



**AUDIT OF THE NATIONAL INSTITUTE OF JUSTICE
COOPERATIVE AGREEMENT AWARD UNDER THE
SOLVING COLD CASES WITH DNA PROGRAM TO THE
COLORADO DEPARTMENT OF PUBLIC SAFETY
DENVER, COLORADO**

U.S. Department of Justice
Office of the Inspector General
Audit Division

Audit Report GR-60-13-009
July 2013

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EXECUTIVE SUMMARY

The U.S. Department of Justice, Office of the Inspector General (OIG), Audit Division, has completed an audit of one cooperative agreement totaling \$687,250, awarded by the Office of Justice Programs' (OJP), National Institute of Justice (NIJ) to the Colorado Department of Public Safety (CDPS), as shown in Exhibit 1.

**EXHIBIT 1: COOPERATIVE AGREEMENT AWARDED TO THE
COLORADO DEPARTMENT OF PUBLIC SAFETY**

AWARD NUMBER	COOPERATIVE AGREEMENT PROGRAM	AWARD DATE	PROJECT START DATE	ANTICIPATED END DATE	AWARD AMOUNT
2010-DN-BX-K234	Solving Cold Cases With DNA	09/17/10	10/01/10	09/30/13	\$687,250
Total:					\$687,250

Source: Office of Justice Programs' (OJP) Grants Management System (GMS)

Cooperative agreement 2010-DN-BX-K234 was awarded under the Solving Cold Cases with DNA Program. The purpose of the program is to provide assistance to states and units of local government to identify, review, and investigate Uniform Crime Reporting (UCR) Part 1 Violent Crime cold cases that have the potential to be solved through DNA analysis and to locate and analyze biological evidence associated with these cases.¹ For the purposes of this program, the NIJ defines a violent crime cold case as any unsolved UCR Part 1 violent crime case for which all significant investigative leads have been exhausted.

Our Audit Approach

The purpose of the audit was to determine whether reimbursements claimed for costs under the cooperative agreement were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the cooperative agreement, and to determine program performance and accomplishments. The objective of the audit was

¹ In the Federal Bureau of Investigation's Uniform Crime Reporting (UCR) Program, violent crime is composed of four offenses: murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault.

to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) cooperative agreement expenditures, including personnel costs; (4) budget management and control; (5) matching; (6) federal financial and progress reports; (7) program performance and accomplishments; and (8) monitoring of subgrantees and contractors.

We tested compliance with what we consider to be the most important conditions of the cooperative agreements. Unless otherwise stated in our report, the criteria we audit against are contained in the *OJP Financial Guide* and cooperative agreement award documents.

We examined the CDPS's accounting records, financial and progress reports, and operating policies and procedures and found:

- \$1,820 in unallowable costs used to purchase items that were not included as part of the approved cooperative agreement budget;
- performance metrics reported to the NIJ were inaccurate and unsupported; and
- the CDPS may not complete the proposed program goals prior to the end of the cooperative agreement.

This report contains three recommendations, which are detailed in the Findings and Recommendations section of the report. Our audit objectives, scope, and methodology are discussed in Appendix I.

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INTRODUCTION

The U.S. Department of Justice, Office of the Inspector General (OIG), Audit Division, has completed an audit of one cooperative agreement totaling \$687,250, awarded by the Office of Justice Programs (OJP), National Institute of Justice (NIJ) to the Colorado Department of Public Safety (CDPS), as shown in Exhibit 1.

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Total:					\$687,250

Source: Office of Justice Programs' (OJP) Grants Management System (GMS)

Background

OJP's mission is to increase public safety and improve the fair administration of justice across America through innovative leadership and programs. OJP seeks to accomplish its mission by disseminating state-of-the-art knowledge and practices across America and providing grants for the implementation of these crime fighting strategies. To support this mission, the NIJ provides objective and independent knowledge and tools to reduce crime and promote justice, particularly at the state and local levels.

Cooperative agreement 2010-DN-BX-K234 was awarded under the Solving Cold Cases with DNA Program. The purpose of the program is to provide assistance to states and units of local government to identify, review, and investigate Uniform Crime Reporting (UCR) Part 1 violent crime cold cases that have the potential to be solved through DNA analysis and to

locate and analyze biological evidence associated with these cases.¹ For the purposes of this program, the NIJ defines a violent crime cold case as any unsolved UCR Part 1 violent crime case for which all significant investigative leads have been exhausted.

According to the CDPS's website, the CDPS includes five divisions created by the Colorado General Assembly: the Colorado State Patrol, Colorado Bureau of Investigation (CBI), Division of Criminal Justice, Division of Fire Prevention and Control, and Division of Homeland Security and Emergency Management. The CBI administers cooperative agreement 2010-DN-BX-K234, and was created to support and assist local, county, and state criminal justice agencies through the provision of professional investigative and forensic laboratory services, as well as the management and administration of criminal justice records and data sharing.

As an assist agency, the CBI provides investigative services to local law enforcement, district attorneys and other state agencies through requests for service, 24 hours per day, seven days per week. Field agents are stationed at the CBI headquarters in Denver as well as regional offices in Grand Junction, Durango, and Pueblo, Colorado. The investigative expertise of the CBI's field agents includes crimes against persons, arson investigations, polygraph examination, identity theft, public corruption, drug investigations, and other complex crime investigations. CBI agents also provide training to law enforcement agencies and the community in their respective regions. In addition, the CBI provides forensic services to state agencies, and is responsible for the collection, preservation, and analysis of evidence found at crime scenes throughout the state.

Our Audit Approach

We tested compliance with what we consider to be the most important conditions of the cooperative agreements. Unless otherwise stated in our report, the criteria we audit against are contained in the *OJP Financial Guide* and cooperative agreement award documents. We tested the CDPS's:

- **internal control environment** to determine whether the internal controls in place for the processing and payment of funds were adequate to safeguard cooperative agreement funds and ensure compliance with the terms and conditions of the cooperative agreements;

¹ In the Federal Bureau of Investigation's Uniform Crime Reporting (UCR) Program, violent crime is composed of four offenses: murder and nonnegligent manslaughter, forcible rape, robbery, and aggravated assault.

- **cooperative agreement drawdowns** to determine whether cooperative agreement drawdowns were adequately supported and if the CDPS was managing cooperative agreement receipts in accordance with federal requirements;
- **cooperative agreement expenditures** to determine the accuracy and allowability of costs charged to the cooperative agreements;
- **budget management and control** to determine the CDPS's compliance with the costs approved in the cooperative agreement budgets;
- **Federal Financial Reports (FFRs) and Progress Reports** to determine if the required FFRs and Progress Reports were submitted in a timely manner and accurately reflect cooperative agreement activity; and
- **cooperative agreement objectives and accomplishments** to determine whether the CDPS has met the cooperative agreement objectives.

The findings and recommendations are detailed in the Findings and Recommendations section of this report. Our audit objectives, scope, and methodology appear in Appendix I.

FINDINGS AND RECOMMENDATIONS

We determined that the CDPS maintained policies and procedures related to accounting functions, and the accounting system had effective internal controls. We also found that the CDPS was generally in compliance in the following areas: drawdowns, budget management and control, and financial reports. However, we identified \$1,820 in unallowable costs used to purchase items that were not included as part of the approved cooperative agreement budget. We also found that the CDPS's program performance data reported to the NIJ in the semi-annual progress reports were inaccurate and unsupported. Additionally, we found that as an assist agency, the success of the CDPS's cold case efforts depends largely on participation by local agencies throughout the state to locate and submit evidence for DNA analysis. However, the CDPS's implementation of the cooperative agreement program did not address the resource constraints that limited the work performed on cold case investigative efforts, thereby reducing the effectiveness of the CDPS's cold case efforts. As a result, we have serious concerns over the CDPS's ability to successfully complete the objectives of the cooperative agreement prior to the anticipated program end date.

Internal Control Environment

We reviewed the CDPS's Single Audit Report, other prior audits, and the financial management system to assess the organization's risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the cooperative agreements. We also interviewed management and key personnel, and inspected documents and records in order to further assess risk.

Single Audit

The *Office of Management and Budget (OMB) Circular A-133* requires that non-federal entities that expend \$500,000 or more per year in federal awards have a single audit performed annually. The most recent Single Audit of the State of Colorado was for Fiscal Year (FY) 2012. We reviewed this audit report and did not identify any findings related to the CDPS, the CBI, or cooperative agreement 2010-DN-BX-K234 that were significant within the context of our audit.

Prior Audits

We requested documentation of audit reports for all external and internal audits conducted at the CBI's DNA laboratory during the last year. The CDPS provided us with the American Society of Crime Laboratory Directors Laboratory Accreditation Board (ASCLD/LAB) annual accreditation audit report form for the CBI labs located in Denver, Pueblo, and Grand Junction. We reviewed the three audit reports and did not identify any findings that were significant within the context of our audit. Additionally, we obtained the ASCLD/LAB Certificates of Accreditation for all three locations, which demonstrate that the laboratories meet the standards and requirements set forth by the ASCLD/LAB Accreditation Manual. The CDPS also provided the results of the most recent Quality Assurance Standards audit for forensic DNA testing laboratories for the same three locations and the DNA Database Unit. We reviewed the four audit reports and did not identify any findings that were significant within the context of our audit.

Financial Management System

We reviewed the CDPS's financial management system, interviewed CDPS officials, and inspected cooperative agreement documents. Internal control procedures for procurement included obtaining proper approval prior to acquiring goods and disbursing funds. Internal control procedures for payroll included tracking employee activity using timesheets and a supplemental overtime form. Overtime was verified by a supervisor and the cooperative agreement manager, and necessitated director-level approval prior to payment. Internal control procedures for monitoring sub-recipients included signed written agreements between the CDPS and the sub-recipient, and requiring that reimbursement requests be accompanied by supporting documentation. We did not identify any weaknesses in the controls within the context of our audit.

Drawdowns

CDPS officials stated that drawdowns were requested on a reimbursement basis. According to the *OJP Financial Guide*, the grant recipient should time drawdown requests to ensure that federal cash on hand is the minimum needed for disbursements to be made immediately or within 10 days. We analyzed the cooperative agreement in our audit to determine if the total expenditures recorded in the CDPS's accounting records were equal to, or in excess of, the cumulative drawdowns. We determined that total expenditures were equal to cumulative drawdowns.

As of January 18, 2013, the date of the most recent drawdown included as part of our audit, the CDPS had drawn down a total of \$85,578, or 12.5 percent of the total award. The cooperative agreement was projected to end on September 30, 2013, meaning the CDPS had just over eight months to draw down the remaining \$601,672, or 87.5 percent of the total award, as shown in Exhibit 2.

EXHIBIT 2: ANALYSIS OF DRAWDOWNS²

AWARD NUMBER	TOTAL AWARD	TOTAL AMOUNT DRAWN AS OF JAN 18, 2013	REMAINING TO BE DRAWN BY SEPT 30, 2013
2010-DN-BX-K234	\$687,250	85,578 (12.5%)	601,672 (87.5%)

Source: NIJ drawdown records

CDPS officials identified the lack of a response from participating local agencies as the primary reason for delays in the program. CDPS officials informed us that as an assist agency, the CBI relies on local law enforcement agencies throughout Colorado to request assistance on cold cases. At the start of the cold case cooperative agreement program, the CBI reviewed a statewide database of all unsolved homicides to identify cases that had a high potential to be solved using DNA based on the circumstances of the case. After this initial review, the CDPS contacted local law enforcement agencies to inform them that their cold case had been selected as a potential candidate for the use of cooperative agreement funds. Before participating in the cooperative agreement program, the CDPS required local law enforcement agencies to sign a memorandum of understanding outlining the rules and expectations of participation in the cooperative agreement program. Local agencies were then encouraged to participate in an in depth case review with the CDPS laboratory and investigative staff. At this review, laboratory and law enforcement personnel would identify pieces of evidence from crime scene photos and evidence logs that had a high probability of developing a DNA profile. Local law enforcement personnel would then return to their agency and attempt to locate and submit the pieces of evidence identified in the review to the CDPS laboratory for analysis. The CDPS required the local law enforcement agencies to use their own resources to fund the initial review and identification of any remaining biological evidence. The CDPS only provided funding to the local law enforcement agencies once an additional lead or potential piece of evidence was identified, after which, the CDPS would reimburse the costs of overtime and travel associated with local law enforcement personnel obtaining additional evidence or following up on investigative leads.

² Throughout this report differences in the total amounts are due to rounding.

CDPS officials informed us that, based on their understanding of the cooperative agreement program, overtime associated with the initial review and identification of any remaining biological evidence was not permitted. However, the 2010 NIJ Solving Cold Cases With DNA solicitation states that funding is available to identify, collect, retrieve, and evaluate biological evidence from violent crime cold cases that may reasonably be expected to contain DNA. In addition, activities such as interviewing victims, witnesses, and suspects, are permissible in violent crime cold case investigations that have the potential to be solved through DNA analysis until either all samples with potential DNA evidence have been recovered and analyzed or the review of the case demonstrates that no biological material was present for further analysis.

In its application materials, the CDPS cites a general lack of investigative resources to work cold cases, and that local law enforcement agencies were primarily interested in obtaining funds necessary to review their cold case files. In our opinion, the restrictions placed on the investigative use of funds due to the CDPS's misunderstanding of the allowable uses of funds prevented cooperative agreement funds from being utilized where they were most needed, and as a result, limited participation by local law enforcement agencies. Because of the lack of local agency participation and the limited time remaining on the cooperative agreement, we have concerns that the CDPS will be unable to fully utilize the awarded funds to complete the objectives of the program. This issue is further discussed in the Program Performance and Accomplishments section of this report.

Cooperative Agreement Expenditures

According to the CDPS's accounting records as of April 10, 2013, cooperative agreement expenditures totaled \$93,953 and included 148 direct cost transactions. We selected a judgmental sample of 26 transactions totaling \$28,997 to review, in order to determine if cooperative agreement expenditures were allowable, reasonable, and in compliance with the terms and conditions of the award.

Personnel and Fringe Benefits

The sample included 11 payroll transactions totaling \$12,836. These transactions were from two non-consecutive pay periods and included the cumulative overtime wages and fringe benefits expenditures for every employee that worked under the cooperative agreement during these pay

periods. For the two selected pay periods, we determined that the overtime wages and fringe benefits expenditures charged to the cooperative agreement were computed correctly, properly authorized, accurately recorded, and properly allocated to the cooperative agreement.

Other Direct Costs

The sample also included 15 non-payroll related transactions totaling \$16,161. For 13 of these transactions, we determined that the expenditures were adequately supported, approved, and allowable. The two remaining expenditures in the sample were for general office supplies. General office supplies were not included as part of the approved cooperative agreement budget. According to the *OJP Financial Guide*, grantees are required to initiate a Grant Adjustment Notice (GAN) for changes in scope that affect the budget. We did not see evidence that the CDPS contacted the NIJ, either formally through a GAN to change the scope or informally through other means to confirm that purchasing the items did not constitute a change in scope. As a result, we consider the costs unallowable. We expanded our analysis to include all general office supplies expenditures charged to the cooperative agreement for a total of 13 transactions totaling \$1,820. Therefore, we identified \$1,820 in unallowable costs used to purchase items that were not included as part of the approved budget.

We discussed this issue with CDPS officials. CDPS officials responded by moving supplies expenditures totaling \$1,820 out of the cooperative agreement and into another fund. We reviewed documentation demonstrating that the expenditures were no longer charged to the cooperative agreement. As a result, we offer no recommendation related to this issue because it has been resolved.

Matching Costs

The CDPS was required to provide \$233,196 in matching funds under the cooperative agreement. According to the CDPS's accounting records, as of April 23, 2013, the CDPS had provided \$266,708 in matching funds. Of this amount, \$81,900 was provided for laboratory supplies related to DNA analysis of cold case samples, and \$184,808 was provided for salaries and fringe benefits for personnel working on cold cases.

We reviewed the supporting documentation for the matching costs, and found the charges to be reasonable and supported. However, we identified that a portion of the matching costs represented salaries of staff that were paid by other participating agencies. CBI officials explained

that the dollar value associated with these matching charges was determined by calculating the pay rate for the CBI equivalent position rather than using the employees' actual pay rate. The *OJP Financial Guide* states that when an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. We brought this issue to the CDPS officials' attention, and they removed the employees paid by other institutions from the matching funds provided under the cooperative agreement. The CDPS subsequently provided the updated accounting records for the matching funds, eliminating the charges for employees paid by other agencies. As a result, the CDPS accounting records show \$264,453 in matching funds, which exceeds the required match amount. Therefore, we did not take exception to this issue.

Budget Management and Control

The NIJ approved a detailed budget for the cooperative agreement which was organized by defined budget categories. According to the *OJP Financial Guide*, the cooperative agreement recipient must initiate a GAN for a budget modification that reallocates funds among budget categories, if the proposed cumulative change is greater than 10 percent of the total award amount. We compared cooperative agreement expenditures to the approved budget to determine whether the CDPS transferred funds among direct cost categories in excess of 10 percent. We determined that the CDPS complied with the requirement, as the cumulative difference between actual category expenditures and approved budget category totals was not greater than 10 percent.

Cooperative Agreement Reporting

We reviewed the Federal Financial Reports (FFR) and Categorical Assistance Progress Reports (progress reports) to determine if the required reports were submitted on time and accurate.

Financial Reporting

The *OJP Financial Guide* states that grant recipients must report expenditures online using the FFR no later than 30 days after the end of each calendar quarter. We reviewed the submission dates for the four most recent FFRs for the cooperative agreement, and determined that all four were submitted on time.

We also reviewed financial reporting for accuracy. According to the *OJP Financial Guide*, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report. We compared the reports to the CDPS's accounting records and determined the reports were accurate.

Categorical Assistance Progress Reports

According to the *OJP Financial Guide*, progress reports are due semi-annually on January 30th and July 30th for the life of the award. We reviewed the submission dates for the five progress reports submitted for the cooperative agreement. The five progress reports were submitted on time.

We also reviewed the progress reports for accuracy. According to the *OJP Financial Guide*, the funding recipient agrees to collect data appropriate for facilitating reporting requirements established by Public Law 103-62 for the *Government Performance and Results Act*. The funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. We originally selected the two most recent progress reports for our audit review. These reports covered the reporting periods from January 2012 through June 2012 and July 2012 through December 2012.

The NIJ's Solving Cold Cases with DNA Progress Report Form includes a performance measure table, which captures six performance metrics for each reporting period over the course of the cooperative agreement. Performance metrics include: (1) number of violent crime cold cases reviewed, (2) number of violent crime cold cases reviewed in which biological evidence still existed, (3) number of violent crime cold cases with biological evidence that are subjected to DNA analysis, (4) number of violent crime cold cases that yielded a viable DNA profile, (5) number of DNA profiles entered into the Federal Bureau of Investigation's Combined DNA Index System (CODIS), and (6) number of CODIS hits.

CDPS officials informed us that investigative and laboratory staff overseeing cold case work under the cooperative agreement track performance using spreadsheets. At the end of each semi-annual reporting period, the Agent in Charge assigned to the cooperative agreement program will request updated performance data by email. The data is then compiled and reported to the NIJ.

We reviewed the supporting spreadsheets provided by the CDPS and found that the tracking spreadsheets did not contain sufficient detail to determine the reporting period in which program accomplishments occurred. As a result, we reviewed the accuracy of the cumulative metrics reported to the NIJ by the CDPS rather than from the two most recent progress reports originally selected. Based on our review, we determined that the performance data reported to the NIJ was not accurate or supported. We brought this to the CDPS officials' attention and were informed that the Agent in Charge was not provided the laboratory's tracking spreadsheet in the past and simply relied on the information provided to him through the semi-annual email request. We determined that the discrepancy between the supporting documentation and the performance metrics reported to the NIJ resulted from a lack of communication between staff responsible for performing the review and analysis of cold cases and those responsible for reporting performance metrics. We recommend that the OJP ensures that the CDPS maintains valid and auditable source documentation to support both the activity and the period in which it occurs.

Program Performance and Accomplishments

As previously mentioned in this report, the purpose of cooperative agreement 2010-DN-BX-K234 was to provide assistance to states and units of local government to identify, review, and investigate UCR Part 1 Violent Crime cold cases that have the potential to be solved through DNA analysis and to locate and analyze biological evidence associated with these cases. We reviewed the NIJ cooperative agreement solicitation, CDPS documentation, and interviewed CDPS officials to determine whether the program goals were implemented. The goals and the degree to which the cooperative agreement met those goals are detailed below.

For its first goal, the CDPS proposed to review and prioritize the state's 577 cold case homicides in order to select 75 cases most likely to yield DNA evidence. Following the case selection, the CDPS would contact the investigative agencies in charge of the selected cases to request their participation in the cooperative agreement and provide assistance in identifying and obtaining any remaining biological evidence for DNA analysis. CDPS officials explained that agencies were required to sign a memorandum of understanding (MOU) prior to participation in the cooperative agreement, although not all agencies that had signed an MOU ultimately participated in the cold case program. According to the CDPS's financial records, MOUs were signed for 29 cases from 14 agencies. As previously discussed in the Drawdowns section of this report, CDPS officials attributed the delay in the completion of this goal to the lack of a response

from participating local agencies. In order to fully utilize remaining award funding, the CDPS expanded the laboratory analysis of cold cases beyond the 75 high priority cold case homicides selected in the initial review to include any cold case homicide evidence submitted to the laboratory. According to the laboratory performance tracking spreadsheet, as of April 23, 2013, the laboratory had received and analyzed biological evidence from 38 cold case homicides.

The CDPS's second goal was to identify and perform additional DNA testing of previously submitted sexual assault cases from the time period of 1994 to 2000, which would result in developing CODIS eligible DNA profiles. CDPS officials stated that this portion of the project at the CBI went quickly. According to progress reports, the CDPS identified 379 sexual assault cases from 93 agencies that required re-analysis for inclusion into CODIS. According to the laboratory performance tracking spreadsheet, evidence associated with 47 of the 379 cases had been submitted, re-analyzed, and, if a DNA profile was developed, entered into CODIS. CDPS officials told us that they have sent several requests for the submission of additional evidence, and are still awaiting a response from several jurisdictions. However, all evidence that the CDPS has obtained has been updated for inclusion in CODIS.

Despite the CDPS's efforts, participation by local law enforcement agencies has been low. As a result, the CDPS had not drawn down approximately 88 percent of the total award as of January 18, 2013. The CDPS submitted a GAN for a no-cost extension of the cooperative agreement, which was approved by the NIJ on February 8, 2013. In this GAN, the CDPS described its plans to analyze sexual assault kits that had been collected by local law enforcement agencies since 2007 but never submitted for analysis as a way to utilize unspent cooperative agreement funds. However, according to the 2010 NIJ Solving Cold Cases with DNA solicitation, a violent crime cold case refers to any unsolved UCR Part 1 Violent Crime case for which all significant investigative leads have been exhausted. Cases in which biological evidence was collected but never analyzed, at a time when DNA technology was readily available, would not fall within the definition of exhausting all significant investigative leads. Therefore, in our opinion, the use of cooperative agreement funds for the analysis of these previously unanalyzed sexual assault kits would be unallowable. We brought this issue to CDPS officials' attention, and they informed us that although the analysis of these kits was proposed, no work had been performed at the time of our audit.

Additionally, in another GAN approved by the NIJ on April 26, 2013, the CDPS proposed to hire contract personnel to assist local law enforcement agencies in the review and identification of cold case homicide biological evidence. If items of evidence are identified in an initial review, these contract investigators will contact the originating investigating agency to inform them of the objectives and timelines of the cooperative agreement. If the agency is receptive, the contract investigator will schedule an appointment to locate and retrieve any biological evidence related to the case that may still exist. Given the previous lack of local agency participation, lack of local agency resources, and the fact that local law enforcement agencies may be unwilling to hand over control of investigations, we have serious concerns about the success of this approach and the CDPS's ability to utilize remaining funds before the September 30, 2013 end date of the cooperative agreement.

Based on the information outlined above, we determined that the CDPS may not complete the proposed program goals prior to the end of the cooperative agreement. We recommend that the OJP assess the CDPS's ability to complete the proposed program goals prior to the end of the cooperative agreement and evaluate the CDPS's need for any remaining unspent funds.

Conclusion

The purpose of this audit was to determine whether reimbursements claimed for costs under the cooperative agreement were allowable, supported, and in accordance with applicable laws, regulations, guidelines, terms and conditions of the cooperative agreement, and to determine whether the program goals and objectives were implemented. We examined the CDPS's accounting records, budget documents, financial and progress reports, and operating policies and procedures. We found:

- \$1,820 in unallowable costs used to purchase items that were not included as part of the approved cooperative agreement budget;
- performance metrics reported to the NIJ were inaccurate and unsupported; and
- the CDPS may not complete the proposed program goals prior to the end of the cooperative agreement.

Recommendations

We recommend that OJP coordinate with the CDPS to:

1. Ensure performance metrics reported to the NIJ accurately reflect the program accomplishments that have occurred as a result of cooperative agreement funding.
2. Ensure that valid and auditable source documentation is maintained to support both the activity and the period in which it occurs.
3. Assess the CDPS's ability to complete the proposed program goals prior to the end of the cooperative agreement and evaluate the CDPS's need for any remaining unspent funds.

APPENDIX I

OBJECTIVES, SCOPE, AND METHODOLOGY

The purpose of the audit was to determine whether reimbursements claimed for costs under the cooperative agreement were allowable, reasonable, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the cooperative agreement, and to determine program performance and accomplishments. The objective of the audit was to review performance in the following areas: (1) internal control environment; (2) drawdowns; (3) cooperative agreement expenditures, including personnel costs; (4) budget management and control; (5) matching; (6) federal financial and progress reports; (7) program performance and accomplishments; and (8) monitoring of subgrantees and contractors. We determined that property management and program income were not applicable to this cooperative agreement.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. This was an audit of the OJP cooperative agreement 2010-DN-BX-K234 awarded to the Colorado Department of Public Safety (CDPS). Our audit concentrated on, but was not limited to September 17, 2010, the award date for cooperative agreement 2010-DN-BX-K234, through April 23, 2013. The CDPS had drawn down a total of \$85,578 in cooperative agreement funds through April 9, 2013.

We tested compliance with what we consider to be the most important conditions of the cooperative agreements. Unless otherwise stated in our report, the criteria we audit against are contained in the *OJP Financial Guide* and the award documents.

In conducting our audit, we performed sample testing in three areas, which were cooperative agreement expenditures (including personnel expenditures), Federal Financial Reports, and Categorical Assistance Progress Reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the award reviewed, such as dollar amounts, expenditure category, or risk. However, this non-statistical sample design does not allow a projection of the test results for all cooperative agreement expenditures or metrics.

In addition, we evaluated internal control procedures (including monitoring of sub-recipients), drawdowns, matching, budget management and controls, compliance with grant requirements, and program performance and accomplishments. However, we did not test the reliability of the financial management system as a whole and reliance on computer based data was not significant to our objective.

APPENDIX II

CDPS's RESPONSE TO THE DRAFT REPORT

cdps

COLORADO
DEPARTMENT
OF PUBLIC SAFETY

Colorado Bureau of Investigation
Ronald C. Sloan, Director
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July 2, 2013

David M. Sheeren
Denver Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
1120 Lincoln Street, Suite 1500
Denver, CO 80203

Dear Manager Sheeren,

The Colorado Department of Public Safety, (CDPS), Colorado Bureau of Investigation, (CBI), appreciates this opportunity to provide a written response to the audit report generated as a result of your staff's on-site review earlier this year of the CBI's cooperative agreement 2010-DN-BX-K234.

Our dedication to the people of the State of Colorado is evident in our staff's pursuit of exemplary service. We are passionate supporters of the criminal justice system in all areas of service from criminal investigations to forensics and information management. We are also careful stewards of the taxpayer monies. To that end it appears we have been overly cautious by requiring strict commitments from our law enforcement partners. We welcome recommendations that improve our performance for our citizens and our local law enforcement agency customers.

This grant is managed by our Investigations unit with critical support from our Cold Case Analyst in collaboration with our forensic DNA laboratory, and is our first attempt at a multi-unit federal program. We are proud of only three recommendations for our first collaborative approach and look forward to continuing to improve our performance.

Recommendation 1: Ensure performance metrics reported to the NIJ accurately reflect the program accomplishments that have occurred as a result of cooperative agreement funding.

The Bureau concurs with this recommendation. The CBI unintentionally, underreported to NIJ the actual accomplishments in one of the semi-annual performance metrics. Our error was not maintaining an organized communication schedule and thus we were utilizing partial data rather than ensuring complete data was received timely as the auditors found in their review. The CBI has now developed a scheduled reporting for semi-annual metrics to ensure the laboratory reported information is delivered to the project director approximately two weeks prior to the reporting deadline. Reminders for this schedule allow for laboratory staff sufficient notice to update the tracking

John W. Hickenlooper
GOVERNOR
James H. Davis
EXECUTIVE DIRECTOR
Colorado State
Patrol
Colorado Bureau
of Investigation
Division of
Criminal Justice
Division of Fire
Prevention and Control
Division of Homeland Security
and Emergency Management



spreadsheet that is utilized to report completed cases to the agreement's project director. This tracking spreadsheet provides the completion date of an analyst's work on any evidence. It is this completion date that should be used to determine the accurate reporting period for any accomplishments.

This two week period also allows the laboratory management sufficient time to ensure the cases reported for tracking are logged in the Cold Case Analyst file and are properly recorded in the Laboratory Information Management System (LIMS). The LIMS system provides tracking information for evidence, case processing, and case assignments among other information.

This completed action was implemented on June 15th when the first reminders were sent to ensure the tracking spreadsheet is completed through the end of the month. By the 15th of July, the laboratory DNA Agent-in-Charge will be forwarding the tracking spreadsheet to the project director within the Investigations unit for metrics reporting due by July 30th.

This agreement has only one additional metrics reporting period, that being the final period which will end September 30. The reminder for this period will be distributed on approximately September 15, with the report delivered to the project director no later than October 15 to ensure complete reporting by the closeout of the awarded agreement.

Recommendation 2: Ensure that valid and auditable source documentation is maintained to support both the activity and the period in which it occurs.

The CBI concurs with this recommendation. We believe that through the action taken to accomplish recommendation 1, we are also making direct action to rectify this second recommendation. The LIMS system and tracking spreadsheets will substantiate the laboratory analyst's completion dates for any case. Subsequently, the reports documenting the analyst's results made available for law enforcement, we believe, and in combination with the completion tracking spreadsheet and LIMS data to be valid and auditable source documentation for performance metrics reporting.

Recommendation 3: Assess the CDPS's ability to complete the proposed program goals prior to the end of the cooperative agreement and evaluate the CDPS's need for any remaining unspent funds.

The Bureau concurs with this recommendation. As stated in the audit report, the CBI is an assist agency and as such we attempt to nurture our relations with local law enforcement agencies. Our overriding goal with this grant was to assist these agencies with the funds necessary to close cold cases where evidence had potential to reveal DNA using the latest technologies. Our intent was never to freely distribute funds and to that end we maintained tight controls of the available funds until agencies not only agreed to participate but also participated in evidence review meetings and understood that only overtime and travel-related costs would be reimbursed assuming DNA evidence could potentially be located.

Our initial efforts began with invitations sent to agencies on July 5, 2011, where we

believed the potential for DNA was high. The invitation explained the funds available, and the purpose of the project. This invitation, Attachment 1, was sent to more than 80 agencies. A list of these agencies is provided in Attachment 2. Of the agencies invited, only 36 have responded. Follow-up letters were sent in August 2011, October 2011, and January 2012. Emails, and teletype notifications through the Colorado Crime Information Center (CCIC) have been distributed as well as meetings held with department chiefs, sheriffs, and district attorneys throughout Colorado to encourage participation. A sample of the follow up letter can be viewed in Attachment 3.

As of this writing, a final follow up letter has been drafted for agencies with an anticipated distribution of July 15, 2013 that initially signed participating Memorandums of Understanding but have not delivered evidence or sought reimbursement for overtime or travel to obtain this evidence. This final letter is to inform these agencies that the CBI will be terminating their agreements in order to release the federal funds we have reserved on their behalf if their participation is no longer favorable to the agency. A sample of the final letter can be viewed in Attachment 4.

With some agencies, we saw initial interest and convened evidence review meetings with staff from the local agency as well as the CBI's investigations and forensics units at which time items of evidence were identified for submission and analysis. However, frequently following this meeting the local agency did not follow through with obtaining and delivering the evidence to our laboratory for analysis. Follow up attempts to retrieve this evidence include phone calls with the agencies executive management, and also with the local investigators for the case.

Within our agency we developed an alternative action plan, Attachment 5, which, as referenced in the audit report, may be a late attempt but does focus on in-depth case review. This action plan makes direct attempts by CBI to collect the evidence ourselves. It is our intention, as it has always been, to serve our State citizens within the boundaries of our role as an assist agency. As we have discovered through this project, this role, if managed in certain hands-off directional methods can hinder our progress. Currently, the funding reprogrammed with the GAN for this initiative also limits our progress but, we intend to request another reallocation of unspent funds. These funds would be reprogrammed from the funds currently committed to agencies that have been proven to be nonresponsive agencies and allocated into this alternative action plan to draw as much success out of our program as possible.

It is unclear to the CBI why eligible agencies elected to not respond, nor why agencies who initially agreed to participate have not been responsive. A recent local media outlet uncovered evidence management issues with one of our larger participating agencies, but the effect of this issue on the progress of this program has not been communicated to the CBI nor does the CBI expect this issue explains other local agencies lack of actual participation.

In conclusion, we acknowledge we have learned lessons from this first collaborative cooperative agreement. Some of these lessons have been internal and some lessons have exposed relationship management concerns we will address separate from our cooperative agreement. It is our hope that the Department of Justice recognizes our

good faith effort to manage their funds while providing a supportive role as an assisting agency. We hope to successfully be awarded other funding programs that also support the investigation of cold cases. We will certainly use the lessons learned from this first experience to develop a better action next time. The CBI, as akin to DOJ, seeks to enhance justice for all victims.

Sincerely,



Ronald C. Sloan
Director
Colorado Bureau of Investigation



Teri J. Sidebottom
Accountant
Colorado Bureau of Investigation

cc: Linda J. Taylor
U.S. Department of Justice
Office of Justice Programs
Office of Audit, Assessment and Management
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Director, Forensic Services

APPENDIX III

OJP's RESPONSE TO THE DRAFT REPORT



U.S. Department of Justice

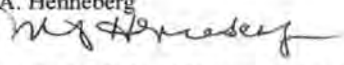
Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

JUL 16 2013

MEMORANDUM TO: David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General

FROM: Maureen A. Henneberg
Director 

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, National Institute of Justice, Cooperative Agreement Awarded to the Colorado Department of Public Safety, Denver, Colorado*

This memorandum is in reference to your correspondence, dated June 12, 2013, transmitting the above-referenced draft audit report for the Colorado Department of Public Safety (CDPS). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **three** recommendations and **no** questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

- 1. We recommend that OJP coordinate with the CDPS to ensure that performance metrics reported to the National Institute of Justice (NIJ) accurately reflect the program accomplishments that have occurred as a result of cooperative agreement funding.**

OJP agrees with the recommendation. We will coordinate with the CDPS to obtain a copy of procedures implemented to ensure that future performance metrics reported to the National Institute of Justice accurately reflect the program accomplishments that have occurred as a result of funding by OJP.

2. **We recommend that OJP coordinate with the CDPS to ensure that valid and auditable source documentation is maintained to support both the activity and the period in which it occurs.**

OJP agrees with the recommendation. We will coordinate with the CDPS to obtain a copy of procedures implemented to ensure that documentation is maintained for future auditing purposes, to support both the activity and the period in which it occurs.

3. **We recommend that OJP coordinate with the CDPS to assess the CDPS's ability to complete the proposed program goals prior to the end of the cooperative agreement and evaluate the CDPS's need for any remaining unspent funds.**

OJP agrees with the recommendation. We will coordinate with the CDPS to obtain documentation to assess their ability to complete the proposed program goals and objectives prior to the end of the cooperative agreement, and evaluate the CDPS' need for any remaining unspent funds. Specifically, OJP will request a detailed timeline from the CDPS for the remainder of the project period, including a description of how the program goals and objectives will be accomplished under the current time frame.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

cc: Jeffery A. Haley
Deputy Director, Audit and Review Division
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Control Number 20130900

APPENDIX IV

OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

The OIG provided a draft of this audit report to the Colorado Department of Public Safety (CDPS) and the Office of Justice Programs (OJP). CDPS's response is incorporated as Appendix II of this final report, and OJP's response is included as Appendix III. The following provides the OIG's analysis of the responses and summary of OJP actions necessary to close the report.

Recommendation Number:

- 1. Resolved.** In its response, OJP agreed with our recommendation to coordinate with the CDPS to ensure that reported performance metrics accurately reflect the program accomplishments. OJP stated that it will coordinate with the CDPS to obtain a copy of the implemented procedures.

In its response, the CDPS agreed with our recommendation and stated that only partial performance was reported to the NIJ as a result of a lack of an organized communication schedule between the Investigations unit, the forensic DNA laboratory, and the project director. The CDPS had previously provided the performance metric tracking spreadsheets from both the laboratory and the Investigations unit, and stated in its response that on June 15, 2013, it implemented policies to ensure that complete performance data from both the laboratory and the Investigations unit is delivered to the project director two weeks prior to the reporting deadline.

This recommendation can be closed when OJP provides evidence that it obtained and reviewed the procedures implemented to ensure that future performance metrics reported to the National Institute of Justice accurately reflect the program accomplishments that have occurred as a result of OJP funding.

- 2. Resolved.** In its response, OJP agreed with our recommendation to coordinate with the CDPS to ensure that valid and auditable source documentation is maintained to support both the activity and the

period in which it occurs. OJP stated that it will coordinate with the CDPS to obtain a copy of the implemented procedures.

In its response, the CDPS agreed with our recommendation and stated that only partial performance was reported to the National Institute of Justice (NIJ) as a result of a lack of an organized communication schedule between the Investigations unit, the forensic DNA laboratory, and the project director. The CDPS also stated that they believed that the actions taken to address recommendation 1 also address this recommendation, and that source data from the laboratory information management system (LIMS) and the Investigations unit tracking spreadsheet are maintained to substantiate the reported performance.

This recommendation can be closed when we receive evidence that OJP obtained and reviewed the procedures implemented to ensure that CDPS documentation is maintained for future auditing purposes, to support both the activity and the period in which it occurs.

- 3. Resolved.** In its response, OJP agreed with our recommendation to assess the CDPS's ability to complete the proposed program goals prior to the end of the cooperative agreement and evaluate the CDPS's need for any remaining unspent funds. OJP stated that it will request a detailed timeline from the CDPS for the remainder of the project period, including a description of how the program goals and objectives will be accomplished under the current time frame.

In its response, the CDPS agreed with our recommendation and stated that it has attempted to obtain participation from local law enforcement agencies several times beginning in July 2011. The CDPS provided a copy of a final follow up letter requesting participation from local law enforcement agencies. Additionally, the CDPS provided a detailed action plan outlining the timeline and milestones for the final six months of the program.

This recommendation can be closed when we receive evidence that OJP obtained and reviewed the documentation that assesses CDPS's ability to complete the proposed program goals and objectives prior to the end of the cooperative agreement, and evaluates the CDPS's need for any remaining unspent funds.