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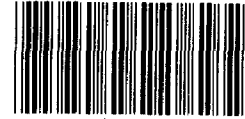
GAO

United States
General Accounting Office
Washington, D.C. 20548

Accounting and Information
Management Division

B-252641

September 3, 1993



150030

The Honorable John Glenn
Chairman, Committee on Governmental
Affairs
United States Senate

Dear Mr. Chairman:

In your May 14, 1991, letter, you asked us to assess the offices of the presidentially-appointed inspectors general (IGs) to identify any issues or problems which are unique to a particular office or which cut across the entire presidential IG community. We recently briefed your office in detail on the results of our work concerning the management and operation of the Office of Inspector General (OIG) at the Department of Justice. This letter summarizes that briefing. As agreed, our General Government Division will report on the current jurisdictional controversy between the OIG and the Department's Office of Professional Responsibility (OPR), a controversy concerning which office should investigate allegations of wrongdoing by the Department's attorneys, criminal investigators, and law enforcement personnel.

Our review was designed to evaluate the OIG's management and operation. Accordingly, we

- examined the OIG's policies and procedures for preparing its annual audit and inspection work plans and for conducting investigations,
- identified the work the OIG planned and performed in the Department's high-risk areas and in areas with internal control weaknesses (as reported in the Department's Federal Managers' Financial Integrity Act reviews and by GAO and the Office of Management and Budget), and
- reviewed the Department's recommendation follow-up system and a sample of 19 audit and inspection reports and 10 closed investigations.

GAO/AIMD-93-78R Justice OIG

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In addition, we met with managers and officials in the Department's various divisions and bureaus and interviewed top OIG officials. For comparison, we also obtained information from five other executive branch OIGs concerning their interaction with program review and investigative units located in their agencies' components.

Our work, which excluded the current controversy over the OIG's and OPR's investigative jurisdictions, found that the OIG is free to fulfill its responsibilities without interference from the Department's top management or from the Department's divisions and bureaus. The OIG makes its own personnel decisions, exercises complete control over its procurements, solicits suggestions departmentwide for its work planning process, sets its own work priorities and objectives, obtains access to necessary documents and officials, prepares and issues reports without departmental approval, refers investigations of prosecutable matters directly to U.S. attorneys, and determines when its recommendations have been implemented.

In addition, the OIG has addressed almost all the areas in the Department identified as being high risk or lacking adequate internal controls. For example, the OIG has conducted audits or inspections in 9 of the 10 areas that the Office of Management and Budget designated as high risk. OIG officials told us that the one high-risk area that the OIG has not reviewed (the recruitment and retention of staff in the Bureau of Prisons) was omitted from the annual work plan to allow our recent recommendations on that area to be implemented before the OIG schedules its own review.

In reviewing a sample of OIG audit and inspection reports, we found instances where the OIG's work improved the Department's financial management activities. For example, the OIG reviewed the Federal Bureau of Investigation's (FBI) automated financial management and fixed asset accounting systems and assessed the FBI's internal controls over the acquisition, accounting, and safeguarding of its accountable property. The OIG found that the FBI's automated systems were not fully integrated and that reconciliations were not regularly performed. As a result, the FBI's financial management system for the period reviewed disclosed that property payments totaled \$80 million while property receipts totaled only \$5.5 million. In addition, the FBI's inventory system

recorded only \$26 million in property for the same period. The OIG stated that the nonintegration of the automated systems and the lack of adequate internal controls constituted a material weakness and placed the FBI's accountable property at risk. The FBI is integrating the systems to ensure that the property it paid for was what was actually ordered, received, and placed in inventory.

With respect to the files of 10 closed investigations we reviewed, the OIG appeared to pursue all allegations and follow all reasonable leads. However, some of the case files did not contain all relevant documents, such as investigative plans or required document checklists. OIG officials told us that they plan to remind investigative staff of the importance of creating and maintaining complete files. We also contacted four assistant U.S. attorneys who had nothing negative to say about either the competence of the OIG investigators or the quality of the cases the OIG referred for prosecution.

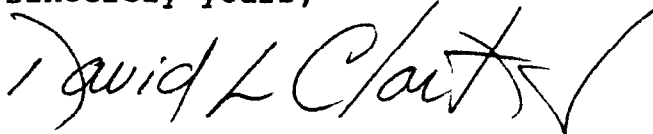
Our review also examined whether the OIG was improperly delegating its program review and investigative responsibilities to other units within the Department. Our discussions with OIG officials in five executive branch agencies disclosed that these OIGs and the Justice OIG take a similar operational approach. All six OIGs said that their agencies' components review their own operations and that the OIGs routinely return allegations involving administrative and personnel matters to the components for appropriate action. However, the OIGs investigate allegations that are sensitive or that indicate a violation of criminal law, and they monitor the work of the components' program review and investigative units to ensure compliance with applicable laws and regulations. For example, the Justice OIG reviewed the Office of Internal Affairs in the Bureau of Prisons in 1992 and found that the office was generally effective in managing its misconduct investigations.

As a result of our work, we found no basis to warrant further testing of the OIG's operations at this time. In a related matter, since the Chairman of the House Committee on the Judiciary expressed an interest in our assessment of the Department's OIG, we are also providing him with the information we developed on the OIG's audit, investigative, and inspection functions.

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Unless you publicly announce the contents of this letter earlier, we will not distribute copies until 30 days after it is issued. At that time, we will send copies to the Attorney General, Justice Inspector General, and interested congressional committees. We will also make copies available to others upon request.

Sincerely yours,

A handwritten signature in black ink that reads "David L. Clark, Jr." with a checkmark at the end.

David L. Clark, Jr.
Director, Legislative Reviews
and Audit Oversight

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