



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

SURVEY REPORT

**BACKGROUND INVESTIGATIONS FOR
PHOENIX AREA EDUCATION EMPLOYEES,
BUREAU OF INDIAN AFFAIRS**

**REPORT NO. 99-I-1 45
DECEMBER 1998**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

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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 Phoenix Area Education Employees, Bureau of Indian Affairs (No. 99-I-145)

INTRODUCTION

This report presents the results of our survey of background investigations for Phoenix 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

¹ An 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 (44 1DM 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 1 I), 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 forms³ and instructs the applicants to return the completed 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 agency or school 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 Phoenix Area Security Office, which is also responsible for background investigations within the Sacramento Area, is responsible for the oversight and coordination of background investigations related to 436 education employees at four agency offices and nine Bureau-operated elementary and secondary schools with a total student enrollment of 2,127.

³The 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.”

⁴All 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 436 education employees covered by the Phoenix Area Security Office shown in the Bureau's payroll system at March 16, 1998. The payroll system indicated that for the 436 education employees, investigations had been completed for 206 employees and had not been completed for 230 employees. We judgmentally selected 85 employees (20 percent), of which 36 employees were recorded as having completed investigations and 49 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 Phoenix 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 April 27 to May 20, 1998, and included visits to the Bureau's Phoenix Area Security Office in Phoenix and the Office of Indian Education Programs Personnel Office in Albuquerque.

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 tiles 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 disclosed 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, 101 were employed at the Phoenix Area.

RESULTS OF SURVEY

The Phoenix 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 38 (45 percent) of the 85 employees in our sample and had not submitted to the Office of Personnel Management background investigation forms in a timely manner for 16 (34 percent) of the 47 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. 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 38 individuals who were employed without the requisite background investigations at one agency office and seven Bureau-operated schools that had a total student enrollment of 1,807 were suitable for employment* at these facilities, In related matters, we found that while the required fingerprint verifications to identify individuals with unsuitable backgrounds were generally completed, background investigations and security clearances were not always documented in the personnel files as having been completed, and approved and required preemployment reference checks were not always documented in the personnel files as having been performed.

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 with 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 needing background investigations. However, the schools and agencies did not always identify employees who did not have completed background investigations, obtain the required

⁴The Personnel Office for the Office of Indian Education Programs indicated, on May 7, 1998, that for these 38 individuals, there were no reported incidents of child abuse or molestation.

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 85 employees, we found that background investigations had not been initiated for 10 (48 percent) of 21 employees hired before the Crime Control Act was enacted on November 29, 1990, and for 28 (44 percent) of 64 employees who were hired on or after that date. Examples of the absence of initiation of background investigations are as follows:

- On June 6, 1994, the Bureau hired a special education teacher. However, as of April 27, 1998, approximately 4 years after the teacher was hired, the employee had not received a completed background investigation. In addition, the Area Security Office had no record of whether the required background investigation forms had been submitted by the employee.

- On February 3, 1998, the Bureau hired a dormitory assistant. However, as of April 27, 1998, nearly 3 months after the assistant was hired, the employee had not received a completed background investigation. In addition, the Area Security Office had no record of whether the required background investigation forms had been submitted by the employee.

- On April 16, 1984, the Bureau hired a dormitory manager for a boarding school. However, as of April 27, 1998, approximately 7 1/2 years after enactment of the Crime Control Act, the employee had not received a completed background investigation. In addition, the Area Security Office had no record of whether the required background investigation forms had been submitted by the employee.

- On August 18, 1985, the Bureau hired an education aide. However, as of April 27, 1998, approximately 7 1/2 years after enactment of the Crime Control Act, the employee had not received a completed background investigation. In addition, the Area Security Office had no record of whether the required background investigation forms had been submitted by the employee.

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 23 1. 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, 199 1. 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 Phoenix 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 Phoenix 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 background investigation forms in a timely manner, and the Area Security Office did not always 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 47 employees whose background investigations had been completed or initiated, we found that the required background investigation forms for 16 (34 percent) of the 47 employees had not been timely submitted by the Area Security Office to the Office of Personnel Management. Specifically, background investigation forms for 13 employees hired after the November 29, 1990, enactment date of the Crime Control Act were submitted an average of 185 days after the date of hire rather than within the 14 days required by the Code of Federal Regulations (5 CFR 736) and that background investigation forms for 3 employees hired before November 29, 1990, were not submitted in accordance with the Act's due date for submission of May 29, 1991. For example:

- On February 6, 1995, the Bureau hired a school principal but did not renew the principal's contract after it expired on July 20, 1996. However, on February 10, 1997, the individual was hired as a school counselor. The Area Security Office did not submit this individual's background investigation forms to the Office of Personnel Management until September 18, 1997, approximately 2 1/2 years after the initial hire date of February 6, 1995

- On August 8, 1995, the Bureau hired a school janitor. However, the background investigation forms were not submitted by the Area Security Office to the Office of Personnel Management until June 17, 1997, approximately 2 years after the employee was hired.

- On December 4, 1988, the Bureau hired an education program administrator. However, the employee did not receive a background investigation in accordance with the Act's May 29, 1991, deadline for submission. A completed background investigation was not obtained from the Office of Personnel Management until December 17, 1997, approximately 6 1/2 years after the Act's deadline for submission.

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 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 and independently verified before they are submitted to the Office of Personnel Management. Area Security Officers were previously responsible for these duties. In addition, the

procedures do not address the completion of background investigations for individuals who are employed.

Documenting Security Clearances

The Certification of Investigation' requires that a certification be permanently maintained in the employee's official personnel file after the Area Security Officer has made a final employee suitability determination. The certification evidences that an employee received a background investigation and was determined to be suitable for employment by an Area Security Officer. However, we found that the certifications were not always (1) timely forwarded by the Area Security Office to the Office of Indian Education Programs Personnel Office and/or (2) included in the education employees' official personnel files by the Office of Indian Education Programs Personnel Office. Specifically, we found that the official personnel files for 16 (35 percent) of 46 employees reviewed who had approved security clearances did not contain the required certification. For example:

- On November 9, 1997, the Office of Personnel Management completed a background investigation for a special education teacher. On November 25, 1997, the Area Security Officer reviewed the completed background investigation and determined that the individual was suitable for employment. However, as of April 27, 1998, the certification had not been included in the employee's official personnel file.

- On December 6, 199 1, the Office of Personnel Management completed a background investigation for a dormitory assistant. However, as of April 27, 1998, the certification had not been included in the employee's official personnel file. In addition, the Area Security Officer could not support that the completed background investigation had been reviewed or that the security clearance had been approved.

Without the certifications, the Bureau has no documentation in the official personnel files that employees are suitable for employment.

Checking Preemployment References

The Bureau of Indian Affairs Manual (62 BIAM 11) 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 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 preemployment references, including prior employers

'The Certification of Investigation is prepared by the Office of Personnel Management for all completed background investigations and is forwarded to the Area Security Office.

and personal references, were checked and documented by the selecting officials before selected applicants were hired.

Our review of employee personnel files for 67 education employees hired **after** April 6, 1990, disclosed that 45 files (67 percent) did not have documentation of completed preemployment reference checks. For example:

- The personnel file for a school teacher hired on March 3, 1997, contained no evidence that any preemployment reference checks had been performed. We also determined that the employee had not received a completed background investigation as of April 27, 1998

- The personnel file for a school bus driver hired on February 16, 1995, contained no evidence that a preemployment check of personal references had been performed. We also determined that the employee had not received a completed background investigation as of April 27, 1998.

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

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.

3. Direct the Central Office Security Officer to establish policies and procedures to ensure that the Phoenix Area Security Office is notified by the Office of Indian Education Programs Personnel Office of all relevant personnel actions.

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 and that Certification of Investigation documents received from the Area Security Office are timely included in the official personnel file.

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 Recommendations 1 and 3 resolved but not implemented and Recommendation 2

resolved and implemented. Accordingly, the unimplemented recommendations 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 1995

Memorandum

To: Assistant Inspector General for Audits

From: Assistant Secretary - Indian Affairs

Subject: Draft Survey Report on Background Investigations for Phoenix Area Education Employees, Bureau of Indian Affairs (C-IN-BIA-002-98(A)-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 to this request. While the review was underway, the Bureau initiated a number of actions to improve the operation of the background investigations program which are discussed below,

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 corrections 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, 101 were employed at the Phoenix 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, that employee suitability determinations are completed for all completed background investigations, 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 all OIEP employees in the Phoenix 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 submitting the security package to OPM. The Standard Operating Procedures will be revised 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 Phoenix Area Security **Office** is notified by the Area Personnel Office of all relevant personnel actions.

Bureau Response. The Bureau concurs. The Bureau security specialists have been given nationwide access to the **Pay/Pers** System. Access enables all 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 all actions. Access to the **Pay/Pers** System will permit verification by the security specialist.

We consider this recommendation resolved and implemented_

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 and that Certification of Investigation documents received from the area Security **Office** are timely included in the official personnel file.

Bureau Response. The Bureau concurs. The action to revise the Standard Operating Procedures to make the security specialist responsible for submitting the security package to OPM will provide verification of completion of not only the security package, but also the preemployment reference check. Quarterly, each security specialist will randomly select pre-employment screening forms completed by the appointing officials and recontact the named references to confirm each was interviewed by a Bureau representative.

Included in the revision to the Standard Operating Procedures and the Handbook will be forms to document favorable as well as unfavorable determinations in the personnel file. Responsibilities of

the various Bureau employees will be clarified. 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.

STATUS OF SURVEY REPORT RECOMMENDATIONS

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

**ILLEGAL OR WASTEFUL ACTIVITIES
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