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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D C 20548

CIVIL DIVISION

DEC 2 2 1960

Mr. Michael Stramiello, Jr.  
Regional Commissioner of Customs, Region II  
Room 227, U. S. Customhouse  
Bowling Green  
New York, New York 10004

Dear Mr. Stramiello

We have made a review for the settlement of accounts of accountable officers at the Office of the Regional Commissioner of Customs, Region II, New York, New York, for the three-year period ended June 30, 1969. The review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Our review which was directed primarily towards an evaluation of the procedures and internal controls relating to receipts and disbursements, was made in accordance with generally accepted auditing standards and accordingly included such tests of transactions as we considered necessary. Our examination did not include a review of program activities or internal controls and procedures related to the automated payroll system, centralized at the Internal Revenue Service (IRS) Data Center, Detroit, Michigan.

As part of our examination, we reviewed the reports of audit for fiscal year 1969 and selected supporting workpapers prepared by representatives of the Director, Field Audit, Bureau of Customs, New York, New York, on their audits of collections and disbursements for the 12-month period April 1968, through March 1969. Based on our evaluation of these audits, we were able to limit the scope of our examination of financial records.

During our review we noted that the internal auditors have reported that more effective collection effort is required for those outstanding accounts receivable resulting from dutiable entries made prior to March 1, 1969, which are manually maintained in the region. Our Office is currently performing a separate review of the effectiveness of collection efforts by the Bureau of Customs and we, therefore, did not pursue the findings reported by the internal auditors. Their findings, however, will be considered in the separate review, and our Office will report, at a later date, on the results of the review.

The internal auditors also have reported that a tremendous backlog exists in the matching of immediate entry permits with collections at John F. Kennedy Airport in New York. As a result, prompt collection

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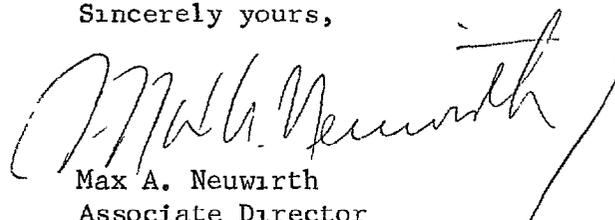
- follow up cannot be initiated on the unpaid entries. We were advised that this backlog is presently being reduced. Accordingly, we do not plan to follow up on this condition.

In addition to the above areas we brought several minor matters to the attention of responsible officials who took corrective action.

In accordance with Chapter 3 of Title 8, of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, the records of financial transactions through June 30, 1969, may be transmitted to the Federal Records Center for storage consistent with the Bureau's fiscal management program.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives during the audit. A copy of this report is being sent to the Commissioner of Customs.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Max A. Neuwirth". The signature is written in dark ink and is positioned above the typed name and title.

Max A. Neuwirth  
Associate Director