbursement, which will continue the 33 reimbursable workyears. The chart below reflects the current personnel ceiling by function.

PERSONNEL STRENGTH	
Component	Ceiling
Immediate Office	10
Audit	*121
Investigations	118
Inspections	59
Management and Planning	26
<b>TOTAL</b>	<b>334</b>

\* Includes 33 reimbursable workyears/positions.

## EXECUTIVE DIRECTION

### ADMINISTRATIVE MANAGEMENT

The Attorney General formally recognized the Inspector General's new organization on September 28, 1990. The OIG has developed policies, procedures, and systems to organize its operations efficiently and effectively. Coordinating operational and administrative activities has served to solidify our goals. For example, during the consolidation of the investigations function, OIG staff developed policy, procedures, and guidance aimed at enhancing our operations nationwide. One offspring of these efforts, the Investigations Volume of the Inspector General Manual, will provide uniform guidance to the many OIG agents who previously served in other agencies.

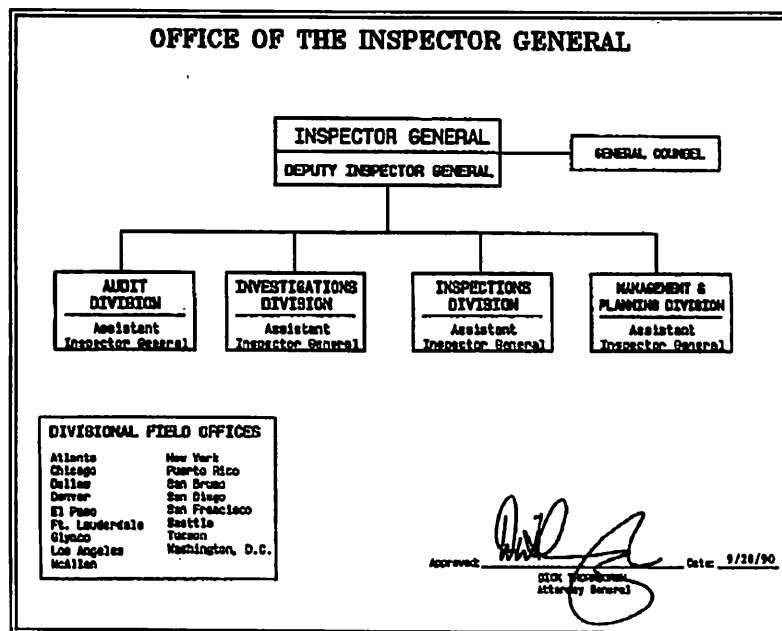
We are implementing the Inspector General Network for Information and Telecommunications Exchange (IGNITE), a nationwide ADP networking and office automation system that will provide a network for data communication within the OIG. IGNITE's in-house telecommunications and document exchange capability is essential to the OIG's mission of independently reviewing the Department's programs and operations. In addition, we established a central training office strategy to oversee operational and administrative systems training.

### PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY ACTIVITIES

The Inspector General participates in the President's Council on Integrity and Efficiency (PCIE). During the past six months, the OIG helped formulate the PCIE's legislative agenda, served on the PCIE Inspections Committee, the PCIE Technology Committee, and the Computer Auditing/Investigations Roundtable. The OIG contributed to 22 specific PCIE audit initiatives and responded to 10 specific PCIE legislative initiatives.

Significant responses addressed initiatives that

would amend: the seven day letter reporting requirement; the Major Fraud Act broadening its scope to cover fraud in connection with grants, subsidies, or cooperative agreements involving \$1 million or more; and the Program Fraud Civil Remedies Act. The OIG further communicated its concerns regarding the establishment of an auditor



training center to the PCIE, and reviewed and commented on the draft "Uniform Desk Review Guide for Single Audits." The OIG reviewed numerous auditing and accounting standards, an assessment of the FMFIA and corresponding reporting guidance, and submitted detailed data for potential FY 1991 PCIE committee projects.

Additionally, the OIG helped develop inspection standards coordinated by the PCIE Inspections and the Special Review Subcommittee. In August 1990, this Subcommittee formally published the "Interim Standards for Inspections" for conducting inspections, inspection reporting/ follow-up and other related issues. Each IG can choose to adopt these standards. The PCIE intends to evaluate their effectiveness in 1992.

### REVIEW OF LEGISLATION AND REGULATIONS

During the past six months, the OIG continued to review and draft regulations and internal directives governing the OIG's formal existence and operation within the Department.

Because the Department serves as the government's litigator in all federal cases, the Department's Office of Legislative Affairs reviews virtually all proposed or enacted legislation that could affect the Department's activities. The OIG legislative review focuses on legislative and regulatory actions regarding fraud, waste, or abuse in the Department's programs and operations or affecting interests generally shared by the law enforcement community with respect to white collar crime matters.

Over the past six months, the OIG submitted comments on H.R. 5492, a bill that would establish Chief Financial Officer positions government wide.

The OIG endorsed the proposal but suggested a revision regarding the audit reporting requirement.

### DEBT COLLECTION

The Senate Report accompanying the Supplemental Appropriations and Rescissions Act of 1980 (P.L. 96-304) requires Inspectors General to report actions taken to improve debt collections. During the period April 1, 1990 through September 30, 1990, the components of the Department reported the following activities to improve debt collection.

- The Justice Management Division continued its pilot program of contracting with private law firms to collect

delinquent civil debts. The Justice Management Division also continued to implement the Central Intake Facility (CIF) to centrally track debts referred to the U.S. Attorney offices. The CIF has been implemented in several offices. Beginning October 1, 1990, a limited data base will be used as an interim mechanism to track all debts of less than \$200,000 referred to the U.S. Attorney offices, except where debtors are bankrupt. The Department of the Treasury has agreed to fund a study that will produce a conceptual model of an automated linkup between

THE OIG LEGISLATIVE REVIEW  
FOCUSES ON  
LEGISLATIVE AND REGULATORY  
ACTIONS REGARDING  
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THE LAW  
ENFORCEMENT COMMUNITY WITH  
RESPECT TO WHITE COLLAR CRIME  
MATTERS.

debt referral agencies and the Department of Justice. The Justice Management Division is participating in an Internal Revenue Service (IRS) corporate offset test program which, if implemented, will provide the Department with a tool for offsetting civil and criminal corporate debts against corporate tax refunds. The pro-

gram to collect debts from Bureau of Prisons inmate earnings continued to grow. The amount collected through this program during the last six months of the Fiscal Year totaled \$928,809.

- To reduce travel advances, the Justice Management Division continued to expand its Automated Teller Machine (ATM) program. The ATM program permits employees to obtain cash for travel expenses from ATM's in lieu of advances from the Government. The cash amount is charged to the employee's Government charge card and paid to the credit card company by the employee after the employee is reimbursed for travel expenses. A contractor was engaged to examine delin-

quent employee travel advances and attempt to effect collection where practical.

- The Immigration and Naturalization Service implemented a pilot automated system for tracking debts sent to its Office of General Counsel.

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

DEBT COLLECTION		
	As of March 31, 1990	As of September 30, 1990
Total Amount Due DOJ	\$53,723,171	\$80,772,345
Amount Delinquent	\$39,390,039	\$37,772,592
Total Amount Written-Off as Uncollectible	\$433,697	\$1,460,292

*Note:* These unaudited amounts, as reported by the Justice Management Division, do not include receivables or civil matters referred to the Department by outside agencies for collection. The amounts for September include preliminary report data from the Immigration and Naturalization Service.



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## SIGNIFICANT ISSUES

### DEPARTMENT OF JUSTICE ASSET SEIZURE AND FORFEITURE PROGRAM

Both the OMB and the GAO identified the Department's \$1.2 billion Asset Seizure and Forfeiture Program as a "high risk" area. Using all its resources and the different approaches inherent in its three divisions--Audit, Inspections, and Investigations--the OIG comprehensively examined the program.

At the request of the United States Marshals Service (USMS), the OIG inspected the National Asset Seizure and Forfeiture Program (NASAF). This review covered USMS headquarters, eight regional offices, visits to 16 field offices, and inquiries at another 20. At least three other inspections included reviews of the NASAF operation in the field.

The largest single audit conducted this year, "Management of Seized and Forfeited Assets in the Department of Justice," found significant problems in asset tracking and inventory control, a need for better control and direction, and a variety of concerns about various financial features of the program. In addition, the OIG served as the contracting officer's technical representative in overseeing two commercially prepared audits of the principal accounts through which seized asset revenues flow---which at any given moment are likely to total \$325 million or more.

The OIG is currently investigating a number of allegations involving the conduct of the Asset Seizure and Forfeiture program. One involved a kick-back and inflated billing scheme that led to the convictions of the vendor and Deputy U.S. Marshal and an order of restitution of \$210,000 was made. Other cases involve bribery and gratuity allegations.

### STATUS OF TRANSFER OF POSITIONS FROM OFFICE OF THE INSPECTOR GENERAL TO THE OFFICE OF PROFESSIONAL RESPONSIBILITY

The Inspector General Act Amendments of 1988, 5 U.S.C. app. § 8D(h), provide that "no later than 90 days after the date of appointment of the Inspector General . . . , the Inspector General shall designate 20 full-time investigation positions which the Attorney General may transfer from the Office of Inspector General to the Office of Professional Responsibility[.]" When the OIG began its operations, the Office of Professional Responsibility (OPR) and the OIG entered into a memorandum of understanding (MOU) which provided that all OIG resources, investigators and auditors would be available for OPR investigations. The MOU has been extended in 45-day increments continuously since April 14, 1989.

Following his appointment as the permanent Inspector General on June 26, 1990, the IG assessed the present system. In a memorandum to the Attorney General dated August 8, 1990, the Inspector General complied with the statute by designating 20 investigative positions to be transferred to OPR should the Attorney General elect to effect a transfer. The memorandum also included the IG's recommendations to resolve the present overlap between OIG and OPR. The matter is pending.

**OMB and GAO identified the \$1.2 billion Asset Seizure and Forfeiture Program as a "high risk" area.**

## DEPARTMENT OVERSIGHT

### INTERNAL CONTROLS

The Federal Manager's Financial Integrity Act established by Public Law 97-255, requires that, in accordance with guidelines established by the Director of OMB, each executive agency conduct annual evaluations of its internal accounting and administrative control systems. Further, FMFIA stipulates that the head of each executive agency submit annual statements to the President and Congress on the status of the agency's internal control and accounting systems. The OIG expects to conduct evaluations of the Department's FMFIA efforts on an annual basis. During September 1990, the OIG initiated such an inspection to ensure that an effective internal control system functions within the Department.

The inspection will focus on:

- assessing policies and procedures that establish and maintain the Department's internal control process
- determining the status of prior review recommendations
- determining the process' economy and effectiveness.

The OIG will use the results to target departmental components for follow-up inspections of their A-123 programs.

### HIGH RISK AREAS

The DOJ and OMB identified specific DOJ activities that have a "high risk" for fraud, waste, and abuse. The current OMB high risk inventory includes nine primary areas with an additional eight subsidiary areas of concern. Audits and inspections in these areas provide department managers with as-

sistance to correct specific high risk activities, thus ensuring improved operations within the Department.

The OIG issued a number of final program and field inspection and audit reports dealing with high-risk activities during this reporting period:

HIGH RISK AREA	COMPONENT	INSPECTIONS	AUDIT
INEFFECTIVE FUND CONTROLS	Immigration & Naturalization Service	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
INADEQUATELY TRAINED STAFF	Immigration & Naturalization Service	<input checked="" type="checkbox"/>	
FEE ACCOUNTS	Immigration & Naturalization Service	<input checked="" type="checkbox"/>	
ACCOUNTING SYSTEMS; INFORMATION SYSTEMS	Immigration & Naturalization Service	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
POOR SECURITY OF AGENCY-ISSUED DOCUMENTS	Immigration & Naturalization Service	<input checked="" type="checkbox"/>	
INTERNAL FINANCIAL MANAGEMENT SYSTEM	U.S. Marshals Service	<input checked="" type="checkbox"/>	
ASSET FORFEITURE PROGRAM	Department-wide	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
DEBT COLLECTION	U.S. Attorneys	<input checked="" type="checkbox"/>	
COMMITMENT TRACKING ISSUE (CAP)	U.S. Marshals Service	<input checked="" type="checkbox"/>	
HAZARDOUS WASTE DISPOSAL	Bureau of Prisons		<input checked="" type="checkbox"/>

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## AUDIT DIVISION

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

The Audit Division ensures balanced audit coverage of the Department through the development and execution of an approved workplan which complies with the requirements of the OMB Circular A-73, Revised, "Audit of Federal Operations and Programs." Audits are selected based on an audit universe which is structured to identify the functions and programs within the Department. The audit universe is used to track the degree of audit coverage in each area, considering prior audit coverage and current management and audit priorities. Thus adherence to the requirements of OMB Circular A-73 and the audit workplan ensures the maximum utilization of resources while providing broad audit coverage of the Department.

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

provisions of the Single Audit Act of 1984 and OMB Circulars A-128 and A-133.

### SIGNIFICANT AUDITS

#### MANAGEMENT OF SEIZED AND FORFEITED ASSETS IN THE DEPARTMENT OF JUSTICE

In 1970, with the enactment of the Organized Crime Control Act and the Comprehensive Drug Abuse Prevention and Control Act, the DOJ began using asset seizure and forfeiture as a law enforcement tool in the battle against drugs and organized crime. The audit evaluated Department and component-level procedures and practices used to manage seized and forfeited assets as well as the adequacy of internal controls over these assets. Also included in the audit was a determination of the accuracy and reliability of record keeping, and the degree of compliance with applicable laws and regulations.

Department-wide, there was a lack of accurate, consolidated information on seized and forfeited assets. Departmental components continued to record and track seized and forfeited asset information separately and in different formats. Without a consolidated, integrated information system, DOJ management did not have information necessary to effectively and efficiently administer the program. Moreover, the DOJ lacked a clear, consistent policy for the payment of local real property taxes on seized and forfeited properties. Consequently, some USMS district offices paid real property taxes while others did not.

Other matters were disclosed in several DOJ components. For example, the USMS was not adequately meeting its seized assets management responsibilities in the areas of case management, con-

trol over assets, procurement, and processing of invoices. As a result, assets worth millions of dollars were at risk of loss, waste, and abuse. The Drug Enforcement Administration (DEA) was not completing administrative forfeiture proceedings nor processing intergovernmental sharing requests in the required timeframes. These delays created a material backlog of seizures and pending forfeitures, which postponed the sale of related assets and eventual distribution of the proceeds. However, DEA has taken steps to reduce its backlog. The Federal Bureau of Investigation (FBI) was not always identifying seized assets eligible for forfeiture. As a result, items seized as evidence amounting to approximately \$328,000 remained in FBI custody for periods from 5 months to 9 years without being identified as potential forfeitures. In addition, the FBI was not processing administrative forfeitures in accordance with established timeframes. The Immigration and Naturalization Service (INS) did not have a centralized management unit to oversee seizure and forfeiture activities, nor had it developed policy statements and operating procedures for field offices. In addition, seized vehicles were not adequately secured against theft and vandalism, funds from penalty payments were not properly controlled, and information system security was lax.

## **THE FEDERAL BUREAU OF INVESTIGATION'S AUTOMATIC DATA PROCESSING GENERAL CONTROLS**

A comprehensive audit of the automatic data processing environment of the FBI was performed to determine whether Automatic Data Processing (ADP) general controls have been designed according to management direction and known legal requirements. ADP general controls were also examined to determine whether they were operating effectively to provide reliability of, and security over, the data being processed. The audit found major internal control weaknesses. The most significant deficiencies were in the areas of property

control, automated information system planning and development, and security. For example, at the time of the audit, the FBI could not account for over 2,000 pieces of ADP equipment, some of which may have contained sensitive data and which cost approximately \$14 million. Further, the FBI's information resources management (IRM) program was fragmented and ineffective, and the FBI's IRM official did not have effective organization wide authority. The FBI's phased implementation of its 10-year long range automation strategy, scheduled for completion in 1990, was severely behind schedule and may not be accomplished. The FBI had not developed and implemented a data architecture nor involved top management in systems development through an executive review committee.

**IN 1970, THE DOJ  
BEGAN USING ASSET  
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IN THE BATTLE  
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ORGANIZED CRIME.**

The FBI's major mainframe investigative systems were labor intensive, complex, untimely, and non-user friendly. These factors combined with the limited availability of ADP terminals in the field offices resulted in minimal use of the systems by Special Agents.

The audit further disclosed that environmental exposures existed at the FBI Headquarters Computer Center. In addition, the FBI has not conducted a formal risk analysis nor developed and tested contingency plans for its ADP facilities. A risk analysis

and contingency plan are necessary for the FBI to be able to provide reasonable assurances of continuous ADP processing should there be a prolonged interruption of service.

The FBI's automated information systems security policy is incomplete and outdated. Controls over operating system protection mechanisms at the FBI Headquarters Computer Center were insufficient, which could result in integrity exposures being introduced to the operating system. Finally, personnel security reinvestigations have not been performed on approximately 40 percent of the Technical Service Division employees in critical-sensitive positions.

### **COORDINATION OF ANTITERRORISM ACTIVITIES WITHIN THE DEPARTMENT OF JUSTICE**

At the time of the audit, antiterrorism responsibilities were divided among 16 offices of the DOJ. In many cases, DOJ offices considered antiterrorism activities as an integral part of the office's general mission. Antiterrorism responsibilities were performed as part of other office functions, such as court security, immigration inspections, etc., instead of being managed as a separate program. The purpose of the audit was to determine whether increased efficiency could be achieved through consolidation or redistribution of antiterrorism activities. The audit found that the Department has formal mechanisms for coordinating antiterrorism activities and that Departmental components have specific policies and procedures in place that address antiterrorism responsibilities. These policies and procedures have generally resulted in effective coordination of antiterrorism actions.

Existing formal and informal mechanisms for coordination and cooperation among Departmental components and other Federal, State, and local agencies have also provided for an effective and comprehensive antiterrorism effort. Improvements can be made, however, by reassessing placement of responsibility for coordinating and controlling the DOJ's reaction to terrorism; increasing information sharing

between the DOJ and the National Security Agency; and finalizing a memorandum of understanding between the DOJ and the U.S. Department of State.

### **OBLIGATIONS AND PAYMENTS WITHIN THE FINANCIAL ACCOUNTING AND CONTROL SYSTEM OF THE IMMIGRATION AND NATURALIZATION SERVICE**

The audit of the INS obligations and payments within the Financial Accounting and Control System (FACS) determined that significant weaknesses existed in the internal controls over INS' payments and obligations. These weaknesses allowed duplicate payments and accounting entries to occur, incorrect financial results to be reported, and improper certification of outstanding obligations to be reported to the President. For example, statistically valid projections of the audit sample indicate as much as \$395,399 in duplicate payments to vendors and other government agencies occurred during almost 11 months of FY 1989.

Voucher preparation and payment procedures were inadequate and allowed duplicate payments to occur. Duplicate accounting entries occurred because INS had not established adequate computer edit checks over payments nor reconciled FACS reports with the U.S. Treasury reports and FACS reports to accounting documents. Projections of the statistically valid sample indicated that expenses were overstated by as much as \$5 million for the three locations tested.

Controls over payments were also inadequate. Weaknesses in payment procedures included inadequate system access controls, and the existence of invalid, unliquidated obligations recorded in past fiscal years. Most of the unliquidated obligations sampled were not valid or supported by documentary evidence, and were improperly certified. At INS Headquarters, over \$14 million, or 92 percent of the obligations for years prior to FY 1988, were invalid. INS could expend more than its current appropriation and there was a risk of undetected fraud.

## **MANAGEMENT OF HAZARDOUS MATERIALS AND WASTE IN THE BUREAU OF PRISONS**

This audit examined the management, storage, and transportation of hazardous materials and waste within prison factories of the Federal Prison System. The audit disclosed instances of noncompliance with Occupational Health and Safety Administration regulations and BOP policies. Additionally, BOP needed to develop procedures to increase the effectiveness of managing hazardous substances within the institutions. Further, Federal regulations and BOP policies for managing hazardous materials and waste were not always complied with because of lack of policy awareness, lack of time or funding, or lack of enforcement.

Specific areas of noncompliance were found in the hazardous materials communication program, contingency plans, record keeping and reporting, training of safety personnel, and security of a hazardous storage site. Further, institutions were not monitoring disposal facility contractors because BOP had not established a requirement to do so. As a result, BOP may not be aware of contractor deficiencies for which it may be held liable. The lack of adequate procedures and controls may adversely affect BOP's ability to properly manage hazardous materials and waste, resulting in possible personal injury or damage to the environment. However, we noted no actual instances of such injury or damage during the audit period.

## **SUPERFUND ACTIVITIES IN THE ENVIRONMENT AND NATURAL RESOURCES DIVISION FOR FISCAL YEAR 1989**

A financial and compliance audit was performed of the Environment and Natural Resources Division (ENRD) implementation of the Environmental Protection Agency's (EPA) Interagency Agreements with the DOJ for FY 1989. An examination of the

accounting records, supporting documentation, and tests of Superfund costs for allowability and allocability disclosed no material discrepancies in the FY 1989 Superfund costs reported by the ENRD to the EPA. However, the ENRD procured routine accounting, reporting, and support services totaling more than \$500,000 from a Certified Public Accounting firm under a sole source expert witness agreement.

These services should have been acquired under a formal contract pursuant to the Federal Acquisition Regulation. Also, ENRD has not provided the EPA with the required report on minority business utilization in contracts supported by Superfund dollars.

## **TRUSTEE AUDITS**

The Audit Division has contributed significantly to the integrity of the bankruptcy system by performing financial audits of trustees under a reimbursable agreement with the Executive Office for United States Trustees. During the reporting period, 191 trustee reports were issued.

Financial and compliance audits are performed of Chapter 12 family farmer trustees and Chapter 13 standing trustees to evaluate the adequacy of the trustees' accounting systems and related internal controls, compliance with major statutes which could have a material effect upon the financial information provided to the U.S. Trustees and the Courts, and the fairness of the trustees' financial representations. In addition, two other types of reviews are performed of Chapter 7 panel trustees. Operational surveys of recently appointed Chapter 7 trustees are performed to provide the U.S. Trustees with an overview of internal control weaknesses or potential problem areas. Cash management reviews of Chapter 7 trustees assess the accounting and internal control systems employed by individual panel trustees in the high-risk area of cash management.

## EXTERNAL AUDITS

The Single Audit Act of 1984 and OMB Circulars A-128 and A-133 require recipients of Federal funds to arrange for an audit of their activities. During this period, 169 external reports were issued encompassing 761 Department contracts, grants and other agreements totaling \$542,292,405. These audits report on financial activities, compliance with applicable laws, and in many cases the adequacy of internal controls over Federal expenditures of those recipients. Reports on organizations over which the Department is cognizant or which have a preponderance of Departmental funds are reviewed to ensure they comply with the Comptroller General's audit standards. In certain limited circumstances, the OIG performs audits of State and local governments, non-profit organizations, and Departmental contracts.

## MANAGEMENT MEMORANDUM

A Management Information Memorandum was issued during the reporting period to the FBI. The memorandum was one of several issued on the review of the internal audit work performed by the FBI of its Financial Management System (FMS). This memorandum addressed six aspects of the FMS audited by the FBI's internal auditors -- Accounts Payable, Cash, Payroll, ADP Assessment of the Payroll System, Financial Statement Preparation, and Operating Expenses. In each of the audited areas, we determined that the FBI's audit work, workpapers, and

related audited reports were satisfactory. However, it was determined that two of the areas included in the FBI's overall FMS audit plan were not performed. These were reviews of FMS Budgetary Controls and FMS ADP Controls other than Payroll. Completion of these last two areas is currently under discussion between the FBI and OIG.

## AUDIT FOLLOW-UP ACTIVITIES

OMB Circular A-50, "Audit Followup," requires audit reports to be resolved within 6 months of the audit report issuance date. The status of open audit reports are continuously monitored to track the audit resolution and closure process. As of September 30, 1990, the OIG closed 334 audit reports and was monitoring the resolution process of 113 open audit reports. Of this latter number, 51 were over 6 months old but resolved. Thus the Audit Division has no unresolved audits over 6 months old.

## NOTICES OF IRREGULARITY

A Notice of Irregularity is a form of written communication referred to appropriate officials when questionable practices are noted during the course of an audit or when allegations of fraud, abuse, and/or employee misconduct are brought to the Audit Division's attention. During this reporting period, OIG auditors issued four Notifications of Irregularity to the Investigations Division.

**Audits are selected based on an audit universe which is structured to identify the functions and programs within the Department. Audits are performed in three general categories--Internal, Trustee, and External.**

AUDIT STATISTICS			
AUDITS WITH QUESTIONED COSTS APRIL 1, 1990 -- SEPTEMBER 30, 1990			
	NUMBER OF AUDIT REPORTS	TOTAL QUESTIONED COSTS (INCLUDING UNSUPPORTED COSTS)	UNSUPPORTED COSTS
Audit reports on which no management decision was made by the beginning of the period.	5	\$4,046,987	\$44,938
Audit reports issued during the period	19	\$576,403	\$213,200
Audit reports needing management decisions during the period	24	\$4,623,390	\$258,138
Audit reports on which management decisions were made during the period:			
• Amounts management agreed to recover (disallowed)	7	\$4,165,923	\$163,874
• Amounts not sustained (not allowed)	0	0	0
Audit reports with no management decision at the end of the period	17	\$457,467	\$94,264



AUDITS WITH FUNDS RECOMMENDED TO BE PUT TO BETTER USE APRIL 1, 1990 -- SEPTEMBER 30, 1990		
	NUMBER OF AUDIT REPORTS	FUNDS RECOMMENDED TO BE PUT TO BETTER USE
Audit reports on which no management decision was made by the beginning of the period.	1	\$638,200
Audit reports issued during the period	0	0
Audit reports needing management decisions during the period	1	\$638,200
Audit reports on which management decisions were made during the period:		
• Amounts management agreed to be put to better use	0	0
• Amounts not agreed to be put to better use	1	\$638,200
Audit reports with no management decision at the end of the period	0	0

AUDITS INVOLVING RECOMMENDATIONS FOR MANAGEMENT IMPROVEMENTS APRIL 1, 1990 -- SEPTEMBER 30, 1990		
	NUMBER OF AUDIT REPORTS	TOTAL MANAGEMENT IMPROVEMENTS
Audit reports on which no management decision was made by the beginning of the period.	20	100
Audit reports issued during the period	62	336
Audit reports needing management decision during the period	82	436
Audit reports on which management decisions were made during the period:		
• Number management agreed to implement	*41	251
• Number not agreed to implement	0	0
Audit reports with no management decision at the end of the period	49	185

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

## INVESTIGATIONS DIVISION

The Investigations Division investigates allegations of fraud, waste, abuse, corruption, and serious misconduct. It also investigates violations of integrity laws which govern the Department, allegations about operations financed by the government, and develops cases for criminal and civil prosecution and possible administrative action.

Prior to the establishment of the OIG, the OPR was responsible for all misconduct investigations in the Department. The Inspector General Act Amendments of 1988 directed that allegations relating to employees in attorney, criminal investigative and law enforcement positions be referred to the OPR. As described earlier in this Report, an MOU was signed with OPR which provides that OIG resources, under the direction and supervision of OPR, can be used to investigate allegations against individuals in these positions. Allegations involving misconduct against employees in other job categories and fraud against the Department and its programs are the direct responsibility of the OIG. Cases involving both types of personnel are handled jointly.

In addition, the OIG refers some cases to program offices which are generally noncriminal in nature and involve administrative matters. These cases, hereinafter referred to as monitored cases, are subject to the supervision, control, and review of the OIG to ensure they are properly handled.

### LAW ENFORCEMENT AUTHORITIES

On January 29, 1990, the Attorney General conferred upon and delegated to the Department of Justice Inspector General certain law enforcement authorities and directed that all individuals designated as special agents within the OIG be deputized as Special Deputy United States Marshals. With this designation came the authority to carry firearms,

make arrests, and execute certain legal writs, including search warrants. The Attorney General's designation remains in effect until June 30, 1991, to be renewed annually thereafter upon review by the Deputy Attorney General. In addition, the Attorney General by the same order permanently vested in OIG special agents additional authority relating to investigations involving aliens and prisoners who, upon occasion, are vital witnesses in OIG cases.

### UPDATES ON SELECTED CASES REPORTED IN THE PREVIOUS SEMIANNUAL REPORTS

Information was received that an INS Inspector was selling genuine Permanent Resident Alien Cards for a fee of \$2,000 each. Through the use of an undercover informant, consensually monitored conversations and surveillance, a genuine INS document was purchased from the employee. The INS employee and two civilian middlemen were arrested by OIG Agents and were indicted for bribery and conspiracy.

**Update - The two middlemen each pled guilty to one count of conspiracy and were sentenced to serve six months in prison and received thirty-six months probation. The INS employee remains in custody and has been committed for mental observation. A trial date for the INS employee is pending.**

An Immigration Legalization officer met several undocumented aliens at a social gathering in a rural Texas area and realized that none of the aliens was eligible for legalization. He advised that he could help them if they would pay him the amnesty filing fee of \$185, plus \$200 for expeditious handling of their cases. Eight of the aliens agreed to pay the officer a total of \$2,600 for his assistance.

The officer, with the aid of other family members, cashed the undesignated money orders and falsified at least six applications for legalization by providing false employment documentation for them. He was indicted on eight counts of extortion and six counts of creating and supplying false writings and documents. He subsequently pled to one felony count and is awaiting sentencing.

**Update -** The officer resigned his position with INS shortly after committing the offenses. He was sentenced on April 27, 1990, to serve six months imprisonment, followed by two years of supervised parole.

A Supervisory Immigration Inspector was approached by a female who was accompanying a male Korean national in possession of false documentation. The female offered \$2,000 if the Immigration Inspector would allow the male Korean national to pass into the United States without further process. The Immigration Inspector reported the bribe offer to the OIG and agreed to assist in the investigation. OIG agents fitted the Immigration Inspector with a recording device prior to the second meeting with the woman. She repeated the offer, paid him as arranged, and offered to pay him additional money for allowing other Koreans to enter the United States on a continuing basis for half of whatever fee she collected from them. The woman was arrested and charged with one count of bribery.

**Update -** The subject was indicted by a Federal Grand Jury on June 6, 1989. The Assistant United States Attorney advised that the subject has agreed to enter a guilty plea.

A correctional officer admitted to OIG agents that he had sexual relations with a woman incarcerated in a BOP Metropolitan Correctional Center. Forensic examination provided corroborating evidence. The

employee was indicted by a Federal Grand Jury for sexual abuse of a ward of the government.

**Update -** A jury trial resulted in conviction on the sexual abuse charges, and he was sentenced to 4 months imprisonment, and additional terms of probation and community service. This was the first jury trial of a BOP employee under the sexual abuse statutes enacted in 1986.

## **SIGNIFICANT INVESTIGATIONS DURING THIS REPORTING PERIOD**

### **BRIBERY**

- Through the use of an undercover operative, the INS Forensic Documents Laboratory, a Title I wire intercept, surveillances in three cities, and execution of several search warrants, it was determined that an INS Information Management Specialist, working with civilian middlepersons, conspired to sell legitimate Alien Registration Receipt Cards (Green Cards) to known Columbian drug cartel members. The employee and two of the three middlepersons were arrested; the remaining individual is a fugitive. The employee's bail was set at \$500,000; the co-conspirators are being held in lieu of \$150,000 and \$200,000 corporate surety bonds. The employee, a GS-11, had amassed assets believed to exceed one million dollars, which have been seized. All the defendants were charged with conspiracy, bribery (18 USC 201), and fraudulent identity documents (18 USC 1028(a)(2)), in that they caused 127 genuine green cards to be fraudulently issued. Interviews and arrests of aliens who obtained the green cards are continuing and efforts to locate the remaining middleperson are being coordinated with the U.S. Attorney's Office, Southern District of New York, and INS. A grand jury investigation of the wife, also an INS employee, resulted in a superseding indictment of the subject, his wife, and three others on September 18, 1990, on money laundering, bribery and conspiracy charges.

- A Philippine National attempted to bribe an INS Examiner with \$500 in return for a favorable disposition on her case. The subject's bribe attempt was recorded during an OIG consensual monitoring operation. The subject pled guilty to supplementing the salary of a government employee (18 USC 209), and was sentenced to perform 100 hours of community work, placed on probation for three years and fined \$250.
- As a result of a DEA wiretap, information was developed which indicated that an INS Inspector illegally provided re-entry documents to drug dealers to facilitate their smuggling activities. The Inspector was observed assisting five Jamaican drug traffickers to enter the United States through John F. Kennedy Airport. The Inspector was arrested and admitted providing the reentry documents to the Jamaicans in return for approximately \$3,000 in cash and rent payments. A search of the Inspector's residence disclosed various stolen Immigration documents and the identities and location of other Jamaican drug dealers were also discovered. The Inspector pled guilty to a single count to conspiracy to distribute a controlled substance (21 USC 846) and is scheduled to be sentenced in December 1990.
- A corrupt Immigration Inspector, working with an organized smuggling ring, received thousands of dollars for each national from the Peoples Republic of China he allowed to enter the United States through St. Thomas, Virgin Islands. In a joint investigation, OIG and U.S. Customs Agents infiltrated the smuggling ring via a Customs Agent posing as a corrupt employee. Over the course of the investigation three controlled smuggling ventures were undertaken with audio and video monitoring of conversations and meetings. By the culmination of the investigation, the Customs Agent had received \$25,000 in bribes. Twelve of the thirteen principals arrested, including smuggled aliens and ring members, pled guilty and cooperated with the Government. Only the Immigration Inspector went to trial and he is awaiting sentencing after his jury conviction on all ten felony counts of bribery, conspiracy, and destruction of government records.
- A Special Agent of the INS Newark District was approached by an individual who claimed he wanted the Agent to expedite the deportation of his ex-wife. When the Agent refused the individual produced a number of \$100 bills. The OIG was immediately contacted and the subject was interviewed. He admitted he had \$500 in an envelope and showed that money to the OIG Agent. The subject denied offering anyone any bribe and said he was "looking for change to buy coffee." The subject was arrested at the direction of the Assistant United States Attorney and charged with violation of the bribery statutes. The subject was indicted on one count of bribery (18USC 201(b)).
- An Immigration Inspector was approached by a man and woman who offered him money to obtain an INS document. OIG was contacted and an undercover operation was conducted with the Immigration Inspector portraying the role of a corrupt INS employee. The undercover operation was successfully concluded with the arrest of both subjects after they paid the Immigration Inspector \$1,500 to obtain the document. The subjects were charged and indicted for bribery and conspiracy to bribe a public official. The subjects subsequently entered guilty pleas and are awaiting sentencing.

## FRAUD

- Information was received from an OIG Inspection Report of Irregularities within the INS western region imprest fund account. An OIG investigation found that approximately \$700 from the imprest account had been fraudulently taken, and phony inter-

im receipts had been placed in the record to cover the loss. During the investigation, an INS clerk admitted to the falsification of the interim receipts, aided by another INS clerk in the same office. On September 14, 1990, a criminal complaint was issued against the INS employee, charging her with theft (18 USC 641) and falsification of financial records (18 USC 1073).

- An OIG investigation substantiated that an INS Special Agent submitted a false claim for disaster relief to the Federal Emergency Management Agency (FEMA). The Agent falsely contended that he had sustained over \$13,000 in property losses caused by Hurricane Hugo and, after a bench trial, was convicted on three felony counts of making false claims and statements in connection with his application for disaster relief. The Agent is awaiting sentencing. He has refused a \$10,000 grant he obtained from FEMA and was denied a \$3,000 low interest Small Business Administration loan as a result of this investigation.

### EMBEZZLEMENT

- After an OIG investigation, a detention officer employed by the USMS entered a guilty plea to embezzling and converting to his own use the funds and property of prisoners in his custody. The pleas were entered to eight counts involving eight prisoners from whom he admitted taking \$3,500.

The subject was terminated from the USMS on April 28, 1990 and is scheduled to be sentenced in October, 1990.

- An OIG investigation substantiated that a USMS clerk embezzled \$2,000 from a Marshals Service vault. The employee pled guilty to one count of converting property of another (18 USC 654), and was sentenced to probation and ordered to pay \$2,000 in restitution.
- An extensive OIG financial investigation established that an INS employee embezzled approxi-

mately \$30,000 over a three year period by submitting altered or fraudulent invoices for motor vehicle parts, repairs, and accessories.

The subject was indicted by a Federal Grand Jury on September 12, 1990 on nine counts of false, fictitious or fraudulent claims against the government (18 USC 287) and was arrested by OIG Agents on September 13, 1990. He was released on \$25,000 bond and has been suspended by INS. A trial date is pending.

### ALIEN SMUGGLING

- An INS Inspector conspired with a civilian travel agent to smuggle illegal Israeli aliens into the United States. The Inspector set up sham processing interviews with the alien clients at the local INS district office and provided INS stamps, ink pads and documents in furtherance of the scheme. The alien clients were each bilked out of thousands of dollars believing that the INS benefits promised were being lawfully granted. One of these clients, working in a covert capacity, identified a group of aliens entering the United States, who were intercepted by OIG. The Inspector, travel agent, civilian co-conspirator, and a number of illegal aliens were arrested. The Inspector pled guilty to alien smuggling and was sentenced to four months imprisonment, two years supervised release, and the payment of a \$1,000 fine. The travel agent pled guilty to conspiracy and is awaiting sentencing.

### SALE OF DOCUMENTS

- Three civilians, including one who had recently resigned her position as an INS Legalization Assistant, were arrested by OIG agents following the sale of INS documents to undercover OIG agents posing as illegal aliens. Based on a search warrant, numerous executed INS amnesty documents, 160 INS extension stickers, and \$23,000 in cash were seized from the home of the former INS employee and her husband, who was also arrested. When arrested, the

former employee admitted that the seized money was from the sale of INS documents. Another search warrant was served on the third individual's business and hundreds of counterfeit Puerto Rican birth certificates and Social Security cards were seized. Additional charges are pending on all three individuals as the investigation continues.

indicted by a Federal Grand Jury for theft and conversion of government property.

## THEFT AND CONVERSION OF GOVERNMENT PROPERTY

- An investigation that started with allegations that a BOP contracting official had used government materials and contractors to build an addition to a local church led to indictment of the employee for theft of government property.

A search warrant executed at the subject's residence resulted in locating a government computer that the subject had attempted to conceal, by putting the high speed processor with extra memory into the case of his personal computer. The subject has been

## INVESTIGATIONS STATISTICS

OIG HOTLINE AND COMPLAINT STATISTICS	
Method of Receipt:	
• Hotline	128
• Other Methods	1411
Total Allegations Received	1539
Disposition of Total Allegations Received:	
• Cases Initiated	395
• Cases Monitored	625
• Referrals Made	136
• Those Requiring No Action	383
TOTAL	1539

OIG MONITORED INVESTIGATIONS	
Cases Active	*134
Cases Opened	248
Cases Closed	157
Cases Pending	225

OIG INVESTIGATIONS MONITORED IN SUPPORT OF THE OFFICE OF PROFESSIONAL RESPONSIBILITY	
Cases Active	*167
Cases Opened	377
Cases Closed	234
Cases Pending	310

\* A case pending from the last reporting period was transferred from the OIG to the OPR.

**The Investigations Division investigates allegations of fraud, waste, abuse, corruption, and serious misconduct. It also investigates violations of integrity laws which govern the Department, allegations about operations financed by government, and develops cases for criminal and civil prosecution and possible administrative action.**

**\*\* This number in chart at right reflects the transfer of a case from the OIG to the OPR as well as 4 additional cases not reported during the prior period.**

OIG CONDUCTED INVESTIGATIONS	
Cases Active	*391
Cases Opened	234
Cases Closed	197
Cases Pending	428
Cases Referred for Prosecution	74
• Cases Accepted	39
• Cases Declined	20
• Cases Pending	15
Indictments/Informations/Criminal Complaints	19
Convictions/Pleas	22
Civil Filings	1
Fines/Restitutions/Recoveries	\$33,254

*\* A case pending from the last reporting period was transferred from the OIG to the OPR.*

OIG INVESTIGATIONS CONDUCTED IN SUPPORT OF THE OFFICE OF PROFESSIONAL RESPONSIBILITY	
Cases Active	**208
Cases Opened	161
Cases Closed	168
Cases Pending	201
Cases Referred for Prosecution	56
• Cases Accepted	28
• Cases Declined	19
• Cases Pending	9
Indictments/Informations/Criminal Complaints	9
Convictions/Pleas	6
Civil Filings	0
Fines/Restitutions/Recoveries	\$13,548

## INSPECTIONS DIVISION

The Inspections Division provides the OIG with another mechanism, in addition to Audit and Investigations, for dealing with issues associated with fraud, waste, and abuse. Inspections are tailored to provide situation-specific and site-specific coverage with the intent of providing timely feedback to senior managers and early warning to the Administration and the Congress about problems that may exist. The Inspections Division provides the Inspector General with a multi-disciplinary capability to examine a large number of discrete activities and to review new operations early in their existence in a relatively rapid fashion. Inspections are governed by guidelines issued by the President's Council on Integrity and Efficiency and are designed to provide reliable information using a variety of methodologies.

The activities of the Inspections Division are provided in an annual workplan. The workplan is designed to assure oversight of DOJ programs and offices while allowing the Inspector General the flexibility to promptly focus resources on specific problems or trouble areas. The Inspections Division is also responsible for conducting annual reviews of the Department's compliance with the Federal Manager's Financial Integrity Act of 1982 established by Public Law 97-255, and activities involving anti-lobbying with government funds established by Public Law 101-121.

### SIGNIFICANT INSPECTIONS

#### **Inspection of the Immigration and Naturalization Service, Newark District Office**

The inspection was conducted to determine whether district employees were in compliance with all applicable laws, policies and procedures. It disclosed that INS has lost large sums of revenue by not billing owners and operators of cargo vessels for

1931 Act overtime costs incurred by INS employees for inspecting these vessels. In the Newark District alone, it is estimated that about \$93,000 was not billed in 1989.

The inspection indicated that this may be an agency-wide systemic problem which could amount to annual losses of over \$3,000,000. In addition, INS failed to charge interest when accepting installment payments for fines levied against employers and failed to properly notify debtors that they were subject to late payment charges on past due balances. Another area of concern was that District management ineffectively planned work schedules resulting in unnecessary overtime or holiday pay of \$10,500 on an annual basis.

#### **Inspection of Federal Prison Industries Contracting Procedures and Internal Controls Relative to Selected Procurement**

The inspection was conducted to determine whether the Federal Prison Industries (FPI) followed Federal Acquisition Regulations (FAR) in awarding and administering contracts and whether internal controls were adequate. The inspection was conducted at the Federal Prison Camp, Metal/Wood and Resources Divisions in the Central Office of FPI.

The FPI produces and sells modular and panel systems furniture to other federal agencies. The inspection disclosed numerous violations of the FAR and an absence of internal controls. It was determined that delivery orders for services were not signed by authorized contracting officers prior to performance of the services. In several instances, FPI paid contractors erroneously for supplies and services not included in the contract or contract modifications and paid for supplies and services on the



contract which it never received. Another weakness noted was that both Lewisburg and Duluth made payments against a space planning contract but the Central Office did not keep a record of the total payments made against the contract. As a result, the amount of space planning services procured was in excess of \$1,000,000, exceeding the contract amount of \$42,000. Other areas of concern were that some of the items included in the FPI System Furniture Catalog may not qualify as prison-made products, and that the FPI was not manufacturing raw material items to the fullest extent practicable.

#### **Inspection of the United States Marshals Service National Asset Seizure and Forfeiture Program**

The NASAF Program was created within the USMS to centralize management of assets seized by Justice Department organizations (USMS, FBI, DEA, and INS) pursuant to several forfeiture statutes. The inspection was performed at the request of USMS senior management. The focus of the inspection was to evaluate the usefulness of the input data used in the operation of the NASAF automated information system; assess the adequacy of established operating policy; and, determine the extent of district compliance with regard to reporting requirements. The inspection disclosed that important data were not being captured, data validity was erratic, data were not being entered timely, and the NASAF reporting system was not designed to properly reflect accurate values of assets seized and forfeited. Another area of concern was that the NASAF Program lacked adequate written policy and procedures. This has hindered the development of uniform management practices in the care, maintenance, and disposal of seized and forfeited properties.

#### **Inspection of the United States Marshals Service, District of Colorado**

The inspection was conducted to determine the effectiveness of the District's financial, operational, and administrative programs. The major weaknesses found were in the NASAF Program. District employees did not become actively involved in pre-seizure planning with other law enforcement agencies. In two instances, preplanning and cooperation might have saved the government approximately \$83,000. Also, District employees failed to dispose of forfeited property in a timely manner resulting in potential losses of revenue to the government. The District also had serious deficiencies in the accountability of seized property. There were other problems discovered in the NASAF Program which appeared to be acts of a fraudulent nature against the government. Consequently, pertinent information was forwarded to the Investigations Division for criminal investigation. Another area where a weakness existed was in financial management. The District did not have adequate controls over the Support of U.S. Prisoners Appropriation, which resulted in substantial underpayment to the jails for space used.

#### **Inspection of the Immigration and Naturalization Service Border Patrol Sector, El Paso, Texas**

The inspection was conducted to determine the operational effectiveness and efficiency of the Sector. The inspection disclosed that the Sector had violated FAR. The inspection also disclosed the need for tighter administrative controls over: crediting overtime, maintaining personnel background investigations, computing temporary duty allowances, and ensuring the timely deposit of fund receipts.

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**The Inspections workplan assures oversight of DOJ programs and offices**

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The Sector did not maintain an accurate record of accountable property, the weapons inventory was not current, and weapons inspections were not conducted as required. Weapons qualifications were not current and agents were not complying with certain regulations regarding weapons security. Additionally, the problems listed below were found to be systemic and, therefore, may exist in other INS offices: (1) INS Headquarters lacked a system for allocating vehicles to the field and, thus, had no accurate way of determining the appropriate number of vehicles needed in the Sector; (2) INS Headquarters continually violated the Prompt Payment Act in dealing with vendors servicing Border Patrol flight operations and duplicate payments were made to some suppliers; and, (3) INS Headquarters purchased 20 percent of U.S. Border Patrol helicopter fleet from a manufacturer knowing that the company had difficulty in delivering replacement parts in a timely manner. In most instances, INS had to wait 6 months or longer to receive ordered parts. Without substantial improvement in delivery times, these helicopters may have to be grounded for extended periods.

### **Inspection of the United States Attorney's Office, District of South Carolina**

The inspection was conducted to determine the efficiency and effectiveness of the services provided by the U.S. Attorney's Office for the District of South Carolina. The OIG found that the District needs to establish policy to ensure adequate separation of duties within the Financial Litigation Unit. Specifically, the person responsible for preparing deposits was the same person that posted the payments to the collection records. Another concern was that collection analysts were closing cases as noncollectible without review and/or approval by an Assistant United States Attorney. The OIG further noted that case processing and post-judgment collection activ-

ity were not promptly pursued for all active cases. Other concerns were that foreclosures for the Farmer's Home Administration were not completed in a timely manner; Grand Jury files and tax records needed to be safeguarded against unauthorized disclosure; and, statistical information was misleading and inaccurate.

### **Inspection of Freedom of Information Act (FOIA) and Privacy Act (PA) Operations In Department of Justice Components**

This inspection examined the FOIA and PA programs of 13 departmental components. The inspection focused on two program aspects: (1) component compliance with statutory time limits in replying to requests; and, (2) capability of components in handling caseloads. The inspection disclosed a general failure to meet statutory time limits. While the components did acknowledge most requests in 10 days, none consistently provided substantive responses within the statutory time limits. One component averaged over one and one half years between receipt of requests and mailing of the response. In regard to handling caseload, significant improvements have been made by most organizations since 1985. With the exception of the time delays, most organizations are now handling their caseloads reasonably well. It was noted, however, that some components still need to increase staffing resources dedicated to this activity and provide a greater program emphasis to better fulfill their responsibilities under the two Acts.

### **Inspection of the Immigration and Naturalization Service, Cleveland District Office**

The inspection reviewed specific district programs to determine conformance with INS policy and procedures and to assess program efficiency and

effectiveness.

The inspection disclosed that alien surety bonds totaling \$22,000 had been mishandled by the District, which jeopardized the Government's legal ability to obtain payment. It was also found that cash received as evidence was not adequately safeguarded and effective control over the use of admission stamps was lacking. Managers needed to make monthly verifications and annual audits of the imprest fund. The inspection also disclosed that timely case reviews were not performed nor were control records updated to facilitate the tracking of controlled deportation cases. Required annual jail checks were not made of frequently used jails. It was also noted that asylum and naturalization cases listed on the Master Docket list were not being reviewed and completed. Administrative procedures failed to ensure that: (1) supervisory case reviews were promptly made; (2) employer sanctions reports were reviewed in a timely manner; and, (3) records received from state agencies requesting social benefits were properly safeguarded.

### **Inspection of the Immigration and Naturalization Service Western Regional Center Imprest Fund**

The inspection was conducted to determine whether the fund was consistent with demonstrated needs and whether procedures designed to protect the imprest fund from loss or misuse were followed. Initially, the inspection could not proceed because INS officials could not physically locate the fund. Eventually, it was found in the trunk of the alternate cashier's car in another city and returned to the Regional Office. In addition to this failure to adequately safeguard the fund, the inspection disclosed several other irregularities. For example, over \$2,800 advanced to employees as far back as December 1988 remained outstanding. More than \$7,100

had been advanced to travelers who may not have had the advance deducted from their claims for reimbursement for travel expenses. Also, there was no evidence that the fund had ever been verified or audited as required. Due to the seriousness of the imprest fund management discrepancies, the Inspections Division forwarded this matter to the Investigations Division.

### **Inspection of the Adjudications Program, Western Region Immigration and Naturalization Service**

This inspection was primarily concerned with the adjudication process in the Western Region. Essentially, this process involves the determination by an INS "examiner that an application or petition requesting alien benefits is supported and justified. Additionally, the Western Region uses a "remoting" system to handle adjudications. Under this system, applications and petitions are processed at service centers dedicated solely to adjudications, and at ports of entry where adjudications are performed by Immigration Inspectors during downtime (time not required for inspection duties).

The inspection disclosed that extensive overtime usage should be discontinued because earlier staffing problems had been corrected. Although INS standards existed for using employee downtime for adjudications, these standards were not followed and employee downtime was not being used for this purpose at those sites inspected. Additionally, closer liaison among port, district, and adjudication resources are necessary to prevent applications from remaining without action for lengthy periods of time.

### **REFERRAL FOR CRIMINAL INVESTIGATION**

During this review period, four inspections resulted in referrals to the Investigations Division.

**INSPECTIONS STATISTICS**

**T**he Inspections Division provides the OIG with another mechanism, in addition to Audit and Investigations, for dealing with issues associated with fraud, waste, and abuse.

INSPECTIONS WORKLOAD ACCOMPLISHMENTS	
	NUMBER OF INSPECTIONS
Inspections Active at the Beginning of the Period	18
Inspections Initiated	11
Final Reports Issued	20
Inspections Active at the End of the Reporting Period	9

# **APPENDIX I**

## **AUDIT REPORTS** **APRIL 1, 1990 - SEPTEMBER 30, 1990**

### **INTERNAL AUDIT REPORTS**

Department of Justice Fiscal Year 1988 Year End Spending

Contracts for Advisory and Assistance Services in the Department of Justice

Coordination of Antiterrorism Activities Within the Department of Justice

Obligations and Payments Within the Financial Accounting and Control System of the Immigration and Naturalization Service 1/

Management of Hazardous Materials and Waste in the Bureau of Prisons

Management of Seized and Forfeited Assets in the Department of Justice

The Federal Bureau of Investigation's Automatic Data Processing General Controls

Superfund Activities in the Environment and Natural Resources Division for FY 1989

The Asset Forfeiture Fund

The Seized Asset Deposit Fund

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1/ Total Questioned Costs -- \$36,574  
Unsupported Costs -- \$36,574

# APPENDIX II

## TRUSTEE AUDIT REPORTS

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

<u>Title/Report Number</u>		<u>Title/Report Number</u>	
Cash Management Review of Panel Trustee Stephen Hyman	MR-40-90-008	Operational Survey of Panel Trustee Anne Moore	SR-40-90-006
Cash Management Review of Panel Trustee Gregory K. Crews	MR-40-90-017	Operational Survey of Panel Trustee Charles Wynn	SR-40-90-011
Cash Management Review of Panel Trustee Roger Moister	MR-40-90-018	Operational Survey of Panel Trustee Lucy DiBraccio	SR-40-90-012
Cash Management Review of Panel Trustee Valerie Hall	MR-40-90-024	Operational Survey of Panel Trustee James Jessell	SR-40-90-013
Cash Management Review of Panel Trustee Jeffrey A. Livingston	MR-40-90-027	Operational Survey of Panel Trustee William Lawless	SR-40-90-015
Cash Management Review of Panel Trustee Terry E. Smith	MR-40-90-028	Chapter 7 Audit of Panel Trustee John Kingsafer	GR-40-90-003
Cash Management Review of Panel Trustee J.C. Bell	MR-40-90-029	Chapter 12 Audit of Standing Trustee Henry E. Hildebrand, III	GR-40-90-004
Cash Management Review of Panel Trustee Harry Pettigrew	MR-40-90-030	Chapter 12 Audit of Standing Trustee John W. Ames	GR-40-90-006
Cash Management Review of Panel Trustee Robert Trauner	MR-40-90-031	Chapter 12 Audit of Standing Trustee Harold J. Barkley	GR-40-90-007
Cash Management Review of Panel Trustee Robert L. Roth	MR-40-90-032	Chapter 12 Audit of Standing Trustee C. Kenneth Still	GR-40-90-008
Cash Management Review of Panel Trustee Joel C. Morgan	MR-40-90-033	Chapter 12 Audit of Standing Trustee James D. Walker, Jr.	GR-40-90-009
Cash Management Review of Panel Trustee Russ Wilkey	MR-40-90-034	Cash Management Review of Panel Trustee Harold A. Corzin	MR-50-90-053
Cash Management Review of Panel Trustee Michael Baker	MR-40-90-035	Cash Management Review of Panel Trustee Michael Demczyk	MR-50-90-054
Cash Management Review of Panel Trustee Samuel Crocker	MR-40-90-036	Cash Management Review of Panel Trustee Robert Hertzberg	MR-50-90-055
Cash Management Review of Panel Trustee James C. Orr	MR-40-90-037	Cash Management Review of Panel Trustee Donald E. Hoagland	MR-50-90-056
Cash Management Review of Panel Trustee Alan Rhodey	MR-40-90-038	Cash Management Review of Panel Trustee William H. Christison	MR-50-90-057

## APPENDIX II

Cash Management Review of Panel Trustee Harry T. Miller	MR-50-90-058	Cash Management Review of Panel Trustee Peter F. Herrell	MR-50-90-075
Cash Management Review of Panel Trustee Kathryn A. Belfance	MR-50-90-059	Cash Management Review of Panel Trustee Lynn M. Miller	MR-50-90-076
Cash Management Review of Panel Trustee Joseph D. Bradley	MR-50-90-060	Cash Management Review of Panel Trustee Scott F. Shadel	MR-50-90-077
Cash Management Review of Panel Trustee R. David Boyer	MR-50-90-061	Cash Management Review of Panel Trustee Robert M. Waud	MR-50-90-078
Cash Management Review of Panel Trustee Mark Warsco	MR-50-90-062	Cash Management Review of Panel Trustee Ronald R. Peterson	MR-50-90-079
Cash Management Review of Panel Trustee Robert P. Safos	MR-50-90-063	Cash Management Review of Panel Trustee Kenneth C. Meeker	MR-50-90-080
Cash Management Review of Panel Trustee Frank O. McLane	MR-50-90-064	Cash Management Review of Panel Trustee David Matyas	MR-50-90-081
Cash Management Review of Panel Trustee Wayne J. Lennington	MR-50-90-065	Cash Management Review of Panel Trustee William H. Grabscheid	MR-50-90-082
Cash Management Review of Panel Trustee Jules Scott Walker	MR-50-90-066	Cash Management Review of Panel Trustee Pamela Hollis	MR-50-90-083
Cash Management Review of Panel Trustee Randall L. Frank	MR-50-90-067	Cash Management Review of Panel Trustee Philip F. Boberschmidt	MR-50-90-084
Cash Management Review of Panel Trustee H. Bushwell Roberts, Jr.	MR-50-90-068	Cash Management Review of Panel Trustee Jack Rachman	MR-50-90-085
Cash Management Review of Panel Trustee Dennis Dewey	MR-50-90-069	Cash Management Review of Panel Trustee Stephen R. Clark	MR-50-90-086
Cash Management Review of Panel Trustee Robert M. McGill	MR-50-90-070	Cash Management Review of Panel Trustee Malcolm Goodman	MR-50-90-087
Cash Management Review of Panel Trustee Emanuel M. Katten	MR-50-90-071	Cash Management Review of Panel Trustee Jack U. Shlimovitz	MR-50-90-088
Cash Management Review of Panel Trustee Steve N. Mottaz	MR-50-90-072	Cash Management Review of Panel Trustee Alex Knopfler	MR-50-90-089
Cash Management Review of Panel Trustee Robert B. Katz	MR-50-90-073	Cash Management Review of Panel Trustee Richard L. Darst	MR-50-90-090
Cash Management Review of Panel Trustee Bernard J. Natale	MR-50-90-074	Cash Management Review of Panel Trustee Earle I. Erman	MR-50-90-091

## APPENDIX II

Cash Management Review of Panel Trustee James R. Warren	MR-50-90-092	Chapter 12 Audit of Standing Trustee Richard K. Lydick <sup>3/</sup>	GR-50-90-008
Cash Management Review of Panel Trustee Edward P. Dechert	MR-50-90-093	Chapter 13 Audit of Standing Trustee Donald L. Decker	GR-50-90-009
Cash Management Review of Panel Trustee Darcy Williamson	MR-50-90-094	Chapter 12 Audit of Standing Trustee Steven R. Fansler <sup>4/</sup>	GR-50-90-010
Cash Management Review of Panel Trustee Eric C. Rajala	MR-50-90-095	Cash Management Review of Panel Trustee Martin W. Seidler	MR-80-90-015
Cash Management Review of Panel Trustee Edward J. Nazar	MR-50-90-096	Cash Management Review of Panel Trustee A. Jan Thomas	MR-80-90-016
Cash Management Review of Panel Trustee R. Stephen LaPlante	MR-50-90-097	Cash Management Review of Panel Trustee James F. Dowden	MR-80-90-017
Operational Survey of Panel Trustee Vernon Houchen	SR-50-90-001	Cash Management Review of Panel Trustee Jill R. Jacoway	MR-80-90-018
Chapter 12 Audit of Standing Trustee Gary Cameron	GR-50-90-004	Cash Management Review of Panel Trustee John T. Lee	MR-80-90-019
Chapter 12 Audit of Standing Trustee Eric C. Rajala <sup>1/</sup>	GR-50-90-005	Cash Management Review of Panel Trustee Daniel K. Schieffler	MR-80-90-020
Chapter 12 Audit of Standing Trustee Thomas W. McDonald	GR-50-90-006	Cash Management Review of Panel Trustee Derren S. Johnson	MR-80-90-021
Chapter 12 Audit of Standing Trustee Carol F. Dunbar <sup>2/</sup>	GR-50-90-007	Cash Management Review of Panel Trustee Steve Mazer	MR-80-90-022
Cash Management Review of Panel Trustee Jay C. Jones	MR-80-90-011	Cash Management Review of Panel Trustee Charles B. Hendricks	MR-80-90-023
		Cash Management Review of Panel Trustee Thomas M. Hogan	MR-80-90-024
		Operational Survey of Panel Trustee Scott P. Kirtley	SR-80-90-038
<sup>1/</sup> Total Questioned Costs - \$43,974 Unsupported Costs - \$28,395		<sup>3/</sup> Total Questioned Costs - \$45,600 Unsupported Costs - \$45,600	
<sup>2/</sup> Total Questioned Costs - \$82,362 Unsupported Costs - \$82,362		<sup>4/</sup> Total Questioned Costs - \$7,432 Unsupported Costs - \$3,825	



## APPENDIX II

Operational Survey of Panel Trustee Judi E. Beaumont	SR-80-90-042	Chapter 12 Audit of Standing Trustee Robert D. Hemphill	MR-80-90-006
Operational Survey of Panel Trustee John D. Phillips	SR-80-90-043	Chapter 12 Audit of Standing Trustee G. Ray Hendren	GR-80-90-007
Operational Survey of Panel Trustee Mark K. Sutton	SR-80-90-044	Chapter 13 Audit of Standing Trustee Robert B. Wilson	GR-80-90-008
Operational Survey of Panel Trustee Allan L. Potter	SR-80-90-045	Chapter 12 Audit of Standing Trustee Walter O'Cheskey	GR-80-90-009
Operational Survey of Panel Trustee William E. Rutledge	SR-80-90-047	Chapter 12 Audit of Standing Trustee Alan D. Sibarium	GR-80-90-010
Operational Survey of Panel Trustee Kenneth G.M. Mather	SR-80-90-048	Cash Management Review of Panel Trustee Roger Schlossberg	MR-20-90-044
Operational Survey of Panel Trustee Marilyn M. Ritter	SR-80-90-049	Cash Management Review of Panel Trustee J.W. Barringer	MR-20-90-045
Operational Survey of Panel Trustee Reedy M. Spigner	SR-80-90-052	Cash Management Review of Panel Trustee George E. Snyder, Jr.	MR-20-90-046
Operational Survey of Panel Trustee Rudy O. Young	SR-80-90-054	Cash Management Review of Panel Trustee Robert L. Pryor	MR-20-90-047
Operational Survey of Panel Trustee Jeb Loveless	SR-80-90-057	Cash Management Review of Panel Trustee James P. Koch	MR-20-90-048
Operational Survey of Panel Trustee Paul J. Toscano	SR-80-90-058	Cash Management Review of Panel Trustee Richard H. Gins	MR-20-90-049
Operational Survey of Panel Trustee Ronald M. Mapel	SR-80-90-059	Cash Management Review of Panel Trustee Gary Rosen	MR-20-90-050
Chapter 13 Audit of Standing Trustee Gary Norwood	GR-80-90-001	Cash Management Review of Panel Trustee John W. Thompson, Jr.	MR-20-90-051
Chapter 12 Audit of Standing Trustee A.L. Tenney	GR-80-90-003	Cash Management Review of Panel Trustee Richard J. McCord	MR-20-90-052
Chapter 7 Audit of Panel Trustee Fred W. Huenefeld 1/	GR-80-90-004	Cash Management Review of Panel Trustee Lawrence V. Young	MR-20-90-053
Chapter 12 Audit of Standing Trustee H.A. Boughton	GR-80-90-005	Cash Management Review of Panel Trustee Charles S. Hackeling	MR-20-90-054
		Cash Management Review of Panel Trustee Richard H. Weiner	MR-20-90-055

1/ Total Questioned Costs - \$20,505

## APPENDIX II

Cash Management Review of Panel Trustee Michael J. O'Connor	MR-20-90-056	Cash Management Review of Panel Trustee Harold P. Goldberg	MR-20-90-073
Cash Management Review of Panel Trustee John Monaghan	MR-20-90-057	Cash Management Review of Panel Trustee Anthony R. Barone	MR-20-90-074
Cash Management Review of Panel Trustee Raymond G. Dodson	MR-20-90-058	Cash Management Review of Panel Trustee Robert T. Morrison	MR-20-90-075
Cash Management Review of Panel Trustee James T. Meisel	MR-20-90-059	Cash Management Review of Trustee Frederick Reigle	MR-20-90-076
Cash Management Review of Panel Trustee Charles Jones, Jr.	MR-20-90-060	Cash Management Review of Panel Trustee Walter D. Wagoner, Jr.	MR-20-90-077
Cash Management Review of Panel Trustee Edward M. Mazze	MR-20-90-061	Cash Management Review of Panel Trustee Richard M. Kremen	MR-20-90-078
Cash Management Review of Panel Trustee Ernest M. Douglass	MR-20-90-062	Cash Management Review of Panel Trustee Christine C. Shubert	MR-20-90-079
Cash Management Review of Panel Trustee Terry R. Pickard	MR-20-90-063	Cash Management Review of Panel Trustee Nancy J. Winther	MR-20-90-080
Cash Management Review of Panel Trustee Paul I. Krohn	MR-20-90-064	Cash Management Review of Panel Trustee Donald J. Crecca	MR-20-90-081
Cash Management Review of Panel Trustee Edward Zinker	MR-20-90-065	Cash Management Review of Panel Trustee Lawrence T. Phelan	MR-20-90-082
Cash Management Review of Panel Trustee Frank Sacramone, Jr.	MR-20-90-066	Cash Management Review of Panel Trustee John P. Judge	MR-20-90-083
Cash Management Review of Panel Trustee George E. Clark, Jr.	MR-20-90-067	Cash Management Review of Panel Trustee Augustine A. Repetto	MR-20-90-084
Cash Management Review of Panel Trustee Charles A. Szybist	MR-20-90-068	Cash Management Review of Panel Trustee Gordon P. Peyton	MR-20-90-085
Cash Management Review of Panel Trustee Leon P. Haller	MR-20-90-069	Cash Management Review of Panel Trustee Morton Batt	MR-20-90-086
Cash Management Review of Panel Trustee John J. Thomas	MR-20-90-070	Cash Management Review of Panel Trustee Richard A. Umbenhauer	MR-20-90-087
Cash Management Review of Panel Trustee Stephen Darr	MR-20-90-071	Cash Management Review of Panel Trustee Thomas M. Germain	MR-20-90-088
Cash Management Review of Panel Trustee Russell J. Greene	MR-20-90-072	Cash Management Review of Panel Trustee David S. Gellert	MR-20-90-089

## APPENDIX II

Cash Management Review of Panel Trustee James G. Duffy	MR-20-90-090	Cash Management Review of Panel Trustee Robert Steinberg	MR-90-90-007
Cash Management Review of Panel Trustee Mary E. Leonard	MR-20-90-091	Cash Management Review of Panel Trustee William Grover	MR-90-90-008
Cash Management Review of Panel Trustee Lynn T. Kanaga	MR-20-90-092	Cash Management Review of Panel Trustee Ronald Watson	MR-90-90-009
Cash Management Review of Panel Trustee Michael B. Joseph	MR-20-90-093	Cash Management Review of Panel Trustee Jeffrey Earl	MR-90-90-010
Cash Management Review of Panel Trustee Marvin Mostwill	MR-20-90-094	Operational Survey of Panel Trustee Bruce Lindsey	SR-90-90-027
Cash Management Review of Panel Trustee Thomas L. Lackey	MR-20-90-095	Operational Survey of Panel Trustee Patricia G. Stephens	SR-90-90-028
Cash Management Review of Panel Trustee John Bracaglia	MR-20-90-096	Operational Survey of Panel Trustee Ford Elsaesser	SR-90-90-029
Cash Management Review of Panel Francis J. Sullivan	MR-20-90-097	Operational Survey of Panel Trustee Ken Battley	SR-90-90-030
Cash Management Review of Panel Trustee Allan B. Goodman	MR-20-90-098	Chapter 12 Audit of Standing Trustee Thomas G. Marks	GR-90-90-003
Cash Management Review of Panel Trustee Barry A. Solodky	MR-20-90-099	Chapter 13 Audit of Standing Trustee C. Barry Zimmerman	GR-90-90-004
Cash Management Review of Panel Trustee Mark W. Swimelar	MR-20-90-100	Chapter 13 Audit of Standing Trustee Jim D. Smith	GR-90-90-001
Cash Management Review of Panel Trustee Harold Young	MR-20-90-101	Chapter 12 Audit of Standing Trustee Ronald Schoen	GR-90-90-002
Cash Management Review of Panel Trustee John Paul Campo	MR-20-90-102	Chapter 13 Audit of Standing Trustee Robert E. Ridgeway <u>1/</u>	GR-90-90-005
Chapter 13 Audit of Standing Trustee John G. Leake	GR-20-90-001	Chapter 13 Audit of Standing Trustee Beatrice Furman <u>2/</u>	GR-90-90-006
Cash Management Review of Panel Trustee Dennis E. McGoldrick	MR-90-90-004	Chapter 12 Audit of Standing Trustee J. Patrick Gray	GR-90-90-007
Cash Management Review of Panel Trustee Robert E. Ridgeway	MR-90-90-005	<u>1/</u> Total Questioned Costs - \$5,526 Unsupported Costs - \$5,526	
Cash Management Review of Panel Trustee John H. Krommenhock	MR-90-90-006	<u>2/</u> Total Questioned Costs - \$2,194 Unsupported Costs - \$420	

# APPENDIX III

## EXTERNAL AUDIT REPORTS

Majority performed under The Single Audit Act or OMB Circular  
A-133

<u>Title/Report Number</u>		<u>Title/Report Number</u>	
Audit of the Institute for Intergovernmental Research, Inc.	TJF-40-90-002	Audit of the State of North Carolina	TOP-40-90-017
Audit of the Prison Rehabilitation Industries and Diversified Enterprises, Inc.	TJF-40-90-004	Audit of Chatham County, Georgia	TOP-40-90-018
Audit of the Council of State Governments <u>1/</u>	TJF-40-90-005	Audit of the Commonwealth of Kentucky <u>3/</u>	TOP-40-90-019
Audit of the Georgia Department of Community Affairs	TJP-40-90-002	Audit of the City of St. Petersburg, Florida	TOP-40-90-020
Audit of the Georgia Department of Corrections	TJP-40-90-003	Audit of Seminole County, Florida	TOP-40-90-021
Audit of the University of Louisville, Kentucky	TOF-40-90-003	Audit of Hillsborough County, Florida	TOP-40-90-022
Audit of the North Carolina State University	TOF-40-90-004	Audit of the Government of the Virgin Islands	TOP-40-90-023
Audit of the Research Triangle Institute	TOF-40-90-006	Audit of the Office of Youth Affairs, Commonwealth of Puerto Rico <u>4/</u>	TOP-40-90-024
Audit of the University of Louisville, Kentucky	TOF-40-90-007	Audit of the Regional Organized Crime Information Center	TRIG-40-90-002
Audit of the Mississippi Children's Home Society and Family Services Association	TOP-40-90-007	Audit of Indirect Cost Rate Proposal for the Florida Department of Corrections	GR-40-90-005
Audit of Harrison County, Mississippi	TOP-40-90-008	Review of Selected Financial Activities of the South Carolina Division of Public Safety	SR-40-90-007
Audit of Hillsborough County, Florida	TOP-40-90-009	Review of Selected Financial Activities of the Council of State Governments	SR-40-90-008
Audit of the City of Charlotte, North Carolina	TOP-40-90-010	Review of Selected Financial Activities of the Alabama Department of Economic and Community Affairs	SR-40-90-009
Audit of the City of Birmingham, Alabama	TOP-40-90-011	Review of Selected Financial Activities of the Daviess County, Kentucky <u>5/</u>	SR-40-90-010
Audit of the District Attorney, 23rd Judicial Circuit of Alabama	TOP-40-90-012	Review of Selected Financial Activities of the Kentucky Justice Cabinet	SR-40-90-014
Audit of the Alabama Department of Economic and Community Affairs	TOP-40-90-013	Audit of the Corrections Research Institute	TJF-50-90-006
Audit of the Metropolitan Government of Nashville and Davidson County, Tennessee	TOP-40-90-014	Audit of the Illinois Court of Claims	TJP-50-90-005
Audit of the South Carolina Governor's Office	TOP-40-90-015	<u>3/</u> Total Questioned Costs - \$5,279	
Audit of the State of Mississippi <u>2/</u>	TOP-40-90-016	<u>4/</u> Total Questioned Costs - \$10,290 Unsupported Costs - \$10,290	
<u>1/</u> Total Questioned Costs - \$95		<u>5/</u> Total Questioned Costs - \$132,566	
<u>2/</u> Total Questioned Costs - \$506 Unsupported Costs - \$208			

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Audit of the Court of Claims of Ohio	TJP-50-90-006	Audit of the Mid-States Organized Crime Information Center	TRIG-50-90-001
Audit of the Indiana Criminal Justice Institute	TJP-50-90-007	Review of Selected Financial Activities of the Correctional Research Institute	SR-50-90-002
Audit of the REJIS Commission	TJP-50-90-008	Review of Selected Financial Activities of Indiana Criminal Justice Institute	SR-50-90-003
Audit of the Nebraska Commission on Law Enforcement and Criminal Justice	TJP-50-90-009	Review of Selected Financial Activities of the Division of Children, Youth and Family Services, Iowa Department of Human Rights	SR-50-90-004
Audit of the Illinois Department of Human Rights	TJP-50-90-010	Review of Selected Financial Activities of the REJIS Commission	SR-50-90-005
Audit of the Indiana State Police <u>1/</u>	TJP-50-90-011	Review of Selected Financial Activities of the Minneapolis Police Department	SR-50-90-006
Audit of the Vincennes University	TOF-50-90-004	Audit of the Northwest Family Services, Inc.	TJF-80-90-005
Audit of the Indiana University, Bloomington	TOF-50-90-005	Audit of the Arkansas Crime Information Center	TJP-80-90-005
Audit of the American Bar Association Fund for Justice and Education	TOF-50-90-006	Audit of Freemont County, Wyoming	TJP-80-90-006
Audit of the American Bar Association Fund for Justice and Education	TOF-50-90-007	Audit of the North Dakota Association of Counties	TJF-80-90-006
Audit of Comprehensive Mental Health Services, Inc.	TOF-50-90-008	Audit of the Institute of Nonprofit Organization Management	TJF-80-90-007
Audit of the City of Chicago, Illinois	TOP-50-90-018	Audit of the New Mexico Crime Victims Reparation Commission	TJP-80-90-008
Audit of the City of St. Louis, Missouri	TOP-50-90-019	Audit of the New Mexico Crime Victims Reparation Commission	TJP-80-90-009
Audit of the State of Kansas	TOP-50-90-020	Audit of Terrebonne Parish Sheriff	TJP-80-90-010
Audit of the City of Columbus, Ohio	TOP-50-90-021	Audit of the Wyoming Attorney General's Office	TJP-80-90-011
Audit of Johnson County, Kansas	TOP-50-90-022	Audit of the North Dakota Attorney General's Office	TJP-80-90-013
Audit of the Michigan State Police	TOP-50-90-023	Audit of the Mountain Plains Youth Services Coalition <u>2/</u>	TOF-80-90-001
Audit of Southern Illinois University	TOP-50-90-024		
Audit of the County of Racine, Wisconsin	TOP-50-90-025		
Audit of the City of Minneapolis, Minnesota	TOP-50-90-026		
Audit of the City of Wichita, Kansas	TOP-50-90-027		

1/ Total Questioned Costs - \$32,964

2/ Total Questioned Costs - \$1,242

## APPENDIX III

Audit of the Arkansas Department of Human Services	TOP-80-90-019	Audit of the National Crime Convention Council	TJF-20-90-018
Audit of Baxer County, Texas	TOP-80-90-021	Audit of the Police Foundation	TJF-20-90-019
Audit of the Houston-Galveston Area Council	TOP-80-90-022	Audit of the New York City Criminal Justice Agency	TJF-20-90-020
Audit of the New Mexico Department of Finance and Administration	TOP-80-90-023	Audit of the Lazar Institute	TJF-20-90-021
Audit of the Wyoming Department of Health and Social Service	TOP-80-90-024	Audit of the National Center for State Courts	TJF-20-90-022
Audit of the State of Colorado	TOP-80-90-025	Audit of the Cities in School, Inc.	TJF-20-90-023
Audit of Johnson County, Wyoming	TOP-80-90-026	Audit of the American Jail Association	TJF-20-90-024
Audit of Campbell County, Wyoming	TOP-80-90-027	Audit of the Phi Alpha Delta Public Service Center	TJF-20-90-025
Review of Selected Financial Activities of the Institute for Nonprofit Organization Management	SR-80-90-046	Audit of the Police Management Association, Inc.	TJF-20-90-026
Review of Selected Financial Activities of the Arkansas Department of Finance and Administration	SR-80-90-050	Audit of the National Center for Missing and Exploited Children	TJF-20-90-027
Review of Selected Financial Activities of the Wyoming Division of Criminal Investigations	SR-80-90-051	Audit of the Criminal Justice Associates, Inc.	TJF-20-90-028
Review of Selected Financial Activities of the Commission on Children and Youth	SR-80-90-053	Audit of the Institute for Social Analysis	TJF-20-90-029
Review of Selected Financial Activities of the Houston Police Department <u>1/</u>	SR-80-90-055	Audit of the Aspen Systems Corporation	TJF-20-90-030
Review of Selected Financial Activities of the Institute for Nonprofit Organization Management	SR-80-90-056	Audit of the Congress of National Black Churches <u>2/</u>	TJF-20-90-031
Audit of the Court Studies, Inc.	TJF-20-90-013	Audit of the Pretrial Services Resource Center	TJF-20-90-032
Audit of the Jefferson Institute for Justice Studies	TJF-20-90-014	Audit of the Connecticut Department of Corrections	TJP-20-90-004
Audit of the Phi Alpha Delta Public Service Center	TJF-20-90-015	Audit of the Maine Department of Corrections	TJP-20-90-005
Audit of the National Casa Association	TJF-20-90-016	Audit of the Department of Workman's Compensation Industrial Commission, Virginia <u>3/</u>	TJP-20-90-006
Audit of the American Correctional Association	TJF-20-90-017		

1/ Total Questioned Costs - \$890

2/ Total Questioned Costs - \$386

3/ Total Questioned Costs - \$134,511

## APPENDIX III

Audit of the Virginia Department of Criminal Justice Service	TJP-20-90-007	Audit of Search Group, Inc.	TJF-90-90-059
Audit of the Virginia Department of Corrections	TJP-20-90-008	Audit of the EMT Group, Inc.	TJF-90-90-060
Audit of the University of Maryland	TOF-20-90-001	Audit of the State of Hawaii, Department of Attorney General <u>1/</u>	TJP-90-90-066
Audit of the State of New York	TOP-20-90-014	Audit of the University of Nevada System	TOF-90-90-039
Audit of the State of Massachusetts	TOP-20-90-015	Audit of the County of Yolo, California	TOP-90-90-046
Audit of the City of New York	TOP-20-90-016	Audit of Stevens County, Washington	TOP-90-90-047
Audit of the State of New York	TOP-20-90-017	Audit of the City of National City, California	TOP-90-90-048
Audit of the State of Vermont	TOP-20-90-018	Audit of the City and County of Honolulu, Hawaii	TOP-90-90-049
Audit of the State of Rhode Island and Providence Plantations	TOP-20-90-019	Audit of the County of San Joaquin, California	TOP-90-90-050
Audit of the State of Massachusetts	TOP-20-90-020	Audit of Benton County, Washington	TOP-90-90-051
Audit of the County of Essex, Massachusetts	TOP-20-90-021	Audit of Spokane County, Washington	TOP-90-90-052
Audit of the State of Maine	TOP-20-90-022	Audit of the City of Concord, California	TOP-90-90-055
Audit of the City of New Haven, Connecticut	TOP-20-90-023	Audit of Multnomah County, Oregon	TOP-90-90-056
Audit of the State of New Hampshire	TOP-20-90-024	Audit of Sonoma County, California	TOP-90-90-057
Audit of the City of Baltimore, Maryland	TOP-20-90-025	Audit of the State of Hawaii Department of Education	TOP-90-90-061
Audit of the State of West Virginia	TOP-20-90-026	Audit of the State of Hawaii Department of Land and Natural Resources	TOP-90-90-062
Audit of the City of Norfolk, Virginia	TOP-20-90-027	Audit of the City of Portland, Oregon	TOP-90-90-063
Audit of the City of New York	TOP-20-90-028	Audit of the County of Maui, Hawaii	TOP-90-90-037
Audit of the City of Boston, Massachusetts	TOP-20-90-029	Audit of the County of Yolo, California	TOP-90-90-038
Audit of the College of William and Mary, Virginia	TOP-20-90-030	Audit of Clallam County, Washington	TOP-90-90-040
Audit of the County of Sussex, New Jersey	TOP-20-90-031	Audit of the County of Orange, California	TOP-90-90-041
Audit of the National Council of Juvenile and Family Court Judges	TJF-90-90-054	Audit of the City of Oakland, California	TOP-90-90-042
Audit of the Center for Civic Education	TJF-90-90-058	-	
		<u>1/</u> Total Questioned Costs - \$13,507	

## **APPENDIX III**

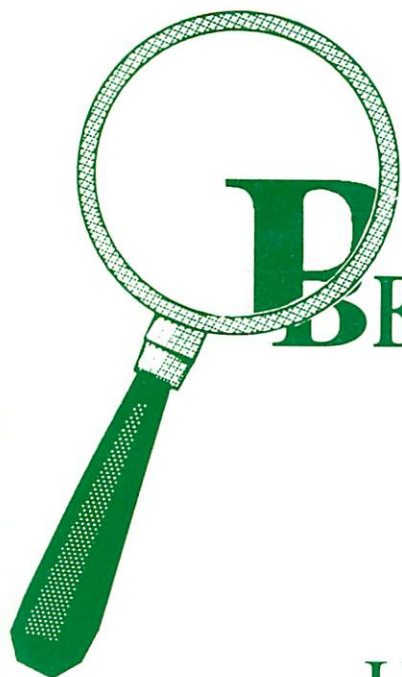
<b>Audit of Imperial County, California</b>	<b>TOP-90-90-043</b>	<b>Review of Selected Financial Activities of the EMT Group, Inc.</b>	<b>SR-90-90-035</b>
<b>Audit of the County of Sacramento, California</b>	<b>TOP-90-90-044</b>		
<b>Audit of Okanogan County, Washington</b>	<b>TOP-90-90-045</b>	<b>Review of Selected Financial Activities of the Search Group, Inc.</b>	<b>SR-90-90-036</b>
<b>Audit of Maricopa County, Arizona</b>	<b>TOP-90-90-064</b>	<b>Review of Selected Financial Activities of the San Diego Association of Governments</b>	<b>SR-90-90-037</b>
<b>Audit of the State of Washington</b>	<b>TOP-90-90-065</b>		
<b>Audit of the County of Los Angeles, California</b>	<b>TOP-90-90-068</b>	<b>Review of Selected Financial Activities of the National Council of Juvenile and Family Court Judges</b>	<b>SR-90-90-038</b>
<b>Audit of the National Council of Juvenile and Family Court Judges</b>	<b>TIC-90-90-053</b>		
<b>Audit of the Rocky Mountain Information Network</b>	<b>TRIG-90-90-067</b>	<b>Review of Selected Financial Activities of the National Council on Crime and Delinquency</b>	<b>SR-90-90-039</b>



### **FINAL INSPECTION REPORTS ISSUED**

**April 1, 1990 - September 30, 1990**

U.S. Marshals Service's National Asset Seizure and Forfeiture Program  
U.S. Marshals Service's Western District of Tennessee  
U.S. Marshals Service's Northern District of Texas  
U.S. Marshals Service's Eastern District of North Carolina  
U.S. Marshals Service's District of Kansas  
U.S. Marshals Service's District of Arizona  
U.S. Marshals Service's Training Academy  
U.S. Marshals Service's District of Colorado  
Immigration and Naturalization Service's Tucson, Arizona Border Patrol Sector  
Immigration and Naturalization Service's Imprest Fund in the Western Regional Service Center  
Immigration and Naturalization Service's Cleveland District  
Immigration and Naturalization Service's El Paso, Texas Border Patrol Sector  
Immigration and Naturalization Service's Denver District  
Immigration and Naturalization Service's Portland District (Maine)  
Immigration and Naturalization Service's Atlanta District  
Immigration and Naturalization Service's Newark District  
Immigration and Naturalization Service's Adjudications Program in the Western Region  
Internal Controls Over Contracting in the Federal Prisons Industries  
U.S. Attorney's Office, South Carolina  
Department of Justice's Freedom of Information and Privacy Act Programs within Selected Organizational Components



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