



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

SURVEY REPORT

BACKGROUND INVESTIGATIONS FOR ALBUQUERQUE AREA EDUCATION EMPLOYEES, BUREAU OF INDIAN AFFAIRS

REPORT NO. 99-I-143
DECEMBER 1998



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

DEC 22 1998

SURVEY REPORT

Memorandum

To: Assistant Secretary for Indian Affairs

From: Robert J. Williams *Robert J. Williams*
Assistant Inspector General for Audits

Subject: Survey Report on Background Investigations for Albuquerque Area Education Employees, Bureau of Indian Affairs (No. 99-I-143)

INTRODUCTION

This report presents the results of our survey of background investigations for Albuquerque Area education employees performed by the Bureau of Indian Affairs. The objective of the survey was to determine whether the Bureau performed, in accordance with applicable laws, regulations, and policies, background investigations and suitability determinations¹ for education employees who work in Bureau-operated schools. The audit was conducted in response to a request from you, as the Assistant Secretary for Indian Affairs.

BACKGROUND

The legislative requirements for background investigations for education employees are contained in the Indian Child Protection and Family Violence Prevention Act (Public Law 101-630, dated November 28, 1990) and the Crime Control Act of 1990 (Public Law 101-647, dated November 29, 1990). In general, the Acts require that all employees who have regular contact with children receive background investigations. The Code of Federal Regulations (25 CFR 63) establishes minimum standards of character "to ensure that individuals having regular contact with or control over Indian children have not been convicted of certain types of crimes or acted in a manner that placed others at risk or raised questions about their trustworthiness." In addition, the Code of Federal Regulations (5 CFR 736) requires that personnel background investigations be initiated within 14 days of

¹An employee suitability determination (adjudication) consists of determining whether an employee has met the required background investigation standards.

placement (hire date) for all noncritical sensitive positions.’ In that regard, the Bureau has designated as noncritical sensitive positions all education employee positions within the Office of Indian Education Programs. Further, administrative instructions for personnel officers to keep security officers informed of all relevant personnel actions are contained in the Department of the Interior Manual (441 DM 3.3C), and instructions for employee selecting officials to conduct and document reference checks and obtain information on any previous background investigations are contained in the Bureau of Indian Affairs Manual (62 BIAM 11), dated April 6, 1990, and updated on November 7, 1996.

The Bureau’s background investigation process begins **after** an applicant is conditionally selected for employment. First, the employing school or related agency office provides the applicants with the background investigation forms’ and instructs the applicants to return the forms on or prior to the date of hire. Prior to April 28, 1998, the school or agency sent the forms to the Area Security Officer for the Officer’s determination that the forms were complete. The Security Officer reviewed and updated incomplete forms by contacting the appropriate employing school and sent the forms to the Office of Personnel Management. On April 28, 1998, the Bureau changed its process and made the school or agency responsible for submitting the forms to the Office of Personnel Management, which conducts the background investigations and sends the results to the Area Security Officer.

To comply with the background investigation requirements for Bureau employees, the Bureau has five Security Officers (one Central Office Security Officer in Washington, D.C., and an Area Security Officer in Albuquerque, New Mexico; Aberdeen, South Dakota; Billings, Montana; and Phoenix, Arizona). The four Area Security Officers report to the Central Office Security Officer. For positions requiring investigations, the Area Security Officers are responsible for initiating education employee background investigations and adjudicating the investigation results received from the Office of Personnel Management.

During 1997, the Office of Indian Education Programs employed approximately 5,165 employees in 82 Bureau-operated elementary and secondary schools and 5 peripheral dormitories for students who attend public schools. The Albuquerque Area Security Office is responsible for providing oversight of and coordination for background investigations related to 329 education employees at 2 agency offices and 10 Bureau-operated elementary schools that have a total student enrollment of 1,882.

²The Federal Personnel Manual, Subchapter 2, identifies four sensitivity levels for designating positions for security-related positions: nonsensitive, noncritical-sensitive, critical-sensitive, and special-sensitive. The subchapter states that noncritical-sensitive includes positions that involve one of the following: “access to *Secret* or *Confidential* national security materials, information, etc.. - Duties that may directly or indirectly adversely affect the overall operations of the agency; - Duties that demand a high degree of confidence and trust.”

‘All education employees are required by the Office of Personnel Management to complete a “Questionnaire for Public Trust Position” (SF-85P), a “Supplemental Questionnaire for Selected Positions” (SF-85P-S), and a “Fingerprint Chart” (SF-87).

SCOPE OF SURVEY

Our survey 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. To accomplish our objective, we (1) obtained and reviewed applicable criteria related to initiating, processing, and adjudicating background investigations; (2) reviewed and discussed Area Security Office background investigation operating procedures with Bureau officials; and (3) selected and reviewed a judgmental sample of education employees' security and personnel files.

We selected our sample from the 329 education employees for the Albuquerque Area Office listed in the Bureau's payroll system at March 16, 1998. The payroll system indicated that of the 329 education employees, investigations had been completed for 264 employees and had not been completed for 65 employees. Of the 329 employees, we judgmentally selected 66 employees (20 percent) for review, of which 29 employees were recorded as having completed investigations and 37 employees were recorded as not having completed investigations. The scope of our review did not include the procedures used by the Office of Personnel Management to perform background investigations.

As part of our survey, we reviewed the Departmental Report on Accountability for fiscal year 1996 and the Bureau's annual assurance statement on management controls for fiscal year 1997, both of which contain information required by the Federal Managers' Financial Integrity Act. We determined that neither report disclosed any internal control weaknesses related to the objective of this survey. We also evaluated the Albuquerque Area's system of internal controls related to the education employee background investigation process to the extent we considered necessary to accomplish the objective. The internal control weaknesses identified are discussed in the Results of Survey section of this report. Our recommendations, if implemented, should improve the internal controls in the areas identified.

Our survey was performed from March 16 to April 9, 1998, and included visits to the Bureau's Albuquerque Area Security Office, Office of Indian Education Programs Personnel Office, and Southern Pueblos Agency Education Office, all in Albuquerque. In addition, we visited the Bureau-operated elementary schools in Isleta Pueblo and San Felipe Pueblo, New Mexico.

PRIOR AUDIT COVERAGE

During the past 5 years, neither the Office of Inspector General nor the General Accounting Office has performed any audits that addressed Bureau of Indian Affairs education employees' background investigations and suitability determinations. However, on June 27, 1997, the Office of Personnel Management issued the report "Appraisal of the Personnel Security/Suitability Programs of the Bureau of Indian Affairs Central Office East/West." The report stated that personnel security and suitability programs in the Bureau's Central Office needed to be improved. Specifically, the report stated that 19 (22 percent) of 87 personnel files reviewed had no indication that a background investigation had been performed. The

report made recommendations to improve procedures for ensuring that background investigations are initiated timely on all employees. In its October 23, 1997, response to the report, the Bureau stated that (1) the individuals identified as not having had a background investigation had been provided the necessary forms and that background investigations were being scheduled with the Office of Personnel Management and (2) the Bureau had initiated "a 100 percent review" of the official personnel files for the Central Office East/West to determine whether additional corrective actions were warranted. In its October 27, 1998, response (Appendix 1) to the draft of this report, the Bureau stated that all 19 of the individuals identified as not having had a background investigation were Bureau employees but did not work for the Office of Indian Education Programs. The Bureau further stated that as of October 15, 1998, the status of the background investigations for the 19 employees was as follows: nine employee investigations had been completed, nine employee investigations were ongoing pending correction of security forms, and one investigation was no longer necessary because the employee no longer worked for the Bureau.

In addition, on October 24, 1997, the Acting Personnel Officer, Office of Indian Education Programs, provided the Director with a report on the status of education employees' background investigations as listed in the payroll system. The report stated that background investigations had not been completed for 1,495 (29 percent) of the Bureau's 5,165 school employees. The Acting Personnel Officer recommended that background investigation forms be included with the appointment documents sent to the Office of Indian Education Programs Personnel Office to ensure that the forms are completed by the employee when the employee is hired. The report did not require a response, and at the time of our review, the Acting Personnel Officer said that no action had been taken on the report's recommendation.

In its response to the draft of this report, the Bureau stated:

More than half of the 1,495 employees, however, had been investigated and determined suitable under E.O. [Executive Order] 10450 standards which are the same standards as in Pub. L. [Public Law] 101-630. Most of these background investigations were conducted in the late 1970's or early 1980's. The OPM's [Office of Personnel Management] SII [Security Investigative Index] data base only maintains information on investigations conducted within the past 15 years. Therefore, an SII check of the OPM files will denote a "No Record" for investigations completed prior to 1983.

The Bureau further stated:

To determine an accurate universe, the Bureau security specialists conducted a thorough review of all OIEP [Office of Indian Education Programs] employees using a July 20, 1998, payroll listing, the employees' Official Personnel Folders, and OPM's SII data base. Based on this review the Bureau determined that 836 current OIEP employees required investigations. Of that number, 26 were employed at the Albuquerque Area.

RESULTS OF SURVEY

The Albuquerque Area Security Office did not timely initiate and properly complete all background investigations for new and existing education employees. Specifically, we found that the Area Security Office had not initiated background investigations for 37 (56 percent) of the 66 employees in our sample and had not submitted to the Office of Personnel Management background investigation forms in a timely manner for 14 (48 percent) of the 29 remaining employees. However, the completed background investigations received from the Office of Personnel Management generally were reviewed and adjudicated in a timely manner by the Area Security Officer and evidenced in the personnel files as completed and approved. The Indian Child Protection and Family Violence Prevention Act, the Crime Control Act, and the Code of Federal Regulations contain the requirements for performing and completing background investigations. However, the Bureau did not have effective processes, including written procedures, to identify all employees needing background investigations and to obtain the information necessary for the proper and timely completion of background investigations and security clearances. As a result, the Bureau could not be assured that the 37 individuals who were employed without the requisite background investigations at two agency offices and seven Bureau-operated schools that had a total student enrollment of 1,660 were suitable for employment at these facilities. In related matters, we found that employee fingerprint verifications to identify individuals with unsuitable backgrounds were not always completed, required preemployment reference checks were not always documented in the personnel files as having been completed and approved, and employee suitability determinations were made based on incomplete information.

Initiating Background Investigations

Section 408 of the Indian Child Protection and Family Violence Prevention Act, dated November 28, 1990, requires that background investigations be performed for employees who have regular contact or control over Indian children. In addition, Section 23 1 of the Crime Control Act of 1990, dated November 29, 1990, requires that all existing employees involved in child care services, including education employees, receive background investigations no later than May 29, 199 1. Also, the Departmental Manual (441 DM 3.3C) states that personnel officers are responsible for ensuring that security officers are immediately notified of all relevant personnel actions, including (1) changes in program or position placement (sensitivity levels) which require additional investigation and (2) reassignments, details, transfers, or terminations for all sensitive positions and for positions such as education employee positions which require security clearances. However, we found that the Bureau did not have written procedures for transmitting the necessary information, including relevant personnel actions, to the Area Security Officer. Instead, the Bureau relied on the employing school or agency to inform the Security Officer of employees who needed background investigations. However, the schools and agencies did not always

⁴The Personnel Office for the Office of Indian Education Programs indicated, on May 7, 1998, that for these 37 individuals, there were no reported incidents of child abuse or molestation.

identify employees who did not have completed background investigations, obtain the required background investigation forms from the employees, or submit the background investigation forms to the Area Security Office.

Based on our review of the security and personnel files for the 66 employees, we found that background investigations had not been initiated for 9 (29 percent) of 31 employees hired before the Crime Control Act was enacted on November 29, 1990, and for 28 (80 percent) of 35 employees who were hired on or after that date. Examples of the absence of initiation of background investigations are as follows:

- On August 18, 1991, the Bureau hired an elementary school teacher and then rehired the teacher on August 15, 1994, after a 2-year voluntary absence. However, background investigation forms were not obtained from the employee until June 29, 1996, approximately 5 years after the teacher was initially hired. On September 20, 1996, the Area Security Office returned the forms to the employee because they were incomplete. As of March 16, 1998, no action had been taken by the Area Security Office to obtain completed forms from the employee so that an investigation could be initiated.

- On October 31, 1994, the Bureau hired a substitute elementary school teacher who was converted, on November 27, 1995, to full-time teacher status. However, a background investigation was not requested from the Office of Personnel Management until April 2, 1997, approximately 2 1/2 years after the teacher was initially hired. On April 25, 1997, the Office of Personnel Management returned the background investigation forms to the Area Security Office because they were incomplete. As of March 16, 1998, the Area Security Office had not taken action to obtain the revised forms from the employee so that an investigation could be initiated.

- On September 15, 1989, the Bureau hired an elementary school bus driver. However, as of March 16, 1998, the employee had not received a background investigation, and the Area Security Office did not have documentation showing whether the required background investigation forms had been submitted by the employee.

- On August 26, 1991, the Bureau hired an elementary school teacher who had completed the background investigation forms on June 28, 1991. The employee's completed forms disclosed a 1976 police record for an alcohol/drug-related offense. However, as of March 16, 1998, approximately 6 1/2 years after the teacher was hired, the Area Security Office had not initiated a background investigation.

Based on these examples, we believe that the Bureau should improve controls over the initiation of background investigations to ensure that all employees who have regular contact with children receive background investigations.

Submitting Background Investigation Forms

The Crime Control Act, Section 231, requires that all existing and newly hired employees involved in child care services, including education employees, receive a background

investigation, with all existing employees receiving background investigations no later than May 29, 1991. In addition, the Code of Federal Regulations (5 CFR, 736) requires personnel background investigations to be initiated within 14 days of placement (hire date) for all noncritical sensitive positions. Further, the Albuquerque Area Security Officer position description includes a requirement that procedures should be developed, in cooperation with the Office of Indian Education Programs Personnel Officer, for the administration of the Security Program covering education employees throughout the Albuquerque Area. However, we found a lack of coordination between the Area Security Office and the Personnel Office in the development and implementation of the Security Program's operating procedures. For example, schools and agencies did not always require employees to submit the background investigation forms in a timely manner, and the Area Security Office did not monitor and follow up on background investigation forms that were returned to employees for completion.

Based on our review of security and personnel files for 29 employees whose background investigations had been completed or initiated, we found that the required background investigation forms for 14 (48 percent) of the 29 employees had not been submitted timely by the Area Security Office to the Office of Personnel Management. Specifically, background investigation forms for 10 employees hired after the November 29, 1990, enactment date of the Crime Control Act were submitted an average of 141 days after the date of hire rather than within the 14 days required by the Code of Federal Regulations (5 CFR 736) and that 4 employees hired before November 29, 1990, were not submitted in accordance with the Act's deadline for submission of May 29, 1991. For example:

- On August 7, 1983, the Bureau hired an elementary school teacher. However, it was not until January 31, 1996, that the employee submitted the background investigation forms to the Area Security Office, which returned the forms to the employee because they were incomplete. The employee revised and resubmitted the forms on September 4, 1996, and again on March 24, 1997. As a result, the forms were not submitted by the Area Security Office to the Office of Personnel Management until April 2, 1997, 6 years after the Act's due date for submission.

- On September 5, 1995, the Bureau hired an elementary school teacher. However, the employee did not provide the completed forms to the Area Security Office until March 24, 1997. As a result, the forms were not submitted by the Area Security Office to the Office of Personnel Management until April 2, 1997, approximately 1 1/2 years after the teacher was hired.

On April 28, 1998, the Bureau took action to improve its controls over the security program by issuing new operating procedures that primarily addressed employee position sensitivity designations and the appointment of employees to positions requiring background investigations. If implemented, these procedures should improve the designation of position sensitivity levels. The procedures also made the employing agency or the school rather than the Area Security Officer responsible for submitting background investigation forms to the Office of Personnel Management. While this change should improve the timeliness of the submissions, the procedures do not provide assurance that all forms will be obtained or

independent verification that the form has been properly completed before it is sent to the Office of Personnel Management. Area Security Officers were previously responsible for these functions. In addition, the procedures do not address the completion of background investigations for individuals who are employed.

Verifying Employee Fingerprints

Section 23 1 of the Crime Control Act of 1990 requires that a set of the employee's fingerprints be submitted as part of a criminal history check to be conducted through the Identification Division of the Federal Bureau of Investigation for each background investigation. In addition, the Bureau's Central Office Security Officer stated that when fingerprint verification charts are unreadable and **unclassifiable** by the Federal Bureau of Investigation, a second fingerprint verification chart should be submitted to the Office of Personnel Management, along with a copy of the initial Case Closing Transmittal (the Transmittal informs the Area Security Office that a second fingerprint verification chart can be submitted within 1 year of the Case Closing Transmittal date). However, we found that fingerprint verification charts for 4 (18 percent) of 22 completed investigations in our sample were returned to the Office of Personnel Management by the Federal Bureau of Investigation as unreadable and unclassifiable.

The Albuquerque Area Security Officer stated that the Bureau had not established a uniform policy relating to the processing of unreadable and unclassifiable fingerprint verifications and that it was not the Security Officer's policy to obtain a second set of fingerprints if the alphabetical name search conducted by the Federal Bureau of Investigation showed a negative response or found no record. As a result, we determined that the Area Security Office approved the background investigations for the four education employees for whom the fingerprint verification process had not been completed.

Checking Preemployment References

The Bureau of Indian Affairs Manual (62BIAM1 1) requires (1) employee selecting officials to conduct telephone reference checks with at least three prior employers and three personal references before making a selection. (2) the Office of Indian Education Programs Personnel Office to ensure that the selecting official has made and documented the necessary preemployment reference checks and has contacted the Office of Personnel Management to determine whether any previous background investigations have been performed, and (3) applications without proper documentation to be returned to the selecting official with no action taken. However, we found that the Personnel Office, Office of Indian Education Programs, did not always ensure that an applicant's preemployment references, including prior employers and personal references, were checked and documented by the selecting officials before the selected applicants were hired.

Our review of employee personnel files for 35 education employees hired after April 6, 1990, disclosed that 17 files (49 percent) did not have documentation that the preemployment references had been checked. For example:

- The personnel file for a school janitor hired on August 9, 1992, contained no evidence that any preemployment reference check had been completed. The education employee had not received a background investigation as of March 16, 1998.

- The personnel file for an elementary school teacher hired on October 1, 1995, did not include any evidence that a preemployment check of personal references had been completed. We also determined that the education employee had not received a background investigation as of March 16, 1998.

The Bureau needs to use all the measures required, including preemployment reference checks, to help ensure that employees who have regular contact with children are qualified.

Determining Suitability

We found that the Area Security Officer did not have procedures for determining whether the results of a background investigation provided sufficient information on which to base a suitability determination. Although we identified only 1 determination in our review of 22 suitability determinations that we believe was based on insufficient responses from the Office of Personnel Management, we are reporting this matter because of the sensitivity of the issue. We found that the Area Security Officer, because no procedures were established, made employee suitability determinations based on the information provided by the Office of Personnel Management, even if the information was incomplete. For example, in the instance we noted, the Case Closing Transmittal concerning the background investigation for a special education teacher indicated that the Office of Personnel Management was unable to verify both of the two prior employer references and two of the three personal references and that all four local law enforcement agencies either had not been contacted or had not responded to the Office of Personnel Management's request for a check of criminal history. Although the information provided in the Office of Personnel Management's Case Closing Transmittal was not complete, the Area Security Officer, on November 25, 1997, made a favorable suitability determination for the employee. However, there was no written justification for the determination because there are no standards requiring security officers to document the basis for favorable suitability determinations.

Recommendations

We recommend that the Assistant Secretary for Indian Affairs:

1. Direct the Central Office Security Officer to establish policies and procedures to ensure that education employees who have not received completed background investigations are identified and that all background investigation forms are obtained, properly completed, and submitted to the Office of Personnel Management.
2. Direct the Central Office Security Officer to establish policies and procedures to ensure that the Albuquerque Area Security Office is notified by the Office of Indian Education Programs Personnel Office of all relevant personnel actions, that requirements for compliance with fingerprint verification have been complied with, and that a clear definition has been

developed as to the quantity and type of information needed to determine an employee's suitability for employment.

3. Direct the Personnel Officer, Office of Indian Education Programs, to ensure that preemployment reference checks are completed timely and documented appropriately in accordance with the Bureau Manual.

Assistant Secretary for Indian Affairs Response and Office of Inspector General Reply

In the October 27, 1998, response (Appendix 1) to the draft report, the Assistant Secretary for Indian Affairs concurred with Recommendations 1, 2, and 3. Based on the response, we consider Recommendation 1 resolved but not implemented and Recommendations 2 and 3 resolved and implemented. Accordingly, Recommendation 1 will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation (see Appendix 2).

Additional Comments on Audit Report

In its response, the Bureau provided additional information on the Prior Audit Coverage section of the draft report regarding the June 27, 1997, Office of Personnel Management report "Appraisal of the Personnel Security/Suitability Programs of the Bureau of Indian Affairs Central Office East/West" and the October 24, 1997, report from the Office of Indian Education Programs' Acting Personnel Officer to the Director pertaining to the status of education employees' background investigations as listed in the payroll system. Accordingly, we have revised the Prior Audit Coverage section of this report to incorporate the Bureau's comments as appropriate.

The legislation, as amended, creating the Office of Inspector requires semiannual reporting to the Congress on all audit reports issued, the monetary impact of audit findings, actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.

Since the report's recommendations are considered resolved, no further response to the Office of Inspector General is required (see Appendix 2).

We appreciate the assistance of Bureau personnel in the conduct of our survey.



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

OCT 27 1998

Memorandum

To: Assistant Inspector General for Audits

From: Assistant Secretary - Indian Affairs

Subject: **Draft** Survey Report on Background Investigations for Albuquerque Area Education Employees, Bureau of Indian Affairs (C-IN-BIA-002-98-R)

Shortly **after** my appointment as Assistant Secretary, concerns were raised about the adequacy of the Bureau of Indian **Affairs** compliance with the requirements to conduct background investigations of employees occupying sensitive positions, particularly for those employees of the Office of Indian Education Programs (OIEP) who work with children. To determine the scope of the problem, I requested the **Office** of the Inspector General to conduct a review and appreciate your timely response. While the review was underway, the Bureau initiated a number of actions to improve the operation of the background investigations program which are discussed in the body of this response.

Background

Since 1992, Bureau security specialists have adjudicated 6,000 background investigations for 7,200 employees occupying sensitive and public trust positions in education and non-education programs. The 7,200 employees include 5,100 teachers, administrators, and support staff employed by the **OIEP**, all of which require background investigations as mandated by Pub. L. 101-630, Indian Child Protection and Family Violence Prevention Act, and Pub. L. 101-647, Crime Control Act. Further, **OIEP** experiences an annual employee turnover of approximately 1,000 employees, which increases the background investigations workload.

Seven Bureau security specialists are responsible for the review and adjudication of all sensitive and public trust background investigations for all Bureau employees, as mandated by Executive Order 10450, Security Requirements for Government Employees, and Executive Order 12968, Access to Classified Information. Bureau personnel **officers** are responsible for the review and adjudication of non-sensitive positions, e.g., clerk typists, engineers, foresters. Because Pub. L. 101-630 requires the Bureau to investigate the character of all employees whose duties and responsibilities involve regular contact with or control over Indian children, all 5,100 positions within OIEP are designated as sensitive and public **trust**.

Prior Audit Coverage

The draft audit report provided information regarding the results of the June 1997 Office of Personnel Management (OPM) report entitled "Appraisal of the Personnel Security/Suitability Programs of the Bureau of Indian Affairs Central Office East/West." The OPM report addressed both sensitive and non-sensitive positions in the Bureau's non-education programs. The report stated that 22 percent or 19 of the personnel files reviewed had no indication that a background investigation had been performed. None of the 19 employees identified in the OPM report were OIEP employees. All 19 occupied non-sensitive positions for which Bureau personnel officers are responsible. As of October 15, 1998, one of the 19 employees has separated; investigations have been completed for nine; and closure for the remaining nine employees is pending correction of the security forms.

The draft audit report also indicated that background investigations had not been completed for 1,495 (29 percent) of the OIEP's employees. This list was based on the status of the education employees background investigations as noted in the payroll system which was cross-referenced with the OPM's Security Investigative Index (SII) to determine whether a background investigation was completed for the employee. More than half of the 1,495 employees, however, had been investigated and determined suitable under E.O. 10450 standards which are the same standards as in Pub. L. 101-630. Most of these background investigations were conducted in the late 1970's or early 1980's. The OPM's SII data base only maintains information on investigations conducted within the past 15 years. Therefore, an SII check of the OPM files will denote a "No Record" for investigations completed prior to 1983.

To determine an accurate universe, the Bureau security specialists conducted a thorough review of all OIEP employees using a July 20, 1998, payroll listing, the employees' Official Personnel Folders, and OPM's SII data base. Based on this review the Bureau determined that 836 current OIEP employees required investigations. Of that number, 26 were employed at the Albuquerque Area. All of these employees have subsequently submitted an SF 85P, Questionnaire for Public Trust Positions, an SF 85PS, Supplemental Questions, an SF 87, Fingerprint Card, OF 612, Application for Employment or a resume, and OF 306, Declaration for Federal Employment. The completed security packages have been submitted to OPM for investigation.

Recommendations

The draft audit report recommended that the Assistant Secretary - Indian Affairs:

Recommendation 1. Direct the Central Office Security Officer to establish policies and procedures to ensure that education employees who have not received completed background investigations are identified and that all background investigation forms are obtained, properly completed, and submitted to the Office of Personnel Management.

Bureau Response. The Bureau concurs. The Deputy Commissioner of Indian Affairs centralized the background investigations function under the Director, Office of Tribal Services, on February 15,

1998. On April 28, 1998, Standard Operating Procedures were issued by the Deputy Commissioner and Director, OIEP, that established standard operating procedures for placement in sensitive and public **trust** positions. As indicated above, completed packages for a!! OIEP employees in the Albuquerque **Area** that required a background investigation have been submitted to OPM.

To ensure that all forms receive an independent verification of completion prior to submission to OPM, the Bureau will revise its Standard Operating Procedures to make the security **specialists** responsible for scheduling background investigations with OPM. **The** Standard Operating Procedures **will** be amended by December 15, 1998. In addition, a Handbook with detailed information and procedures is being developed and will be completed by April 30, 1999. The responsible official for implementation of the recommendation is the Director, Office of **Tribal** Services.

Recommendation 2. Direct the Central **Office** Security Officer to establish policies and procedures to ensure that the Albuquerque Area Security **Office** is notified by the **Office** of Indian Education Personnel Office of a!! relevant personnel actions, that requirements for compliance with fingerprint verification have **been complied with**, and that a clear definition has been developed as to the quantity and type of information needed to determine an employee's suitability for employment.

Bureau Response. The Bureau concurs. The Bureau security specialists have been **given nationwide** access to the **Pay/Pers** System. Access enables a!! security specialists to track new hires, **reassignments**, transfers, and separations. In addition, Area security specialists have begun encoding investigation data into the **Pay/Pers** System. The Standard Operating Procedures already require Area and OIEP personnel **officers** to notify the appropriate security **specialist/officer** of a!! actions. Access to the **Pay/Pers** System will permit verification by the security specialist.

Regarding fingerprint verification, **the area** security specialist, upon notice **from the Federal** Bureau of Investigations (FBI) that a print is unclassifiable, **will** reissue a fingerprint chart (Standard Form 87) **to** the employee and instruct the employee to contact the local law enforcement agency (**tribal**, Bureau or state) or the FBI for **reprint**. **The** employee will be instructed to return the reprint within 10 working days.

Regarding the quantity and type of information needed to determine an individual's suitability for employment, Bureau security specialists apply OPM's procedures and standards to determine suitability **for** employment as outlined in Title 5 of the Code of Federal Regulations, Part 73 1, Suitability, Subpart B- Suitability Determinations; Pub. L. 101-630; and Pub. L. 101-647. However, **OPM often** closes cases as meeting its requirements despite pending items, such as unchecked personal references and prior employment histories. Previously, the Bureau had been adjudicating **these** cases based on **OPM's** closure. However, with the revised procedures, the security specialists **will** ensure there are no disqualifying factors by recontacting and **verifying** employment and personal references and reviewing law enforcement records checks. In addition, the revised procedures will contain guidance *on* documenting favorable as well as unfavorable determinations.

The target date for the revised procedures and the **official** responsible for implementation are December 15, 1998, and the Director, **Office** of Tribal Services, respectively.

Recommendation 3. Direct the Personnel Officer, **Office** of Indian Education Programs, to ensure that preemployment reference checks are completed timely and documented appropriately in accordance with the Bureau Manual.

Bureau Response. The Bureau concurs. To ensure reference checks are conducted, each security specialist **will verify** that appointing **officials** have conducted the required pre-employment screening. Quarterly, each security specialist will randomly select pre-employment screening forms completed by the appointing **official** and recontact the named references to confirm each was interviewed by a Bureau representative. We consider this recommendation resolved and implemented.

STATUS OF SURVEY REPORT RECOMMENDATIONS

Finding/ Recommendation Reference	Status	Action Required
1	Resolved; not implemented.	No further response to the Office of Inspector General is required. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.
2 and 3	Implemented.	No further action is required

**ILLEGAL OR WASTEFUL ACTIVITIES
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