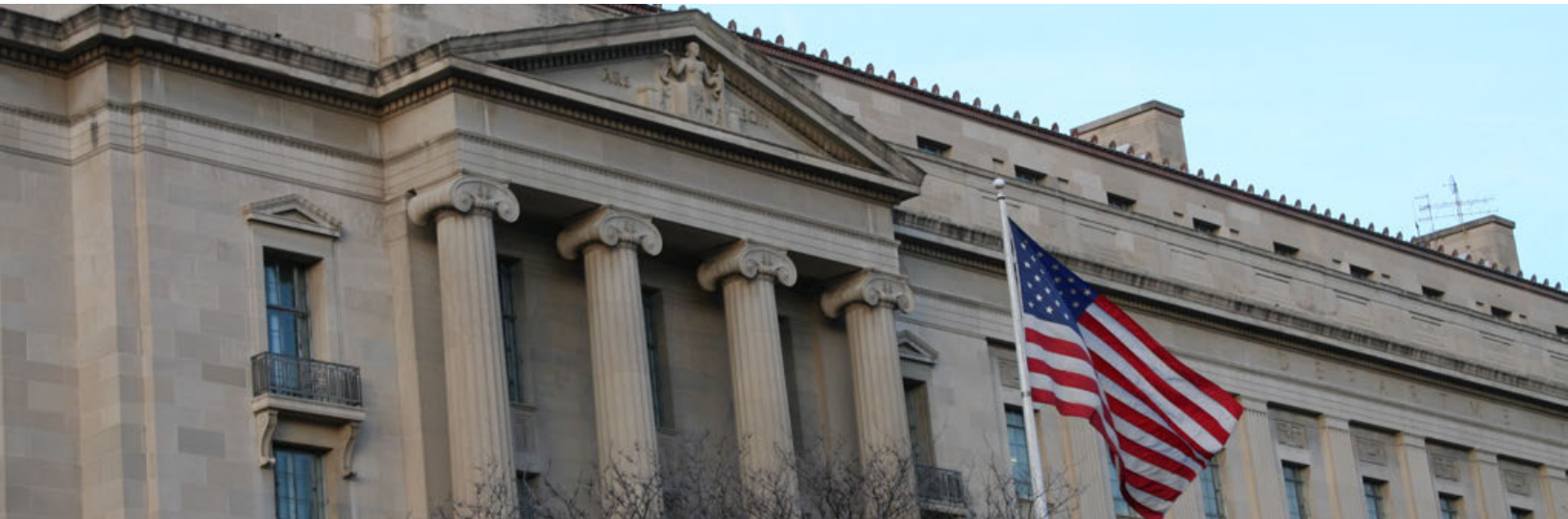




Office of the Inspector General
U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



**Audit of the Office of Justice Programs
Research Grant Awarded to the
Cincinnati City School District for a
Walking School Bus,
Cincinnati, Ohio**

REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 3, the Cincinnati City School District's response, and are of individuals' names.

Audit Division GR-50-19-002

March 2019



Executive Summary

Audit of the Office of Justice Programs Research Grant Awarded to the Cincinnati City School District for a Walking School Bus, Cincinnati, Ohio

Objectives

The Office of Justice Programs (OJP) National Institute of Justice (NIJ) awarded the Cincinnati City School District (CCSD) in Cincinnati, Ohio one grant for \$4,971,284. The objectives of this audit were to determine whether CCSD demonstrated adequate progress towards achieving program goals and objectives, and to determine whether costs claimed under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award. To accomplish these objectives, we assessed CCSD in areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

Results in Brief

We found that CCSD did not properly oversee grant funds and grant activity. CCSD did not establish an adequate framework to implement this grant because it assigned all program management responsibility to a contractor and did not ensure that this individual complied with necessary internal controls and requirements. Throughout the grant, the Program Manager performed various duties without CCSD awareness and authorization, which led to severe deficiencies related to compliance and performance. Most importantly, we found that these deficiencies unnecessarily compromised the safety of the elementary-aged schoolchildren who participated in the grant-funded program. These deficiencies also resulted in CCSD not achieving adequate progress towards the goals and objectives of the grant. Further, we found that CCSD did not comply with OJP financial management requirements and did not safeguard grant funds from fraud, waste, and abuse. Consequently, we questioned \$760,199 in grant expenditures for which CCSD has already received reimbursement. In addition, we believe that NIJ should put to better use the remaining \$598,663 in expenditures for which CCSD has requested reimbursement.

Recommendations

Our report includes five recommendations to OJP. We provided a draft of this report to CCSD and OJP, whose responses can be found in Appendices 3 and 4, respectively.

Audit Results

The purpose of this NIJ award was to design a research-based program related to improving school safety, the results of which would be published by a research organization in a publically available report. CCSD's program involved implementing and studying the effects of a Walking School Bus (WSB) program, in which volunteers would walk children, who live in areas without bus services, to school. CCSD also planned to integrate into the WSB Program the Good Behavior Game (GBG), which was a formally developed and tested evidence-based elementary school initiative to improve safety. CCSD partnered with a research organization that was to assess whether or not the WSB-GBG Program improved student outcomes over a 3-year period, from January 2015 through December 2017.

In March 2016, CCSD's research partner suspended research activity because of concerns regarding safety and program implementation. The NIJ Grant Manager became aware of these issues in May 2016 and OJP froze grant funds to CCSD because of CCSD's failure to notify NIJ of safety concerns, as well as program implementation and research delays. NIJ also identified that CCSD had not complied with other grant requirements. In August 2016, NIJ informed CCSD that it must cease contact with the research subjects and certain data collection until grant compliance issues were resolved. NIJ also referred the grant to the OIG for review.

Program Structure - CCSD was the prime recipient of the audited grant and responsible for implementing the WSB-GBG Program and coordinating with its research partner to evaluate program effectiveness. However, we found that CCSD did not develop or implement policies and procedures to account for organizational, programmatic, and financial aspects of the grant. In addition, CCSD contracted with an individual to serve as Program Manager to implement and manage the WSB-GBG Program, which although disclosed to NIJ, did not comply with OJP's requirement that the Program Manager be an employee of CCSD. Moreover, CCSD did not institute appropriate internal controls to oversee this individual. Consequently, the Program Manager



Executive Summary

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established contracts without CCSD approval, made changes to the grant budget, certified a financial federal report on behalf of CCSD, and submitted a federal grant performance report for CCSD. In general, we believe that the failures associated with the WSB-GBG Program were the result of the Program Manager's decisions and actions that CCSD did not supervise and mitigate.

Safety Concerns - We determined that CCSD did not adhere to statutory and DOJ requirements that were put in place to ensure student safety. Specifically, the Program Manager did not report to CCSD or NIJ allegations of adverse events, such as conductors assisting police on identifying a prostitution ring, students riding in a car with a conductor without parental permission, and the loss of computers with student information. Additionally, CCSD did not properly file data privacy and human subject protection documents. This was particularly relevant as computers with student data were lost and stolen. Furthermore, we found that CCSD had an insufficient process to ensure that WSB-GBG Program conductors pass background checks before they were allowed to work with children in the program. Based on our review, we found that individuals with records involving trafficking drugs near a school and endangering children were allowed to work with schoolchildren. CCSD officials noted that the Program Manager controlled the background check verification process and who was allowed to work on the WSB-GBG Program.

Program Implementation - We found that CCSD did not adhere to the original implementation plan developed in conjunction with the research partner and approved by NIJ. In turn, we found that the Program Manager revised the budget and scope of the program without properly coordinating with CCSD, the research partner, and the NIJ Grant Manager. These changes affected grant funds and the credibility of the research.

We also found that CCSD lacked formalized guidance for the WSB-GBG Program and did not adequately train individuals who were involved in its implementation. Without a written policy and proper training outlining WSB-GBG Program structure, operational procedures, and disciplinary processes, CCSD risked a lack of coherency among individuals involved in WSB-GBG

Program activity and ultimately did not adequately account for the safety of the schoolchildren participating in the program.

In addition, due to the deficiencies in implementation, we determined that CCSD did not adequately track and maintain program data. This ultimately resulted in CCSD not achieving or making adequate progress in fulfilling the primary goal of the grant, which was publishing a researched-report on the topic of school safety.

Financial Management and Grant Expenditures -

We found that while CCSD did not have specific policies and procedures to account for grant funds; instead, it relied on general accounting and financial processes to approve and expend grant funds. While CCSD generally followed internal procedures for financial transactions, it gave the WSB-GBG Program Manager full independence in making decisions related to grant expenditures. We found that the Program Manager entered into contracts, some of which were not approved by CCSD and others that did not comply with OJP sole source and competitive bidding requirements. In addition, we found unsupported and unallowable expenditures related to contractors, conductors, consultants, and equipment. We questioned these costs and attributed them to various factors, including entrusting the Program Manager to perform duties that should have remained with a CCSD official, lack of expense verification by the responsible CCSD official, and lack of formalized policies and procedures for grant financial management in place at the time of the grant.

In September 2018, OJP de-obligated the grant balance of \$3,612,422, which was the remaining balance not expended by CCSD for the WSB-GBG Program. As a result of the deficiencies we found during audit, including unacceptable performance and grant management, as well as the implementation of a program that significantly deviated from the NIJ approved grant, we question the entirety of the \$760,199 in grant funds reimbursed to CCSD. In addition, we recommend putting to better use \$598,663 in grant-related expenditures not yet reimbursed to CCSD.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
RESEARCH GRANT AWARDED TO
THE CINCINNATI CITY SCHOOL DISTRICT
FOR A WALKING SCHOOL BUS,
CINCINNATI, OHIO**

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**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
RESEARCH GRANT AWARDED TO
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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of grant number 2014-CK-BX-0103 for \$4,971,284, awarded by the Office of Justice Programs (OJP) National Institute of Justice (NIJ) to the Cincinnati City School District (CCSD) in Cincinnati, Ohio, on September 30, 2014. The grant awarded to CCSD was associated with NIJ's Comprehensive School Safety Initiative. Through this initiative, which began in 2014, NIJ provides grant funding to various local and State education agencies for school-safety-focused personnel, programs, activities, and evaluation. Projects funded through these awards require educational agencies to collaborate with research partners to identify, test, and evaluate interventions and approaches intended to enhance school safety.

Cincinnati City Schools District

CCSD serves approximately 36,000 students ranging from preschool to the 12th grade in approximately 63 schools within the city of Cincinnati, Ohio. Of the approximately 36,000 students, around 80 percent come from economically disadvantaged families and CCSD has stated that its elementary students are exposed to high levels of safety concerns at school and in the community. According to CCSD, it ranks among the top 2 percent of Ohio districts for students' learning growth and offers families high-quality school choices and academic programs.

Background

According to OJP, it provides innovative leadership to federal, state, local, and tribal justice systems by disseminating state-of-the-art knowledge and practices across America, and providing grants for the implementation of these crime fighting strategies. NIJ, a component of OJP, distributes grant funds to further justice-related research and development. The NIJ's mission is to advance scientific research, development, and evaluation to enhance the administration of justice and public safety.

Under the Comprehensive School Safety Initiative, the NIJ issued the "Developing Knowledge about What Works to Make Schools Safe" grant solicitation. In response to this solicitation, CCSD submitted an application proposing to test a Walking School Bus (WSB) Program, in which children living in areas without school bus access would be walked to and from school by adults from their communities. CCSD stated that in concert with the WSB, it would also perform the Good Behavior Game (GBG), which was a formally developed and tested evidence-based

elementary school initiative to improve safety. The CCSD planned to implement the WSB-GBG Program in 12 elementary schools strategically located in Cincinnati neighborhoods with high rates of crime and poverty.

In September 2014, NIJ awarded CCSD \$4,971,284 to implement the WSB-GBG Program from January 2015 to December 2017. To fulfill the goals and objectives of the grant, CCSD would focus on executing the WSB-GBG Program within its schools. This program entailed CCSD finding, vetting, and using Cincinnati residents as the WSB-GBG conductors who would walk children to and from school. In addition, CCSD was responsible for compiling WSB-GBG Program data and other necessary information and providing it to a research partner for statistical analysis and conclusions related to WSB-GBG Program effectiveness. CCSD deployed the WSB-GBG Program in the first semester of the 2015-2016 CCSD school year.

NIJ Concerns with CCSD

However, in March 2016, 7 months after initial deployment, CCSD's research partner identified fundamental and programmatic deficiencies, including concerns related to the safety of the schoolchildren who participated in the WSB-GBG Program and suspended its research related to the WSB-GBG Program. CCSD did not inform the NIJ Grant Manager about the research suspension and the concerns and continued all of its WSB-GBG Program activities. In May 2016, the NIJ Grant Manager became aware of the suspension of program research. NIJ subsequently decided to withhold the release of any additional grant funds due to the suspension of research. NIJ also initiated a programmatic review conducted in concert with a financial review by OJP's Office of the Chief Financial Officer (OCFO).

NIJ completed an Enhanced Performance Desk Review (EPDR) and in July 2016 provided CCSD with a report that identified six primary issues, centered on compliance with DOJ requirements, data collection, and child safety. In that same month, CCSD alerted NIJ that 57 computers purchased with grant funds were stolen from a CCSD building. Around the same time, CCSD asked NIJ various questions regarding compliance with grant conditions for the WSB-GBG Program because the upcoming school year was approaching. In August 2016, NIJ informed CCSD that contact with human subjects and the collection of certain data could not continue and that NIJ would continue to withhold the release of any grant funds until CCSD provided sufficient evidence that it resolved all safety concerns and other findings in the NIJ report. Prior to the start of the 2016-2017 school year, CCSD decided that without the immediate availability of grant funds, it could not deploy the WSB-GBG Program for the 2016-2017 school year.

OJP's OCFO continued its financial review and in October 2016 provided CCSD with a report consisting of 13 recommendations outlining questioned costs and violations of grant terms and conditions. In addition, OJP referred this grant to the DOJ OIG for review and investigation. DOJ OIG's Investigations Division closed its investigation in January 2018 and referred the grant to the Audit Division for further review. While the EPDR has been closed, the OCFO reviews remain open, as recommendations have not been fully addressed. According to NIJ, activity

within the OCFO review has been placed on hold pending the completion of our audit.

OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant, and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports. We also conducted interviews with OJP officials and CCSD officials, as well as available personnel from various entities that CCSD contracted with to develop, implement, and oversee the WSB-GBG Program. It is notable that, at the time of our audit, the WSB-GBG Program Manager and the individuals with whom CCSD contracted to manage the WSB-GBG grant were no longer associated with the school and we were unable to interview them.

We tested compliance with what we consider to be the most important conditions of the grant. The 2014 OJP Financial Guide and the award documents contain the primary criteria we applied during the audit, but we also reviewed aspects of public law associated with the use of human subjects to assess CCSD's adherence to safety measures impacting the schoolchildren who participated in the WSB-GBG Program.

The results of our analysis are discussed in detail later in this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology. The Schedule of Dollar-Related Findings appears in Appendix 2.

AUDIT RESULTS

Inadequate CCSD WSB-GBG Program Management and Oversight

CCSD was the prime recipient on this grant and, as depicted in its award application, CCSD was responsible for managing and overseeing implementation of the WSB-GBG Program. Further, as described in the application, CCSD was to coordinate with a named research partner to evaluate the safety and behavior outcomes of the initiative to determine program effectiveness. However, at the time of the grant, CCSD did not have established policies and procedures addressing grant-related performance and financial management activities. Prior to the start of this audit, in February 2018, CCSD enacted policies, through a Policies and Procedures Manual for Administration of Federal Funds (Federal Funds Manual) to ensure it expends federal funds lawfully. Nevertheless, we found that because it lacked formalized policies and procedures, CCSD did not institute an adequate framework for managing a wide range of organizational, programmatic, and financial issues associated with the grant.

Mismanagement of the Grant Program

Of particular concern, we found that CCSD did not appropriately manage the WSB-GBG because it assigned program management responsibility to a non-employee, which does not comply with DOJ's requirement that grant Project Directors be employees of the grantee's organization. Although CCSD's application for the NIJ grant explicitly stated that the Program Manager would be an independent contractor, the NIJ Grant Manager believed that this individual was a CCSD employee because this individual maintained a CCSD e-mail address, had prior programmatic experience with CCSD, and had an office located within a CCSD building. In March 2016, upon receiving and reviewing the actual contract for this individual, the NIJ Grant Manager became formally aware that the Program Manager was an independent contractor and not considered a school district employee. At that time, the NIJ Grant Manager raised the concern to NIJ officials and the OCFO.

Nevertheless, we found that CCSD relied on the Program Manager and did not oversee and ensure that she appropriately implemented and managed the WSB-GBG Program. Specifically, in the role of Program Manager, this contractor was responsible for managing all operational aspects of WSB-GBG Program and ensuring compliance with DOJ requirements and grant guidance.¹ To fulfill these responsibilities, CCSD authorized the Program Manager to hire a staff of six individuals, all of whom were also independent contractors and not directly employed by CCSD. CCSD required the Program Manager to report to CCSD's Director of Family and Community Engagement (FACE), who was a CCSD employee. However, according to the FACE Director, she only oversaw certain financial aspects of the grant, such as authorizing and approving expenditures for the WSB-GBG Program, and that CCSD relied on the Program Manager to

¹ Throughout this report, we refer to this individual as the Program Manager.

implement the program, monitor performance, and ensure compliance with all requirements. Therefore, CCSD did not officially oversee the overall implementation of the WSB-GBG Program, as required.

Upon further review, we found that the Program Manager performed various duties without CCSD awareness and authorization. In particular, we found that the Program Manager obligated grant funds without CCSD approval, made changes to the grant budget on behalf of CCSD, certified a financial federal report on behalf of CCSD, and submitted a federal grant performance report for CCSD.² Of note, after NIJ froze grant funds and CCSD suspended the WSB-GBG Program, the Program Manager created a web-based petition and contacted a local media outlet to draw attention to NIJ's decision. According to CCSD officials, the Program Manager did so without the consent and notification of CCSD.

In conducting this audit, we found significant evidence that indicates that the failures associated with the implementation and performance of the WSB-GBG Program were the result of the Program Manager's imprudent and ill-advised decisions and actions. Consequently, CCSD's decision to rely entirely on the Program Manager to implement and manage the WSB-GBG Program without adequate oversight and without formalized policies and procedures created an at-risk environment that did not adequately account for the safety of the grant participants, ensure that goals were achieved, and safeguard DOJ funds from fraud, waste, and abuse. As a result, we recommend that OJP ensure that CCSD updates its Federal Funds Manual to incorporate appropriate internal controls and procedures to safeguard DOJ grant funds and to comply with DOJ requirements related to overseeing contractors assigned to federal grants.

Safety Concerns

Because the audited grant award was research-related and incorporated the use of human research subjects – the schoolchildren participants – CCSD was required to comply with statutory and regulatory requirements related to the protection of these individuals. We found that CCSD did not properly comply with certain requirements and as a result compromised the safety of the schoolchildren who participated in the WSB-GBG Program.

Institutional Review Board Compliance

As prescribed by statute and special conditions of the grant, CCSD was required to obtain initial Institutional Review Board (IRB) certification for its establishment of the WSB-GBG Program's human subject research activities, as well ongoing IRB assurance that the implementation of CCSD's WSB-GBG Program research activities complied with the originally approved methods.³ An IRB is a group of independent representatives who serve to assure, both in advance and by periodic review, that research conducted, supported, or otherwise subject to

² We discuss each of these issues later in this report.

³ 28 C.F.R. Part 46

regulation by any federal department or agency, is implemented by and adheres to appropriate controls and steps to protect rights and welfare of human subjects. Prior to the start of research activity, an IRB reviews the purpose and plan of the research to ensure that ethical standards are kept and human subjects will not suffer harm as a result of the research-related activities. Additionally, federal IRB laws require the IRB to review the research at least once a year to ensure the research in action is not causing harm to the human subjects.

We found that CCSD obtained written approval from two separate external IRBs. Through a review of documentation, we found that the city of Cincinnati Health Department (CHD) IRB issued a letter formally approving the program implementation that would collect the research data and the IRB division of CCSD's research partner approved the evaluation of the program.⁴ We spoke with officials from CCSD's research partner to obtain an understanding of their IRB-related involvement on the grant. These officials stated its IRB's role on the WSB-GBG Program was to review and approve the research partner's evaluation work, which entailed the review and analysis of data obtained through CCSD's implementation of the WSB-GBG Program and observation of the WSB-GBG Program operations. However, these officials stated that the research partner IRB was not responsible for overseeing CCSD's program operations that obtained the data for the WSB-GBG research grant. In turn, research partner officials said that the research partner IRB independently reviewed the evaluation activities after having been informed that the CHD IRB had approved the operational aspects of the WSB-GBG Program and were provided with an approval letter signed by the Chair of the CHD IRB.

We reviewed the CHD IRB's approval letter and spoke with CHD IRB officials to determine if this IRB performed a certification and review process for the WSB-GBG Program. These officials stated that there was no presumption the CHD IRB would act as the primary IRB in the WSB-GBG Program. These officials were aware that CHD IRB issued a letter to the WSB-GBG Program's Program Manager in January 2015, but according to these officials, this approval was based on a cursory review of the project and not an in-depth analysis of the research implementation and design. According to the CHD IRB officials, they believed that the research partner's IRB was performing the in-depth review of the research plan, and that the CHD IRB's role was to take a collegial look at the WSB-GBG Program, which was presented in a 5-page document primarily consisting of the project abstract that had been included in the grant application. The CHD IRB officials further stated they had no official involvement with the WSB-GBG Program following the issuance of the January 2015 letter. We found documentation dated July 2016 from a CCSD official to the NIJ Grant Manager, which confirmed that the CHD IRB was not involved with the WSB-GBG Program since February 2015.

In general, it appears that CCSD did not properly coordinate and ensure that an IRB was formally tasked with overseeing the WSB-GBG Program and

⁴ The federal laws do not require the IRB to be housed within the organization performing the operations or research activity.

subsequently made aware of events that impacted the safety of the human subject research participants, as required by law.

Protection of Human Subjects and Privacy

Further contributing to the significance of this grant deficiency was CCSD's lack of adherence to IRB criteria related to the protection of human subjects. When NIJ awarded the grant to CCSD, it required CCSD to sign and submit a Protection of Human Subjects form (PHS Form), which documents organizational compliance with IRB rules and identifies the CCSD official in charge of compliance. CCSD submitted this form in its application. We met with the CCSD official who was identified as both the CCSD official who submitted and signed the form and as the individual responsible for CCSD's adherence to IRB requirements. Unfortunately, this CCSD official was unaware of the existence and purpose of an IRB and had no role in filling out the PHS Form. Given the potential that someone falsely represented themselves as this official, we attempted to track down who submitted the PHS Form and were told by CCSD officials that they do not know who submitted the form on behalf of CCSD. As the individual who electronically signed this document was no longer with CCSD, we could not corroborate this information. Nevertheless, this highlights CCSD's lack of control and oversight and over-reliance on the contracted WSB-GBG Program Manager. It also highlights that CCSD did not develop and implement appropriate controls to ensure that it complied with IRB rules in place to protect the schoolchildren who participated in the WSB-GBG Program.

In addition to acknowledging the IRB requirements in the PHS Form, CCSD was also required to provide NIJ with a privacy certificate documenting proper due diligence to protect student data. To fulfill this requirement, CCSD relied upon a privacy certificate obtained from its research partner, which solely details how the research partner planned to protect student data obtained for the program evaluation. NIJ approved CCSD's compliance with this requirement based on this assurance; however CCSD never provided any type of certification or documentation related to CCSD's procedures for protecting student data. We believe it was incumbent upon CCSD to provide complete assurances for the security of student personal data, which it did not do for this grant. However, we also believe that NIJ should have identified that CCSD did not complete these assurances when it initially reviewed the privacy certificate from CCSD's research partner.

CCSD's privacy certification was particularly relevant for this grant, as CCSD was collecting student information on computers that were accessed and used by contracted individuals and paid volunteer conductors who may not have understood the need to control and protect this sensitive information. And, given that WSB-GBG Program computers were ultimately lost or stolen, the risk of losing information was realized by CCSD and NIJ. However, when we asked CCSD officials to identify the specific student information housed on these computers, they were unable to provide us with a complete list. Moreover, CCSD officials stated that it did not notify families of the potential loss of student data. We believe this is concerning because of the risks involved with losing personally identifiable

information, which may have resided on the computers. Therefore, we recommend that OJP ensure that CCSD notify families who participated in the WSB-GBG Program that their child's or children's information was potentially compromised.

Communicating and Resolving Reports of Adverse Incidents

Relatedly, we found additional concerns regarding the safety of student participants in the WSB-GBG Program. Specifically, we found within documentation the following allegations of adverse incidents associated with the research partner's site visits and WSB-GBG grant-related files, as well as a public media report:

- A conductor asserting that through the WSB-GBG Program they assisted police in identifying a prostitution ring;
- A conductor alleging that through the WSB-GBG Program they cleaned up needles in the neighborhoods;
- Reports of conductors and students encountering stray dogs on routes to school;
- Incidents of conductors driving students to school without parental permission and without assurance that proper vehicle safety measures were followed;
- A report that a conductor threatened to discipline a child; and
- Two conductors' tablets containing student information were lost.⁵

We spoke with officials from CCSD, the research partner, and CHD IRB about these reports of adverse incidents. Most of the CCSD or CHD IRB officials were not aware of any of these adverse events. One CCSD official stated that she had heard of some of these events, but they did not require action on her part. According to officials from the research partner, they generally found out about adverse events through examining handwritten route summaries that conductors submitted to the WSB-GBG Program Manager, during site visits, and through phone calls with the WSB-GBG Program Manager and staff members. In March 2016, due to concerns regarding risks to participating children and lack of data collected, the research partner decided to suspend its research role in the program pending corrective action by CCSD. CCSD did not alert the NIJ Grant Manager of the suspension at that time.

Given that these adverse events potentially risked student safety, they should have been officially reported to CCSD, the cognizant IRB, and NIJ to consider implementing appropriate mitigation strategies, such as training on appropriate conduct and how to handle risks that may be present within the areas in which the program operated. Because this grant is no longer operational, we do not include a recommendation to resolve this issue, but note that in accordance with the grant special conditions, it was CCSD's responsibility to ensure proper IRB

⁵ This list of adverse events was assembled from a public multi-media report about the WSB-GBG Program, CCSD documentation, and research partner documentation. As these events would have occurred at least 2 years ago, we were unable to corroborate these events.

oversight, compliance with IRB requirements, and continuous coordination with an IRB throughout the life of the research grant.

We reviewed CCSD's new Federal Funds Manual and found that it contains language pertaining to the privacy of student data. However, while it discusses privacy compliance procedures for school district employees, it does not mention procedures for individuals contracted by the school to perform services that require the protection of student data. Therefore, we recommend that OJP ensure that CCSD updates its Federal Funds Manual to incorporate appropriate internal controls and procedures to safeguard DOJ grant funds and to comply with DOJ requirements related to requirements for contractors to adhere to privacy requirements associated with federal grant programs.

Background Investigations

CCSD's WSB-GBG Program relied upon and paid individuals who were not employed by CCSD to work as program staff and conductors. The conductors were responsible for walking the children to and from school, implementing the GBG game during the walks, and recording necessary data for the research. CCSD's grant application and the WSB-GBG Program budget narrative identified that these individuals required a background check. This requirement is in line with CCSD internal policy, which requires contractors who have any unsupervised contact with students to undergo a federal and state background check. During this process, CCSD's Security Services staff must review background checks and, if verified as acceptable, issue an identification badge that CCSD uses to grant and restrict access to facilities.

We compiled a list of 63 individuals, all of whom worked on the WSB-GBG Program grant as contracted staff employees or conductors. We reviewed CCSD's Security Services background check documentation for each of these individuals and found that CCSD only maintained background check records for 57 of the 63 individuals. Yet, we found that the 6 individuals who did not have a background check on file worked as conductors or staff for the WSB-GBG Program and were paid for with grant funds. In addition, of those 57 individuals with background check files, we found that 18 of them had at least one prior criminal charge noted in either the federal or state background investigation results. Among these 18 individuals, we found that 4 individuals were not issued an identification badge by CCSD Security Services, but documentation showed that they worked on the WSB-GBG Program and were paid with grant funds.

The remaining 14 individuals with prior criminal histories were issued identification badges by CCSD Security Services, worked as conductors for the WSB-GBG Program, and were paid with grant funds. Background investigation results for these 14 individuals included, but were not limited to charges of: domestic violence, conspiracy to distribute firearms, probation violation, and persistent disorderly conduct. Of note, we identified one conductor who had prior charges involving the trafficking of drugs within 1,000 yards of a school and another conductor who had prior charges of corruption of another with drugs and

endangering children. These two individuals worked for the WSB-GBG program and walked the children to school for 10 months and 4 months, respectively.

In discussing the process for background checks with CCSD officials, the FACE Director stated that an individual would not be allowed to work if the background check did not come back "clean." While CCSD policy required these background checks, we were unable to identify any policies stating what constituted a clean background check. In addition, we did not find any documentation associated with CCSD's vetting process for whether these individuals were deemed fit to have contact with children. Instead, CCSD officials noted that the WSB-GBG Program Manager had discretion on hiring and firing individuals associated with the grant. It appears that once the WSB-GBG Program Manager made the decision on who to hire, these recommendations were approved by CCSD Security Services if the background check process was completed, despite the background check results. While we did not identify specific instances of child harm, the lack of oversight in this area is significant.

In FY 2018, the OIG initiated an audit of efforts to safeguard minors in DOJ youth-centered programs. That audit will determine whether entities receiving DOJ funds have implemented appropriate controls, such as screening and background checks, for individuals in programs involving minors. Through that audit work, the OIG will also assess DOJ efforts to ensure that grantees adequately mitigate the risk of victimization of minors who participate in its youth-centered programs. Given the relevancy and broader implications of this other ongoing OIG work, as well as the cessation of WSB-GBG grant-related activity, we do not make any recommendations specific to the CCSD background check concerns identified in this report.

Inadequate Program Implementation

We evaluated CCSD's implementation of the WSB-GBG Program and found that the WSB-GBG Program Manager changed the scope and budget of the grant without receiving the required NIJ approval. Moreover, we found that CCSD failed to ensure that the WSB-GBG Program Manager: (1) developed and enacted formalized policies to guide the implementation of the WSB-GBG, (2) appropriately trained individuals involved in the grant activities, and (3) sufficiently tracked performance of the grant. In general, we believe that changes made to the grant program and the lack of adherence to the research plan and requirements resulted from CCSD's inadequate oversight of the Program Manager. We also believe that the Program Manager lacked an emphasis on and acknowledgement of all intended purposes of the grant, in particular the requirement to conduct a scientifically developed evaluation through the use of data collection and analysis. According to an official from CCSD's General Counsel's office, the WSB-GBG Program Manager perceived this grant as a means to provide necessary operational services to students and not as a research grant. In other words, the Program Manager was concerned about getting children to school safely, but was less concerned about fulfilling the research portion of this grant.

Unauthorized Programmatic Changes

Guidance from the Financial Guide states that grant recipients must initiate a Grant Adjustment Notice (GAN) for changes in scope, duration, activities, or other areas of significance. The Financial Guide provides examples of these changes including, but not limited to, changing the purpose of the project, changes in scope that affect the budget, and altering programmatic activities. To determine whether CCSD complied with these guidelines, we interviewed current CCSD officials, staff, and contractor personnel, and reviewed documentation and reports submitted to OJP.

The NIJ grant solicitation specifically sought applications to develop knowledge about school safety issues and contribute to the base of knowledge of programs that improve school safety by supporting research. NIJ outlined the goals of the grant, which required datasets and a scholarly product, such as a scientific journal article. Although the application submitted by CCSD specified how the WSB-GBG Program would comply with the research requirements, specifically by outlining program implementation in a timeline resulting in a scientifically controlled experiment, we found that CCSD did not implement the program as planned and therefore, did not meet this requirement in an acceptable manner.

According to the grant application, CCSD committed to a schedule, approved by the research partner, in which it would implement the WSB-GBG Program in 12 schools over a 2-year period. After being awarded the grant, the WSB-GBG Program Manager submitted a revised budget that changed the implementation schedule and scope of the WSB-GBG Program from 12 schools to 15 schools. NIJ approved the revised budget, but CCSD did not submit a GAN to change the scope of the WSB-GBG Program. In turn, the CCSD program did not follow either the original or revised plan, and instead implemented the WSB-GBG Program through an entirely different rollout schedule. The following table provides an overview of the scope changes that occurred during the grant.

Table 1
WSB-GBG Program Implementation Schedules

School Term	IMPLEMENTATION SCHEDULES		
	Original Schedule Proposed and Approved by CCSD, Research Partner, and NIJ	Schedule According to the NIJ-Approved CCSD Budget Revision	Schedule Actually Implemented by CCSD
Fall 2015	2 Schools (immediate deployment)	5 Schools (immediate deployment)	4 Schools (immediate deployment)
Spring 2016	4 Schools (staggered rollout)	0 Schools	4 Schools (immediate deployment)
Fall 2016	4 Schools (staggered rollout)	5 Schools (immediate deployment)	(Program ended)
Spring 2017	2 Schools (immediate deployment)	0 Schools	
Fall 2017	0 Schools	5 Schools (immediate deployment)	
Total Schools	<i>12 CCSD Schools</i>	<i>15 CCSD Schools</i>	<i>8 CCSD Schools</i>

Source: CCSD Grant Application from the Grant Management System (GMS) and CCSD records

CCSD’s grant application included a list of 12 schools that were pre-selected for WSB-GBG Program implementation. According to the application, this pre-selected list and the specific schedule allowed for a scientific approach to studying the data and we found that this factored heavily into NIJ’s decision to award CCSD the grant. However, we found that one of the eight schools that actually participated in the program was not included in this pre-selected list. In addition, according to officials from CCSD’s research partner, when they found out about the changes, the officials informed the WSB-GBG Program Manager that the schedule implemented by CCSD did not conform to the originally approved research plan. These officials also told us that they advised the WSB-GBG Program Manager to inform NIJ of these changes.⁶

Because the WSB-GBG Program Manager was no longer affiliated with CCSD at the time we conducted our audit, we could not obtain further information regarding the change in the scope of the program. Based on the information available, we believe that CCSD did not appropriately coordinate with its research partner and its IRB to verify that deviations from the original scope and schedule would not impact the outcome of the research. Further, CCSD did not appropriately convey and receive NIJ approval for these changes.

Budget Revision Process

According to the Financial Guide, a grant recipient is required to use federal funds in the best interest of the award program, and decisions related to these funds must be free of hidden personal or organizational conflicts of interest. Further, the Financial Guide states that grantees and sub-recipients should avoid any action that might result in or create the appearance of using an official position

⁶ The research partner had no formal authority over CCSD and therefore was not in a position to require it to inform NIJ.

for private gain or making an official decision outside official channels. In its application for the NIJ research grant, CCSD requested a total of \$4,971,184 to implement and research the outcomes of the WSB-GBG Program grant. One of the grant's special conditions required CCSD to submit a finalized budget to obtain financial clearance from NIJ. We found that the WSB-GBG Program Manager, independent of CCSD officials' approval, was able to revise the grant budget. As a result, the budget submitted for financial clearance differed significantly from the one submitted in the original grant application. Consequently, these revisions increased compensation for the Program Manager and three of her staff members; included the purchase of high-tech equipment, such as a Smart TV and video cameras; reduced budgeted items, such as funds for community engagement; and reduced total payments to WSB-GBG Program conductors. Table 2 provides an overview of these changes.

Table 2
Selected Differences Between
CCSD's Application and Final NIJ-Approved Grant Budgets
FY 2015 to FY 2017

Budget Line Item	Application Budget	Final Budget Amount	Difference
Program Manager ^a	\$246,096	\$344,386	\$98,290
Staff - Route Coordinator	\$135,000	\$154,694	\$19,694
Staff - Training and Development Coordinator	\$135,000	\$145,344	\$10,344
Staff - Communications Coordinator	\$120,000	\$134,389	\$14,389
Staff - Additional Route Coordinator	\$0	\$155,694	\$155,694
Audio Visual Equipment, including tablet computers, a Smart TV, projector, and video cameras ^b	\$0	\$28,750	\$28,750
Staff - Data Coordinator	\$135,000	\$134,389	(\$611)
Compensation for Conductors	\$1,373,400	\$1,039,500	(\$333,900)
Contract work for training development, community engagement, and quarterly district-wide events	\$155,000	\$70,000	(\$85,000)

Note: As these are selected line items, the sum of additions and subtractions will not equal zero. The revised budget included other modifications, which we did not include because these differences were immaterial.

^a Program manager compensation includes money budgeted for salary, retirement benefits, and travel. Staff member compensation includes money for salary and travel.

^b Of these budgeted items, only the computers were ultimately reimbursed with grant funds.

Source: Documents obtained from GMS

We identified various email correspondence between the WSB-GBG Program Manager and NIJ Grant Manager related to the submission of the finalized budget to obtain financial clearance from NIJ. While the WSB-GBG Program Manager coordinated with a CCSD grant officer and accounting staff member on completing NIJ-required budget documentation, these individuals were not involved in approving the grant budget. In turn, we spoke with CCSD's Director of Grant

Management and Director of FACE and both of these officials stated they did not approve the final budget. We reviewed documentation showing that the WSB-GBG Program Manager contacted CCSD's General Counsel's office after NIJ approved the final budget and stated, "positions under our approved grant budget with NIJ have been increased." Consequently, CCSD revised the contracts for the WSB-GBG Program Manager and staff members to reflect the new rates and submitted these contracts to CCSD's Treasury Department for final approval.

Because CCSD relied on the WSB-GBG Program Manager to oversee this grant and allowed this individual to revise the budget without full and proper approval from CCSD, we believe that CCSD did not adequately protect grant funds from fraud, waste, or abuse. As the grant is not currently operational, we do not make a recommendation specific to re-adjusting the budget. We do, however, recommend that OJP ensure that CCSD updates its Federal Funds Manual to incorporate appropriate internal controls and procedures to safeguard DOJ grant funds and to comply with DOJ requirements to make certain that federal grant budgets and budget modifications are reviewed and approved by appropriate CCSD personnel.

Inadequate Program Guidance and Preparation

During the audit, we found that CCSD did not set up the WSB-GBG Program in a way that would effectively meet the goals of the grant. Specifically, the WSB-GBG Program lacked basic structure, did not prepare its volunteers, and did not incorporate an appropriate method to collect data for research. As a result, CCSD risked a lack of consistency and proficiency among individuals involved in WSB-GBG Program activity and compromised the safety of its schoolchildren participating in the grant program.

Lack of Operational Policies

In July 2015, prior to the August 2015 start of WSB-GBG Program operations, officials from CCSD's research partner voiced and documented concerns to the WSB-GBG Program Manager regarding the lack of operational policies and guidance for the program. Most notably, the research partner identified that without policies and procedures, conductors did not have sufficient and concrete guidance for attendance, participants were unaware of behavior management techniques and requirements for the children and conductors, and there was no guidance for safety or inclement weather. These research partner officials requested that CCSD develop and approve WSB-GBG Program policies and procedures to ensure that all safety concerns had been addressed.⁷

In September 2015, after the start of the WSB-GBG Program, the WSB-GBG Program Manager informed the research partner that there was a policy document in place and that it was approved by CCSD's Director of FACE and the General

⁷ The research partner had no official authority over the grantee, but still requested this of CCSD because it believed that it was necessary for the good of the program in which it was participating.

Counsel's office, and would be reviewed by a division of the Board of Education. We obtained a draft policy document for the WSB-GBG Program dated September 30, 2015, and three subsequent revisions of that policy, but did not find evidence that these policies were approved by CCSD or the Board of Education. We asked CCSD officials identified by the WSB-GBG Program Manager whether these officials or offices ever approved the policy. CCSD's FACE Director reviewed the document, but the General Counsel's office was not able to find any evidence that anyone in the office ever approved a policy guide.⁸ We also spoke with a member of the Board of Education who stated that the Board would have had no involvement in approving a WSB-GBG Program policy and procedures manual.

The September 2015 draft policies appear to address some of the concerns raised by the research partner. However, without formalized policies and procedures we believe that CCSD did not develop a sound structure for implementing the program and did not ensure that conductors and contractors administering the WSB-GBG Program adhered to guidance that accounted for the safety and well-being of the students and the ultimate success of the program.

Training and Preparation

The NIJ grant award included a special condition that required CCSD to understand and agree that any training or training materials developed or delivered with funding provided under this award must adhere to the OJP Training Guiding Principles for Grantees and Sub-grantees (OJP Training Principles). OJP's Training Guide requires that the content of trainings and training materials must be accurate, appropriately tailored, and focused. CCSD recognized in its grant application that training and planning "will be a key to the overall success of this project," and intended to provide training to WSB-GBG Program conductors to teach skills that address safety and behavior issues, as well as mentoring techniques. We found that CCSD did not implement adequate training, which not only increased the risk for programmatic failure, but also compromised the safety of its schoolchildren participating in the grant program.

According to documents we reviewed, following site visits in July 2015 and August 2015, an employee of CCSD's research partner raised concerns that WSB-GBG Program conductors were not properly trained in mandatory reporting procedures and confidentiality. Officials from the research partner discussed these concerns with the WSB-GBG Program Manager, who responded that the conductors would be required to take an online training program and print out certificates of completion prior to interacting with anyone in the community. According to the documents we received, the Program Manager stated she would collect and maintain evidence showing that the training occurred. However, CCSD was unable to locate and provide any evidence to our audit team that the training occurred.

In March 2016, the research partner provided a progress report to summarize achievements toward objectives and elaborate on challenges to the

⁸ The legal counsel official we spoke with was not in his role at the time of the grant. The official who would have approved the policy is no longer with CCSD.

research plan and mid-course corrections. This report documented, among other challenges, that conductors did not follow appropriate procedures and that insufficient training was a possible reason for the “dramatic” variations in practices followed by conductors. Subsequently, the research partner confirmed that at least one conductor from each route and the lead conductors at each school received additional training.

We believe that CCSD did not effectively oversee the WSB-GBG Program to ensure that all conductors received proper training and were aware of policies and procedures prior to implementing the WSB-GBG Program. CCSD was forced to modify and enhance training as the program progressed to address concerns from its research partner, but given the systemic issues found throughout the grant we do not believe that these actions were enough to ensure the success of the program.

Unsatisfactory Performance Tracking and Reporting

According to the grant application, CCSD was to record WSB-GBG Program data, such as child attendance on the routes to and from school and outcomes from the GBG-specific activities.⁹ The research partner intended to use this data to draw conclusions about the impact of the WSB-GBG Program, which would eventually be incorporated into a public report. Based on the conclusions made by the research partner, the report could have also contributed to enhancements to school safety-related rules and laws. However, we examined grant documentation and found that CCSD did not record and retain the required data for its partner to perform the planned research and did not appropriately or accurately report its performance to NIJ.

Data Collection

CCSD deployed the WSB-GBG Program in schools in August 2015, but it was not until January 2016 that the grant research partner received approval from CCSD’s Department of Performance and Accountability (DPA) to obtain the attendance and GBG data.¹⁰ Upon receiving approval from DPA, the research partner obtained WSB-GBG Program data for the first semester of the 2015-2016 school year and found that it was not usable. Specifically, the research partner determined that attendance data was either incomplete or inaccurate and the GBG data was generally not collected, as noted below.

- CCSD did not have any data for one of the eight walking bus routes that was deployed during the first semester.
- CCSD did not have any usable data for the first 2 months of the second semester.

⁹ As part of the grant, conductors were supposed to play the GBG with the students, in which conductors were to review rules, safety, and good behavior reminders and track data related to these discussions.

¹⁰ CCSD policy requires that entities or individuals involved with collecting data on students must obtain permission through the DPA.

- CCSD's attendance data had what appeared to be obvious errors, such as student attendance on days in which school was not in session and documented duplicative student information.
- CCSD data included different student names from week-to-week, so it is difficult to know if someone joined the WSB-GBG Program for a day or was actually enrolled in the program by a parent or guardian.
- CCSD only collected GBG adherence data for 1 of the 8 routes in the first semester and this data only contained information for 1 week.

In March 2016, the research partner issued a memorandum to CCSD, which outlined many concerns, one of them being that the research partner had low confidence that it was feasible to execute the research plan for the project because of the inadequate data collected by CCSD. After receiving the memorandum from its research partner, CCSD updated its procedures to collect WSB-GBG Program data. However, out of a total of 348 WSB-GBG Program shifts – a morning and afternoon shift on 174 school days – CCSD only had complete attendance data for 37 shifts, or less than 11 percent of the total shifts.

Given the severity of these deficiencies, CCSD should have immediately notified NIJ that the research partner identified these issues and any effects on grant performance. This did not occur. Because no useable research data was collected for the two semesters the program operated, we concluded that the CCSD did not meet the intent of the grant, which was to analyze programmatic data to evaluate the effectiveness of the WSB-GBG Program.¹¹

Required Performance Reports

According to the Financial Guide, grant recipients should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. To track this performance, OJP requires grant recipients to submit semiannual progress reports on grant activities. We found that this NIJ grant required CCSD to submit progress reports that focused on goals and achievements of the grant and contained questions regarding anticipated problems and changes in scope. During the life of the grant, CCSD submitted three progress reports to NIJ.

We found that the first progress report submitted by CCSD, covering January 2015 through July 2015, did not communicate any concerns with the planned grant activities. The second progress report, covering July 2015 through December 2015, was submitted in February 2016 and included information on changes to scope and data collection issues. However, the second progress report appeared to be an unfinished version that contained tracked changes and unanswered electronic comments from the research partner. Although the NIJ Grant Manager accepted the report submission through OJP's electronic grant management system, she noted in her acceptance that it was accepted for

¹¹ As discussed in the Introduction, OJP suspended CCSD's grant activity after two semesters of operations.

submission purposes only and that NIJ would contact CCSD regarding the planned program modifications identified in the progress report. The third progress report covering the period of January through June 2016 identified grant program issues and specifically stated that due to inadequate data collection, CCSD may not have sufficient power to detect any program effect. This progress report was submitted in August 2016, after NIJ informed CCSD that work with human subjects was to be stopped.

We believe that by February 2016, when CCSD submitted the second progress report, it had already experienced multiple barriers to accomplishing grant goals. As such, CCSD should have communicated these issues to NIJ, so it could have received assistance and guidance on how to move forward with the grant program.

Financial Management and Grant Expenditures

According to the Financial Guide, grantees are required to establish and maintain an adequate accounting system and financial records, which allows for the exercise of effective control and accountability for all grant cash and other assets and budget control, and to accurately account for funds awarded to them. At the time of the grant, CCSD did not have policies and procedures in place that specifically addressed grant requirements and accounted for grant funds. As a result, we examined the procurement and expenditure processes that CCSD used for the WSB-GBG Program and found that despite having an accounting system set up for strong internal controls, CCSD's actual practices did not properly guard federal funds from fraud, waste, and abuse. Specifically, while CCSD generally followed its internal financial policies for the WSB-GBG Program grant-related expenditures, it gave the WSB-GBG Program Manager full independence in making decisions related to grant funds, which led to deficiencies in contracting, execution of financial transactions, and required financial reporting, as detailed in the following sections.

Vendor Selection

According to the Financial Guide, award recipients must conduct all procurement transactions using an open, free, and fair competitive process. Furthermore, the Uniform Administrative Requirements require competition on contract awards. In addition, if award recipients conduct any sole source procurement activities in excess of \$150,000, the grantee must submit written justification and obtain approval from OJP prior to entering into a contract. In order to test CCSD's adherence to these criterion, we examined grant documentation and expenditures for vendors that had contracted with CCSD for the WSB-GBG Program. We found that CCSD did not adhere to the sole source contract requirement nor the competitive bidding requirement.

We identified four sole source vendors, including the WSB-GBG Program Manager, with whom CCSD had written agreements to spend more than \$150,000. In each case, CCSD had not requested or received sole source approval from NIJ prior to awarding the contracts. However, according to grant documentation, the

NIJ Grant Manager was initially only aware that CCSD had at least two vendors that met the threshold for pre-approving sole source contracts. Although the NIJ Grant Manager made multiple attempts to obtain the appropriate sole-source contract documentation from CCSD, CCSD did not submit any of the requested documents to NIJ until March 2016. Upon reviewing CCSD's submission of sole-source justification forms for three contracts, including the one required for the WSB-GBG Program Manager's contract, NIJ did not ultimately approve all of them because of concerns identified in NIJ's enhanced programmatic desk review and the OCFO financial review of the grant. When NIJ ordered CCSD to stop grant activity, this issue remained unresolved.

We also found that CCSD did not conduct a competitive bidding process for a WSB-GBG Program contract, as required and conveyed in the NIJ-approved budget. This \$280,000 contract was awarded to a vendor to provide payroll services for the WSB-GBG Program conductors. For this work, the vendor charged a fee based on a percentage of the total amount paid to conductors. CCSD could not provide any procurement documentation to show how this contract was awarded and, according to the FACE Director, CCSD did not advertise, bid, or conduct a selection process for this contract. She also stated that she was not aware of the competitive bidding requirements and that the WSB-GBG Program Manager selected the payroll vendor based on an existing working relationship with CCSD. Therefore, this contract also met the requirements for sole-source justification.

As a result of these deficiencies, we recommend that OJP ensure that CCSD updates its Federal Funds Manual to incorporate appropriate internal controls and procedures to safeguard DOJ grant funds and to comply with DOJ requirements associated with procurement and competitive bidding procedures associated with federal grants.

Oversight of Grant Expenditures

To examine CCSD's financial activities, we reviewed a sample of expenditures to determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements. As noted, we found that CCSD did not have specific policies and procedures to account for grant funds and, instead, relied on general accounting and financial processes to approve and expend grant funds. These processes required the WSB-GBG Program Manager to submit a requisition purchase order to the FACE Director for approval. Once approved by the FACE Director, the Treasurer's office would receive the purchase order to pre-approve the costs through the CCSD accounting system. We found that despite having a formal and standardized review process, the WSB-GBG Program Manager obligated grant funds without a purchase order and CCSD officials did not adequately verify grant expenditures.

We identified at least two instances where the WSB-GBG Program Manager agreed to expend grant funds without a CCSD required and approved purchase order. In one case, we found documentation that showed that the WSB-GBG Program Manager verbally hired a graphic designer and agreed to pay this individual for their services, but did not vet the purchase of this service through

CCSD's requisition system. We found a similar instance where the WSB-GBG Program Manager verbally hired a videographer to provide audio-visual work, but again, did not submit a purchase order for this service. In both instances, CCSD received some, if not all, of the services that the WSB-GBG Program Manager requested. However, because the WSB-GBG Program Manager did not follow CCSD procedures, CCSD was unaware of these agreements and only became aware of them when individuals contacted CCSD about outstanding payments they were owed.

We also reviewed CCSD's general ledger and tested all other transactions that were ultimately reimbursed by NIJ, and a judgmental sample of expenditures that CCSD incurred but for which CCSD had not yet received reimbursement. As relayed in the following sections, we found that CCSD did not comply with grant requirements and did not adequately ensure that grant expenditures were appropriately supported and allowable.

Data Management Coordinator Position: CCSD spent \$43,606 in grant funds on a Data Management Coordinator, of which \$33,743 had been reimbursed by NIJ and \$9,863 remains outstanding. According to the budget narrative, this position would serve as a point of contact to the research partner and provide the research partner with requested information in a timely manner. We found that data provided to the research partner was unusable and not delivered in a timely fashion. Therefore, we do not believe that the responsibilities of this position were ever fulfilled. As a result, we question these costs as unallowable.

Administrative Support: CCSD spent \$1,032, all of which was reimbursed by NIJ, on an intern who provided administrative services. Funds for an administrative intern were not included within the approved budget. As a result, we question these costs as unallowable.

Website: CCSD expended \$19,000 in grant funds on a WSB-GBG Program website; NIJ reimbursed CCSD for this total amount. However, website costs approved by NIJ in the budget were specifically associated with a different contracted vendor. As a result, we question these costs as unallowable.

Conductors: CCSD expended \$278,833 in grant funds on paying conductors to walk children to school, of which \$168,679 has been reimbursed and \$110,154 remains outstanding. We found that the CCSD official who approved the conductor payments did not review timesheets or any other documentation to verify the expenses, and never went on the routes with the conductors. In addition, we found that CCSD did not have proper timesheet documentation to support the hours that the conductors worked. The documentation we received did not contain specific hours worked, activities performed, or approval signatures. Without signatures it is unclear who validated the hours that the conductors had worked. We also found that the conductors may have been paid for volunteer work not related to the grant. Specifically, in the written agreements, CCSD stated that if a conductor needs to work additional hours, he or she may volunteer at a school between

WSB-GBG Program shifts. As a result, conductors would be reimbursed by the grant for activities not related to the grant. We attempted to find documentation of how many hours the conductors worked on non-grant activity. However, without signed and certified timesheets, it is not possible to determine how many hours conductors dedicated to WSB-GBG Program activity or school volunteer activity. As a result of the cumulative concerns with conductor pay, we question these costs as unsupported and believe that OJP should ensure that CCSD enhances its Federal Funds Manual to require adequate review of grant-related time and attendance.

Premature Obligations and Expenditures – The grant’s special conditions stipulated that funds cannot be obligated or expended until CCSD met the following special conditions: the OCFO has approved a budget and budget narrative, CCSD provided a disclosure of pending grant applications, and CCSD provided a statement confirming that no conflicts of interest related to the research exist. We found that the OCFO approved the budget and budget narrative for this grant on June 4, 2015, and CCSD fulfilled the other two special conditions on July 27, 2015. Therefore, CCSD was not allowed to obligate and expend grant funds prior to July 28, 2015. However, we found that CCSD expended \$112,697 between January 9, 2015, and July 28, 2015, which we question as unallowable.

Training for conductors – The approved budget included \$70,000 for conductor training provided by a local university. We found that CCSD expended \$15,645 in grant funds on training programs for the conductors that were not provided by the local university, of which \$8,695 has been reimbursed and \$6,950 remains outstanding. We understand that these costs were necessary, however, CCSD did not include the training from these vendors in the NIJ-approved budget. As a result, we question these costs.

Background checks – CCSD expended \$4,575 in grant funds on WSB-GBG Program conductors’ background checks, of which \$4,175 has been reimbursed and \$400 remains outstanding. While we understand the necessity of these costs, CCSD did not include background checks in the NIJ-approved budget. Therefore, we question these costs.

Consultant – CCSD used grant funds to pay for \$882 in travel costs for an economic consultant to provide “strategic economic impact analysis advice.” This expenditure was not included in the NIJ-approved budget, nor did it relate to any of the approved budgeted line items. Therefore, we question this cost.

Computer Tablets – The NIJ-approved budget included \$8,750 for tablet computers to track attendance and process timesheets, however it did not include any amount for service charges. We found that after CCSD charged the grant \$7,336 for tablets and accessories, it then charged the grant for an

additional \$10,799 in data and cellular service charges.¹² Additionally, CCSD did not have records of tablet assignments, so we were not able to determine the extent to which the tablet computers were used. Therefore, we question the total \$10,799 as unallowable, of which \$1,858 was reimbursed and \$8,941 was not reimbursed.

These unsupported and unallowable expenditures were caused by various factors, including entrusting the WSB-GBG Program Manager to perform duties that should have remained with a CCSD official, lack of expense verification by the responsible CCSD official, and lack of formalized policies and procedures for grant financial management in place at the time of the grant.¹³ We reviewed CCSD's new Federal Funds Manual and did not identify any language to ensure that CCSD adequately oversees grant-related contractors in the future. Therefore, we recommend that OJP ensure that CCSD enhances its Federal Funds Manual to require proper oversight of grant expenditures and prohibit contractors from establishing agreements with outside vendors without formalized written approval by CCSD.

Drawdowns

The term drawdown is used to describe the process by which a recipient requests and receives funds under a grant award agreement. The Financial Guide states that all recipients of federal funds must develop procedures for the disbursement of funds to ensure federal cash on hand is kept at a minimum. We determined that during the grant period, CCSD did not have written procedures for drawing down grant funds. Because CCSD did not have written procedures at the time of the grant, we asked an accounting official to describe the process CCSD used for requesting drawdown reimbursements from OJP for its grant-related costs. The official explained that CCSD determined the amount for drawdowns by creating a year-to-date financial report of incurred grant related expenditures and had incorporated a grant drawdown policy into its Federal Funds Manual, which went into effect in February 2018, less than 2 weeks prior to the start of our audit. We found that CCSD's Federal Funds Manual updated policy addresses drawdown procedures, and provides sound guidance on how and when to submit federal drawdown requests.

We also analyzed drawdowns made by CCSD from August 24, 2015, through April 25, 2016, and compared the overall amount of these drawdowns to CCSD's grant general ledger.¹⁴ As noted in the following table, we determined that CCSD's requested drawdowns correctly reflected the amounts stated in the grant's general ledger at that time and found that CCSD incurred additional expenditures after its last drawdown that have been subject to NIJ's withholding of grant funds.

¹² As noted in the introduction section of this report, the tablet computers were stolen from CCSD premises prior to our audit. Therefore, we were unable to physically verify the tablets.

¹³ CCSD did implement federal grant policies after the grant work was stopped and prior to the start of our audit.

¹⁴ CCSD had not drawdown funds since April 2016.

Table 3
Draw Downs and Expenditures
Based on CCSD Grant-Related Spending

Award Number	Total Award	Amount Drawn Down	Amount Expended After the Last Drawdown	Funds not Drawn Down
2014-CK-BX-0103	\$4,971,284	\$760,199	\$598,663	\$4,211,085

Source: OJP and CCSD accounting records

Federal Financial Reports

According to the Financial Guide, recipients shall provide financial reports that identify the actual expenditures and unliquidated obligations incurred for the reporting period, as well as cumulative expenditures. To determine whether CCSD submitted accurate Federal Financial Reports (FFR), we compared the financial information contained in all 11 FFRs submitted to NIJ to CCSD’s accounting records. We determined that quarterly and cumulative expenditures contained in the FFRs reviewed matched the accounting records. However, we found that the Program Manager certified one of the FFRs, which was inappropriate because this individual was not a CCSD employee and cannot be considered a financial official of CCSD. We recommend that OJP ensure that CCSD updates its Federal Funds Manual to incorporate appropriate internal controls and procedures to safeguard DOJ grant funds and to comply with DOJ requirements regarding the preparation and submission of FFRs by appropriate CCSD employees.

Single Audits

Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act of 1984*, as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. Under 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), such entities that expend \$750,000 or more in federal funds within the entity’s fiscal year must have a “single audit” performed annually covering all federal funds. We reviewed CCSD’s Single Audit Reports for FY 2016 and FY 2017 and identified findings related to the WSB-GBG Program grant. CCSD’s FY 2016 Single Audit Report contained a finding that 19 transactions associated with the NIJ grant, totaling \$269,816, were unallowable. The single auditor noted that these transactions were deemed unallowable in the OCFO review. CCSD stated that it was working with the DOJ to resolve the issues and the FY 2017 Single Audit Report stated that CCSD corrected this issue. Based on our audit, we believe that there is still a need for corrective action.

Questioned Costs and Funds to be put to Better Use

As of August 2016 when NIJ ordered CCSD to stop working with human subjects on behalf of the WSB-GBG Program research grant, OJP had reimbursed CCSD for \$760,199 in expenditures and CCSD had accounted for an additional

\$598,663 in expenditures in its general ledger that OJP had not yet reimbursed. As of that date, the total award had a remaining balance of \$4,211,085. Although at the time of our audit this grant was considered "active," in September 2018 OJP de-obligated \$3,612,422 and left an available balance of \$598,663 for the grant.¹⁵

Given the systemic deficiencies we found and the outstanding issues associated with OJP's programmatic and financial reviews of the grant, we believe that CCSD did not adequately implement and oversee the WSB-GSB Program grant. Specifically, CCSD did not adhere to OJP requirements, implemented a Program that severely deviated from the grant's intent, and did not make adequate progress towards the goals and outcomes of the grant. Consequently, we question the entirety of the \$760,199 in grant funds expended and reimbursed to CCSD for the WSB-GBG Program as unallowable. We also recommend putting to better use \$598,663 in grant related expenditures not yet reimbursed to CCSD.

¹⁵ The remaining balance of \$598,663 in grant funds corresponds to the outstanding expenditures spent by CCSD and not yet reimbursed by OJP.

CONCLUSION AND RECOMMENDATIONS

We conclude that the CCSD did not adequately manage the WSB-GBG Program grant award as we found significant non-compliance with DOJ requirements and deficiencies in several areas of administration, performance, and financial management. CCSD did not provide sufficient oversight of the individual it entrusted to manage the grant and through this lack of oversight CCSD did not adhere to DOJ requirements related to the safety of the children participating in the program as human subjects. Further, we found that CCSD did not comply with all of the grant's special conditions and did not implement the grant to meet the intended purpose of the NIJ award. Specifically, CCSD improperly changed the scope of the program and failed to follow the NIJ-approved research requirements. As a result, CCSD did not develop or retain the data necessary to achieve the goals and objectives of the grant. Finally, because CCSD did not institute appropriate internal controls to ensure that the contractor complied with CCSD financial policies it did not adequately safeguard grant funds from fraud, waste, and abuse.

Overall, we believe that CCSD must improve its stewardship of federal grant funds and because issues with this grant remain unresolved, we believe that OJP should oversee CCSD efforts to improve its procedures and oversight of federal grant programs. In addition, OJP must remedy the \$760,199 in unallowable questioned costs associated with funds drawn down by the CCSD, and the \$598,663 in unallowable expenditures not yet reimbursed. We provide five recommendations to OJP to address our audit concerns and identified deficiencies.

We recommend that OJP:

1. Ensure that CCSD updates its Federal Funds Manual to incorporate appropriate internal controls and procedures to safeguard DOJ grant funds and to comply with DOJ requirements in the following areas:
 - a. management and oversight of contractors assigned to federal grants;
 - b. adherence to privacy obligations for all employees and contractors associated with federal grant programs;
 - c. review and approval of federal grant budgets and budget modifications by appropriate CCSD personnel;
 - d. compliance with procurement and competitive bidding guidelines for all contracts associated with federal grants;
 - e. preparation and submission of FFRs by appropriate CCSD personnel; and
 - f. oversight and approval of grant-related obligations and expenditures by appropriate CCSD personnel and prohibit contractors from establishing agreements with outside vendors without formalized written approval by CCSD.

2. Ensure that CCSD notify families who participated in the WSB-GBG Program that their child or children's information was potentially compromised.
3. Remedy the \$760,199 in unallowable questioned costs, as follows.
 - a. Remedy the \$760,199 in reimbursed grant expenditures due to CCSD's lack of adherence to OJP requirements, implementation of a program that severely deviated from the grant's approved scope and intent, and inadequate progress in achieving grant goals and objectives.
 - b. Remedy the \$33,743 in reimbursed expenditures associated with the Data Management Coordinator salary because CCSD did not achieve the required level of data collection to accomplish the grant objectives;
 - c. Remedy the \$35,642 in reimbursed expenses associated with expenditures that were not in the NIJ-approved budget, including an unapproved administrative support position, website development from an unapproved vendor, conductor trainings by unapproved vendors, background checks, consultant travel, and data plans for the tablet computers.
 - d. Remedy the \$112,679 in expenditures incurred prior to the allowable period of performance.
4. Remedy the \$168,679 in reimbursed expenditures related to conductor payments that were unsupported.
5. Put to better use the unreimbursed \$598,663 in grant expenditures, as follows.
 - a. Put to better use the \$598,663 in unreimbursed CCSD expenditures that are unallowable due to lack of adherence to OJP requirements, implementation of a program that severely deviated from the grant's approved scope and intent, and inadequate progress in achieving grant goals and objectives.
 - b. Put to better use the \$9,863 in unreimbursed expenditures associated with the Data Management Coordinator salary because CCSD did not achieve the required level of data collection to accomplish grant objectives.
 - c. Put to better use the \$16,291 in unreimbursed expenses associated with expenditures that were not in the NIJ-approved budget, including conductor trainings by unapproved vendors, background checks, and data plans for the tablet computers.
 - d. Put to better use the \$110,154 in not yet reimbursed expenditures related to conductor payments that were unsupported.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit are to determine whether costs claimed under the grants are allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the grantee can demonstrate adequate progress towards achieving program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

Scope and Methodology

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 and 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.

We performed audit work at CCSD’s headquarters in Cincinnati, Ohio, where we interviewed key CCSD personnel; reviewed internal policies and procedures to obtain an understanding of the financial management systems, including internal controls; and tested a sample of grant expenditures. We also reviewed the criteria governing grant activities, including the 2014 OJP Financial Guide, relevant OMB Circulars, and the Code of Federal Regulations. In addition, we reviewed grant documents, including the application, award, budgets, and financial and progress reports.

This was an audit of an OJP grant awarded to Cincinnati City School District (CCSD), of Cincinnati, Ohio, grant number 2014-CK-BX-0103 totaling \$4,971,284 under the Comprehensive School Safety Initiative. As of the most recent draw down in April 2016, CCSD had drawn down \$760,199 of the total grant award. Our audit concentrated on, but was not limited to, the inception of the grant on January 1, 2015, through December 2018. In conducting our audit, we reviewed Federal Financial Reports (FFR) and Progress Reports and performed testing of grant expenditures, including reviewing supporting accounting records. We reviewed internal controls and procedures for the grant that we audited, reviewed all drawn down expenditures, and all expenditures not drawn down upon, but considered part of grant operations.

To accomplish our objectives, we tested compliance with what we considered to be the most important conditions of CCSD’s activities related to the audited grants. We evaluated performance to grant objectives and reviewed the grant-related internal controls over the financial management system. All expenditures

and related invoices were tested in this audit. We also reviewed the FY 2016 and FY 2017 Single Audit Reports and identified findings related to the WSB-GBG Program grant.

During our audit, we obtained information from OJP's Grant Management System (GMS) as well as CCSD's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole. Therefore, any findings identified involving information from those systems was verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:		
Unallowable Data Management Coordinator Salary Expense	\$33,743	20
Unapproved Administrative Position Salary Expense	\$1,032	20
Unapproved Vendor Costs	\$19,000	20
Unapproved Training Costs	\$8,695	21
Unapproved Background Checks Costs	\$4,175	21
Unapproved Consultant Travel Costs	\$882	21
Expenses Incurred Prior to Financial Clearance	\$112,697	21
Unapproved Data Service Costs	\$1,858	22
Total Reimbursed Expenditures Identified as Unallowable as a Result of CCSD's Fundamental Failure to: (1) Implement the Program Approved by NIJ, (2) Comply with Grant Requirements, and (3) Achieve Adequate Progress towards Grant Objectives	<u>\$760,199</u>	24
Unallowable Costs	\$942,281	
Unsupported Payments to Conductors	<u>\$168,679</u>	20
Unsupported Costs	\$168,679	
<i>Gross Questioned Costs</i> ¹⁶	<u>\$1,110,960</u>	
Less Duplicate Questioned Costs ¹⁷	<u>(\$350,761)</u>	
Net Questioned Costs	<u>\$760,199</u>	
Unreimbursed Funds to be put to Better Use¹⁸		
Unsupported Payments to Conductors	\$110,154	20
Unallowable Data Management Coordinator Salary Expense	\$9,863	20
Unapproved Training Costs	\$6,950	21

¹⁶ **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.

¹⁷ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which includes the other costs listed totaling \$350,761 in reimbursed expenditures that were both unallowable and unsupported.

¹⁸ **Funds to be put to Better Use** are future funds that could be used more efficiently if management took actions to implement and complete audit recommendations.

Unapproved Background Checks Costs	\$400	21
Unapproved Data Service Costs	\$8,941	22
Total Unreimbursed Expenditures Identified as Unallowable as a Result of CCSD's Fundamental Failure to: (1) Implement the Program Approved by NIJ, (2) Comply with Grant Requirements, and (3) Achieve Adequate Progress towards Grant Objectives	\$598,663	24
<i>Gross Unreimbursed Funds to be put to Better Use</i>	\$734,971	
Less Duplicate Unreimbursed Costs ¹⁹	<u>(\$136,308)</u>	
Net Unreimbursed Funds to be put to Better Use	\$598,663	
 TOTAL DOLLAR-RELATED FINDINGS	 <u>\$1,358,862</u>	

¹⁹ Net funds to be put to better use exclude duplicate amounts, which includes the other costs listed totaling \$136,308 in unreimbursed expenditures that were both unallowable and unsupported.

**THE CINCINNATI CITY SCHOOL DISTRICT'S
RESPONSE TO THE DRAFT AUDIT REPORT²⁰**



Education Center • P.O. Box 5381 • Cincinnati, OH 45201-5381 • Phone: 513-363-0000 • TDD: 513-363-0155

January 24, 2019

SENT VIA E-MAIL AND REGULAR U.S. MAIL

Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office
Office of Inspector General
U.S. Department of Justice
500 West Madison Street, Suite 1121
Chicago, IL 60661
Carol.S.Taraszka@usdoj.gov

Re: Response to Draft Report Recommendations

Dear Ms. Taraszka:

On behalf of Cincinnati City School District (CCSD), this letter responds to the draft audit report issued by the U.S. Department of Justice (DOJ), Office of Inspector General (OIG) dated December 20, 2018. This letter constitutes CCSD's Management Response to the Conclusions and Recommendations in the draft audit report.

Background

As described in the draft report, CCSD is one of the largest, urban school districts in Ohio serving more than 36,000 students in 63 schools. Most CCSD students live within a close enough proximity to their school that the District does not provide school bus transportation. Many of these students walk to school, and often walk to school unaccompanied by an adult.¹

¹ Ohio law requires school districts to provide school bus transportation to students in kindergarten to eighth grade if they live more than two miles from their school. See Ohio Rev. Code 3327.01. CCSD goes beyond state law and provides transportation to any student who lives more than a mile from school. See CCSD Board Policy 8600.02 *Transportation of Students*. (Exhibit 1). Because of the population density in Cincinnati, most students live closer than one mile to their school.

2651 Burnet Avenue • Cincinnati, Ohio 45219-2551

²⁰ Attachments to this response were not included in this final report.

The Walking School Bus program addressed the safety concerns of elementary students walking to school without adult supervision. Although the District annually spends \$700,000 on crossing guards to help children cross busy intersections, crossing guards are necessarily stationed at a single location. The idea of the Walking School Bus was for adult conductors to walk into the District's neighborhoods, to collect students at their doorstep, and to accompany them safely to school. Thus, Walking School Bus conductors provided adult supervision to improve pedestrian safety and to avoid other potential risks to student walkers that occur in a busy urban area.

This program was completely new to the District – and every component of the program needed to be started from the ground up – from staffing, to training, to developing policies and procedures for the program. The District's team started work on the program in January 2015 for implementation at the beginning of the 2015-16 school year. Funding for the program was suspended after the 2015-16 school year and the program was not continued in 2016-17.

Notwithstanding its limited implementation, the Walking School Bus program significantly improved student pedestrian safety at the schools where the program was introduced. By the end of the 2015-16 school year, Walking School Bus conductors and teams were in place at eight different CCSD schools. CCSD and NIJ received significant positive feedback about the program. Parents of students were appreciative of the opportunity for their children to walk to school with adult supervision. Numerous favorable media stories applauded the efforts to improve the safety of students walking to school. (Exhibit 2)²

Although the Walking School Bus was successful in safely transporting children to school, CCSD acknowledges some deficiencies in the grant management and oversight. The individuals who managed the Walking School Bus were primarily concerned about the operational issues and at times lost sight of the research aspects of the NIJ grant. Indeed, the Program Manager, who previously was the Safe Routes to School Coordinator for the City of Cincinnati, had no prior experience managing a research project and had not previously worked with an Institutional Review Board (IRB).

Nonetheless, the Walking School Bus program substantially contributed to increasing student pedestrian safety in the schools where it was implemented. This constituted a valuable benefit derived from the use of these funds .

² It is noteworthy also that without the Walking School Bus program, the number of student pedestrian traffic accidents has skyrocketed during the 2018-19 school year. The issue of ensuring that CCSD students can walk safely to and from school is an issue that is presently under consideration by CCSD and Cincinnati City Council. (Exhibit 3).

Student Safety

Although it is not an issue in the Conclusion and Recommendations, CCSD writes separately to address specifically the issues of student safety raised in the draft – specifically, the concerns associated with the criminal background checks of the Walking School Bus conductors. The individuals hired as Walking School Bus conductors were most often parents and other individuals who were well known within the school community that they served. Consistent with the District's criminal background procedure, however, Walking School Bus conductors were required to undergo local, state Bureau of Criminal Investigation (BCI), and Federal Bureau of Investigation (FBI) background checks.

The draft audit states that 18 of 57 background checks had at least one criminal charge, but fails to note that many of those charges were minor offenses or significantly dated. The District relies on Ohio Department of Education guidelines in reviewing criminal background checks and determining whether to issue a badge. Under Ohio Administrative Code 3301-20-03 (Exhibit 4), some criminal offenses are considered "non-rehabilitative," and the security department does not issue credentials to persons with these offenses. Other offenses, such as theft offenses and some minor drug offenses, are considered non-rehabilitative only if they occurred within a number of years prior to the individual's date of application. Accordingly, an individual with a theft offense occurring more than ten years ago would be eligible for a badge from CPS's security department. Very minor offenses, such as disorderly conduct, are not considered bar offenses at all and an individual could be issued a credential notwithstanding an offense.

It appears, however, that two Walking School Bus conductors submitted criminal background checks in 2015 with non-rehabilitative offenses. Based on CCSD's review, those individuals should not have been given badges or been hired as conductors. As noted in the draft report, it appears that the Program Director had the discretion to hire these individuals notwithstanding their criminal background checks.

Since 2015, CCSD has ensured that all criminal background checks for volunteers, contractors, and employees are reviewed by the District's Security Department according to the standards in Ohio Adm. Code 3301-20-03. As of 2018, the District has also developed the capacity to conduct its own FBI / BCI criminal background check at the District's central office. If any non-rehabilitative offenses appear on the individual's criminal background check, credentials are not issued.

While CCSD recognized the need for tighter controls on criminal background check procedures, it is incorrect for the audit to conclude that there was any significant safety concern for students involved in this program. As the audit notes, there were no evidence of any child harmed during the program. And without the Walking School Bus, many of the students who participated in the program would have walked to school alone without any adult supervision. Student pedestrian safety is one of the most significant issues that CCSD administrators continue to address.

Response to "Conclusions and Recommendations" on Page 25 of the Audit:

Per the direction of the Inspector General, CCSD responds specifically to the "Conclusions and Recommendations" on page 25 of the draft audit as follows:

1. CCSD agrees to update its Policies and Procedures Manual for Federal and State Grants Management as proposed in the draft audit report. A copy of the updated Manual is attached separately. The Manual incorporates the draft audit's recommendations as follows:

- a. The Manual includes procedures and responsibilities for the management and oversight of contractors assigned to federal grants. See pages 34-35.
- b. The Manual provides that all employees and contractors associated with federal grant programs shall be required to adhere to state and federal student privacy protections. See page 47.
- c. The Manual provides for the review and approval of federal grant budgets and budget modifications by appropriate CCSD personnel. See page 6.
- d. The Manual provides for compliance with procurement and competitive bidding guidelines. See pages 20-24.
- e. The Manual provides for maintenance of complete and accurate records related to grants and ensures the timely preparation of any reports by appropriate personnel. See page 47.
- f. The Manual provides for the oversight and approval of grant-related obligations and expenditures by appropriate CCSD personnel and prohibits contractors from establishing agreements with outside vendors without formal, written approval from CCSD. See page 8.

2. CCSD respectfully disagrees with the recommendation to notify families who participated in the Walking School Bus program of the possibility that their child's information was potentially compromised.

CCSD does not believe that any student information was misappropriated. This recommendation stems from the fact that approximately 50 tablet computers were stolen from the Walking School Bus office during a break-in of CCSD's facilities building on Iowa Street in July 2016. Given that the tablets were stolen, the audit report raises the concern of a possible breach of student information.

On December 5, 2018, I wrote to you to report that while we did not know exactly what information was maintained on the tablets, we believed that the student information was limited to student's address and attendance information. Since that time, the District has contacted [REDACTED], the former Program Manager. [REDACTED] advised that no student information was stored on the tablets. Rather, the conductors used the tablets to connect to a website – ourkidswalk.org – using a secure login and password. Any student information was stored on this website – not on the devices themselves.

Moreover, there is no reason to believe that the thieves who stole these tablets were interested in or motivated to obtain any student information that may have been stored on the tablets. In more than two years since the theft, CCSD has received no information or report to suggest that student information was misused as a result of this theft.

Given that there was no student information disclosed, the District respectfully disagrees with the recommendation to disclose the theft of the tablets to parents now.

3. CCSD strongly disagrees with the recommendation to remedy unallowable questioned costs.

- a. As described above, the District disputes that the Walking School Bus program failed to achieve its goals and objectives. By the end of the 2015-16 school year, the Walking School Bus program was successfully implemented at eight schools. The conductors at these schools were primarily parents and other individuals well known in the school community – and trusted by other parents in the school to provide adult supervision. CCSD building principals were pleased with the program and reported that students who participated in the program arrived to school on time and ready to start their day. Accordingly, the federal program received a significant benefit from the use of these funds .

Given that CCSD's research partner pulled out during the first year, and NIJ stopped funding the program after the first year, it is inevitable that the program's research goals and objectives were unfulfilled. CCSD relied on NIJ's funding promise to start the Walking School Bus program and to expend District resources on the program, and it would be unjust for the NIJ not to reimburse CCSD for expenses related to the program now. This action would also fail to recognize the actual benefits of the program.

- b. The funds expended on the Data Management Coordinator should be reimbursed. The need for data coordination on this grant is undisputed. The Walking School Bus program was a completely new program within the District, and the operational challenges of implementing the Walking School Bus occupied most of the team's

attention during the first year of the program. At the time the grant funds were frozen, CCSD and its research partner were working together to ensure that the data collected from the second year of the program would be more reliable.

The data coordinator was the primary point of contact for Rand, the research partner on the grant. After initial issues identified by Rand, the data coordinator and Rand were in communication multiple times per week. The data coordinator and Rand were in the process of working together to develop the attendance reporting for students participating in the program. Had the program continued, all of this work would have been critical to getting the research aspects of the grant on track.

- c. The expenditures not included within the budget should be reimbursed.
 - i. The amount spent on an administrative support intern (\$1,032) were reasonable considering the significant coordination between the District-level team and the Walking School Bus coordinators dispersed at eight different schools throughout the City. Had the expense for an intern been specifically included in the budget narrative, the expense would have been allowable as reasonable and necessary to carry out the functions of the grant.
 - ii. Funds for the development of a website (\$19,000) were allowable. The grant budget provided for the expenditure of funds to develop a web site and the funds were spent for the website. Although the vendor selected was different than the vendor proposed in the budget, the change in the vendor should not negate the expenditure of funds. The expense should be allowed.
 - iii. Funds for training provided by Xavier University (\$15,645) should be allowed. The training provided by Xavier cost substantially less than the \$70,000 budgeted for the training of conductors. The audit report recognizes the necessity of training, and indeed states that more training for conductors should have been provided. Had Xavier University been identified as a vendor in the budget, it would have been approved. The training expenditure should be allowed.

- iv. Funds expended on background checks for conductors (\$4,575) should be approved. As explained above, many of the conductors recruited were parents and community members for which the cost of an FBI/BCI background check would be a burden. There is no dispute that the background checks were necessary to the implementation of the program. The costs should be approved.
 - v. The connectivity and data usage charges (\$10,799) for the conductors' tablets should be reimbursed. As described above, the tablets were connected to a secure website to access student information and addresses, and to report attendance information for students. Without enabling the connectivity of the devices, student information would have needed to have been stored on the devices themselves. The connectivity and data charges for the tablets are reasonable and necessary and should be approved.
- d. CCSD should be reimbursed for funds expended between January 1 and July 28, 2015. Expenditure of these funds was specifically authorized in communications between Program Director [REDACTED] and NIJ Senior Grants Management Specialist, [REDACTED]. In emails between [REDACTED] and [REDACTED] CCSD was given explicit approval for reimbursement of funds expended before the approval of the program budget. Specifically, in emails exchanged before any funds were expended, [REDACTED] sought approval to expend funds prior to the start date of the grant. Responding on October 29, 2014, [REDACTED] denied [REDACTED]'s request for reimbursement of expenses prior to January 1, 2015, but stated that **"once the budget has been cleared and the conditional clearance special condition has been removed from the budget by OCFO, you will be able to back bill all the way back to the project start date of 1/1/2015."** (Exhibit 5) (Emphasis added). Although CCSD understood that it could not be reimbursed for [REDACTED]'s salary and expenses prior to the January 1 grant start date, and sought no reimbursement prior to January 1, CCSD was assured by [REDACTED]'s response that once the special conditions were released on July 27, 2015, that expenses dating back to January 1 would be reimbursed.

Given [REDACTED]'s guidance to the District, reimbursement for grant-related expenditures between January 1, 2015 and July 28, 2015 should not be denied.

4. CCSD strongly disagrees that it should remedy the expenditures related to payments to conductors. The District has produced multiple spreadsheets of the hours worked by conductors. (Exhibits attached separately). Those spreadsheets include the number of hours worked, the location, and whether the hours were training or conducting. CCSD relied on the Program Manager and her staff to verify the hours worked by Conductors. There is no evidence to suggest that any of these hours were not worked by conductors.
5. For the reasons described above, CCSD strongly disagrees that the District should not be reimbursed for the funds it reasonably expended on this program.

Conclusion

While CCSD strongly believes that it should be fully reimbursed for funds expended on the Walking School Bus, CCSD has taken significant steps to ensure that future federal grants are well-managed. Specifically, since the initial investigative results were discussed with the District in late 2016, the District has undertaken several initiatives to improve the internal accountability for grant funds and compliance with grant conditions.

- With the assistance of outside counsel, CCSD drafted and published a detailed grants policies and procedures manual. A copy is attached.
- CCSD has rewritten the job descriptions and responsibilities for all employees in the grants department who are responsible for administering federal and state programs. To ensure appropriate oversight, all employees in this area now report directly to the Assistant Treasurer.
- CCSD has paid for ongoing, all-day training seminars conducted by attorneys from Brustein & Manasevit, a leading Washington D.C. law firm in the area of federal education regulatory practice. In addition to the grants department, the program was attended by budget managers in the district, support staff, and other members of the Treasurer's staff. Trainings occurred in January 2016, May 2017, and April 2018.
- In addition to trainings conducted at CCSD, the grants department employees have attended additional off-site federal program training including semiannual federal funds forums provided by legal experts in the areas of federal program compliance.
- CCSD has recently implemented a new financial software system that requires electronic approval of all purchase orders and, for expenditures from federal and

state grants, requires an additional level of review and approval from the grants department before any purchase order can be processed.

- In spring of 2016, the district hired a new internal auditor and assistant treasurer both of whom are actively licensed CPA's with extensive audit and compliance backgrounds. The assistant treasurer is also a licensed school treasurer with 25+ years of governmental accounting experience and since 2018 has been providing direct supervision to the grants management team

Given the unique nature of the Walking School Bus grant, and the additional steps taken by the Treasurer's Department, CCSD is confident that the deficiencies identified in this draft audit report are not emblematic of CCSD's capabilities for managing and monitoring federal grant awards Further the deficiencies noted were generally procedural and do not detract from the valuable benefit provided by the program.

Very truly yours,



Daniel Hoying
General Counsel

**THE 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

Washington, D.C. 20531

MAR - 7 2019

MEMORANDUM TO: Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin 
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Research Grant, Awarded to the Cincinnati City School District for a Walking School Bus, Cincinnati, Ohio*

This memorandum is in reference to your correspondence, dated December 20, 2018, transmitting the above-referenced draft audit report for the Cincinnati City School District (CCSD). We consider the subject report resolved and request written acceptance of this action from your office.

The Office of Justice Programs (OJP) appreciates the audit undertaken by the Department of Justice (DOJ), Office of the Inspector General (OIG), of the National Institute of Justice's (NIJ) Comprehensive School Safety Initiative grant, awarded to CCSD under Grant Number 2014-CK-BX-0103. Grant recipients who received funding under this Initiative were partnered with a research evaluation partner. NIJ-funded research grants that involve human subjects require the safety and protection of those involved, in accordance with 28 CFR Part 46, and are an integral part of the mechanics of the OJP grant requirements.

OJP referred CCSD to the OIG for audit, based on concerns identified during a joint programmatic/financial monitoring review, which was conducted by NIJ and OJP's Office of the Chief Financial Officer. As a result of these issues, OJP also imposed an immediate freeze on CCSD's funding under the grant, and designated CCSD as a DOJ high-risk grantee on April 10, 2017.

The draft report contains **five** recommendations, **\$760,199¹** in net questioned costs, and **\$598,663²** in net funds to be put to better use. The following is OJP's 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 ensure that CCSD updates its Federal Funds Manual to incorporate appropriate internal controls and procedures to safeguard DOJ grant funds and to comply with DOJ requirements in the following areas:**
 - a. Management and oversight of contractors assigned to federal grants;**
 - b. Adherence to privacy obligations for all employees and contractors associated with federal grant programs;**
 - c. Review and approval of federal grant budgets and budget modifications by appropriate CCSD personnel;**
 - d. Compliance with procurement and competitive bidding guidelines for all contracts associated with federal grants;**
 - e. Preparation and submission of Federal Financial Reports (FFRs) by appropriate CCSD personnel; and**
 - f. Oversight and approval of grant-related obligations and expenditures by appropriate CCSD personnel and prohibit contractors from establishing agreements with outside vendors without formalized written approval by CCSD.**

OJP agrees with each subpart of this recommendation. In its January 24, 2019 response to the draft audit report, CCSD provided a copy of its Policies and Procedures Manual for Federal and State Grants Management (Manual), which it stated was revised to incorporate appropriate internal controls and procedures to safeguard the DOJ grant funds, in compliance with award requirements. However, the Manual was not signed by an authorized CCSD official; and CCSD did not provide evidence that the revised Manual was distributed to staff for managing Federal grant funds. Accordingly, we will coordinate with CCSD to obtain documentation to support formal implementation of the Manual.

¹ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amounts.

² Some funds to be put to better use were included for more than one reason. Net funds to be put to better use exclude duplicate amounts.

2. **We recommend that OJP ensure that CCSD notify families who participated in the WSB-GBG Program that their child or children's information was potentially compromised.**

OJP agrees with this recommendation. In its January 24, 2019 response to the draft audit report, CCSD stated that it did not believe any student information was misappropriated; and while they do not know exactly what information was maintained on the tablets stolen from CCSD, they believe that student information was limited to the student's address and attendance information. Given the uncertainty of CCSD's response, OJP believes it is still necessary, as part of an adverse event report, that CCSD notify the parents of students that the tablets were lost and stolen. Accordingly, we will coordinate with CCSD to obtain documentation that it has notified families who participated in the Walking School Bus and the Good Behavior Game (WSB-GBG) Program of the potential compromise of their child's or children's information.

3. **We recommend that OJP remedy the \$760,199 in unallowable questioned costs, as follows.**

- a. **Remedy the \$760,199 in reimbursed grant expenditures due to CCSD's lack of adherence to OJP requirements, implementation of a program that severely deviated from the grant's approved scope and intent, and inadequate progress in achieving grant goals and objectives.**
- b. **Remedy the \$33,793 in expenditures associated with the Data Management Coordinator salary because CCSD did not achieve the required level of data collection to accomplish the grant objectives.**
- c. **Remedy \$35,642 in expenditures associated with expenditures that were not in the NIJ-approved budget, including an unapproved administrative support position, website development from an unapproved vendor, conductor trainings by unapproved vendors, background checks, consultant travel, and data plans for the tablet computers.**
- d. **Remedy the \$112,679 in expenditures incurred prior to the allowable period of performance.**

OJP agrees with each subpart of this recommendation. We will review the \$760,199 in net unallowable questioned costs that were charged to Grant Number 2014-CK-BX-0103, and will work with CCSD to remedy, as appropriate.

4. **We recommend that OJP remedy the \$168,679 in reimbursed expenditures related conductor payments that were unsupported.**

OJP agrees with this recommendation. We will review the \$168,679 in questioned costs that were charged to Grant Number 2014-CK-BX-0103, related to unsupported payments to conductors, and will work with CCSD to remedy, as appropriate.

5. **We recommend that OJP put to better use the unreimbursed \$598,663 in grant expenditures, as follows.**
- a. **Put to better use the \$598,663 in unreimbursed CCSD expenditures that are unallowable due to lack of adherence to OJP requirements, implementation of a program that severely deviated from the grant's approved scope and intent, and inadequate progress in achieving grant goals and objectives.**
 - b. **Put to better use the \$9,863 in unreimbursed expenditures associated with the Data Management Coordinator salary because CCSD did not achieve the required level of data collection to accomplish grant objectives.**
 - c. **Put to better use the \$16,291 in unreimbursed expenses associated with expenditures that were not in the NIJ-approved budget, including an unapproved administrative support position, website development from an unapproved vendor, conductor trainings by unapproved vendors, background checks, consultant travel, and data plans for the tablet computers.**
 - d. **Put to better use the \$110,154 in not yet reimbursed expenditures related to conductor payments that were unsupported.**

OJP agrees with each subpart of this recommendation. We will review the \$598,663 in net funds to be put to better use, related to unreimbursed expenditures that were charged to Grant Number 2014-CK-BX-0103, and will work with CCSD to remedy, as appropriate.

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.

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

The Department of Justice (Department or DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and the Cincinnati City School District (CCSD) for review and official comment. The CCSD response is incorporated as Appendix 3, and the OJP response is incorporated in Appendix 4 of this final report. OJP agreed with each recommendation contained in this report and discussed the actions it plans to complete to address the recommendations. As a result, the report is resolved. CCSD agreed to update its grant management policies, but disagreed with our other four recommendations, as discussed below. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Analysis of CCSD's Response

In its response to the draft audit report, CCSD provided specific comments related to each recommendation as well as overall comments regarding the WSB-GBG Program and its perception of the Program's effects in the local community and schools. We address specific comments to the individual recommendations below.

Regarding CCSD's statements related to the benefits of the WSB-GBG Program, we agree that CCSD received positive feedback regarding the WSB-GBG Program's benefits to the community and commend the effort put forth at improving the level of safety for Cincinnati-area elementary school students. However, as stated in our report, CCSD's research partner suspended its involvement in the program, just 7 months after initial deployment, due to fundamental and programmatic deficiencies it identified, including concerns related to the safety of the schoolchildren. Our audit confirmed that CCSD did not adequately manage the grant award; identified significant systemic deficiencies in several areas of administration, performance, and financial management; and found some management issues related to the safety of the school children participating in the program.

Overall, the systemic deficiencies resulted in CCSD not implementing the grant to meet the intended purpose of the NIJ award. As we detail in our report, many of the failures associated with the implementation and performance of the Program were the result of CCSD's decision to rely entirely on the Program Manager, who was a non-employee, to implement and manage the WSB-GBG Program without adequate oversight and without formalized policies and procedures. This decision created an at-risk environment that did not adequately account for the safety of the grant participants, ensure that goals were achieved, and safeguard DOJ funds from fraud, waste, and abuse. We believe that if CCSD had exhibited better stewardship of federal grant funds and instituted necessary oversight and management to properly pursue the core grant objectives, then

instead of 1 school year of a school-safety program for 8 schools, Cincinnati could have had a school-safety program in place for multiple years at 12 schools.

In its response, CCSD also addressed the OIG's concerns associated with the process for conducting criminal background checks for the WSB-GBG Program conductors. CCSD notes that while the audit report identified that 18 of 57 background checks had at least 1 criminal charge, it did not specify that many of the charges were minor offenses or significantly dated and would not necessarily preclude adults from participating in the program. Indeed, the report does not provide details for all of the charges found during the review of conductor background checks, and we acknowledge that some of these were minor offenses. However, our report does not suggest that all criminal charges should disqualify adults from participating as program conductors. In turn, the purpose of reporting this issue was to highlight the risk that was created by CCSD's lack of guidance and oversight for conducting the criminal background check verification process, the absence of any documentation associated with CCSD's vetting process for whether these individuals were deemed fit to have contact with children, and CCSD's decision to allow the Program Manager, who was not a CCSD employee, unnering discretion for deciding who would be allowed to walk the children to and from school. As we describe in the report, once the Program Manager made the decision on who to hire, it appeared that the recommendation was approved by CCSD Security Services if the background check process was completed, without consideration of the background check results. CCSD acknowledged in its response the need for tighter controls on criminal background check procedures.

Recommendations for OJP:

- 1. Ensure that CCSD updates its Federal Funds Manual to incorporate appropriate internal controls and procedures to safeguard DOJ grant funds and to comply with DOJ requirements in the following areas:**
 - a. management and oversight of contactors assigned to federal grants;**
 - b. adherence to privacy obligations for all employees and contractors associated with federal grant programs;**
 - c. review and approval of federal grant budgets and budget modifications by appropriate CCSD personnel;**
 - d. compliance with procurement and competitive bidding guidelines for all contracts associated with federal grants;**
 - e. preparation and submission of FFRs by appropriate CCSD personnel; and**
 - f. oversight and approval of grant-related obligations and expenditures by appropriate CCSD personnel and prohibit contractors from establishing agreements with outside vendors without formalized written approval by CCSD.**

Resolved. OJP agreed with our recommendation. CCSD agreed to update its policies and provided its recently revised Policies and Procedures Manual for Federal and State Grants Management (Grants Manual).²¹ We reviewed the CCSD's new policy guide, dated January 2019, and found that it explicitly provides that: (1) a contractor assigned to a grant shall have a direct reporting line to a CCSD employee, who shall be responsible for the work performed by the contractor; (2) all employees and contractors associated with state and federal grant programs shall be required to maintain the confidentiality of student records, in accordance with the Family and Educational Rights and Privacy Act (FERPA) and Cincinnati Public School Board Policy; (3) proposed budget revisions are to be reviewed and approved by a CCSD Accountant and the Compliance Officer prior to submission to the awarding agency, which in turn must approve the request before funds can be encumbered or spent in the revised manner; and (4) contractors are prohibited from establishing agreements with outside vendors without formal, written approval from CCSD. Therefore, the revised policy document provides adequate guidance related to subparts a, b, c, and f of our recommendation.

However, while the January 2019 Grants Manual addresses administrative aspects of the contracting and bidding procedures, such as steps in the bidding process and purchasing methods, it does not adequately address subpart d of our recommendation. The primary concern identified in the report is that the WSB Program Manager was able to circumvent the procurement and competitive bidding guidelines in place. The Grants Manual does not address any measure put into place to prevent this from occurring again.

In addition, while the new CCSD Grants Manual also incorporates a policy that addresses the collection and transmission of records, the policy does not adequately address subpart e of our recommendation. The concern identified in the report is that the WSB Program Manager certified an FFR, as a non-CCSD employee. The Grants Manual does not address a method to prevent this type of failure in the FFR preparation and submission process from occurring again.

In addition, OJP's response noted that the CCSD Grants Manual was not signed by an authorized CCSD official and that CCSD did not provide evidence that the policies had been distributed to staff for managing federal grant funds. This recommendation can be closed when we receive evidence that the Grants Manual has been updated to address subparts d and e of our recommendation, has been officially approved by CCSD officials, and has been distributed to appropriate staff members.

²¹ During the time of our fieldwork, this policy was titled the Policies and Procedures Manual for Administration of Federal Funds (Federal Funds Manual).

2. Ensure that CCSD notify families who participated in the WSB-GBG Program that their child or children’s information was potentially compromised.

Resolved. OJP agreed with our recommendation. Additionally, OJP stated that it will coordinate with CCSD to obtain documentation that CCSD has notified families who participated in the WSB-GBG Program of the potential compromise of their child’s or children’s information.

The CCSD disagreed with our recommendation and stated that it does not believe that any student information was misappropriated. The CCSD response states that it recently contacted the former Program Manager, who asserted that juvenile program participant information was stored on a website using a secure login and password and not on the devices themselves. However, CCSD did not provide any documentation of security features or protocols in place showing that an appropriate level of protection existed. Moreover, CCSD did not maintain or provide any support documenting the level of security on the student data that was recorded and tracked through the devices during the grant. In turn, CCSD is relying on a verbal assurance from the Program Manager, which we believe does not sufficiently address the potential that student personally identifiable information could have been compromised. In addition, in its response, OJP points out that the CCSD response indicates that there is uncertainty as to whether information was compromised and that given the uncertainty in CCSD’s response, OJP believes it is still necessary, as part of an adverse event report, that CCSD notify the parents of students that the tablets were lost and stolen.

This recommendation can be closed when we receive evidence that families of the WSB-GBG Program participants have been properly notified of the potential for a data breach or documentation confirming that student information was not compromised.

3. Remedy the \$760,199 in unallowable questioned costs, as follows.

a. Remedy the \$760,199 in reimbursed grant expenditures due to CCSD’s lack of adherence to OJP requirements, implementation of a program that severely deviated from the grant’s approved scope and intent, and inadequate progress in achieving grant goals and objectives.

Resolved. OJP concurred with our recommendation and stated in its response that it will review the unallowable questioned costs and will work with CCSD to remedy them, as appropriate.

CCSD disagreed with our recommendation and stated that it disputes that the WSB-GBG Program failed to achieve its goals and objectives. It further stated that the Program was successfully implemented at eight schools and that CCSD principals reported that students who

participated in the program arrived to school on time. While we understand CCSD's position that the WSB-GBG Program provided a benefit to its schools, we also believe that CCSD did not set up the WSB-GBG Program in a way that would effectively meet the core purpose of the grant, which was to conduct a scientifically developed evaluation through the use of data collection and analysis. As noted in our report, the WSB-GBG Program lacked basic structure, did not prepare its volunteers, and did not incorporate an appropriate method to collect data for research. Moreover, CCSD's implementation of the WSB-GBG Program differed significantly in scope from what was approved by NIJ. Consequently, although the grant-funded WSB-GBG Program was in place at eight schools during 1 school year, minimal research data was collected and even less was considered usable during the time period that the grant was operational. The combination of these factors, along with CCSD's failure to adhere to OJP requirements for managing a federal grant, resulted in our questioning CCSD's expenditure of these grant funds as unallowable.

This recommendation can be closed when we receive evidence that OJP has appropriately remedied the \$760,199 in reimbursed grant expenditures questioned as unallowable due to CCSD's lack of adherence to OJP requirements, implementation of a program that severely deviated from the grant's approved scope and intent, and inadequate progress in achieving grant goals and objectives.

b. Remedy the \$33,743 in reimbursed expenditures associated with the Data Management Coordinator salary because CCSD did not achieve the required level of data collection to accomplish the grant objectives.

Resolved. OJP agreed with our recommendation and stated in its response that it will review the unallowable questioned costs and will work with CCSD to remedy them, as appropriate.

CCSD disagreed with our recommendation and stated that the funds expended on the Data Management Coordinator should be reimbursed. It further stated that the operational challenges of implementing the WSB-GBG Program occupied most of the grant team's attention during the first year of the program. CCSD also stated that it was working with its research partner to ensure that the data collected during the second year of the program would be more reliable. While we understand that CCSD had to address operational challenges, this does not mitigate the fact that the Data Management Coordinator did not provide the research partner with timely and usable information, which was the primary purpose of the position during the time period that the grant was operational.

This recommendation can be closed when we receive evidence that OJP has appropriately remedied the \$33,743 in reimbursed

expenditures associated with the Data Management Coordinator salary because CCSD did not achieve the required level of data collection to accomplish the grant objectives.

- c. Remedy the \$35,642 in reimbursed expenses associated with expenditures that were not in the NIJ-approved budget, including an unapproved administrative support position, website development from an unapproved vendor, conductor trainings by unapproved vendors, background checks, consultant travel, and data plans for the tablet computers.**

Resolved. OJP agreed with our recommendation and stated in its response that it will review the unallowable questioned costs and will work with CCSD to remedy them, as appropriate.

CCSD disagreed with our recommendation. Specifically, CCSD stated that the \$1,032 spent on the intern position was reasonable considering the significant coordination that was required to implement the program in eight different schools. In addition, CCSD stated that it spent \$19,000 on website development, which was included in the budget and that a vendor change should not negate the allowance of the expenditure. Further, CCSD stated that the \$15,645 in training costs should be allowed as the training was necessary and the vendor would have been approved if outlined in the approved budget. CCSD also stated that the \$4,575 in conductor background checks were necessary to the implementation of the program. Finally, CCSD stated that the \$10,799 in data and connectivity charges were necessary and reasonable to connect to a secure website. However, as identified in the report, each one of these expenditures were not included in the approved budget and we therefore questioned them as unallowable.

This recommendation can be closed when we receive evidence that OJP has appropriately remedied the \$35,642 in reimbursed expenses associated with expenditures that were not in the NIJ-approved budget, including an unapproved administrative support position, website development from an unapproved vendor, conductor trainings by unapproved vendors, background checks, consultant travel, and data plans for the tablet computers.

- d. Remedy the \$112,679 in expenditures incurred prior to the allowable period of performance.**

Resolved. OJP agreed with our recommendation and stated that it will review the unallowable questioned costs and will work with CCSD to remedy them, as appropriate.

The CCSD disagreed with our recommendation and stated that it should be reimbursed for funds expended between January 1, 2015, and July 28, 2015. CCSD provided evidence that the NIJ Grant

Manager stated in an e-mail that once the budget has been cleared and the conditional clearance special condition has been removed from the budget by OJP's Office of the Chief Financial Officer (OCFO), CCSD would be able to bill all the way back to the project start date. However, our report and recommendation address not only the OJP OCFO budget approval special condition, but two additional special conditions that CCSD needed to fulfill before it was allowed to expend grant funds. One special condition required CCSD to provide a disclosure of pending grant applications and the other required CCSD to provide a statement confirming the absence of any conflicts of interest related to the research. CCSD did not meet these requirements until July 27, 2015. Further, it is unclear if the Grant Manager's e-mail formally provided CCSD with the approval necessary to charge costs back to the award start date. In fact, the OCFO identified this same finding in its 2016 financial desk review of this NIJ grant. Therefore, we believe that OJP should evaluate and determine what actions are necessary to remedy these questioned costs.

This recommendation can be closed when we receive evidence that the \$112,678 in unallowable expenditures incurred prior to the allowable period of performance has been remedied appropriately.

4. Remedy the \$168,679 in reimbursed expenditures related to conductor payments that were unsupported.

Resolved. OJP agreed with our recommendation and stated that it will review the unsupported questioned costs and will work with CCSD to remedy them, as appropriate.

CCSD disagreed with our recommendation and stated that it produced multiple spreadsheets of the hours worked by conductors. During the audit, CCSD provided us with these spreadsheets and we reviewed them. However, while we found that while the spreadsheets did summarize hours worked by each conductor, none of the spreadsheets were certified timesheets as required by the 2014 OJP Financial Guide (Financial Guide). We believe that the lack of a certification process or other internal controls may have led to the errors identified in the audit report, such as the lack of specific hours worked and lack of specificity of activity performed. As stated in the audit report, we obtained evidence suggesting that conductors may have been paid for volunteer work outside the scope of the grant, but due to the lack of specificity in the spreadsheets we could not determine what hours were not grant-related. Based on this, we do not consider the spreadsheets to be adequate support to document time spent by conductors performing allowable grant activity.

This recommendation can be closed when we receive evidence that the \$168,679 in unsupported expenditures related to conductor payments has been remedied appropriately.

5. Put to better use the unreimbursed \$598,663 in grant expenditures, as follows.

- a. Put to better use the \$598,663 in unreimbursed CCSD expenditures that are unallowable due to lack of adherence to OJP requirements, implementation of a program that severely deviated from the grant's approved scope and intent, and inadequate progress in achieving grant goals and objectives.**

Resolved. OJP agreed with our recommendation and stated that it will review the unreimbursed expenditures and will work with CCSD to remedy them, as appropriate.

CCSD disagreed with our recommendation. CCSD did not address these expenditures specifically, but stated that for reasons given elsewhere in its response, it strongly disagrees that it should not be reimbursed for the funds it expended on this grant program. However, as identified in the report and reiterated here in Appendix 5, a core purpose of the grant was to provide research. As minimal research data was collected and even less was considered usable during the time period that the grant was operational, we do not believe that CCSD made adequate progress to achieve the goals and objectives of the grant. Additionally, CCSD altered the scope of the grant and implemented a program that differed significantly from what was approved by NIJ. The combination of these factors, along with CCSD's failure to adhere to OJP requirements for managing a federal grant, resulted in our recommendation that OJP put to better use the \$598,663 in unreimbursed CCSD expenditures.

This recommendation can be closed when we receive evidence that OJP has addressed the \$598,663 in unreimbursed CCSD expenditures that should be put to better use because they were deemed unallowable due to lack of adherence to OJP requirements, implementation of a program that severely deviated from the grant's approved scope and intent, and inadequate progress in achieving grant goals and objectives.

- b. Put to better use the \$9,863 in unreimbursed expenditures associated with the Data Management Coordinator salary because CCSD did not achieve the required level of data collection to accomplish grant objectives.**

Resolved. OJP agreed with our recommendation and stated that it will review the unreimbursed expenditures and will work with CCSD to remedy them, as appropriate.

CCSD disagreed with our recommendation. CCSD did not address the unreimbursed data management coordinator costs specifically, but its response indicates that it disagrees that it should not be reimbursed

for the funds it expended on this program. As stated in our analysis of Recommendation 3b, while we understand that CCSD had to address operational challenges, this does not mitigate the fact that the Data Management Coordinator did not provide the research partner with timely and usable information, which was the primary purpose of the position, during the time period that the grant was operational.

This recommendation can be closed when we receive evidence that OJP has addressed the \$9,863 in unreimbursed expenditures associated with the Data Management Coordinator salary that should be put to better use because CCSD did not achieve the required level of data collection to accomplish grant objectives.

- c. **Put to better use the \$16,291 in unreimbursed expenses associated with expenditures that were not in the NIJ-approved budget, including conductor trainings by unapproved vendors, background checks, and data plans for the tablet computers.**

Resolved. OJP agreed with our recommendation and stated that it will review the unreimbursed expenditures and will work with CCSD to remedy them, as appropriate.

CCSD disagreed with our recommendation. CCSD did not address these expenditures specifically, but its response indicates that it disagrees that it should not be reimbursed for the funds it expended on this program. As stated in Recommendation 3c and as identified in the report, we found that these unreimbursed expenditures were not included in the NIJ-approved budget and were therefore identified as unallowable.

This recommendation can be closed when we receive evidence that OJP has addressed the \$16,291 that should be put to better use because the unreimbursed expenditures were for items that were not in the NIJ-approved budget.

- d. **Put to better use the \$110,154 in not yet reimbursed expenditures related to conductor payments that were unsupported.**

Resolved. OJP agreed with our recommendation and stated that it will review the unreimbursed expenditures and will work with CCSD to remedy them, as appropriate.

CCSD disagreed with our recommendation. CCSD did not address these expenditures specifically, but its response indicates that it disagrees that it should not be reimbursed for the funds it expended on this program. As discussed in our response to Recommendation 4, we found that while the conductor tracking spreadsheets did

summarize hours worked by each conductor, none of the spreadsheets were certified timesheets or provided the necessary information to support the time charged, such as the specific hours worked and activities performed. As stated in the audit report, we obtained evidence suggesting that conductors may have been paid for volunteer work outside the scope of the grant, but due to the lack of specificity in the spreadsheets we could not determine what hours were not grant-related. Based on this, we do not consider the spreadsheets to be adequate support to document time spent by conductors performing allowable grant activity.

This recommendation can be closed when we receive evidence that OJP has addressed the \$110,154 in unsupported conductor payments that have not yet been reimbursed by OJP and should be put to better use.



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