



**U.S. Department of the Interior
Office of Inspector General**

Audit Report

Administrative Functions Virgin Islands Police Department Government of the Virgin Islands



**Report No. 2002-I-0010
February 2002**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Caribbean Region
Federal Building, Room 207
St. Thomas, Virgin Islands 00802

February 13, 2002

Honorable Charles W. Turnbull
Governor of the Virgin Islands
No. 21 Kongens Gade
Charlotte Amalie, Virgin Islands 00802

Subject: Audit Report "Administrative Functions, Virgin Islands Police Department, Government of the Virgin Islands" (No. 2002-I-0010)

Dear Governor Turnbull:

This report presents the results of our audit of the administrative functions of the Virgin Islands Police Department.

Section 5(a) of the Inspector General Act (5 U.S.C. app. 3) requires the Office of Inspector General to list this report in its semiannual report to the U.S. Congress. In addition, the Office of Inspector General provides audit reports to the Congress.

Please provide a response to this report by March 29, 2002. The response should provide the information requested in Appendix 5 and should be addressed to our Caribbean Regional Office, Federal Building - Room 207, Charlotte Amalie, Virgin Islands 00802.

Sincerely,

Arnold E. van Beverhoudt, Jr.
Audit Manager, Caribbean Region

cc: Commissioner, Virgin Islands Police Department

EXECUTIVE SUMMARY

BACKGROUND

The Virgin Islands Police Department is responsible for exercising general control over the enforcement of laws relating to public safety; protecting life and property; ensuring a safe, secure environment for the citizens of the Virgin Islands; and administering the licensing of drivers and registration of motor vehicles. The Narcotic Strike Force is responsible for enforcing all drug and narcotic laws applicable to the Virgin Islands; investigating reports of alleged drug trafficking in the Virgin Islands and its territorial waters; and cooperating with Federal, local, and regional government entities engaged in the enforcement of drug and narcotic laws. The Virgin Islands Law Enforcement Planning Commission is responsible for advising and assisting the Governor in developing policies, plans, programs, and budgets for improving the effectiveness of the criminal justice system in the Virgin Islands; monitoring programs aimed at reducing crime and delinquency; rendering technical assistance to Government and private agencies relative to the criminal justice system; and administering appropriations and grants for law enforcement purposes.

OBJECTIVE

The original objective of the audit was to determine whether the Police Department (1) effectively carried out its administrative functions of personnel management, procurement, and property management and (2) used Federal funds in accordance with applicable laws and regulations. At the request of the Commissioner of Police, we expanded the audit objective to determine whether (1) the Narcotics Strike Force had an adequate system of internal controls and used available funds for intended purposes and (2) the Law Enforcement Planning Commission adequately controlled Federal grant funds distributed to Government and nonprofit agencies and complied with applicable legal requirements.

RESULTS IN BRIEF

We did not identify material weaknesses related to personnel management or procurement at the Police Department. However, internal control weaknesses were identified in the areas of property management and grant management at the Police Department, management of confidential funds at the Narcotics Strike Force, and grant management at the Law Enforcement Planning Commission. Specifically, we found that:

- " The Police Department did not have adequate controls over police firearms, 68 of which were not accounted for, and evidentiary property.
- " The Police Department did not have adequate control over Federal grants and therefore did not (1) submit all required quarterly financial reports for Federal grants received, (2) effectively use grant funds of about \$54,500 due to inadequate planning, and (3) have documentation to support grant drawdowns totaling \$240,514.
- " The Narcotics Strike Force used at least \$206,854 from a confidential account established for undercover operations for purposes that were of questionable relationship to undercover work, and a reduction of \$35,471 from the Strike Force's Forfeiture Fund was not adequately documented by the Department of Finance.
- " The Law Enforcement Planning Commission did not adequately manage Federal grants received for various law enforcement purposes because it did not (1) expend all grant funds received, (2) submit required progress and financial reports, and (3) effectively monitor compliance with grant requirements by subgrantees or evaluate the success of programs carried out by subgrantees.

RECOMMENDATIONS

We made 18 recommendations to the Governor of the Virgin Islands to address deficiencies related to the control of firearms and evidentiary property by the Police Department, the management of Federal grants by the Police Department and the Law Enforcement Planning Commission, and the management of confidential funds by the Narcotics Strike Force.

AUDITEE COMMENTS AND OFFICE OF INSPECTOR GENERAL EVALUATION

In the response to the draft report, the Commissioner of Police concurred with all 18 recommendations and detailed the corrective actions that would be taken. However, the response did not provide target dates for completing the proposed corrective actions. Therefore, based on the response, we consider 1 recommendation resolved and implemented and requested additional information for 17 recommendations.

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INTRODUCTION

BACKGROUND

The Virgin Islands Police Department was established in accordance with Title 3, Chapter 15, of the Virgin Islands Code to: exercise general control over the enforcement of laws relating to public safety; protect life and property; ensure a safe, secure environment for the citizens of the Virgin Islands; and administer the licensing of drivers and registration of motor vehicles. Executive Order No. 312-1989 restructured the Department into eight units: the Office of the Commissioner, the Police Divisions of St. Thomas/St. John and St. Croix, the Training Division, the Administrative Services Division, the Office of Highway Safety, and the Motor Pool Divisions of St. Thomas/St. John and St. Croix. The Commissioner of Police, who heads the Department, also serves as the Territory's Drug Policy Advisor. The Territorial Police Chief has the overall responsibility for and authority over all activities of the Police Division. As of March 2001, the Department had 461 police officers, 197 civilian employees, and 32 vacant budgeted positions. The Department received General Fund appropriations of \$28.7 million in fiscal year 1999 and \$27.9 million in fiscal year 2000. The Department also received Federal grants of \$3.2 million in fiscal year 1999 and \$1.9 million in fiscal year 2000.

Act No. 6306, dated November 22, 1999, placed the Narcotics Strike Force under the Virgin Islands Police Department for budgetary purposes. The Strike Force is responsible for enforcing all drug and narcotic laws applicable to the Virgin Islands; investigating reports of alleged drug trafficking or the distribution and sale of narcotics and related paraphernalia in the Virgin Islands and its territorial waters; and consulting, conferring, and cooperating with Federal, local, and regional government entities engaged in the enforcement of drug and narcotic laws. The Strike Force had 10 employees and 2 budgeted vacancies, and received General Fund appropriations of \$680,672 in fiscal year 1999 and \$689,665 in fiscal year 2000. Residual funds from the Strike Force's General Fund account were transferred annually to a special checking account to be used for confidential purposes, such as undercover operations. Additionally, funds from the forfeiture of seized property were deposited to an account administered by the Department of Finance for the purchase of law enforcement equipment.

The Virgin Islands Law Enforcement Planning Commission is responsible for advising and assisting the Governor in developing policies, plans, programs, and budgets for improving the coordination, administration, and effectiveness of the criminal justice system in the Virgin Islands; monitoring and evaluating programs and projects aimed at reducing crime and delinquency; rendering technical assistance to Government and private agencies relative to the criminal justice system; and applying for, receiving, and expending, for law enforcement purposes, appropriations or grants from the Virgin Islands Government, the Federal Government, or any other sources. The Commission had 10 employees and had operating budgets of \$469,842 in fiscal year 1999 and \$499,594 in fiscal year 2000. During the period of June 1995 to October 1999, the Law Enforcement Planning Commission received 33 grants totaling \$17 million. Grants totaling \$15 million were subgranted to Governmental and nonprofit agencies.

OBJECTIVES AND SCOPE

The original objective of the audit was to determine whether the Police Department (1) effectively carried out its administrative functions of personnel management, procurement, and property management and (2) used Federal funds in accordance with applicable laws and regulations. At the request of the Commissioner of Police, we expanded the audit objective to determine whether (1) the Narcotics Strike Force had an adequate system of internal controls and used available funds for intended purposes and (2) the Law Enforcement Planning Commission adequately controlled Federal grant funds distributed to Government and nonprofit agencies and complied with applicable legal requirements.

To accomplish the audit objective, we reviewed records at the Police Department related to internal procedures, training, control of firearms and evidentiary property, payroll, and grant management; at the Narcotics Strike Force related to the management of General Fund accounts, confidential funds, and the Forfeiture Fund; and at the Law Enforcement Planning Commission related to the management of Federal grant funds. The audit was conducted from December 2000 through July 2001 at the offices of the Police Department, the Narcotics Strike Force, the Law Enforcement Planning Commission, the Department of Finance, and Federal Bureau of Investigations on St. Thomas.

Our audit was conducted in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances. The "Standards" require that we obtain sufficient, competent, and relevant evidence to afford a reasonable basis for our findings and conclusions.

As part of our audit, we evaluated the internal controls at the Police Department, the Narcotics Strike Force, and the Law Enforcement Planning Commission to the extent we considered necessary to accomplish the audit objectives. We did not identify any material weaknesses related to personnel management or procurement at the Police Department. However, internal control weaknesses were identified in the areas of property management and grant management at the Police Department, management of confidential funds at the Narcotics Strike Force, and grant management at the Law Enforcement Planning Commission. These weaknesses are discussed in the Results of Audit section of this report. The recommendations, if implemented, should improve the internal controls in these areas.

PRIOR AUDIT COVERAGE

The Office of Inspector General has not issued any audit reports on the Police Department, the Narcotics Strike Force, or the Law Enforcement Planning Commission during the past 5 years. However, in January 1994, the Office of Inspector General issued two audit reports related to the operations of the Police Department (see Appendix 3).

RESULTS OF AUDIT

OVERVIEW

We did not identify material weaknesses related to personnel management or procurement at the Police Department. However, internal control weaknesses were identified in the areas of property management and grant management at the Police Department, management of confidential funds at the Narcotics Strike Force, and grant management at the Law Enforcement Planning Commission. Specifically, we found that:

- " The Police Department did not have adequate controls over police firearms, 68 of which were not accounted for, and evidentiary property.
- " The Police Department did not have adequate control over Federal grants and therefore did not (1) submit all required quarterly financial reports for Federal grants received, (2) effectively use grant funds of about \$54,500 due to inadequate planning, and (3) have documentation to support grant drawdowns totaling \$240,514.
- " The Narcotics Strike Force used at least \$206,854 from a confidential account established for undercover operations for purposes that were of questionable relationship to undercover work, and a reduction of \$35,471 from the Strike Force's Forfeiture Fund was not adequately documented by the Department of Finance.
- " The Law Enforcement Planning Commission did not adequately manage Federal grants received for various law enforcement purposes because it did not (1) expend all grant funds received, (2) submit required progress and financial reports, and (3) effectively monitor compliance with grant requirements by subgrantees or evaluate the success of programs carried out by subgrantees.

PROPERTY MANAGEMENT

The Police Department was responsible for controlling and securing Government-owned items issued to police officers and evidentiary property confiscated from individuals involved in criminal activities. We found that the controls over such items were inadequate. As a result, (1) police officers did not return 34 police firearms and 22 uniforms and/or accessories (such as

police badges and handcuffs) when they retired or resigned from the police service, (2) 33 additional police firearms could not be accounted for, and (3) another police firearm issued for the use of a former Governor was not returned to the Police Department. Four of the 33 firearms that could not be accounted for were later recovered when they were used by third parties in the commission of crimes. We also found that, on St. Thomas, 19 of 55 items of evidentiary property tested, including 14 weapons, could not be located.

68 Police Firearms and Other Police Accessories Were Not Accounted For

The Police Department issued to each police officer uniforms, uniform accessories (such as a police badge and handcuffs), and a firearm. The Inventory Control Officer at each police district was to maintain a record of the non-firearm items issued to and returned by each officer. The Department's training academy was responsible for the issuance of the service firearms, and each firearm was to be returned to that unit upon the retirement or resignation of each officer. Section 5.9.3 of the Police Manual lists the specific items that should be returned to the Department following temporary or permanent separation, and Section 5.9.1 states that departmental personnel are responsible for the safeguarding and proper operation of property issued to or placed in their custody. We found that police personnel did not always comply with these requirements.

In the St. Croix district, police officers on temporary separation from the Department turned their weapons in to the property clerk instead of to the training academy. Information on the status of the weapons was not communicated to the training academy until the firearms were turned over from the property clerk up to several years later. During our review, we found that 22 police firearms were being held in the property room and that the responsible official was not aware that these weapons were being held there. Weapons maintained in the training academy's armory room on St. Croix also were not adequately controlled. For example, firearms and ammunition were not secured in lockers, but were stored on open shelves on one side of the room, with privately-owned weapons held by the Department being stored on open shelves on the other side of the room. The key to the room was kept in a desk drawer. Further, neither the St. Thomas nor St. Croix district maintained complete inventories of the firearms. At the time of our review, the responsible official tried to update the firearms inventory by

requesting that each division or unit head provide a list of firearms assigned to personnel of each unit. As a result of the poor controls, we identified at least 68 police firearms (Appendix 2) that were unaccounted for, as follows:

- A total of 34 firearms (3 on St. Thomas and 31 on St. Croix) were not returned to the Department by police officers who had retired or resigned. Similarly, 22 officers (11 on St. Thomas and 11 on St. Croix) did not return other departmental property, such as uniforms, badges, and handcuffs.

- On St. Thomas, 19 other police firearms were unaccounted for. These weapons had been used by the officers in the line of duty. However, they were not returned to the armory, and training academy personnel did not know where the weapons were.

- Also on St. Thomas, six firearms were reported lost and eight firearms were reported stolen by police officers. Of these 14 weapons, four were later recovered by the forensics unit after they had been used by third parties in the commission of crimes.

- Lastly, training personnel on St. Thomas had issued a firearm to a police officer for transfer to a former Governor. This firearm was never returned to the armory.

The Department should conduct a complete physical inventory of all police firearms, establish complete and accurate property records for the firearms based on the physical inventory, implement and strictly enforce property control procedures to control the movement of firearms among Department personnel, and ensure that firearms that are not assigned to specific personnel are maintained under tight physical security. Additionally, all Departmental personnel should be held strictly accountable for the disposition of firearms assigned to them.

Evidentiary Property Was Also Not Properly Controlled

The Police Department routinely obtained evidentiary property, including firearms, knives, household items, clothing, money, and drugs, confiscated from individuals arrested for involvement in criminal activities. Although Section 6.1 of the Police Manual states that all evidentiary property should be carefully collected, preserved, and protected, this was not always being done. Clerks assigned to the property rooms in the St. Thomas and St. Croix

districts did not maintain complete and accurate inventories of property in their custody. Similarly, the forensics unit did not have complete records of weapons collected and tested.

Although each district had its own property room for the security of evidentiary property, there was little uniformity in the operations of both property rooms. For example, the St. Croix district had a property clerk and an alternate who worked a total of 16 consecutive hours daily. In contrast, in the St. Thomas district the property clerk and alternate both worked the same 8-hour shift. Additionally, in the St. Croix district, the clerks performed all duties related to the disposal of property, while in the St. Thomas district, property was not being disposed of once its need for evidentiary purposes had been fulfilled.

We also found that the property room in the St. Thomas district was in very poor condition. It was located in an abandoned building that formerly served as the main police station in the downtown area. The property room was very overcrowded, with items stacked on the floor, in the hallways, and on the property clerk's desk. The overcrowded condition was the result of evidentiary property not having been disposed of for several years. Although a new facility for the storage of evidentiary property was included in the refurbished Alexander Farrelly Criminal Justice Center, as of June 30, 2001, the property storage space was not ready for occupancy. One section of the room was fitted with open cubicles for smaller items, but another room still had to be set up for the storage of firearms. In June 2001, the Police Department sent an Invitation for Bids to the Department of Property and Procurement for acquisition of construction services to complete the storage area.

Because working lockers were not available in the St. Thomas district for the security of items during hours when the property room was closed, police officers who collected evidentiary property after 4:00 p.m. held such property, sometimes for a period of up to 8 months, before turning it over to the property clerk. For example, a police officer arrested a suspect on October 13, 2000 but held property belonging to the suspect in a desk until June 26, 2001, when it was finally transferred to the custody of the property clerk. This was a direct violation of Section 6.2.4 of the Police Manual, which states that under no circumstances will property be personally kept by an employee beyond his tour of duty.

We further found that custody records for evidentiary property were not always properly maintained. According to established procedures, each item delivered to the property room should be documented by a Record of Property Received form. In the St. Croix district, the prenumbered forms were issued in numerical sequence and used by the property clerk to list the items in a log book. Activities involving the items (such as transferring an item to the forensics unit and later back to the property room) were listed on the form and in the log book. However, the property clerk did not maintain a complete inventory of all evidentiary items held in the property room, as was required by Section 6.2.5.7b of the Police Manual. In the St. Thomas district, the Record of Property Received forms were issued to other units. For example, the Forensics Unit used the prenumbered forms to assign a receipt number to weapons collected and processed. But some of these items with property record numbers were never transferred to the custody of the property room. Additionally, the responsible official in the St. Thomas district only had a partial, inaccurate inventory list of evidentiary items in the property room.

To test the accountability for evidentiary property, we reviewed a sample of 92 items, 37 on St. Croix and 55 on St. Thomas. All items in the St. Croix district were located and accounted for. But in the St. Thomas district, 19 items, including 14 firearms, were not found.

The Forensics Unit also did not have adequate control over evidentiary property, particularly firearms, in its custody. The Forensics Unit used log books to list all weapons tested and evidence sent to the Federal Bureau of Investigation Crime Lab. However, information in the logs was not standardized and varied depending on the officer who recorded the information. Although each entry was listed with a numeric ballistic number, there was no system in place to compile an inventory, locate a specific firearm, or determine the status of a case.

During March 2001, procedures were compiled by the Police Department for the control and disposal of evidentiary property, police firearms, and firearms left with the Department by citizens for safe-keeping. However, funding was not budgeted for the implementation of these procedures.

At the October 2, 2001 exit conference on the preliminary draft of this report, the Police Commissioner stated that work had begun to inventory the property stored at the property room on St. Thomas and to complete renovations to the proposed property room at the Alexander Farrelly Justice Complex so that the evidentiary property could be moved to the Complex.

FEDERAL GRANT MANAGEMENT

During the period of June 1996 to September 2001, the Police Department received 24 grants totaling \$4.9 million from U.S. Department of Justice as a subgrantee of the Law Enforcement Planning Commission. Additionally, the Police Department directly received 15 grants totaling \$10.7 million from the U.S. Department of Justice, 2 grants totaling \$2.3 million from the U.S. Department of the Interior, and 2 grants totaling \$40,000 from the U.S. Department of Health and Human Services. Our review disclosed that the Police Department did not submit all of the required quarterly financial reports and did not effectively use about \$54,500 due to inadequate planning. Additionally, the Department of Finance did not always record grant drawdowns in the Government's financial management system, and the Police Department did not have documentation to support drawdowns totaling \$240,514.

Required Financial Reports Were Not Always Timely or Accurate

Each grant received by the Police Department was assigned to a program director based on the purpose of the grant. Each program director was responsible for managing the grant program, identifying program needs, and preparing required progress reports. The Department's accounting division was responsible for preparing required quarterly financial reports.

The Department's Director of Administrative and Support Services prepared for the Commissioner of Police internal monthly reports on grant activity. To determine whether Federal grant reporting requirements were being met, we reviewed the financial and progress reports, through September 2000, for 16 of the 38 grants listed in the internal monthly reports. We found that quarterly financial reports were not submitted for five grants and, therefore, the grant account balances could not be determined for these five grants. This problem occurred because untrained accounting personnel in the St. Thomas district believed that the program directors were required to prepare the financial reports. As a result, for subgrants received through the

Law Enforcement Planning Commission, Commission personnel prepared the required reports using expenditure information contained in the Government's financial management system.

We also found that a total of 22 required quarterly reports were not prepared for the Department of Interior Crime Prevention and Control Initiative Grant, which was awarded to the Department in March 1995. Additionally, three of four quarterly reports reviewed for the Department of Interior Hazard Mitigation Grant were incorrect. For example, the cumulative balance shown on the quarterly report for the period ended March 31, 1999 was not included in the report for the period ended June 30, 1999. Further, for this grant, the internal monthly report for February 2001 showed an available balance of \$0, although the correct grant balance should have been \$339,493.

**Grant Funds of \$54,500
Were Not Used Effectively**

A grant of \$200,000 was awarded to the Department in September 2000 for the purchase of bullet proof vests for police officers. On September 30, 2000, 500 vests were ordered at a total cost of \$199,750. However, correct measurements for the female officers had not been provided to the vendor, and some of the vests for the male officers were also of the wrong size. As a result, 200 vests were unusable. However, the vendor accepted the return of only 96 vests of the 200 vests and at a restocking cost of 25 per cent of the original purchase price. The remaining 104 vests were given to other law enforcement agencies. As a result of poor planning, the Department did not effectively use \$54,500 of the \$200,000 grant.

**Grant Drawdowns Were
Not Properly Recorded**

Drawdowns of grant funds were made through electronic fund transfers from the grantor to the appropriate bank account. However, in order for the amount of the drawdowns to be recorded in the appropriate account in the Government's financial management system, personnel at the Department of Finance had to prepare Statements of Remittance to initiate the postings to the financial management system. We found that Statements of Remittance had not been prepared and processed by the Department of Finance for 24 drawdowns totaling \$1.9 million that were made by the Police Department during fiscal years 1999 and 2000. In addition, we could not find documentation at the Police Department to support 6 other

drawdowns totaling \$240,514 that were made during fiscal years 1999 and 2000.

NARCOTICS STRIKE FORCE OPERATIONS

During the period of February 1995 to June 2000, a total of \$572,000 was deposited into a special bank account for confidential and undercover operations of the Narcotics Strike Force. We found that at least \$206,854 was expended from that account for purposes that were of questionable relationship to undercover operations. Specifically, (1) \$149,790 was used by a former Strike Force official and by a former Director of the agency for the rental of residential properties on all three islands; (2) \$27,209 was used by top agency officials for communication services; (3) \$2,165 was used to pay for vehicle repairs, of which \$1,500 should have been reimbursed by an agency employee; (4) \$10,900 was paid to a former Strike Force official for undocumented expenses; (5) \$11,790 was used by the same former Strike Force official to pay two personal associates for undocumented services; and (6) \$5,000 was paid as a loan to the Police Department, of which \$350 was still owed. In addition, a reduction of \$35,471 from the Strike Force's Forfeiture Fund was not adequately documented by the Department of Finance. Further, the Strike Force took no action to recover \$22,000 for an official vehicle that was destroyed in an accident with a vehicle driven by a intoxicated, off-duty police officer

Confidential Funds Totaling \$206,854 Were Used for Questionable Purposes

At least \$206,854 was expended from the Narcotic Strike Force's confidential account for purposes that may not have been related to undercover operations, as follows:

- \$81,584 was paid for the rental of residential property on St. Thomas during the periods of May 1995 to July 1996, August 1996 to July 1997, and May 1998 to April 1999. This included two 1-year leases for rental property at a monthly rental cost of \$2,000. Although these rentals were officially classified as being for undercover operations, we were told by a Strike Force official that the properties were used as the residences of former Drug Policy Advisors.

- \$58,206 was paid for the rental of residential property on St. Croix during periods prior to June 1995 and from December 1995 to December 1998. In one case, a 6-month lease was negotiated by a former Strike Force official at a monthly

rental cost of \$950 plus utilities. A notation in the confidential account's checkbook listed a \$2,400 rental payment as being for "VIPD witness - security," which may not have been a Strike Force matter.

- \$10,000 was paid for the rental of residential property on St. John from the relative of a police official during the period of December 1995 to July 1996. Although these rentals were officially classified as being for undercover operations, Strike Force personnel told us that the residence was used as a "vacation home" for agency officials.

- \$27,209 was used for communication services, although such costs were not designated as approved uses in the written procedures for the confidential account. The communication costs included regular telephone, cellular phone, beeper, and internet service, as well as the purchase of phones and beepers. We found, for example, that seven Strike Force officials had a total of 10 cellular phones among them, with three persons each having two cellular phones.

- \$2,165 was used for repairs to two vehicles. On February 16, 1996, \$465 was paid to an individual for repair to one car. In July 1995, payments of \$1,500 (on July 13) and \$200 (July 28) were made to a body shop for repairs to another car damaged by a Strike Force official. A notation in the confidential account checkbook stated that the Strike Force official was to reimburse the account for the \$1,700. However, he only repaid \$200, leaving a balance of \$1,500 still due. Vehicle repairs were not authorized uses of the confidential account.

- \$22,690 was paid to a Strike Force official and two associates for undocumented purposes. During the period of December 22, 1999 to March 17, 2000, the Strike Force official received \$5,100 in cash and \$5,800 in checks from the confidential account. The account's checkbook listed the cash payments as "expense money," with no other explanation. The former Strike Force official was not trained to perform undercover work and there were no documented reports to justify the payment of these funds. In addition, during the period of April to July 2000, the Strike Force official paid a total of \$11,790 to two individuals, one being a relative, for undercover

work. These individuals did not follow the established procedures for informants, were not government employees, and were not trained for undercover work. However, they received Government funds from the confidential account and were allowed to operate Government-owned vehicles during and after office hours. We found no documentation as to what services they might have provided to the Strike Force.

- A loan of \$5,000 from the confidential account was given to the Police Department on June 15, 1994. We found that a credit of \$4,650 was posted to the account's checkbook on November 6, 1995, and the entry carried the notation "reimbursement from VIPD." We were unable to determine the purpose of the loan or whether the remaining \$350 was repaid.

**\$35,471 from the
Forfeiture Fund Was Not
Accounted For**

The Forfeiture Fund, which was administered by the Department of Finance had a negative balance of \$8,565 as of September 2000. Financial records from the Department of Finance revealed that in fiscal year 1996, \$33,353 was credited to the Fund, but in fiscal year 1997, \$35,471 was deducted from the Fund as a budget adjustment. Narcotics Strike Force officials said that these funds were not used by the agency. We could not locate source documents at the Department of Finance to explain the reason for the \$35,471 budget adjustment.

**A \$22,000 Strike Force
Vehicle Was Destroyed**

On August 20, 1999, the Narcotics Strike Force received five new vehicles (Chevrolet Blazers) purchased with funds from the 1998 Law Enforcement Block Grant. About 3 1/2 months later, on December 4, 1999, one of the vehicles, driven by a Narcotics Strike Force agent, was involved in an accident. The police report on the accident stated that the other vehicle was being driven by an off-duty police officer who was intoxicated and traveled into the wrong side of the road, causing the accident. The \$22,000 vehicle was a total loss, but no action for restitution was taken against the negligent police officer. The damaged vehicle was not replaced, and was being cannibalized for parts for other Strike Force and police vehicles.

LAW ENFORCEMENT PLANNING COMMISSION OPERATIONS

During fiscal years 1995 to 2001, the Law Enforcement Planning Commission received 33 grants totaling \$17 million from the U.S. Department of Justice. The purpose of the grants was to assist the territory in programs related to juvenile justice and delinquency prevention, violence against women, victims of crime, crime prevention, justice assistance, and crime act corrections. However, we found that the Commission did not adequately manage these grants. Specifically, the Commission did not (1) effectively expend all grant funds received, (2) submit required progress and financial reports, and (3) effectively monitor compliance with grant requirements by subgrantees or evaluate the success of programs carried out by subgrantees. In addition, the Commission did not maximize interest earned on a law enforcement block grant and the Commission did not have a supervisory board or career employees.

Grant Funds of About \$2.33 Million Were Not Used Effectively

Grants to the Law Enforcement Planning Commission were awarded for a 3-year period with the option to renew for an additional 2 years. However, we found that, for 16 grants for fiscal years 1995 to 1998 that had been closed out, a total of \$949,019 had not been drawn down and used for the intended law enforcement purposes. For example, as of March 2001, \$111,741 from a 1996 grant (No. 96-WF-NX-0078) had not been used and \$391,901 from a 1997 grant (No. 97-DB-MU-0078) had not been used. Additionally, in a letter dated May 24, 2000, the U.S. Department of Justice stated that unused balances on the Byrne Formula Grant Program from fiscal years 1992 to 1996 totaled \$1,382,500. Considering that nonprofit organizations and other potential subgrantees needed funds to effectively carry out programs related to law enforcement, the Commission should have made greater efforts to use all available grant funds.

Required Progress and Financial Reports Were Not Always Submitted

The Law Enforcement Planning Commission's Program Directors did not comply with all Federal grant reporting requirements. The Program Director for Juvenile Justice Programs was required to submit annual performance reports by June 31 of each year, but we found only one such report -- for the period of January to December 1994. The Director of Victims Witness Services was required to submit annual performance reports within 45 days after the expiration of the grant periods, but we found no such reports. The Director of

Financial Management Services was required to submit quarterly financial status reports within 45 days after the end of each quarter. We reviewed 12 financial reports submitted by this Director and found that they were prepared accurately, but were submitted after the required due dates.

In a January 26, 2001 letter to the Drug Policy Advisor, the Acting Assistant Attorney General of the United States stated that she had concerns about the late submission or absence of required grant reports, the inability to expend grant funds within grant periods and extended grant periods, and the absence of single audits. The Acting Assistant Attorney General also expressed concern about the lack of adequate planning, control, and management of Federal funds aggravated by the absence of permanent management staff to oversee the programmatic and financial administration of the grant funds.

Evaluation and Monitoring of Subgrantee Programs Was Not Performed

The Law Enforcement Planning Commission's December 1998 State Annual Report for its Federally-funded programs stated that funds had not been set aside for the evaluation of programs administered by subgrantees, but that evaluations of some programs would begin in 2000. Commission personnel also told us that an outside contractor would be hired to perform grantee program evaluations during 2001. However, as of June 2001, none of the subgrantee programs had been evaluated to assess their effectiveness.

The Commission also did not adequately monitor the compliance of subgrantees with Federal program requirements. One of the Commission's Program Directors told us that time was not available to make site visits to subgrantees and therefore monitored the subgrantees through telephone calls. However, none of these telephone monitoring calls were documented. Additionally, although the Director of the Juvenile Justice Program had prepared a detailed schedule for site visits to subgrantees during fiscal year 2000, we found no documentation to show that the scheduled site visits had ever been performed.

We also reviewed the files for a sample of 33 subgrantees to determine whether they had complied with the subgrant reporting requirements. We found that of 185 financial and programmatic reports that should have been filed by the 33 subgrantees, 116 financial reports and 72 program progress

reports were not submitted by the required deadlines. These reports were received by the Commission from 2 to 227 days after the due dates. We also found that subgrantees did not submit 38 financial and 95 program progress reports. We further could not determine the dates when 12 more financial reports and 7 program progress reports were submitted to the Commission. Therefore, only 19 of 185 financial reports and 11 of 185 program progress reports were submitted by the due dates.

Potential Interest Income of About \$133,088 Was Not Maximized

Program regulations allowed the Law Enforcement Planning Commission to draw down the entire amount of the annual Local Law Enforcement Block Grant, which totaled \$1.2 million in fiscal year 1998 and \$1.1 million in fiscal year 1999. The block grant funds were to be deposited into an interest-bearing statement savings account controlled by the Department of Finance. The Commission was allowed to use interest earned on the block grant funds deposited in the saving account and report on its use on a quarterly basis. When funds were needed by the Commission for program expenditures, the funds were to be transferred by the Department of Finance from the savings account to a checking account called the Federal Funds Depository Account.

Our review disclosed that, although the 1998 block grant funds were deposited to the savings account, the 1999 funds were not. Additionally, when the final 1998 drawdown of \$199,352 was requested, the funds were paid from the Federal Depository account without drawing from the savings account. As a result, interest continued to accumulate and, as of May 8, 2001, unused interest income of \$83,388 had to be paid over to the U.S. Department of the Justice. Additionally, potential interest income of at least \$49,700 was not earned because the fiscal year 1999 block grant was not deposited into the interest-bearing savings account.

A Supervisory Board Had Not Been Appointed for the Commission

The Virgin Islands Code (3 V.I.C. § 261(b)(1) and § 261(d)(1)) provides that the Governor shall appoint an advisory group for the Law Enforcement Planning Commission that will also serve as a supervisory board responsible for programs under the Federal Juvenile Justice and Delinquency Prevention Act of 1974. According to the Code (3 V.I.C. § 261(c)(1)), members of the supervisory board are to serve 4-year terms. However, we

found that the terms of appointment for 8 members of the advisory group/supervisory board expired on March 31, 1996 and the terms of the remaining 10 members term expired on December 7, 1997. No new members have since been appointed to the advisory group/supervisory board, and its last meeting was held on December 9, 1993. On February 6, 2001, the Commission's grant administrator wrote to the Governor requesting that new members be appointed to the advisory group/supervisory board.

**Commission Employees
Did Not Have Career
Status**

Although the Virgin Islands Code (3 V.I.C. § 261(d)(4) states that all employees of the Law Enforcement Planning Commission, except the Administrator, should be career employees, only 3 of the 10 employees held career status. Many of the exempt employees were allowed to set their own salaries, which were paid from Federal grant funds. Some of the exempt employees did not have job descriptions and others were not performing tasks based on existing job descriptions. We believe that the lack of personnel management standards within the Commission contributed to the internal control weaknesses disclosed by our review.

RECOMMENDATIONS

TO THE GOVERNOR OF THE VIRGIN ISLANDS

We recommend that the Governor of the Virgin Islands direct the Commissioner of Police to:

1. Establish and strictly enforce procedures for the control of police firearms to include: the immediate conduct of a complete physical inventory of police firearms, the subsequent conduct of physical inventories of police firearms at least every 6 months, the establishment of complete and accurate property control records for police firearms based on the physical inventories, provisions for the physical security and control of police firearms not assigned to specific Department personnel, and procedures to hold Department personnel strictly accountable for the security and disposition of firearms assigned to them.
2. Enforce procedures contained in Section 5.9 of the Police Manual that require Department personnel to return firearms and other departmental property assigned to them upon temporary or permanent separation from the Department.
3. Provide the Training Division with the staff and other resources needed to implement and enforce the recommended procedures for the control and disposal of police firearms.
4. Establish and strictly enforce procedures for the control of evidentiary property held by the Department to include: the immediate conduct of a complete physical inventory of evidentiary property, the subsequent conduct of physical inventories at least every 12 months, the establishment of complete and accurate property control records for evidentiary property based on the physical inventories, provisions for the physical security and control of evidentiary property, and provisions for the disposal of evidentiary property that is no longer needed for criminal cases that have been closed.
5. Provide the staffing and other resources necessary for the Department's property clerks to implement and enforce the recommended procedures for the control of evidentiary property.

6. Request the cooperation of the Virgin Islands Department of Justice by providing the Police Department with quarterly reports on the disposition of cases involving evidentiary property under the custody of the Police Department so that the Police Department can be alerted as to when evidentiary property related to closed cases can be disposed of.

7. Expedite the completion of construction work at the property room in the refurbished Richard Callwood Command to facilitate the transfer of evidentiary property to the new facility.

8. Establish and strictly enforce procedures for the transfer of evidentiary property between the Department's property rooms and the Forensics Unit, including procedures for securing and controlling evidentiary property in the custody of the Forensics Unit.

9. Coordinate with the Virgin Islands Training Initiative of the Division of Personnel to provide training in Federal grant management to all personnel of the Police Department, including the Narcotics Strike Force and the Law Enforcement Planning Commission, who have duties related to Federal grants. This training should include coverage of financial and programmatic reporting requirements.

10. Require that grant program managers in the Police Department, including the Narcotics Strike Force and the Law Enforcement Planning Commission, prepare and submit financial and programmatic reports to the appropriate Federal grantor agencies within the required reporting deadlines.

11. Establish and strictly enforce policies and procedures regarding the types of expenses that can be paid from the Narcotics Strike Force's confidential account, and take action to recover amounts that may have been improperly charged against the confidential account.

12. Investigate the possibility of recovering, from the police officer or his insurance company, the amount of the loss incurred by the Narcotics Strike Force when a Federally-funded vehicle was destroyed in a traffic accident involving an intoxicated, off-duty police officer.

13. Require that Federal program directors of the Law Enforcement Planning Commission perform and fully document periodic on-site monitoring of all subgrantees to ensure that the subgrantees are effectively carrying out Federally-funded programs, properly accounting for Federal subgrants received, and submitting complete and accurate financial and programmatic reports within required deadlines.

14. Take appropriate action to convert exempt employees of the Law Enforcement Planning Commission to career status and ensure that all employees have a complete and accurate job description for their respective positions.

We also recommend that the Governor of the Virgin Islands direct the Commissioner of Finance to:

15. Take appropriate action to ensure that funds drawn down against the Local Law Enforcement Block Grants are deposited to interest-bearing savings accounts, as required by the grant provisions, and used for allowable grant purposes.

16. Provide the Commissioner of Police with an accounting of the reasons for the reduction of \$35,471 made against the Narcotics Strike Force's Forfeiture Fund.

17. Prepare and process Statements of Remittances to record in the Government's financial management system all drawdowns of Federal grant funds made by the Police Department, including the Narcotics Strike Force and the Law Enforcement Planning Commission.

We further recommend that the Governor of the Virgin Islands:

18. Promptly appoint members to the advisory group/supervisory board for the Law Enforcement Planning Commission in accordance with the Virgin Islands Code (3 V.I.C. § 261).

AUDITEE RESPONSE

The December 3, 2001 response (Appendix 4) to the draft report from the Governor of the Virgin Islands transmitted a detailed response from the Commissioner of Police. The Commissioner's response expressed concurrence with all 18 recommendations and detailed the corrective actions that would be taken. However, the response did not provide target dates for completing the proposed corrective actions.

**OFFICE OF
INSPECTOR
GENERAL REPLY**

Based on the response, we consider Recommendation 10 resolved and implemented and requested additional information for Recommendations 1 through 9 and 11 through 18 (see Appendix 5).

APPENDIX 1 - MONETARY IMPACT

FINDING AREAS

	<u>Questioned Costs</u>		<u>Unrealized Revenues</u>	<u>Funds To Be Put To Better Use</u>
	<u>Unsupported Costs</u>	<u>Cost Exceptions</u>		
Federal Grant Management				
Grants Not Used Effectively				\$54,500*
Drawdowns Not Supported	\$240,514*			
Narcotics Strike Force				
Expenditures Questioned		\$206,854		
Funds Not Accounted For	35,471			
Vehicle Destroyed			\$22,000*	
Law Enforcement Planning Commission				
Grants Not Used Effectively				2,331,519*
Interest Not Maximized			49,700*	83,388*
Totals	<u>\$275,985</u>	<u>\$206,854</u>	<u>\$71,700</u>	<u>\$2,469,407</u>

Amounts represent local funds unless otherwise indicated.

* These amounts represent Federal funds.

APPENDIX 2 - UNACCOUNTED FIREARMS

ST. THOMAS/

ST. JOHN DISTRICT

Serial No.	Serial No.	Serial No.
1. AVG230	14. MV130	27. MV974
2. AZG226	15. MV135	28. MV980
3. FU226	16. MV168	29. MV988
4. KY414	17. MV169	30. TY279*
5. ME252	18. MV171	31. TY400
6. ME256	19. MV179	32. TY789
7. ME257	20. MV180	33. TY792
8. ME263	21. MV192	34. TY793
9. ME267	22. MV195	35. TY962
10. ME271	23. MV941	36. TY967
11. ME296	24. MV959	37. TY975
12. MV118	25. MV964	
13. MV126	26. MV967	

ST. CROIX DISTRICT

Serial No.	Serial No.	Serial No.
1. AZG651	12. MV842*	23. NX701
2. ME205	13. MV863	24. NX704
3. ME214*	14. MV871*	25. NX705
4. ME215*	15. MV916*	26. TY704*
5. ME217* +	16. MV929*	27. TY711
6. ME219	17. MV932*	28. TY713*
7. ME232*	18. MV938	29. TY717
8. ME236	19. MV992	30. TY721*
9. ME240	20. MV993*	31. TY724
10. ME248	21. NL191	
11. MV800*	22. NL192	

* These firearms were listed as unaccounted for in the 1994 audit report "Selected Property Management Functions, Police Department, Government of the Virgin Islands" (No. 94-I-248).

+ Firearm no. ME217 was located by Police officials subsequent to the completion of our audit.

APPENDIX 3 - PRIOR AUDIT REPORTS

OFFICE OF INSPECTOR GENERAL REPORTS

The January 1994 audit report "Selected Personnel Management Functions, Police Department" (No. 94-I-239) stated that the Police Department did not ensure that all police officers attended and satisfactorily completed the 80 hours of annual in-service training and recertification in the use of firearms required by the Police Manual. Additionally, the report stated that the Department did not have standardized procedures for recording police officer's time and attendance and, as a result, time and attendance for St. Croix police officers was not adequately controlled.

The January 1994 audit report "Selected Property Management Functions, Police Department" (No. 94-I-248) stated that the Police Department did not adequately control firearms and confiscated property. Four service firearms that were lost or stolen from police officers were subsequently used in the commission of crimes, and one of four service firearms loaned to a private security guard company was later confiscated by police officers from an unlicensed individual. Additionally, because control over confiscated property was lax, hundreds of items, including firearms, audiovisual equipment, cash, narcotics, and other evidentiary material, were subject to loss or theft. At least 2 of 34 firearms that were missing from the Department's Forensics Unit were later identified as having been used in subsequent crimes. The report also stated that the Department did not adequately maintain the Criminal Justice Complex on St. Thomas. Therefore, the building was vacated, resulting in Police Department employees being given administrative time off at a cost to the Government of \$263,000 and the Department having to rent alternate office space at an annual rental cost of \$142,000. Our current review found that the Police Department did not implement or enforce procedures for the control and security of firearms and evidentiary property and, therefore, the related deficiencies disclosed by the prior reports still existed.

APPENDIX 4 - RESPONSE TO DRAFT REPORT



THE UNITED STATES VIRGIN ISLANDS

OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE

Charlotte Amalie, V.I. 00802
340-774-0001

December 3, 2001

Mr. Arnold VanBeverhoudt
Audit Manager for Insular Affairs
Caribbean Regional Office
Federal Building Rm. 207
St. Thomas, V.I. 00802

Dear Mr. VanBeverhodt:

Attached is the Virgin Islands Police Department/Law Enforcement Planning Commission (LEPC) response to the Draft Audit Report No. V-IN-VIS-01-M.

The Draft Audit Report sites seventeen (17) specific recommendations. The Virgin Islands Police Department (VIPD) concurs with all (17) recommendations and has provided in their response corrective actions. This Draft Audit Report has provided meaningful insight where deficiencies can severely impair the effectiveness of the VIPD and LEPC. The corrective actions that have been provided will help to rectify most of the recommendations stated. The matter of the system for collections, preservations, maintenance, and disposal of evidence is more complex and will require additional time and resources.

I thank you for the efforts of your agency in providing meaningful information.

If you require additional information, please contact Mr. Alric Simmonds of my staff at 693-4315.

Sincerely,

A handwritten signature in cursive script that reads "Charles W. Turnbull".

Charles W. Turnbull
Governor

***RESPONSE TO DRAFT AUDIT REPORT
V. I. POLICE DEPARTMENT
LAW ENFORCEMENT PLANNING COMMISSION
NARCOTICS STRIKE FORCE***

***Honorable Franz A. Christian, Sr.
Police Commissioner/Drug Policy Advisor***

**“Draft Audit Report” Administrative Functions, Virgin Islands
Police Department, Government of the Virgin Islands
(Assignment No. V-IN-VIS-01-M)**

According to the Audit Report there were three major administrative functional areas were identified as having internal control weaknesses: the areas of property management and grant management within the V. I. Police Department; the management of confidential funds at the Narcotics Strike Force and the grant management at the Law Enforcement Planning Commission.

Specifically, the report concluded that the V. I. Police Department did not have adequate control over firearms and evidentiary property. Additionally, the Police Department did not exercise appropriate control over the expenditure of federal grant monies; nor did they submit the required quarterly reports for the federal grants that were received; nor did they efficiently use \$54,500.00 of federal funds; and nor have they properly documented grant draw downs amounting to \$240,514. The Narcotics Strike Force expended funds from a confidential account, particularly, for undercover operations that have been deemed questionable. The Department of Finance did not adequately document a reduction of \$35,471 from the Strike Force’s Forfeiture Fund.

The Law Enforcement Planning Commission did not adequately manage Federal grants received for a variety of law enforcement programs; they did not expend all federal grants that were received; they did not submit required progress and financial reports and they did not monitor compliance with the grant requirements or evaluate the progress of the federally funded programs.

The system inherent to government, audit reporting, is beneficial to agencies; because it serves as a barometer of the agency’s successes and it’s deficiencies. The insufficiencies cited herein are duly noted and will serve as a benchmark for improvement. The proper expenditure of local and federal monies cannot be made marginal. Federal funds are critical to the administration of many of our operational components. The effectiveness of any program can only be determined if they are properly monitored and evaluated.

The following recommendations have been presented by the Office of the Inspector General:

1. Establish and strictly enforce procedures for the control of police firearms to include: the immediate conduct of a complete physical inventory of police firearms, the subsequent conduct of physical inventories of police firearms at least every six months, the establishment of complete and accurate property control records for police firearms based on the physical inventories, provisions for the physical security and control of police firearms not assigned to specific Department personnel and procedures to hold Department personnel strictly accountable for the security and disposition of firearms assigned to them.

Response: Concurrence. The findings detailed in this report, are of paramount concern to the Police Commissioner, particularly, since the proliferation of illegal weapon is a serious problem to law enforcement. It is the sacred responsibility of the V. I. Police Department to ensure the safety and well being of each and every citizen. When weapons that are to be in the custody of this department fall into the hands of the criminal element and crimes are committed with these weapons, the mission and purpose of law enforcement is greatly confounded.

Measures will be immediately implemented to account for all weapons that have been procured by the department, for use by authorized departmental personnel. A software application will be acquired to cause the systematic and orderly inventory of all weapons. Each Commander will be responsible to inventory, every six months, the weapons and ammunition of each officer and supervisory personnel assigned to their Command. They will be responsible for providing the inventory reports to the Directors of the Training and Fiscal and Property Management Bureaus. Bi-annual reports will be submitted to the Police Commissioner for his edification by the Director of the Training Academy.

Immediately, a policy will be developed that will vest the authority of issuing any departmental weapon to any non-departmental person or personnel only with the Police Commissioner.

A security system and additional safes, if necessary, will be installed at the facilities that house all departmental firearms.

A policy has already been put into effective that addresses the matter of the proper disposal of all firearms.

The V. I. Police Rules and Procedures will be amended to impose stricter penalties, on any officer or departmental personnel that is derelict with their department issued firearm, pending the outcome of an investigation and conclusion of all administrative hearings.

2. Enforce procedures contained in Section 5.9 of the Police Manual that require Department personnel to return firearms and other departmental property assigned to them upon temporary or permanent separation from the Department.

Response: Concurrence. A policy statement will be issued that will require all personnel to return all firearms and departmental property prior to any permanent or temporary separation from the department. All affected personnel will not be issued any separation Notices of Personnel Action (NOPA); nor will they be issued any last paychecks or lump sum payments until they have complied with the provisions as set forth in the departmental Rules and Procedures.

3. Provide the Training Division with the staff and other resources needed to implement and enforce the recommended procedures for the control and disposal of police firearms.

Response: Concurrence. The disposal plan specifies who will handle the disposal of all weapons. This plan includes contracting a welding company that will destroy the weapons. A funding source will be identified to effect the plan.

4. Establish and strictly enforce procedures for the control of evidentiary property held by the Department to include: the immediate conduct of a complete physical inventory of evidentiary property, the subsequent conduct of physical inventories at least every 12 months; the establishment of complete and accurate property control records for evidentiary property based on the physical inventories; provisions for the physical security and control of evidentiary property that is no longer needed for criminal cases that have been closed.

Response: Concurrence. While, I do agree with the recommendations, the approach to these solutions will have to be accomplished in phases. Our initial step

would be to develop a comprehensive plan that would incorporate a system for cataloguing each item using a bar code design and full automation, coupled with a procedure for annual inventories. The automation must link the Property Unit to the Forensic Unit and the Investigation Bureau. The department will be required to hire additional personnel and have them trained and certified within the realm of uniform standards applicable to Property Clerks. There will be requirements for the continuous training and re-certification of all Property Clerks. It would be necessary for the Department to identify additional space to accommodate the evidence that had been used in a criminal case that had been adjudicated and concluded. This section would be the location from which evidence would be disposed of.

A physical inspection of the present facilities that are used to store evidence will be conducted to ensure that they are secure and to identify any potential for breaches of security. This inspection will be done expeditiously. Any additional equipment that would be vital would be procured.

A directive will be issued forthwith, that would commence the process for remedying the maladies that are afflicting the system. It is anticipated that the basic network can be implemented within a year, with a clear mandate for future growth, enhancement and expansion.

5. Provide the staffing and other resources necessary for the Department's property clerks to implement and enforce the recommended procedures for the control of evidentiary property.

Response: Concurrence. Our first step must be to assess and fully document the state of the Unit. Based on the findings, a proposal would be prepared to request the personnel and equipment resources that would be essential to the Unit.

6. Request the cooperation of the Virgin Islands Department of Justice by providing the Police Department with quarterly reports on the disposition of cases involving evidentiary property under the custody of the Police Department so that the Police Department can be alerted as to when evidentiary property related to closed cases can be disposed of.

Response: Concurrence. A memorandum of agreement can be embarked upon

between the two agencies. Another aspect of the issue involves the Territorial and District Courts; wherein we must guarantee the systematic transfer of the disposition information for all cases, through mutual agreements.

7. Expedite the completion of construction work at the Property Room in the refurbished Richard Callwood Command to facilitate the transfer of evidentiary property to the new facility.

Response: Concurrence. Local and federal monies will be used to complete any additional construction that may be necessary with expedience.

8. Establish and strictly enforce procedures for the transfer of evidentiary property between the Department's property room and the Forensics Unit, including procedures for securing and controlling evidentiary property in the custody of the Forensic's Unit.

Response: Concurrence. As enumerated under Recommendation no. 4, the comprehensive plan will address these issues.

9. Coordinate with the Virgin Islands Training Initiative of the Division of Personnel to provide training in Federal grant management to all personnel of the Police Department, including the Narcotics Strike Force and the Law Enforcement Planning Commission, who have duties related to Federal grants. This training should include coverage of financial and programmatic reporting requirements.

Response: Concurrence . The Assistant Director of Police Personnel will be directed to address this matter. Additionally, technical assistance will be requested from the Department of Justice to fully automate the reporting process; to establish a program for the periodic training of the employees and to provide any additional funds that may be deemed necessary to ensure conformity with prescribed federal reporting guidelines.

10. Require that grant program managers in the Police Department, including the Narcotics Strike Force and the Law Enforcement Planning Commission, prepare and submit financial and programmatic reports to the appropriate Federal grantor agencies within the required reporting deadlines.

Response: Concurrence. This matter has already been addressed. The Administrator of the Law Enforcement Planning Commission has prepared a policy that articulated the requirements for federal compliance. He will be required to take follow-up actions critical for compliance.

11. Establish and strictly enforce policies and procedures regarding the types of expenses that can be paid from the Narcotics Strike Force's confidential account.

Response: Concurrence. Expedient action will be taken to effectuate stringent policies and procedures, with a mechanism to address any deviations from the policies and procedures and any and all malfeasance.

12. Investigate the possibility of recovering, from the police officer or his insurance company, the amount of the loss incurred by the Narcotics Strike Force when a Federally-funded vehicle was destroyed in a traffic accident involving an intoxicated, off-duty police officer.

Response: Concurrence. The matter will be directed to the Insular Investigation and Traffic Bureau for investigation. They will be directed to submit their findings to the Police Commissioner for final action and resolution.

13. Require that Federal program directors of the Law Enforcement Planning Commission perform and fully document periodic on-site monitoring of all sub-grantees to ensure that the sub-grantees are effectively carrying out Federally-funded programs, properly accounting for Federal sub-grants received, and submitting complete and accurate financial and programmatic reports within required deadlines.

Response: Concurrence. The Administrator of the Law Enforcement Planning Commission will be directed immediately, to take these corrective measures and he will be held responsible to monitor compliance. All official forms will be developed by the Administrator or his designee.

14. Take appropriate action to ensure that funds drawn down against the Local Law Enforcement Block Grants are deposited to interest-bearing savings accounts, as required by the grant provisions and used for allowable grant purposes.

Response: Concurrence. A policy statement will be issued by the Police Commissioner to The Administrator of the Law Enforcement Planning Commission instructing this action.

15. Take appropriate action to convert exempt employees of the Law Enforcement Planning Commission to career status and ensure that all employees have a complete and accurate job description for their respective positions.

Response: Concurrence. The Assistant Personnel Director of the Police Department will be directed to work with the Administrator of the Law Enforcement Planning Commission and the Division of Personnel to accomplish this project.

It is recommended that the Governor of the Virgin Islands direct the Commissioner of Finance to:

16. Provide the Commissioner of Police with an accounting of the reasons for the reduction of \$35,471.00 made against the Narcotics Strike Force's Forfeiture Fund.

Response: Concurrence. A formal request will be directed by the Police Commissioner to the Governor of the V. I. to address this subject matter.

17. Prepare and process Statements of Remittances to record in the Government's financial management system all draw downs of Federal grant funds made by the Police Department, including the Narcotics Strike Force and the Law Enforcement Planning Commission.

Response: Concurrence. This deficiency has already been brought to the attention of the Police Commissioner and the Administrator of the Law Enforcement Planning Commission. Preliminary corrective steps have already been taken to remedy this problem.

A directive will be issued to the Accounting personnel of the V. I. Police Dept., the Law Enforcement Planning Commission and the Narcotics Strike Force to collaborate their efforts to prepare and process any and all outstanding statements of remittances. These staff persons will be mandated to collectively share their resources to maintain a system that will ensure the integrity of the federal reporting process. They will be provided with the means and technical assistance to assure

the continuity of this reporting network. A team leader will be selected to ensure that the reports are made a part of the financial management system.

This situation will be immediately addressed.

It is further recommended that the Governor of the Virgin Islands:


18. Promptly appoint members to the advisory group/supervisory board and a permanent Administrator for the Law Enforcement Planning Commission in accordance with the Virgin Islands Code (3V.I.C. Article 261).

Response: Concurrence. The Police Commissioner has brought this matter to the attention to the Governor of the V. I. The Police Commissioner has been directed by the Governor to recommend persons for his review and selection.

Conclusion: The Audit report has provided meaningful insight into areas where deficiencies, if ignored, can severely impair the efficiency of the agencies noted in the report. It is refreshing to realize that as an Administrator, most of the problems require policies to correct the deficiencies. The corrective actions can and will be swift and immediate. The matter of the system for the collection, preservation, maintenance and disposal of evidence is more complex and will require much in terms of resources and time. This situation will be rectified.

Innovative strategies will be sought out to build a sound internal structure for the accountability of federal and local funds. As was articulated in the responses applicable to the management of federal funds, efforts have already been undertaken to provide meaningful administrative remedies. The challenges at hand are not insurmountable and carefully planned solutions will be arrived at.

Submitted by:



Franz A. Christian Sr.
Police Commissioner/Drug Policy Advisor

APPENDIX 5 - STATUS OF RECOMMENDATIONS

Finding/Recommendation Reference	Status	Action Required
1 to 9	Management concurs; additional information requested.	Provide the target dates for completing the proposed corrective actions for each of the recommendations. Additionally, when corrective actions have been completed, provide this office with appropriate documentation.
10	Implemented.	No further action is required.
11 to 18	Management concurs; additional information requested.	Provide the target dates for completing the proposed corrective actions for each of the recommendations. Additionally, when corrective actions have been completed, provide this office with appropriate documentation.



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