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UNITED STATES GENERAL ACCOUNTING OFFICE

REGIONAL OFFICE

ROOM 1903 JOHN F. KENNEDY FEDERAL BUILDING
GOVERNMENT CENTER

BOSTON, MASSACHUSETTS 02203

FEB 24 1971

Dear Mr. Zolotas

We have made an examination of the procedures and controls over the receipt and disbursement of funds of the Immigration and Naturalization Service, Northeast Regional Office, Burlington, Vermont, for the settlement of accounts of accountable officers through June 30, 1969. We considered the memorandum report of audit results, dated June 7, 1967, issued by the Associate Commissioner, Management, and the memorandum of audit of accounting activities, Northeast Region, dated February 28, 1969, issued by the Deputy Associate Commissioner, Administrative Services, Central Office. We did not evaluate the program effectiveness of the various operating services.

We examined selected administrative operations and financial transactions and noted a need for improvement in a number of administrative procedures and internal controls. These matters were discussed with appropriate personnel and their positions are included in the statement of our findings.

Inadequate procedures and control
over cash and bonding of employees

The procedures and control over cash and bonding of employees at the Boston District Office were inadequate. You and your staff advised us that corrective action either had or would be taken.

Control over cash

1. The cash fee collections were kept in an unlocked cash box and placed in an unlocked filing cabinet drawer.
2. Two employees had access to each other's collections because fee collections were deposited in a cash drawer shared by them.
3. The daily cash deposit was ready for delivery to the U.S. Post Office in the morning but was not taken there until the close of the work day.
4. The mailroom receipts which included most of the fees collected were verified by a supervisor near the close of the work day instead of earlier when the counting of mail receipts was completed.

- 5 The clerk who prepared deposits for mailing did not acknowledge receipt of funds transferred from her supervisor, as required

Bonding of employees

1. The deposit and mail clerks handled the same amount of money but the former was bonded for \$3,000 whereas the latter was bonded for only \$1,000. The travel control clerk was also bonded for only \$1,000 but handled considerably more funds than that during calendar year 1969.
- 2 Two deportation officers handled large sums of money but were not bonded. In calendar year 1969, these officers handled cash varying from \$500 to \$2,900 on 27 occasions.

Inadequate control over the use of
Government-owned automobiles

The control over the use of Government-owned automobiles in the Boston District Office was inadequate. You advised us that a review would be made of controls over all automobiles in the Northeast Regional Office.

The employee responsible for maintaining the automobile usage record was often on duty at locations outside the Boston District Office. The use of each automobile was not always recorded in the record, authorizations to use an automobile overnight were not in agreement with entries in the record, and the keys to automobiles were placed in an unlocked desk drawer or left in an automobile parked in the John F. Kennedy Building underground garage.

Our check of five automobiles in the underground garage showed that the odometer readings of two differed from the readings shown in the Government-Owned Vehicle Record (Form G-205). Two of the other automobiles had been driven a total of 50 miles but authorization for this use was not shown. The odometer reading for the remaining automobile agreed with the authorization and usage records.

During two physical checks, we noted that automobile number 0460 was not parked in the John F Kennedy Building after duty hours and an authorization for its overnight use was not recorded in the official usage record. After the automobile was returned to the garage, District Office personnel were unable to determine who had used it.

Administrative Manual 2503 12 provides that a supervisor may prepare a Form G-291, "Authorization for Official Use of Government-Owned Automobile" authorizing in advance the use of a vehicle. Although investigators of the Boston District normally use an automobile in the performance of uncontrollable overtime, we noted several instances where a Form G-291 was not prepared.

For one investigator, we noted 35 instances from March through September 1969 where uncontrollable overtime was claimed but the Form G-291 had not been prepared. We discussed 12 of these instances with the investigator but he was generally unable to explain why Form G-291 was not prepared. He did indicate that at various times, he had oral authorization for the use of the automobile. After we discussed this matter with officials of the Boston District Office, a memorandum was issued to all investigators which emphasized the need for the preparation of Form G-291.

Weaknesses in record keeping and in the control over badges at the Boston District Office

The following weaknesses in record keeping and control over badges were noted by us and were discussed with you and your staff. We were advised that corrective action either had been or would be taken.

1. In some instances, the employees' uncontrollable overtime and leave taken shown on the employee locator record differed from that shown on the time and attendance report. The timekeeper had not resolved these differences prior to reporting employees' uncontrollable overtime and leave taken to the Northeast Regional Office.

2. The Form G-291, Authorization for Official Use of Government-Owned Automobiles, was not prepared in duplicate as required.
3. The Deputy District Director had been promoted from his investigations position but had not returned his investigator badge to the custodian of property records, as required. The Deputy District Director also had three investigator badges in his possession which should have been returned to the property records custodian
4. The custodian's property records did not list a transferred investigator's badge

Lost purchase discount opportunities

We examined about 250 documents such as purchase orders, invoices and contracts in voucher files which had been previously reviewed by the voucher examination section of the Northeast Regional Office. Data on 20 documents disclosed that purchase discount opportunities totaling \$77.67 were lost. The Administrative Officer agreed that losses on 20 out of 250, or 8 percent, was high and in excess of the error rate shown in the last GAO review.

We were advised by the Accounting Officer and the Administrative Officer that a training program for the new supervisor of the voucher examination section would be established, present voucher examiners would be retrained; attempts would be made to recover some of the monies lost, and the files would be reviewed to determine if any other errors had been made. We were also advised that the discounts missed would be deducted from future billings whenever possible.

Required time limits for submission of
Arrival-Departure Record to central office
unrealistic

Personnel at Logan International Airport, Boston, Massachusetts, and Kennedy International Airport, New York, New York, did not comply with Administrative Manual 2790.21, 22 which directs that Form I-94, Arrival-Departure Record, be submitted to the Central Office 45 days after the scheduled transits without visas (TRWOV) departure date if

there is no verification of departure

This occurred because verifications of departures frequently were not received after 45 days had elapsed. Therefore, the requirement that Form I-94 be submitted to the Central Office 45 days after the scheduled TRWOV departure date appears unrealistic. We suggested that the 45 day requirement be studied. Both you and your staff advised that a 60 day limit would be more appropriate than the present 45 day limit

Also, at the Kennedy International Airport, safeguards were not placed over the Form I-94. Each Form I-94 represents a potential account receivable to the Government since the carrier is assessed \$500 if it does not provide evidence of the TRWOV departure. Nevertheless, the containers in which these forms were kept did not have a locking device and the room was left unattended and unlocked at various times. Since the INS discontinued microfilming these forms in November 1969, any missing forms could mean a potential loss of \$500 each

Based on our suggestion, the Officer in Charge stated that he would review this matter and consider establishing new controls. The Assistant Officer in Charge also stated they would consider locking the room

Other administrative problems

At the Northeast Regional Office, the following administrative matters required corrective action.

1. Travel vouchers were prepared more frequently than necessary. For example, six travel voucher claims for one employee were individually processed in a two-month period. To reduce the administrative workload, employees should submit travel voucher claims once a month instead of each time expenses are incurred.
2. An overpayment of \$5.08 for quarters allowance was noted.
3. Serial numbers for seven office equipment items were not posted on the reverse side of the Form G-503, Equipment-In-Use Record, as required by Administrative Manual 2424.08

4. A June 30, 1969, quarterly tape for account numbers 201-Land, 205-Buildings, and 215-Structures and Facilities, was not prepared and a reconciliation was not made of these accounts as required by Administrative Manual 2424 11 and 2989 04
5. A Register of Capitalized Property Transactions, Form G-508, was not prepared monthly for account numbers 201, 205, and 215 as required by Administrative Manual 2424.11.

After discussion of these matters, you and your staff advised that corrective action had been or would be taken

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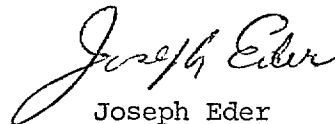
A separate letter is being sent to the Commissioner, Immigration and Naturalization Service on the following matters. (1) compensable time and recording of uncontrollable overtime, (2) use of Government-owned automobiles between investigators' residences and the office, (3) fraudulent vouchers prepared by an individual, (4) full day's salary paid when it appeared that less than a full day was worked, and (5) the use of automatic vehicle and pedestrian counting devices at land ports of entry

In accordance with the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies (8 GAO 3), the records of financial transactions through June 30, 1969, may be transmitted to the Federal Records Center for storage in compliance with your records management program

Copies of this report are being forwarded to the Assistant Attorney General for Administration and the Commissioner, Immigration and Naturalization Service for their information

We wish to acknowledge the courtesies and cooperation given to our representatives during the review. Your comments as to the final actions taken on the matters and suggestions included in this report will be appreciated

Sincerely yours,



Joseph Eder
Regional Manager

Mr Socrates Zolotas
Regional Commissioner
Immigration and Naturalization Service
Federal Building
Burlington, Vermont