

U.S. Department of Justice

Office of the Inspector General

Office of the Inspector General

Semiannual Report to Congress

October 1, 1993 - March 31, 1994



Established April 14, 1989

Special Tributes

The Office of the Inspector General depends upon the assistance of other Department of Justice components and employees for its successes. We are devoting the inside front cover and the inside back cover to pay special tributes to Assistant U.S. Attorney Suzanne G. Curt and to the Anti-Smuggling Unit of the INS, U.S. Border Patrol Sector at Laredo, Texas.

Assistant United States Attorney Suzanne G. Curt



Assistant United States Attorney Suzanne G. Curt, United States Attorney's Office for the District of Columbia, Public Corruption Section, prosecuted a complex fraud and corruption case involving a janitorial services contract for the Department of Justice building in Washington, D.C.

AUSA Curt secured the conviction of a former DOJ contracting officer's technical representative accused of soliciting and receiving bribes. The former official had conspired with the company's president to pay for janitorial services which were not provided. In exchange, the president placed the contracting officer's technical representative's spouse on the company payroll as a ghost employee. Through his spouse, the contracting officer's technical representative thus received more than \$52,000 in bribes over the life of the contract. The contractor received \$433,000 for services not provided. In addition to the conviction of the DOJ official, AUSA Curt obtained a guilty plea from the company president for conspiracy to defraud the Government.



Despite a vigorous defense and other complicating factors, AUSA Curt remained steadfast. Her outstanding skill and determination reflect the highest traditions of the Department of Justice and the United States Attorney's Office for the District of Columbia.

Foreword

This report, which summarizes the Office of the Inspector General (OIG) activities for the 6-month period ending March 31, 1994, is our tenth Semiannual Report to Congress.

Our accomplishments are indicative of our emphasis on audits, inspections, and investigations that have an impact on Department of Justice programs and operations. We continue our focus on specific DOJ activities that the Department and OMB have identified as "high risk" areas for fraud, waste, and abuse. Finally, we are reporting on projects that have anticipated or reflect the priority given to reinventing Government.

Richard J. Hankinson
Inspector General

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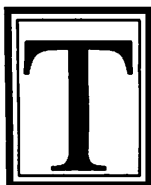
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The Office of the Inspector General provides leadership and assists management to promote economy, efficiency, and effectiveness within the Department of Justice (DOJ). The OIG enforces Federal bribery, fraud, waste, abuse and integrity laws and regulations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

The OIG carries out this mission through four components. The Audit Division, located in Washington, D.C., has field offices in Atlanta, Chicago, Dallas, Denver, Philadelphia, San Francisco, and Washington, D.C. The Investigations Division has its headquarters in Washington, D.C. The Division has field offices in Atlanta; Chicago; El Paso; Los Angeles; McAllen, Texas; Miami; New York; San Diego; San Francisco; Seattle; Tucson; Atlanta; and Washington, D.C. The Inspections Division and the Management and Planning Division are located in Washington, D.C.

Staffing and Budget

The OIG's FY 1994 appropriation provides 335 permanent positions, 335 workyears, and \$30,000,000. Estimated reimbursable resources total \$9,008,000 and an additional 81 workyears, and include \$1,247,000 for financial statement audits. The FY 1995 request pending in Congress seeks 331 permanent positions, 328 workyears, and \$30,582,000. FY 1995 reimbursements are expected to total \$8,956,000 and 80 workyears. An agreement with the Environmental Protection Agency will be discontinued in FY 1995.

OIG Initiatives

During the past 6 months, the OIG began several initiatives that warrant special discussion.

Reinventing Government

The OIG developed several initiatives that support the administration's goal to reinvent Government. Improving customer satisfaction was an area that the OIG specifically emphasized.

Customer Service: The Inspections Division initiated a series of ongoing customer service visits with Department component managers and liaisons to exchange ideas on how future inspections can improve program operations and effectiveness.

The Audit Division developed a customer satisfaction survey and initiated meetings with Department components using the survey. Meetings have been held with officials of the Drug Enforcement Administration, U.S. Marshals Service, FBI, Bureau of Prisons, the Justice Management Division, and EOUSA. In addition, the OIG's Regional Audit Managers (RAM) met with local U.S. Trustees to solicit their ideas on a number of issues. The RAMs plan to

Executive Direction

The OIG developed several initiatives that support the administration's goal to reinvent Government.

Initiatives

meet with their field Department components to obtain feedback on how well the Division is serving its customers.

The Investigations Division implemented a pilot program with the Bureau of Prisons and the U.S. Marshals Service that will shorten the time required to refer certain allegations of wrongdoing to these Justice components for appropriate action. (Responsibility to monitor these investigations remains with the OIG.) This initiative is in keeping with the NPR Report's focus on helping managers improve systems to prevent fraud while eliminating unnecessary or duplicative paperwork and procedures.

The Management and Planning Division (M&P) designed a survey to measure the level of customer satisfaction with M&P services. The survey, which was distributed to 153 OIG employees, will provide OIG senior management and M&P program managers with information about how to better serve their customers and meet OIG operational requirements.

IGNet: The Investigations Division is coordinating the establishment of IGNet, a computer conference network of all Inspectors General, under the auspices of the National Performance Review. OMB and GAO have expressed interest in IGNet, which may also have the capability to connect electronically with State Inspectors General.

Civil Rights

The OIG's San Diego Field Office completed a 90-day Civil Rights initiative in which the OIG reviewed the efficiency and effectiveness of the current reporting system, conducted proactive activities to deter civil rights abuses by certain DOJ employees, expedited referral or investigation of civil rights allegations received, and uncovered systemic problems that impeded the effective investigation of civil rights matters.

The Investigations Division designed a Spanish language poster that tells Spanish-speaking people how to convey information about DOJ employee misconduct. The poster, which included the phone number and address of the local OIG office where a complaint could be made, was distributed throughout the southwest. In conjunction with the poster, the Investigations Division designed a Spanish language mail-in complaint form. The postage-free complaint form—also distributed throughout the southwest—can be mailed from anywhere in the United States.

Integrity Awareness

To educate DOJ employees on ethics and the consequences of misconduct, and on the preservation of the public trust, OIG agents throughout the country gave 30 Integrity Awareness briefings to 1,252 Department employees.

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Review of Legislation and Regulations

The Inspector General Act requires that the Inspector General review proposed legislation relating to the programs and operations of the Department of Justice. Although the Department's Office of Legislative Affairs and Office of Policy Development review all proposed or enacted legislation that could affect the Department's activities, the OIG independently reviews proposed legislation regarding fraud, waste and abuse in the Department's programs or operations, or that affect the operations of the OIG. Over the past 6 months, the OIG reviewed several legislative proposals, including H.R. 3400, the Government Reform and Savings Act of 1993.

High Risk Areas

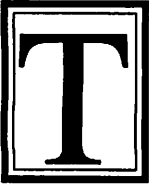
The Department and OMB identified specific DOJ activities that have a "high risk" for fraud, waste, and abuse. The Department has 10 areas on the High Risk Area list published by OMB. Audits and inspections in these areas provide Department managers with assistance to correct specific high risk activities, thus ensuring improved operations within the Department. During this reporting period, the OIG issued audit and inspection reports that involved the following high risk areas:

High Risk Area	Audit or Inspection	
INS	National Automated Immigration Lookout System II	Inspection
Asset Seizure/Forfeiture	USMS Maintenance & Disposal of Seized Assets Asset Forfeiture Annual Financial Statement FY 93 EOAF's Consolidated Asset Tracking System	Audit Audit Inspection
U.S. Marshals Service	USMS Responsibilities Under the WITSEC Program	Audit
Monitoring U.S. Trustees	Collection of U.S. Trustees Chapter 11 Quarterly Fees U.S. Trustee Summary Report for FY 93 Chapter 7 Audit Reports	Audit Audit Audit
ADP Security	Pre-Solicitation Activities for Acquisition of JCON EOAF's Consolidated Asset Tracking System	Audit Inspection
Legal Process Debt Collection	BOP Inmate Financial Responsibility Program	Inspection

The Investigations Division



The Investigations Division investigates alleged violations of bribery, fraud, abuse and integrity laws that govern the Department of Justice and the operations it finances.



The Investigations Division investigates alleged violations of bribery, fraud, abuse and integrity laws that govern the Department of Justice and the operations it finances. The Division also develops cases for criminal prosecution and possible civil or administrative action. In some instances, the OIG refers allegations to bureaus within the Department and requests notification of the bureaus' findings and of any disciplinary action taken.

Significant Investigations

Drugs

■ A drug smuggling investigation conducted by the OIG and Operation Alliance (a Federal multi-agency interdiction effort along the U.S. Mexican border) led to three arrests, the seizure of 309.5 kilograms of cocaine valued at more than \$5 million, and the confiscation of \$20,000 in bribe money. A fourth suspect escaped and is still at large. The investigation began when an INS automation clerk reported a bribe offered in exchange for helping smuggle aliens across the U.S. Mexican border. The clerk posed as a corrupt official and met with the conspirators, who wanted to smuggle drugs rather than aliens through the U.S. Port of Entry. All four defendants were indicted on charges of bribery and the importation and possession of cocaine. Trial is scheduled for Spring 1994.

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■ An OIG and FBI investigation led to the arrest and conviction of a BOP correctional officer who attempted to introduce cocaine into a U.S. Penitentiary. He pleaded guilty to possession with intent to distribute cocaine and was sentenced to one year in prison, three years probation, and 200 hours of community service.

■ An INS immigration inspector and his wife were arrested for bribery and for possessing and facilitating the importation of marijuana from Canada into the United States. As part of the smuggling scheme, the inspector's wife would arrange for the drugs to pass through her husband's inspection point; the couple received cash and marijuana for their services. The inspector also used a law enforcement communications system to check license plate numbers to ensure that vehicles used in transporting drugs were not under suspicion; he was charged with illegal use of a law enforcement computer. The couple was released on bond, and INS immediately removed the immigration inspector from his position.

Fraud

■ An INS computer systems analyst pleaded guilty to computer fraud. An INS supervisor contacted the OIG about the analyst who had a poor leave record and was suspected of

Significant Investigations

The analyst then broke in to the timekeeper's desk and damaged two computer disks used to store time and attendance data transmitted to the National Finance Center.

abusing sick leave. Consequently, when the analyst requested sick leave on three consecutive days, he was ordered to submit a letter from his doctor certifying his illness and inability to report for duty. While on sick leave, the analyst had participated in a 6-kilometer run with other INS employees, so his sick leave was changed to absent without leave (AWOL), a nonpay status. In retaliation, the analyst broke in to the timekeeper's desk and damaged two computer disks used to store time and attendance data transmitted to the National Finance

Center. He changed his pay record from AWOL to sick leave and converted previously used annual leave to sick leave. After his resignation, the analyst used a telephone modem to dial into the local INS District Office's Alien File Accountability Control System, a computer data base program that tracks the location of alien files within the district, and deleted all user profiles.

- A Crime Stoppers Hotline referral to the OIG reported that a Honduran national was selling "green cards" for \$1,500 each (green cards are INS Alien Registration Receipt Cards). The Honduran alleged that an INS supervisory special agent was providing the cards, but the investigation proved that the allegation was untrue. Agents arrested the woman, who is being prosecuted by Florida authorities.
- Agents captured two conspirators who had fled the United States to avoid prosecution on charges of immigration fraud and false statements resulting from an OIG investigation. The conspirators, who agreed to plead guilty and cooperate with the Government, admitted participating in a scheme to illegally sell INS documents to illegal aliens. Judicial action is pending.
- A DOJ contract employee working as a mail courier was arrested for credit card fraud. The courier purchased \$1,350 worth of gasoline for his personal vehicle with a Government credit card issued to the DOJ motor pool. The card had been reported lost in August 1992. The contractor fired the courier after he confessed to the crime. Sentencing is pending.

Bribery

- An OIG and INS investigation led to the arrest of a civilian broker who paid \$6,000 to obtain INS benefits illegally for her clients. The broker, who was said to have an INS contact, met with an undercover INS agent to process three aliens who accompanied her to the INS office. The three aliens were also arrested. One of the alien clients had recruited aliens for the broker and was charged with conspiracy. This alien is out on bail, and further judicial action is pending. The other two aliens were released and directed to appear at INS, where they were placed under deportation proceedings. The broker pleaded guilty and sentencing is pending.

**Significant
Investigations**

■ A BOP correctional officer assigned to a Federal Medical Center pleaded guilty to introducing contraband into a Federal prison facility. The correctional officer had been bribed by inmates to smuggle syringes, chemicals for testing blood, needles, surgical gloves, etc., into the facility. Sentencing is pending.

■ An anonymous complaint made to the OIG led to the arrest of an INS inspector who unlawfully placed INS stamps in seven alien passports and hand entered INS alien file numbers in each passport. He was paid \$2,950. The inspector then escorted several of the aliens with their passports to the Social Security Office and assisted them in filing their applications for Social Security cards. After the applications were filed, the inspector removed the page of the passport containing the false INS stamps in an effort to conceal his acts. The INS inspector resigned from his position in INS, pleaded guilty to extortion, was sentenced to five years probation, six months home confinement, 400 hours of community service, and ordered to pay a \$5,000 fine.

■ An INS Border Patrol agent reported that he was offered a bribe to allow loads of marijuana into the United States. The agent, cooperating with the OIG, met with the trafficker, who was arrested after repeating the bribe offer (on tape). The defendant was indicted for bribery of a public official. Subsequent fingerprint records revealed that the trafficker was wanted by the Douglas, Arizona Police Department. He had fled prosecution from three 1989 state drug charges. Trial is pending.

Theft

■ An avionics manager with a company that does occasional work for DEA was attempting to sell some stolen DEA equipment: a Global Wulsberg transceiver and control unit with a voice privacy feature. The equipment was being offered for sale for \$2,000. The original cost of the equipment to DEA was estimated to be \$15,000. An OIG and DEA undercover operation led to the avionics manager's arrest and prosecution for violations of theft and sale of Government property (the items were recovered). At the time of his arrest, the avionics manager also had a DES Box (voice scrambler) in his possession; the equipment was DEA property. The manager pleaded guilty to the sale of stolen Government property and received a sentence of three years probation, was fined \$3,000, and was ordered to pay court fees.

■ A detained alien complained that an INS detention enforcement officer had taken his money. The OIG identified the officer and determined that he had stolen \$882 from the alien and had stolen \$842 from another alien. The detention enforcement officer was arrested and pleaded guilty to converting the property of another. He resigned from Government service and was sentenced to pay restitution of \$1,724 to INS, and was placed on supervised probation for one year under the condition that he not seek employment with a Federal agency during his lifetime.

Significant Investigations

- A Border Patrol agent stole an INS hand-held radio with sensitive radio frequencies from a co-worker. The agent was charged with theft of property and the case is being prosecuted in the state judicial system. Trial is scheduled for Spring 1994.
- An Executive Office of Immigration Review administrative law clerk, suspected of stealing monies from co-workers and law judges, was filmed stealing money from the purse of one of the judges. She was prosecuted under California State Law for grand theft/petty theft and subsequently pleaded guilty and resigned her position. The clerk, who was in law school, was sentenced to 36 months probation, fined a total of \$1,412, and is now ineligible to take the California State Bar Examination.

Extortion

OIG agents located and interviewed 20 Chinese aliens who had been extorted by the inspector.

- An INS inspector pleaded guilty to extortion. The inspector was arrested after a Chinese national arriving at a U.S. international airport was forced to turn over \$1,700 in cash to the inspector. The alien had arrived seeking asylum and the inspector threatened the alien with deportation if he did not turn over his money and valuables. With the help of a Chinatown newspaper that reported extensively on the arrest of the inspector and requested that other victims come forward, OIG agents located and interviewed 20 Chinese aliens who had been extorted by the inspector. The inspector was indicted on seven counts of extortion. He was sentenced to one year in prison and two years supervised probation, and fined \$3,000.

- An INS immigration inspector was convicted of bribery and falsifying statements. The inspector demanded money from four Pakistani nationals arriving in the United States in exchange for a promise that he would not have them detained or deported under immigration laws. He also falsified statements given by five Pakistani nationals to support false claims for political asylum. He knowingly included false statements in their affidavits saying they had committed murder because of political beliefs. He also accepted a \$4,500 bribe for helping smuggle three Pakistanis into the United States. He was sentenced to serve 18 months in prison and three years probation, fined \$15,000, and ordered to pay a \$300 special assessment.

Embezzlement

- An INS supervisory deportation officer working at an INS processing center was arrested for embezzlement. Cash and postal money orders that had been submitted as bond by aliens were taken and the money orders were cashed. In addition, INS records pertaining to bond payments by aliens were altered. An audit of bond monies at the processing center

estimated that approximately \$344,400 was missing. The deportation officer was indicted for embezzling \$12,000. Sentencing is pending.

**Significant
Investigations**

■ An INS immigration inspector was charged with embezzling Government funds and making false statements. While working as a secretary with the U.S. Border Patrol, the inspector converted imprest funds to her own use and made false statements on requisitions for reimbursement. INS has suspended the inspector and a trial is pending.

Cleared of Wrongdoing

A United States marshal was accused of misappropriating ammunition, charging personal cellular telephone calls to the Government, abusing frequent flyer mileage awards resulting from official travel, and having an inappropriate relationship with prisoners involved in a high profile trial. An OIG investigation accounted for the missing ammunition by reconciling USMS inventory records, verified through telephone company records that personal calls were not charged to the Government, and—through review of airline records—found that the mileage awards were not converted to personal use by the marshal. It was further found that the marshal did not have a personal relationship with two defendants involved in a high profile trial and did nothing to compromise his custodial responsibilities.

Investigations Statistics

Hotline and Complaint Statistics

Source of Allegations Received	Number
--- Hotline (Telephone and Mail)	550
--- Other Method	1,799
TOTAL Allegations Received	2,349
Disposition of Total Allegations Received	
--- Preliminary investigations in progress 03/31/94	133
--- Investigations initiated this period	209
--- Monitored referrals within DOJ	338
--- Mgmt. Issues within DOJ and outside DOJ	1,264
--- Those requiring no action	338
--- Pending classification	19
--- Consolidated with another allegation in a category above	48
TOTAL	2,349

Investigations
Statistics

Preliminary Investigative Caseload *	
Preliminary Investigations carried forward as of 09/30/93	80
Net Adjustments	1
Preliminary Investigations opened this period	321
Preliminary Investigations closed this period	269
-- Reclassified to Full Investigations	76
-- Closed Consolidated	4
-- Closed Information	137
-- Closed Management Referral	17
-- Closed Monitored Referred	35
TOTAL preliminary investigations in progress as of 03/31/94	133

*These investigations involve allegations that appear to have limited information upon which to proceed. A preliminary investigation is a precursory examination of the information provided to determine the best course of action.

Investigative Caseload	
Investigations carried forward as of 09/30/93	427
-- Adjustments	(2)
-- Investigations opened this period	254
-- Investigations closed this period	296
Total Investigations in progress as of 03/31/94	383

Investigations Statistics

Prosecutive Actions	
Investigations referred for prosecution this period *	66
--- Investigations accepted	46
--- Prosecutions declined	41
--- Pending acceptance for prosecution	35
Criminal indictments/informations	32
Number of Arrests	53
Convictions/Pleas	39

* *Many of these investigations have been in the prosecutorial arena for more than one reporting period.*

OIG Monitored Referrals	
Cases carried forward as of 09/30/93	1,614
---Cases opened this period	338
---Cases closed or reclassified/consolidated	890
TOTAL cases in progress as of 03/31/94	1,062

Monetary Results	
Fines/Restitutions/Recoveries	\$81,506
Seizures	\$62,765

The AG On-Line Program

Investigations Statistics

The Attorney General established the AG On-Line program for DOJ employees to submit suggestions on how to improve the Department. The program supports Vice President Al Gore's National Performance Review Initiative to improve Government.

Hotline and AG On-Line Statistics

Suggestions Received		Opinions Received	
IG Hotline	42	IG Hotline	1,669
AG On-Line	435	AG On-Line	1,762
TOTAL	477		3,431
Other Calls ¹	6,782		

¹ These calls include information requests, calls referred to other Departments, additional information provided to existing complaints, wrong numbers, etc.

Specially trained OIG Hotline and AG On-Line operators received and processed suggestions and opinions from citizens throughout the country.

OIG operators handled more than 10,000 calls through the program.

The Inspections Division



Inspections are timely reviews that employ flexible methodologies and multidisciplinary approaches.



The Inspections Division conducts reviews of Departmental programs and activities; in addition, the Division provides the OIG with a diversified staff that can quickly review and analyze specific problems that potentially interfere with effective and efficient management. Inspections are timely reviews that employ flexible methodologies and multidisciplinary approaches. The findings and recommendations address existing procedures and suggest improvements relating to program operations and service delivery. Inspections provide timely information and analysis to senior managers, the administration, and the Congress about Department of Justice (DOJ) programs. Inspections are conducted in accordance with the standards issued by the President's Council on Integrity and Efficiency and with internal policies and guidelines issued by the OIG.

The Special Inquiry Section (SIS) conducts expedited reviews of serious complaints concerning noncriminal matters, such as mismanagement and wasteful spending. The SIS also responds to certain congressional inquiries as well as to requests from DOJ managers. The SIS works closely with the Investigations Division to identify complaints appropriate for SIS review.

INS National Automated Immigration Lookout System II

Significant Inspections

INS developed the National Automated Immigration Lookout System II (NAILS II) to support immigration inspectors examining applicants seeking admission into the United States. We found that immigration inspectors performing primary, or initial, inspections of travellers generally access the U.S. Customs Service's Treasury Enforcement Communications System II through the Interagency Border Inspection System (IBIS). OMB designated IBIS as the single computer system for all primary queries. Although most inspectors performing secondary, or more in-depth, inspections use NAILS II, much of the information in that system is available in the Treasury Enforcement Communications System II, and the remainder could be added to it. Further, nearly half of the INS-created lookouts were not in the NAILS II database because inspectors had by-passed NAILS II and created lookouts directly in the Treasury Enforcement Communications System II.

We also found specific weaknesses in management controls that must be addressed before NAILS II can be used effectively. The effectiveness of NAILS II for verifying admissibility depends, to a great extent, on the input of accurate and complete lookout information. We found incomplete and inaccurate lookout records were increasing the risk of missed identifications or incorrect identifications at ports-of-entry. Further,

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**Significant
Inspections**

inspectors were not always timely in entering lookout records into NAILS II on deported individuals. This reduced the chances for apprehending deportees reentering the United States.

Based on the overall deficiencies found in NAILS II, and the alternative methods available for maintaining the same data, we believe that INS should assess the usefulness of and need for NAILS II. We recommended that INS correct system deficiencies if they decide to continue using the system.

Ammunition Purchases by DOJ Bureaus

The Department of Justice spent about \$5.3 million on ammunition during FY 1992. We found that the bureaus adequately estimated their ammunition requirements. However, some bureaus could have realized savings by purchasing ammunition available under current

By allowing the other bureaus to place orders against the FBI and INS contracts, the Department is also assured that rigid ammunition quality standards are met.

contracts rather than on the open market. In some cases, field offices were unaware that ammunition was available from current contractors. The Federal Bureau of Investigation (FBI) and the Immigration and Naturalization Service (INS) issue multi-year contracts for the procurement of ammunition, but only the FBI allows the other bureaus to order from their contracts.

We noted that the bureaus could work together on future acquisitions of ammunition to achieve savings Department-wide. We encouraged INS to open its contracts for use by other bureaus, and for the FBI and INS to consider aggregate amounts of common ammunition used by the other bureaus during contract negotiations. Allowing the other bureaus to place orders against the FBI and INS contracts will ensure that rigid ammunition quality standards are met, as both the INS and FBI conduct firing tests of the ammunition before awarding contracts.

EOAF Consolidated Asset Tracking System

Asset seizure and forfeiture continues to be a high-risk area in the Department of Justice. To provide better management over seized assets, the Executive Office for Asset Forfeiture

(EOAF) is creating the Consolidated Asset Tracking System (CATS). CATS is a single, integrated asset forfeiture information system that all DOJ components and other Federal agencies will use to track seized assets—from seizure through forfeiture to disposal.

EOAF has addressed approximately 700 initial concerns raised by the participating law enforcement agencies.

**Significant
Inspections**

We found that EOAF has addressed approximately 700 initial concerns raised by the participating law enforcement agencies about the Proposed Physical Model developed for CATS and has made considerable progress in implementing the system. However, there has been a 22-month slippage in the system's scheduled activation date, and it is projected that CATS will exceed the original estimated cost by \$32.5 million. Both the delay and projected costs increase were generally beyond the control of EOAF. Delays are attributable to a change in contractors and additional user-identified system requirements. Cost increases are attributable to the expanded system requirements and implementation of a telecommunications network.

We found that EOAF had addressed most of the system security requirements contained in Department Order 2640.2C., *Telecommunications and Automated Information Systems Security*, and had included the remaining requirements in future implementation plans. However, EOAF and the Computer and Telecommunications Security Staff had not reached an agreement on the sensitivity classification for CATS. We recommended to management that this issue be resolved expeditiously to preclude additional delays in the CATS implementation.

Alien Fingerprint Requirements in INS

The Immigration and Naturalization Service (INS) paid the FBI \$14.7 million for 866,313 applicant fingerprint checks during FY 1993. Our inspection reviewed the necessity and effectiveness of conducting fingerprint checks on applicants for naturalization, permanent residency, and other benefits.

INS does not provide fingerprinting services, and the applicants must obtain the service from private sources. We found that INS has not established effective controls to prevent individuals from submitting false prints.

We found INS examiners were approving applications without always checking whether applicants had arrest records. In one district office, 78 percent of the alien files reviewed lacked the FBI arrest reports, and there was no evidence that these reports were in the files at the time the applications were granted, denied, or withdrawn.

Overall, our review found arrest records identified from fingerprint checks have an effect on the final adjudication of an application for INS benefits. We concluded that these checks are a necessary step in the application process.

We found that INS has not established effective controls to prevent individuals from submitting false prints.

**Significant
Inspections****Management of Imprest Funds in DEA**

This inspection showed that the Drug Enforcement Administration (DEA) operated its 28 domestic imprest funds in accordance with Federal laws and regulations. However, we believe that greater use of alternative methods of payment for travel advances, small purchases, and local travel vouchers would reduce imprest fund cash balances. Use of imprest funds will still be required in instances where maintaining anonymity is necessary.

We found that cost savings could be achieved if all DEA offices made better use of the Government Travel Charge Card with the Automated Teller Machine (GTCC/ATM) option, the VISA International Merchant Purchase Authorization Card, and the Third Party Draft Payment System. We determined that DEA could have saved about \$300,000 in FY 1992 by using GTCC/ATMs in lieu of travel advances.

DEA could have saved about \$300,000 in FY 1992 by using GTCC/ATMs in lieu of travel advances.

We found that DEA policies and procedures governing imprest funds were adequate to ensure that the funds were protected. Instructions for designating cashiers, establishing fund amounts, and maintaining security of the funds had been established.

USMS Handling of Misconduct Allegations

This inspection verified that the United States Marshals Service (USMS), Office of Inspections (OI), has established an effective and efficient program for investigating employee misconduct. We found that the OI opened cases in a timely manner, completed investigations promptly, and documented case files appropriately. In addition, USMS management had taken actions to eliminate a backlog of investigative cases and had initiated proactive programs to enhance OI office operations and the USMS' Integrity Program.

We found that USMS employees were prompt in referring allegations of misconduct to OI officials, who reported this information to either the Office of the Inspector General (OIG) or to the Department of Justice's Office of Professional Responsibility (OPR), as appropriate. Both OPR officials and OIG investigators were generally complimentary of the program and confirmed that the OI handled allegations and complaints in a timely and thorough manner.

BOP Inmate Financial Responsibility Program

The Bureau of Prisons (BOP) deserves credit for developing the Inmate Financial Responsibility Program (IFRP), which allows Federal prisoners to satisfy their court-ordered financial obligations while in prison. The IFRP helps the Department in its debt collection efforts, which is a high risk area. We found the IFRP is a useful means of collecting court-ordered financial obligations from incarcerated inmates. However, we concluded that more intensive

efforts may increase collections from inmate commissary accounts from approximately \$2.5 million annually to more than \$5 million.

**Significant
Inspections**

Specifically, we found that BOP could have possibly collected an additional \$1 million of court-ordered financial obligations had they ensured that amounts—mutually agreed-upon by the BOP and inmates—were deducted from inmate commissary accounts. Similarly, BOP could have collected an additional \$2 million if the IFRP staff had coordinated with probation officers to identify inmates who could participate in the program.

Internal Controls over Extended Leave Without Pay in DOJ

Extended Leave Without Pay (LWOP) is a temporary nonpay status of more than 30 consecutive days and can only be granted upon an employee's request. We found that extended LWOP did not significantly impair the Department's overall operations. Only 1,145 DOJ employees were in an extended LWOP status during calendar year 1992, as compared to over 70,000 employees on the active payroll (excluding the FBI, which was not included in our inspection). In our sample of 256 employees on extended LWOP, we found that only eight individuals had been erroneously authorized pay while in a LWOP status, which totalled about \$4,100. This information was furnished to the Justice Management Division (JMD) for recoupment or resolution.

Although JMD has sufficient policy guidance for the granting of LWOP and the administration of the LWOP program, we found that personnel actions required to place individuals in an extended LWOP status were not always completed and that some supervisors and time-keepers were unaware of the DOJ policy.

The immediate overall effect of these weaknesses is limited. However, use of LWOP is anticipated to increase because of the recent Family and Medical Leave Act and, if the weaknesses remain uncorrected, there will be a greater potential for error in the LWOP program.

DEA Marine Program

The Drug Enforcement Administration (DEA) uses Government-owned vessels—usually obtained through the seizure and forfeiture process—to support undercover, surveillance, and intelligence activities. At the time of our inspection, there were 16 active vessels in the fleet valued at approximately \$1.5 million. Funding for the program during FYs 1991 - 1993 totalled about \$830,000.

We found that using these vessels is an innovative and effective law enforcement tool. Based

Significant Inspections

on our review, the vessels at the five sites we visited played an important role in 90 arrests, the seizure of \$3 million in cash and property, and the confiscation of approximately 1,080 kilograms of cocaine and 14 kilograms of heroin.

Our inspection revealed several administrative weaknesses in the areas of property management, vessel maintenance, and vessel mission reports. In addition, DEA was using Asset Forfeiture Fund money for retrofitting vessels 2 to 7 years after putting them in service, which is inconsistent with the Attorney General's Guidelines on Seized and Forfeited Property.

FPI Contract Closeout and Related Contract Administration Activities

Our inspection disclosed that the Federal Prison Industries (FPI) contracting officers had not performed contract closeout and related contract administration activities, as required by the Federal Acquisition Regulations. Based on the 14 contracts reviewed, contractors had completed deliveries in 11 of the 14 contracts, but the contracting officers had not initiated administrative closeout activities for these contracts. Contracting Officers' Technical Representatives also needed to assume full responsibility for managing and controlling the FPI contracts. In addition, we found that FPI did not include a liquidated damages clause in solicitations and contracts when delivery dates were essential to the FPI's production schedule, and that FPI Product Divisions established tight delivery schedules in solicitations and contracts that may have restricted competition and resulted in higher contract prices.

Special Inquiry Section (SIS)

Among the special inquiries completed during this reporting period are the following:

- An OIG Hotline caller alleged that the Department had failed to rule on the appeal of a disciplinary action taken against a senior manager accused of sexual harassment. We found that the DOJ had rendered a final decision on the appeal but that the DOJ component needed to take additional action to complete the matter, which it has now done.
- A newspaper article expressed concern about INS' use of tranquilizers and antipsychotic drugs to control difficult, violent, or stubborn deportees. In response, the SIS reviewed INS policies and procedures pertaining to the medication of deportees. The review found appropriate policies and procedures in place and no indication that INS was not following them.

**Inspections
Statistics**

Inspections Workload Accomplishments	
	Number of Inspections
Inspections active at beginning of period	15
Inspections initiated	9
Final reports issued	12
Inspections cancelled*	1
Inspections active at end of reporting period	11

* The inspection was cancelled because the program was undergoing significant policy, organizational, and procedural changes and a review during this time of transition would have been premature.

SIS Workload	
Spécial inquiries carried forward as of 09/30/93	14
--Special inquiries opened this period	13
--Special inquiries closed this period	14
TOTAL special inquiries in progress as of 03/31/94	13

Disposition of Complaints Referred to the SIS	
Initiated special inquiry	13
Consolidated into ongoing special inquiry	3
Returned to the Investigations Division for referral to a DOJ component or other action	19
Referred to the Audit Division	3
Retained for the FY 1995 Audit/Inspections planning process	1
Referred for inclusion in an ongoing or planned inspection	1
TOTAL	40

The Audit Division



The Audit Division is responsible for conducting independent reviews of Department of Justice organizations, programs, functions, automated data processing systems, and overseeing financial statement audits.



The Audit Division is responsible for conducting independent reviews of Department of Justice organizations, programs, functions, automated data processing systems, and financial statements. 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*.

Audits are performed in three general categories: Internal, Trustee, and External. Internal audits address the programs and activities of the Department. Trustee audits, performed under a reimbursable agreement with the Executive Office for U.S. Trustees, examine the internal controls and cash management practices of panel and standing trustees nationwide. External audit work includes the review and coordination 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. The Audit Division also performs audits of grants and contracts. In addition, the Audit Division assists the Investigations Division in complex fraud cases.

USMS Maintenance and Disposal of Seized Assets

Significant Audits

The Office of Management and Budget and the Department have identified asset seizure and forfeiture activities as high risk areas. The United States Marshals Service (USMS) is responsible for day-to-day maintenance, protection, and disposal of properties seized and forfeited in the Department's asset forfeiture program. Numerous prior audits and reviews have disclosed significant weaknesses in the seized assets program.

When we began the audit, the inventory of seized assets was valued at about \$1.8 billion. The audit disclosed that the USMS did not expeditiously dispose of forfeited assets in its possession. The inventory contained significant amounts of property forfeited as long ago as 1984. As a result, the Government incurred interest expenses estimated at more than \$18 million over a 9-year period. The USMS did not exercise due care in reviewing the performance of service providers. Assets were allowed to deteriorate, contractors and other vendors failed to perform as required, and overcharges of \$140,000 were paid.

Numerous prior audits and reviews have disclosed significant weaknesses in the seized assets program.

In addition, in a prior OIG audit, the Deputy Attorney General ordered that large seized aircraft be stored at the USMS hangar in Oklahoma City, Oklahoma. The USMS did not implement the order and consequently incurred storage costs of more than \$322,000 for seized aircraft that were not stored in Oklahoma City; some of these costs could have been avoided.

Significant Audits

The USMS agreed on our recommendations for corrective actions but raised the issue of the use of the Oklahoma City hangar to the Deputy Attorney General. The Deputy Attorney General's decision was withheld pending completion of a cost analysis.

Collection of U.S. Trustee Chapter 11 Quarterly Fees

The Bankruptcy Judges, United States Trustees, and the Family Farmer Bankruptcy Act of 1986 require that, in addition to the filing fees paid to the Clerk of the Bankruptcy Court, every open case under Chapter 11 must pay quarterly fees to the U.S. Trustee (UST) Program. Our audit disclosed that the U.S. Trustee Program has collected over \$209 million in Chapter 11 Quarterly Fees. This amount accounts for more than 40 percent of all U.S. Trustee Program revenues.

As mandated by law, the UST Program has transferred more than \$15 million in surplus Chapter 11 quarterly fees and \$30 million in total fees since FY 1990 to the U.S. Treasury general fund. These transferred funds benefited neither the Chapter 11 bankruptcy estates nor the UST Program's administration of Chapter 11 cases. Executive Office for U.S. Trustees' officials felt these funds could have been better used to fund additional resources for the Chapter 11 program.

Our audit also noted several Chapter 11 quarterly fees improvements that could be made.

Our audit also noted several Chapter 11 quarterly fees improvements that could be made. Specifically, better accounting systems would lead to accurate information, which is necessary for directing billing and collection

efforts. In addition, Chapter 11 billing information needs to be maintained in a format compatible with the UST Program's case management system. Compatible formats could save the UST Program the more than \$75,000 expended for duplicate data entry. We also advised the UST Program that a minimum of \$132,850 in quarterly fees for 449 new cases were not pursued timely because the case information was not entered into the billing system.

JMD's Presolicitation Activities for Acquisition of JCON

The Justice Consolidated Office Network (JCON) is a large office automation system initiative that will combine and replace several existing Departmental information systems. We performed the audit in the presolicitation phase to address areas of improvement early in the contracting process. In the opinion of the Contracting Officer, because the audit concerned certain aspects of the pre-award phase of the JCON acquisition, it may have contained procurement sensitive information. Distribution of the report was therefore limited to the Contracting Officer.

USMS' Responsibilities Under Witness Security Program**Significant
Audits**

The Witness Security (WITSEC) Program protects Federal witnesses and their families who could be subject to harm as a result of their testimony in cases involving organized crime and racketeering, drug trafficking offenses described in Title 21, United States Code, and other serious Federal or State felony cases.

Our audit is classified Secret and only unclassified information is provided here. The audit revealed that the USMS' internal control structure was not adequate in the following areas: obligations, support and classification of expenditures for safesites; procurement; and contract administration. As a result, the USMS was in violation of the Anti-Deficiency Act in FY 1986 by \$800,000 and overpaid a construction contractor by \$598,815.

The USMS concurred with us that the statute of limitations has expired regarding criminal violations of the Anti-Deficiency Act, but will send the appropriate notifications to the necessary congressional oversight committees and the Office of Management and Budget setting forth the circumstances of the violation.

Between FY 1989 and FY 1991, the USMS paid more than \$4 million to several vendors without formal contracts.

The audit also revealed that, between FY 1989 and FY 1991, the USMS paid more than \$4 million to several vendors without formal contracts. Services were obtained from these vendors without regard to established procurement procedures. Moreover, the WITSEC Division entered into procurement agreements without authority.

FBI's Motor Vehicle Fleet Management Program

The FBI has a domestic fleet of approximately 10,000 vehicles. Our audit concentrated on the 7,600 vehicles that were not used for undercover or covert operations. Overall, the audit noted that the FBI needs to place greater emphasis on internal controls and conformance with practices that promote more efficient and economical use of its vehicle resources. Our review of the motor vehicle operations at Headquarters and selected field offices disclosed that the FBI:

- Must discontinue the practice of using vehicles placed in pending sale status;
- Must ensure that vehicles receive proper and/or timely preventative maintenance; and
- Must strengthen internal controls over automotive parts, equipment and supplies, oil company credit cards, and vehicle license plates.

Significant Audits

In addition, our review noted that the FBI was not always documenting all home-to-work use of vehicles; was exceeding, on a regular basis, the number of vehicles authorized to be taken home; and was not performing the required semiannual reviews of home-to-work use.

Federal Prison Industries, Inc., Operations and Financial Activities

During this period, the OIG completed three Federal Prison Industries audits covering the operations and financial activities at Fairton, New Jersey; Lexington, Kentucky; and El Reno, Oklahoma. We made recommendations that funds be put to better use in the amount of \$432,312 and found questioned costs of \$295,702. FPI management agreed with all recommendations in the three audit reports.

Chief Financial Officers Act of 1990

Financial statement audits are performed at the Department by independent public accountants, with oversight by the Audit Division. During this semiannual period, the first financial statement audit of the Community Relations Service (CRS) was completed, with the auditors issuing an unqualified opinion on the Statement of Financial Position, but disclaiming an opinion on the results of operations and changes in net position, cash flows and budget and actual expenses. In an effort to meet the Office of Management and Budget's accelerated deadlines, audits of the Federal Prison Industries, Inc. and Asset Forfeiture Program were completed and issued by March 1. Audits of the Working Capital Fund and Bureau of Prisons Commissary Trust Fund were also issued in this semiannual period. All of the audits issued, except for CRS, contained unqualified opinions.

Trustee Audits

The Audit Division has contributed significantly to the integrity of the bankruptcy system by performing financial audits of trustees under a reimbursable agreement with the Executive Office for United States Trustees (EOUST). During the reporting period, we issued 252 trustee reports.

Financial and compliance audits are performed of Chapter 12 family farmer trustees to evaluate the adequacy of the trustees' accounting systems and related internal controls, compliance with major statutes 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, audits are performed of Chapter 7 panel trustees to provide the

U.S. Trustees with an assessment of the quality of the panel trustees' accounting for bankruptcy estate assets, cash management practices, and other administrative procedures.

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, we reviewed and transmitted 147 reports encompassing 775 Department contracts, grants and other agreements totaling \$297,030,119. These audits report on financial activities, compliance with applicable laws and, in many cases, the adequacy of recipients' internal controls over Federal expenditures. We review reports on organizations over which the Department is cognizant or which have a preponderance of Departmental funds to ensure they comply with generally accepted Government auditing standards. In certain circumstances, the Office of the Inspector General performs audits of State and local governments, nonprofit organizations, and Departmental contracts.

Management Information Memoranda

During this period, we issued three Management Information Memoranda (MIMs). We use MIMs to bring exigent issues to managements' attention while our audit work is still ongoing.

- Drug Enforcement Administration regarding disclosure of sensitive aircraft information.
- Executive Office for U.S. Trustees regarding payment of fees to a panel trustee.
- Federal Prison Industries, Inc. regarding FPI contract administration.

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. Open audit reports are continuously monitored to track the audit resolution and closure process. As of March 31, 1994, the OIG closed 444 audit reports and was monitoring the resolution process of 123 open audit reports. Of this latter number, three audit reports were over 6 months old and in disagreement as discussed on the following page.

Audits in Disagreement

Information Systems and Network Corporation

The audit of the Information Systems and Network Corporation (ISN), conducted by the Defense Contract Audit Agency, found that ISN had paid excessive and unreasonable compensation to two top executives. The audit remains unresolved and was reported as such in previous Semiannual Reports to the Congress. The audit report is subject to the Department of Defense (DOD) resolution process. The DOD is considering litigation to recover funds from the contractor. The DOD will advise all Federal entities involved as soon as a determination is made on whether to litigate. At that time, DOJ officials can take appropriate action to resolve the report.

Use of Equitable Shares by Cherokee County, Ga., Sheriff's Department

An audit of the use of equitable sharing funds at the Cherokee County, Georgia, Sheriff's Department found numerous deficiencies in internal controls over equitable sharing applications, receipts, and expenditures. As of March 31, 1994, the Executive Office for Asset Forfeiture (EOAF) had not provided a written response to the audit. [Editor's note: Subsequent to the end of this semiannual reporting period, a written response was received from the EOAF which should resolve the audit's recommendations.]

National Institute Against Prejudice and Violence, Inc.

An audit of the National Institute Against Prejudice and Violence, Inc. (NIAPV) found that operations of NIAPV did not require a sufficient number of people in the accounting function to allow segregation of all incompatible duties and functions. In addition, the audit found unexplainable balances on the trial balance and general ledger detail of NIAPV, causing such reports to be out of balance. The audit remains unresolved pending submission of an acceptable corrective action plan by the auditee.

Technical Assistance Activities

The Audit Division continually provides technical assistance to various Department components. Examples of technical assistance activities include the following:

While conducting an audit, we discovered a potential breach of security concerning the identification of covert equipment and promptly notified the affected component. The component took immediate action to correct the potential breach and to prevent a recurrence.

In response to the Attorney General's interest in the Asset Forfeiture Program, the Executive Office for Asset Forfeiture asked us to use our Chief Financial Officer Certified Public Accountants (CPA) to assist in a review of the equitable sharing program. The CPA's contract is being modified to accommodate this additional work and provide any necessary technical assistance.

During this period, we also assisted the Federal Prison Industries, Inc. in reviewing their cost

accounting system; a Bureau of Prisons contracting supervisor regarding a proposal for detention services; and the Environment and Natural Resources Division in reviewing their internal requirements for keeping detailed time records of attorney's activities.

Update on Prior Period Report

Our audit entitled *Immigration Services and Special Benefits for Which Fees Have Not Been Established* disclosed that additional fees should be established and that inconsistencies exist in the INS fee structure for some services. The INS took the following measures during this reporting period to establish proper fees:

- Established a User Fee Subgroup tasked with identifying areas at land border ports where fees can be established. To date, a proposed regulation to charge fees for six specific services provided at land border ports-of-entry will increase annual revenues by about \$20 million. The subgroup is continuing its efforts to identify areas for which additional fees should be established.
- Drafted a legislative proposal to remove the existing inspection fee exemption on cruise ships arriving from certain areas. This should generate an additional revenue of about \$28 million annually.
- Established a Border Toll Working Group to develop an implementation strategy for vehicle and pedestrian inspection fees at land border ports of entry. This should generate millions of dollars in additional revenue.

Audit Statistics

Enhanced Revenues

Audit Reports	Number of Audit Reports	Enhanced Revenues
No management decision was made by beginning of period	1	\$170,200,000
Issued during period	0	0
Needing management decision during period	1	\$170,200,000
Management decisions made during period:		
Amounts management agreed with	1	\$170,200,000
No management decision at end of period	0	0

Funds Recommended to be Put to Better Use

Audit Reports	Number of Audit Reports	Funds Recommended to be Put to Better Use
No management decision was made by beginning of period	4	\$29,015,471
Issued during period	6	\$49,159,161
Needing management decision during period	10	\$78,174,632
Management decisions made during period:		
Amounts management agreed to put to better use	9	\$78,151,637
No management decision at end of period	1	\$22,995

Audits With Questioned Costs
**Audit
Statistics**

Audit Reports	Number of Audit Reports	Total Questioned Costs (Including unsupported costs)	Unsupported Costs
No management decision was made by beginning of period	12	\$628,758	\$113,170
Issued during period	18	\$5,807,220	\$671,265
Needing management decision during period	30	\$6,435,978	\$784,435
Management decisions made during period:			
Amounts management agreed to recover (disallowed)	18	\$4,211,983	\$155,988
No management decision at end of period	12	\$2,223,995	\$628,447

Audits Involving Recommendations for Management Improvements

Audit Reports	Number of Audit Reports	Total Number of Management Improvements Recommended
No management decision was made by beginning of period	46	166
Issued during period	67	308
Needing management decision during period	113	474
Management decisions made during period:		
Number management agreed to implement	81*	331
Number not agreed to implement	2	10
No management decision at end of period	33	133

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

Appendix 1

Final Inspection Reports Issued October 1, 1993 through March 31, 1994

**Alien Fingerprint Requirements in the Immigration and
Naturalization Service**

Bureau of Prisons Inmate Financial Responsibility Program

**United States Marshals Service's Office of Inspections' Program
for Handling Allegations of Misconduct**

**Internal Controls over Extended Leave Without Pay in the
Department of Justice**

**Management of Imprest Funds in the Drug Enforcement
Administration**

**Executive Office for Asset Forfeiture's Consolidated Asset
Tracking System**

Drug Enforcement Administration Marine Program

**Management Controls and Reporting of Advisory and
Assistance Service Contracts in the Department of Justice**

**Immigration and Naturalization Service National Automated
Immigration Lookout System II**

Ammunition Purchases by Department of Justice Bureaus

Restrictions on Lobbying Within the Department of Justice

**Federal Prison Industries Contract Closeout and Related
Contract Administration Activities**

AUDIT REPORTS
October 1, 1993 - March 31, 1994

INTERNAL AND EXTERNAL AUDIT REPORTS

United States Marshals Service Maintenance and Disposal of Seized Assets 1/

Working Capital Fund Annual Financial Statement for Fiscal Year 1992

Working Capital Fund Management Letter Report for Fiscal Year 1992

Cogefar-Impresit USA, Inc. 2/

Collection of United States Trustees Chapter 11 Quarterly Fees 3/

**Operations and Financial Activities, Federal Prisons Industries, Inc., Fairton,
New Jersey 4/**

United States Trustee Summary Report for Fiscal Year 1993

Louis Berger and Associates, Inc.

The Federal Bureau of Investigation's Motor Vehicle Fleet Management Program

The Use of Equitable Sharing Funds by the Eagle Pass, Texas Police Department 5/

H.J. Kaufman and Associates

Asset Forfeiture Program Annual Financial Statement for Fiscal Year 1993

**The Justice Management Division's Presolicitation Activities for the Acquisition of the
Justice Consolidated Office Network**

Bureau of Prisons Commissary Fund Annual Financial Statement for Fiscal Year 1993

Salvation Army, Southern Territory Headquarters 6/

**1/ Total Questioned Costs - \$391,025
Funds Put To Better Use - \$18,628,854**

2/ Total Questioned Costs - \$2,104,564

3/ Funds Put To Better Use - \$30,075,000

4/ Funds Put To Better Use - \$74,513

5/ Total Questioned Costs - \$24,469

6/ Total Questioned Costs - \$1,384,660

Federal Prison Industries Annual Financial Statement for Fiscal Year 1993

Procurement Activities in the Justice Management Division

Dismas House of Kansas City 7/

Working Capital Fund Annual Financial Statement for Fiscal Year 1993

Management of Prompt Payment Act Requirements in the Federal Prison Industries, Inc.

Operations and Financial Activities, Federal Prison Industries, Inc., El Reno, Oklahoma 8/

The Use of Equitable Sharing Funds by the Lincoln, Illinois Police Department

Administrative Controls Over Organized Crime Drug Enforcement Task Force Operations
in the Tax Division 9/

R & R Uniforms, Inc.

Operations and Financial Activities, Federal Prison Industries, Inc., Lexington, Kentucky 10/

Rubino and McGeehin, Chartered CPAs 11/

United States Marshals Service's Responsibilities Under the Witness Security
Program 12/

Retrieval Systems Corporation 13/

Berlitz Translation Services

Community Relations Service Annual Financial Statement for Fiscal Year 1992

International Educational Services, Inc. 14/

7/ Total Questioned Costs - \$165,866
Unupported Costs - \$42,818

8/ Total Questioned Costs - \$295,702
Funds Put To Better Use - \$246,559

9/ Total Questioned Costs - \$191,068

10/ Funds Put To Better Use - \$111,240

11/ Total Questioned Costs - \$105,077

12/ Total Questioned Costs - \$610,815
Unupported Costs - \$610,815

13/ Total Questioned Costs - \$12,887

14/ Total Questioned Costs - \$13,232
Unupported Costs - \$13,232
Funds Put To Better Use - \$22,995

TRUSTEE REPORTS

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

Chapter 7 Audit of Panel Trustee Lewis Winston Lee	MR-40-94-001	Chapter 7 Audit of Panel Trustee Kyle R. Weems	MR-40-94-020
Chapter 7 Audit of Panel Trustee Jeffrey R. Dollinger	MR-40-94-002	Chapter 7 Audit of Panel Trustee David W. Cranshaw	MR-40-94-021
Chapter 7 Audit of Panel Trustee Eileen S. Bailey	MR-40-94-003	Chapter 7 Audit of Panel Trustee Harry L. Mathison, Jr.	MR-40-94-022
Chapter 7 Audit of Panel Trustee Robert G. Nichols, Jr.	MR-40-94-004	Chapter 7 Audit of Panel Trustee Alan C. Stout	MR-40-94-023
Chapter 7 Audit of Panel Trustee Stephen L. Jackson	MR-40-94-005	Chapter 7 Audit of Panel Trustee Lucy DiBraccio	MR-40-94-024
Chapter 7 Audit of Panel Trustee Frank M. Youngblood, Sr.	MR-40-94-006	Chapter 7 Audit of Panel Trustee J.C. Bell	MR-40-94-025
Chapter 7 Audit of Panel Trustee William M. Flatau	MR-40-94-007	Chapter 7 Audit of Panel Trustee John P. Newton, Jr.	MR-40-94-026
Chapter 7 Audit of Panel Trustee Stephany S. Carr	MR-40-94-008	Chapter 7 Audit of Panel Trustee Thomas H. Dickenson	MR-40-94-027
Chapter 7 Audit of Panel Trustee Martha A. Miller	MR-40-94-009	Chapter 7 Audit of Panel Trustee Margaret B. Fugate	MR-40-94-028
Chapter 7 Audit of Panel Trustee Alexander B. Gates	MR-40-94-010	Chapter 7 Audit of Panel Trustee Edward L. Montedonico	MR-40-94-029
Chapter 7 Audit of Panel Trustee Joel L. Tabas	MR-40-94-011	Chapter 7 Audit of Panel Trustee Mark T. Miller	MR-40-94-030
Chapter 7 Audit of Panel Trustee Susan K. Woodard	MR-40-94-012	Chapter 7 Audit of Panel Trustee Charles A. Gower	MR-40-94-032
Chapter 7 Audit of Panel Trustee C. Brooks Thurmond, III	MR-40-94-013	Chapter 7 Audit of Panel Trustee Skip H. Klauber	MR-40-94-033
Chapter 7 Audit of Panel Trustee David S. Rogers	MR-40-94-014	Chapter 7 Audit of Panel Trustee Castil Williams	MR-40-94-036
Chapter 7 Audit of Panel Trustee James R. Marshall	MR-40-94-015	Chapter 7 Audit of Panel Trustee Paul J. Fitzsimmons	MR-50-94-001
Chapter 7 Audit of Panel Trustee Dennis M. Hall	MR-40-94-016	Chapter 7 Audit of Panel Trustee Larry S. Eide	MR-50-94-002
Chapter 7 Audit of Panel Trustee Derek A. Henderson	MR-40-94-017	Chapter 7 Audit of Panel Trustee David W. Kuhn	MR-50-94-003
Chapter 7 Audit of Panel Trustee Robert C. Furr	MR-40-94-018	Chapter 7 Audit of Panel Trustee Thomas R. Noland	MR-50-94-004
Chapter 7 Audit of Panel Trustee Gui L.P. Goyaert	MR-40-94-019	Chapter 7 Audit of Panel Trustee Douglas M. Henry	MR-50-94-005

Chapter 7 Audit of Panel Trustee Roger E. Luring	MR-50-94-006	Chapter 7 Audit of Panel Trustee Robert A. Pummill	MR-50-94-028
Chapter 7 Audit of Panel Trustee Burton H. Fagan	MR-50-94-007	Chapter 7 Audit of Panel Trustee Steven C. Block	MR-50-94-029
Chapter 7 Audit of Panel Trustee John A. Porter	MR-50-94-008	Chapter 7 Audit of Panel Trustee John E. Maloney	MR-50-94-030
Chapter 7 Audit of Panel Trustee Larry J. McClatchey	MR-50-94-009	Chapter 7 Audit of Panel Trustee Gerald A. Rimmel	MR-50-94-031
Chapter 7 Audit of Panel Trustee Michael S. Dietz	MR-50-94-010	Chapter 7 Audit of Panel Trustee Gerald E. Lindquist	MR-50-94-032
Chapter 7 Audit of Panel Trustee A. Fred Berger	MR-50-94-011	Chapter 7 Audit of Panel Trustee Laura K. Grandy	MR-50-94-033
Chapter 7 Audit of Panel Trustee Ernest H. Bavely	MR-50-94-012	Chapter 7 Audit of Panel Trustee Jim S. Green	MR-50-94-034
Chapter 7 Audit of Panel Trustee Wayne E. Drowes	MR-50-94-013	Chapter 7 Audit of Panel Trustee John A. Wolf	MR-50-94-035
Chapter 7 Audit of Panel Trustee Anita L. Shodeen	MR-50-94-014	Chapter 7 Audit of Panel Trustee Richard D. Myers	MR-50-94-036
Chapter 7 Audit of Panel Trustee Michael W. Puerner	MR-50-94-015	Chapter 7 Audit of Panel Trustee Donald F. Harker, III	MR-50-94-037
Chapter 7 Audit of Panel Trustee James E. Ramette	MR-50-94-016	Chapter 7 Audit of Panel Trustee Thomas D. Stalnaker	MR-50-94-038
Chapter 7 Audit of Panel Trustee Harold A. Corzin	MR-50-94-017	Chapter 7 Audit of Panel Trustee Timothy J. Sear	MR-50-94-039
Chapter 7 Audit of Panel Trustee H. Buswell Roberts, Jr.	MR-50-94-018	Chapter 7 Audit of Panel Trustee Edward P. Dechert	MR-50-94-040
Chapter 7 Audit of Panel Trustee Norman L. Slutsky	MR-50-94-019	Chapter 7 Audit of Panel Trustee Calvin Hawkins	MR-50-94-041
Chapter 7 Audit of Panel Trustee Molly T. Shields	MR-50-94-020	Chapter 7 Audit of Panel Trustee Thomas A. Bruinsma	MR-50-94-042
Chapter 7 Audit of Panel Trustee John N. Graham	MR-50-94-021	Chapter 7 Audit of Panel Trustee Vernon H. Houchen	MR-50-94-043
Chapter 7 Audit of Panel Trustee Mark C. Halverson	MR-50-94-022	Chapter 7 Audit of Panel Trustee Elizabeth H. Doucet	MR-50-94-044
Chapter 7 Audit of Panel Trustee James H. Cossitt	MR-50-94-023	Chapter 7 Audit of Panel Trustee R. David Boyer	MR-50-94-045
Chapter 7 Audit of Panel Trustee Paul E. Berman	MR-50-94-024	Chapter 7 Audit of Panel Trustee W. Michael Conway, II	MR-50-94-046
Chapter 7 Audit of Panel Trustee A. Thomas DeWoskin	MR-50-94-025	Chapter 7 Audit of Panel Trustee Neal R. Sutherland	MR-50-94-047
Chapter 7 Audit of Panel Trustee Joseph D. Bradley	MR-50-94-026	Chapter 7 Audit of Panel Trustee Malcolm G. Montgomery	MR-50-94-048
Chapter 7 Audit of Panel Trustee Fred C. Moon	MR-50-94-027	Chapter 7 Audit of Panel Trustee Chris W. Henry	MR-50-94-049

Chapter 7 Audit of Panel Trustee William B. Sorensen, Jr.	MR-50-94-050	Chapter 7 Audit of Panel Trustee Walker Don Weathers	MR-80-94-003
Chapter 7 Audit of Panel Trustee Basil T. Simon	MR-50-94-051	Chapter 7 Audit of Panel Trustee Benjamin C. Thacker	MR-80-94-004
Chapter 7 Audit of Panel Trustee Sara J. Daneman	MR-50-94-052	Chapter 7 Audit of Panel Trustee Craig D. Martinson	MR-80-94-005
Chapter 7 Audit of Panel Trustee Michael A. Mason	MR-50-94-053	Chapter 7 Audit of Panel Trustee Robert G. Drummond	MR-80-94-006
Chapter 7 Audit of Panel Trustee Malcolm L. Goodman	MR-50-94-054	Chapter 7 Audit of Panel Trustee Walter O'Cheskey	MR-80-94-007
Chapter 7 Audit of Panel Trustee James W. Boyd	MR-50-94-055	Chapter 7 Audit of Panel Trustee Firman A. Hickey, Jr.	MR-80-94-008
Chapter 7 Audit of Panel Trustee Charles L. Wells, III	MR-50-94-056	Chapter 7 Audit of Panel Trustee Paul T. Gefreh	MR-80-94-009
Chapter 7 Audit of Panel Trustee William H. Christison, III	MR-50-94-057	Chapter 7 Audit of Panel Trustee Fran C. Lloyd	MR-80-94-010
Chapter 7 Audit of Panel Trustee Randall L. Frank	MR-50-94-058	Chapter 7 Audit of Panel Trustee J. Kevin Bird	MR-80-94-011
Chapter 7 Audit of Panel Trustee Patricia A. Koppa	MR-50-94-059	Chapter 7 Audit of Panel Trustee Dennis L. Elam	MR-80-94-012
Chapter 7 Audit of Panel Trustee John E. Gierum	MR-50-94-060	Chapter 7 Audit of Panel Trustee Joseph W. Colvin	MR-80-94-013
Chapter 7 Audit of Panel Trustee David W. Allard, Jr.	MR-50-94-061	Chapter 7 Audit of Panel Trustee Scott M. Seidel	MR-80-94-014
Chapter 7 Audit of Panel Trustee Donald M. Aikman	MR-50-94-062	Chapter 7 Audit of Panel Trustee John E. Fitzgibbons	MR-80-94-015
Chapter 7 Audit of Panel Trustee Richard L. Darst	MR-50-94-063	Chapter 7 Audit of Panel Trustee Randy L. Royal	MR-80-94-016
Chapter 7 Audit of Panel Trustee Donald E. Hoagland	MR-50-94-064	Chapter 7 Audit of Panel Trustee Dale McCullough	MR-80-94-017
Chapter 7 Audit of Panel Trustee Lawrence Fisher	MR-50-94-065	Chapter 7 Audit of Panel Trustee Janice D. Loyd	MR-80-94-018
Chapter 7 Audit of Panel Trustee Richard B. Ginley	MR-50-94-066	Chapter 7 Audit of Panel Trustee John A. Cimino	MR-80-94-019
Chapter 7 Audit of Panel Trustee Mary Ann Rabin	MR-50-94-067	Chapter 7 Audit of Panel Trustee Joseph Q. Adams	MR-80-94-020
Chapter 7 Audit of Panel Trustee Dennis J. Dewey	MR-50-94-068	Chapter 7 Audit of Panel Trustee Thomas M. Wheeler	MR-80-94-021
Chapter 7 Audit of Panel Trustee Kenneth A. Manning	MR-50-94-069	Chapter 7 Audit of Panel Trustee John S. Lovald	MR-80-94-022
Chapter 7 Audit of Panel Trustee Ross P. Richardson	MR-80-94-001	Chapter 7 Audit of Panel Trustee Patrick J. Malloy, III	MR-80-94-023
Chapter 7 Audit of Panel Trustee Richard J. Samson	MR-80-94-002	Chapter 7 Audit of Panel Trustee Lester W. Holbrook, Jr.	MR-80-94-024

Chapter 7 Audit of Panel Trustee Max M. Morris	MR-80-94-025	Chapter 7 Audit of Panel Trustee Augustine A. Repetto, Jr.	MR-20-94-003
Chapter 7 Audit of Panel Trustee Robbye R. Waldron	MR-80-94-026	Chapter 7 Audit of Panel Trustee Alaine V. DiSipio	MR-20-94-004
Chapter 7 Audit of Panel Trustee Phillip D. Armstrong	MR-80-94-027	Chapter 7 Audit of Panel Trustee Michael H. Kaliner	MR-20-94-005
Chapter 7 Audit of Panel Trustee Stephen W. Rupp	MR-80-94-028	Chapter 7 Audit of Panel Trustee Joseph F. Manson, III	MR-20-94-006
Chapter 7 Audit of Panel Trustee Kenneth L. Spears	MR-80-94-029	Chapter 7 Audit of Panel Trustee Kevin R. Huennekens	MR-20-94-007
Chapter 7 Audit of Panel Trustee R. Kimball Mosier	MR-80-94-030	Chapter 7 Audit of Panel Trustee Keith L. Phillips	MR-20-94-008
Chapter 7 Audit of Panel Trustee Linda S. Payne	MR-80-94-031	Chapter 7 Audit of Panel Trustee Benjamin Novak	MR-20-94-009
Chapter 7 Audit of Panel Trustee Ronald J. Sommers	MR-80-94-032	Chapter 7 Audit of Panel Trustee H. Lee Addison, III	MR-20-94-010
Chapter 7 Audit of Panel Trustee Jon S. Nicholls	MR-80-94-033	Chapter 7 Audit of Panel Trustee Dean W. Sword, Jr.	MR-20-94-011
Chapter 7 Audit of Panel Trustee Andrea S. Berger	MR-80-94-034	Chapter 7 Audit of Panel Trustee Richard G. Hall	MR-20-94-012
Chapter 7 Audit of Panel Trustee Joseph M. Hill	MR-80-94-035	Chapter 7 Audit of Panel Trustee Alexander Gordon, IV	MR-20-94-013
Chapter 7 Audit of Panel Trustee Ray K. Babb, Jr.	MR-80-94-036	Chapter 7 Audit of Panel Trustee Leroy R. Hamlett, Jr.	MR-20-94-014
Chapter 7 Audit of Panel Trustee H. Christopher Clark	MR-80-94-037	Chapter 7 Audit of Panel Trustee Joseph P. Nigro	MR-20-94-015
Chapter 7 Audit of Panel Trustee David A. Palmer	MR-80-94-038	Chapter 7 Audit of Panel Trustee Richard A. Umbenhauer	MR-20-94-016
Chapter 7 Audit of Panel Trustee Roger G. Segal	MR-80-94-039	Chapter 7 Audit of Panel Trustee David S. Gellert	MR-20-94-017
Chapter 7 Audit of Panel Trustee Paul J. Toscano	MR-80-94-040	Chapter 7 Audit of Panel Trustee Robert H. Slone	MR-20-94-018
Chapter 7 Audit of Panel Trustee Douglas E. Larson	MR-80-94-041	Chapter 7 Audit of Panel Trustee David B. Stratton	MR-20-94-019
Chapter 7 Audit of Panel Trustee Henry C. Seals	MR-80-94-042	Chapter 7 Audit of Panel Trustee James L. Patton	MR-20-94-020
Chapter 7 Audit of Panel Trustee Lowell T. Cage	MR-80-94-043	Chapter 7 Audit of Panel Trustee John W. Thompson, Jr.	MR-20-94-021
Chapter 7 Audit of Panel Trustee David J. Askanase	MR-80-94-044	Chapter 7 Audit of Panel Trustee Allan B. Goodman	MR-20-94-022
Chapter 7 Audit of Panel Trustee Marc E. Albert	MR-20-94-001	Chapter 7 Audit of Panel Trustee Steven M. Carr	MR-20-94-023
Chapter 7 Audit of Panel Trustee Richard A. Bartl	MR-20-94-002	Chapter 7 Audit of Panel Trustee Mark L. Glosser	MR-20-94-024

Chapter 7 Audit of Panel Trustee Mary Reitmeyer	MR-20-94-025	Chapter 7 Audit of Panel Trustee Peter R. Scribner	MR-20-94-047
Chapter 7 Audit of Panel Trustee Thomas P. Agresti	MR-20-94-026	Chapter 7 Audit of Panel Trustee Harold B. Murphy	MR-20-94-048
Chapter 7 Audit of Panel Trustee Robert G. Dwyer	MR-20-94-027	Chapter 7 Audit of Panel Trustee Lee E. Woodard	MR-20-94-049
Chapter 7 Audit of Panel Trustee Michael F. Rinn	MR-20-94-028	Chapter 7 Audit of Panel Trustee Jeffrey A. Kitaeff	MR-20-94-050
Chapter 7 Audit of Panel Trustee Arthur M. Standish	MR-20-94-029	Chapter 7 Audit of Panel Trustee Lynn T. Kanaga	MR-20-94-051
Chapter 7 Audit of Panel Trustee Thomas McK. Hazlett	MR-20-94-030	Chapter 7 Audit of Panel Trustee Andrew N. Schwartz	MR-20-94-052
Chapter 7 Audit of Panel Trustee Donald W. Huffman	MR-20-94-031	Chapter 7 Audit of Panel Trustee Claude C. Council, Jr.	MR-20-94-053
Chapter 7 Audit of Panel Trustee J.W. Barringer	MR-20-94-032	Chapter 7 Audit of Panel Trustee Martin W. Hoffman	MR-20-94-054
Chapter 7 Audit of Panel Trustee Marc Robert Kivitz	MR-20-94-033	Chapter 7 Audit of Panel Trustee James G. Duffy	MR-20-94-055
Chapter 7 Audit of Panel Trustee Richard A. Money	MR-20-94-034	Chapter 7 Audit of Panel Trustee Jeffrey L. Sapir	MR-20-94-056
Chapter 7 Audit of Panel Trustee Jo Widener	MR-20-94-035	Chapter 7 Audit of Panel Trustee Paul I. Krohn	MR-20-94-057
Chapter 7 Audit of Panel Trustee Scott D. Field	MR-20-94-036	Chapter 7 Audit of Panel Trustee Isaac Nutovic	MR-20-94-058
Chapter 7 Audit of Panel Trustee James K. McNamara	MR-20-94-037	Chapter 7 Audit of Panel Trustee Russell J. Passamano	MR-20-94-059
Chapter 7 Audit of Panel Trustee David J. Graban	MR-20-94-038	Chapter 7 Audit of Panel Trustee Lawrence T. Phelan	MR-20-94-060
Chapter 7 Audit of Panel Trustee John R. Patterson	MR-20-94-039	Chapter 7 Audit of Panel Trustee Marianne DeRosa	MR-20-94-061
Chapter 7 Audit of Panel Trustee James A. Prostko	MR-20-94-040	Chapter 7 Audit of Panel Trustee Michael B. McCarty	MR-90-94-001
Chapter 7 Audit of Panel Trustee Michael G. Wolfe	MR-20-94-041	Chapter 7 Audit of Panel Trustee Thomas A. Huntsberger	MR-90-94-002
Chapter 7 Audit of Panel Trustee Nelson J. Kline	MR-20-94-042	Chapter 7 Audit of Panel Trustee Vannoy Culpepper	MR-90-94-003
Chapter 7 Audit of Panel Trustee Angela G. Tese-Milner	MR-20-94-043	Chapter 7 Audit of Panel Trustee Peter C. Anderson	MR-90-94-004
Chapter 7 Audit of Panel Trustee Richard L. Belford	MR-20-94-044	Chapter 7 Audit of Panel Trustee Bruce R. Boyden	MR-90-94-005
Chapter 7 Audit of Panel Trustee James R. Huff, II	MR-20-94-045	Chapter 7 Audit of Panel Trustee Brian L. Budsberg	MR-90-94-006
Chapter 7 Audit of Panel Trustee William B. Sullivan	MR-20-94-046	Chapter 7 Audit of Panel Trustee Nancy L. James	MR-90-94-007

Chapter 7 Audit of Panel Trustee John S. Peterson	MR-90-94-008	Chapter 7 Audit of Panel Trustee K. Leslie Glenn	MR-90-94-027
Chapter 7 Audit of Panel Trustee Gilbert R. Vasquez	MR-90-94-009	Chapter 7 Audit of Panel Trustee Paul S. Sakuda	MR-90-94-028
Chapter 7 Audit of Panel Trustee John H. Krommenhoek	MR-90-94-010	Chapter 7 Audit of Panel Trustee Richard M. Kennedy	MR-90-94-029
Chapter 7 Audit of Panel Trustee Gary R. Farrar	MR-90-94-011	Chapter 7 Audit of Panel Trustee Patrick Kavanagh	MR-90-94-030
Chapter 7 Audit of Panel Trustee Peter H. Arkison	MR-90-94-012	Chapter 7 Audit of Panel Trustee Richard Pachulski	MR-90-94-031
Chapter 7 Audit of Panel Trustee Jeffrey G. Locke	MR-90-94-013	Chapter 7 Audit of Panel Trustee James A. Dumas, Jr.	MR-90-94-032
Chapter 7 Audit of Panel Trustee Linda Schuette	MR-90-94-014	Chapter 7 Audit of Panel Trustee Andrew S. Krutzsch	MR-90-94-033
Chapter 7 Audit of Panel Trustee Edmond J. Wood	MR-90-94-015	Chapter 7 Audit of Panel Trustee Jeri Ann Coppa	MR-90-94-034
Chapter 7 Audit of Panel Trustee Thomas P. Williams	MR-90-94-016	Chapter 7 Audit of Panel Trustee Randell Parker	MR-90-94-035
Chapter 7 Audit of Panel Trustee John D. Monte	MR-90-94-017	Chapter 7 Audit of Panel Trustee John R. Roberts	MR-90-94-036
Chapter 7 Audit of Panel Trustee Edward M. Wolkowitz	MR-90-94-018	Chapter 7 Audit of Panel Trustee Steven D. Diebert	MR-90-94-037
Chapter 7 Audit of Panel Trustee Dan P. O'Rourke	MR-90-94-019	Chapter 7 Audit of Panel Trustee Norman L. Hanover	MR-90-94-038
Chapter 7 Audit of Panel Trustee Walter T. Thompson	MR-90-94-020	Chapter 7 Audit of Panel Trustee Gregory Akers	MR-90-94-039
Chapter 7 Audit of Panel Trustee Dennis E. McGoldrick	MR-90-94-021	Chapter 7 Audit of Panel Trustee Jerome E. Robertson	MR-90-94-040
Chapter 7 Audit of Panel Trustee Jeffrey B. Earl	MR-90-94-022	Chapter 7 Audit of Panel Trustee Mark D. Hashimoto	MR-90-94-041
Chapter 7 Audit of Panel Trustee Robert M. Damir	MR-90-94-023	Chapter 7 Audit of Panel Trustee Edward F. Towers	MR-90-94-042
Chapter 7 Audit of Panel Trustee Robert Whitmore	MR-90-94-024	Chapter 7 Audit of Panel Trustee Michael D. McGranahan	MR-90-94-043
Chapter 7 Audit of Panel Trustee Arthur E. Thurston	MR-90-94-025	Chapter 7 Audit of Panel Trustee Jack Fidelman	MR-90-94-044
Chapter 7 Audit of Panel Trustee Richard A. Davis	MR-90-94-026	Chapter 7 Audit of Panel Trustee Josphe J. Janas	MR-90-94-045

AUDIT REPORTS OF DEPARTMENT OF JUSTICE ACTIVITIES COMPLETED BY OTHERS

Audit of the Southern Kentucky Community Action Agency, Inc.	TOF-40-94-001	Audit of the City of Detroit, Michigan	TOP-50-94-002
Audit of the Mississippi State University	TOF-40-94-002	Audit of the State of Minnesota	TOP-50-94-003
Audit of the National Children's Advocacy Center	TOF-40-94-003	Audit of the City of Detroit, Michigan	TOP-50-94-004
Audit of Auburn University	TOF-40-94-004	Audit of Madison, Wisconsin	TOP-50-94-005
Audit of Cobb County, Georgia	TOP-40-94-001	Audit of Mid-States Organized Crime Information Center	TRIG-50-94-001
Audit of Broward County, Florida	TOP-40-94-002	Audit of the National Victim Center	TJF-80-94-001
Audit of Fort Lauderdale, Florida	TOP-40-94-003	Audit of the National Victim Center	TJF-80-94-002
Audit of the State of Georgia	TOP-40-94-004	Audit of the National Victim Center	TJF-80-94-003
Audit of the Commonwealth of Kentucky	TOP-40-94-005	Audit of the Office of the Prosecutor Coordinator, Little Rock, Arkansas	TJP-80-94-001
Audit of the State of Florida	TOP-40-94-006	Audit of Arkansas Crime Information Center	TJP-80-94-002
Audit of the City of Miami, Florida	TOP-40-94-007	Audit of the Association of Central Oklahoma Governments	TJP-80-94-003
Audit of Palm Beach County, Florida	TOP-40-94-008	Audit of the Association of Central Oklahoma Governments	TJP-80-94-004
Audit of the City of Miami Beach, Florida	TOP-40-94-009	Audit of the Department of Finance and Administration, State of Arkansas	TJP-80-94-005
Audit of the City of Ocala, Florida	TOP-40-94-010	Audit of Tulane University	TOF-80-94-001
Audit of the City of Ocala, Florida	TOP-40-94-011	Audit of the University of Oklahoma	TOF-80-94-002
Audit of Forsyth County, North Carolina	TOP-40-94-012	Audit of the University of Oklahoma	TOF-80-94-003
Audit of the Ohio Restaurant Association	TJF-50-94-001	Audit of the Association for Retarded Citizens	TOF-80-94-004
Audit of Fernside, Inc.	TJF-50-94-002	Audit of the University of New Mexico	TOF-80-94-005
Audit of the Nebraska Commission on Law Enforcement and Criminal Justice	TJP-50-94-001	Audit of Loyola University	TOF-80-94-006
Audit of Hastings, Nebraska	TJP-50-94-002	Audit of the Assiniboine and Sioux Tribes	TOP-80-94-001
Audit of Hastings, Nebraska	TJP-50-94-003	Audit of Pennington County, South Dakota	TOP-80-94-002
Audit of the Illinois Department of Corrections	TJP-50-94-004	Audit of the City of Las Cruces, New Mexico	TOP-80-94-003
Audit of the Indiana State Police	TJF-50-94-005	Audit of the State of Louisiana	TOP-80-94-004
Audit of Sangamon State University	TOF-50-94-001	Audit of Grayson County, Texas	TOP-80-94-005
Audit of Saint Mary College	TOF-50-94-002	Audit of Grayson County, Texas	TOP-80-94-006
Audit of Northwestern University	TOF-50-94-003	Audit of the City of Wichita Falls, Texas	TOP-80-94-007
Audit of the State of Ohio <u>1/</u>	TOP-50-94-001		

1/ Total Questioned Costs - \$50,000

Audit of the Arkansas Department of Human Services	TOP-80-94-008	Audit of the American Correctional Association <u>3/</u>	TJF-20-94-016
Audit of Harris County, Texas <u>1/</u>	TOP-80-94-009	Audit of the Concerns of Police Survivors	TJF-20-94-017
Audit of the City and County of Denver, Colorado	TOP-80-94-010	Audit of the Crime Control Institute <u>4/</u>	TJF-20-94-018
Audit of the Cherokee Nation, Oklahoma	TOP-80-94-011	Audit of the Institute for Social Analysis	TJF-20-94-019
Audit of the State of Utah	TOP-80-94-012	Audit of the Justice Research and Statistics Association, Inc.	TJF-20-94-020
Audit of the City of Pueblo, Colorado	TOP-80-94-013	Audit of the Aspen Systems Corporation	TJF-20-94-021
Audit of the City of Colorado Springs, Colorado	TOP-80-94-014	Audit of the National Council of Agricultural Employers <u>5/</u>	TJF-20-94-022
Audit of the City of Arlington, Texas	TOP-80-94-015	Audit of the National Rehabilitation Hospital	TJF-20-94-023
Audit of the State of North Dakota	TOP-80-94-016	Audit of Phi Alpha Delta Public Service Center	TJF-20-94-024
Audit of the State of Oklahoma	TOP-80-94-017	Audit of National Association of Criminal Justice Planners	TJF-20-94-025
Audit of the City of Tyler, Texas	TOP-80-94-018	Audit of the D.C. Public Safety Cluster	TJP-20-94-001
Audit of the Boys and Girls Clubs of America	TJF-20-94-001	Audit of the Research Foundation, State of University of New York	TOF-20-94-001
Audit of the National Association of Town Watch	TJF-20-94-002	Audit of the Temple University	TOF-20-94-002
Audit of the Police Foundation	TJF-20-94-003	Audit of Johns Hopkins University	TOF-20-94-003
Audit of Abt Associates, Inc.	TJF-20-94-004	Audit of American Statistical Association	TOF-20-94-004
Audit of the Council of BBB Foundation	TJF-20-94-005	Audit of International Association of Chiefs of Police	TOF-20-94-005
Audit of H.M.S. Rose Foundation, Inc.	TJF-20-94-006	Audit of the University of Maryland System	TOF-20-94-006
Audit of the National Center for State Courts	TJF-20-94-007	Audit of Baltimore County, Maryland	TOP-20-94-001
Audit of the Jefferson Institute	TJF-20-94-008	Audit of the City of Philadelphia, Pennsylvania	TOP-20-94-002
Audit of the Center for Effective Public Policy	TJF-20-94-009	Audit of the Commonwealth of Pennsylvania	TOP-20-94-003
Audit of the Concerns of Police Survivors	TJF-20-94-010	Audit of the City of Boston, Massachusetts	TOP-20-94-004
Audit of the Council for Better Business Bureau Foundation	TJF-20-94-011	Audit of the Commonwealth of Virginia	TOP-20-94-005
Audit of the National Office for Social Responsibility	TJF-20-94-012	Audit of the City of Newport News, Virginia	TOP-20-94-006
Audit of the National Criminal Justice Association	TJF-20-94-013	Audit of the Commonwealth of Massachusetts	TOP-20-94-007
Audit of the Bureau of Rehabilitation, Inc.	TJF-20-94-014	Audit of the County of Nassau, New York	TOP-20-94-008
Audit of the Consortium of University of DC Metro Area <u>2/</u>	TJF-20-94-015	Audit of Arlington County, Virginia	TOP-20-94-009
<u>1/</u> Total Questioned Costs - \$1,772		<u>3/</u> Total Questioned Costs - \$763	
<u>2/</u> Total Questioned Costs - \$3,845		<u>4/</u> Total Questioned Costs - \$511	
		<u>5/</u> Total Questioned Costs - \$15,964 Unsupported Costs - \$4,400	

Audit of the City of Baltimore, Maryland	TOP-20-94-010	Audit of the Commonwealth of Northern Mariana Islands	TOP-90-94-008
Audit of the State of Maryland	TOP-20-94-011	Audit of the State of California <u>1/</u>	TOP-90-94-009
Audit of the City of Norfolk, Virginia	TOP-20-94-012	Audit of the State of Idaho, Office of the Governor	TOP-90-94-010
Audit of the City of Jersey City, New Jersey	TOP-20-94-013	Audit of Washoe County, Nevada	TOP-90-94-011
Audit of Leviticus Project Association, Inc.	TRIG-20-94-001	Audit of the City of San Jose, California	TOP-90-94-012
Audit of Leviticus Project Association, Inc.	TRIG-20-94-002	Audit of the Salt River Pima-Maricopa Indian Community	TOP-90-94-013
Audit of the National Council of Juvenile and Family Court Judges	TIC-90-94-001	Audit of the County of Del Norte, California	TOP-90-94-014
Audit of the Spiritual Dimension in Victim Services	TJF-90-94-001	Audit of Pima County, Arizona	TOP-90-94-015
Audit of the Legal Aid Foundation of Los Angeles, California	TJF-90-94-002	Audit of the Bristol Bay Native Association	TOP-90-94-016
Audit of the Legal Aid Foundation of Los Angeles, California	TJF-90-94-003	Audit of Clark County, Nevada	TOP-90-94-017
Audit of the Vanished Children Alliance	TJF-90-94-004	Audit of the Makah Tribal Council	TOP-90-94-018
Audit of Search Group, Inc.	TJF-90-94-005	Audit of the State of Oregon	TOP-90-94-019
Audit of the Hawaii Department of Attorney General	TJP-90-94-001	Audit of the City of Monterey Park, California	TOP-90-94-020
Audit of the Hawaii Department of Attorney General	TJP-90-94-002	Audit of the County of Santa Cruz, California	TOP-90-94-021
Audit of the State of Nevada	TOP-90-94-001	Audit of the City of Baldwin Park, California	TOP-90-94-022
Audit of the Navajo Nation	TOP-90-94-002	Audit of Benton County, Washington	TOP-90-94-023
Audit of Maricopa County, Arizona	TOP-90-94-003	Audit of Washington County, Oregon	TOP-90-94-024
Audit of the State of Washington	TOP-90-94-004	Audit of the County of Sacramento, California	TOP-90-94-025
Audit of the County of Los Angeles, California	TOP-90-94-005	Audit of Marion County, Oregon	TOP-90-94-026
Audit of the Republic of Palau	TOP-90-94-006	Audit of the Federated States of Micronesia	TOP-90-94-027
Audit of the Hopi Tribe	TOP-90-94-007	Audit of the Rocky Mountain Information Network	TRIG-90-94-001
		<u>1/</u> Total Questioned Costs - \$435,000	

Appendix 3

GLOSSARY OF TERMS

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

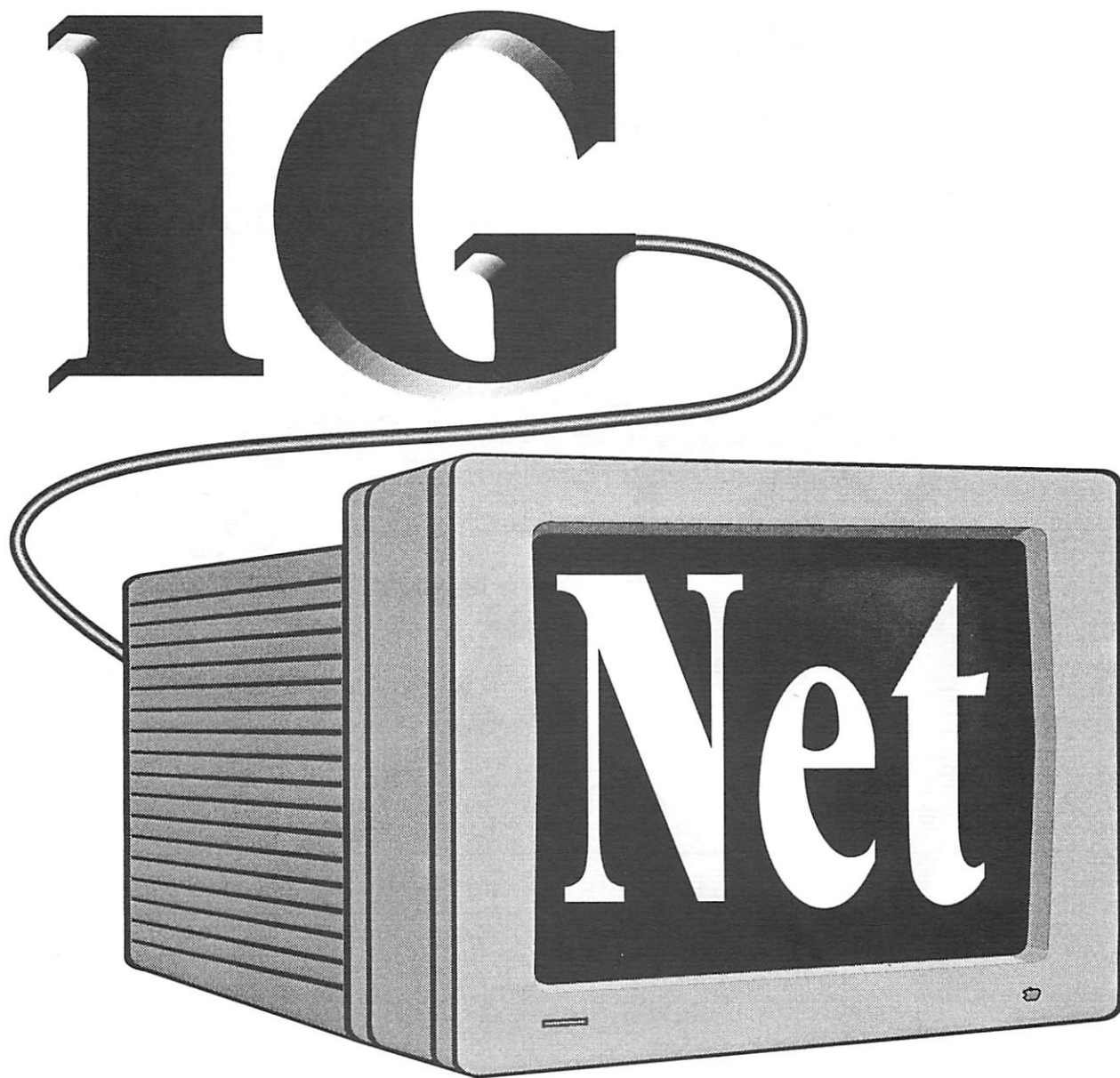
- A-Files:** INS alien history files containing all data and documentation pertaining to an individual. Also referred to as alien files.
- Adverse Action:** Personnel Office action of record, considered to be unfavorable to an employee and a form of discipline. Penalty is more severe than a letter of caution.
- Attorney General's Equitable Sharing Program:** A program designed to circulate drug-related proceeds back into the law enforcement agencies that play a role in their seizure.
- Civil Findings:** Attempts made to recover for the Government any monetary losses sustained or any damages it is entitled to collect under law.
- Default Termination:** The Government terminates a contract based upon a contractor's default. The contractor fails to meet material terms of the contract and, despite notice and an opportunity to correct the problem areas, they never satisfactorily do, so the Government cancels the contract in a punitive manner -- default. Under a default termination, the contractor has no rights to claims or profit. In addition, in a construction contract, the contractor's bonding company must then either find a new contractor or complete the job themselves at the original contract price.
- Disallowed Cost:** A questioned cost that management, in a management decision, has sustained or agreed should not be charged to the Government.
- Final Action:** (a) The completion of all actions that the management of an establishment has concluded, in its management decision, are necessary with respect to the findings and recommendations included in an audit; and (b) in the event that the management of an establishment concludes no action is necessary, final action occurs when a management decision has been made.
- Fines:** Sums imposed as a penalty for certain acts or omissions that violate a law.
- Green Card:** INS Alien Registration Receipt Card (Form I-151 or Form I-551).
- Indictment:** Charge by a Grand Jury that an accused party violated a criminal law.

OIG Monitored

- Referrals:** Matters referred to components within the Department of Justice for investigation or other action when criminal prosecution of the alleged misconduct is not foreseeable, and when the matter raises administrative issues involving lower-ranking employees. When a matter is referred, the component is to provide the OIG with the results of the referral, which may include investigative findings and administrative action taken by the component.
- Information:** Formal accusation of a crime made by a prosecuting attorney as distinguished from an indictment presented by a grand jury.
- Preliminary Investigations:** Inquiry of limited scope undertaken to verify whether or not an allegation merits further inquiry as a full investigation.
- Questioned Cost:** Cost that is questioned by the Office because of (a) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; (b) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or (c) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.
- Recommendation that Funds be Put to Better Use:** Recommendation by the Office that funds could be used more efficiently if management of an establishment took actions to implement and complete the recommendation, including (a) reductions in outlays; (b) de-obligation of funds from programs or operations; (c) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; (d) costs incurred by implementing recommended improvements related to the operations of the establishment, a contractor or grantee; (e) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or (f) any other savings which are specifically identified.
- Recovered Funds:** Funds returned to the Department or the U.S. Treasury as the result of an investigation.
- Restitution Funds:** Reimbursements ordered by courts as part of a criminal sentence or civil or administrative penalty.
- Seizures:** Property, including cash, real estate, vehicles, etc., used or acquired through illegal activities, that is taken by law enforcement officials. A decision is made by a court or civil authority regarding what will be done with the seizure.
- Unsupported Cost:** Cost that is questioned by the Office because the Office found that, at the time of the audit, such cost is not supported by adequate documentation.

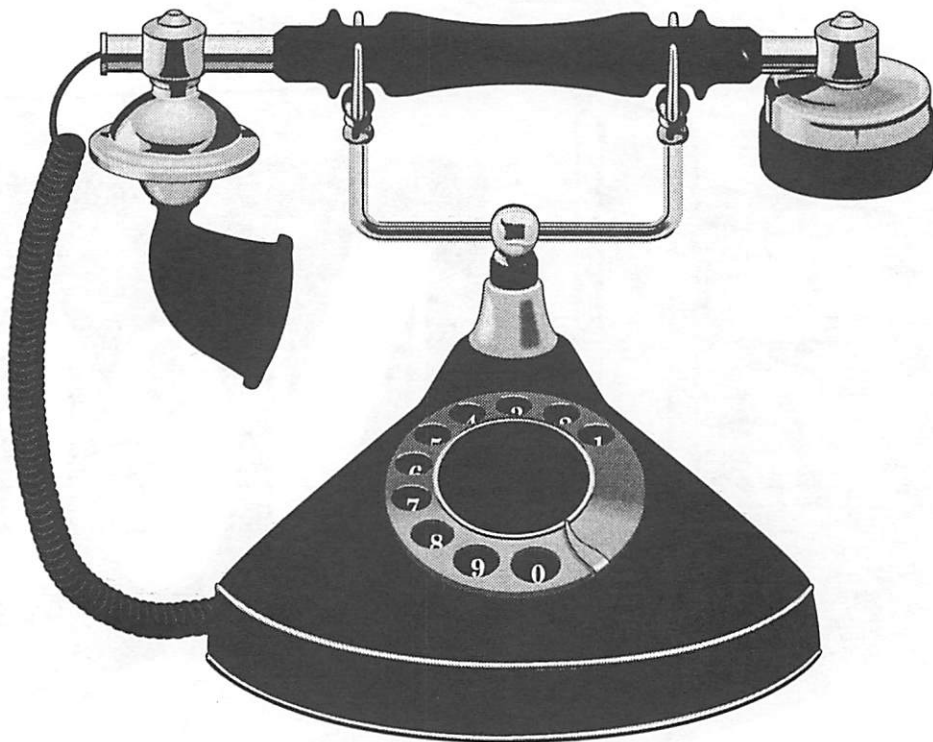
Appendix 4

<i>The Inspector General Act of 1978, as amended (1988), specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages.</i>		
IG Act References	Reporting Requirement	Page
Section 4(a)(2)	Review of Legislation and Regulations	3
Section 5(a)(1)	Significant Problems, Abuses and Deficiencies	5 - 31
Section 5(a)(2)	Significant Recommendations for Corrective Action	5 - 31
Section 5(a)(3)	Prior Significant Recommendations Unimplemented	None
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	5 - 13
Section 5(a)(5)	Information Refused	None
Section 5(a)(6)	Listing of Audit Reports	A - 2 - A - 12
Section 5(a)(7)	Summary of Significant Reports	5 - 31
Section 5(a)(8)	Audit Reports--Questioned Costs	31
Section 5(a)(9)	Audit Reports--Funds To Be Put To Better Use	30
Section 5(a)(10)	Prior Audit Reports Unresolved	27 - 28
Section 5(a)(11)	Significant Revised Management Decisions	None
Section 5(a)(12)	Significant Management Decisions with which OIG Disagreed	None



Under the auspices of the National Performance Review (NPR), the Office of the Inspector General, U.S. Department of Justice is coordinating the establishment of IGNet, a computer conference network for all Inspectors General. Information about IGNet can be obtained by FAX (202) 616-9881 or through Internet:jbullock@tmn.com.

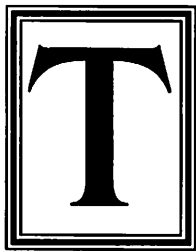
Call the DOJ OIG Hotline.
Your call may save
the government millions of dollars.



1-800-869-4499

Or Write:
P.O. Box 27606
Washington, D.C.
20038-7606

Anti-Smuggling Unit of the Immigration and Naturalization Service



The Anti-Smuggling Unit of the Immigration and Naturalization Service, U.S. Border Patrol Sector at Laredo, Texas, notified and cooperated with the OIG in an investigation involving a colleague who had retired five days earlier and was alleged to be selling counterfeit INS documents. Agents in the Anti-Smuggling Unit provided invaluable assistance during the undercover operation and in the first phases of the investigation.

Within seven hours after the OIG was notified, the former agent was arrested after selling counterfeit documents to an undercover operative. OIG and Anti-Smuggling agents executed a search warrant at the former agent's home and discovered dry and wet seals, INS forms, birth certificates, baptismal certificates, stolen counterfeit social security cards, stolen government property, and sales records of the bogus INS documents, which had been purchased by several hundred persons. After his arrest, the former agent pleaded guilty to conspiracy and fraud and misuse of visas, permits, and other documents.

Members of the Anti-Smuggling Unit who assisted in this investigation are: Supervisory Special Agent Joseph De La Cruz, Special Agent Jose A. Martinez, Special Agent Vittorio A. Ramirez, Special Agent Manuel Guerrero, and Special Agent Victor M. Villarreal. These agents and others assigned to assist in the investigation are a tribute to the Border Patrol, INS and the law enforcement community they represent. They reflect the high standards maintained by law enforcement officers in the Department of Justice.

