United States General Accounting Office

GAO

Report to the Chairman, Subcommittee on Trade, Committee on Ways and Means, House of Representatives

September 1996

CUSTOMS SERVICE

Status of the Implementation of Blue Ribbon Panel Recommendations

G A O 75 years 1921 - 1996

GAO/GGD-96-163

GAO

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

General Government Division

B-271358

September 3, 1996

The Honorable Philip M. Crane
Chairman, Subcommittee on Trade
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

In 1991, the Commissioner of Customs appointed a "blue ribbon" panel to look into allegations of corruption and mismanagement by employees in the U.S. Customs Service's Southwest Region. The panel found fundamental weaknesses in Customs' management systems as well as a lack of management accountability. The panel made many recommendations designed to rectify the problems it identified.

At your request, we reviewed Customs' implementation of the panel's recommendations. This report summarizes the problems that led to the creation of the panel, presents our categorization of the status of the recommendations made by the panel, and provides Customs' views on whether the problems identified by the panel still exist.

Results in Brief

Due to, among other things, (1) allegations of corruption, harassment, and retaliation; (2) charges of mismanagement; and (3) "old-boy"[1] network issues in Customs' Southwest Region,[2] the Commissioner created the blue ribbon panel. The panel issued a report of its 50 findings and 51 recommendations in August 1991.[3] The Commissioner said Customs accepted the findings and recommendations and put together a comprehensive implementation plan.

In August 1995 Customs provided us with information on actions it had taken in relation to each recommendation. It updated that information in February 1996. We supplemented the information through interviews with

[1]According to testimony by the chairman of the panel, the "old boy" network refers to a system in which an individual, such as a Special Agent in Charge, selects his friends to be supervisors. "The problem with that system is (a) the individuals who are selected are not necessarily well-suited for the supervisory responsibilities, and (b) their loyalty is not to the organization itself, but to the person who put them there, and perhaps even to the locality." (U.S. Customs Service's Investigation into Allegations of Wrongdoing within the Agency: Hearing before the Subcommittee on Oversight of the Committee on Ways and Means, House of Representatives, 102nd Cong., 2nd Sess. 23 (July 31, 1991).)

[2]The Southwest Region covered Arizona, New Mexico, Oklahoma, and Texas.

[3]Review of Integrity and Management Issues of the United States Customs Service, Frank Keating, Chairman, et al., August 1991.

Customs officials in offices that were involved in the actions Customs took. We determined that at the time of our review, most of the recommendations were at least partially implemented.

The Deputy Commissioner of Customs and the Assistant Commissioners for the two offices on which the panel focused—the Office of Investigations (OI)[4] and the Office of Internal Affairs (IA)—generally believed that the problems identified by the panel had diminished significantly. They believed that they had in place or under development processes that would alert their offices to systemic problem areas.

Background

Customs' mission is to ensure that all goods and persons entering and exiting the United States do so in compliance with all United States laws and regulations. The mission includes protecting the American public from the introduction of illegal drugs into society. In August 1995, Customs considered the Southwest border the drug smugglers' area of choice, with hundreds of thousands of pounds of cocaine and marijuana shipped from Mexico to the United States yearly, according to intelligence estimates. According to Customs, this environment, with narcotics being smuggled through ports of entry and Customs inspectors seeking to prevent such illegal entries, is typically dangerous, difficult, and contradictory. Customs further stated that "enforcement strategies [were] producing more determined, violent, smarter, organized, better equipped, and funded violators because of the very high economic incentives to continue their actions." In its 1994 reorganization report, Customs recognized the continuing controversy over achieving the right balance between enforcing the law and facilitating the flow of conveyances, merchandise, and people into the country.

From the mid-1960s until the mid-1990s, Customs' organizational structure included a headquarters, region and district offices, Special Agent in Charge (SAC) offices, and ports of entry. In 1993, Customs created a team to reorganize the Customs Service. Some results of that effort were that Customs moved to a system of management by process[5] and reorganized its field and headquarters structures. In October 1995 Customs reorganized its headquarters, which included creating an Office of Field Operations responsible for overseeing the Customs Management Centers (CMCs) and

[4]The Office of Enforcement was renamed the Office of Investigations in 1995.

[5]According to Customs' reorganization handbook, process management, with its horizontal orientation across the agency, will help ensure that all disciplines within the organization understand and value the work of their counterparts, and that everyone strives to contribute to overall agency goals.

ports. The Office of Investigations' responsibilities continued to include overseeing the Special Agents in Charge (SACs) in the field. The October 1995 field organization changes included abolishing the regions and districts and creating the CMCs to act as a single management level between the ports and headquarters.

Scope and Methodology

To gain an understanding of the blue ribbon panel, why it was created, and Customs' response to its report, we read the panel's report and transcripts of congressional hearings that dealt with Customs' Southwest Region problems and the panel. We also interviewed three panel members—the former chairman, who was not a Customs employee; and two others who were Customs employees during the panel and continue to be Customs employees.

To determine the status of the implementation of the recommendations, we reviewed a status report Customs prepared for us in August 1995 on actions Customs took in response to each recommendation. In February 1996, Customs updated relevant portions of this report. We also reviewed documents that Customs officials provided that were related to actions taken to implement the recommendations. To expand on the information provided in the Customs-prepared report and to determine if Customs officials knew if the problems identified by the panel still existed, we interviewed Customs officials from offices that were at the time of our review responsible for areas covered by the report, including the Offices of Investigations, Internal Affairs, and Human Resources Management. We also interviewed officials in Customs' Office of Planning and Evaluation and the Treasury Department's Office of Inspector General (IG). However, we did not verify the accuracy of the information provided or validate that policies and procedures to which Customs officials referred were being adhered to.

We did our work at Customs headquarters in Washington, D.C.; at the San Diego Customs Management Center; and in Oklahoma City, OK. We conducted this review between August 1995 and June 1996 in accordance with generally accepted government auditing standards. We obtained written comments from Customs on a draft of this report. These comments are discussed at the end of this report and reprinted in appendix II.

Conditions Leading to the Creation of the Panel

In Customs' 1992 report on its implementation of the panel recommendations, it stated that in early 1991 it had come under intense scrutiny from national media and congressional oversight committees because of allegations of corruption and mismanagement in its Southwest Region. According to testimony by the Commissioner in 1992,[6] she created the panel when she became aware of the scope and seriousness of the allegations in Texas.

According to the transcript of hearings held by the Commerce, Consumer, and Monetary Affairs Subcommittee of the House Committee on Government Operations in 1992, a December 1992 Customs-prepared response to that Subcommittee, and a 1991 Treasury IG report on Customs' Southwest Region,[7] allegations included

- mismanagement by the Special Agent in Charge,
- harassment of and retaliation against whistleblowers,
- conspiracy by management to cover up criminal conduct of enforcement managers,
- management suppression of a major drug investigation,
- existence of an old-boy network,
- improper associations or affiliations between Customs law enforcement officers and individuals possibly involved with drug trafficking and money laundering at the border, and
- noncooperation by Customs management with other law enforcement organizations.

Furthermore, according to the December 1992 Customs-prepared response to the Commerce, Consumer, and Monetary Affairs Subcommittee, the allegations focused on two Office of Enforcement field locations.

Panel Composition and Operations

In June 1991 the blue ribbon panel convened. The Commissioner created the panel, in part, because of allegations of corruption, harassment, retaliation, mismanagement, and an old-boy network in Customs' Southwest Region. The panel was made up of nine individuals—five from

[6]Serious Mismanagement and Misconduct in the Treasury Department, Customs Service, and Other Federal Agencies and the Adequacy of Efforts to Hold Agency Officials Accountable: Hearing before the Commerce, Consumer, and Monetary Affairs Subcommittee of the Committee on Government Operations, House of Representatives, 102nd Cong., 2nd Sess. 476 (March 26, 27, and April 1, 1992).

[7]U.S. Customs Service: Greater Management Attention Needed for Southwest Region Problems (OIG-91-067, Sept. 16, 1991).

outside Customs and four from within.[8] It was chaired by the then General Counsel of the Department of Housing and Urban Development, who had formerly been, among other things, Associate Attorney General in the U.S. Justice Department, Assistant Secretary of the Treasury for Enforcement, U.S. Attorney for the Northern District of Oklahoma, and an FBI agent.

The panel did its work over an approximately 6-week period, according to its chairman. It conducted over 150 interviews and briefings with Customs employees and non-Customs officials in the Southwest Region and Washington, D.C. The panel looked at two offices within Customs—Enforcement and Internal Affairs. Those non-Customs officials interviewed were said to be key federal, state, and local law enforcement officials. They included employees of the FBI, the Marshals Service, the Immigration and Naturalization Service, and the U.S. Attorneys Office. According to the chairman's testimony,[9] much of the panel's information was anecdotal and if the panelists heard it repeatedly, they considered it a finding.

The chairman further stated in the testimony that the panel did not have subpoena power and it was not a grand jury; nor did it view its work as a law enforcement mission. The panel examined system failures. He said that "[w]hat the report concentrated on was assuming the integrity of all the allegations and all the swirling controversy, how could these things happen." The panel's suggestions, he added, were to tighten down and firm up disciplinary processes and the management and supervisory structures.

The panel issued its report in August 1991. The report had 50 findings and 51 recommendations[10] categorized into 7 areas:

- integrity,
- management,
- Office of Enforcement,
- Office of Internal Affairs,
- training,

[8]According to the Commerce, Consumer, and Monetary Affairs Subcommittee hearing transcripts, the Commissioner requested recommendations for representatives for the panel from the Departments of Justice and the Treasury and the former head of the General Services Administration.

[9]U.S. Customs Service's Investigation into Allegations of Wrongdoing within the Agency: Hearing before the Subcommittee on Oversight of the Committee on Ways and Means, House of Representatives, 102nd Cong., 2nd Sess. 22, 32 (July 31, 1991).

[10]One of the "recommendations" in the Office of Enforcement section consisted of three statements, not recommended actions; therefore, we could not assess whether Customs had implemented it. As a result we assessed 50 actual recommendations, not 51.

- whistleblowers, and
- discipline.

As stated in the panel's report, the recommendations reflected the consensus of the panel and proposed approaches to rectify the conditions that generated the report's findings. The overall aim of the recommendations was to safeguard the integrity and strengthen the management systems of the Customs Service. While the panel did not determine if the Southwest region situation was representative of the rest of Customs, it believed the implications of the findings and recommendations could be applied to the entire agency. The chairman of the panel testified that because the panel uncovered "systemic management failures in the Southwest, the likelihood of that occurring elsewhere is certainly not only possible, but probable."

Panel Findings and Customs' Response

As examples of some of the conditions that the panel found, the following are summaries from the panel's report:

"The Blue Ribbon Panel found fundamental weaknesses in the Customs Service management systems at all operational levels—Headquarters, regional management, SAC office management, and regional Internal Affairs management. The apparent breakdown of the management structure in the Southwest Region was precipitated by inadequate and/or inattentive supervision in specific cases. Compounding those situations, managers were unable and/or unwilling to address serious supervisory and management problems. There was an absence of management accountability, and a perception of a collusive relationship between management and Internal Affairs. Customs' management systems failed to identify and correct these deficiencies."

"The Blue Ribbon Panel determined that the Office of Internal Affairs (IA), at least in the Southwest Region, did not recognize the gravity of the circumstances that caused the perception of corruption, nor did it promptly initiate or complete certain investigations of related allegations. Non-criminal misconduct and mismanagement matters were explicitly removed from the IA purview. As a result, Internal Affairs did not provide the necessary safeguard to protect the reputation, operations and organizational effectiveness of the Customs Service."

"Office of Enforcement (OE) activities in the Southwest Region suffer from a lack of national direction and from confused and competing lines of authority that undermine effectiveness. Clearly articulated recruitment, mobility, and career path policies do not exist and the influence of various 'old boy' networks taints the objectivity of the selection process and rating systems."

Some of the actions that the panel recommended in the sections on management, the Office of Internal Affairs, and the Office of Enforcement were the following:

- Customs should establish an Office of Organizational Effectiveness (OOE) led by an Associate Commissioner who would report directly to the Commissioner, at a level above the Assistant Commissioners. The Associate Commissioner's recommended responsibilities included supervising the Assistant Commissioner for Internal Affairs and reforming Customs pursuant to the panel's recommendations.
- The Office of Internal Affairs should be restructured. Its responsibilities should include the comprehensive and aggressive internal inspection program recommended by the panel and investigation of matters related to mismanagement, criminal misconduct, and serious noncriminal misconduct.
- Direct line authority should be established in the Office of Enforcement from the Assistant Commissioner for Enforcement through the Special Agent in Charge to the agent. Customs should establish a national recruitment policy and mobility policy for the Office of Enforcement.

Customs accepted the panel's findings and recommendations almost immediately and took several major actions to implement these recommendations. In April 1992, the Commissioner testified that "the Customs Service accepted the findings and recommendations of the panel and went to work using teams of managers and executives that we developed, and we have put together a comprehensive implementation plan that is just as hard hitting as the report was."[11] According to Customs' 1992 report on its implementation of the recommendations, the implementation effort was national in scope and focused on the development or redesign of management systems throughout Customs to prevent a future reoccurrence. A Customs December 1992 written response to the Chairman of the Commerce, Consumer, and Monetary Affairs Subcommittee stated that Customs had "made implementation of the Panel's recommendations a top priority and dedicated substantial resources to the effort."

According to Customs' 1992 report on its implementation of the recommendations, Customs created a Board of Directors to direct the implementation process. This board included the Commissioner, Deputy

[11]Serious Mismanagement and Misconduct in the Treasury Department, Customs Service, and Other Federal Agencies and the Adequacy of Efforts to Hold Agency Officials Accountable: Hearing before the Commerce, Consumer, and Monetary Affairs Subcommittee of the Committee on Government Operations, House of Representatives, 102nd Cong., 2nd Sess. 476 (March 26, 27, and April 1, 1992).

Commissioner, senior managers, and the Department of the Treasury IG. In the Commissioner's testimony for the April 1992 hearing[12] she explained that Customs also established internal task forces of managers and subject matter experts to respond to each recommendation. These task forces designed implementation strategies, action plans, and milestones for implementing the recommendations. In October 1991, the action plans were given to various Assistant Commissioners to continue the implementation efforts in their areas of responsibility. The Board of Directors, among others, monitored these implementation efforts.

Some of the actions Customs took that were related to the panel's recommended actions cited above were the following:

- Customs formally established OOE in April 1992 with the appointment of its Associate Commissioner. According to testimony by the Commissioner, the position of the head of OOE was established at a level above the Assistant and Regional Commissioners[13] with commensurate authority and responsibility to oversee the reforms and to compel action as necessary. The Associate Commissioner was also given responsibility for overseeing the Office of Internal Affairs. Customs' 1992 revision to its Organization Handbook stated that OOE was "intended to ensure effective transition to an organization which incorporates reforms called for by the Blue Ribbon Panel. Therefore, the continued necessity for this organization will be reviewed after a three year period and annually thereafter." The chairman of the panel testified in July 1991 that the decision on whether the Associate Commissioner position should be temporary or permanent is the Commissioner's decision.[14]

In December 1992 Customs issued a report describing the progress it had made in implementing the panel's recommendations. Customs closed OOE in October 1994. According to the acting Associate Commissioner at that time, OOE was closed as part of Customs' reorganization and the reduction

[12]Serious Mismanagement and Misconduct in the Treasury Department, Customs Service, and Other Federal Agencies and the Adequacy of Efforts to Hold Agency Officials Accountable: Hearing before the Commerce, Consumer, and Monetary Affairs Subcommittee of the Committee on Government Operations, House of Representatives, 102nd Cong., 2nd Sess. 538-539 (March 26, 27, and April 1, 1992) (statement of Carol B. Hallett, Commissioner, U.S. Customs Service).

[13]Customs reorganized its field structure in 1995 and no longer has regional commissioners.

[14]U.S. Customs Service's Investigation into Allegations of Wrongdoing within the Agency: Hearing before the Subcommittee on Oversight of the Committee on Ways and Means, House of Representatives, 102nd Cong., 2nd Sess. 21-22 (July 31, 1991).

of its headquarters staff.[15] The Director, Office of Planning and Evaluation, stated that when OOE was closed Customs felt it had substantially implemented the key provisions made by the panel and that those recommendations were institutionalized throughout the agency. The recommendations that remained either required additional funding or could be addressed under the reorganized agency. He also stated that Customs' December 1992 report analyzed the agency's actions taken regarding the panel's recommendations and that Customs used that report in making its determination that by October 1994 it had devoted sufficient time and effort to virtually bring the recommendations to a conclusion and would close OOE.

- Customs restructured the Office of Internal Affairs. The Office's responsibilities included investigating criminal misconduct, serious noncriminal misconduct, and certain mismanagement matters. According to Customs' 1992 report on its implementation of the panel recommendations, while OOE was in place, OOE was to be the recipient of mismanagement allegations. With the abolishment of OOE, according to an IA official, IA is to be the recipient of mismanagement allegations and is to determine if IA should conduct an investigation or should refer the allegation to management. Additionally, while OOE was in existence, OOE was responsible for the internal inspection program. The Office of Internal Affairs became responsible for those inspections when OOE closed.
- Direct line authority was established in the Office of Enforcement in 1991. The Office of Investigations instituted a national recruitment program and has drafted a mobility program.

Implementation Status

To report on the status of the implementation of the recommendations, we used the following implementation categories:[16]

- Fully implemented. The entire wording of the recommendation has been fulfilled, except in cases where the panel did not define terminology. In those instances, we did not assess the recommendation on the basis of the undefined terms. If Customs had implemented the rest of the recommendation, we categorized it as fully implemented.

[15]This reduction was achieved, in part, through a Customs-wide reinvestment program that facilitated the movement of headquarters employees to vacant field positions.

[16]GAO used definitions very similar to these when reporting on the implementation status of the National Performance Review recommendations (Management Reform: Implementation of the National Performance Review's Recommendations (GAO/OCG-95-1, Dec. 5, 1994); and Management Reform: Completion Status of Agency Actions Under the National Performance Review (GAO/GGD-96-94, June 12, 1996)).

- Substantially implemented. Either (1) implementation has occurred or action has been taken that, while not responsive to the letter of the recommendation, generally was consistent with its purpose; or (2) a recommendation was not clearly defined; however, Customs took actions that appeared to be responsive to the recommendation.
- Partially implemented. Only a portion of the recommendation has been implemented. When the wording of the recommendation had multiple parts, if one part or a portion of a part had been implemented (but not all parts), we categorized the recommendation as "partially implemented."
- Not implemented—action taken. No part of the recommendation has been implemented, but some action has been taken toward the completion of the recommendation. For example, if legislation had been introduced to address the recommendation, but it had not been enacted into law, we categorized the recommendation as "not implemented—action taken."
- Not implemented—no action. No part of the recommendation has been completed, and no action has been taken to address the recommendation.
- Insufficient information. Insufficient or conflicting information prevented us from determining the status of the recommendation.

We did not evaluate the recommendations or determine whether Customs could or should have implemented them. The implementation status may have varied over time; however, our analysis reflects the status of implementation for most recommendations as of February 1996 with updates on others provided through June 1996. We took a fairly literal reading of the recommendations to determine into which implementation category each recommendation fell. If a subjective or unclear term was not defined in the recommendation, we did not assess the recommendation on the basis of that term. For example, Integrity recommendation 4 said that "Internal Affairs must aggressively monitor and act upon perceptions of Federal, State, and local law enforcement officials ..." The panel did not state what it meant by "aggressively;" therefore, we did not assess the recommendation on the basis of whether Internal Affairs' actions were "aggressive."

Several of the recommendations made general references to other recommendations in the report. For instance, Integrity recommendation 1 stated that "Implementing this recommendation requires that the Customs Service adopt the recommended restructuring of Internal Affairs discussed elsewhere in this report." In this and similar instances, we did not attempt to determine which specific recommendations the panel was referring to. Therefore, we did not factor the implementation of those statements into

our categorization of the status of the implementation of the recommendation.

Each recommendation, the supporting material provided by Customs, and our interview write-ups were reviewed by GAO evaluators to determine the implementation status of the recommendations. At least two additional GAO staff reviewed each categorization to reach concurrence on the categorization status.

Table 1 is a summary of our categorization of the recommendations broken out by the sections of the panel's report.

Table 1: Implementation Status of Panel Recommendations

Category	Fully implemented	Substantially implemented	Partially implemented	Not implemented—action taken	Not implemented—no action	Insufficient information	Total
Integrity	2	1	2				5
Management	6		6				12
Office of Enforcement	1	1	4	1			7
Office of Internal Affairs	5	1	3				9
Training	3	1	1	1	1		7
Whistleblowers	3	3					6
Discipline	4						4
Total	**24**	**7**	**16**	**2**	**1**	**0**	**50**

Note: Information obtained from February through July 1996.

Source: GAO analysis of Customs documents and interviews.

Appendix I shows by recommendation the actions Customs has taken and our assessment of the implementation status.

Various characteristics of the recommendations should be kept in mind when reading the statistics.

- A number of recommendations were made up of multiple parts. Each part had to be fully implemented for us to categorize the recommendation as fully implemented.
- In its report, the panel referred to the recommendations' interlocking relationships, and we found that the report does not contain 50 discrete recommendations. Thus, a portion of one recommendation can be part of

a number of recommendations. If Customs did not fully implement that portion of the recommendation, it could affect the implementation category of other recommendations. For example, included in Management recommendation 4 is a statement that raters of key managers should solicit input from other appropriate parts of the Customs organization. Customs did not implement this portion of the recommendation because, according to the Commissioner in her April 1992 testimony, officials in Customs' Office of Human Resources and a group of managers thought it would diminish accountability within the managers' chain of command. This portion of the recommendation was also included in Management recommendation 10 and Office of Enforcement recommendation 6; because Customs chose not to implement this portion of the recommendations, we categorized all three as partially implemented.

- Similarly, in some cases, the implementation of one recommendation relied upon the implementation of a particular facet of another recommendation, at least in part. For example, Management recommendation 2 recommends the establishment of a management inspection program in which office inspections are to occur at least every 2 years. Customs has a management inspection program, but inspections are scheduled every 3 or 4 years according to the Director, Management Inspections Division. Thus, when other recommendations state that something should be done through the management inspection process (such as in Integrity recommendation 4, which states that Internal Affairs should monitor and act upon perceptions of law enforcement officials through the management inspection process), we did not classify the recommendation as fully implemented, even if Customs was doing what was recommended, because the inspections were not being done as frequently as recommended.

Customs Officials' Views on the State of the Problems Identified by the Panel

We asked Customs officials whether they knew if the general and specific problems identified by the panel still existed. The Assistant Commissioners for Investigations and Internal Affairs said that they had in place or were developing oversight mechanisms to alert them to problem areas in their offices.

An example of an oversight mechanism provided by the Assistant Commissioner for Investigations was its Office of Policy and Oversight, which he established in August 1995. The office reports directly to him, and one of its functions is to look for trends and patterns of systemic

noncompliance that are identified through such things as audit reports and cases brought before the Discipline Review Boards.

The Assistant Commissioner for Internal Affairs explained some ongoing efforts in his office that he believed would assist in identifying potential problem areas. These included the development of performance measures for investigations and management inspections and the development of an automated management inspection information system that he said should improve Internal Affairs' ability to do trend analyses of inspection findings.

The Assistant Commissioner for Investigations said that he believed that the Office of Investigations-related problems identified by the panel had diminished significantly. He said the status of the problems varied by issue, and he discussed special agent training as an example. One of the panel's training recommendations concerned the need for agents to receive continuing formalized in-service training. The Assistant Commissioner believed that training was an area where further enhancement was still needed, and his office had embarked on a training effort that had already resulted in a better trained workforce. Built into this effort were various policies and processes that would allow for evaluation, oversight, and accountability.

The Assistant Commissioner for Internal Affairs believed that the problems related to Internal Affairs when the panel did its work no longer existed. As an example, he discussed the issue of lengthy investigations. One of the panel's findings was that "because of the failure to conclude investigations, employees who were targets of allegations of serious misconduct and/or perceived integrity violations remain under a cloud of suspicion." The Assistant Commissioner described actions that Internal Affairs took to diminish this problem and to allow his office to explain the reasons for lengthy cases when they occurred. These actions included making managers take a more hands-on approach in overseeing the investigations, highlighting cases in the automated tracking system when they reached certain time frames, and distributing monthly reports that depicted the ratio of the length of cases by office.

Agency Comments

We requested comments on a draft of this report from the Commissioner of Customs or his designee. On July 30, 1996, the Director, Office of Planning and Evaluation, provided us with written comments, which are printed in full in appendix II. The Director expressed appreciation for a "comprehensive review of where Customs stands" with respect to the blue

ribbon panel recommendations, and offered technical and clarifying comments and additional information which we incorporated as appropriate.

As agreed with the Subcommittee, unless you publicly announce the report's contents earlier, we plan no further distribution until 14 days after the date of this letter. We will then send copies to the Secretary of the Treasury; the Commissioner of Customs; the Director, Office of Management and Budget; the ranking minority member of your Subcommittee; the Chairman and ranking minority member of the Senate Finance Committee; and other interested parties. We will also make copies available to others on request.

Major contributors to this report are listed in appendix III. Please call me on (202) 512-8777 if you or your staff have any questions.

Sincerely yours,

Norman J. Rabkin
Director, Administration
of Justice Issues

Contents

Letter 1

Appendix I Implementation Status of the Blue Ribbon Panel Recommendations 18

Appendix II Comments From the Customs Service 113

Appendix III Major Contributors to This Report 115

Tables

Table 1: Implementation Status of Panel Recommendations 11
Table I.1: Status of Blue Ribbon Panel Recommendations 20

Abbreviations

CMC	Customs Management Center
DD	District Director
DEA	Drug Enforcement Administration
EPAS	Employee Performance Appraisal System
EPP	Employee Proficiency Plan
EPR	Employee Proficiency Review
FBI	Federal Bureau of Investigation
FLETC	Federal Law Enforcement Training Center
HRM	Office of Human Resources Management
IA	Office of Internal Affairs
IG	Inspector General
LER	Labor and Employee Relations
MID	Management Inspections Division
NLU	National-Louis University
OI	Office of Investigations
OOE	Office of Organizational Effectiveness
OMI	Office of Management Inspection
OPE	Office of Planning and Evaluation
OPR	Office of Professional Responsibility
OSC	Office of Special Counsel
SAC	Special Agent in Charge
SES	Senior Executive Service

Implementation Status of the Blue Ribbon Panel Recommendations

This appendix contains (1) the 50 Blue Ribbon Panel recommendations regarding the panel's review of integrity and management issues of the Customs Service; (2) Customs' written response, which was provided to us in August 1995 and updated in February 1996, on how it implemented each recommendation; (3) a further updated response based on our discussions with Customs officials between February and July 1996; and (4) our categorization of the implementation status of the 50 recommendations using the following categories: fully implemented, substantially implemented, partially implemented, not implemented—action taken, not implemented—no action, and insufficient information. These categories are defined on pages 9 and 10 of the letter.

The recommendations are reproduced verbatim from the panel's report as were Customs' written responses. The updated responses were derived from interviews we held with Customs officials from the offices of Planning and Evaluation, Investigations, Internal Affairs, Human Resources Management, and Chief Counsel; Treasury's Office of Inspector General; and from documentation we obtained. Our categorization of the implementation status of the recommendations was based on our assessment of the extent to which Customs implemented the panel's recommendations. We did not verify the accuracy of the information provided or validate that the policies and procedures to which Customs' officials referred were being adhered to.

The panel did not always define terminology in the recommendations. In these instances, we did not assess the panel's recommendation on the basis of those terms but on the implementation of the rest of the recommendation. For example, the panel's Integrity recommendation 1 (p. 20) states in part that "[a]ll allegations of corruption should be expeditiously investigated by Internal Affairs." The panel did not define what it meant by "expeditiously." In our categorization of this recommendation, we did not assess the panel's recommendation for "expeditiously;" therefore, we did not assess this recommendation on the basis of actions taken "expeditiously."

Several of the panel's recommendations referred generally to other recommendations in the panel's report . For example, in Integrity recommendation 1 (p. 20), the panel stated that "Implementing this recommendation requires that the Customs Service adopt the recommended restructuring of Internal Affairs discussed elsewhere in this report." In our categorization of the implementation status of this recommendation, and for all recommendations that had this type of

referral, we did not attempt to determine which specific recommendations discussed elsewhere in the report the panel was referring to. Therefore, we did not base our categorization of the recommendation on the portion stating that "Implementing this recommendation requires that the Customs Service adopt the recommended restructuring of Internal Affairs discussed elsewhere in this report."

Table I.1: Status of Blue Ribbon Panel Recommendations

Recommendation
Integrity
Integrity recommendation 1: All allegations of corruption should be expeditiously investigated by Internal Affairs. Implementing this recommendation requires that the Customs Service adopt the recommended restructuring of Internal Affairs discussed elsewhere in this report.

Action taken	Categorization
Written response: Customs has implemented several initiatives which have contributed to more timely IA investigations into allegations of corruption. First, because IA's Management Inspections Division interviews Customs employees as well as employees in outside agencies (including U.S. Attorneys) as part of its inspection process, allegations or perceptions of corruption can be brought to IA attention quickly. Second, Customs has trained groups of senior level agents in the Office of Investigations (OI) known as flying squads to conduct high priority investigations at locations throughout the country under the direction of IA. Third, IA has developed new systems and procedures for receiving and processing allegations, including an automated case management system that has improved the consistency, timeliness and professionalism of IA investigations. **Updated response:** Customs' Special Assistant Commissioner, Office of Internal Affairs (IA), told us that when allegations come into IA they are logged into IA's automated case management system. From the log, an agent opens a case for a preliminary investigation. He said all allegations that IA receives are to be logged onto the system and assigned a case number. IA has 60 days to determine whether the case should proceed from a preliminary investigation to a formal one. One way in which the length of formal cases is tracked in IA's case management system is that cases 60, 90, and 120 days old are highlighted—the computer screen flashes when the cases reach these intervals. The Special Assistant Commissioner, IA, said that the agent revisits the case with his/her supervisor on at least these 30-day intervals. He said that if a case is close to approaching 6 months old, IA sends a memorandum to the IA Special Agent in Charge (SAC). If the case is over 6 months old, and no activity has been conducted on it for the past 2 weeks, IA supervisors will determine why there has been no activity. Desk officers can also review the computer screens, according to the Special Assistant Commissioner, IA. They should know when a case exceeds the 180 days.	Fully implemented. Note 1: We did not assess the panel's recommendation for "expeditiously." Note 2: We did not attempt to determine which specific recommendations discussed elsewhere in the panel's report the panel was referring to regarding the implementation of this recommendation. Therefore, we did not assess the portion of the recommendation stating that "Implementing this recommendation requires that the Customs Service adopt the recommended restructuring of Internal Affairs discussed elsewhere in this report."

Recommendation

Integrity recommendation 2: The Customs Service must immediately remove, both from their positions and from their geographical location, Customs personnel found responsible for corruption and/or contributing to the perception of corruption.

Action taken	Categorization
Written response: Evidence of actual corruption is treated as criminal conduct and employees face removal from their positions and the Service. Where perceptions of corruption exist, employees have been transferred due to "loss of effectiveness." However, it should be noted that Customs reviews cases involving perceptions of corruption on a case by case basis and determines disciplinary action based on the facts surrounding the individual case as well as mitigating and aggravating factors. **Updated response:** Customs officials further stated that the Office of Chief Counsel was very involved in determining the actions to implement regarding employees contributing to the perception of corruption. They also mentioned that there are considerations of fairness to the individual because these cases were allegations of corruption and not actual acts of corruption. Other issues involved the employee's right to have the Office of Special Counsel intervene, which they said could prevent automatic removal based on perceptions of corruption.	Substantially implemented. Note: We did not assess the panel's meaning of "immediately" removing employees. We determined that Customs' implementation of this recommendation was in the "substantially implemented" category because it took actions that were not responsive to the letter of this recommendation, but the actions were generally consistent with this recommendation's purpose. Specifically, Customs does not necessarily remove both from their positions and from their geographical location personnel found responsible for corruption and/or contributing to the perception of corruption; rather, personnel face removal with determinations made on a case-by-case basis.

Recommendation

Integrity recommendation 3: Customs should feel the same obligation to exonerate employees who have been unfairly accused of wrongdoing as it does to aggressively pursue them. The Customs Service must expeditiously and formally notify appropriate management officials and the targets of allegations of corruption of the results of their investigations.

Action taken	Categorization
Written response: In the past many employees who were the subjects of IA investigations were not informed by management that the investigations had been closed without management action. As a result of this recommendation Customs issued Directive 099 1420-010 which designates responsibility to the Principal Field Headquarters Officers (through their Labor and Employee Relations (LER) Offices) to respond to reports of investigation, and to notify Customs employees who are subjects of completed IA investigations that the investigations are closed, and that management determined that no further action is contemplated. In addition to the above referenced Customs Directive, Customs developed a case tracking system which enables managers and LER Specialists to track the progress of investigations and respond to employees quickly upon the investigation's completion. **Updated response:** Customs' Directive on "Reports of Investigation Issued by the Office of Internal Affairs" dated November 5, 1993, advises managers of the IA and LER automated case tracking procedures and their responsibility to respond to reports of investigation transmitted by IA. The directive included time frames for notifying subjects of investigations and management officials of the investigation results.	Fully implemented. Note: We did not assess the panel's meaning of "expeditiously."

Recommendation

Integrity recommendation 4: Internal Affairs must aggressively monitor and act upon perceptions of Federal, State, and local law enforcement officials with respect to corruption in the Customs Service through the management inspection process described elsewhere in this report.

[The following information was added by GAO for explanatory purposes: Management recommendation 2 and Internal Affairs recommendation 4 (see pages 32 and 68 of this table) pertain to the panel's recommendation for a management inspection process. The panel's recommendation stated in part that "routine inspections should be conducted every 18 to 24 months of all Customs offices (e.g. , SAC, District, Region, Headquarters)."]

Action taken	Categorization
Written response: Ongoing. See INTEGRITY, Recommendation 1 [Customs' written response to Integrity recommendation 1 is copied below]. Customs has implemented several initiatives which have contributed to more timely IA investigations into allegations of corruption. First, because IA's Management Inspections Division interviews Customs employees as well as employees in outside agencies (including U.S. Attorneys) as part of its inspection process, allegations or perceptions of corruption can be brought to IA attention quickly. Second, Customs has trained groups of senior level agents in the Office of Investigation (OI) known as flying squads to conduct high priority investigations at locations throughout the country under the direction of IA. Third, IA has developed new systems and procedures for receiving and processing allegations, including an automated case management system that has improved the consistency, timeliness and professionalism of IA investigations. **Updated response:** Customs' written response to the panel's recommendation for conducting management inspections of all offices every 18 to 24 months was "Lack of resources have precluded implementation of comprehensive inspections at least every two years as recommended. However, each SAC office receives a comprehensive, spot-check, or special assessment every two years." IA's Director, Management Inspections Division, said that he did not agree with the blue ribbon panel's recommendation to conduct comprehensive inspections of all offices every 18 to 24 months. He believed that conducting such inspections for every office once every 3 or 4 years was sufficient. He said that the Management Inspections Division is scheduled to conduct comprehensive inspections of SAC offices every 3 or 4 years. The Division conducts follow-up inspections after comprehensive inspections are completed, along with spot checks. The Director of MID said that if problems exist at an office, MID conducts a comprehensive inspection sooner than scheduled. In addition to comprehensive inspections where IA investigators contact other law enforcement officials that deal with Customs to determine if there are perceptions of corruption, the Special Assistant Commissioner of IA said that IA has contacts with these officials in other manners, such as Customs' participation in joint task forces.	Partially implemented. Note: We did not assess the panel's recommendation for "aggressively" monitoring. We determined that Customs partially implemented this recommendation because the panel stated that the recommendation be implemented "through the management inspection process described elsewhere in this report." The panel recommended that such inspections be conducted at least every 2 years. Customs is scheduled to conduct these inspections every 3 or 4 years due to lack of resources and IA's Office of Management Inspections Director's view that conducting comprehensive inspections for every office once every 3 or 4 years is sufficient.

Recommendation

Integrity recommendation 5: Blue Ribbon Panel recommendations reforming training, management, supervision, professional conduct guidelines, discipline policies, personnel assignments, rotation policies, and intelligence support should be adopted to eliminate the conditions that contribute to unwarranted perceptions of integrity violations.

Action taken	Categorization
Written response: Since the issuance of the Blue Ribbon Panel Report, IA intensified efforts to enhance the integrity of the Service through the development of ethics and integrity training for all Customs employees. During FY 92, over 92% of the Customs work force received this training. Some form of this training continues to be given in every basic training course at the Customs Academy as well as in supervisory and managerial training courses. In addition, former Commissioner Hallett issued a memorandum dated December 20, 1991, which informed all employees about three new categories of misconduct for inclusion in the Table of Penalties and Offenses. The new categories address whistleblower retaliation and supervisors and managers who fail to report misconduct or to take appropriate disciplinary action. A mobility[a] policy incorporating the features set forth in the Blue Ribbon Panel Report has been drafted. Implementation of the policy has been delayed due to the high cost associated with such extensive mobility features and funding restrictions within the Customs Service. However, home town initial assignments are avoided whenever possible depending on funding and the needs of the service. Customs examined the role of OI and IA intelligence. As a result, Field Area Intelligence Units were established in regional cities, under the line authority of the SAC and the functional authority of the Director of Intelligence to provide for national oversight with continuing intelligence support to regional organizations. Additionally, an intelligence function has also been established in IA to analyze allegations, investigations and conduct threat assessments. **Updated response:** An Office of Investigations official said that OI is not doing hometown initial assignments except in large metropolitan areas.	Partially implemented. We did not attempt to determine which specific recommendations the panel was referring to in this recommendation. We based the categorization on the recommendations related to the actions Customs selected in the written response to demonstrate its implementation of the recommendation. We categorized this recommendation as “partially implemented” because Customs fully implemented some of the targeted recommendations but did not fully implement 1 of them. Specifically, Customs identified the 2 panel recommendations on discipline regarding sanctions against managers and supervisors who fail to report instances of misconduct and who fail to take appropriate disciplinary actions. These targeted recommendations refer to “discipline policies” stated by the panel for this recommendation. Customs fully implemented these recommendations. Another panel recommendation identified by Customs as addressing integrity issues that Customs fully implemented was: “Management recommendation 8: Customs should examine the role of intelligence to assure that the intelligence product effectively serves all of the Customs components.” This targeted recommendation refers to “intelligence support” stated by the panel for this recommendation. Customs did not, however, fully implement the panel’s Office of Enforcement recommendation 3 that Customs should establish a mobility policy. Customs drafted a mobility policy but did not implement it because Customs decided it would be too costly.

Recommendation
Management
Management recommendation 1: The Commissioner should establish an Office of Organizational Effectiveness, led by an Associate Commissioner who reports directly to the Commissioner, at a level above the Assistant Commissioners. The Associate Commissioner would supervise the Assistant Commissioner (Internal Affairs) and would be responsible for the current programs within Internal Affairs as well as the new responsibilities called for in this report. - The Associate Commissioner should be charged with reforming the Customs Service pursuant to the recommendations of the Blue Ribbon Panel.

Action taken	Categorization
Written response: OOE was established and remained in existence from April 1992 until October 1994. OOE was led by an Associate Commissioner who supervised IA as well as carried out the responsibilities and reforms called for in the Blue Ribbon Panel report. In accordance with the sunset provisions placed on OOE and pursuant to the Customs Service plans to reorganize itself, OOE was abolished in 1994 after ensuring that corrective actions called for by the Blue Ribbon Panel were firmly ensconced in Customs. The Assistant Commissioner (Internal Affairs) now reports directly to the Commissioner on the same level as other Assistant Commissioners. **Updated response:** An official from Customs' Office of Planning and Evaluation stated that during the Office of Organizational Effectiveness' (OOE) existence, all 51 of the panel's recommendations were addressed and most of them were implemented. This official also said that OOE was created as a transition organization to implement the panel's recommendations and ensure that they were institutionalized. The Assistant Commissioner, Office of Human Resources Management (HRM), who was the Acting Associate Commissioner, OOE, at the time OOE closed, said that the primary reason for OOE and its Associate Commissioner position being abolished in October 1994 (6 months sooner than planned)[b] was because of Customs' headquarters restructuring and reduction of headquarters staff pursuant to Customs' reorganization plan. Customs' reorganization was part of its September 1994 People, Processes, and Partnerships report. The Assistant Commissioner, HRM, said that when OOE was established, Customs intended for it to remain in existence for 3 years. They believed that 3 years was sufficient time to institutionalize the panel's recommendations that were implemented throughout Customs. The Assistant Commissioner, HRM, believed that at the time OOE was closed, the implemented panel recommendations had been institutionalized throughout Customs. According to the Director, Office of Planning and Evaluation, Customs' December 1992 report that described the progress Customs had made in implementing the panel's recommendations was taken into consideration when the decision was made to close OOE.	Fully implemented. We categorized the recommendation as "fully implemented" because while OOE was in existence, Customs fully implemented the panel's recommended actions. Customs abolished OOE in 1994 and devolved the responsibilities of OOE to Assistant Commissioners, such as the Assistant Commissioner, IA. Although the panel was silent on whether OOE and the Associate Commissioner position should have been temporary, in testimony during the 1991 congressional hearing on Customs' blue ribbon panel investigation into allegations of wrongdoing within the agency, the panel's Chairman stated that it was at the discretion of the Commissioner whether OOE was temporary or permanent.

Recommendation

Management recommendation 2: Customs should establish a strong and viable management inspection program to evaluate and monitor all aspects of the organization. Office inspections should be comprehensive, covering both operations and resource management, and should occur at least every two years. In addition, the results of inspections should be factored into key managers' performance evaluations. It is recommended that this function be placed in the newly established Office of Organizational Effectiveness. (See the Internal Affairs section for details of the proposed inspection program.)

Action taken	Categorization
Written response: The Office of Management Inspection (OMI) was established under OOE in April 1992 with the mission of conducting periodic and comprehensive inspections of Special Agent in Charge (SAC) and District offices to evaluate: (1) management systems, practices, and effectiveness; and (2) compliance with laws, policies, and regulations. OMI's primary goal was to ascertain the health of the organization through "independent" evaluation of effectiveness, i.e., mission performance, resource utilization, internal/external relations, and management controls. Relevant Blue Ribbon Panel issues such as managerial effectiveness, performance indicators, and supervisory, employee, and outside agencies (including U.S. Attorneys) concerns were incorporated into the inspection process. Lack of resources has precluded implementation of comprehensive inspections at least every two years as recommended. However, each SAC office receives a comprehensive, spot-check or special assessment every two years. The abolishment of OOE placed OMI under IA and renamed it the Management Inspections Division (MID). MID efforts are now heavily concentrated on reviews of OI operations. MID operations must be re-evaluated in light of the transformation of the field structure from regions to CMCs, the implementation of new measurement systems, and the introduction of business process improvement techniques to analyze our processes. **Updated Response:** An Office of Planning and Evaluation (OPE) official said that there is no agency policy requiring that inspection results be compared to supervisory and managerial performance. An OI official said that at least for the time he had been in his position (since June 1994), OI had not used the management inspection reports when doing the SACs' ratings. IA's Director, Management Inspections Division, said that Customs is not yet factoring the results of inspections into key managers' performance evaluations. He also stated that he did not believe that the comprehensive inspections needed to be done every 2 years.	Partially implemented. Note: We did not assess the panel's recommendation for "strong and viable." We determined that this recommendation was partially implemented because Customs did establish a management inspection program; however, it did not conduct comprehensive inspections at least every 2 years because Customs decided it would be too costly. Furthermore, OI does not factor the results of inspections into key managers' performance evaluations.

Recommendation

Management recommendation 3: Managerial and supervisory performance should be scrutinized carefully, objectively and openly.

-Standards for supervisory performance should be communicated clearly and frequently. Professional conduct and managerial performance guidelines should be established and communicated, particularly within the Offices of Enforcement and Internal Affairs.

-The newly recommended inspection process should include interviews with managers that cover subordinate supervisors' performance, which should then be compared with annual performance ratings.

-Results of the inspection should also be compared with supervisory and managerial performance ratings. Managers who have failed to address known performance deficiencies in subordinates should receive low ratings in applicable elements of their performance plan.

-Identified performance problems should be dealt with openly. If necessary, managers who have lost effectiveness in their particular position (but whose performance may not warrant more severe action) should be reassigned out of their organization.

Action taken	Categorization
Written response: Several memorandums have been distributed to Assistant and Regional Commissioners, District Directors, and mid-level managers which communicated the standards for supervisory performance. IA's Management Inspection Division reviews performance appraisal as a core area during comprehensive management inspections. This process aids in determining if the performance management system is working properly. Managers have been reassigned where it has been determined that they have lost effectiveness in their positions. **Updated response:** Regarding communicating standards for supervisory performance, Customs implemented a new agencywide performance management system for supervisors and managers effective April 1, 1996. The system is designed to encourage communication. The ratee's performance is to be discussed at least three times a year. Discussion topics are to include (1) accepting and conducting "responsibilities in accordance with formally issued Customs values, ethics and integrity guidelines"; and (2) human resource management. The management inspection process does not automatically include a review of supervisors' performance, including the ratings. If, when doing the preinspection survey work, the Office of Internal Affairs identifies a potential problem with performance appraisals, it will include them as part of its inspections; otherwise, it does not. It is not mandatory that inspection results be compared to supervisory and managerial performance. OI, for example, does not review management inspection reports when rating its SACs. The performance management system implemented April 1, 1996, "stresses early intervention" so that "minor performance problems can be corrected . . . before they turn into more serious problems." If that fails, then the supervisor is to develop and issue a written plan for improvement and clarify in writing the expectations the employee is not meeting. According to an official in OPE, while Customs does not have a policy to reassign managers out of their organization when they have lost their effectiveness, the agency can reassign staff and has done it for this reason.	Partially implemented. Note: We did not assess "carefully," "objectively," and "openly"; or "clearly" and "frequently" as they apply to this recommendation. The provision for communicating standards of supervisory performance and establishing and communicating guidelines for professional conduct and managerial performance was fully implemented. Also fully implemented was the portion of the recommendation dealing with identified performance problems and reassigning managers, if necessary, who have lost their effectiveness. The other two portions of the recommendation were not fully implemented. The review of the performance appraisals through the management inspection process was partially implemented because it was not done as a routine part of each inspection. The results of inspections were also not being used routinely in supervisory and managerial performance ratings.

Recommendation

Management recommendation 4: Accountability measures and specific goals should be the cornerstone of performance plans and ratings of key managers.

-Regional and Assistant Commissioners should review merit pay and SES performance plans for 1991/92 to determine if plans include sufficient elements to cover accountability for organizational performance, including management of all resources and assets, and effective communication with subordinate managers.

-Raters of key managers (e.g., Special Agents in Charge, District Directors) should solicit input from other appropriate parts of the Customs organization (e.g., those who are provided operational support or receive services from the manager).

-The Commissioner should convene a balanced and impartial board, chaired by the Associate Commissioner for Organizational Effectiveness, to perform post-audit review of ratings issued on key managers (SACs, DDs) and senior executives. The board should review and compare ratings both within the executives' respective hierarchies and across organizational and program lines, and report to the Commissioner on its findings.

Action taken	Categorization
Written response: Customs has aggressively pursued corrective action to improve the performance evaluation system for executives and managers through a series of actions. Instructions were issued to ensure that performance plans for SES and merit pay employees were linked to Customs goals and objectives as presented in the Customs Five Year Plan. In addition, managers were instructed to include quantifiable performance criteria and milestones in their plans. Annual goals memorandums have instructed SES employees that mid and year-end self assessments must address each expected performance objective, and must describe achievements. In addition, Assistant and Regional Commissioners were instructed to review plans for these elements. As a check to ensure that this accountability mechanism was implemented, SES plans for the 1991-92, 1992-93 and 1993-94 cycles were reviewed by a Performance Appraisal Review Committee. In addition, former merit pay employees were directed to include specific elements that addressed organizational performance and management of resources and assets. Additionally, a special task force of District Directors and representatives from the Office of Investigations (OI) and IA was convened to revamp and revitalize the merit pay performance standards for key managerial positions. One of the objectives of the task force was to ensure that the plans reflected Customs priorities and to provide a clear, consistent and objective framework for evaluation, which included quantifiable national standards. One recommendation that was not adopted in this area is the requirement to solicit input from managers in other organizations for performance ratings of key managers. After careful review of this suggestion, Customs officials felt that such an approach would actually serve to diminish accountability within the managers' chain of command. The subjectivity of various managers who are not ultimately responsible for the performance of the manager being rated would undermine efforts for objective and quantifiable evaluation against predetermined standards. **Updated response:** According to information provided by Customs at an April 1992 congressional hearing, the Regional and Assistant Commissioners were instructed to review performance plans to see if accountability measures were sufficient. The review was to cover organizational performance and management of resources. According to former OOE officials, although Customs officials had discussions about doing post-audit reviews, the reviews were never done.	Partially implemented. Note: We did not assess "cornerstone" as it applies to this recommendation. We categorized this recommendation as partially implemented because although the Regional and Assistant Commissioners were tasked with reviewing performance plans as recommended and were to ensure that the plans were linked to Customs' goals and that they had sufficient accountability measures, the other portions of the recommendation were less than fully implemented. Customs disagreed with and did not implement the portion of the recommendation for raters to solicit input from managers in other parts of the organization. Also, while Customs developed a plan for the post-audit reviews, it did not implement it.

Recommendation

Management recommendation 5: The organizational structure of the Office of Enforcement should be realigned to provide a clear line of authority.

-The Assistant Commissioner (Enforcement) should be in charge of all assets, including air, marine and human resources.

-When assets fall within the jurisdiction of a SAC office, they should be under the SAC's control (e.g., boats, airplanes). The Panel considers this to be a basic tenet for effective law enforcement management, and recognizes that it requires a Servicewide review of the Customs Air Program field structure.

Action taken	Categorization
Written response: A private contractor conducted a Service-wide review of the Customs Air Program. The study recommended that air and marine resources remain within OI, but did not support the Blue Ribbon Panel recommendation that air/marine resources report directly to the SACs. The Air Branch Chiefs and SACs work closely together to insure that the overall Customs enforcement mission is met. **Updated response:** The Office of Enforcement's organizational structure was realigned in October 1991 establishing direct line authority from the Assistant Commissioner to the SACs. According to an official in the OI Office of Policy and Oversight, the Assistant Commissioner for Investigations is in charge of the air and marine programs and human resource assets. The marine assets are under the SACs' control; the air resources are not.	Partially implemented. Note: We followed up on only the assets specifically identified in this recommendation, e.g., air, marine, and human resources. We categorized this recommendation as partially implemented because, although the Assistant Commissioner for Investigations is in charge of the assets enumerated in the first part of the recommendation, the SACs do not have control of the air assets as recommended in the last part of the recommendation.

Recommendation

Management recommendation 6: Regional and SAC office structures and reporting systems should be realigned.

-SACs should report to the Assistant Commissioner (Enforcement), through subordinates if so designated by the Assistant Commissioner.

-The regional enforcement structure, as now constituted reporting to the Regional Commissioner, should be eliminated and substituted with the authority of the Assistant Commissioner (Enforcement), nationally.

-The Assistant Commissioner (Enforcement) should review and redesign regional structures, SAC office designations and boundaries as necessary to insure a streamlined reporting system and to promote efficiency.

Management recommendation 7: The selection process in OE for recruitment, promotion and reassignment should be revised to establish systems (e.g., career boards) which insure that personal relationships cannot be used as a basis for action or inaction. (See Office of Enforcement section.)

Action taken	Categorization
Written response: The organizational structure of OI was realigned in October, 1991, establishing direct line authority from the Assistant Commissioner to the SACs. Regional layers of management and support personnel were phased out over a period of several months. Additional realignment to reduce the supervisor/employee ratios is ongoing with a reduction of SAC offices to occur in October 1995. **Updated response:** In October 1995 the number of SAC offices was reduced from 27 to 20 to reflect Customs' realigned field structure that became effective at that time. According to the OI Director, Office of Policy and Oversight, OI most recently completed a review of its field office structures in early 1996.	Fully implemented. Note: We did not assess "insure" and "promote" as they apply to this recommendation.
Written response: The selection process in OI was revised by establishing a network of field recruiters. A centralized control process over the evaluation/selection process was established to ensure consistency in hiring practices. All selection decisions are currently made at the Headquarters level. The establishment of a career board is still under review by OI. **Updated response:** According to the OI Director of Administration, the hiring process referred to in the written response involves a process in which panel members review applicants' paperwork and make recommendations to the Assistant Commissioner for Investigations. According to the OI Director, Office of Policy and Oversight, promotion decisions to grade 13 are made by the Deputy Assistant Commissioner for Investigations. Promotion decisions to the GS-14 and GS-15 levels are made by the Assistant Commissioner for Investigations. Before OI got line authority, promotion decisions to the GS-13 level were made in the field. Reassignment decisions into and out of SAC offices are made by headquarters, not the SAC. SACs also cannot move staff within their approved office structure without the Assistant Commissioner's approval.	Fully implemented. Note: We did not assess "insure" as it applies to this recommendation. We did not attempt to determine which specific recommendations the panel was referring to when it said "See Office of Enforcement section."

Recommendation

Management recommendation 8: With the change to line authority in the Office of Enforcement, Customs should examine the role of intelligence to assure that the intelligence product effectively serves all of the Customs components. In addition, Customs should ensure that its intelligence function is centrally controlled, professionalized, and effectively participates in and contributes meaningfully to intelligence products and activities at the national level.

Action taken	Categorization
Written response: OI Field Area Intelligence Units were established in regional cities, under the line authority of the SAC and the functional authority of the Director of Intelligence to provide for national oversight with continuing intelligence support to regional organizations. **Updated response:** In 1992, Customs stated that following the institution of line authority, the Assistant Commissioner for Enforcement convened a multidisciplined group of managers to examine the role of intelligence and the impact of the new organizational structure. That document also stated that several actions were taken to provide greater professionalism within the intelligence function, including the development of a Basic Intelligence Analyst Training Course, an on-the-job training handbook for intelligence analysts, and performance standards for Intelligence Research Specialists. Customs officials told us in February 1996 that it hired an outside contractor to conduct a study on intelligence. According to OI's Director, Office of Policy and Oversight, the study's estimated completion date is April 1997.	Fully Implemented. Note: We did not assess the panel's recommendation for "assure," "effectively," "professionalized," "ensure," and "meaningfully" as they apply to this recommendation.

Recommendation

Management recommendation 9: [To assist in explaining our categorization of this recommendation, GAO added the (A) - (F) designations in the recommendation.]

-**(A)** Allegations against managers should be investigated and resolved promptly.

-**(B)** It is recommended that such allegations be reported to and acted upon by the Office of Internal Affairs.

-**(C)** Managers who are the subject of allegations should be notified immediately and interviewed as a routine part of the investigation.

-**(D)** Based on the nature and substance of allegations, managers may be temporarily removed from their position.

-**(E)** Once the investigation is completed, the manager should be notified promptly of the results and the proposed action.

-**(F)** Unsatisfactory managers should be removed promptly from their position **and locality**. Permanent replacements should be assigned as quickly as possible.

Action taken	Categorization
Written response: Criminal and serious misconduct allegations against managers are reported to IA and investigated promptly by IA or the Office of Inspector General (OIG) as appropriate. Allegations involving less serious instances of misconduct are referred to management for inquiry. As part of the IA investigation, managers are routinely notified of the investigation and disposition in accordance with new exoneration procedures [see **INTEGRITY**, recommendation (3)]. Decisions to detail or remove managers from their positions are made on a case-by-case basis depending on the nature of the mismanagement and the supporting evidence. **Updated response:** The panel recommended that IA notify accused managers of allegations made against them. However, the Special Assistant Commissioner of IA stated that subjects of investigations are not always notified that they are being investigated. Our review of the IA Special Agent Handbook noted that for criminal investigations, upon the advice of the Assistant U.S. Attorney, IA interviews the accused. If the Assistant U.S. Attorney advises against such notification, IA does not interview the manager. A Customs directive dated November 5, 1993, included time frames for notification of investigation results. IA officials also told us that the Disciplinary Review Board was recently established to address disciplinary actions. On June 24, 1996, Customs provided an additional written response regarding its implementation of this recommendation. Customs stated that it has an active disciplinary program, but removal of a manager because of inadequate performance requires a number of considerations. The process of removal or reassignment itself is a drawn-out procedure and the impact on the operations must be carefully weighed. The manager must also be given an opportunity to improve his performance, alternative actions must be considered, and a new place in the organization identified. This holds true whether the manager is just reassigned or outrightly removed from Customs. As a result, final action requires a lot of serious deliberation.	Partially implemented. Note: We did not assess the panel's recommendation for actions regarding "resolved promptly," "unsatisfactory managers," "removed promptly," or "as quickly as possible." Customs fully implemented parts of this recommendation; namely: (1) on the basis of the nature and substance of the allegations, managers may be temporarily removed from their positions; (2) once the investigation is completed, the manager should be notified promptly of the results and the proposed action; and (3) unsatisfactory managers should be removed promptly from their positions and locality. Permanent replacements should be assigned as quickly as possible. (See sections **(D)**, **(E),** and **(F)** of the recommendation.) However, other parts of this multifaceted recommendation were not fully implemented; namely: (1) Allegations of less serious instances of misconduct are referred to management, not IA, for inquiry. (See sections **(A)** and **(B)** of the recommendation.) (2) Subjects of investigations are not always notified that they are being investigated. IA will not notify and interview the manager about a criminal investigation against him if the Assistant U.S. Attorney (AUSA) advises IA not to do it. (See section **(C)** of the recommendation.)

Recommendation

Management recommendation 10: With the change to line authority in OE, the Commissioner and senior Customs management should take steps to avoid perceptions of separateness and "elitism" between OE and other parts of the Customs organization.

-Customs should examine grade and pay parity between SACs and DDs (taking into account the impact of recent pay reform legislation).

-Each co-located SAC and DD should plan activities and programs to insure that employees in both organizations understand their counterparts' jobs and priorities.

-Assistant Commissioners, OE Headquarters Division Directors, and the respective Regional Commissioners should participate in the evaluation of SACs.

Action taken	Categorization
Written response: A task force consisting of DDs, SACs and personnel specialists was convened to analyze pay disparities between the DDs and SACs. The task force ranked each district and SAC office using criteria such as staffing levels, operating sites, trade complexity and enforcement activity. As a result of the comprehensive analysis, the task force noted there were large, noticeable disparities in pay between DDs and SACs from comparably ranked offices. Customs requested Treasury upgrade a number of DD positions to SES. The impact of Customs reorganization to CMCs on this issue is unclear at this time. OI managers have been directed to work with other Customs personnel in a coordinated team effort. Additionally, the Customs reorganization, through the introduction of process management and strategic problem-solving concepts, will encourage even greater integration of the disciplines. Customs did not accept the recommendation to have Assistant Commissioners, Headquarters Division Directors, and the respective Regional Commissioners participate in the Evaluations of SACs. **Updated response:** According to OI representatives, Customs' reorganization has raised the consciousness about working together. Various aspects of the reorganization, including process management and the strategic problem-solving process, provide opportunities to encourage greater integration between OI and other parts of Customs. Additionally, Customs' 1994 reorganization report states that one of Customs desired states is for there to be "a better understanding by all disciplines and employees of the goals of the organization, and the role that each discipline and organizational element plays in the achievement of those goals."	Partially implemented. Customs fully implemented the first two specific portions of the recommendation. It examined grade and pay disparities between SACs and DDs,[c] and, through the reorganization, has adopted processes that work to bring together OI and other parts of Customs. Customs did not implement the last portion of the recommendation, which was to have Assistant Commissioners, Headquarters Division Directors, and the respective Regional Commissioners participate in SAC evaluations.

Recommendation

Management recommendation 11: Customs should ensure that any future implementation of the management philosophy promoted by the "Excellence" program[d] avoids counterproductive side effects that undermine overall Customs organizational effectiveness.

Management recommendation 12: If the Commissioner determines that there is a continuing need for a special and independent "cards and letters" program, these communications should be referred to the newly established Associate Commissioner for Organizational Effectiveness. The Associate Commissioner, who is not part of the agency appellate process, can administer the program on behalf of the Commissioner. Moreover, the availability and utility of existing systems for addressing concerns, complaints, and problems should be widely advertised throughout the Customs Service and promoted as the proper guarantor of Service integrity.

Action taken	Categorization
Written response: The "Excellence" program that existed during the Blue Ribbon Panel review has been replaced by a nation-wide and government-wide move towards a "Partnership" between employees and management. **Updated response:** Customs officials said that Customs now has its "partnership program," which went far beyond the "excellence program." Customs' reorganization and, in particular, its "partnership" tenets include encouraging teamwork and involving all of Customs.	Fully implemented. Note: We did not assess the panel's recommendation for "ensure" and "counterproductive side effects that undermine overall Customs organizational effectiveness." Because the panel did not define much of this recommendation, we made our categorization assessment using the panel's finding that identified the problems the recommendation was to address.
Written response: During its existence, OOE managed the Commissioner's "cards and letters" program. Additionally, other existing systems for addressing employee concerns were widely advertised and promoted. Since the abolishment of OOE, communication of this nature has been referred to management, IA or OIG as appropriate for inquiry or investigation. **Updated response:** Customs officials told us that employees know who to contact now that the cards and letters program is nonexistent. If they send concerns, complaints, or problems to the Commissioner's office, his staff will look into them or assign them to another office to review.	Fully implemented. Note: We did not assess the panel's definition of "widely" advertised.

Recommendation
Office of Enforcement
Office of Enforcement recommendation 1: The organizational structure of the Customs Service should be realigned to provide a clear line of authority throughout the Office of Enforcement, beginning from the Assistant Commissioner through the Special Agent in Charge, to the Agent. Implementation of this reorganization is discussed in the following recommendations and in the Management section of this report.
Office of Enforcement recommendation 2: Customs should establish a professional, national recruitment policy which provides for professional development, agent mobility and loyalty to the institution. Specifically, Customs should avoid home town initial assignments.

Action taken	Categorization
Written response: See **Management**, Action (6) [Customs' written response to Management recommendation 6 is copied below]. The organizational structure of OI was realigned in October, 1991, establishing direct line authority from the Assistant Commissioner to the SACs. Regional layers of management and support personnel were phased out over a period of several months. Additional realignment to reduce the supervisor/employee ratios is ongoing with a reduction of SAC offices to occur in October 1995. **Updated response:** The reduction of SAC offices that was to occur in 1995, mentioned above, occurred as scheduled. SAC offices were reduced from 27 to 20.	Fully implemented. Note: We did not attempt to determine which specific recommendations the panel was referring to in the second part of the recommendation.
Written response: See **MANAGEMENT**, Action (7) [Customs' written response to Management recommendation 7 is copied below]. The selection process in OI was revised by establishing a network of field recruiters. A centralized control process over the evaluation/selection process was established to ensure consistency in hiring practices. All selection decisions are currently made at the Headquarters level. The establishment of a career board is still under review by OI. Additionally, home town initial assignments are avoided whenever possible depending on funding and the needs of the service. **Updated response:** According to an OI official, some other aspects of the recruitment process include formalized training for the field recruiters and use of a standardized interview procedure. In addition to the recruitment process described above there is a draft Office of Investigations and Internal Affairs Career Development, Mobility, and Hardship Policy Handbook. The Handbook was about to be revised when we were doing our work, to reflect, among other things, Customs-wide and OI-specific reorganizations. The handbook outlines policies and procedures for a special agent career development program and a mobility program. According to the Assistant Commissioner for Investigations, OI has tested out the mobility/reassignment program but had not formally implemented it as of April 1996. According to OI's Director of Administration, no written policy prohibiting hometown assignments exists. As a direct result of the panel's report, however, OI would make a home town assignment only if it were to a large metropolitan area.	Partially implemented. Note: We did not attempt to determine if the policy was "professional" or provided for "loyalty to the institution." We categorized this recommendation as partially implemented because OI established a national recruitment program and avoided home town initial assignments, only making an exception in a large metropolitan area. OI had taken action on but had not implemented the professional development and agent mobility programs.

Recommendation

Office of Enforcement recommendation 3: Customs should establish a mobility policy and career path that include the following features:

-A newly hired agent should be required to sign a mobility agreement.

-A three year assignment to the first post of duty should be required. The Service should make efforts to expose newly hired agents to all major investigative areas (fraud, strategic, smuggling and financial) by placing them in medium or large offices.

-In the first year, a newly hired agent should be assigned to a senior agent mentor.

-After three years, an agent should be placed in a central pool of agents eligible for transfer, and such transfer should be determined by the needs of the Service.

-Subject to financial and program restraints, an agent should be transferred in his/her fourth year.

-Journeyman agents should be given the opportunity to elect the “management career track.” Those who have opted for the management career track will be required to act as relief supervisors, and serve a tour in Headquarters OE and a separate tour in the Headquarters Office of Internal Affairs. Their progress will be continually reviewed by a central career board. Future OE managers must complete the management career track.

Action taken	Categorization
Written response: A mobility policy incorporating the features set forth in the Blue Ribbon Panel Report has been drafted. Implementation of the policy has been delayed due to the high cost associated with such extensive mobility features and funding restrictions within the Customs Service. A mentor program has been established whereby senior agents serve as mentors for all new agents and ensure appropriate training is received. **Updated response:** According to the OI Director, Office of Policy and Oversight, agents do not have to sign a mobility agreement. However, OI officials told us that the special agent vacancy announcements and position descriptions state that the agents are subject to relocation. There is no requirement for the first post of duty assignment to be for 3 years nor are new agents placed only in medium or large offices. According to OI's Director of Administration, the two structured ways in which new agents are exposed to the major investigative areas are basic training and the mentor/on-the-job training program. The On-the-Job Training Handbook states that a senior agent mentor is to be assigned to each new agent. According to OI's Director of Administration, agents are not moved after 3 years in their first post of duty. The mobility policy OI tested was based on office performance. The policy involved identifying, through OI's performance measurement system, offices that should gain or lose staff, then soliciting volunteers to move to the gaining office, giving priority consideration to staff from offices identified to lose agents. OI's draft mobility policy states that OI would fill vacancies through new hires, voluntary reassignments, and involuntary reassignments that would be used in the absence of qualified volunteers. According to OI's Director of Administration, the office examined the costs of various mobility policies. It found that the office did not have the money to fund moves on a routine basis. According to OI's Director of Administration, OI does not have a "management career track." However, OI has proposed, in its draft handbook, a career development program. The draft program does not mandate a particular path. Among other things, it recognizes completion of specified career-enhancing assignments, including assignments to headquarters OI and Internal Affairs. The draft program entails the use of a Career Review Board in the agent promotion process.	Partially implemented. The portion of the recommendation to assign a mentor to new special agents was fully implemented. All other portions of this recommendation have not been implemented, although several were under review or testing when we completed our work.

Recommendation

Office of Enforcement recommendation 4: The selection process and reassignment policy should incorporate the Panel's recommendations for the new agent hiring policy, the mobility requirement, and a career path for managers. We also recommend developing a "career board" concept for selections of GM-14's, based on SAC recommendations, the board and the Assistant Commissioner (Enforcement).

Although the Executive Resources Board evaluates candidates for GM-15 positions, the Office of Enforcement should have the career board review the pool of applicants for SAC positions, including the career development needs of current GM-15's, as well as promotion applicants, based on improved rating systems (described below), office inspections, prior enforcement experience and the management career path.

[Note: The recommendation refers to GM-14s and 15s. References Customs officials made in response to this recommendation were to GS-14s and 15s.]

Action taken	Categorization
Written response: Most employees hired as special agents are reassigned to locations other than where they grew up or had extended work experience, although lack of funding precludes transferring all new hires to new work locations. A career path for managers is in development, however, mobility and training are seen as key elements in that design. An aggressive training program has been designed with the assistance of National Louis University (NLU). In June 1995, 22 of OI key managers graduated with Masters Degrees in Science and Management from NLU. Mobility remains a problem within OI. In the past, Customs budget could not absorb the cost of the number of moves required for a well developed career path program. With the recent funding cuts, it is even less likely that we will be able to implement a true career path for managers. OI is not currently utilizing a "career board" for selection of GS-14 and GS-15 employees due to the extensive reduction of promotions to those levels. **Updated response:** According to an OI official, OI instituted a recruiting and hiring process that involved, among other things, field recruiters undergoing a formalized training course to recruit and interview prospective special agents and standardized interviews of potential hires in the field. Selections were made by a headquarters selecting official. OI has drafted a mobility policy, as described under the Office of Enforcement recommendation 3 updated response. OI examined the cost of various rotation policies and determined it did not have the funding available for one with the features recommended by the panel, according to the OI Director of Administration. OI has drafted a Career Development Program, as described under the Office of Enforcement recommendation 3 updated response. It incorporates some of the ideas in the panel's recommendations for a management career track. The draft program incorporates the use of a career review board that would make promotion recommendations to the Assistant Commissioners OI/IA for GS-13 and GS-14 positions. According to the OI Director, Office of Policy and Oversight, OI is not using and does not plan on using a career board concept for SAC positions. According to the draft Career Development Program policy, the process for promoting to the GS-15 and Senior Executive Service level will use an Executive Resources Board for selection of GS-15 and SES positions.	Not implemented—action taken. Note: Although OI instituted a recruiting and hiring process, we were unable to determine the extent to which OI implemented a "new agent hiring policy" because the report did not define what such a policy would consist of. The remainder of the recommendation was not implemented. OI, however, had either taken actions that responded to the recommendation or decided not to implement that part of the recommendation. OI took action by developing draft mobility and career development programs. The career development program included a career board concept for selection of GS-14s. OI decided not to develop a career board concept for the SAC positions.

Recommendation

Office of Enforcement recommendation 5: The Office of Enforcement should develop an aggressive outreach program to encourage career advancement for minorities.

Action taken	Categorization
Written response: OI has recruited minorities and women to participate in NLU programs. **Updated response:** OI officials provided the following as additional examples of what OI has done to encourage career advancement for minorities. —In the 2-week recruiter training course it has emphasized hiring minorities. —It has ensured a representation of females and minorities on assignments to IA's Management Inspection Division, headquarters OI, and the Discipline Review Board.	Substantially implemented. Because this recommendation focused on developing by an "aggressive outreach program" and the panel did not define what the program should consist of, we could not determine the degree to which Customs had implemented the recommendation. We determined, however, that Customs took actions that appeared to be generally consistent with the purpose of the recommendation, and therefore we categorized the implementation as "substantially implemented."

Recommendation

Office of Enforcement recommendation 6: Employee Performance Appraisal System (EPAS) employees should be held accountable to their EPAS plans, and problem employees should be properly rated and given a Performance Improvement Plan (PIP) where appropriate.

Managers should be rated based on a wide variety of input. The Management section of this report recommends a new OE field structure, and the rating system described here is an important part of that structure. A SAC's performance should be rated under the new structure by the Assistant Commissioner (Enforcement) with input on a matrix type evaluation sheet from all Assistant Commissioners and Enforcement Division Directors, who in turn receive input from their staff. In addition, in order to maintain effective field relationships, the Regional Commissioner in whose specific area the SAC is located, his staff, and the District Director in that area should provide rating input. Correspondingly, the SACs should rate their subordinate managers, based on this matrix approach and with input from the District Director.

Action taken	Categorization
Written response: Line authority has provided the basis for improved accountability through performance evaluation. Employees are placed on performance improvement plans when their performance warrants such action. Standardized performance plans for SACs place appropriate emphasis on national program objectives, management responsibilities and quantifiable performance standards. As indicated in **MANAGEMENT**, Recommendation (4), Customs chose not to adopt the recommendation to solicit input of other managers in the rating of SACS because it most likely would dilute the accountability and objectivity of the rating process. **Updated response:** According to an OPE official, under the new performance management system for EPAS employees (now called Employee Proficiency Review (EPR) employees) that Customs was implementing as we were doing our work, the employees will not have EPAS plans. These employees' EPR forms cover four core competency areas—job knowledge, technical skills, professional application, and working with others—for which they will have more simplified plans. The employee and his/her supervisor are to discuss these areas at least three times during the year—at the performance planning meeting, one purpose of which is to establish a common understanding of performance expectations; at ongoing review meeting(s); and at the annual proficiency review meeting at the end of the review year. According to instructions for completing EPRs, supervisors are to recognize deficiencies in performance and determine the causes as soon as they become evident. When deficiencies continue, the supervisor is to develop and issue an Employee Proficiency Plan (EPP). Under the new system, the EPP has taken the place of a Performance Improvement Plan.	Partially implemented. We categorized this recommendation as partially implemented because, although Customs fully implemented the portion of the recommendation concerning use of improvement plans, it did not accept the recommendation for using a matrix approach to ratings or soliciting input from other managers in the rating of SACs.

Recommendation

Office of Enforcement recommendation 7: The Panel recommends that the Office of Enforcement inspection process be abolished and subsumed by the new inspection process recommended in the Management and Internal Affairs sections of this report. This process should focus on implementation of the changes called for in this report, such as hiring, mobility, career path and affirmative action.

Action taken	Categorization
Written response: OI's inspection process has been abolished and subsumed into MID's inspection program. See **MANAGEMENT**, Recommendation (2). The Management Inspection Division does not look at hiring, mobility, career path and Affirmative Action during field management inspections as those areas are largely centralized at the Headquarters level. The Office of Investigations has, however, made a large effort at the national level in the area of minority recruitment. **Updated response:** According to the Director, Management Inspections Division, Office of Internal Affairs, the inspections do not automatically cover each of these areas. IA could identify one of these areas as an issue in an inspection report if it determined it was the cause of a problem in a SAC office. IA does not have a policy to routinely conduct headquarters inspections. It does them at the request of an official at the Assistant Commissioner level or above.	Partially implemented. Note: In the second portion of the recommendation, we followed up only on the changes specifically identified in this recommendation, i.e., hiring, mobility, career path, and affirmative action. We categorized this recommendation as partially implemented because, although the Office of Enforcement inspection process was abolished and subsumed by the IA inspection process, IA's process does not automatically focus on the other portions of the recommendation. Additionally, the panel recommended that the inspections be done at least every 2 years. According to the Director, Management Inspections Division, the SAC office inspections are scheduled for every 3 or 4 years, with follow-up inspections and spot-checks to be done after the comprehensive inspections.

Recommendation
Office of Internal Affairs
Internal Affairs recommendation 1: The Office of Internal Affairs must take a pro-active role in agency leadership to ensure the real and perceived institutional integrity of the Customs Service.

Action taken	Categorization
Written response: The integrity of the Customs Service has been strengthened through the development and implementation of a comprehensive integrity training program which stresses the obligation of employees to report alleged misconduct to Internal Affairs. During FY 1992, over 92% of the Customs workforce received this training and every basic training course at the Customs Academy incorporates an integrity module. Integrity training is also included in supervisory and managerial training courses. The Office of Internal Affairs request for funds to conduct updated integrity and ethics training was denied. Integrity and ethics training is given to new supervisors and front line operations positions at FLETC in Glynco. **Updated response:** IA's Special Assistant Commissioner believed the following actions represented IA taking a "pro-active" role in agency leadership to ensure Customs' integrity: (1) In July 1996, IA will be providing special HARDLINE training to the field that includes information on Customs' integrity policy and how to report allegations. IA agents will be teamed up with OI and Field Operations personnel to be trained in the new course and then teach it throughout the field. Funding has been obtained to train Customs' field office personnel from San Diego to Miami to Puerto Rico. (2) IA's new mission statement states, in part, "every Customs employee has the right to work in an environment free of corruption, misconduct, or mismanagement." (3) The Commissioner's directives on guidelines reporting allegations to IA were issued to all supervisors and managers. (4) IA set up a 24-hour hotline for employees and the public to report any allegations.	Substantially implemented. Because this recommendation focuses on IA taking a proactive role in agency leadership and the panel did not define what such a role should consist of, we could not determine the degree to which Customs has implemented the recommendation. We determined, however, that IA has implemented a number of actions that could be construed as proactive and therefore generally appeared to be consistent with the purpose of the recommendation.

Recommendation

Internal Affairs recommendation 2: The Office of Internal Affairs should be reinforced and restructured to ensure that the organization is designed to accomplish its expanded mission. In developing this structure, Customs should consider models for handling internal affairs that already exist in other law enforcement agencies, such as the FBI and DEA. This new organization should include an Office of Professional Responsibility and an Office of Inspections.

Action taken	Categorization
Written response: The IA structure at HQ has been reorganized to provide the basis for stronger direction and more centralized control over investigations. This structure includes an Internal Investigations Division and an Investigative Programs Division, modeled on other law enforcement agencies' IA organizations. Desk officer positions, which provide assistance to IA field activities and monitor investigations have been established. An intelligence function has also been established to analyze allegations, investigations and conduct threat assessments. **Updated response:** In IA's description of its intelligence group, it documented that in 1992 IA had an Office of Professional Responsibility (OPR) that is now referred to as its Internal Investigations Division. An Internal Affairs official said that due to Customs' reorganization and attendant downsizing, IA eliminated the layer of Director of OPR but retained its functions within IA's Internal Investigations Division. Desk officers perform the oversight functions for IA's OPR. Desk officers track case management activities, review for quality and comprehensiveness of cases, check on the timeliness of cases, and act as conduits for information. According to Customs' organization handbook, the Office of Internal Affairs also has a Management Inspections Division responsible for "developing and coordinating a unified and broad-based approach to the implementation of management inspection and undercover audit programs. These programs gauge the effectiveness and efficiency of managers, processes, strategies, and special interest initiatives."	Fully implemented. Note: We did not assess whether the actions taken "ensure" that IA accomplishes its mission. We determined that Customs fully implemented this recommendation even though it no longer has an OPR because the functions of OPR are carried out by the desk officers in IA's Internal Investigations Division. In addition, Customs has a Management Inspections Division.

Recommendation

Internal Affairs recommendation 3: The Assistant Commissioner for Internal Affairs should report to the newly established Associate Commissioner for Organizational Effectiveness.

Action taken	Categorization
Written response: During OOE's existence, IA was reorganized so that it reported directly to the Associate Commissioner for OOE. Since OOE's abolishment, the Assistant Commissioner (IA) reports directly to the Commissioner at the same organizational level as other Assistant Commissioners.	Fully implemented. We categorized the recommendation as "fully implemented" because, during the existence of the Office of Organizational Effectiveness (OOE), the Assistant Commissioner for Internal Affairs did report to the Associate Commissioner of OOE. Customs abolished OOE, and IA's Assistant Commissioner now reports directly to the Commissioner. Although the blue ribbon panel report was silent on whether OOE should be temporary, in testimony during the 1991 congressional hearing on Customs' blue ribbon panel investigation into allegations of wrongdoing within the agency, the panel's Chairman stated that he believed it was at the discretion of the Commissioner whether the Associate Commissioner position in OOE was temporary or permanent.

Recommendations

Internal Affairs recommendation 4: The panel considers it critical that Customs establish a comprehensive and aggressive internal inspection program with responsibility placed in the Headquarters Office of Internal Affairs, under the Associate Commissioner for Organizational Effectiveness.

-Inspections should cover management, operations, Customs agenda, personnel, internal controls and all other matters which affect the efficiency and integrity of the organization being inspected.

-Routine inspections should be conducted every 18-24 months of all Customs offices (e.g., SAC, District, Region, Headquarters).

-Ad hoc teams of investigators should be dispatched when allegations require such action.

-Inspection findings should be communicated by the Associate Commissioner for Organizational Effectiveness to the responsible Regional/Assistant Commissioner, with a copy to the Commissioner.

-The Associate Commissioner should follow up and monitor corrective action on behalf of the Commissioner to ensure compliance.

-Inspection findings should be a significant consideration in evaluating senior key manager performance.

Action taken	Categorization
Written response: See **MANAGEMENT**, Recommendations (2 and 3) [Customs' written response to Management recommendations 2 and 3 are copied below]. The Office of Management Inspection (OMI) was established under OOE in April 1992 with the mission of conducting periodic and comprehensive inspections of Special Agent in Charge (SAC) and District offices to evaluate: (1) management systems, practices, and effectiveness; and (2) compliance with laws, policies, and regulations. OMI's primary goal was to ascertain the health of the organization through "independent" evaluation of effectiveness, i.e., mission performance, resource utilization, internal/external relations, and management controls. Relevant Blue Ribbon Panel issues such as managerial effectiveness, performance indicators, and supervisory, employee, and outside agencies (including U.S. Attorneys) concerns were incorporated into the inspection process. Lack of resources has precluded implementation of comprehensive inspections at least every two years as recommended. However, each SAC office receives a comprehensive, spot-check or special assessment every two years. The abolishment of OOE placed OMI under IA and renamed it the Management Inspections Division (MID). MID efforts are now heavily concentrated on reviews of OI operations. MID operations must be re-evaluated in light of the transformation of the field structure from regions to CMCs, the implementation of new measurement systems, and the introduction of business process improvement techniques to analyze our processes. Several memorandums have been distributed to Assistant and Regional Commissioners, District Directors, and mid-level managers which communicated the standards for supervisory performance. IA's Management Inspection Division reviews performance appraisal as a core area during comprehensive management inspections. This process aids in determining if the performance management system is working properly. Managers have been reassigned where it has been determined that they have lost effectiveness in their positions.	Partially implemented. Note: We did not assess the panel's meaning for "comprehensive and aggressive," "all other matters which affect the efficiency and integrity," and "significant" as they related to this recommendation. We categorized Customs' implementation of this multifaceted recommendation as "partially implemented" because Customs fully implemented portions of this recommendation, but it did not fully implement other parts. Customs fully implemented the panel's recommended actions regarding (1) inspections covering management, operations, Customs' agenda, personnel, internal controls, and all other matters that affect the efficiency and integrity of the organization being inspected; and (2) ad hoc teams of senior level investigators being dispatched when allegations require such action. On the basis of Customs officials' statements, we determined that Customs did not fully implement two parts of this recommendation: (1) Routine inspections of all Customs offices are not conducted every 18 to 24 months. Customs conducts comprehensive inspections of offices every 3 or 4 years, not every 18 to 24 months. (2) Inspection findings are currently not a significant consideration in evaluating senior key manager performance. Customs fully implemented two parts of the recommendation while OOE and its attendant Associate Commissioner were in existence. (1) Inspection findings were communicated by the Associate Commissioner for Organizational Effectiveness to the responsible Regional/Assistant Commissioner, with a copy to the Commissioner. (2) The Associate

Action taken	Categorization
Updated response: In Customs' written response to Integrity recommendation 1 it stated that Customs has trained groups of senior-level agents in the Office of Investigations known as flying squads to conduct high-priority investigations at locations throughout the country under the direction of IA. In addition, Customs' report to the panel in 1992 on its implementation of the panel's recommendations stated that the "recommendation for a management inspection program in IA has been modified slightly to establish a separate Office of Management Inspections, reporting directly to the Associate Commissioner. The establishment of a separate office provides even greater independence and highlights the importance of the new inspection program. A comprehensive program for inspection of Customs district and SAC offices has been implemented, addressing management, operations, and compliance. The Commissioner, Deputy Commissioner, and senior managers have been briefed on the results of every inspection and have demonstrated continuing interest and commitment to the program. Just as significantly, the results of inspections have been well received by the inspected organizations. While resources have not permitted a two-year cycle for inspection, alternative means of evaluating field offices are now being explored. In addition to comprehensive on-site inspections, the Office of Management Inspections, (now Management Inspections Division) has been called upon to respond to specific allegations and concerns by conducting single-issue reviews." Inspection findings were communicated by the Associate Commissioner for Organizational Effectiveness to the responsible Regional/Assistant Commissioner, with a copy to the Commissioner, according to Customs' 1992 report on its implementation of the panel recommendations. IA's Director of Management Inspections Division (MID) said that there are over 300 offices to inspect and that decisions on which offices would get comprehensive inspections are based on IA's input from its Intelligence Group within its Internal Investigations Division. Furthermore, he said he did not agree with the panel's recommendation to do comprehensive inspections of all offices every 18 to 24 months. He intends to conduct comprehensive inspections for SAC offices every 3 or 4 years. He believed that doing such inspections for every office once every 3 or 4 years was sufficient because the comprehensive inspections are followed by follow-up inspections and spot-checks. He also said that if a problem exists at an office, MID conducts a comprehensive inspection sooner than the scheduled 3 or 4 years.	Commissioner followed up and monitored corrective action on behalf of the Commissioner to ensure compliance. Customs partially implemented one part of OOE was in existence. It established the internal inspection program. It placed responsibility for that program under OOE and not Internal Affairs, however. With the abolishment of OOE, responsibility for these inspections was placed in IA, as recommended.

Action taken	Categorization
Regarding communication of inspection findings, the Director of MID also said IA briefs the head of the office inspected right away and gives him/her a copy of the report on site. The office head has the opportunity to respond to any deficiencies. Then the MID official briefs the Assistant Commissioner of the office inspected. IA officials also brief the Commissioner within 2 weeks from completion of comprehensive inspections and follow up with a copy of the inspection report to the Commissioner, Deputy Commissioner, and IA Assistant Commissioner. An Office of Planning and Evaluation official said that there is no agency policy requiring that inspection results be compared to supervisory and managerial performance. The Director of MID said Customs does not yet use inspections findings when evaluating SACs' performance. He believes the new appraisal system should help Customs move in that direction. (See Office of Enforcement Recommendation 6.) An Office of Investigations official also said that at least since June 1994, OI has not used the management inspection reports when doing SACs' ratings. The Commissioner's 1992 testimony before the Commerce, Consumer, and Monetary Affairs Subcommittee, House Committee on Government Operations, on the panel's recommendations included responses on Customs' implementation of the recommendations. A portion of Customs' response stated OOE is responsible for inspection follow-up.	

Recommendation

Internal Affairs recommendation 5: The Office of Internal Affairs should be responsible for investigating matters relating to mismanagement, criminal misconduct and serious non-criminal misconduct. Customs should prescribe a policy that determines which non-criminal misconduct should be referred to management for investigation.

Action taken	Categorization
Written response: New systems and procedures were implemented to ensure the effective management of all allegations of mismanagement and misconduct. In 1992, a new policy was issued which classified all types of allegations, ranging from criminal misconduct to mismanagement, and defined responsibility for investigations. These procedures have provided greater consistency in handling allegations and establishing investigative priorities. Allegations of misconduct and mismanagement are handled through a variety of approaches, including the use of IA investigators (who investigate all allegations of criminal conduct and serious misconduct), independent factfinders, Management Inspection staff and joint efforts with Assistant and Regional Commissioners. With the abolishment of OOE, allegations of mismanagement are now referred by IA to the appropriate management official. Customs continues to provide sufficient training and instruction in integrity and mismanagement issues for managers to conduct inquiries into problems within their operations. This is consistent with National Performance Review recommendations requiring managers to continuously evaluate, correct and improve their own operations. **Updated response:** An IA official said that with the abolishment of the Office of Organizational Effectiveness, IA is the recipient of mismanagement allegations and determines if IA should conduct an investigation or should refer the allegation to management. IA's Special Assistant Commissioner referred us to the IA Special Agent Handbook, which documents IA's policy that fully implements the panel's recommendation. Customs also had a directive dated November 18, 1993, that formalized the reporting and processing by managers and supervisors of allegations of misconduct and mismanagement. The IA official said that IA is working further on defining which allegations go to management and which ones stay with IA. He said managers have been told that when in doubt about where to refer an allegation (to IA or to management), send the allegation to IA for a determination of who should investigate it.	Fully implemented.

Recommendation

Internal Affairs recommendation 6: All reports and allegations of criminal activity, misconduct and mismanagement should be reported to the Headquarters Office of Internal Affairs.

-Customs should advise all employees to report allegations directly to IA. This does not preclude parallel reporting through the supervisory chain of command at the employee's option.

-Investigators may be assigned to non-criminal matters, at the discretion of the Assistant Commissioner (IA), from outside of IA; however, IA must ensure that in the investigative process, only investigators with no prior association with the office under investigation are assigned to the case. Investigations should be concluded within six months; findings should be shared with the subject of the allegation and reported back to IA at Headquarters.

Action taken	Categorization
Written response: Customs employees have been advised to report allegations directly to IA. IA Investigators are trained to recuse themselves when a relationship exists between the investigator and the subject. IA Desk Officers track and provide oversight on all field investigations. Customs policy referenced in **INTEGRITY**, recommendation (3), provides written notification to employees who were subject of an investigation that the investigation has been concluded and that no disciplinary action will be taken. In the event that disciplinary action will be taken, the subject of an investigation will be notified by the manager via disciplinary letter. IA tracks this information via the Disciplinary Action Tracking System utilized by Labor and Employee Relations. **Updated response:** Customs issued a directive regarding allegation reporting and processing on November 18, 1993, directing that allegations be reported directly to IA. IA's Special Assistant Commissioner said that investigators from outside of IA are assigned to noncriminal matters. He said IA has to rely on the investigator's integrity to disclose the need to recuse himself from the case if he has a prior association with the office under investigation. He said that IA ensures that such recusals are done by investigators because they are taught to do this in training and he believes recusal is included in their Special Agent Handbook. The IA official said that IA did not incorporate the panel's recommendation to conclude investigations within 6 months. He said that the individual case dictates what needs to done, and the length of the investigation depends on what the case requires. IA's case management system tracks the length of cases. The Special Assistant Commissioner of IA said that IA has a case tracking system with Customs' Labor Employee Relations (LER) group. According to IA's Special Agent Handbook, LER is responsible for advising Customs' management on employee misconduct issues. LER prepares all related correspondence, i.e. notices of disciplinary action, grievance response for management. LER prepares written notification that is signed by the principal headquarters or field officer. LER officials inform subjects of investigations of IA investigation results. LER will notify employees when investigations have been completed. We noted that this process is documented in a November 5, 1993, Customs Directive on reports of investigations.	Partially implemented. Note: We did not assess whether the actions taken "ensure" that investigators assigned to cases have no prior association. We categorized this recommendation as partially implemented because several portions of the recommendation were fully implemented, while one provision was not. The provisions for (1) reporting all reports and allegations of criminal activity, misconduct, and mismanagement to IA; (2) advising employees to report allegations directly to IA; (3) ensuring that only investigators with no prior association with the office under investigation are assigned to cases; and (4) sharing investigation findings with the subject of the allegation were fully implemented. IA did not fully implement the provision that investigations be concluded within 6 months. IA officials believe that superimposing such a time frame is not feasible, especially for complex criminal cases. IA has a case tracking system to monitor the length of investigations.

Recommendation

Internal Affairs recommendation 7: The Treasury Inspector General (IG) and Customs must clarify their formal relationship to ensure that cases controlled by the IG are promptly investigated and the results communicated to Customs for timely resolution. IG investigations should be conducted by the Inspector General's staff and not delegated to IA investigators.

Action taken	Categorization
Written response: IA has taken several steps to improve coordination and cooperation with the OIG on investigations. In 1993 the Acting Associate Commissioner (OOE) issued a memorandum to the Assistant Inspector General for Investigations confirming an agreement regarding procedures for referral of allegations and investigative information from the OIG to the Customs Service. Additionally, both IA and the OIG have established desk officers to facilitate a better relationship. Further, an OIG report on cases referred to Customs management in excess of 90 days has contributed to more timely investigations. **Updated response:** The Special Assistant Commissioner of IA said the Treasury IG's Office always conducts investigations of IA, SESers, and GS-15s and above. The IG's Office also has a hotline and standard referral program. With the hotline tips that the IG sends to IA, an IA desk officer determines where to send the allegations for investigation—IA or management. The Special Assistant Commissioner of IA said that there are certain investigations that OIG categorically has to do, but there are others the IG may refer to IA to do, such as administrative investigations. The Special Assistant Commissioner of IA said "OIG watches IA. It is the IG's option to return investigations to IA." The Special Assistant Commissioner of IA said that the memorandum between IA and the IG's Office referred to in Customs' written response is in fact a Department of the Treasury Order dated May 16, 1989, that was generated by Treasury, not OOE. The Treasury Order stated that OIG can refer certain allegations to Customs' Office of Internal Affairs. Treasury's Senior Special Agent, Office of Investigations, OIG, who coordinates with Customs said that OIG's policy and procedure are to refer allegations against Customs' employees who are GS-14s and below to Customs' Office of Internal Affairs, unless the employee works in IA. He said that IA determines if the allegation should be investigated by IA or Customs management. He also said that there is no policy regarding the duration of IG investigations; however, IG guidelines are that administrative investigations be completed within 90 days. There are no such guidelines for criminal investigations. He also told us that Treasury issued a Directive dated September 21, 1992, that covered IG referrals to IA. That Directive states that the IG's Office can refer investigations that fall within its jurisdiction to IA for investigation by IA or Customs management.	Fully implemented. Note: We did not assess "promptly investigated" and "timely resolution" as they apply to this recommendation. We also did not assess the portion of the recommendation that stated "IG investigations should be conducted by the Inspector General's staff and not delegated to IA investigators" because Customs had no control over the Treasury Order that allows OIG to delegate IG investigations to IA. We categorized this recommendation as "fully implemented" because the Treasury IG's and Customs' IA formal relationship regarding investigations was clarified.

Recommendation

Internal Affairs recommendation 8: IA intelligence elements should be established, trained and dedicated to support the IA mission, with special emphasis on corruption threat indicators, to develop sources and methods to obtain information needed by IA investigators and supervisory personnel.

Action taken	Categorization
Written response: An intelligence function has been established within IA to analyze allegations, investigations and conduct threat assessments. **Updated response:** IA's Special Assistant Commissioner said that the Intelligence Group was established in April 1992 with responsibilities much broader than those recommended by the panel. He provided a description of the Intelligence Group that stated in part: "The group's efforts are devoted to four major areas: summary analysis; tactical targeting; liaison; and investigative enhancement. Summary analysis concentrates on trends in allegations and investigations. Tactical targeting provides specific corruption leads to field offices. Liaison includes contact with the intelligence community and other law enforcement intelligence entities for the development of data sources. Investigative enhancement consists of research and analysis in support of ongoing IA investigations." IA's Chief, Intelligence Group, said that IA's Intelligence analysts in the Intelligence Group received training dedicated to support the IA mission, including training in corruption threat indicators to develop sources and methods to obtain information needed by IA investigators and supervisory personnel.	Fully implemented.

Recommendation

Internal Affairs recommendation 9: An assignment in Internal Affairs should be included in the established management career paths in the Customs Service. With the exception of Headquarters service, these assignments should require geographical relocations. Moreover, IA should be staffed with senior experienced employees.

Action taken	Categorization
Written response: Career paths for GS-1811 special agents are still under review. Budgetary restraints have limited Customs ability to effect Permanent Change of Station with all reassignments into IA. IA investigators are now journeymen GS-13. **Updated response:** On June 24, 1996, Customs provided an additional written response to its implementation of this recommendation. Customs stated that about 2 years ago approximately 75 agents were rotated between IA and OI as an outgrowth of the panel's recommendation. In addition, a conscious effort was made to make an assignment in IA career-enhancing and to help staff IA with senior agents (only GS-13s rotated from OI to IA). OI's Director of Administration said that OI has not implemented the career track; however, it has a draft policy for a Career Development Program. Among other things, the program recognizes completion of various career-enhancing assignments, including ones to IA field offices. IA's Special Assistant Commissioner said that IA wants agents with at least 5 to 10 years' experience as investigators; therefore, IA recruits from OI because it also has a working knowledge of Customs.	Partially implemented. We categorized this recommendation as partially implemented because Customs fully implemented one portion of the recommendation, but it did not fully implement two other provisions of the recommendation. The provision for staffing IA with senior experienced employees was fully implemented. Customs did not fully implement the provision that (1) career paths should include an assignment in IA; and (2) with the exception of Headquarters service, these assignments should require geographical relocations. The Career Development Program is still under review.

Recommendation
Training

Training recommendation 1: The Customs Service should establish a formal training program tailored to agents operating on the Southwest border. The program should emphasize the integrity concerns, technical law enforcement skills, and professional development unique to operating on the Southwest border.

Action taken	Categorization
Written response: Customs has emphasized a formal training program tailored to Special Agents on the Southwest border. Since October, 1991, seventy-five percent of all Southwest border agents have attended one or more training classes that have included surveillance, undercover operations, and basic and advanced technical training. **Updated response:** According to the OI Director, Office of Policy and Oversight, at least one training course was tailored for and given to some agents on the Southwest border after the panel's report. According to the OI Director of Administration, OI does not now have classes tailored specifically for agents on the Southwest border. He said that OI is working on improving training for all the agents. OI has retooled its advanced training classes, the subjects of which mirror OI's four major investigative areas. It is giving a larger number of these classes in the field than it has in the past so that there will be opportunities for more special agents to take them. According to the Director, Office of Policy and Oversight, each SAC office's field training officer is to provide training quarterly that can be geared to the office. OI also reworked its special agent refresher seminar and has been giving it in the field. Among the topics covered are integrity and ethics, interviewing, legal issues, professionalism, report writing, and undercover operations. According to the OI Director of Administration, OI is developing a leadership/management symposium that will be geared to those who have gone through supervisory training and have been supervisors for a couple of years. Topics to be covered include necessary skills for successful managers, how to lead teams and motivate people, and professional responsibility (including ethics and integrity issues). The Special Assistant Commissioner, IA, said that in July 1996 the Office of Internal Affairs will be providing training in concert with a Customs operation covering the southern border, Puerto Rico, and the Virgin Islands. The training will be given to special agents and others operating in those locations, and it will include information on Customs' integrity policy.	Substantially implemented. Customs did not have a formal training program tailored to agents operating on the Southwest border as of May 1996. However, OI is retooling and developing training programs that cover the areas identified in this recommendation—integrity, technical law enforcement skills, and professional development. Additionally, the Office of Internal Affairs will be giving a training program dealing with integrity geared to an enforcement operation along the southern border. We believe these efforts are generally consistent with the purpose of this recommendation but not responsive to the letter of the recommendation.

Recommendation

Training recommendation 2: The Customs Service should require Spanish language proficiency for all agents operating on the Southwest border.

Action taken	Categorization
Written response: It is not economically or logistically feasible to require Spanish language proficiency of current employees. **Updated response:** According to information provided by Customs at an April 1992 congressional hearing that included testimony on the implementation of the panel's recommendations, in response to this recommendation, Customs stated that it was difficult to make Spanish language mandatory, and there were many downsides to requiring it in terms of hiring and retention. According to the OI Director, Office of Policy and Oversight, after the panel's report Customs tried different types of Spanish language training for special agents. They found, however, that the agents were not reaching the proficiency level needed to interview informants and violators. According to the OI Director of Administration, OI is working with another office in Customs to get funding for Spanish language training for four SAC offices. This official also said that the San Diego office has a Spanish language program that it funded out of its own budget.	Not implemented—no action taken. Customs is not requiring Spanish language proficiency for all agents operating on the Southwest border. OI is attempting to get funding to train certain agents sent to the Southwest border in the Spanish language.

Recommendation

Training recommendation 3: All new supervisors must successfully complete in-service supervisory training. Supervisors, at every level, must participate on a periodic basis in a continued supervisory training and performance assessment program.

Action taken	Categorization
Written response: Customs policy requires that all employees selected for initial entry into a supervisory position attend a two week basic supervisory seminar. The seminar includes modern management principles, integrity awareness, internal controls, performance management, discipline and whistleblower concerns and workforce diversity issues. In addition, Customs offers supervisory refresher training designed for supervisors who have not attended Customs supervisory skills development training within the previous three years.	Partially implemented. Note: The panel did not state how frequently supervisors should participate in the training. Therefore, we did not base our categorization on actions taken on a specific "periodic basis."
Updated response: The Director, Management Training Division, Customs Service Academy at the Federal Law Enforcement Training Center (FLETC), said that Customs has no policy that states supervisors must take refresher training. In April 1996, he said that Customs did provide supervisory refresher training at the Customs Academy at FLETC, up until 1 year ago, but now Customs has not funded such training at FLETC. Some supervisory refresher training is being provided by individual Customs offices. OI is working on a supervisory symposium that has not yet been implemented. The Assistant Commissioner, Human Resources, has an initiative under way to revamp all supervisory training at FLETC, according to an official in Customs' Office of Planning and Evaluation. On June 24, 1996, Customs provided an additional written response to its implementation of this recommendation. Customs stated that it is revamping the supervisory training at FLETC using a cross-functional team of high-level field managers that is reviewing a broad spectrum of supervisory and managerial training and development needs.	We categorized this recommendation as "partially implemented" because, although the provision for new supervisors to successfully complete in-service training was fully implemented, Customs did not fully implement the recommendation's provision that supervisors, at every level, must participate on a periodic basis in a continued supervisory training and performance assessment program.

Recommendation

Training recommendation 4: The Customs Service should establish a career track for supervisors, the first step of which requires participation in a to-be-developed "relief supervisor" program.

Action taken	Categorization
Written response: Never implemented. **Updated response:** The Director, Office of Administration, OI, said that in 1994, OI had a career track for special agents who wanted to become SACs. The track, however, was not being adhered to, and OI drafted a Career Development Program in 1995. (See Office of Enforcement recommendation 3.) He said that with the change in OI's structure, the drafted Career Development Program has to change. He also said that with the President's cap on the number of GS-13 to GS-15s and SESers, the number of OI supervisory positions is affected. OI's Director, Office of Policy and Oversight, said that OI does not have a relief supervisor program. She noted that legally, she was not sure that they could tap the same person every time to be a "relief supervisor." They would have to rotate 120-day supervisory details among the experienced staff.	Not implemented—action taken. We categorized the implementation of this recommendation as "not implemented—action taken" because no part of this recommendation has been fully implemented, but some action has been taken toward establishing a Career Development Program (rather than a career track).

Recommendation

Training recommendation 5: The supervisory training and performance assessment program should be constantly re-evaluated to ensure sufficient emphasis on personnel management problems, "whistleblower" policies, integrity awareness, quality management, institutional loyalty and leadership values.

Action taken	Categorization
Written response: [Customs did not provide a written response to this recommendation.]	Fully implemented.
Updated response: Customs stated in its 1992 report on the implementation of the panel's recommendations that in response to the recommendations of the blue ribbon panel, supervisory and management training has been examined and refined. According to the report, to set the tone for these training efforts, the Commissioner promulgated a management philosophy stressing the key themes of leadership, integrity, management accountability, and institutional loyalty. These principles form the foundation of all of the management training programs. The curriculum of the basic supervisory training course has been expanded to include emphasis in areas such as integrity awareness, internal controls, performance management, discipline and whistleblower concerns, and workforce diversity issues. The Commissioner's April 1, 1992, testimony on the panel's recommendations included Customs' actions taken to implement the recommendations. Some of these actions were stated in the document as (1) Customs has recently completed a major review of all supervisory programs, (2) both supervisor and manager courses have been updated, and (3) whistleblower training was incorporated in supervisor and manager courses. The Director of the Management Training Division at FLETC said that the Assistant Commissioner, Human Resources, established a team that is specifically addressing this recommendation in terms of evaluating the effectiveness of supervisory/managerial training. He said that the team will be addressing such issues as how to evaluate the supervisory/managerial training programs. The team's plan is to assess Customs' core competencies and identify gaps in these competencies. The team will use assessment tools designed to identify the developmental needs and job strengths of Customs' managerial pool and to assess the gap in managers' and supervisors' competencies.	Note: We did not assess the panel's recommendation for "constantly."

Recommendation

Training recommendation 6: The Customs Service should establish a new agent "mentor" program. Such a program should require that a senior agent mentor be assigned for at least a one year period to assist and advise new agents on all aspects of professional conduct.

Action taken	Categorization
Written response: See **OFFICE OF INVESTIGATION**, recommendation (3) [the portion of the written response to OE recommendation 3 concerning the mentor program is copied below]. A mentor program has been established whereby senior agents serve as mentors for all new agents and ensure appropriate training is received. **Updated response:** According to the Criminal Investigator On-the-Job Training Handbook, which embodies the new agent mentor program, the first phase of the training should begin immediately upon the special agent's reporting to duty and should continue for 1 year. This handbook stated that one of the purposes of the program is to improve the professionalism and competence of Special Agent personnel assigned to SAC offices. One of the mentor's responsibilities is to serve as a professional role model for the trainee.	Fully implemented. Note: We did not assess "all aspects" as it applies to this recommendation.

Recommendation

Training recommendation 7: The Customs Service should ensure that agents receive continuing formalized in-service training that addresses evolving issues in criminal law enforcement and reinforces adherence to professional standards.

Action taken	Categorization
Written response: Customs agents currently receive training in law enforcement and professional standards. **Updated response:** As discussed under the training recommendation 1 updated response, OI reworked its special agent refresher seminar and has been holding the seminar in the field. OI retooled its advanced courses in its four program areas and has been holding them in the field. They include evolving issues in law enforcement. Additionally, according to the OI Director, Office of Policy and Oversight, each SAC office's training officer is expected to make arrangements for 8 hours of training on law enforcement issues to be given at the SAC office each quarter. Agents are encouraged but not required to attend the training. According to the OI Director of Administration, OI is requiring that the following agents in the field office in which the advanced training is given attend the training: those who are in the group dealing with that issue, who are projected to move into that group, or who have not had the training. The Assistant Commissioner, OI, said he set a goal for the Director of Enforcement Training to ensure that each operational nonsupervisory agent receive refresher or specialized training every 5 years.	Fully implemented. Note: We did not assess a particular time frame for "continuing" as it applies to this recommendation because one was not defined by the panel.

Recommendation
Whistleblowers
Whistleblowers recommendation 1: Customs employees should be informed of the various avenues for reporting problems that are available to whistleblowers. Alternative channels for reporting grievances should be similarly explained and the use encouraged.

Action taken	Categorization
Written response: In September 1991, a memorandum was issued to all Customs employees concerning the Whistleblower Protection Act (WPA). Employees were also provided a booklet, published by the Merit Systems Protection Board, which contained information on the WPA and identified the employee rights and avenues available to them. Currently, employees make complaints to IA, the Office of Special Counsel or both. **Updated response:** The Customs representatives of OPE, IA, Office of Chief Counsel, and HRM with whom we spoke believed this recommendation concerned avenues for reporting problems of retaliation against whistleblowers. Depending upon the type of retaliation alleged, Customs employees may direct their allegation through the agency's grievance system (for union employees, this would be the grievance and arbitration procedures as provided in the union agreement); or to the Office of Special Counsel (OSC).[e] Furthermore, according to an OPE official, reporting through one avenue does not preclude the employee from reporting through another avenue. Information on the grievance system is in Customs' Policies and Procedures Manual. Discussion of the availability of the grievance and arbitration procedures is in the bargaining unit contract section on "Protection Against Prohibited Personnel Practices." According to an OPE official, a copy of the contract is to be given to each union employee. This section also states that the employee may raise the matter under a statutory procedure. According to an IA official, claims of retaliation that are sent to Internal Affairs are read by one individual to determine if the claim appears to be a whistleblower retaliation claim. If it appears to be so, this individual asks the relevant Internal Affairs agent to tell the complainant that he/she needs to file the complaint with the Office of Special Counsel for investigation. Customs did not have a written policy on this practice. Customs formerly investigated these complaints but no longer does the investigations. (See whistleblowers recommendation 4.) Customs issued a memo in June 1996 to managers in the Internal Affairs field offices telling them that when an employee makes a whistleblower retaliation claim, the employee should be advised to contact OSC.	Fully implemented.

Recommendation

Whistleblowers recommendation 2: Comprehensive procedures should be issued to supervisors for dealing with employees who are designated whistleblowers.

Action taken	Categorization
Written response: In September and December 1991, a memorandum was issued to all Assistant and Regional Commissioners and Supervisors and Managers respectively expressing the Commissioner's commitment to ensuring all employees who made whistleblower disclosures were protected from retaliation and reprisal. **Updated response:** According to a Customs training manager, the procedures for dealing with employees who are designated whistleblowers also have been included in supervisory training since 1992. New supervisors are supposed to receive supervisory training within the first year of their appointment to the supervisory position, according to the former chief, Employee Relations and Benefits Policy Branch.	Fully implemented.

Recommendation

Whistleblowers recommendation 3: The Associate Commissioner for Organizational Effectiveness should be designated as the agency point to receive whistleblowing disclosures (although employees may elect other channels for this purpose).

Action taken	Categorization
Written response: During OOE's existence the Associate Commissioner was designated as the agency point to receive whistleblowing disclosures. Since OOE's abolishment, Headquarters IA and the Office of Chief Counsel serve as the agency contact for employees and the Office of Special Counsel respectively. **Updated response:** Although there is no one designated agency point to receive whistleblowing disclosures, Customs officials stated there were a variety of avenues through which employees could report whistleblowing disclosures. In addition to headquarters IA, the Office of Chief Counsel, and the Office of Special Counsel, as mentioned above, Customs representatives of OPE, IA, Office of Chief Counsel, and HRM told us other avenues are available. They said these avenues included the employee's management chain, IA's hotline, field IA offices, the Commissioner's office, and the Department of the Treasury Office of Inspector General. An official from OPE stated that ways in which employees know about one or more of these avenues included: —whistleblowing segments in training courses, such as supervisory and basic inspector training; —a directive in Customs Policies and Procedures Manual on allegation reporting and processing; —the union contract; and —periodic reminders issued by the Department of the Treasury Office of Inspector General.	Substantially implemented. During OOE's existence, this recommendation was fully implemented. With the closure of OOE there is no one office designated as the agency's whistleblowing contact point; however, there are a number of avenues through which an employee can make a whistleblowing disclosure. Hence, we believe that while the situation is not responsive to the letter of the recommendation, it is generally consistent with its purpose.

Recommendation

Whistleblowers recommendation 4: If the Associate Commissioner receives a complaint and determines that the complainant is a whistleblower, investigation of the whistleblower's allegations must be given priority in accordance with strict timelines for expeditious completion of the investigation.

Action taken	Categorization
Written response: Determinations on Whistleblower allegations are made by the Office of Chief Counsel and referred to IA for expeditious investigation. **Updated response:** The Customs representatives of OPE, IA, Office of Chief Counsel, and HRM with whom we spoke believed this recommendation concerned complaints of retaliation. After the panel's report, Customs hired an investigator formerly with the Office of Special Counsel to do in-house investigations of whistleblower retaliation complaints. According to that individual, he did those investigations expeditiously because they were his only priority. As a result of Customs' reorganization, in November 1994 Customs ceased to accept whistleblower retaliation complaints for investigation. He said IA does not have the assets to do the investigations. The practice in Customs then was to have the individual who formerly investigated these complaints review any retaliation complaints that came through IA to determine if they appeared to be whistleblower retaliation complaints. If they did, he requested the IA agent who logged the complaint into IA's tracking system to notify the complainant that he/she needed to file the complaint with the Office of Special Counsel. Customs did not have a written policy on this practice. Customs issued a memo in June 1996 to managers in the Internal Affairs field offices stating that if an employee made a whistleblower retaliation claim, the employee should be advised to contact OSC.	Substantially implemented. Note: We did not assess "expeditious" as it applies to this recommendation. We categorized Customs' implementation of this recommendation as "substantially implemented" because, according to an IA official, during OOE's existence, the whistleblower complaints were given priority and completed expeditiously. OOE no longer exists, however, and the whistleblower complaints are investigated by the Office of Special Counsel (OSC). Because OSC is an agency external to Customs, Customs cannot ensure that Customs employees' whistleblower allegations are given priority.

Recommendation

Whistleblowers recommendation 5: No administrative action may be taken against a designated whistleblower until the whistleblower's allegations have been resolved unless there is no nexus between the whistleblower's allegations and the alleged misconduct of the whistleblower. Determinations as to nexus should be made by the Associate Commissioner, with the advice of Counsel.

Action taken	Categorization
Written response: Customs has provided a comprehensive training program to supervisors and managers on whistleblower rights and protections. Beginning at the top with Assistant and Regional Commissioners, and working through mid-management levels to first line supervisors, a major training initiative was accomplished: virtually every supervisor in the Customs Service has been trained in whistleblower rights and protections. By March 1, 1992, over 2,500 supervisors were trained by attorneys in Customs Chief and Regional Counsel offices. Whistleblower training has also been incorporated into every supervisory and mid-manager training course. **Updated response:** A former OOE official said that OOE established a policy that no administrative action could be taken against a designated whistleblower until the whistleblower's allegations were resolved, unless there was no connection between the whistleblower's allegations and the alleged misconduct of the whistleblower. In the absence of an Associate Commissioner for Organizational Effectiveness, if an employee were to take a whistleblowing retaliation allegation to the Office of Special Counsel, OSC would determine if there was a potential connection. If OSC thought there might be a nexus, it would ask Customs either formally or informally to stay the action until it determined if there was a connection.	Substantially implemented. We categorized Customs' implementation of this recommendation as "substantially implemented" because during OOE's existence the policy on administrative actions against whistleblowers was consistent with the recommendation. OOE no longer exists, however, and the Office of Special Counsel determines whether to request that Customs not take an administrative action. We believe that this action is generally consistent with the purpose of the recommendation.

Recommendation
Whistleblowers recommendation 6: Strong sanctions should be applied to supervisors who engage in any retaliation against whistleblowers.
Discipline
Discipline recommendation 1: Sanctions should be imposed against supervisors and managers who fail to take appropriate disciplinary actions.

Action taken	Categorization
Written response: The agency Table of Offenses and Penalties was strengthened to establish strong sanctions against managers or supervisors who retaliate against whistleblowers. **Updated response:** According to an official in the Employee Relations and Benefits Policy Branch, the sanctions for retaliation remain in the Table of Offenses and Penalties and they are being used.	Fully implemented.
Written response: In December 1991 three changes were made to the agency Table of Offenses and Penalties incorporating sanctions against supervisors and managers who fail to report instances of serious misconduct or who fail to take appropriate disciplinary action. **Updated response:** According to an official in the Employee Relations and Benefits Policy Branch, the sanctions for failing to report instances of misconduct or to take appropriate disciplinary actions remain in the Table of Offenses and Penalties and they are being used.	Fully implemented.

Recommendation
Discipline recommendation 2: Managers must report all instances of misconduct in accordance with the recommendations contained in this report (see Internal Affairs section).
Discipline recommendation 3: Sanctions should be imposed against supervisors who fail to report instances of misconduct.

Action taken	Categorization
Written response: In February 1993 a memorandum for all supervisors and managers was issued emphasizing their obligations to report instances of misconduct. **Updated response:** Customs' February 1993 memorandum stated that managers and supervisors are required to refer all allegations of employee misconduct, except administrative misconduct, to the Office of Internal Affairs. Administrative misconduct may be referred to management for investigation. In addition, the Commissioner of Customs issued a memorandum on December 20, 1991, to all supervisors and managers regarding Customs' Table of Offenses and Penalties. The memorandum stated in part, "I want to ensure that all supervisors and managers understand their responsibilities" in reporting employee misconduct. The memorandum attached a new category of misconduct for inclusion in the Table of Offenses and Penalties for managers and supervisors who fail to report instances of misconduct. Specifically, failure to report criminal and/or serious misconduct to Internal Affairs and/or any act or failure to act which undermines the discipline process: first offense: written reprimand to 14-day suspension; second offense: 14-day suspension to removal; and third offense: 30-day suspension to removal.	Fully implemented. Note: We did not determine our categorization of the implementation of this recommendation on the basis of the panel's reference to "in accordance with the recommendations contained in this report (see Internal Affairs section)."
Written response: See **DISCIPLINE**, recommendation (1) [Customs' written response to Discipline recommendation 1 is copied below]. In December 1991 three changes were made to the agency Table of Offenses and Penalties incorporating sanctions against supervisors and managers who fail to report instances of serious misconduct or who fail to take appropriate disciplinary action. **Updated response:** According to an official in the Employee Relations and Benefits Policy Branch, the sanctions for failing to report instances of misconduct remain in the Table of Offenses and Penalties and they are being used.	Fully implemented.

Recommendation

Discipline recommendation 4: The brown book system as it currently exists should be eliminated. Investigations of misconduct should be assigned by the Assistant Commissioner (Internal Affairs) in accordance with the recommendations contained in this report. Under no circumstances should managers investigate reports of serious misconduct within their own chain of command. The results of all investigations should be forwarded to the Headquarters office of Internal Affairs to establish accountability.

Action taken	Categorization
Written response: See **INTERNAL AFFAIRS**, recommendation (5) [Customs' written response to Internal Affairs recommendation 5 is copied below]. New systems and procedures were implemented to ensure the effective management of all allegations of mismanagement and misconduct. In 1992, a new policy was issued which classified all types of allegations, ranging from criminal misconduct to mismanagement, and defined responsibility for investigations. These procedures have provided greater consistency in handling allegations and establishing investigative priorities. Allegations of misconduct and mismanagement are handled through a variety of approaches, including the use of IA investigators (who investigate all allegations of criminal conduct and serious misconduct), independent factfinders, Management Inspection staff and joint efforts with Assistant and Regional Commissioners. With the abolishment of OOE, allegations of mismanagement are now referred by IA to the appropriate management official. Customs continues to provide sufficient training and instruction in integrity and mismanagement issues for managers to conduct inquiries into problems within their operations. This is consistent with National Performance Review recommendations requiring managers to continuously evaluate, correct and improve their own operations. **Updated response:** Customs' February 1993 memorandum stated that "managers and supervisors are required to refer all allegations of employee misconduct, except administrative misconduct, to the Office of Internal Affairs." According to information provided by Customs at an April 1992 congressional hearing, (1) the "brown book" system has been eliminated; (2) managers will no longer investigate misconduct; (3) most routine administrative issues, such as leave problems, are still within the purview of management; and (4) IA will control all investigations. The Special Assistant Commissioner of IA said that IA's statistical reports show that IA, not management, is conducting misconduct investigations. Customs' Directive on reports of investigations issued by the Office of Internal Affairs on November 5, 1993, states that "upon completion of an investigation, the Assistant Commissioner, IA or the Regional Director, IA will forward the original report of investigation to the concerned headquarters or field officer."	Fully implemented. Note: Our categorization of the implementation of this recommendation was not based on the panel's reference to "in accordance with the recommendations contained in this report."

The following notes were added by GAO.

[a]A mobility policy is essentially a rotation policy.

[b]According to a 1992 revision to Customs' Organization Handbook, the necessity for OOE would "be reviewed after a three year period and annually thereafter."

[c]The SACs are the Special Agents in Charge in the Office of Investigations (formerly the Office of Enforcement). The DDs were the District Directors. The port directors, to whom the inspectors reported, reported to the DDs, who reported to the Regional Commissioners. Customs' district and region structure was abolished in its 1995 reorganization.

[d]The panel stated in Management Finding 9 that "However commendable the [Excellence] program's objectives were, the panel found that the Excellence program contributed to and intensified deficiencies in management, especially within the Office of Enforcement. The exclusion of supervisors from employee roundtables with the Regional Commissioner undermined supervisory authority, provided changes in operational procedures and systems without consulting with the responsible supervisors, and permitted employees to use the roundtables as a 'gripe session' about supervisors. This served to disenfranchise a significant group of managers and supervisors, and contributed to the managers' failure to take responsibility or to be held accountable for their actions."

[e]The Office of Special Counsel functions as an independent investigative and prosecutorial agency within the executive branch that litigates before the Merit Systems Protection Board. Its primary role is to protect employees, former employees, and applicants for employment from prohibited personnel practices, especially reprisal for whistleblowing. Some of its basic areas of statutory responsibility are (1) receiving and investigating allegations of prohibited personnel practices; and (2) providing a secure channel through which information evidencing a violation of any law, rule, or regulation; gross mismanagement; gross waste of funds; abuse of authority; or substantial and specific danger to public health or safety may be disclosed without fear of retaliation and without disclosure of identity, except with the employee's consent.

Source: The blue ribbon panel report, Customs' written response to GAO on actions taken in relation to each recommendation, and GAO analysis of Customs documents and interviews.

Comments From the Customs Service

DEPARTMENT OF THE TREASURY

U.S. CUSTOMS SERVICE

July 30, 1996

Mr. Norman J. Rabkin
Director, Administration of Justices Issues
General Accounting Office
Washington, D.C. 20548

Dear Mr. Rabkin:

Thank you for the opportunity to comment on your draft report entitled, "Customs Service, Status of the Implementation of the Blue Ribbon Panel Recommendations."

We note that this draft has taken into account comments we have previously provided in our review of your pre-draft report. We do have additional points we want considered regarding your draft report as follows.

Now on pp. 8-9 and 31.

On Pages 14 and 30 of your draft, you quoted the then Acting Associate Commissioner of OOE as stating OOE was closed as part of Customs downsizing and reorganization. Both pages also state that Customs did not analyze whether it had fully implemented the panel's recommendations before it decided to close OOE.

Deleted sentence.

Information on p. 8.

Language not added.

Information on p. 31.

Please note that OOE was created as an organization in April 1992 with the realization that it had a 3-year sunset provision. This 3-year provision was reflected in correspondence between Customs and the Department and was incorporated in the position description of the Associate Commissioner for OOE. The 3-year period was appropriate to allow reasonable time for the BRP recommendations to be implemented and institutionalized in the agency. By the time OOE was abolished on October of 1994, it had existed just six months short of the intended 3 years. At that point, Customs felt it had substantially implemented the key provisions of the BRP and that those recommendations were institutionalized throughout the agency. The recommendations that remain either require additional funding or can be addressed under the new organization.

Information added.
See p. 9.

We also feel that our formal report of December 1992, (White Book) summarized the agency's action regarding each BRP recommendation based on a close analysis of the agency's actions.

Information added.
See pp. 9 and 31.

- 2 -

This report was, in effect, our own report card of where we stood vis-a-vis the BRP and it was based on that report that we felt comfortable that by October 1994, the agency had devoted sufficient time and effort to virtually bring the BRP recommendations to a conclusion. Customs continues to be mindful of the issues raised by the BRP and to strive for the highest standards for its workforce. Our Office of Investigations, for example, has just set a side a date this August to brief its managers on the provisions of your report.

Revised. Now on pp. 8-9 and 31.

Please also note that we do not view our reorganization as "downsizing" the agency as stated on Pages 14 and 30 of your report. We have always referred to our reorganization effort as a "reinvestment" of the workforce by shifting the workforce to front line activities.

Revised. Now on p. 61.

Finally, on Page 48, Appendix 1, your draft report states that the "Office of Inspection has, however, made a large effort at the national level in the area of minority recruitment." It should read the "Office of Investigations has . . . "

We wish to thank you and your staff for this comprehensive review of where Customs stands with respect to the BRP recommendations. We appreciate their sincere effort to work closely with our agency to arrive at this report. Customs will remain watchful in addressing BRP type issues in our organization and will rely on your final report to bring the BRP to its conclusion.

Sincerely,

Earl Walter

Earl F. Walter
Director
Office of Planning and Evaluation
U.S. Customs Service

Major Contributors to This Report

General Government Division

Darryl W. Dutton, Assistant Director
Mary Lane Renninger, Senior Evaluator
Wendy C. Graves, Evaluator
Walter L. Raheb, Senior Evaluator
David P. Alexander, Senior Social Science Analyst
Amy E. Lyon, Senior Evaluator
Pamela V. Williams, Communications Analyst
Michelle Wiggins, Administrative Assistant

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are $2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (301) 258-4066, or TDD (301) 413-0006.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

or visit GAO's World Wide Web Home Page at:

http://www.gao.gov

PRINTED ON RECYCLED PAPER

United States
General Accounting Office
Washington, D.C. 20548-0001

Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100

Official Business
Penalty for Private Use $300

Address Correction Requested