

# Office of the Inspector General Semiannual Report to Congress



October 1, 2004–March 31, 2005





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## Message From the Inspector General

This semiannual report summarizes the work of the Office of the Inspector General (OIG) from October 1, 2004, through March 31, 2005. The audits, inspections, investigations, reviews, and other activities highlighted in this report illustrate our commitment to promote integrity, accountability, efficiency, and effectiveness in the programs and operations of the Department of Justice (Department).

The OIG continues to focus many of its resources on examining priority issues in the Department, such as its counterterrorism efforts, its information and intelligence-sharing capabilities, the upgrade of its information technology (IT) systems, and other top management challenges. For example, during this reporting period we reviewed the Federal Bureau of Investigation's (FBI) management of its Trilogy IT modernization project and problems in the implementation of the critical Virtual Case File. We also examined ongoing efforts by the FBI and the Department of Homeland Security (DHS) to integrate their automated fingerprint identification databases, IAFIS and IDENT.

In addition, we completed important reviews in other Department components. For example, we issued reviews of the U.S. Marshals Service's (USMS) Witness Security Program and the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) implementation of the *Safe Explosives Act*. At the same time, we have ongoing reviews of many other important issues in the Department, such as the operations of the Terrorist Screening Center, and the FBI's implementation of Attorney General Guidelines. The OIG also continues to conduct important criminal and administrative investigations. Examples of investigations highlighted in this report include allegations of sexual abuse of federal inmates and attempted fraud against the September 11 Victim Fund.

Finally, the OIG looks forward to a positive working relationship with the new Attorney General and other Department managers as we strive to assist in their efforts to ensure economy, efficiency, and integrity in Department operations. We also appreciate the continued support we receive from Congress as we pursue our oversight responsibilities.

A handwritten signature in cursive script that reads "Glenn A. Fine".

Glenn A. Fine  
Inspector General  
April 30, 2005



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# Highlights of OIG Activities

The following table summarizes OIG activities discussed in this report. As these statistics and the following highlights illustrate, the OIG has conducted wide-ranging oversight of Department programs and operations.

## Statistical Highlights

**October 1, 2004 – March 31, 2005**

Allegations Received by the Investigations Division	3,661
Investigations Opened	163
Investigations Closed	224
Arrests	21
Indictments/Informations	17
Convictions/Pleas	34
Administrative Actions	56
Fines/Restitutions/Recoveries	\$348,731
Audit Reports Issued	122
Questioned Costs	\$53 million
Funds Put to Better Use	\$13 million
Recommendations for Management Improvements	412

Examples of OIG audits, evaluations, and special reports completed during this semiannual reporting period include:

- ◆ **The FBI's Management of Trilogy.** The OIG examined the FBI's management of its Trilogy IT modernization project, which was

designed to upgrade the FBI's IT infrastructure and replace its antiquated paper-based case management system with a new electronic case management system called the Virtual Case File (VCF). The OIG audit found that the FBI successfully completed the Trilogy IT infrastructure upgrades, albeit with significant delays and cost increases. However, the FBI had failed to create and deploy the VCF after more than 3 years and \$170 million budgeted for the project. The OIG found that the VCF either would require substantial additional work or need to be scrapped and replaced by a new system. Moreover, the FBI had not provided a realistic timetable or cost estimate for implementing a workable VCF or a successor system.

- ◆ **Follow-up Review of the Status of IDENT/IAFIS Integration.** The OIG examined ongoing efforts to integrate the federal government's law enforcement and immigration agencies' automated fingerprint identification databases operated by the FBI and the DHS, known as IAFIS and IDENT, respectively. The OIG's latest report, the fourth in four years, found that full integration of the automated fingerprint identification databases still has not been realized. Consequently, federal, state, and local law enforcement authorities do not have complete access to information in the IDENT database, and without such access the FBI and the DHS fingerprint systems are not fully interoperable. The OIG found that the congressional directive to fully integrate the federal government's various fingerprint identification systems has not been accomplished because of high-level policy disagreements among the Department, DHS, and State Department.

*October 1, 2004 – March 31, 2005*

- ◆ **Implementation of the ATF's Safe Explosives Act.** The OIG examined the ATF's implementation of the *Safe Explosives Act's* provisions regarding explosives licensing and background checks on individuals who seek authorization to handle or possess explosives. The OIG found that the ATF had failed to request FBI background checks on many individuals who sought authorization. In addition, the ATF often did not make final determinations on employees who sought authorization. As a result, individuals with criminal records continued to have access to explosives. The review also found that the management information system used by the ATF to support the licensing and clearance processes has serious deficiencies. The OIG made 10 recommendations to help the ATF more effectively regulate explosives within the United States.
- ◆ **The USMS's Administration of WITSEC.** The audit of the USMS's Witness Security Program (WITSEC) identified several weaknesses in the program, including declining staff levels in relation to an increasing witness population, morale problems stemming from the grade level of WITSEC inspectors, inadequacies in financial management practices, and weak management oversight of the program. The report contained 21 recommendations to assist the USMS in improving the management of WITSEC.
- ◆ **No Suspect Casework DNA Backlog Reduction Grant Program.** The OIG audited grants awarded by the Office of Justice Programs (OJP) for the No Suspect Casework DNA Backlog Reduction Program, which provides funding to states for the identification, collection, and analysis of DNA samples from evidence collected in cases where no suspect has been identified or in which the original suspect has been eliminated. The audit found weaknesses in OJP's administration and oversight of the program. For example, our audit found that four laboratories did not maintain adequate documentation to substantiate that their oversight of contractor laboratories met certain quality assurance requirements, and that some costs charged to program awards were unallowable or unsupported. We made 19 recommendations to OJP to help improve the program and address issues identified in our audit.
- ◆ **Screening of Iraqi Subcontractors.** The OIG reviewed the Department's screening procedures for subcontractors sent to Iraq as civilian correctional advisors. The review found broad weaknesses in the way the International Criminal Investigative Training Assistance Program (ICITAP) conducted background checks on its subcontractors, which resulted in its hiring and deployment of subcontractors to Iraq who did not have required clearances. The review offered 11 recommendations to improve the ICITAP clearance process, such as developing a training program for all newly hired analysts and managers and creating a database of subcontractors who have received security clearances.
- ◆ **Civil Rights and Civil Liberties Complaints.** As directed by Section 1001 of the *USA Patriot Act*, the OIG received and reviewed complaints alleging civil rights and civil liberties abuses by Department employees. During this reporting period, the OIG issued its sixth report regarding its duties under Section 1001. One of the cases we reported on involved allegations raised by Muslim inmates at a Bureau of Prisons (BOP) prison that the prison staff, including the warden, discriminated against the inmates and engaged in retaliatory actions. The OIG substantiated many of the allegations and found a disturbing pattern of discriminatory and retaliatory actions against Muslim inmates by the warden and BOP officers at this facility. The OIG provided this report to the BOP for appropriate disciplinary action.

- ◆ **The Department's Financial Statement Audits.** During this reporting period, the OIG issued the audit report for the Department's Annual Financial Statement for fiscal year (FY) 2004. The Department received a disclaimer of opinion on its FY 2004 financial statement caused by a disclaimer on OJP's FY 2004 financial statement. The ATF received a qualified opinion on its FY 2004 financial statement. The other eight Department components received unqualified opinions on their FY 2004 financial statements.

## Investigations of Misconduct

As shown in the statistics in the table at the beginning of this section, the OIG investigates many allegations of misconduct. Examples of the OIG's investigations discussed in this report include:

- ◆ A Drug Enforcement Administration (DEA) special agent was cleared of allegations that he accepted an \$80,000 loan from the family of a convicted drug trafficker, stole \$12,000 in a fictitious traffic stop, and assisted a former confidential source in avoiding criminal charges. After a polygraph examination, the complainant admitted that he fabricated the allegations in exchange for possible consideration concerning his pending criminal charges.
- ◆ A BOP correctional officer was sentenced to nine years' incarceration and two years' supervised release for his conviction on charges of sexual abuse and making false statements.
- ◆ An OIG investigation developed evidence that a civilian made a false claim to the 9/11 Victim Fund stating that he was injured at the World Trade Center during the September 11 terrorist attacks and produced fraudulent employment records to support his claim.
- ◆ An OIG investigation revealed that a BOP correctional officer was providing drugs to inmates in exchange for cash. The correctional officer was sentenced to six years' incarceration and three years' supervised release after pleading guilty to charges of bribery and introduction of contraband.

## Ongoing Reviews

This report also describes many ongoing OIG reviews of important issues throughout the Department, including:

- ◆ The FBI's Hiring of Intelligence Analysts.
- ◆ The USMS's Fugitive Apprehension Program.
- ◆ FBI employees' alleged involvement in or observation of detainee abuse at Guantanamo and Abu Ghraib.
- ◆ The Terrorist Screening Center.
- ◆ Payments to Confidential Informants by the DEA.
- ◆ Polygraph Examinations in the Department.
- ◆ The FBI's Chinese Counterintelligence Program.

# OIG Profile

The OIG is a statutorily created, independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct involving Department programs and personnel and promote economy and efficiency in Department operations. The OIG investigates alleged violations of criminal and civil laws, regulations, and ethical standards arising from the conduct of Department employees in their numerous and diverse activities. The OIG also audits and inspects Department programs and assists management in promoting integrity, economy, efficiency, and effectiveness. The OIG has jurisdiction to review the programs and personnel of the FBI, DEA, BOP, USMS, ATF, U.S. Attorneys' Offices (USAOs), and all other organizations within the Department.

The OIG consists of the Immediate Office of the Inspector General and the following divisions and office:

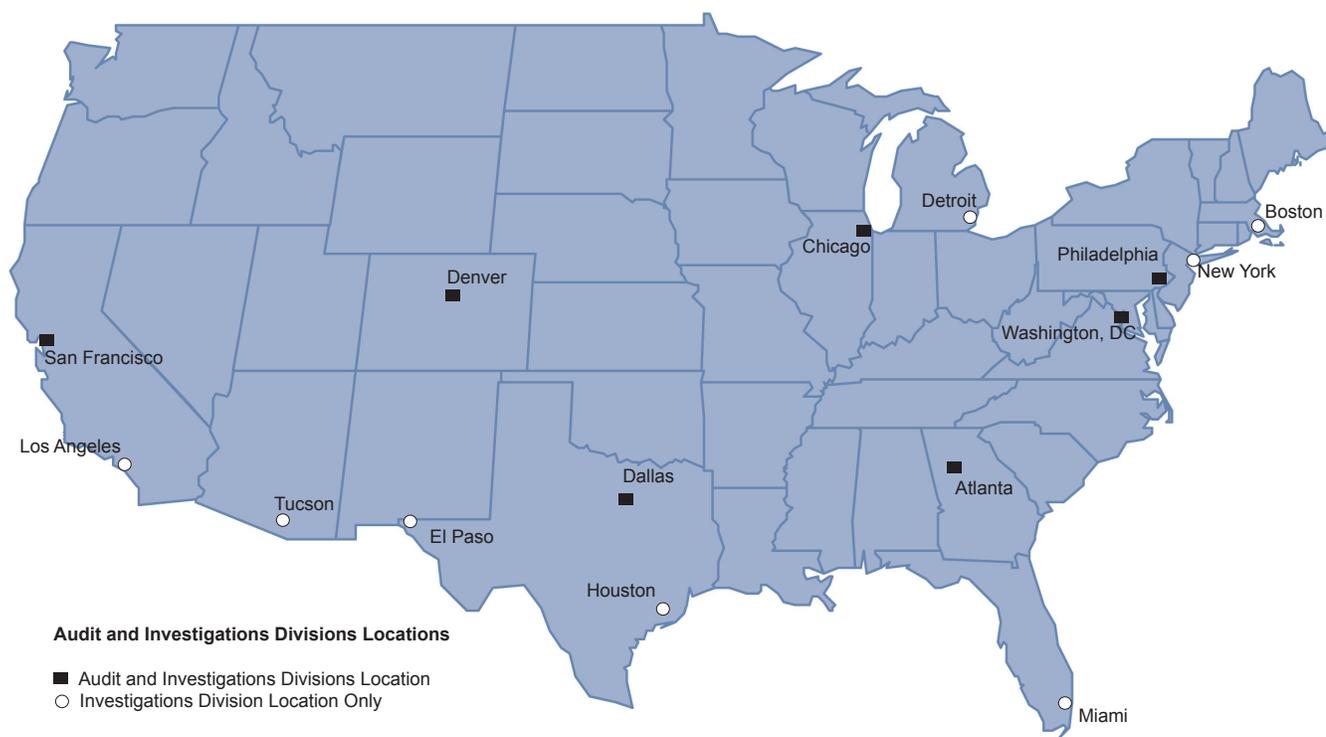
- ◆ **Audit Division** is responsible for independent audits of Department programs, computer systems, and financial statements. The Audit Division has field offices in Atlanta, Chicago, Dallas, Denver, Philadelphia, San Francisco, and Washington, D.C. Its Financial Statement Audit Office and Computer Security and Information Technology Audit Office are located in Washington, D.C. Audit Headquarters consists of the immediate office of the Assistant Inspector General for Audit, the Office of Operations, the Office of Policy and Planning, and an Advanced Audit Techniques Group.
- ◆ **Investigations Division** is responsible for investigating allegations of bribery, fraud, abuse, civil rights violations, and violations of other criminal laws and administrative procedures governing Department employees, contractors, and grantees. The Investigations Division has field offices in Chicago, Dallas, Denver, Los Angeles, Miami, New York, and Washington, D.C. The Fraud Detection Office is located in Washington, D.C. The Investigations Division has smaller, area offices in Atlanta, Boston, Detroit, El Paso, Houston, Philadelphia, San Francisco, and Tucson. Investigations Headquarters in Washington, D.C., consists of the immediate office of the Assistant Inspector General for Investigations and the following branches: Operations, Special Operations, Investigative Support, Research and Analysis, and Administrative Support.
- ◆ **Evaluation and Inspections Division** conducts program and management reviews that involve on-site inspection, statistical analysis, and other techniques to review Department programs and activities and make recommendations for improvement.
- ◆ **Oversight and Review Division** blends the skills of attorneys, investigators, program analysts, and paralegals to review Department programs and investigate sensitive allegations involving Department employees and operations.
- ◆ **Management and Planning Division** provides advice to OIG senior leadership on administrative and fiscal policy and assists OIG components in the areas of budget formulation and execution, security, personnel, training, travel, procurement, property management, information technology, computer network communications, telecommunications, quality assurance, internal controls, and general support.

- ◆ **Office of General Counsel** provides legal advice to OIG management and staff. It also drafts memoranda on issues of law; prepares administrative subpoenas; represents the OIG in personnel, contractual, and legal matters; and responds to *Freedom of Information Act* requests.

The OIG has a nationwide workforce of approximately 410 special agents, auditors, inspectors, attorneys, and support staff. For FY 2005, the OIG's direct appropriation is \$63 million, and the OIG expects to earn an additional \$2.3 million in reimbursements.

As required by Section 5 of the *Inspector General Act of 1978* (IG Act), as amended, this *Semiannual Report to Congress* reviewing the accomplishments of the OIG for the 6-month period of October 1, 2004, through March 31, 2005, is to be submitted no later than April 30, 2005, to the Attorney General for his review. The Attorney General is required to forward the report to Congress no later than May 31, 2005, along with information on the Department's position on audit resolution and follow-up activity in response to matters discussed in this report.

**Additional information about the OIG and full-text versions of many of its reports are available at [www.usdoj.gov/oig](http://www.usdoj.gov/oig).**



# Multicomponent Audits, Reviews, and Investigations

While many of the OIG's audits, reviews, and investigations are specific to a particular component of the Department, other work spans more than one component and, in some instances, extends to Department contractors and grant recipients. The following audits, reviews, and investigations involve more than one Department component.

## Reports Issued

### Review of the Status of IDENT/IAFIS Integration

In December 2004, the OIG completed a report that examined ongoing efforts to integrate the federal government's law enforcement and immigration agencies' automated fingerprint identification databases. Fully integrating the automated fingerprint systems operated by the FBI and the DHS, known as IAFIS and IDENT, respectively, would allow law enforcement and immigration officers to more easily identify known criminals and known or suspected terrorists trying to enter the United States. This OIG report is our fourth in four years that monitors the progress of efforts to integrate IAFIS and IDENT.

The December 2004 OIG report found that, while deployment of new IDENT/IAFIS workstations to Border Patrol offices and ports of entry represents a significant accomplishment, full integration of IDENT and IAFIS has not been realized. Federal, state, and local law enforcement authorities still do not have direct access to information in the IDENT

database. Without such access, the FBI and the DHS fingerprint systems are not fully interoperable. Consequently, it is more difficult for federal, state, and local law enforcement agencies to identify illegal aliens they encounter.

The OIG found that the congressional directive to fully integrate the federal government's various fingerprint identification systems has not been accomplished because of high-level policy disagreements among the Department, DHS, and State Department. In addition, the Department and the DHS still had not entered into a memorandum of understanding (MOU) to guide the integration of IAFIS and IDENT. This MOU had not been completed because of fundamental disagreements between the departments over the attributes of an interoperable fingerprint system and even the degree to which the systems should be consolidated or made interoperable.

One key issue that remained unresolved was whether US-VISIT – the new system the DHS uses to process visitors at ports of entry – would be integrated with IAFIS. Currently, US-VISIT takes two fingerprints from each visitor and checks them against a DHS “watch list.” That watch list contains records from IDENT, which in turn contains some records extracted from the FBI's full IAFIS database. However, this extraction process originally was intended as an interim measure until IDENT and IAFIS could be integrated fully. The OIG report found that, despite this interim process, the extracted records are error prone and the data extracted from IAFIS to IDENT represent only a small portion of the more than 47 million records in IAFIS.

The OIG report recommended that the federal government adopt a technology standard and define the capabilities to be provided in the resulting interoperable fingerprint system. In addition, we recommended more frequent transmissions of known or suspected terrorist fingerprint records so that Border Patrol and immigration officers using IDENT can screen people entering the country against the most current records. We also recommended developing options to upgrade IAFIS to handle a greater volume of fingerprint checks and ensure that the system's "downtime" (unavailability) is reduced.

### Civil Rights and Civil Liberties Complaints

Section 1001 of the *USA Patriot Act* directs the OIG to receive and review complaints of civil rights and civil liberties abuses by Department employees, to publicize how people can contact the OIG to file a complaint, and to submit a semiannual report to Congress discussing our implementation of these responsibilities. In March 2005, the OIG issued its sixth report summarizing our Section 1001 activities.

The report, covering the period from June 22, 2004, to December 31, 2004, described the number of complaints we received under this section, the cases we have opened for investigation, and the status of these cases.

One of the cases highlighted in the most recent report involved allegations by Muslim inmates that staff at a BOP prison, including the warden, discriminated against the inmates and engaged in retaliatory actions. The OIG substantiated many of the allegations against the warden and other BOP staff. The OIG found a disturbing pattern of discriminatory and retaliatory actions against Muslim inmates by BOP officers at this facility.

For example, we found that members of the prison's executive staff, including the warden, unfairly punished Muslim inmates who complained about

the conditions of confinement or who cooperated with the OIG's investigation. A Muslim inmate who had filed complaints relating to his treatment at the prison was placed in the Special Housing Unit for four months for what we determined were specious reasons. In a separate incident, our review found that 5 days after the OIG interviewed a Muslim inmate, the warden inappropriately and unjustly ordered that the inmate be transferred to the Special Housing Unit for more than 120 days. After prosecution of this matter was declined by the USAO, we provided our report to the BOP for administrative action.

In addition, the report discussed several OIG reviews undertaken in furtherance of our Section 1001 responsibilities, including an update on the OIG's December 2003 review of September 11 detainees' allegations of abuse at the Metropolitan Detention Center in Brooklyn, New York; an ongoing review examining the FBI's conduct related to detainees in military facilities in Guantanamo Bay and Iraq; and an ongoing review of the FBI's implementation of the Attorney General's Guidelines that govern general crimes and criminal intelligence investigations.

### The Department's Financial Statement Audits

The *Chief Financial Officers Act of 1990* and the *Government Management Reform Act of 1994* require annual financial statement audits of the Department. The OIG oversees and issues the reports based on the work performed by independent public accountants. During this reporting period, the OIG issued the consolidated financial statement audit report, which was included in the Department's *FY 2004 Performance & Accountability Report*. We also issued 10 component audit reports.

The Department received a disclaimer of opinion on its FY 2004 financial statements that was caused by a disclaimer on OJP's FY 2004 financial statements. Another component, the ATF, received a qualified opinion on its FY 2004 financial statements, but

this had no affect on the consolidated disclaimer. The other eight components received unqualified opinions on their FY 2004 financial statements.

In FY 2004, the auditors for OJP could not perform the necessary testing to obtain an opinion in the required time frame because they were unable to rely upon OJP's financial and IT controls used to process grant transactions. Due dates for the financial statement audits were moved up to November 15 by the Office of Management and Budget (OMB), a reduction of approximately two-and-a-half months from prior year due dates. Consequently, it was critical that the components maintain quality financial information throughout the year that can be relied upon to produce correct numbers for financial statements. As a result of OJP's failure to maintain quality financial information throughout the year, the auditors identified material weaknesses that could not be corrected in the time frame required by the OMB.

Overall, the auditors for OJP reported five material weaknesses regarding OJP financial information, four of which were determined to be reasons for the disclaimer of opinion. Specifically, the auditors found that a material weakness existed in relation to controls over changes made to data in the computerized information systems, integrity of data passed between the systems, and access to system information that directly impacted the integrity of grant data. Additionally, the auditors identified a material weakness with regard to the assumptions used by OJP to estimate its grant accounts payable and grant advance balances. The auditors also reported a material weakness regarding OJP's inability to provide adequate documentation to support grant and non-grant differences between the general ledger and subsidiary ledger.

While the Department previously received an unqualified opinion on its FY 2003 financial

statements, it was subsequently withdrawn and reissued as a disclaimer. This was caused by the withdrawal of the FY 2003 OJP opinion due to uncertainties raised during the FY 2004 audit.

At the consolidated level, the auditors reported two material weaknesses and one reportable condition, an increase of one material weakness from FY 2003. The new financial material weakness involved issues related to data quality, monitoring, and the methodology utilized to calculate OJP's grant accrual and advance. The other financial material weakness and the IT reportable condition are both repeat issues, although elements of the two findings varied from last year. The financial material weakness included additional OJP issues, the accounts payable accrual at the ATF, separation of duties issues at the USMS, and financial reporting and property issues at the FBI.

At the component level, the number of material weaknesses increased from 9 in FY 2003 to 10 in FY 2004, and the number of reportable conditions rose from 10 in FY 2003 to 13 in FY 2004. Four components also were identified as not compliant with the *Federal Financial Management Improvement Act of 1996*, which requires compliance with federal financial management systems requirements, applicable federal accounting standards, and the U.S. standard general ledger at the transaction level. The four non-compliant components were OJP, the ATF, FBI, and USMS. The USMS and OJP also were cited for noncompliance with the *Prompt Payment Act*, and OJP was cited for noncompliance with the *Improper Payments Information Act*.

The following table compares the FYs 2004 and 2003 audit results for the Department's consolidated audit as well as for the 10 individual (11 in FY 2003) components' audits.

Comparison of FY 2004 and FY 2003 Audit Results						
Reporting Entity	Auditors' Opinion on Financial Statements		Number of Material Weaknesses		Number of Reportable Conditions	
	2004	2003	2004	2003	2004	2003
Consolidated Department of Justice	Disclaimer	Disclaimer	2	1	1	1
Assets Forfeiture Fund and Seized Asset Deposit Fund	Unqualified	Unqualified	0	1	1	0
Bureau of Alcohol, Tobacco, Firearms and Explosives <sup>1</sup>	Qualified	Unqualified	1	0	1	1
Drug Enforcement Administration	Unqualified	Unqualified	0	0	1	2
Federal Bureau of Investigation	Unqualified	Unqualified	2	2	1	0
Federal Bureau of Prisons	Unqualified	Unqualified	0	0	1	2
Federal Prison Industries, Inc.	Unqualified	Unqualified	0	0	1	1
Immigration and Naturalization Service <sup>1</sup>	N/A	Unqualified	N/A	3	N/A	1
Offices, Boards and Divisions	Unqualified	Unqualified	0	1	2	1
Office of Justice Programs	Disclaimer	Disclaimer	5	0	1	1
U.S. Marshals Service	Unqualified	Unqualified	2	1	2	1
Working Capital Fund	Unqualified	Unqualified	0	1	2	0
<b>Component Totals</b>			<b>10</b>	<b>9</b>	<b>13</b>	<b>10</b>

Note: For definitions of terms used in this table, please see the glossary at the end of this report.

<sup>1</sup> The Immigration and Naturalization Service was transferred to the DHS on March 1, 2003, and the ATF was transferred into the Department on January 24, 2003, from the Department of the Treasury, pursuant to the *Homeland Security Act of 2002*, Public Law 107-296.

## Audits of the Department's Information Security Program

The *Federal Information Security Management Act* (FISMA), which replaced the *Government Information Security Reform Act*, directed OIGs to perform an annual independent evaluation of their departments' information security programs and practices and required the results to be submitted to OMB.

For FY 2004, we reviewed the Department's information security program and practices performance measurement tools. According to the Department, the performance measurement tools were revised to correlate directly with its information security orders and standards to determine the effectiveness of its information security policies, procedures, and practices. We also reviewed the Department's reorganization of its information security staff assigned to perform oversight of the Department components' adherence to FISMA requirements.

To examine the Department's information security program, we reviewed the security programs of three major components – the USMS, FBI, and DEA. From each of these components, we also reviewed a mission-critical system. All reviews have been completed, and we anticipate issuing one overall consolidated Department report, one report for each component reviewed, and individual reports for each of the systems reviewed by April 2005.

### Arson and Explosives Intelligence Databases

The two principal federal agencies responsible for compiling data related to arson and explosives incidents in the United States are the FBI and the ATF. To collect and manage this data, the FBI created the Bomb Data Center and the ATF created the Arson and Explosives National Repository. Both databases collect and disseminate information for

statistical analysis and research, investigative leads, and intelligence.

Our audit examined overlap between the agencies' arson and explosives intelligence databases. We also evaluated whether the Department has efficiently and effectively collected and made available to the federal, state, and local law enforcement communities information involving arson and the criminal misuse of explosives.

We found that similar responsibilities of the FBI and the ATF in compiling data have resulted in confusion, lack of uniformity in the reporting process, and duplicative reports of incidents by state and local law enforcement agencies. We provided one recommendation to the Department, one recommendation to the ATF, and two recommendations to the FBI to improve the operations of these databases. Our main recommendation was for the Department to consolidate explosives-related investigations and databases within the ATF. Consolidation would eliminate duplication of effort, ensure consistency in reporting practices, and facilitate sharing of intelligence among law enforcement agencies. Two of the recommendations were accepted and two are being resolved.

## Investigations

The following are some of the investigations completed by the OIG during this reporting period that involved multiple components of the Department:

- ◆ An investigation by the OIG's Fraud Detection Office developed evidence that a civilian made a false claim against the 9/11 Victim Fund stating that he was injured at the World Trade Center during the September 11 terrorist attacks. As part of his claim, the civilian produced fraudulent employment records and made

false statements. The civilian was arrested pursuant to an arrest warrant issued by the Southern District of New York for mail fraud and production of false documents. Judicial proceedings continue.

- ◆ The OIG's New York Field Office investigated an allegation that the FBI and the USAO provided 2004 federal law enforcement parking permits to a charitable organization that provides financial support to families of federal, state, and local law enforcement agents who have been killed in the line of duty. The investigation found that the FBI refused a request from this organization for 2004 parking permits. The investigation determined that the 2004 parking permits issued to the charitable organization came from the DHS, the U.S. Immigration and Customs Enforcement (ICE), and other organizations. The USAO was not implicated in this matter.

## Ongoing Work

### The Department's Counterterrorism Task Forces

The OIG is completing its evaluation of the FBI's Joint Terrorism Task Forces, National Joint Terrorism Task Force, and Foreign Terrorist Tracking Task Force; the USAOs' Antiterrorism Advisory Councils; and the Deputy Attorney General's National Security Coordination Council to: 1) determine if they are achieving their purposes; 2) evaluate gaps, duplication, and overlap in terrorism coverage; and 3) identify how the performance of each task force and council is measured.

### Management of IT in the Department

The OIG is examining the Department's management of its IT investments and Enterprise Architecture. We are assessing the Department's

progress in meeting the criteria for establishing a mature Enterprise Architecture and IT investment management process.

### Polygraph Examinations in the Department

The OIG is conducting a review of polygraph examinations in the Department. The review is examining the use of polygraph examinations in the Department components and determining whether the Department components are managing their polygraph examinations in compliance with federal and professional standards.

### The Joint Automated Booking System

The Department's Joint Automated Booking System (JABS) is designed to automate information on persons booked for criminal offenses by federal authorities so information can be shared electronically by law enforcement agencies to improve criminal identification. The goals of JABS are to streamline the booking process through automation and eliminate duplication, allow updates to prisoner data, standardize data, and improve the process to identify repeat offenders and persons with outstanding charges. The OIG is examining the extent to which JABS has been implemented throughout the Department and whether it is meeting its goals and objectives.

### The Department's Background Investigation Program

The OIG is reviewing the Department's background investigation program, which is administered by the Security and Emergency Planning Staff (SEPS). We are evaluating the background investigations that SEPS manages, SEPS Compliance Review Group's oversight of background investigations delegated to the Department's components, and SEPS's role in establishing Department policy on background investigations.



# Federal Bureau of Investigation

The FBI is the principal investigative arm of the Department. It investigates counterterrorism, foreign counterintelligence, civil rights violations, organized crime, violent crime, financial crime, and other violations of federal law. FBI Headquarters in Washington, D.C., coordinates the activities of approximately 29,500 employees in 56 field offices, approximately 400 satellite offices, and 54 foreign liaison posts that work abroad on criminal matters within the FBI's jurisdiction.

## Reports Issued

### **Audit of the FBI's Management of Trilogy**

On February 1, 2005, the OIG issued an audit of the FBI's management of the Trilogy IT modernization project (Trilogy). Initiated in 2001, the objectives of Trilogy were to update the FBI's IT infrastructure; provide needed IT applications for FBI agents, analysts, and others to efficiently and effectively perform their duties; and lay the foundation for future IT improvements. The total funding for the project was \$581.1 million.

Our audit found that the FBI successfully completed the Trilogy IT infrastructure upgrades, albeit with significant delays and cost increases. The final component of the Trilogy project, the Virtual Case File (VCF), had not been completed and the audit disclosed that there was no determination as to its final cost and completion date. Without the VCF user application fully

implemented, the FBI will continue to lack an entirely functional case management system. This raises national security implications because the FBI has to rely on its antiquated automated case system, which hampers FBI agents and analysts from adequately searching and sharing information from investigative files.

The audit determined that the delays and associated cost increases in the Trilogy project were the result of several factors, including poorly defined and slowly evolving design requirements, weak statements of work in the contracts, IT investment management weaknesses, lack of an Enterprise Architecture, lack of management continuity and oversight, unrealistic scheduling of tasks, inadequate project integration, and inadequate resolution of issues raised in prior reviews on Trilogy.

Our report made nine recommendations to the FBI for improving its management of the remaining aspects of the Trilogy project and its IT management in general. Those recommendations included:

- ◆ Incorporating developmental efforts for the VCF into the requirements for any successor case management system;
- ◆ Developing policies and procedures to ensure that future contracts for IT-related projects include defined requirements, progress milestones, and penalties for deviations from the baselines; and

- ◆ Establishing management controls and accountability to ensure that baselines for the remainder of the current user applications contract and any successor Trilogy-related contracts are met.

The FBI concurred with all of the recommendations.

### Allegations Raised by Contract Linguist

In January 2005, the OIG issued an unclassified summary of its review of the FBI's actions in connection with allegations raised by former FBI contract linguist Sibel Edmonds. Edmonds worked for the FBI from September 2001 until March 2002, when her services as a contract linguist were terminated. Prior to her termination, Edmonds raised a series of allegations regarding the FBI's translation program, including security concerns about actions by a coworker related to potential espionage.

The OIG determined that Edmonds' allegations against the coworker warranted a careful and thorough review by the FBI. Our investigation concluded that the FBI did not adequately investigate the allegations. Our review found that many, although not all, of Edmonds' allegations about the coworker had some basis in fact and were supported by documentary evidence or other witnesses.

Edmonds also complained that she was terminated from the FBI in retaliation for her complaints. The OIG's review concluded that her allegations were at least a contributing factor in the FBI's decision to terminate her services.

In June 2004, the OIG issued a 100-page report classified by the FBI at the Secret level that examined the FBI's actions in connection with Edmonds' allegations. The report made eight systemic recommendations to the FBI in an attempt to help improve its foreign language translation

program. Many of the recommendations related to the FBI's hiring and oversight of contract linguists. The FBI responded that it had taken or was taking steps to implement most of the recommendations. The OIG provided copies of the classified report to the Department, FBI, and National Commission on Terrorist Attacks Upon the United States.

### The FBI's Security Risk Assessment Program

The FBI's Security Risk Assessment (SRA) program was established under the *Public Health Security and Bioterrorism Preparedness and Response Act of 2002* (Bioterrorism Act) to control access to dangerous biological agents and toxins. Researchers who plan to work with these dangerous substances must submit applications to the FBI, which uses databases and other information sources to conduct background checks and completes SRAs on the applicants. The FBI forwards SRA results to the Departments of Health and Human Services and Agriculture, which are responsible under the Bioterrorism Act for granting or denying individuals access to biological agents and toxins.

The OIG initiated an inspection of the SRA program in response to concerns about a backlog of pending applications submitted by researchers seeking access to dangerous biological agents and toxins controlled under the Bioterrorism Act. The OIG found that the FBI had a large number of pending SRAs in late 2003 but had reduced that number significantly during the first six months of 2004. The FBI's large caseload of pending SRAs was caused by processing problems that were resolved between November 2003 and June 2004. By June 2004, the FBI had reduced its number of pending SRAs from 3,855 to 401 and eliminated its SRA backlog. Since June 2004, the FBI has maintained a stable monthly caseload of approximately 339 pending SRA applications, which it processes routinely in 45 days or less.

The OIG concluded that the FBI has effective management controls that have resulted in the timely identification and correction of several program vulnerabilities. As a result, we believe that the FBI is effectively managing its SRA responsibilities under the Bioterrorism Act.

### **Audits of CODIS Laboratories**

The FBI's Combined DNA Index System (CODIS) includes a national information repository that permits the storing and searching of DNA specimen information to facilitate the exchange of DNA information by law enforcement agencies. During this reporting period, we audited five laboratories that participate in CODIS to determine compliance with the FBI's Quality Assurance Standards and National DNA Index System (NDIS) requirements and evaluate the accuracy and appropriateness of the data that participating federal, state, and local laboratories have submitted to the FBI. Below are two examples of the findings reported in our audits:

- ◆ The New Jersey State Police Forensic Science Laboratory Bureau, Central Region Laboratory in Hamilton, New Jersey, was not in compliance with all of the standards governing CODIS activities for the areas we tested. The Laboratory did not meet NDIS participation requirements because it did not comply with the NDIS operational procedure that requires laboratories to resolve all candidate matches within 30 days of receiving the match report. Additionally, during our review of 100 forensic DNA profiles, we found that the Laboratory uploaded 12 unallowable DNA profiles to NDIS.
- ◆ The U.S. Army Criminal Investigation Laboratory in Forest Park, Georgia, was not in compliance with all of the standards governing CODIS activities for the areas we tested. The Laboratory did not meet NDIS participation requirements because it did not comply with the NDIS operational procedure that requires CODIS users to complete annual reminder

forms. The Laboratory did not comply with the FBI's Quality Assurance Standards because it did not forward the results of its external laboratory evaluation to the NDIS custodian within 30 days of receiving the results of the evaluation. In addition, our review of 100 forensic DNA profiles disclosed that the Laboratory uploaded 2 unallowable profiles to NDIS. We were unable to determine if 72 of the 100 convicted offender profiles reviewed during our audit were allowable for inclusion in NDIS because the Laboratory did not receive conviction information for the corresponding offenders.

## **Investigations**

During this reporting period, the OIG received 471 complaints involving the FBI. The most common allegations made against FBI employees included job performance failure, waste and misuse of government property, and improper release of information.

At the close of the reporting period, the OIG had 41 open investigations of alleged misconduct by FBI employees. The criminal investigations cover offenses ranging from the improper release of law enforcement information to theft. The administrative investigations include serious allegations of misconduct, several of which are against high-level employees. The following are examples of investigations completed during this reporting period:

- ◆ The OIG's Washington Field Office, in conjunction with the Department's Organized Crime and Racketeering Section (OCRS) of the Criminal Division, investigated allegations that an FBI special agent committed misconduct in his handling of two confidential informants. The OIG and OCRS determined that the special agent violated FBI operating procedures and

the Attorney General's Guidelines related to the handling of the cooperating informants, both of whom have since been deactivated. The OIG and OCRS recommended that the FBI take administrative action against the special agent for his misconduct.

- ◆ The OIG's Washington Field Office investigated an allegation that an FBI assistant special agent in charge (ASAC) received a written complaint claiming that a special agent directed a cooperating witness to conduct an improper undercover investigation and that the ASAC failed to investigate the impropriety. The written complaint included several other allegations concerning misconduct on the part of two other FBI special agents. The OIG investigation found no evidence to support the allegation that the ASAC was aware that a special agent directed an FBI cooperating witness to conduct an improper undercover action and that she subsequently failed to take appropriate action. However, the investigation determined that the two agents cited in the complaint, along with the complainant himself, submitted false FBI Draft Request Forms (FD-794s) to support questionable payments to several cooperating witnesses.

Two of the agents admitted to creating or inflating false expenses by \$9,000 and \$1,000, respectively, in order to conceal at trial the fact that the cooperating witnesses were paid for their services rather than for their actual expenses. The complainant eventually admitted that he falsified the forms by claiming approximately \$3,700 in nonexistent expenses in order to pay an informant more money than a supervisor would otherwise approve for the cooperating witness's documented statistical accomplishments. The investigation also found that the complainant made personal loans to several cooperating witnesses, sold a car to a cooperating witness, paid informants for work they performed at his personal residence,

repaired cars owned by cooperating witnesses, and hired a cooperating witness to tow several cars for an unregistered auto repair and sales business that he operates outside his FBI employment.

- ◆ An investigation by the OIG's Washington Field Office substantiated an allegation that a former unit chief of the FBI's International Training and Assistance Unit (ITAU) engaged in inappropriate employment negotiations prior to his retirement from the FBI. The investigation found that the unit chief actively sought post-retirement employment relating to a contract for which he had official responsibility, which constituted an impermissible conflict of interest. The investigation also determined that another senior FBI employee in ITAU negotiated post-retirement employment to work on a contract that mirrored his duties as an FBI official. Although the two employees retired from the FBI, the OIG recommended that the FBI include the report's findings in their personnel files and that neither be permitted to work on FBI contracts.
- ◆ The OIG's San Francisco Area Office investigated allegations that a retired FBI special agent in charge (SAC), while working as a contractor for the FBI in Indonesia, improperly sought to bring nine counterfeit Rolex watches into the United States – an endeavor the SAC later admitted that he knew was illegal. The report concluded that the retired SAC committed misconduct by intentionally trying to circumvent laws related to importing counterfeit items, attempting to portray himself as an FBI employee rather than a contractor to ICE officials who stopped him when he re-entered the United States, and attempting to intimidate ICE officials through his employment with the FBI. As a result of our investigation, the FBI took action to prevent the retired SAC from receiving any future security clearances and FBI contracts.

## Ongoing Work

### The Terrorist Screening Center

The Terrorist Screening Center is responsible for consolidating terrorist watch lists and providing operational support for thousands of federal screeners across the country and around the world. The FBI was assigned the responsibility of administering the Terrorist Screening Center. The OIG is examining the operations of the Terrorist Screening Center to determine whether it has implemented a viable strategy for accomplishing its mission, has effectively coordinated with participating agencies, and has appropriately managed terrorist-related information in its attempt to ensure that a complete, accurate, and current watch list is developed and maintained.

### Abuse of Guantanamo Detainees

In December 2004, the OIG initiated a review of FBI employees' observances and actions regarding alleged abuse of detainees at Guantanamo Bay, Abu Ghraib prison, and other venues controlled by the U.S. military. The OIG is examining whether FBI employees participated in any incident of detainee abuse, whether FBI employees witnessed incidents of abuse, whether any observations of abuse were reported, and how those reports were handled by the FBI. We also are examining whether the FBI timely reported allegations of misconduct by any FBI employee in connection with detainee abuse to the appropriate entities. In addition, our review will investigate whether the FBI took inappropriate action or inappropriately retaliated against any FBI employee who reported any incident of abuse.

### The FBI's Hiring of Intelligence Analysts

The OIG is auditing the FBI's efforts to hire, train, and retain intelligence analysts. As part of the audit, we are reviewing: 1) analyst hiring requirements and qualifications, 2) progress toward meeting

analyst hiring goals and retention of analysts, 3) progress toward establishing a comprehensive training program and meeting training goals, and 4) analyst staffing and utilization to support the FBI's mission.

### The FBI's Chinese Counterintelligence Program

At the request of the FBI Director, the OIG is reviewing the FBI's performance in connection with the handling of Katrina Leung, who provided information to the FBI's Chinese Counterintelligence Program. Allegedly, Leung had a long-term intimate relationship with her FBI handler, former special agent James J. Smith. The OIG review is examining a variety of performance and management issues related to the FBI's handling of Leung and its counterintelligence program.

### The FBI's Handling of the Brandon Mayfield Matter

The OIG is reviewing the FBI's conduct in connection with the erroneous identification of a latent fingerprint found on evidence from the March 11, 2004, Madrid train bombing as belonging to Brandon Mayfield, an attorney from Portland, Oregon. As a result of the identification, the FBI began an investigation of Mayfield, resulting in his arrest as a "material witness" and his detention for approximately two weeks in May 2004. Mayfield was released when the Spanish National Police identified the fingerprint and other prints found on the evidence as belonging to an Algerian national. The OIG is examining the FBI's handling of this case and the cause of the erroneous identification.

### Follow-up on the FBI's Reprioritization

In our September 2004 *Semiannual Report to Congress*, we reported on the internal effects of the FBI's efforts to reorganize and reprioritize

its work in response to the September 11, 2001, terrorist attacks. As part of this transformation, the FBI established new priorities and moved a significant number of agents from traditional crime problems to counterterrorism issues. Consequently, other federal, state, and local law enforcement agencies now must play a larger role in these more traditional investigative areas. The follow-up audit is providing updated analyses of those changes and examining aspects of the FBI's reprioritization efforts within particular FBI field offices. We also are obtaining feedback from federal, state, and local law enforcement agencies regarding the impact of the FBI's reprioritization on their operations.

### **Implementation of the Attorney General's Guidelines for Key Investigative Programs**

The OIG is completing its review of the FBI's implementation of four sets of guidelines issued by the Attorney General on May 30, 2002: the Attorney General's Guidelines Regarding the Use of Confidential Informants; the Attorney General's Guidelines on FBI Undercover Operations; the Attorney General's Guidelines on General Crimes, Racketeering Enterprise, and Terrorism Enterprise

Investigations; and the Revised Department of Justice Procedures for Lawful, Warrantless Monitoring of Verbal Communications. The objectives of the OIG review are to determine what steps the FBI has taken to implement the guidelines and assess the FBI's compliance with key provisions of the guidelines.

### **Implementation of the *Communications Assistance for Law Enforcement Act***

In October 1994, Congress enacted the *Communications Assistance for Law Enforcement Act of 1994* (CALEA). The purpose of CALEA is to preserve the ability of law enforcement to conduct electronic surveillance in the face of rapid advances in telecommunications technology. The OIG audit is reviewing: 1) The FBI's strategy for implementing CALEA; 2) the progress and impediments to CALEA's implementation, including the effect of emerging technologies; 3) CALEA's implementation costs, including projections of future costs; and 4) whether the implementation of CALEA has affected federal, state, and local law enforcement in their ability to conduct electronic surveillance.



# U.S. Marshals Service

The USMS protects more than 2,000 federal judges and other members of the federal judiciary, transports federal prisoners, protects endangered federal witnesses, manages assets seized from criminal enterprises, and pursues and arrests federal fugitives. The Director and Deputy Director work with 94 U.S. Marshals, each appointed by the President or the Attorney General, to direct the work of approximately 4,800 employees at more than 350 locations throughout the 50 states, Guam, Northern Mariana Islands, Puerto Rico, U.S. Virgin Islands, Mexico, Jamaica, and the Dominican Republic.

## Reports Issued

### **The USMS's Administration of the Witness Security Program**

The USMS provides for the security, health, and safety of non-incarcerated Witness Security Program (WITSEC) participants. Since 1970, the USMS has protected, relocated, and given new identities to more than 7,500 witnesses and more than 9,600 family members or associates. The objectives of this OIG audit were to evaluate the USMS's plans and strategies to achieve WITSEC's security objectives; the program's controls for witness safety; and its internal controls for financial activities, including payments to protected witnesses and their families.

An OIG survey of 300 WITSEC program participants revealed that they felt a high degree of

satisfaction with the program. A high percentage of the survey respondents reported that security measures were adequate to protect them and their families and that they had not experienced problems under the program that could have been avoided.

However, our audit identified numerous weaknesses in need of correction, including: 1) declining staff levels in relation to an increasing witness population, 2) significant involvement of WITSEC operational staff in non-WITSEC protective assignments, 3) failure to ensure proper completion of secrecy agreements by individuals who work in WITSEC, 4) failure to ensure timely completion of preliminary interviews with prospective witnesses, 5) morale problems stemming from the low grade level of WITSEC inspectors, 6) the need for an employment specialist at USMS Headquarters to assist local WITSEC staff in securing jobs for relocated participants, 7) continuing weaknesses in financial management practices and the management information system, and 8) weak management oversight of the program.

Our report contained 21 recommendations to improve the management of WITSEC, including to install and utilize communications equipment at additional sites to reduce travel and in-person meetings required of program participants, and improve the management oversight of WITSEC through quarterly inspections of field offices and requiring that periodic cash counts are performed by field staff. The USMS agreed to implement corrective measures for 20 of the recommendations.

## Background Investigations of USMS Employees and Contractors

The OIG reviewed the USMS's program for conducting background investigations of job applicants and periodic reinvestigations of its employees and contractors. We found that the USMS placed employees and contractors in national security or public trust positions only after the background field investigation was completed or it had issued a waiver in accordance with federal regulations and USMS policy. However, we identified several deficiencies in the USMS's background investigation program:

- ◆ The USMS lacked current, written policies and procedures to guide the adjudicators who evaluate investigation results;
- ◆ The USMS relied on databases that were inadequate to monitor and assess its background investigation process;
- ◆ Investigations were slow, and neither investigations nor adjudications were consistently thorough;
- ◆ USMS field managers sometimes rejected the adjudicators' recommendations without providing written justification (a few of the employees hired because of the field managers' interventions subsequently engaged in significant misconduct);
- ◆ Some required reinvestigations were overdue; and
- ◆ The USMS does not routinely reinvestigate contractors who carry weapons and serve in law enforcement positions.

We made seven recommendations to help the USMS address these deficiencies. Among the recommendations were that the USMS develop written policy and procedures that address all

aspects of the background investigation process, implement procedures to improve the accuracy of its databases, and begin conducting background reinvestigations on contractors who carry weapons and have law enforcement responsibilities. The USMS generally concurred with our recommendations.

## Intergovernmental Service Agreements For Detention Facilities

The USMS houses more than 47,000 detainees throughout the nation and is responsible for their transportation from the time they are brought into federal custody until they either are acquitted or incarcerated. To house the detainees, the USMS executes contracts known as Intergovernmental Service Agreements (IGA) with state and local governments to rent jail space. According to the USMS, 75 percent of the detainees in USMS custody are detained in state, local, and private facilities.

During this reporting period, we completed audits of two high-dollar IGAs that the USMS awarded to local governments for the housing and transportation of federal detainees. Our audits found:

- ◆ The USMS awarded the Central Virginia Regional Jail (CVRJ) with an IGA to house its prisoners. Our audit determined that the CVRJ's allowable costs did not support the jail day rate paid for by the USMS. During FYs 2003 and 2004, the USMS could have saved over \$2.8 million by paying the audit calculated rate instead of the rate it agreed to. In addition, the USMS could save an additional \$1.4 million by paying the audit calculated rate for FY 2005.
- ◆ The USMS awarded the Alexandria, Virginia, Sheriff's Office with an IGA to house federal prisoners. Our audit determined that the Sheriff's Office's records supported the rate used to bill the USMS.

## Investigations

During this reporting period, the OIG received 137 complaints involving the USMS. The most common allegations made against USMS employees included job performance failure, off-duty misconduct, other official misconduct, and use of unnecessary force.

At the close of the reporting period, the OIG had 20 open cases of alleged misconduct against USMS employees. The following are examples of cases involving the USMS that the OIG investigated:

- ◆ In October 2004, a news organization published an article reporting that two of its reporters had followed a U.S. marshal for 10 days during a 17-day period in September and October 2004. According to the article, the reporters found that the U.S. marshal rarely worked a full day and had used his assigned government-owned vehicle for personal errands on one occasion. As a result of this article, the OIG examined the U.S. marshal's work-related activities for a 4-week period that included the 17 days during which the reporters conducted surveillance. We completed our investigation during this reporting period and provided a copy of our report to the USMS and the Deputy Attorney General's Office, which are in the process of reviewing the findings of the report.
- ◆ An investigation by the OIG determined that a chief deputy U.S. marshal falsely claimed per diem for his family during a permanent change of station transfer. Although he moved alone and resided alone in temporary quarters, the chief deputy claimed living expenses for his wife and children. He resigned from the USMS as a result of the investigation and agreed to pay restitution in the amount of \$9,700 in lieu of criminal prosecution on charges of making false, fictitious, or fraudulent claims.

- ◆ An investigation by the OIG's Detroit Area Office determined that a deputy U.S. marshal frequented a massage parlor during duty hours while using a government vehicle. The deputy U.S. marshal was suspended for 60 days.

## Ongoing Work

### The USMS's Fugitive Apprehension Program

The OIG is examining the effectiveness of the USMS's Fugitive Apprehension Program in apprehending violent fugitives. The review will assess the ability of the USMS, particularly the five Regional Fugitive Task Forces that it operates, to locate and apprehend dangerous fugitives.

### The USMS's Use of Independent Contractors as Guards

The USMS employs thousands of independent contractors for prisoner handling activities. Unlike contracts with guard company vendors, which may be managed by the districts or by USMS headquarters, procurement of independent contractors is a decentralized function in which contracting officers in the districts contract with individuals for the necessary guard services. Independent contractors constitute a core part of the USMS's workforce in many districts, sometimes accounting for more than 50 percent of the total hours charged to prisoner handling activities. The OIG is assessing the USMS's internal controls over the procurement of independent contractors for guard service, whether the USMS is adequately monitoring the performance of its independent contract guards, whether independent contractors are meeting the USMS's experience and fitness-for-duty requirements, and whether independent contractors are performing only authorized duties.



# Federal Bureau of Prisons

The BOP operates a nationwide system of prisons and detention facilities to incarcerate those imprisoned for federal crimes and detain those awaiting trial or sentencing in federal court. The BOP has approximately 35,000 employees and operates 114 institutions, 6 regional offices, 2 staff training centers, and 28 community corrections management offices. The BOP is responsible for the custody and care of approximately 181,000 federal offenders, 160,000 of whom are confined in BOP-operated correctional institutions and detention centers. The remainder are confined in facilities operated by state or local governments or in privately operated facilities.

## Investigations

During this reporting period, the OIG received 2,448 complaints of misconduct involving the BOP. The most common allegations made against BOP employees included job performance failure, use of unnecessary force, improper relationships with or rude treatment of inmates, and off-duty misconduct. The vast majority of complaints dealt with non-criminal issues that the OIG referred to the BOP's Office of Internal Affairs.

At the close of the reporting period, the OIG had 187 open cases of alleged misconduct against BOP employees. The criminal investigations cover a wide range of allegations, including bribery of a public official, sexual abuse of inmates, and

introduction of contraband. The following are examples of cases investigated during this reporting period:

- ◆ An investigation by the OIG's Chicago Field Office determined that a BOP correctional officer assigned to the Federal Medical Center in Lexington, Kentucky, had engaged in sexual acts with two female inmates under his supervision. The officer was prosecuted, but his first trial ended in a hung jury. A superseding indictment included charges that the officer made false statements under oath during testimony at his first trial. The jury in the second trial convicted the correctional officer on all 10 counts in the superseding indictment of sexual abuse and making false statements. The officer was sentenced in the Eastern District of Kentucky to nine years' incarceration and two years' supervised release.
- ◆ The OIG's Dallas Field Office initiated an investigation after receiving information from a cooperating inmate that a BOP correctional officer assigned to the U.S. Penitentiary (USP) in Pollock, Louisiana, was providing drugs to inmates in exchange for cash. During an OIG undercover operation, the corrupt correctional officer met with an undercover agent and accepted 1 pound of sham marijuana, 12 grams of sham heroin, and \$2,000. The officer was sentenced in the Western District of Louisiana to six years' incarceration and three years' supervised release.

- ◆ A joint investigation by the OIG's Los Angeles Field Office, FBI, Santa Barbara County Sheriff's Department, Lompoc Police Department, and BOP determined that a correctional officer assigned to the USP in Lompoc, California, had been smuggling narcotics into the USP and receiving payments from inmates' families since 2001. The officer was sentenced in the Central District of California to 57 months' incarceration and 3 years' supervised release.
- ◆ An investigation by the OIG's San Francisco Area Office resulted in a confession from a correctional officer assigned to the USP in Atwater, California, that on at least 3 occasions he accepted \$1,000 in cash to introduce marijuana into the USP. The officer pled guilty in the Eastern District of California. Sentencing is pending.
- ◆ The OIG's Chicago Field Office exonerated a correctional officer following an allegation that he impregnated a female inmate incarcerated at the Federal Prison Camp (FPC) in Greenville, Illinois. The investigation developed evidence that the inmate had been sneaking out of the FPC at night and engaging in sexual relations with her boyfriend. The inmate admitted to fabricating the allegations against the correctional officer and providing false statements to conceal the circumstances of her pregnancy. She was sentenced in the Southern District of Illinois to 15 months' incarceration and 3 years' supervised release for making false statements to the BOP and the OIG.

## Procedural Reform Recommendation

The OIG prepares a Procedural Reform Recommendation (PRR) recommending corrective action by a Department component when an investigation identifies a systemic weakness in an internal policy, practice, procedure, or program. The following is an example of a PRR sent to the BOP during this reporting period:

The OIG's PRR addressed security weaknesses in modified prisoner transport buses that allowed three undocumented aliens to escape from BOP custody. The PRR was based on an investigation by the OIG's Tucson Area Office into a complaint that detailed how the prisoners escaped by gaining access to a door latch through an existing gap between the top of the door and the interior roof of the bus. The investigation found that the BOP modified the bus doors to make room for supplemental air conditioning units by removing sections from the top of the door. This modification gave the fugitives access to the door latch.

The OIG recommended that the BOP: 1) disseminate an officer's safety bulletin regarding the modified buses; 2) direct agencies to inspect its buses for the identified weaknesses; 3) advise agencies to consider using a 2-member team to perform prisoner transport duties until all buses can be inspected; 4) mandate that an enhanced keyed deadbolt be employed as the primary device to secure the entryway door; and 5) immediately review the design and modification specifications for installing air conditioning units in the buses to minimize the degree of modification required for the entry door.

## Ongoing Work

### **BOP Pharmacy Services**

The BOP currently has over 150 pharmacists who fill 4 to 5 million prescriptions per year for inmates. The pharmacists also are responsible for managing inventories of prescription medication and related supplies, conducting patient counseling, and maintaining patient records. The OIG is assessing whether the BOP ensures adequate controls and safeguards over prescription drugs; evaluating the BOP's efforts to reduce the rising costs of

prescription drugs; and assessing whether BOP pharmacies are in compliance with applicable laws, regulations, policies, and procedures.

### **Deterring Staff Sexual Abuse of Federal Inmates**

Cases involving staff sexual abuse of BOP inmates annually comprise approximately 12 percent of the OIG's total number of investigations. The OIG is examining the problem of sexual abuse of federal inmates by correctional staff and the impact of federal law on the deterrence of staff sexual abuse.



# Drug Enforcement Administration

The DEA enforces federal laws and regulations related to the growth, production, or distribution of controlled substances. In addition, the DEA seeks to reduce the supply of and demand for illicit drugs, both domestically and internationally. The DEA has approximately 10,800 employees staffing its 21 division offices in the United States and the Caribbean and 80 offices in 58 other countries.

## Investigations

During this reporting period, the OIG received 210 complaints involving the DEA. The most common allegations made against DEA employees included misuse of a credit card, job performance failure, theft, and making false statements.

At the close of the reporting period, the OIG had 29 open cases of alleged misconduct against DEA employees. The following are examples of cases investigated during this reporting period:

- ◆ An investigation by the OIG's Miami Field Office and the DEA led to an indictment alleging that a DEA office assistant stole \$1,560 from the office's imprest fund to pay her personal bills. During the OIG investigation, the office assistant admitted to taking the money. Judicial proceedings continue.

- ◆ The OIG's Miami Field Office investigated allegations that a DEA special agent accepted an \$80,000 loan from the family of a convicted drug trafficker, stole \$12,000 in a fictitious traffic stop, and assisted a former confidential source in avoiding criminal charges. An OIG polygraph examination of the complainant, who was facing criminal charges, indicated signs of deception. In a post-test interview, the complainant admitted that he fabricated the allegations against the special agent in exchange for possible consideration concerning his pending criminal charges. The special agent was exonerated of the allegations.

## Ongoing Work

### Payments to Informants by the DEA

The OIG is assessing the DEA's compliance with regulations and controls over its payments to confidential informants.



# Bureau of Alcohol, Tobacco, Firearms and Explosives

The ATF enforces federal laws on firearms, explosives, and arson and administers the U.S. Criminal Code provisions on alcohol and tobacco smuggling and diversion. It seeks to combat terrorism, regulate the firearms and explosives industries, and provide training and support to federal, state, local, and international law enforcement partners. Its nearly 4,700 special agents, inspectors, regulatory specialists, forensic auditors, laboratory technicians, and other personnel work primarily in 23 field divisions across the 50 states, Puerto Rico, the U.S. Virgin Islands, and Guam. Foreign offices are located in Mexico, Canada, Colombia, and France.

## Reports Issued

### Implementation of the *Safe Explosives Act*

The OIG examined the ATF's implementation of the provisions of the *Safe Explosives Act*, which mandated more frequent inspections of federal explosives licensees and expanded the number of categories of individuals who are prohibited from holding explosives licenses or from possessing explosives as part of their job. Under the *Safe Explosives Act*, thorough background checks are required prior to granting or denying an individual the authority to access or possess explosives.

The OIG review focused on the ATF's explosives licensing process and its handling of background checks on individuals who seek authorization to handle or possess explosives. We also reviewed the

appeals process for employees who are not granted authority to access explosives, the enforcement of the requirement for licensees to notify the ATF of new employees who will have access to explosives, the ATF's preparation for establishing a separate National Explosives Licensing Center, and its plan to collect and analyze samples of explosives as permitted under the *Safe Explosives Act*. The OIG review found that the ATF failed to request FBI background checks on many employees who sought authorization to handle or possess explosives. In addition, the ATF frequently failed to make final determinations on employees who sought authorization based on the results of FBI background checks and information from other sources. When FBI background checks uncovered potentially prohibiting factors, the ATF did not consistently act upon this information and, as a result, allowed more than half the individuals identified by the FBI as possible prohibited persons to have continuing authorization to access explosives.

We also found that the ATF did not consistently complete background checks on individuals for whom the FBI could not complete a background check, mainly due to the FBI's inability to confirm an apparent prohibiting factor. The OIG review also determined that the ATF does not have an enforcement plan in place to deal with the many explosives licensees who have not reported the hiring of new employees who have access to explosives as part of their job. Finally, we found that the ATF's management information system used to support the licensing and clearance processes has serious deficiencies in its structure, utility, and data accuracy.

The OIG made 10 recommendations to help the ATF improve its implementation of the *Safe Explosives Act* and more effectively regulate explosives within the United States. The recommendations focused on reducing the potential for a prohibited person to have authority to access explosives, improving the consistency of the ATF's oversight activities, completing the establishment of a National Explosives Licensing Center, and implementing a process for collecting and cataloging explosives at the ATF's National Laboratory. The ATF concurred with six of the recommendations. We currently are working with ATF management to satisfy the four unresolved recommendations.

## Investigations

The following is an example of a case involving the ATF that the OIG investigated:

- ◆ In our March 2004 *Semiannual Report to Congress*, we reported on a case in which an ATF resident agent in charge (RAC) assigned to the ATF's Dallas Field Office was arrested on charges of theft of government property. An investigation by the OIG's Dallas Field Office revealed that, beginning in October 1996 and continuing until May 2003, the RAC submitted 38 forged and fraudulent vouchers and received approximately \$40,750 in reimbursements for alleged payments to confidential informants. During this reporting period, the former RAC pled guilty and was sentenced to two years' probation, of which six months will be served under terms of home confinement. The RAC resigned from the ATF and made full restitution.

## Ongoing Work

### The National Integrated Ballistic Information Network

The National Integrated Ballistic Information Network (NIBIN) is a national ballistic imaging system used by forensic firearms examiners to obtain computerized images of the unique marks made on bullets and cartridge casings when firearms are discharged. The OIG is reviewing whether NIBIN has been fully deployed and whether controls are adequate to ensure that all bullets and cartridge casings collected at crime scenes and from test-fires of crime firearms are entered into NIBIN.

### The ATF's Disciplinary System

The OIG is conducting a series of reviews of disciplinary systems within the Department. Reviews of the USMS, DEA, and BOP systems already have been completed. Currently, the OIG is assessing the ATF's disciplinary system; reviewing whether the process produces timely, consistent, and thorough misconduct investigations; and whether the penalties imposed are timely, consistent, and reasonable.



# Office of Justice Programs



# Office of Community Oriented Policing Services

OJP manages the Department's multi-faceted grant program. Since its inception in 1984, OJP has awarded more than 80,000 grants totaling more than \$39 billion for a wide variety of programs to prevent and control crime. OJP has approximately 700 employees and is composed of five bureaus: 1) the Bureau of Justice Assistance, 2) the Bureau of Justice Statistics, 3) the National Institute of Justice (NIJ), 4) the Office of Juvenile Justice and Delinquency Prevention, and 5) the Office for Victims of Crime (OVC).

The Office of Community Oriented Policing Services (COPS) was created as a result of the *Violent Crime Control and Law Enforcement Act of 1994* to advance community policing in jurisdictions of all sizes across the country. COPS provides grants to tribal, state, and local law enforcement agencies to hire and train community policing professionals, acquire and deploy cutting-edge crime-fighting technologies, and develop and test innovative policing strategies.

## Reports Issued

### **No Suspect Casework DNA Backlog Reduction Program**

Through the NIJ, OJP administers the No Suspect Casework DNA Backlog Reduction Program, which provides funding to states for the identification, collection, and analysis of DNA samples from evidence collected in cases where no suspect has been developed or in which the original suspect has been eliminated.

Our audit focused on approximately \$28.5 million in grants awarded by OJP during the first year of the program. Those funds were distributed to 25 states for the analysis of over 24,700 no-suspect DNA cases. Analyses were to be conducted by the DNA laboratories within the grantee's state, by outsourcing to state or local laboratories outside the grantee's state, by outsourcing to contractor laboratories, or by some combination of these

methods. Resultant DNA profiles then were to be uploaded to the Combined DNA Index System, a database used by participating state forensic laboratories to compare DNA profiles, with the goal of matching case evidence to other previously unrelated cases or to persons already convicted of specific crimes.

Our audit found that while program grantees were funded for the analysis of over 24,700 backlogged no-suspect cases, current data does not reveal whether increased laboratory capacity to process and analyze no-suspect cases is being achieved, particularly for states that are strictly outsourcing DNA analyses. We also found weaknesses in OJP's administration and oversight of the program. For example, OJP awarded additional funding to seven grantees that had not shown the ability to effectively draw down and expend their existing grant fundings. In addition, OJP subjected contractor laboratories participating in the program to more stringent certification and accreditation requirements than participating state and local laboratories. OJP also failed to provide adequate guidance to grantees to ensure that all program-funded DNA profiles were ultimately loaded into the national DNA database.

Our audit found that four laboratories did not maintain adequate documentation to substantiate that their oversight of contractor laboratories met certain quality assurance requirements, and that some costs charged to program awards were unallowable or unsupported. We made 19 recommendations to OJP to help improve the program and address issues identified in our audit. Those recommendations included the following:

- ◆ Develop and implement procedures that will allow program officials to more closely monitor grantee draw downs as a means to ensure that adequate progress is being made toward the achievement of each grantee's goals and objectives;

- ◆ Ensure that timely uploads of program-funded profiles are performed by all grantees;
- ◆ Develop performance measurements for the monitoring of progress toward achieving the program's mission, such as monitoring laboratory capacity prior to, during, and at the conclusion of the program;
- ◆ Monitor grantees' progress in using grant funds prior to awarding them additional funding, and closely examine the reasons for requesting additional funding. If funding is awarded, a justification supporting the decision should be carefully documented, specifically addressing the rationale for the untimely draw downs;
- ◆ De-obligate funds for program grantees that have failed to use their program funds in a timely manner and are unable to provide satisfactory evidence that they will be able to do so in the near future; and
- ◆ Ensure that future solicitations clarify the expectation of grantees to ultimately upload all viable grant-funded profiles to the National DNA Index System.

OJP agreed with our recommendations and plans on implementing new or enhanced policies and procedures.

### **Grants Awarded to Native American and Alaska Native Governments**

COPS, OJP, and the Office on Violence Against Women (OVW) are the primary Department agencies responsible for providing criminal justice grant funding to tribal governments. From FYs 2000 to 2003, these agencies awarded \$424.2 million to tribal governments. We audited the overall strategies of COPS, OJP, and OVW for awarding grants to tribal governments, how they monitored tribal grantees, and whether costs charged by grantees were allowable and

in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grants.

Our audit revealed that these agencies were not effectively monitoring tribal grant programs. We found that only 4 percent of the 102 grant files we reviewed contained on-site monitoring reports, only 12 percent contained office-based desk reviews, and none contained evidence that telephone monitoring was conducted. Additionally, 81 percent of the grant files reviewed were missing one or more required financial reports, and 80 percent were missing one or more required progress reports. COPS only sporadically required progress reports for its grants, and no progress reports were required for grants awarded after FY 2001. Despite the fact that required financial and progress reports were not submitted for certain grants, none of the 3 agencies prohibited grantees from using funds totaling \$10.69 million.

Our audit also disclosed that OJP and OVW did not ensure that funds for tribal grant programs were made available in a timely manner. Grant funds totaling \$58.93 million were delayed more than 6 months after the award start date for 199 OJP and OVW grants. Additionally, 78 grants totaling \$38.21 million that were awarded prior to FY 2003 had not been used. Those amounts included 40 grants totaling \$3 million that had expired.

We found that COPS, OJP, and OVW were not closing out expired grants in a timely manner, which resulted in questioned costs of \$6.06 million and \$10.95 million in funds that could be put to better use. We reviewed 758 expired tribal grants and found that only 149 (20 percent) had been closed. Only 32 of those grants (21 percent) were closed in a timely manner – within 180 days after the grant expired. We also identified 460 expired grants more than 180 days past the grant end date that had not been closed. Of those grants, 112 were expired for more than 2 years.

Our report contained 53 recommendations to improve the monitoring and administration of tribal-specific grant programs and enhance the Department's overall strategy for grants awarded to tribal governments. OVW and OJP agreed with most of the recommendations, while COPS agreed with half of the recommendations.

### Grant Audits

We continued to audit grants awarded by OJP and COPS. Examples of findings from these audits during this reporting period included the following:

- ◆ The Oglala Sioux Tribe in Pine Ridge, South Dakota, was awarded more than \$14.1 million in OJP grant funds to build a correctional facility on tribal lands, provide assistance to victims of crime, stop violence against Indian women, and prevent crime and delinquency by and against tribal youth. We determined that the grantee charged unallowable and unsupported costs to grant funds, received excessive reimbursement, earned interest in excess of the amount allowed by grant regulations, could not support its local matching funds, paid unobligated grant funds and fees to contractors, and did not submit or submitted untimely to OJP most financial status reports and progress reports. As a result, we identified \$811,735 in questioned costs and \$234,441 in funds that could be put to better use.
- ◆ The Mississippi Band of Choctaw Indians in Choctaw, Mississippi, was awarded nearly \$18.2 million in OJP grant funds to stop violence against Indian women, build a correctional facility, provide assistance to victims of crime, and prevent juvenile delinquency and promote the mental health of tribal youth. We determined that the grantee charged unallowable and unsupported costs to grant funds, did not adequately prepare or manage the grant budgets, failed to provide the

required matching share of grant costs from tribal funds, and did not submit or submitted untimely to OJP most financial status reports and progress reports. As a result, we identified \$191,872 in questioned costs.

- ◆ The Passamaquoddy Tribe and Pleasant Point Reservation Police Department in Perry, Maine, was awarded 7 COPS grants totaling more than \$1.3 million to hire and provide training and equipment for police officers. We determined that the grantee failed to provide grants records needed to determine compliance with grant terms and conditions. As a result, we questioned as unsupported the entire \$1.3 million for the 4 equipment and technology grants and 3 hiring grants.
- ◆ The Navajo Nation, Division of Public Safety, in the states of Arizona, New Mexico, and Utah was awarded 8 COPS grants totaling more than \$14.4 million to hire new police officers and provide training and equipment for new and existing officers. We determined that the grantee only had used funds totaling \$1,759,230 for 2 of the 8 grants, and no funds were spent for the remaining 6 grants. As a result, we based our audit on the two grants in which funds were used. For those two grants, we determined that the grantee had charged unallowable and unsupported costs to the grants. As a result, we identified \$237,445 in questioned costs.

## Investigations

The following is an example of a case involving COPS that the OIG investigated:

- ◆ In our September 2003 *Semiannual Report to Congress*, we described an investigation in which a former Kendleton, Texas, police

chief and a former police captain were arrested on charges of extortion, conspiracy, and fraud. A joint investigation conducted by the OIG's Houston Area Office, FBI, and Texas Rangers developed evidence that the police chief and captain conspired to make materially false statements to the COPS grant program and defraud the government of grant money earmarked to hire new police officers. According to the allegations, the officers falsely claimed that more than \$200,000 in grant funds received had been used to hire 6 new police officers, but instead the funds were used to pay the police chief's salary. The investigation also developed evidence that the police chief and captain operated an extortion scheme in which police officers used "speed traps" to extort from civilians sums of money above those set by state law and then pocketed the money collected from the scheme. During this reporting period, the police chief was convicted by a federal jury on all 52 counts and the police captain pled guilty. Sentencing is pending for both.

## Ongoing Work

### COPS' Methamphetamine Initiative

In 1998, the methamphetamine initiative was established by Congress and administered by COPS to help alleviate the spread of methamphetamine. Since then, COPS has invested more than \$350 million nationwide to combat the spread of methamphetamine. The OIG is assessing the adequacy of COPS' administration of methamphetamine initiative grants and its monitoring of grantee activities. We also are evaluating the extent to which the grantees have administered grants in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant awards.

### **OVC's Antiterrorism and Emergency Assistance Program**

OVC was created in 1984 to assist crime victims with recovery from physical, emotional, and psychological injury. The OIG is reviewing OVC to determine whether: 1) timely assistance was provided to jurisdictions in order to address victim needs in the aftermath of an act of terrorism or mass violence, 2) the eligibility of applicants was properly ascertained, and 3) the purposes for funding grants were allowable.

### **NIJ's Antiterrorism Technology Development Program**

Pursuant to the *Antiterrorism and Effective Death Penalty Act of 1996*, the NIJ sponsors the development of counterterrorism technologies through its collaborations with various technology partners. The OIG is reviewing the NIJ's

Antiterrorism Technology Development Program to: 1) determine whether program funds were awarded for projects that satisfy the intent of the program, 2) assess the adequacy of program oversight, 3) determine whether grantees have used program funds in accordance with grant requirements, and 4) assess the adequacy of the program's progress toward meeting its goals and objectives.

### **OVC's Tribal Victim Assistance Grant Program**

OVC initiated the Tribal Victim Assistance Discretionary Grant Program in 1988 to establish, expand, and improve direct service victim assistance programs for federally recognized tribes. From FYs 2000 to 2003, OVC awarded 56 grants totaling \$6.76 million. The OIG is examining grantee performance information to determine whether grant objectives are being achieved.

# Other Department Components

## Criminal Division

The Criminal Division and its approximately 800 employees develop, enforce, and supervise the application of all federal criminal laws except those specifically assigned to other divisions. Criminal Division attorneys also formulate and implement criminal enforcement policy and provide advice and assistance.

## Reports Issued

### **The Screening of Iraqi Prison Subcontractors**

The OIG conducted a review of the Department's screening procedures for subcontractors sent to Iraq as civilian correctional advisors. We undertook the review in response to a request by Senator Charles Schumer to investigate the International Criminal Investigative Training Assistance Program's (ICITAP) employment of certain individuals as corrections advisors in Iraq. ICITAP, an office within the Criminal Division, provides training for foreign law enforcement agencies in new and emerging democracies.

The OIG found that ICITAP conducted limited background checks on the subcontractors prior to

their deployment to Iraq, but these checks were not designed to and did not reveal information about the civil lawsuits cited by Senator Schumer. Consequently, ICITAP did not consider the allegations made in the lawsuits when making the decision to hire these individuals. We found, however, that ICITAP conducted more extensive background investigations on these individuals after the controversy about their services arose and concluded that nothing in their backgrounds, including the matters cited by Senator Schumer, would have disqualified them from serving as subcontractors. The OIG also reviewed the information produced as a result of these more extensive background checks and concluded that ICITAP's position that the men were qualified to serve in Iraq was reasonable.

However, our review found broad weaknesses in the way ICITAP conducted background checks on its subcontractors that resulted in its hiring and deployment of at least 22 subcontractors to Iraq who did not have required clearances. We determined that ICITAP failed to adequately train its employees regarding the subcontractor clearance process, lacked written standard operating procedures for the clearance process, and failed to maintain adequate records regarding subcontractor clearances. Our review offered 11 recommendations to improve the ICITAP clearance process, including to develop and implement a training program on the process for all newly hired analysts and managers and to create and maintain a database of subcontractors who have received security clearances.

## Audits of Equitable Sharing of Revenues

The Department's Asset Forfeiture Program seeks to deprive criminals of the profits and proceeds from illegal activities and enhance cooperation among federal, state, and local law enforcement agencies by sharing federal forfeiture proceeds through the Department's Equitable Sharing Program. State and local law enforcement agencies may receive equitable sharing revenues by participating directly with Department agencies in joint investigations leading to the seizure or forfeiture of property. Our audits involved equitable sharing revenues received by state and local law enforcement agencies through the Equitable Sharing Program.

- ◆ The Fort Lauderdale, Florida, Police Department was awarded nearly \$4.2 million in equitable sharing revenues from October 1, 2001, to April 30, 2004. During that period, the Police Department allocated more than \$3.6 million to other law enforcement agencies that were part of the Southeast Florida Regional Task Force, and retained \$517,236 to support its law enforcement operations. We determined that the Police Department: 1) failed to update Federal Sharing Agreements to reflect administrative changes, 2) submitted inaccurate and untimely Annual Certification Reports, 3) failed to deposit equitable sharing receipts timely and into the correct accounts, 4) failed to implement a system to adequately track requests for and the receipt of equitably shared funds, 5) appropriated equitable sharing funds for non-law enforcement purposes, and 6) commingled interest earned on Department equitable sharing funds with that earned on U.S. Department of Treasury equitable sharing funds. As a result, we identified \$110,101 in dollar-related findings.
- ◆ The City of Albany, New York, Police Department was awarded \$56,096 in equitable sharing revenues and \$10,975 in property from January 1, 2001, to July 31, 2004. We determined that the Police Department: 1) failed to update Federal Sharing Agreements to reflect administrative changes, 2) submitted inaccurate Annual Certification Reports, 3) failed to implement a system to adequately track requests for and the receipt of equitably shared funds, 4) used equitable sharing funds for unallowable purposes and did not maintain adequate internal controls over the expenditure of the funds, 5) failed to maintain adequate supporting documentation for expenditures, 6) failed to implement adequate accounting procedures, and 7) commingled Department equitable sharing funds in a single bank account with other funds. As a result, we identified \$56,096 in questioned costs.

## Investigations

The following is an example of a case involving the Criminal Division that the OIG investigated during this reporting period:

- ◆ An investigation by the OIG's Washington Field Office substantiated allegations that a Criminal Division attorney submitted fraudulent travel claims relating to travel from his home in Massachusetts to a temporary duty assignment in Alabama. The attorney received approximately \$16,000 in reimbursements for his false travel expenses and 29 days of unreported leave. The attorney pled guilty in the District of Columbia to charges of conversion of government funds. The attorney was sentenced to 1 year of probation and ordered to pay restitution in the amount of \$6,676.

# U.S. Attorneys' Offices

U.S. Attorneys serve as the federal government's principal criminal and civil litigators and conduct most of the trial work in which the United States is a party. Under the direction of the Attorney General, 93 U.S. attorneys are stationed throughout the United States, Puerto Rico, the U.S. Virgin Islands, Guam, and the Northern Mariana Islands. More than 11,600 employees work in those offices and in the Executive Office for U.S. Attorneys (EOUSA).

## Investigations

The following is an example of a case involving the USAO that the OIG investigated during this reporting period:

- ◆ An investigation by the OIG's Washington Field Office developed evidence that a former assistant U.S. attorney (AUSA) failed to make child support payments of more than \$5,000 in accordance with a court order. The investigation further disclosed that, on two occasions, the AUSA presented forged or altered checks to the court as evidence that he was in compliance with the child support order. The AUSA was under oath at the time and testified before the court in an attempt to support his false claims of compliance with the court order to pay child support. The AUSA, who retired from his position based on the OIG investigation, pled guilty to failure to pay child support in the District of Columbia. Sentencing is pending.

## Ongoing Work

### USAOs' Use of Intelligence Research Specialists

The OIG is assessing whether the USAO effectively employs its intelligence research specialists to analyze and share terrorism-related information. The review will examine the purpose and implementation of intelligence research specialists and the results of their work.

## Office of the Federal Detention Trustee

The Office of the Federal Detention Trustee (OFDT) has responsibility for oversight of detention management in the Department. OFDT is responsible for the financial management of federal detention operations, implementing business process improvements, and identifying areas where operational efficiencies and cost savings can be realized.

## Reports Issued

### Audit of the OFDT

In FY 2001, Congress established OFDT as a separate component within the Department to centralize responsibility for detention to better

manage and plan for needed detention resources without duplication of effort or competition among other components. Previously, the USMS and former Immigration and Naturalization Service (INS) shared responsibility for the detention of persons in federal custody awaiting trial or immigration proceedings.

The OIG reviewed the funding and accomplishments of OFDT, determined how OFDT coordinates and oversees detention activities within the Department, and examined OFDT's plans and goals for managing detention needs. We found that, although OFDT was established nearly four years ago, it has not achieved its purpose of centralizing and overseeing detention activities. As a result of internal and external events, including the transfer of the former INS to the DHS, leadership vacancies, and other obstacles, OFDT did not have a clearly defined mission or strategic plan. In addition, funding shortages have caused the Department to transfer funds to OFDT from other initiatives. We provided 11 recommendations

to assist the Department and OFDT in improving the management of detention activities. Those recommendations included the following:

- ◆ In coordination with the OMB and Congress, clearly identify OFDT's mission and responsibilities;
- ◆ Prepare a strategic plan for OFDT that identifies and communicates its role, functions, and goals;
- ◆ Refine the forecasting methodology that is used to project future detention bed space needs to more accurately estimate the resources needed; and
- ◆ Evaluate the previously submitted FY 2006 budget request to determine if an adjustment needs to be made to ensure that a shortfall does not occur.

OFDT generally agreed with our findings and has begun to take steps to address them.

# Top Management Challenges

The OIG has created a list of top management challenges in the Department annually since 1998, initially in response to congressional requests but in recent years as part of the Department's annual *Performance and Accountability Report*.

The OIG's list of top challenges for this year, issued in October 2004, is to the right. The challenges are not presented in order of priority – we believe that all are critical management issues facing the Department. However, it is clear that the top challenge facing the Department is its ongoing response to the threat of terrorism. Several other top challenges are closely related to and impact directly on the Department's counterterrorism efforts.

Eight of the challenges from last year's list remain and are long-standing, difficult challenges that will not be solved quickly or easily. However, two challenges from last year's list have been replaced by two other challenges. We removed "Performance Based Management" and "Protecting the Security of Department Information and Infrastructure" this year and added two new challenges – "Detention and Incarceration" and "Forensic Laboratories."

## Top Management Challenges in the Department of Justice – 2004

1. Counterterrorism
2. Sharing of Intelligence and Law Enforcement Information
3. Information Technology Systems Planning and Implementation
4. Computer Systems Security
5. Financial Management and Systems
6. Grant Management
7. Detention and Incarceration
8. Human Capital
9. Forensic Laboratories
10. Reducing the Supply of and Demand for Illegal Drugs

Detailed information about these management challenges can be found at [www.usdoj.gov/oig/challenges.htm](http://www.usdoj.gov/oig/challenges.htm).

# Congressional Testimony

On February 3, 2005, the Inspector General provided written testimony to the Senate Committee on Appropriations, Subcommittee on Commerce, Justice, State, and the Judiciary concerning the FBI's Trilogy IT Modernization Project. The Inspector General's statement discussed the results of a January 2005 follow-up audit that assessed the FBI's management of the Trilogy project.

On March 10, 2005, the Deputy Inspector General testified before the House Committee on the Judiciary, Subcommittee on Immigration, Border Security, and Claims at a hearing that examined interior immigration enforcement resources. The Deputy Inspector General discussed the findings of a February 2003 OIG follow-up report that examined the INS's success at removing non-detained aliens with final removal orders.

# Legislation and Regulations

The IG Act directs the OIG to review proposed legislation and regulations relating to the programs and operations of the Department. Although the Department's Office of Legislative Affairs reviews all proposed or enacted legislation that could affect the Department's activities, the OIG independently reviews proposed legislation that affects it and legislation that relates to waste, fraud, or abuse in the Department's programs or operations.

During this reporting period, the OIG reviewed a variety of proposed legislation, including recommendations contained in the *E-Government Act of 2002* for modernizing the federal government's IT. In addition, the OIG reviewed legislation that would require it to evaluate the adequacy of the Department's privacy and data protection procedures and policies at least every two years.

# Statistical Information

## Audit Statistics

### Audit Summary

During this reporting period, the Audit Division issued 122 audit reports containing more than \$53 million in questioned costs and more than \$13 million in funds to be put to better use and made 412 recommendations for management

improvement. Specifically, the Audit Division issued 18 internal reports of Department programs funded at more than \$1 billion; 40 external reports of contracts, grants, and other agreements funded at more than \$202 million; and 64 *Single Audit Act* audits. In addition, the Audit Division issued 4 Notifications of Irregularities, 2 Management Improvement Memoranda, and 10 Management Letter Reports.

Funds Recommended to Be Put to Better Use		
Audit Reports	Number of Audit Reports	Funds Recommended to Be Put to Better Use
No management decision made by beginning of period	2	\$3,928,571
Issued during period	8	\$13,016,697
Needing management decision during period	10	\$16,945,268
Management decisions made during period:		
◆ Amounts management agreed to put to better use <sup>1</sup>	6 <sup>2</sup>	\$8,293,465
◆ Amounts management disagreed to put to better use	0	\$0
No management decision at end of period	7	\$8,651,803

<sup>1</sup> Includes instances in which management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken.

<sup>2</sup> Three audit reports were not resolved during this reporting period because management has agreed with some, but not all, of the questioned costs in the audits.

## Audits With Questioned Costs

Audit Reports	Number of Audit Reports	Total Questioned Costs (including unsupported costs)	Unsupported Costs
No management decision made by beginning of period	13	\$16,567,339	\$2,112,123
Issued during period	53	\$53,803,665	\$14,270,832
Needing management decision during period	66	\$70,371,004	\$16,382,955
Management decisions made during period:			
◆ Amount of disallowed costs <sup>1</sup>	44 <sup>2</sup>	\$31,354,732	\$14,805,682
◆ Amount of costs not disallowed	0	\$0	\$0
No management decision at end of period	25	\$39,016,272	\$1,577,273
<sup>1</sup> Includes instances in which management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken.			
<sup>2</sup> Three audit reports were not resolved during this reporting period because management has agreed with some, but not all, of the questioned costs in the audits.			

## Audits Involving Recommendations for Management Improvements

Audit Reports	Number of Audit Reports	Total Number of Management Improvements Recommended
No management decision made by beginning of period	15	52
Issued during period	106	412
Needing management decision during period	121	464
Management decisions made during period:		
◆ Number management agreed to implement <sup>1</sup>	84 <sup>2</sup>	366
◆ Number management disagreed with	0	0
No management decision at end of period	43	98
<sup>1</sup> Includes instances in which management has taken action to resolve the issue and/or the matter is being closed because remedial action was taken.		
<sup>2</sup> Includes six audit reports that were not resolved during this reporting period because management has agreed to implement some, but not all, of the recommended management improvements in these audits.		

## Audit Follow-Up

### OMB Circular A-50

OMB Circular A-50, *Audit Follow-Up*, requires audit reports to be resolved within six months of the audit report issuance date. The Audit Division monitors the status of open audit reports to track the audit resolution and closure process. As of March 31, 2005, the OIG had closed 123 audit reports and was monitoring the resolution process of 407 open audit reports.

## Unresolved Audits

### Audits Over Six Months Old Without Management Decisions

As of March 31, 2005, the following audits had no management decision or were in disagreement:

- ◆ COPS Grants to Albuquerque, New Mexico, Police Department
- ◆ COPS Grants to AMTRAK Police Department
- ◆ COPS Grants to Dona Ana County, New Mexico, Sheriff’s Department
- ◆ COPS Grants to Picuris Pueblo, New Mexico, Police Department
- ◆ COPS Grants to Texas Tech University Police Department, Lubbock, Texas
- ◆ COPS Grants to the Blackfeet Tribal Business Council, Montana
- ◆ COPS Grants to the City of Camden, New Jersey, Police Department
- ◆ COPS Grants to the Kleberg County, Texas, Constable Precinct 4

- ◆ COPS Grants to the Navajo Department of Resource Enforcement, Window Rock, Arizona
- ◆ Correctional Medical Services’ Compliance with the BOP Contract for Inmate Medical Services at FCI, Fort Dix, New Jersey
- ◆ FBI’s Foreign Language Program – Translation of Counterterrorism and Counterintelligence Foreign Language Material

## Evaluation and Inspections Statistics

The chart below summarizes the Evaluation and Inspections Division’s (E&I) accomplishments for the 6-month reporting period ending March 31, 2005.

E&I Workload Accomplishments	Number of Reviews
Reviews active at beginning of period	9
Reviews initiated	3
Reviews initiated during the last semiannual reporting period but not previously counted	1
Final reports issued	5
Reviews active at end of reporting period	8

### Unresolved Reviews

DOJ Order 2900.10, *Follow-up and Resolution Policy for Inspection Recommendations by the OIG*, requires reports to be resolved within six months of the report issuance date. As of March 31, 2005, there were no unresolved recommendations.

## Investigations Statistics

The following chart summarizes the workload and accomplishments of the Investigations Division during the 6-month period ending March 31, 2005.

### Source of Allegations

Hotline (telephone and mail)	602
Other sources	3,059
Total allegations received	3,661

### Investigative Caseload

Investigations opened this period	163
Investigations closed this period	224
Investigations in progress as of 3/31/05	365

### Prosecutive Actions

Criminal indictments/informations	17
Arrests	21
Convictions/Pleas	34

### Administrative Actions

Terminations	9
Resignations	31
Disciplinary action	16

### Monetary Results

Fines/Restitutions/Recoveries	\$348,731
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## Integrity Awareness Briefings

OIG investigators conducted 163 Integrity Awareness Briefings for Department employees throughout the country during this reporting period. These briefings are designed to educate employees about the misuse of a public official's position for personal gain and deter employees from committing such offenses. The briefings reached approximately 8,216 employees.

# Appendix 1

## AUDIT DIVISION REPORTS

**October 1, 2004 – March 31, 2005**

### INTERNAL AND EXTERNAL AUDIT REPORTS

Administration of Department Grants Awarded to Native American and Alaska Native Tribal Governments

Assets Forfeiture Fund and Seized Asset Deposit Fund Annual Financial Statement FY 2004

ATF Annual Financial Statement FY 2004

ATF's and FBI's Arson and Explosives Intelligence Databases

BOP Annual Financial Statement FY 2004

BOP Contract with Medical Development International for the Acquisition of Medical Services at its Leavenworth, Kansas, Facilities

Compliance with Standards Governing Combined DNA Index System Activities at the U.S. Army Criminal Investigation Laboratory, Forest Park, Georgia

Compliance with Standards Governing Combined DNA Index System Activities at the Kansas City, Missouri, Police Crime Laboratory

Compliance with Standards Governing Combined DNA Index System Activities at the New Jersey State Police Forensic Laboratory Bureau, Hamilton, New Jersey

Compliance with Standards Governing Combined DNA Index System Activities at the Office of Chief Medical Examiner, Department of Forensic Biology, New York, New York

COPS Grants Administered by the Navajo Nation, Division of Public Safety

COPS Grants to the Passamaquoddy Tribe and Pleasant Point Reservation Police Department, Perry, Maine

COPS Grants to the St. Regis Mohawk Tribal Police Department, New York

COPS Grants to the White Earth Reservation Public Safety Division, White Earth, Minnesota

COPS Methamphetamine Initiative Grants Administered by the Sioux City, Iowa, Police Department

COPS Technology Grants Administered by the South Bend, Indiana, Police Department

COPS Tribal Resources Program Grants Awarded to the Choctaw Nation of Oklahoma, Law Enforcement, Durant, Oklahoma

DEA Annual Financial Statement FY 2004

The Department Annual Financial Statement FY 2004

Equitable Adjustment Claimed by Bannum, Inc., for the BOP Community Corrections Center Contracts

FBI Annual Financial Statement FY 2004

FBI's Management of the Trilogy Information Technology Modernization Project

Federal Prison Industries, Inc., Annual Financial Statement FY 2004

Office of the Federal Detention Trustee

OJP Annual Financial Statement FY 2004

Offices, Boards and Divisions Annual Financial Statement FY 2004

OJP Construction of the Adult and Juvenile Correctional Components of the Colville Justice Center Grants Awarded to the Confederated Tribes of the Colville Indian Reservation

OJP Grants Administered by the Sault Ste. Marie Tribe of Chippewa Indians, Sault Ste. Marie, Michigan

OJP Grants Awarded to the Eastern Band of Cherokee Indians, Cherokee, North Carolina

OJP Grants Awarded to the Lummi Indian Nation, Bellingham, Washington

OJP Grants Awarded to the Mississippi Band of Choctaw Indians

OJP Grants Awarded to the Oglala Sioux Tribe, Pine Ridge, South Dakota

OJP Illinois Firearm Reduction Program Grant Administered by the Office of the Attorney General, State of Illinois, Chicago, Illinois

OJP Integrated Justice Information System Grant Awarded to the Ventura County, California, Sheriff's Department

OJP OVC Antiterrorism and Emergency Program Grant for Victim Assistance Administered by the New York State Crime Victims Board, Albany, New York

OJP OVC Antiterrorism and Emergency Program Grant for Victim Compensation Administered by the New York State Crime Victims Board, Albany, New York

OJP OVC Antiterrorism and Emergency Program Grant for Victim Assistance Administered by the State of New Jersey, Department of Law and Public Safety, Division of Criminal Justice, Trenton, New Jersey

OJP OVC Antiterrorism and Emergency Program Grant for Victim Compensation Administered by the New Jersey Victims of Crime Compensation Board, Newark, New Jersey

OJP OVC Grants Awarded to the Lummi Indian Nation, Bellingham, Washington

OJP Office of Juvenile Justice and Delinquency Prevention Cooperative Agreement Awarded to the National Council on Crime and Delinquency, Oakland, California

OJP Office of Juvenile Justice and Delinquency Prevention National Outreach and Expansion Year 2000 Cooperative Agreement Awarded to the Youth Crime Watch of America, Miami, Florida

OJP Planning, Implementing and Enhancing Tribal Courts Grant Awarded to the Chickasaw Nation, Ada, Oklahoma

OJP Serious and Violent Offender Re-Entry Initiative Grant Administered by the Michigan Department of Corrections

OJP State and Local Emergency Preparedness Grant Awarded to Montgomery County, Maryland

OJP State and Local Emergency Preparedness Grant Awarded to the Maryland Department of Health and Mental Hygiene

OJP Statewide Ridge House Collaborative Grant Awarded to the Ridge House, Inc., Reno, Nevada

OJP Stop Violence Against Indian Women Discretionary Grant Awarded to the Chickasaw Nation, Ada, Oklahoma

OJP Tribal Youth Program Grant Awarded to the Chickasaw Nation, Ada, Oklahoma

OJP Weed and Seed Project Grant Awarded to the Southeast Uplift Neighborhood Program, Portland, Oregon

The No Suspect Casework DNA Backlog Reduction Program

USMS Administration of the Witness Security Program

USMS Annual Financial Statement FY 2004

USMS Automated Prisoner Scheduling System Independent Evaluation Pursuant to FISMA FY 2004

USMS Intergovernmental Service Agreement for Detention Facilities with the Alexandria, Virginia, Sheriff's Office

USMS Intergovernmental Service Agreement for Detention Facilities with the Central Virginia Regional Jail, Orange, Virginia

Use of Equitable Sharing Assets by the Albany, New York, Police Department

Use of Equitable Sharing Revenues by the Fort Lauderdale, Florida, Police Department

Working Capital Fund Annual Financial Statement FY 2004

***SINGLE AUDIT ACT REPORTS  
OF DEPARTMENT OF JUSTICE  
ACTIVITIES***

"I Have A Dream" Foundation

Boys and Girls Clubs of North Central Montana

City of Albuquerque, New Mexico, FY 2002

City of Albuquerque, New Mexico, FY 2003

City of Aurora, Colorado

City of Berlin, New Hampshire

City of Crystal Lake, Illinois

City of Detroit, Michigan, FY 2001

City of Detroit, Michigan, FY 2002

City of Erie, Pennsylvania

City of Independence, Missouri

City of Jackson, Ohio

City of Jacksonville, Florida

City of Miami Beach, Florida

City of Montebello, California

City of Pontiac, Michigan

City of Seattle, Washington

City of Sheridan, Wyoming

City of St. Louis, Missouri

City of Tempe, Arizona

City of Tucson, Arizona

City of Waukegan, Illinois

Commonwealth of Kentucky

Commonwealth of Massachusetts

Community Research Associates, Inc.

Compass Health Care, Inc., and Compass Health Care Foundation, Inc.

Component Unit of the Narragansett Indian Tribe Designated as the Special Revenue Fund and Restricted Fixed Asset Account Group

County of Bristol, Massachusetts, FY 2002

County of Bristol, Massachusetts, FY 2003

County of Los Angeles, California

County of Nassau, New York

Crime Prevention Resource Center, Fort Worth, Texas

Crime Victims Reparation Commission, New Mexico

The Dutchess County Council on Alcoholism and Chemical Dependency, Inc.

Fund for the City of New York, Inc., and Affiliates

Gallatin County, Montana

The Government of Guam

Juniata Valley Tri-County Drug and Alcohol Abuse Commission

Kansas Big Brothers, Big Sisters, Inc.	State of Delaware
King County, Washington, FY 2002	State of Minnesota
King County, Washington, FY 2003	State of Wisconsin
Michigan Department of Community Health	Tonto-Apache Tribe, Arizona, FY 2001
Michigan Department of Corrections	Tonto-Apache Tribe, Arizona, FY 2002
Morris County, Kansas	Township of Franklin, Somerset County, New Jersey, FY 2002
Municipality of Hatillo, Puerto Rico	Township of Franklin, Somerset County, New Jersey, FY 2003
National Association of State Fire Marshals	Unified Government of Wyandotte County, Kansas
National Law Enforcement Telecommunications System, Inc.	Unified Solutions Coaching and Consulting Group, Inc., Arizona
Pasco County, Florida	Verde Valley Sanctuary, Inc., Arizona
Pinellas County, Florida	Village of Bolingbrook, Illinois
Salt River Pima-Maricopa Indian Community, Arizona	Village of Ruidoso, New Mexico
South Dakota Coalition Against Domestic Violence and Sexual Assault	Women's Coalition of St. Croix, Inc.

## AUDIT DIVISION REPORTS

October 1, 2004 – March 31, 2005

### Quantifiable Potential Monetary Benefits

Audit Report	Questioned Costs	Unsupported Costs	Funds Put to Better Use
Administration of Department Grants Awarded to Native American and Alaska Native Tribal Governments	\$6,993,719		\$10,952,297
City of Albuquerque, New Mexico, FY 2002	\$4,152,447		
City of Detroit, Michigan, FY 2001	\$16,913,113		
City of Detroit, Michigan, FY 2002	\$433,787		
City of Erie, Pennsylvania	\$29,968	\$29,968	
City of Jackson, Ohio	\$5,416		
City of Jacksonville, Florida	\$28,826		
City of Montebello, California	\$66,300		
City of Pontiac, Michigan	\$32,000		
City of Seattle, Washington	\$71,909		
City of St. Louis, Missouri	\$20,822		
City of Waukegan, Illinois	\$32,550		
Commonwealth of Kentucky	\$46,774		
Commonwealth of Massachusetts	\$11,843,406	\$11,843,406	
Compass Health Care, Inc., and Compass Health Care Foundation, Inc.	\$20,000	\$10,000	
COPS Grants Awarded to the Navajo Nation, Division of Public Safety	\$237,445	\$31,868	
COPS Grants to the Passamaquoddy Tribe and Pleasant Point Reservation Police Department, Perry, Maine	\$1,332,906	\$1,332,906	

<b>Audit Report</b>	<b>Questioned Costs</b>	<b>Unsupported Costs</b>	<b>Funds Put to Better Use</b>
COPS Grants to the St. Regis Mohawk Tribal Police Department, New York	\$20,479		\$15,284
COPS Methamphetamine Initiative Grants Administered by the Sioux City, Iowa, Police Department	\$1,043,223	\$78,792	\$134,729
COPS Technology Grants Administered by the South Bend, Indiana Police Department	\$8,152		
COPS Tribal Resources Program Grants to the Choctaw Nation of Oklahoma, Law Enforcement, Durant, Oklahoma			\$220,096
County of Bristol, Massachusetts, FY 2001	\$39,516	\$39,516	
County of Bristol, Massachusetts, FY 2002	\$44,535	\$44,535	
County of Los Angeles, California	\$640,000		
Crime Prevention Resource Center, Fort Worth, Texas	\$18,210		
Equitable Adjustment Claimed by Bannum, Inc., for the BOP Community Corrections Center Contracts			\$22,180
King County, Washington, FY 2002	\$955,106		
King County, Washington, FY 2003	\$252,691		
Michigan Department of Community Health	\$243,537		
Michigan Department of Corrections	\$1,383,497		
National Association of State Fire Marshals	\$1,385		
OJP Construction of the Adult and Juvenile Correctional Components of the Colville Justice Center Grants Awarded to the Confederated Tribes of the Colville Indian Reservation	\$751,589		
OJP Grants Administered by the Sault Ste. Marie Tribe of Chippewa Indians, Sault Ste. Marie, Michigan	\$50,890	\$10,472	
OJP Grants Awarded to the Eastern Band of Cherokee Indians, Cherokee, North Carolina	\$109,457	\$64,789	
OJP Grants Awarded to the Lummi Indian Nation, Bellingham, Washington	\$9,805		

<b>Audit Report</b>	<b>Questioned Costs</b>	<b>Unsupported Costs</b>	<b>Funds Put to Better Use</b>
OJP Grants Awarded to the Mississippi Band of Choctaw Indians	\$191,872	\$13,522	
OJP Grants Awarded to the Oglala Sioux Tribe, Pine Ridge, South Dakota	\$811,735	\$355,318	\$234,441
OJP OVC Antiterrorism and Emergency Program Grant for Victim Compensation Administered by the New York State Crime Victims Board, Albany, New York	\$246,472		
OJP OVC Antiterrorism and Emergency Program Grant for Victim Compensation Administered by the New Jersey Victims of Crime Compensation Board, Newark, New Jersey	\$27,010	\$9,708	
OJP OVC Grants Awarded to the Lummi Indian Nation, Bellingham, Washington	\$173,040		
OJP Office of Juvenile Justice and Delinquency Prevention National Outreach and Expansion Year 2000 Cooperative Agreement Awarded to the Youth Crime Watch of America, Miami, Florida	\$561,789	\$210,152	
OJP Planning, Implementing and Enhancing Tribal Courts Grant Awarded to the Chickasaw Nation, Ada, Oklahoma	\$47,371	\$14,642	
OJP Serious and Violent Offender Re-Entry Initiative Grant Administered by the Michigan Department of Corrections, Lansing, Michigan	\$22,436	\$8,916	
OJP State and Local Emergency Preparedness Grant Awarded to the Maryland Department of Health and Mental Hygiene	\$19,514		
OJP Statewide Ridge House Collaborative Grant Awarded to the Ridge House, Inc., Reno, Nevada	\$8,778	\$8,778	
OJP Stop Violence Against Indian Women Discretionary Grant Awarded to the Chickasaw Nation, Ada, Oklahoma	\$103,518	\$97,126	
OJP Tribal Youth Program Grant Awarded to the Chickasaw Nation, Ada, Oklahoma	\$52,711	\$36,733	\$20,701
Pinellas County, Florida	\$74,762		
State of Wisconsin	\$20,000		

<b>Audit Report</b>	<b>Questioned Costs</b>	<b>Unsupported Costs</b>	<b>Funds Put to Better Use</b>
The No Suspect Casework DNA Backlog Reduction Program	\$44,640		
Tonto-Apache Tribe, Arizona	\$59,731		
USMS Intergovernmental Service Agreement for Detention Facilities with the Central Virginia Regional Jail, Orange, Virginia	\$2,833,937		\$1,416,969
Use of Equitable Sharing Assets by the Albany, New York, Police Department	\$56,096	\$13,167	
Village of Ruidoso, New Mexico	\$16,518	\$16,518	
<b>Total</b>	<b>\$53,803,665</b>	<b>\$14,270,832</b>	<b>\$13,016,697</b>

# Appendix 2

## EVALUATION AND INSPECTIONS DIVISION REPORTS

**October 1, 2004 – March 31, 2005**

Follow-up Review of the Status of IDENT/IAFIS  
Integration

Review of the DEA's Disciplinary System

Inspection of the FBI's Security Risk Assessment  
Program for Individuals Requesting Access to  
Biological Agents and Toxins

Review of the ATF's Implementation of the *Safe  
Explosives Act*

The Screening of Iraqi Prison Subcontractors

# Appendix 3

## ACRONYMS AND ABBREVIATIONS

The following are acronyms and abbreviations widely used in this report.

<b>ATF</b>	Bureau of Alcohol, Tobacco, Firearms and Explosives	<b>INS</b>	Immigration and Naturalization Service
<b>BOP</b>	Federal Bureau of Prisons	<b>IT</b>	Information technology
<b>COPS</b>	Office of Community Oriented Policing Services	<b>NIJ</b>	National Institute of Justice
<b>DEA</b>	Drug Enforcement Administration	<b>OIG</b>	Office of the Inspector General
<b>Department</b>	U.S. Department of Justice	<b>OJP</b>	Office of Justice Programs
<b>DHS</b>	Department of Homeland Security	<b>OMB</b>	Office of Management and Budget
<b>FBI</b>	Federal Bureau of Investigation	<b>OFDT</b>	Office of the Federal Detention Trustee
<b>FY</b>	Fiscal year	<b>OVC</b>	Office for Victims of Crime
<b>HHS</b>	Department of Health and Human Services	<b>USAO</b>	U.S. Attorney's Office
<b>ICE</b>	U.S. Immigration and Customs Enforcement	<b>USMS</b>	U.S. Marshals Service
<b>IG Act</b>	<i>Inspector General Act of 1978, as amended</i>		

# Appendix 4

## GLOSSARY OF TERMS

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

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

**Combined DNA Index System:** A distributed database with three hierarchical levels that enables federal, state, and local forensic laboratories to compare DNA profiles electronically.

**Disclaimer of Opinion:** A disclaimer of opinion results when auditors are unable to express an opinion on the fairness of the agency financial statements due to a limiting factor, such as a lack of adequate supporting financial information.

**Draw down:** The process by which a grantee requests and receives federal funds.

**Enterprise Architecture:** An Enterprise Architecture (EA) establishes an agency-wide roadmap to achieve an agency's mission through optimal performance of its core business processes within an efficient IT environment. An EA is made up of four components: Business Architecture, Applications Architecture, Data Architecture, and Technical Architecture.

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

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

**Material Weakness:** A reportable condition in which the design or operation of the internal control does not reduce to a relatively low level the risk that error, fraud, or noncompliance in amounts that would be material in relation to the principal statements or to performance measures may occur and not be detected within a timely period by employees in the normal course of their assigned duties.

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

**Questioned Cost:** A cost that is questioned by the OIG because of: 1) an alleged violation of a provision of a law, regulation, contract, grant, cooperative agreement, or other agreement or document governing the expenditure of funds; 2) a finding that, at the time of the audit, such cost is not supported by adequate documentation; or 3) a finding that the expenditure of funds for the intended purpose is unnecessary or unreasonable.

**Recommendation That Funds be Put to**

**Better Use:** Recommendation by the OIG that funds could be used more efficiently if management of an entity took actions to implement and complete the recommendation, including: 1) reductions in outlays; 2) deobligation of funds from programs or operations; 3) withdrawal of interest subsidy costs on loans or loan guarantees, insurance, or bonds; 4) costs not incurred by implementing recommended improvements related to the operations of the entity, a contractor, or grantee; 5) avoidance of unnecessary expenditures noted in pre-award reviews of contract or grant agreements; or 6) any other savings that are specifically identified.

**Reportable Condition:** Includes matters coming to the auditor's attention that, in the auditor's judgment, should be communicated because they represent significant deficiencies in the design or operation of internal controls that could adversely affect the entity's ability to properly report financial data.

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

**Unqualified Opinion:** An auditor's report that states the financial statements present fairly, in all material respects, the financial position and results of operations of the reporting entity, in conformity with generally accepted accounting principles.

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

# Appendix 5

## Reporting Requirements Index

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The IG Act specifies reporting requirements for semiannual reports. The requirements are listed below and indexed to the applicable pages.		
<b>IG Act References</b>	<b>Reporting Requirements</b>	<b>Page</b>
Section 4(a)(2)	Review of Legislation and Regulations	37
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	6-36
Section 5(a)(2)	Significant Recommendations for Corrective Actions	6-35
Section 5(a)(3)	Prior Significant Recommendations Unimplemented	40
Section 5(a)(4)	Matters Referred to Prosecutive Authorities	10-11, 14-15, 20-22, 24, 26, 30, 33-34
Section 5(a)(5)	Refusal to Provide Information	None
Section 5(a)(6)	Listing of Audit Reports	42-49
Section 5(a)(7)	Summary of Significant Reports	6-35
Section 5(a)(8)	Audit Reports – Questioned Costs	39
Section 5(a)(9)	Audit Reports – Funds to Be Put to Better Use	38
Section 5(a)(10)	Prior Audit Reports Unresolved	40
Section 5(a)(11)	Significant Revised Management Decisions	None
Section 5(a)(12)	Significant Management Decisions With Which the OIG Disagreed	None

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U.S. Department of Justice**

Investigations Division  
950 Pennsylvania Avenue, NW  
Room 4706  
Washington, DC 20530

**E-mail:** [oig.hotline@usdoj.gov](mailto:oig.hotline@usdoj.gov)

**Hotline:** (800) 869-4499

**Hotline fax:** (202) 616-9881

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OFFICE OF THE INSPECTOR GENERAL

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