



**LIMITED SCOPE AUDIT OF AN OFFICE OF JUVENILE  
JUSTICE AND DELINQUENCY PREVENTION GRANT  
AWARDED TO WOMEN IN SUPPORT OF THE MILLION  
MAN MARCH  
NEWARK, NEW JERSEY**

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

Audit Report GR-70-14-008  
August 2014

# **LIMITED SCOPE AUDIT OF AN OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION GRANT AWARDED TO WOMEN IN SUPPORT OF THE MILLION MAN MARCH NEWARK, NEW JERSEY**

## **EXECUTIVE SUMMARY**

The Department of Justice Office of the Inspector General (OIG) has completed a limited scope audit of an Office of Juvenile Justice and Delinquency Prevention (OJJDP) grant awarded by the Office of Justice Programs (OJP) to the Women in Support of the Million Man March, Inc. (WISOMMM) located in Newark, New Jersey.<sup>1</sup> Specifically, the OIG reviewed a \$345,325 OJJDP grant, number 2005-JL-FX-0210, awarded to WISOMMM to support youth crime reduction programs. The specific purpose of the award was to provide local at-risk youth with educational, cultural, and recreational alternatives to crime and violence.

The objective of the OIG limited scope audit was to identify risks that represent impediments to effective grant management and administration. We assessed WISOMMM's grant management in the following areas: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring.

The OIG limited scope audit identified significant deficiencies in accounting systems and internal controls, and questioned \$146,000 of the grant funds that the WISOMMM received. Significantly, \$198,000 in checks and Electronic Funds Transfers (EFTs) were disbursed from the grant account without any supporting financial records. We were able to confirm \$72,000 was refunded, leaving \$126,000 in unsupported disbursements. In addition, we found one check totaling \$20,000 disbursed to an individual third party without any supporting financial records.

As a result of these issues, we provide two recommendations to OJP to remedy \$146,000 in questioned costs and improve WISOMMM's grant management processes. These items are discussed in detail in the results and recommendations section of the report. Our limited scope audit objectives, scope, and methodology appear in Appendix I, and our Schedule of Dollar-Related Findings appears in Appendix II.

We discussed the results of our audit with WISOMMM officials and have included their comments in the report, as applicable. Additionally, we requested a response to our draft report from WISOMMM and OJP, and their responses are appended to this report as Appendix III and IV, respectively. Our analysis of both

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<sup>1</sup> During this audit, we identified certain issues requiring further investigation. We made a referral to the OIG's Investigations Division, and put our audit on hold pending resolution of the referral. Subsequently, we were able to complete our audit and issue this report.

responses, as well as a summary of actions necessary to close the recommendations can be found in Appendix V of this report.

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**INTRODUCTION**

The Department of Justice Office of the Inspector General (OIG) completed a limited scope audit of an Office of Juvenile Justice and Delinquency Prevention (OJJDP) grant awarded by the Office of Justice Programs (OJP) to the Women in Support of the Million Man March, Inc. (WISOMMM) in Newark, New Jersey.<sup>2</sup> According to the application documents, the purpose of WISOMMM's OJJDP award was to develop and implement the Boycott Crime Campaign (BCC). The purpose of the BCC was to provide local at-risk youth with educational, cultural, and recreational alternatives to crime and violence.

**EXHIBIT 1:  
OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION GRANT TO  
THE WOMEN IN SUPPORT OF THE MILLION MAN MARCH, INC.**

<b>AWARD NUMBER</b>	<b>AWARD START DATE</b>	<b>AWARD END DATE</b>	<b>AWARD AMOUNT</b>	<b>OBJECTIVE</b>
2005-JL-FX-0210	9/14/05	12/31/06	\$345,325	Youth Crime Reduction Program

Source: Office of Justice Programs

**Office of Justice Programs**

OJP's mission is to increase public safety and improve the fair administration of justice across America through innovative leadership and programs. OJP works in partnership with the justice community to identify crime-related challenges confronting the justice system and to provide information, training, coordination, strategies, and approaches for addressing these challenges.

**Office of Juvenile Justice and Delinquency Prevention**

OJJDP, a component of OJP, provides national leadership, coordination, and resources to prevent and respond to juvenile delinquency and victimization. OJJDP supports states and communities in their efforts to develop and implement effective and coordinated prevention and intervention programs and to improve the juvenile justice system so that it protects public safety, holds offenders accountable, and

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<sup>2</sup> During this audit, we identified certain issues requiring further investigation. We made a referral to the OIG's Investigations Division, and put our audit on hold pending resolution of the referral. Subsequently, we were able to complete our audit and issue this report.

provides treatment and rehabilitative services tailored to the needs of juveniles and their families.

### **Women in Support of the Million Man March**

WISOMMM is a community organization founded in November 1995 to continue the work of the 1995 Million Man March to Washington, D.C. According to its website, the women who support the organization serve the community based on a philosophy that stresses faith, empowerment, self-love, self-determination, and reunification of the family unit. As a community organization, WISOMMM operates a pre-school and child care center, sponsors various community events linked to its mission, and previously operated a charter school that has since closed operation. In 2005, WISOMMM received the grant to develop and implement the Boycott Crime Campaign (BCC). The objective of the BCC was to provide local at-risk youth with educational, cultural, and recreational alternatives to crime and violence. WISOMMM expended the entire \$345,325 grant award.

### **Limited Scope Audit Approach**

Our limited scope audit covered risks associated with WISOMMM's management and administration of the Office of Juvenile Justice and Delinquency Prevention (OJJDP) grant, number 2005-JL-FX-0210. OJP awarded this grant under the FY 2005 OJJDP Congressional Earmark Program. We reviewed documentation related to this grant and considered a judgmental sample of internal controls and procedures that were in place at the time the grant was active, as well as relevant revisions and updates. We interviewed the WISOMMM Executive Director (Director) and conducted limited testing related to:

- budget compliance,
- transactions (accurately recorded in accounting records and supported by purchase orders, receipts, or invoices),
- grant drawdowns vs. actual expenses,
- cancelled checks, electronic funds transfers, and accompanying bank statements, and
- lease documentation for the building WISOMMM used as its headquarters.

The objective of the OIG limited scope audit was to identify risks that represent impediments to effective grant management and administration. We assessed WISOMMM's grant management in the following areas: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring.

## FINDINGS AND RECOMMENDATIONS

Based on our limited assessment, we found WISOMMM did not have an accounting system or a system of internal controls in place that would assure adequate control of the grant funds. We identified \$198,000 in checks and Electronic Funds Transfers (EFTs) disbursed from the grant bank account without out any supporting financial records. We were able to confirm \$72,000 was refunded to the grant-funded program account, leaving \$126,000 in unsupported disbursements. Included within the \$198,000 in unsupported disbursements, we found one check totaling \$20,000 disbursed to an individual third party without any supporting financial records. We recommend that OJP remedy the \$146,000 in questioned costs identified during our work.

### Control Environment

To ensure an adequate control environment, management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management.<sup>3</sup>

Prior to awarding WISOMMM this OJJDP grant, OJP completed a fiscal review, including review of a financial capability questionnaire completed by WISOMMM and certified by its outside accountant. OJP identified no problems or concerns.

Although the financial capability questionnaire was signed by an outside accountant, we found that WISOMMM's grant accounting system was unsophisticated and limited to bank records associated with a checking account at a local financial institution established specifically for the grant. WISOMMM's Executive Director told us she relied on the grant manager to administer the grant within the guidelines established by OJP. She also told us she reviewed each of the grant's monthly bank statements, but we found no evidence to document the Director's review of the bank statements. Because WISOMMM did not complete a summary of its expenditures by budget category, we could not determine if the expenditures followed the budget established by OJP.

In order to gain an understanding of the control environment over DOJ grants, we also reviewed the grant applications to determine if WISOMMM completed the standard assurance statements regarding eligibility and compliance with applicable laws and regulations, and a drug-free workplace requirement. We confirmed that these were signed electronically with the on-line grant application.

From our discussions with the Director we learned that WISOMMM is governed by a Board of Directors (Board). The Director reported to the Board on a

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<sup>3</sup> United States General Accounting Office, *Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (November 1999), 8.

quarterly basis and the Director told us that all of her major decisions were reviewed by the Board and she believes that any instances of fraud would be uncovered by her or the Board members.

## **Risk Assessment**

Internal controls should provide for an assessment of the risks an agency faces from both external and internal sources.<sup>4</sup>

We discussed with the Director the risks WISOMMM faced in its administration of grant funds. The Director told us there are no pending complaints from her suppliers and she believes their exposure to risks is low. She also told us that she: (1) reviewed each of the monthly bank statements, (2) required two signatures for each check disbursed (usually hers and the grant manager), and (3) required the grant manager to provide a signed purchase order for her review and approval signature. However, she acknowledged that none of these internal control procedures were documented and the organization could improve its overall internal controls.

## **Control Activities**

Internal control activities help to ensure that management's directives are carried out. The control activities should be effective and efficient in accomplishing the entity's grant objectives.<sup>5</sup>

The Director told us that, during the grant period, only she and the grant manager had access to the grant funds that were segregated in a separate bank account. Moreover, each check disbursement needed to be authorized by a purchase order and signed by both the Director and the grant manager.

Because of the unsophisticated accounting system we found at WISOMMM, we examined every entry in the grant program's manual check registry. At the time of our audit that registry contained 50 transactions totaling \$352,051, for which we verified whether: (1) WISOMMM was able to provide a receipt to support the expenditure, (2) the receipt identified a purchase authorized in the approved grant budget, (3) the check was counter-signed by both the Director and the grant manager, and (4) the purchase order authorizing the expenditure was complete and accurate. We point out that the universe of transactions (\$352,051) we reviewed from the check registry exceeded the authorized grant award (\$345,325) total by \$6,726.

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<sup>4</sup> GAO, *Standards for Internal Control*, 10.

<sup>5</sup> GAO, *Standards for Internal Control*, 11.



### *Funds Transferred Between the Grant Account and Other Accounts*

During our testing we found eight disbursements, both checks and Electronic Funds Transfers (EFTs), totaling \$198,000 that did not have the required receipt to support the expenditure, did not have the two signatures required to validate the check or transfer, and did not have a valid purchase order to authorize the expenditure. After receiving the grant award, the Director established a bank account to exclusively administer the receipt and disbursement of grant funds. In addition, WISOMMM, had access to at least three other bank accounts that supported its other non-grant funded activities, including a separately located charter school, an onsite pre-school, and other assorted community activities. We were told the other bank accounts received state, local, and corporate funding to carry out those WISOMMM activities. We were able to confirm that the checks and electronic fund transfers from the grant program bank account the Director characterized as loans were in fact deposited into other WISOMMM related bank accounts.

Because we determined the movement of the grant funds was not supported by any receipts to indicate the reason for what we presumed to be grant expenditures, we asked the Director for an explanation and evidence to support the transfer of the grant funds. She acknowledged the unsupported checks and transfers in her response to us and stated the transfers were short-term loans from the WISOMMM grant program bank account to cover outstanding debts to the WISOMMM organization, but she could not provide us with any loan documentation. She thought that the other WISOMMM programs borrowed only \$90,000 and repaid \$72,000 back to the grant bank account. Her written explanation for what she believed to be the remaining \$18,000 of the loan between the WISOMMM accounts follows:

The remaining balance was offset by additional expenditures due because of unforeseen program setbacks creating a need for the program to be extended to complete the project.

We requested a second meeting to discuss the discrepancy between the \$90,000 the Director believed she borrowed from the grant bank account and the \$198,000 we identified as unallowable transfers between the grant bank account and the rest of the organization. At this meeting the Director told us she thought the grant had been extended an additional 6 months and she provided a lease agreement that purportedly supported \$36,000 of the unallowable expenditures.

We were able to confirm that \$72,000 was returned to the grant bank account from our review of the bank statements; however, in response to our inquiry concerning the grant end date, OJP advised us that they did not receive a request for a grant extension and they did not extend the grant. Therefore, of the original \$198,000 transferred from the grant bank account to WISOMMM's other programs, \$126,000 remained unaccounted. The *Office of Management and Budget Circular A-122 Cost Principles (for Non-Profits)* (OMB Circular A-122) requires that to be allowable, costs should be incurred specifically for the award and

should benefit the award. Because we could find no benefit to the award for the costs we questioned, we consider the \$126,000 to be unallowable and we recommend that OJP remedy those costs.

#### *Payments Made to an Individual Third Party*

We identified a \$20,000 check disbursement made payable to an individual third party (individual). The Director told us the individual completed the remaining grant funded activities for the BCC as the grant period was nearing its end date. The individual was a retired police officer who was associated with the locally based Police Athletic League (PAL), but his association to the grant program was not clear. Based on statements from the Director and information we found in the grant file, it appears that the individual, along with other PAL staff members, participated in the development and delivery of two programs supporting the grant program and the individual was treated as a contractor. For this work, the Director prepared two checks from the grant bank account totaling \$24,050 –the first check for \$4,050 was made payable to PAL as an organization and the second check for \$20,000 was made payable to the individual personally.

We found that the first check, in April 2006, was initially made payable to the individual in the amount of \$4,050 and was supported by a bill for services from PAL, the organization. When we questioned the Director about this discrepancy, she acknowledged that a check for \$4,050 was incorrectly prepared for the individual personally but that check was never actually issued. The Director told us that when she discovered the error, she voided the check to the individual and issued a replacement check payable to PAL. Our review of the grant account's bank statements confirmed the Director's claim as we found the check issued to PAL was cashed against the grant bank account and the original check to the individual was in fact voided and never cashed. Further, we also found documentation in the grant files where the individual at that time asked WISOMMM to issue checks to PAL and not to him personally.

In December 2006, during the grant's final weeks, WISOMMM processed a final request for funding that effectively drew down all of the available funds remaining under the award. During that month, the Director prepared several large checks totaling \$52,000 that expended all remaining grant funds. Two of the checks written in that final month were made payable to WISOMMM and are included in our previous discussion of unsupported transfers. The Director prepared a third check totaling \$20,000 that was made payable incorrectly to the same individual who previously had a check made payable to him personally for \$4,050 but that was voided and never issued. The supporting documentation for the \$20,000 check was an invoice from PAL with accompanying payroll records for staff that purportedly worked for PAL and that were somehow involved with the grant-funded program. This time, the individual did not ask for a replacement check to be made payable to PAL and cashed the check personally. Moreover, the purchase order we received to justify the December 2006 expenditure was signed by the grant manager who was terminated in September 2006.

When we asked the Director about the transaction, she agreed to provide supporting documentation. In her written response to us, the Director noted that the individual, as the Executive Director of the locally based PAL, supported PAL by donating all of his consulting fees to the organization and that he made personal loans to PAL. She acknowledged the mistake regarding the first payment made directly to the individual, but now suggested that payments to the individual were permitted because PAL would pay him anyway. She provided an example of a mentoring program that purportedly was developed jointly by both PAL and the grant program. She told us the program was developed during a timeframe when WISOMMM received an OJP approved grant extension, although she did not provide us with any documentation of an approved grant extension nor any approved lease extensions noted previously. The Director provided no evidence to support the names of the individuals associated with PAL that worked on the program or the hours worked on the program other than the check issued to the individual. She also told us that the former WISOMMM grant manager signed a number of blank purchase orders and WISOMMM routinely used the blank purchase orders with the grant manager's signature to support expenditures completed long after the grant manager was terminated.

We requested another follow up meeting with the Director to address some of the issues surrounding the payments made to the individual. At the follow up meeting, the Director acknowledged that checks should have been issued to PAL, she accepted full responsibility for the mistake, and suggested that it resulted from the untimely departure of the grant manager that caused the Director to immediately assume all of the duties and responsibilities previously performed by the grant manager. She said that it was her understanding that the individual knew the check should not have been written to him and he reimbursed PAL. She could not provide us with any additional evidence to support who completed the work on the mentoring project or the number of work hours allocated to the project.

The Director asked the individual to be present for part of our follow up meeting. We asked the individual about the work he performed to support the grant funded project. He told us he was currently employed full-time as the Principal for the WISOMMM charter school. He told us he believed PAL earned the money that was paid to him and he reimbursed PAL accordingly. He told us he could not provide any evidence to support the PAL staff that worked on the program or the hours worked to develop and deliver the mentoring program. We asked the individual to provide us with evidence to verify his reimbursement to PAL for the \$20,000 check issued to him personally. He said he would talk to his accountant and get back to us.

The individual eventually provided us with a bank statement to demonstrate that he deposited \$5,000 to the PAL bank account on the day prior to receiving the WISOMMM check from the grant account, and he provided a copy of an \$11,840 delinquent real estate tax bill for the PAL property with an accompanying bank check that he purportedly used to pay the tax bill before the property went to possible sheriff sale for unpaid taxes. He also provided copies of PAL bank

statements that showed a series of deposits he supposedly made to the PAL account between December 2006 and February 2007. Because the grant money moved between at least one and possibly two bank accounts, we could not determine how or if the individual actually repaid the PAL account.

The OMB Circular A-122 in effect at the time of the award, in addition to requiring that allowable costs be incurred specifically to benefit an award, also required that, to be allocable to a particular project or service, a specific cost must be treated consistently with other costs incurred for the same purpose. Since we could not determine how the \$20,000 expenditure paid to an individual benefited the grant and the same expenditure was not treated consistently, we concluded the expenditure was unallowable. We recommend that OJP remedy the \$20,000 unallowable cost.

## **Information and Communications**

Information should be recorded and communicated to management and others within the entity that need the information, in a form and within a timeframe that enables them to carry out their internal control and other responsibilities.<sup>6</sup>

The Director told us that she reviewed each of the Financial Status Reports (FSRs) that the grant manager prepared and submitted to OJP. However, when we asked to review the FSRs, the Director was unsure which FSRs WISOMMM submitted to OJP for the grant. Moreover, she could provide no support to document the calculations made on any of the FSRs she provided to us.

We contacted the responsible OJP grant manager to review the FSRs on file in OJP's Grants Management System. The OJP grant manager told us that the closeout FSR from WISOMMM was submitted almost 5 months late and, because the FSRs submitted by WISOMMM indicated excess cash was drawn down, for three consecutive quarters, the grant was included in the excess cash report prepared by the Office of the Chief Financial Officer. The comparison of the total expenditures in the FSRs to the grant drawdowns provided to us by OJP revealed that all of the grant funds for the award were drawn down and expended by the December 31, 2006, grant expiration date. Therefore, no grant extension should have been required. We concluded that the FSRs did not provide management with effective internal controls over the grant funds.

## **Monitoring**

Internal control monitoring should assess financial reporting over time and ensure that the findings of audits and other reviews are promptly resolved.<sup>7</sup>

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<sup>6</sup> GAO, *Standards for Internal Control*, 18.

<sup>7</sup> GAO, *Standards for Internal Control*, 20.

The grant award did not reach the \$500,000 threshold in effect at the time of the award to trigger the Single Audit requirement under OMB guidance. We found evidence of one outside audit performed by a certified public accountant; however, the audit did not produce any reportable findings. A search of the Single Audit Clearinghouse database revealed no single audits on file for WISOMMM.

## **Conclusions**

Based the documentation we reviewed and the explanations provided to us, we found several areas of concern including: (1) checks issued and electronic fund transfers initiated to transfer grant funds between grant specific and organizational bank accounts with no explanation or support for the funds transferred, (2) unauthorized and undocumented loans within the organization that were made with grant funds, (3) payment made to an individual without evidence to document the work performed, and (4) conflicting information received during our interviews with individuals associated with the administration and distribution of grant funds. As a result of these deficiencies, we identified questioned costs totaling \$146,000 for remedy. We did not provide any management improvement recommendations to improve grant management processes because as of our report date WISOMMM had not received any DOJ grants other than the award we reviewed.

## **Recommendations**

We recommend that OJP:

1. Remedy the \$126,000 in questioned costs because WISOMMM received unauthorized loans from the grant specific funds.
2. Remedy the \$20,000 in questioned costs for unallowable payments made to an individual third party.

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

### **Objective**

The objective of our limited scope audit was to identify risks that represent impediments to effective grant management and administration.

### **Scope and Methodology**

We conducted this limited scope performance audit in accordance with generally accepted government auditing standards, except as noted in the bulleted items below. Those standards require that we plan and perform this audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our objective.

Because the objective of our limited scope audit is specific to identifying risks, we performed only limited testing of the design and operating effectiveness of internal controls in general and information system controls, in particular. In our judgment, this approach had no adverse effect on our ability to fully address our limited scope audit objective.

Because of the inherent limitations in grant management and administrative practices, errors or irregularities may nevertheless occur and not be detected. Also, projection of any limited scope results to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate. This limited scope audit was performed for the objective described above and would not necessarily disclose all weaknesses in the grantee's grant management and administrative practices.

Our audit covered the grantee's management and administration of the Office of Juvenile Justice and Delinquency Prevention (OJJDP) grant 2005-JL-FX-0210. The Office of Justice Programs (OJP) awarded the grant under the FY 2005 OJJDP Congressional Earmark Program. We reviewed documentation related to this grant and considered a judgmental sample of internal controls and procedures in place at the time the grant was active, as well as relevant revisions and updates. We interviewed the WISOMMM Executive Director (Director) and conducted limited testing related to:

- budget compliance,
- transactions (accurately recorded in accounting records and supported by purchase orders, receipts, or invoices),
- cancelled checks, electronic funds transfers, and accompanying bank statements, and

- lease documentation for the building WISOMMM used as its headquarters.

In addition, we reviewed monitoring activities and looked for risks, concerns, and weaknesses.

SCHEDULE OF DOLLAR-RELATED FINDINGS

QUESTIONED COSTS <sup>1</sup>	AMOUNT	PAGE
<b>Unallowable Costs</b>		
Payments Made to Third Party Individual	\$ 20,000	5
<b>Unsupported Costs</b>		
Unauthorized loans from BCC	<u>126,000</u>	5
<b>TOTAL QUESTIONED COSTS</b>	<b><u>\$ 146,000</u></b>	

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<sup>1</sup> **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, or the provision of supporting documentation.



**WOMEN IN SUPPORT OF THE MILLION MAN MARCH  
RESPONSE TO THE DRAFT AUDIT REPORT**

RESPONSE TO:

DRAFT LIMITED SCOPE AUDIT REPORT: Women In Support Of the Million Man March

Grant Number	Start Date	End Date	Amount	Purpose
2005-JL-FX-0210	9/14/05	12/31/06	\$345,325	Youth Crime Reduction Program

Fredrica Bey, Executive Director of Women In Support Of the Million Man March (WISOMMM), makes the following statements relative to the *Draft Limited Scope Audit Report*.

To date, WISOMMM, after requesting grant documentation and other information, has yet to be provided with the following:

1. Copy of the original signed Grant Contract
2. Copy of the original Contract Budget
3. Name and contact information of the Grant Monitor and/or the person responsible for providing technical assistance and grant oversight
4. Name and contact information of the individual that signed-off on the grant draw-downs
5. A copy of all correspondence between WISOMMM and the OJP relative to the request for an extension of the contract term and any other written communications

WISOMMM has provided, via an internal audit, an accounting of all grant expenditures which include the amounts charged to the OJP program after the end date.

WISOMMM acknowledges that it did not possess the sophisticated accounting system as described in the draft audit.

WISOMMM believes that it should have received more appropriate technical assistance and advice. Had it received such advise it would have resulted in an extension of the contract term, and the required or necessary budgetary category changes required to maintain contract compliance.

WISOMMM understands that the \$20,000 reference for remedy has been paid, to the DOJ, by the 3<sup>rd</sup> party and the OJP should not attempt to recover already reimbursed funds

WISOMMM also contends that the \$6,726 referenced as having exceeded the contract amount, should be deducted from the \$126,000 making the remedy amount sought after \$119,274.

Sincerely,

*Fredrica Bey*

Fredrica Bey  
Executive Director

OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT  
AUDIT REPORT



U.S. Department of Justice

Office of Justice Programs


Office of Audit, Assessment, and Management

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Washington, D.C. 20531

JUL 29 2014

MEMORANDUM TO: Thomas O. Puerzer  
Regional Audit Manager  
Philadelphia Regional Audit Office  
Office of the Inspector General

FROM:   
LeYoya A. Johnson  
Acting Director

SUBJECT: Response to the Draft Audit Report, *Limited Scope Audit of an Office of Juvenile Justice and Delinquency Prevention Grant Awarded to Women in Support of the Million Man March, Newark, New Jersey*

This memorandum is in reference to your correspondence, dated May 16, 2014, transmitting the above-referenced draft audit report for Woman in Support of the Million Man March, Inc. (WISOMMM). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **two** recommendations and **\$146,000** in 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 remedy the \$126,000 in questioned costs because WISOMMM received unauthorized loans from the grant specific funds.**

OJP agrees with the recommendation. On July 28, 2014, the United States Attorney's Office (USAO) in New Jersey confirmed that a consent judgment was approved and adopted by the Federal District Court (Court). The consent judgment requires WISOMMM to repay \$125,000 associated with unauthorized costs charged to grant number 2005-JL-FX-0210, which will settle the U.S. Department of Justice's outstanding claims against WISOMMM related to the grant, including the questioned costs identified in this recommendation. Accordingly, the Office of Justice Programs requests closure of this recommendation.

**2. We recommend that OJP remedy the \$20,000 in questioned costs for unallowable payments made to an individual third party.**

OJP agrees with the recommendation. The USAO in New Jersey is negotiating a repayment plan with the individual third party to remedy the \$20,000 paid to a consultant by WISOMMM under grant number 2005-JL-FX-0210.

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  
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Office of Audit, Assessment, and Management

Robert Listenbee  
Administrator  
Office of Juvenile Justice and Delinquency Prevention

Chyrl Jones  
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Leigh Benda  
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cc: Lucy Mungle  
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OJP Executive Secretariat  
Control Number IT20140520093121

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

**Summary of Actions Necessary to Close Report**

- 1. We recommend that OJP remedy the \$126,000 in questioned costs because WISOMMM received unauthorized loans from the grant specific funds.**

Closed. OJP agreed with this recommendation and reported that a consent judgment was executed between the U.S. Attorney's Office (Newark, New Jersey) and WISOMMM, and agreed to by the Federal District Court. The consent judgment requires WISOMMM to repay \$125,000 in questioned costs associated with this Department of Justice grant. The consent judgment will settle all outstanding claims against WISOMMM specific to this grant, including the questioned costs identified in this recommendation.

We have reviewed the consent judgment and determined that the settlement addresses all of the questioned costs in this recommendation. As a result we consider this recommendation closed.

- 2. We recommend that OJP remedy the \$20,000 in questioned costs for unallowable payments made to an individual third party.**

Resolved. OJP agreed with this recommendation and reported that the U.S. Attorney's Office (Newark, New Jersey) is negotiating a repayment plan with the individual third party to remedy the \$20,000 paid by WISOMMM to a consultant.

This recommendation can be closed when we receive documentation demonstrating that OJP has remedied the \$20,000 in questioned costs for unallowable payments made to a WISOMMM third party consultant.