

The Department of Justice Office of the Inspector General (OIG) today released a report examining the Federal Bureau of Investigation's (FBI) accounting and reporting of funds it receives from the Crime Victims Fund (CVF). The OIG's report found that the FBI did not have adequate internal controls over CVF funds to ensure compliance with all applicable rules, regulations, and guidelines.

Each year between fiscal years (FY) 2009 through 2012, the FBI received between \$14 million and \$18 million in CVF funds. The FBI uses CVF funds to support 134 Victim Specialists assigned to divisions and field offices across the country to assist victims and facilitate their cooperation with the investigation of federal crimes.

The OIG found that the system implemented by the FBI to track and document CVF expenditures was insufficient and unreliable. Our review of data from FY 2009 alone identified approximately \$249,000 in transactions that lacked sufficient documentation to support the expenses.

Additionally, we found that the FBI had not implemented adequate year-end procedures to ensure that all unspent CVF funds were returned to the FBI's CVF account, and as a result, approximately \$527,000 in CVF funds were left idle at the FBI for 2 years instead of being used to fund victim services. We also found that the FBI did not accurately request reimbursement from the Department's Office of Victims of Crime (OVC), within the Office of Justice Programs, for expenses incurred to support Victim Specialist positions, including approximately \$631,000 in Victim Specialist expenses during FY 2009.

Further, the FBI did not accurately report to the OVC its total expenditures of CVF funds or the amount of unspent CVF funds, or provide sufficient financial accounting detailing its expenditures. We found that the FBI underreported the amount of funding that remained unspent by approximately \$354,000 in FY 2009, which resulted in the OVC mistakenly awarding the FBI the same amount in additional new CVF funds in FY 2010.

The FBI's inadequate accounting, administration, and reporting of CVF expenditures resulted in the failure to pursue appropriate reimbursements from OVC for expenditures, increased the risk that CVF funds could be misused, and created the potential for material misstatements of total expenditures. In addition, under applicable law, state and local programs receive their annual CVF funding levels after all other program areas are funded, including the FBI's CVF. Therefore, the deficiencies we identified have the potential to affect the amount of CVF funding received by state and local programs, and consequently to affect services available to victims through those entities.

The OIG made three recommendations to the FBI to improve the effectiveness of its internal controls over CVF funds. The FBI concurred with all three recommendations.

The report can be found on the OIG's website at: <http://www.justice.gov/oig/reports/2013/a1338.pdf>.