



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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COMMUNITY AND ECONOMIC
DEVELOPMENT DIVISION

December 6, 1979

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Mr. Lynn A. Greenwalt
Director, U.S. Fish and Wildlife Service
Department of the Interior

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Dear Mr. Greenwalt:

Subject: [The Fish and Wildlife Service Is Incurring
Unnecessary Costs for Property Forfeited
or Voluntarily Abandoned at Ports of Entry]

The General Accounting Office, during its review of implementation of the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), found that the Fish and Wildlife Service (FWS) is incurring unnecessary costs for property forfeited to Federal enforcement agents or voluntarily abandoned at ports of entry over the past 19 years. The property, the value of which was not known but had been estimated to total about \$2.5 million, had not been disposed of because FWS had not implemented disposition procedures as provided for by law. Additional costs had also been incurred because FWS had not implemented adequate security and accountability policies and procedures.

BACKGROUND

It is unlawful to import into and/or export from the United States without a permit or other required documentation any species or part thereof protected under the provisions of the Endangered Species Act, the Marine Mammal Protection Act of 1972, the Migratory Bird Treaty Act, or the Convention on International Trade in Endangered Species of Wild Fauna and Flora. Species and items without the required documentation are seized as evidence by or forfeited to Federal enforcement agents or voluntarily abandoned at ports of entry.

2 The National Marine Fisheries Service, Department of
Commerce, has primary responsibility for enforcing the pro-
3 tective provisions of the acts and the convention for most
marine species. The Animal and Plant Health Inspection

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Service, Department of Agriculture, is responsible for enforcing import/export controls for plants. FWS has primary responsibility for all other protected species. These three agencies work closely with the U.S. Customs Service, Department of the Treasury, which coordinates all inspections of freight and passenger baggage at ports of entry. 156

Most items abandoned or seized by or forfeited to Federal enforcement agents are placed in storage facilities owned or rented by the enforcement agencies. Some items and live species are loaned to publicly owned or private non-profit zoos, museums, and educational institutions.

Public Law 94-359, enacted on July 12, 1976, amended the Endangered Species Act to permit the Secretaries of the Interior and Commerce to dispose of (other than by sale to the general public) forfeited or abandoned property "in such a manner, consistent with the purposes of this Act, as the Secretary shall by regulation prescribe." The Fish and Wildlife Improvement Act of 1978, enacted on November 8, 1978, broadened the Secretaries' disposal authority. The law states that: 33
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"Notwithstanding any other provision of law, all fish, wildlife, plants, or any other items abandoned or forfeited to the United States under any laws administered by the Secretary of the Interior or the Secretary of Commerce relating to fish, wildlife, or plants, shall be disposed of by either Secretary in such a manner as he deems appropriate (including, but not limited to, loan, gift, sale, or destruction)."

DISPOSITION PROCEDURES NOT IMPLEMENTED

Despite having had the authority to dispose of endangered species property for over 3 years and all fish, wildlife, and plant items for about 1 year, FWS had not implemented regulations or guidelines setting forth the procedures for their disposal. As a result, FWS had to pay for unnecessary storage and related costs. The cost to FWS

for renting facilities to store forfeited and abandoned property is over \$51,000 annually.

In June 1979 FWS drafted proposed regulations to implement the 1978 act. Under the proposed regulations, no item will be stored by FWS for more than 1 year after it has been forfeited. However, the FWS official responsible for developing the regulations quit, and as of November 1, 1979, no further action had been taken to process the proposal.

CUSTOMS STORAGE FACILITIES
SHOULD BE UTILIZED

Implementing disposal procedures as authorized under the 1978 act would significantly reduce FWS's inventory of abandoned and forfeited property with a corresponding decrease in the storage facilities required. Customs officials informed us that their storage facilities can accommodate some items seized by FWS agents, especially if they are to be disposed of within 1 year. Use of existing Customs facilities by FWS could reduce storage and related costs. However, according to officials of both agencies, this possibility had not been explored or discussed.

SECURITY AND ACCOUNTABILITY
PROCEDURES ARE INADEQUATE

FWS regulations pertaining to the utilization and disposal of personal property make the Division of Law Enforcement responsible for

- providing that storage facilities for all seized personal property meet the security standards applicable to the type of property being stored,
- establishing and maintaining inventory records for all seized personal property to ensure that all recorded information is accurate and current, and
- performing an independent accountability review at least annually to ensure compliance with established procedures.

FWS enforcement officials informed us that policies and procedures had not been established to require (1) minimum security standards for storage facilities, (2) uniform accountability for seized personal property, and (3) annual accountability reviews. Staffing and funding constraints, coupled with higher enforcement priorities, were given as reasons for not carrying out these responsibilities.

Merchandise has disappeared because of FWS's laxity in implementing adequate security and accountability policies and procedures. For example, in April 1979 over \$7,700 in merchandise was stolen from the El Paso, Texas, port of entry storage room. The investigation revealed that keys to the storage room were in the possession of not only FWS enforcement agents but also the Customs inspector, a State Department language school teacher, and General Services Administration cleaning personnel. Under a negotiated settlement agreement, forty pairs of stolen boots were to be returned to a boot company. According to FWS officials, FWS is liable for the wholesale value of the boots (\$6,000) and will pay the owner accordingly. Further, because periodic physical inventories are not required, it could not be determined when the boots were stolen and no arrests had been made.

U.S. Customs Service policy mandates that the cargo security standards provided for the physical and procedural security of imported merchandise be applied to property held in Customs storage facilities. These standards are the minimum required, but additional security may be applied for the handling and safekeeping of valuable or sensitive articles if resources are available.

The Customs standards are a result of an identified need for uniformity that will bring about a general upgrading of Customs storage security. FWS enforcement officials stated that the need to upgrade their storage security had also been identified but that no specific action was planned.

CONCLUSIONS AND RECOMMENDATIONS

FWS is incurring unnecessary costs at ports of entry because policies and procedures have not been implemented

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for the disposition of abandoned and forfeited property as provided for by law and for the security and accountability of items stored in FWS facilities. Additional savings could be made if existing Customs storage facilities are utilized. Therefore, we recommend that you:

- Implement regulations or guidelines setting forth the procedures for the disposal of property voluntarily abandoned or forfeited at ports of entry.
- Enter into a cooperative agreement with the U.S. Customs Service to utilize existing storage facilities where available.
- Establish policies and procedures to require (1) minimum security standards for physical storage facilities similar to those mandated by Customs, (2) uniform accountability for seized personal property, and (3) periodic physical inventories of stored items.

We would appreciate a written statement on actions taken on our recommendations within 60 days after the date of this letter.

We are sending copies of this report to the Secretary of the Treasury, the Comptroller of the Currency, the Commissioner of the U.S. Customs Service, the Secretary of Commerce, the Administrator of the National Oceanic and Atmospheric Administration and his Assistant Administrator for Fisheries, the Secretary of the Interior and his Assistant Secretary for Fish and Wildlife and Parks, and Interior's Inspector General.

Sincerely yours,



Roy J. Kirk
Senior Group Director