



Testimony

Before the Senate Caucus on International Narcotics Control

For Release on Delivery
Expected at
2:00 p.m., EDT
on Wednesday
April 21, 1999

DRUG CONTROL

INS and Customs Can Do
More To Prevent Drug-
Related Employee
Corruption

Statement of Richard M. Stana, Associate Director
Administration of Justice Issues
General Government Division



Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

Some Immigration and Naturalization Service (INS) and U.S. Customs Service employees on the Southwest Border have engaged in a variety of illegal drug-related activities, including waving drug loads through ports of entry, coordinating the movement of drugs across the Southwest Border, transporting drugs past Border Patrol checkpoints, selling drugs, and disclosing drug intelligence information.

Both INS and Customs have policies and procedures designed to help ensure the integrity of their employees. However, neither agency is taking full advantage of its policies, procedures, and the lessons to be learned from closed corruption cases to fully address the increased threat of employee corruption on the Southwest Border. These policies and procedures consist mainly of mandatory background investigations for new staff and 5-year reinvestigations of employees, as well as basic integrity training. While the agencies generally completed required background investigations for new hires by the end of their first year on the job, reinvestigations were typically overdue, in some instances, by as many as 3 years. Both INS and Customs provided integrity training to new employees during basic training, but advanced integrity training was not required.

The Departments of Justice and the Treasury have different organizational structures but similar policies and procedures for handling allegations of drug-related misconduct by INS and Customs employees. At Justice, the Office of the Inspector General (OIG) is generally responsible for investigating criminal allegations against INS employees. GAO found that the Justice OIG generally complied with its policies and procedures for handling allegations of drug-related misconduct. At the Treasury, Customs' Office of Internal Affairs is generally responsible for investigating both criminal and noncriminal allegations against Customs employees. Customs' automated case management system and its investigative case files did not provide the necessary information to assess compliance with investigative procedures.

INS and Customs have missed opportunities to learn lessons and change their policies and procedures for preventing the drug-related corruption of their employees. The Justice OIG and Customs' Office of Internal Affairs are required to formally report internal control weaknesses identified from closed corruption cases, but have not done so. GAO's review of 28 cases involving INS and Customs employees assigned to the Southwest Border, who were convicted of drug-related crimes in fiscal years 1992 through 1997, revealed internal control weaknesses that were not formally reported and/or corrected. These weaknesses included instances where (1) drug

Summary

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

smugglers chose the inspection lane at a port of entry, (2) INS and Customs employees did not recuse themselves from inspecting individuals with whom they had close personal relationships, and (3) law enforcement personnel were allowed to cross the Southwest Border or pass Border Patrol checkpoints without inspection. Also, INS and Customs had not formally evaluated their integrity procedures to determine their effectiveness. GAO made recommendations in response to these weaknesses.

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

Mr. Chairman and Members of the Caucus:

I am pleased to be here today to discuss the serious and continuing threat of corruption to Immigration and Naturalization Service (INS) and U.S. Customs Service employees along the Southwest Border by persons involved in the illegal drug trade. The enormous sums of money being generated by drug trafficking have increased the threat for bribery. It is a challenge that INS, Customs, and other law enforcement agencies must overcome at the border.

My testimony focuses on (1) the extent to which INS and Customs have and comply with policies and procedures for ensuring employee integrity; (2) an identification and comparison of the Departments of Justice's and the Treasury's organizational structures, policies, and procedures for handling allegations of drug-related employee misconduct and whether the policies and procedures are followed; (3) an identification of the types of illegal drug-related activities in which INS and Customs employees on the Southwest Border have been convicted;¹ and (4) the extent to which lessons learned from corruption cases closed in fiscal years 1992 through 1997 have led to changes in policies and procedures for preventing the drug-related corruption of INS and Customs employees.

This statement is based on our March 30, 1999, report² on drug-related employee corruption. Our statement makes the following points:

- INS' and Customs' compliance with their integrity procedures varied.
- Justice's Office of the Inspector General (OIG) and INS generally complied with investigative procedures, but Customs' compliance was uncertain.
- Opportunities to learn lessons from closed corruption cases have been missed.

Background

Stretching 1,962 miles from Brownsville, TX, to Imperial Beach, CA, the Southwest Border has been a long-standing transit area for illegal drugs entering the United States. According to the Department of State, the Southwest Border is the principal transit route for cocaine, marijuana, and methamphetamine entering the United States. INS and Customs are principally responsible for stopping and seizing illegal drug shipments

¹ In this report, if employees entered guilty pleas, we considered them to have been convicted of the crime.

² Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption (GAO/GGD-99-31, Mar. 30, 1999).

across the Southwest Border. At the ports of entry, about 1,300 INS and 2,000 Customs inspectors are to check incoming traffic to identify both persons and contraband that are not allowed to enter the country. Between the ports of entry and along thoroughfares in border areas, about 6,300 INS Border Patrol agents are to detect and prevent the illegal entry of persons and contraband.

The corruption of INS or Customs employees is not a new phenomenon, and the 1990s have seen congressional emphasis on ensuring employee integrity and preventing corruption. A corrupt INS or Customs employee at or between the ports of entry can help facilitate the safe passage of illegal drug shipments. The integrity policies and procedures adopted by INS and Customs are designed to ensure that their employees, especially those in positions that could affect the smuggling of illegal drugs into the United States, are of acceptable integrity and, failing that, to detect any corruption as quickly as possible.

INS and Customs Generally Completed Background Investigations, but Not Reinvestigations, When Due

INS and Customs follow Office of Personnel Management (OPM) regulations, which require background investigations to be completed for new hires by the end of their first year on the job. Generally, the background investigations included a credit check, criminal record check, contact with prior employers and personal references, and an interview with the employee. Our review found that background investigations for over 99 percent of the immigration inspectors, Border Patrol agents, and Customs inspectors hired during the first half of fiscal year 1997 were completed by the end of their first year on the job.³

OPM also requires immigration inspectors, Border Patrol agents, and Customs inspectors to be reinvestigated at 5-year intervals from the date they enter on duty. The objective of these reinvestigations is to ensure these employees' continuing suitability for their positions. As with background investigations, contractors did the reinvestigations and INS and Customs were responsible for making the final determinations on suitability. However, INS and Customs did not complete reinvestigations within the required 5-year time frame for over three-fourths of the selected Southwest Border personnel scheduled for reinvestigations in fiscal years

³ We restricted our analysis of immigration inspectors and Border Patrol agents hired in fiscal year 1997 to those hired by March 8, 1997, and of Customs inspectors hired in fiscal year 1997 to those hired by March 25, 1997. This is because we received personnel data current as of March 1998, the 1-year anniversaries of those dates, and because OPM allows agencies to employ individuals in a "subject to investigation" status for up to 1 year. A background investigation should be completed during that time.

Statement

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

1995 through 1997. In some instances, reinvestigations were as many as 3 years overdue.

To the extent that a reinvestigation constitutes an important periodic check on an employee's continuing suitability for employment in a position where he or she may be exposed to bribery or other types of corruption, the continuing reinvestigation backlogs at both agencies leave them more vulnerable to potential employee corruption. As of March 1998, INS had not yet completed 513 overdue reinvestigations of immigration inspectors and Border Patrol agents. Customs had a backlog of 421 overdue reinvestigations.

Basic Integrity Training Was Required and Advanced Training Was Not

Newly hired immigration inspectors, Border Patrol agents, and Customs inspectors are required to attend basic training. As part of their basic training, new employees are to receive training courses on integrity concepts and expected behavior, including ethical concepts and values, ethical dilemmas and decisionmaking, and employee conduct expectations. This integrity training provides the only required integrity training for all immigration inspectors, Border Patrol agents, and Customs inspectors. For Border Patrol agents, 7 of 744 basic training hours are to be devoted to integrity training. For Customs inspectors, 8 of 440 basic training hours are to be devoted to integrity training. INS immigration inspectors are to receive integrity training as part of their basic training, but it is interspersed with other training rather than provided as a separate course. Therefore, we could not determine how many hours are to be devoted specifically to integrity training.

We selected random samples of 100 immigration inspectors, 101 Border Patrol agents, and 100 Customs inspectors to determine whether they received integrity training as part of their basic training. Agency records we reviewed showed that 95 of 100 immigration inspectors, all 101 Border Patrol agents, and 88 of 100 Customs inspectors had received basic training. According to INS and Customs officials, the remaining employees likely received basic training, but it was not documented in their records.

Justice OIG, INS, and Customs officials advocated advanced integrity training for their employees to reinforce the integrity concepts presented during basic training.⁴ The Justice OIG, INS' Office of Internal Audit, and Customs provide advanced integrity training for INS and Customs employees.

⁴ Advanced integrity training is any nonmanagerial integrity training provided to employees following completion of basic training.

Statement

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

While this advanced training has been available to immigration inspectors, Border Patrol agents, and Customs inspectors, they were not required to take it or any additional integrity training beyond what they received in basic training. Consequently, some immigration inspectors, Border Patrol agents, and Customs inspectors assigned to the Southwest Border had not received any advanced integrity training in over 2 years.

Based on a survey of random samples of immigration inspectors, Border Patrol agents, and Customs inspectors assigned to the Southwest Border, we found that during fiscal years 1995 through 1997, 60 of 100 immigration inspectors agents received no advanced integrity training. In addition, 60 of 76 Border Patrol agents received no advanced integrity training during the almost 2 ½ – year period we examined.⁵ The Customs survey indicated that 24 of 100 Customs inspectors received no advanced integrity training during this period.

Justice OIG and INS Generally Complied with Investigative Procedures, but Customs' Compliance Was Uncertain

The Departments of Justice and the Treasury have established procedures for handling allegations of employee misconduct. Misconduct allegations arise from numerous sources, including confidential informants, cooperating witnesses, anonymous tipsters, and whistle-blowers. For example, whistle-blowers can report alleged misconduct through the agencies' procedures for reporting any suspected wrongdoing. INS and Customs have policies that require employees to report suspected wrongdoing.

We selected five Justice OIG procedures to evaluate compliance with the processing of employee misconduct allegations. In a majority of the cases we reviewed, the Justice OIG complied with its procedures for receiving, investigating, and resolving drug-related employee misconduct allegations. For example, monthly interim reports were prepared as required in 28 of 39 opened cases we reviewed. In the remaining 11 cases, either some information was missing in interim reports or there were no interim reports in the case file.

INS' Office of Internal Audit complied with its procedures for receiving and resolving employee misconduct allegations in all of its cases.

⁵ INS did not provide us with requested training data for 25 of the 101 Border Patrol agents in our sample.

Statement

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

Because Customs' Office of Internal Affairs' automated case management system did not track adherence to Customs' processing requirements, we could not readily determine if the Office of Internal Affairs staff complied with their investigative procedures.

Customs' automated system is the official investigative record. It tracks and categorizes misconduct allegations and resulting investigations and disciplinary action. The investigative case files are to support the automated system in tracking criminal investigative activity and contain such information as printed records from the automated system, copies of subpoenas and arrest warrants, and a chronology of investigative events. Based on these content criteria and our file reviews, the investigative case files are not intended to and generally do not document the adherence to processing procedures.

Opportunities to Learn Lessons from Closed Corruption Cases Have Been Missed

Our analysis of the 28 closed cases revealed that drug-related corruption in these cases was not restricted to any one type, location, agency, or job. Corruption occurred in many locations and under various circumstances and times, underscoring the need for comprehensive integrity procedures that are effective. The cases also represented an opportunity to identify internal control weaknesses.

The 28 INS and Customs employees engaged in one or more drug-related criminal activities, including

- waving drug-laden vehicles through ports of entry,
- coordinating the movement of drugs across the Southwest Border,
- transporting drugs past Border Patrol checkpoints,
- selling drugs, and
- disclosing drug intelligence information.

The 28 convicted employees (19 INS employees and 9 Customs employees) were stationed at various locations on the Southwest Border. Six each were stationed in El Paso, TX, and Calexico, CA; four were stationed in Douglas, AZ; three were stationed in San Ysidro, CA; two each were stationed in Hidalgo, TX, and Los Fresnos, TX; and one each was stationed in Naco, AZ, Chula Vista, CA, Bayview, TX, Harlingen, TX, and Falfurrias, TX.

Statement

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

The 28 INS and Customs employees who were convicted for drug-related crimes included 10 immigration inspectors, 7 Customs inspectors, 6 Border Patrol agents, 3 INS Detention Enforcement Officers (DEO), 1 Customs canine enforcement officer, and 1 Customs operational analysis specialist. All but the three had anti-drug smuggling responsibilities. Twenty-six of the convicted employees were men; 2 were women. The employment histories of the convicted employees varied substantially.

In 19 cases, the employees acted alone, that is, no other INS or Customs employees were involved in the drug-related criminal activity. In the remaining nine cases, two or more INS and/or Customs employees acted together. Of the 28 cases, 23 originated from information provided by confidential informants or cooperating witnesses, and 5 cases originated from information provided by agency whistle-blowers. Prison sentences for the convicted employees ranged from 30 days, for disclosure of confidential information, to life imprisonment for drug conspiracy, money laundering, and bribery. The average sentence was about 10 years.⁶

Drug-Related Corruption Cases Were Not Used to Learn Lessons

Both the Justice OIG and Customs procedures require them to formally report internal control weaknesses identified during investigations, including drug-related corruption investigations involving INS and Customs employees. Generally, the Justice OIG and Customs' Office of Internal Affairs, respectively, have lead responsibility for investigating criminal allegations involving INS and Customs employees. Reports of internal control weaknesses are to identify any lessons to be learned that can be used to prevent further employee corruption. The reports are to be forwarded to agency officials who are responsible for taking corrective action. Reports are not required if no internal control weaknesses are identified.

In the 28 cases involving INS or Customs employees who were convicted for drug-related crimes in fiscal years 1992 through 1997, no reports were prepared. We concluded from this that either (1) there were no internal control weaknesses revealed by, or lessons to be learned from, these corruption cases or (2) opportunities to identify and correct internal control weaknesses have been missed, and thus INS' and Customs' vulnerability to employee corruption has not been reduced.

⁶ The average prison sentence calculation does not include two former employees sentenced to life imprisonment, and one former employee who fled the country prior to sentencing. Information is provided only on the imprisonment portion of the sentences.

Statement

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

Justice's OIG investigated 13 of the 28 cases. The investigative files did not document whether procedures were reviewed to identify internal control weaknesses. Further, there were no reports identifying internal control weaknesses. According to a Justice OIG official, no reports are required if no weaknesses are identified, and he could not determine why reports were not prepared in these cases.

Customs' Office of Internal Affairs' Internal Affairs Handbook provides for the preparation of a procedural deficiency report in those internal investigations where there was a significant failure that resulted from (1) failure to follow an established procedure, (2) lack of an established procedure, or (3) conflicting or obsolete procedures. The report is to detail the causal factors and scope of the deficiency.

We identified eight cases involving Customs employees investigated by Customs' Office of Internal Affairs. No procedural deficiency reports were prepared in these cases. Further, the investigative files did not document whether internal control weaknesses were identified. A Customs official said the reports are generally not prepared.

Although the Justice OIG and Customs' Office of Internal Affairs have lead responsibility for investigating allegations involving INS and Customs employees, the FBI is authorized to investigate INS or Customs employees. Of the 28 cases, the FBI investigated 7, involving 6 INS employees and 1 Customs employee. Under current procedures, the FBI is not required to provide the Justice OIG or Customs' Office of Internal Affairs with case information that would allow them to identify internal control weaknesses, where the FBI investigation involves an INS or Customs employee. In addition, while Attorney General memorandums require the FBI to identify and report any internal control weaknesses identified during white-collar or health care fraud investigations, a Justice Department official told us that these reporting requirements do not apply to drug-related corruption cases. According to FBI officials, no reports were prepared in the seven cases because they were not required.

Our Review of Closed Corruption Cases Revealed Internal Control Weaknesses on the Southwest Border

The Justice OIG and Customs did not identify and report any internal control weaknesses involving the procedures that were followed at the ports of entry and at Border Patrol checkpoints along the Southwest Border. Our review of the same cases identified several weaknesses.

We identified 14 cases in which INS or Customs inspectors knowingly passed drug-laden vehicles through ports of entry. Traditionally, INS and Customs have relied on internal controls to minimize this type of

Statement

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

corruption. These have included the random assignment and shifting of inspectors from one lane to another and the unannounced inspection of a group of vehicles. However, in the cases we reviewed, these internal controls did not prevent corrupt INS and Customs personnel from allowing drug-laden vehicles to enter the United States. In some cases, the inspectors communicated their lane assignment and the time they would be on duty to the drug smuggler, and in other cases, they did not. In one case, for example, an inspector used a cellular telephone to send a prearranged code to a drug smuggler's beeper to tell him which lane to use and what time to use it. In contrast, another inspector did not notify the drug smuggler concerning his lane assignment or the times he would be on duty. In that case, the drug smuggler used an individual, referred to as a spotter, to conduct surveillance of the port of entry. The spotter used a cellular telephone to contact the driver of the drug-laden vehicle to tell him which lane to drive through.

The drug smugglers' schemes succeeded in these cases because the drivers of the drug-laden vehicles could choose the lane they wanted to use for inspection purposes. These cases support the implementation of one or more methods to deprive drivers of their choice of inspection lanes at ports of entry. At the time of our review, Customs was testing a method to assign drivers to inspection lanes at ports of entry.

In 10 of 28 cases, drug smugglers relied on friendships, personal relationships, or symbols of law enforcement authority to move drug loads through a port of entry or past a Border Patrol checkpoint. In these 10 cases, drug smugglers believed that coworkers, relatives, and friends of Customs or immigration inspectors, or law enforcement officials, would not be inspected or would be given preferential treatment in the inspection process. For example, a Border Patrol agent relied on his friendships with his coworkers to avoid inspection at a Border Patrol checkpoint where he was stationed. In another case, an inspector agreed to allow her boyfriend to smuggle drugs through a port of entry. The boyfriend used his personal and intimate relationship with the inspector to solicit drug shipments from drug dealers. Two DEOs working together used INS detention buses and vans to transport drugs past a Border Patrol checkpoint. In two separate cases, former INS employees relied on friendships they had developed during their tenure with the agency to smuggle drugs through ports of entry and past Border Patrol checkpoints.

INS and Customs do not have written recusal policies concerning the performance of inspections where the relationship of immigration or Customs inspectors and Border Patrol agents to the person being

Statement

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

inspected is such that they may not objectively perform the inspection. Nor do they have a written inspection policy for law enforcement officers or their vehicles. For example, our review of the cases determined that, on numerous occasions, INS DEOs drove INS vehicles with drug loads past Border Patrol checkpoints without being inspected.

INS and Customs Have Not Evaluated Their Integrity Procedures

INS and Customs have not evaluated the effectiveness of their integrity assurance procedures to identify areas that could be improved. According to Justice OIG, INS, and Customs officials, agency integrity procedures have not been evaluated to determine if they are effective. The Acting Deputy Commissioner of Customs said that there were no evaluations of the effectiveness of Customs integrity procedures. Similarly, officials in INS' Offices of Internal Audit and Personnel Security said that there were no evaluations of the effectiveness of INS' integrity procedures. According to the Justice Inspector General, virtually no work had been done to review closed corruption cases or interview convicted employees to identify areas of vulnerability.

Based on our review, one way to evaluate the effectiveness of agency integrity procedures would be to use drug-related investigative case information. For example, the objective of background investigations or reinvestigations is to determine an individual's suitability for employment, including whether he or she has the required integrity. All 28 of the INS and Customs employees who were convicted for drug-related crimes received background investigations or reinvestigations that determined they were suitable. According to INS and Customs security officials, financial information, required to be provided by employees as part of their background investigations or reinvestigations, is to be used to determine whether they appear to be living beyond their means, or have unsatisfied debts. If either of these issues arises, it must be satisfactorily resolved before INS or Customs can determine that the employee is suitable. In addition, Justice policy provides for the temporary removal of immigration inspectors and Border Patrol agents if they are unable and/or unwilling to satisfy their debts.⁷

Our review of background investigation and reinvestigation files for convicted INS employees showed that immigration inspectors and Border Patrol agents were required to provide limited financial information on liabilities, including bankruptcies, wage garnishment, property repossession, and liens for taxes or other debts or judgements that have

⁷ Justice Department policy defines debt as "lawful financial obligations that are just debts that are past due."

Statement

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

not been paid.⁸ They were not required to provide information on their assets. In comparison, Customs inspectors and canine enforcement officers were required to provide information on both their assets and liabilities, including financial information for themselves and their immediate families on their bank accounts, automobiles, real estate, securities, safe deposit boxes, business investments, art, boats, antiques, inheritance, mortgage, and debts and obligations exceeding \$200.⁹

Our review of the 28 cases involving convicted INS and Customs employees disclosed that 26 of 28 employees were offered or received financial remuneration for their illegal acts. At least two were substantially indebted, and at least four were shown to be living beyond their means. For example, one of the closed cases we reviewed involved an immigration inspector who said he became involved with a drug smuggler because he had substantial credit card debt and was on the verge of bankruptcy. Given the limited financial information immigration inspectors are required to provide, this inspector might not have been identified as a potential risk. In another case, a mid-level Border Patrol agent owned a house valued at approximately \$200,000, an Olympic-sized swimming pool in its own separate building, a 5-car garage, 5 automobiles, 1 van, 2 boats, approximately 100 weapons, \$45,000 in treasury bills, 40 acres of land, and had no debt. Given the current background investigation or reinvestigation financial reporting requirements for Border Patrol agents, this agent would not have had anything to report, since he was not required to report his assets, and he had no debts to report.

Our review of Customs files for eight of the nine convicted Customs employees showed that the Customs inspectors and canine enforcement officers had completed financial disclosure statements that included their assets and liabilities as part of their employee background investigations and reinvestigations. However, based on our case file review, Customs does not fully use all of the financial information. For example, according to a Customs official, reported liabilities are to be compared with debts listed on a credit report to determine if all debts were reported. Thus, their current use of the reported financial information would not have helped to identify an employee who was living well beyond his means or whose debts were excessive.

⁸ Immigration inspectors and Border Patrol agents are to complete a Questionnaire for National Security Positions as part of their background investigation and reinvestigation.

⁹ Customs inspectors and canine enforcement officers are to complete a Questionnaire for Public Trust Positions and a Financial Statement on Customs Form 257 as part of their background investigation and reinvestigation.

Another source of evaluative information for INS and Customs could be the experiences of other federal agencies with integrity prevention and detection policies and procedures. For example, while INS' and Customs' procedures were similar to those used by other federal law enforcement agencies, several differences exist. According to agency officials, INS and Customs did not require advanced integrity training, polygraph examinations, or panel interviews before hiring, while the FBI, DEA, and Secret Service did have these requirements. Among the five agencies, only DEA required new employees to be assigned to a mentor to reinforce agency values and procedures. Since these policies and procedures are used by other agencies, they may be applicable to INS and Customs.

During our review, the Justice OIG, INS, the Treasury OIG, and Customs began to review their anticorruption efforts. These efforts have not been completed, and it is too early to determine what their outcomes will be.

Recommendations

Given the enormous sums of money being generated by drug trafficking and the corruption of some INS and Customs employees along the Southwest Border, both INS and Customs are vulnerable to the threat of corruption. Accordingly, we recommended that the Attorney General

- direct the Commissioner of INS to evaluate the effectiveness of integrity assurance efforts, such as training, background investigations, and reinvestigations;
- require the Commissioner of INS to comply with policies that require employment reinvestigations to be completed when they are due;
- direct the Commissioner of INS to strengthen internal controls at Southwest Border ports of entry and at Border Patrol checkpoints by establishing (1) one or more methods to deprive drivers of their choice of inspection lanes at ports of entry; (2) a policy for the inspection of law enforcement officers or their vehicles at ports of entry and Border Patrol checkpoints; and (3) a recusal policy concerning the performance of inspections by immigration inspectors and Border Patrol agents where their objectivity may be in question;
- direct the Commissioner of INS to require Border Patrol agents and immigration inspectors to file financial disclosure statements, including a listing of their assets and liabilities, as part of the background investigation or reinvestigation process, as well as fully review this information to identify financial issues, such as employees who appear to be living beyond their means;

Statement

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

-
- require the Justice OIG to document that policies and procedures were reviewed to identify internal control weaknesses in cases where an INS employee is determined to have engaged in drug-related criminal activities; and
 - require the Director of the FBI to develop a procedure to provide information from closed FBI cases, involving INS or Customs employees, to the Justice OIG or Customs' Office of Internal Affairs so they can identify and report internal control weaknesses to the responsible agency official. The procedure should apply in those cases where (1) the Justice OIG or Customs' Office of Internal Affairs was not involved in the investigation, (2) the subject of the investigation was an INS or Customs employee, and (3) the employee was convicted of a drug-related crime.

We also recommended that the Secretary of the Treasury

- direct the Commissioner of Customs to evaluate the effectiveness of integrity assurance efforts, including training, background investigations, and reinvestigations;
- require the Commissioner of Customs to comply with policies that require employment reinvestigations to be completed when they are due;
- require the Commissioner of Customs to document that policies and procedures were reviewed to identify internal control weaknesses, in cases where a Customs employee is determined to have engaged drug-related criminal activities;
- require the Commissioner of Customs to comply with the policies that require employment reinvestigations to be completed when they are due;
- require the Commissioner of Customs to document that policies and procedures were reviewed to identify internal control weaknesses in cases where a Customs employee is determined to have engaged in drug-related criminal activities;
- direct the Commissioner of Customs to strengthen internal controls at Southwest Border ports of entry by establishing (1) one or more methods to deprive drivers of their choice of inspection lanes; (2) a policy for inspection of law enforcement officers and their vehicles; and (3) a recusal policy concerning the performance of inspections by Customs inspectors where their objectivity may be in question; and

-
- require that Customs fully review financial disclosure statements, which employees are required to provide as part of the background investigation or reinvestigation process, to identify financial issues, such as employees who appear to be living beyond their means.

Agencies' Comments on Our Report

The Department of Justice generally agreed with the substance of the report and recognized the importance of taking all possible actions to reduce the potential for corruption. However, Justice expressed reservations about implementing two of the six recommendations addressed to the Attorney General.

First, Justice expressed reservations about implementing our recommendation that Border Patrol agents and immigration inspectors file financial disclosure statements as part of their background investigations or reinvestigations. Specifically, it noted that implementing financial disclosure “has obstacles to be met and at present the DOJ has limited data to suggest that they would provide better data or greater assurance of a person’s integrity.”

We recognized that implementation of this recommendation will require some administrative actions by INS. However, these actions are consistent with the routine management practices associated with making policy changes within the agency. Therefore, the obstacles do not appear to be inordinate or insurmountable. Concerning the limited data about the benefits of financial reporting, according to OPM officials and the adjudication manual for background investigations and reinvestigations, financial information can have a direct bearing and impact on determining an individual’s integrity. The circumstances described in our case studies suggest that financial reporting could have raised issues for follow-up during a background investigation or reinvestigation. We recognize that there may be questions on the effectiveness of this procedure; therefore, this report contains a recommendation for an overall evaluation of INS’ integrity assurance efforts.

Secondly, Justice expressed reservations about implementing our recommendation that the FBI develop a procedure to provide information to the Justice OIG or Customs’ Office of Internal Affairs on internal control weaknesses. Therefore, we clarified our recommendation to indicate that the procedure should only apply in those cases where (1) the Justice OIG or Customs’ Office of Internal Affairs was not involved in the investigation, (2) the subject of the investigation was an INS or Customs employee, and (3) the employee was convicted of a drug-related crime. If internal control weaknesses in INS or Customs are known to the FBI and not disclosed to

Statement

Drug Control: INS and Customs Can Do More To Prevent Drug-Related Employee Corruption

those agencies, then the agencies are not in the best position to correct the abuses.

The Department of the Treasury provided comments from Customs that generally concurred with our recommendations and indicated that it is taking steps to implement them. However, Customs requested that we reconsider our recommendation that Customs fully review financial disclosure statements that are provided as part of the background and reinvestigation process. Our recommendation expected Customs to make a more thorough examination of the financial information it collects to determine if employees appear to be living beyond their means. We leave it to Customs' discretion to determine the type of examination to be performed.

Mr. Chairman, this concludes my prepared statement. I would be pleased to answer any questions that you or other Members of the Caucus may have.

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.

Order by mail:

**U.S. General Accounting Office
P.O. Box 37050
Washington, DC 20013**

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 (202) 512-6061, or TDD (202) 512-2537.

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 touch-tone 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 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>

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

<p>Bulk Rate Postage & Fees Paid GAO Permit No. G100</p>

**Official Business
Penalty for Private Use \$300**

Address Correction Requested
