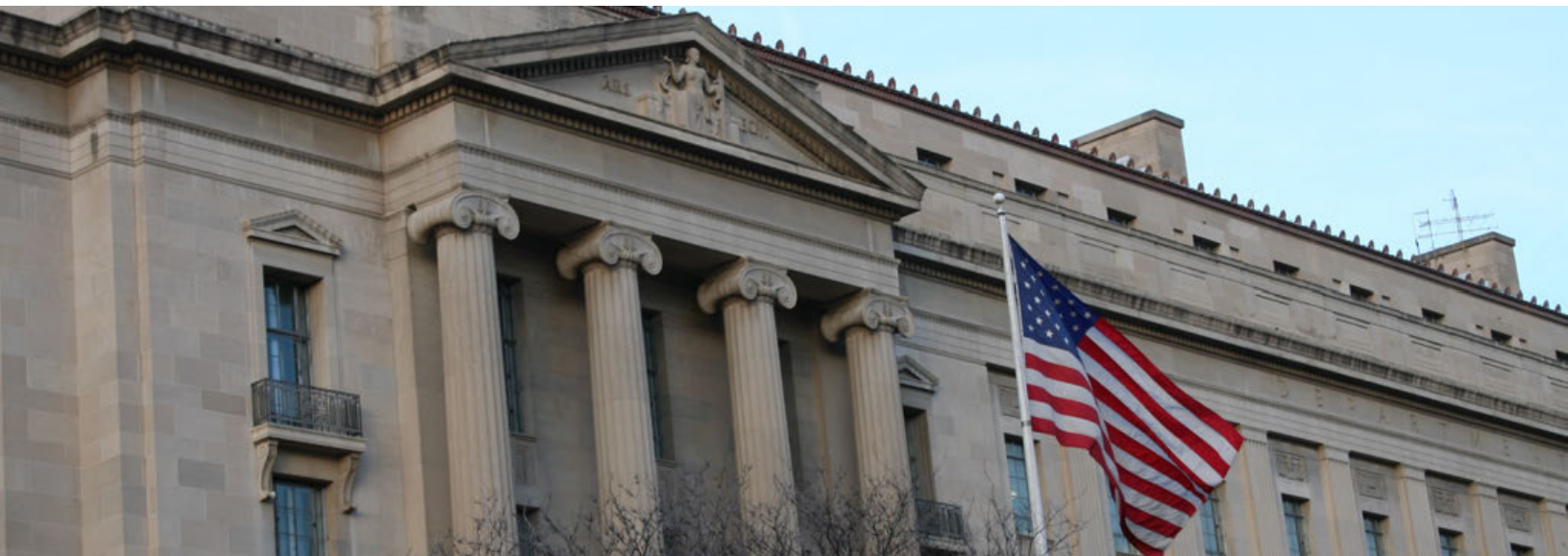




Office of the Inspector General
U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



**Audit of the Office on Violence
Against Women Cooperative
Agreements Awarded to the
Southwest Center for
Law and Policy
Tucson, Arizona**



Executive Summary

*Audit of the Office on Violence Against Women Cooperative Agreements
Awarded to the Southwest Center for Law and Policy
Tucson, Arizona*

Objectives

The Office on Violence Against Women (OVW) awarded the Southwest Center for Law and Policy (SWCLAP) six cooperative agreements totaling \$4,465,600 under the Training and Technical Assistance Program. The objectives of this audit were 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 awards; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that SWCLAP's reallocation of funds among budget categories was in compliance with grant requirements. However, we determined that SWCLAP did not comply with essential award conditions related to progress reports, did not demonstrate progress towards achieving the awards' stated goals and objectives, and was not compliant with award special conditions and the allowed use of award funds.

Specifically, we found that SWCLAP charged unallowable and unsupported payroll, contractor and consultant, and other direct costs totaling \$428,309 to the grants. Also, we determined that SWCLAP paid consultants: (1) prior to work being performed, (2) without invoices or invoices that did not contain sufficient detail; and (3) with no agreements in place detailing the work to be performed. Additionally, we noted SWCLAP award drawdowns were excessive or from the incorrect award. Finally, we found that the FFRs were inaccurate.

Recommendations

Our report contains nine recommendations to OVW. We requested a response to our draft audit report from SWCLAP and OVW, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The purpose of the six OVW awards we reviewed was to strengthen effective responses to violence against American Indian and Alaska Native women. The audit period for the awards was from September 2011 through June 2018. SWCLAP drew down a cumulative amount of \$2,854,300 for all of the awards we reviewed.

Program Goals and Accomplishments – We reviewed SWCLAP's stated accomplishments for the award and found there is no indication that SWCLAP achieved the stated goals and objectives of the closed awards, or is on track to accomplish goals and objectives of the awards that are still open.

Required Performance Reporting – We found that all progress reports we tested were inaccurate or not supported.

Compliance with Special Conditions – We found that SWCLAP was not in compliance with two special conditions. Based on noncompliance with one special condition, we identified \$398 in unallowable costs.

Personnel Costs – We identified \$62,089 in unallowable personnel costs charged to the awards for employees who were not in the approved award budgets.

Contractor and Consultant Costs – We identified \$275,989 in unsupported costs. We also identified \$47,436 in unallowable costs related to unbudgeted services.

Other Direct Costs – We identified \$22,007 in unallowable questioned costs related to unbudgeted drinking water, bonuses, and trinket expenses. We also identified \$6,010 in unsupported costs.

Drawdowns – We identified \$14,380 in unsupported excess drawdowns related to two closed awards for which drawdowns exceeded total expenditures.

Federal Financial Reports – We determined that expenditures were inaccurately reported on all of the FFRs we tested for five of the six awards included in our audit.

**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN
COOPERATIVE AGREEMENTS AWARDED TO THE SOUTHWEST
CENTER FOR LAW AND POLICY
TUCSON, ARIZONA**

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**AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN
COOPERATIVE AGREEMENTS AWARDED TO THE SOUTHWEST
CENTER FOR LAW AND POLICY
TUCSON, ARIZONA**

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of six cooperative agreements awarded by the Office on Violence Against Women (OVW) under the Training and Technical Assistance Program, to the Southwest Center for Law and Policy (SWCLAP) in Tucson, Arizona. SWCLAP was awarded six cooperative agreements totaling \$4,465,600, as shown in Table 1.

**Table 1
Grants Awarded to the
Southwest Center for Law and Policy**

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2011-TA-AX-K045	OVW	09/07/2011	06/01/2011	09/30/2016	\$1,500,000
2012-TA-AX-K050	OVW	09/26/2012	09/01/2012	07/31/2017	\$965,600
2014-SA-AX-K001	OVW	09/29/2014	10/01/2014	09/30/2018	\$500,000
2015-TA-AX-K078	OVW	09/29/2015	10/01/2015	07/31/2019	\$500,000
2016-SA-AX-K001	OVW	09/23/2016	10/01/2016	09/30/2019	\$500,000
2017-SA-AX-K001	OVW	09/29/2017	10/01/2017	09/30/2019	\$500,000
Total:					\$4,465,600

Source: OJP's Grants Management System

The primary purpose of the OVW's Training and Technical Assistance Program is to provide direct training and technical assistance to existing OVW award recipients, potential recipients, and others – such as law enforcement officers and legal personnel – situated to improve overall responses to violence against women. Funding through OVW's National Indian Country Clearinghouse on Sexual Assault (NICCSA) for American Indian and Alaska Native women strengthen effective responses to violence against women by establishing a national clearinghouse, establishing a national toll-free hotline, and provides on-site training and technical assistance to tribal governments on the implementation of OVW NICCSA protocol and its Sexual Assault Forensic Examinations, Support, Training, Access and Resources (SAFESTAR) sexual assault response protocol. Additionally, for the National Tribal Trial College (NTTC) is used to develop a basic and advanced three-part course on sexual assault advocacy for victim advocates who are working in Indian country.

The Grantee

The Southwest Center for Law and Policy (SWCLAP) is a non-profit organization based in Tucson, Arizona. Since 2002, SWCLAP has provided legal training and technical assistance, on a national level, to OVW grantees serving American Indian and Alaska Native victims of sexual assault and domestic violence, stalking, elder abuse, teen dating violence, firearms violence, and abuse of persons with disabilities. Additionally, SWCLAP hosts the NTTCC providing free legal training for attorneys, judges, law enforcement, advocates, and community members on domestic violence, sexual assault, stalking, dating and relationship violence, firearms violence, abuse of elders, abuse of persons with disabilities, victims' rights, sex offender registration and notification, forensic evidence, and tribal court trial skills.¹

OIG Audit Approach

The objectives of this audit were 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 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 award management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the awards. The 2012 OVW Financial Grants Management Guide, 2013 OVW Financial Grants Management Guide, 2014 OVW Financial Grants Management Guide, 2015 DOJ Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.

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

¹ Background information on SWCLAP has been taken from the organization's website directly (unaudited).

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports, award documentation, and interviewed recipient officials to determine whether SWCLAP demonstrated adequate progress towards achieving the program goals and objectives. We also reviewed the Progress Reports to determine if the required reports were accurate. Finally, we reviewed SWCLAP's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

The goals and objectives for each award included the following.

- Award Number 2011-TA-AX-K045 – (1) Provide greater access to resources to enhance the development and operation of community-based solutions to sexual violence in Indian Country; (2) Expanded capacity to provide community-based solutions to sexual assault in Indian Country communities.
- Award Number 2012-TA-AX-K050 – Improve the quality of sexual assault victim advocacy for American Indian and Alaska Native victims by significantly raising skill levels of advocates and provide greater access to resources to enhance the development and operation of community-based solutions to sexual violence in Indian Country.
- Award Number 2014-SA-AX-K001 – Providing greater access to resources to enhance the development and operation of community-based solutions to sexual violence in Indian Country.
- Award Number 2015-TA-AX-K078 – (1) Increase knowledge of the dynamics of and responses to sexual violence against Two Spirit persons and elders in American Indian and Alaska Native communities; and (2) Increase the capacity of professionals working with American Indian and Alaska Native victims of sexual violence by continuing to develop, maintain, and disseminate the NICCSA website.²
- Award Number 2016-SA-AX-K001 – (1) Expand original NICCSA legal content; (2) expand outreach on NICCSA-SAFESTAR; (3) integrate SAFESTAR with NICCSA website; and (4) complete SAFESTAR training for Wampanoag Tribe of Gay Head.

² Though two spirit people may now be included in the umbrella of lesbian, gay, bisexual, transgender, and questioning (LGBTQ), the term "Two Spirit" does not simply mean someone who is a Native American or Alaska Native and gay. Traditionally, Native American two spirit people were male, female, and sometimes intersexed individuals who combined activities of both men and women with traits unique to their status as two spirit people.

- Award Number 2017-SA-AX-K001 – (1) Increase knowledge of the dynamics of and responses to sexual violence against American Indian and Alaska Native communities; (2) increase the capacity of laypersons in American Indian and Alaska Native communities without Sexual Assault Nurse Examiner (SANE) access to provide emergency sexual assault first aid, triage, forensic exams, evidence collection, and referrals to services through the training and certification of SAFESTARs; and (3) increase the capacity of American Indian and Alaska Native justice, healthcare, service providers, and communities to effectively respond to sexual violence.

As discussed in more detail in the Required Performance Reports section of this report, SWCLAP was unable to support performance measure data, directly related to the goals and objectives of the awards, reported in its progress reports. As a result, in our judgment, there is no indication that SWCLAP achieved the stated goals and objectives of its closed awards, or is on track to accomplish goals and objectives of its awards that are still open.

Therefore, we recommend OVW ensure that SWCLAP achieved the goals and objectives for the closed awards and that SWCLAP is on track for achieving the goals and objectives of the awards that are still ongoing.

Required Performance Reports

According to the OVW Financial Guides and the 2015 DOJ Grants Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. In order to verify the information in the Progress Reports we selected a sample of 16 quantifiable performance measures from the 2 most recent reports submitted for each award for a total sample size of 45.³ We then traced the items to supporting documentation maintained by SWCLAP.

³ At the time of our review, no activity was reported on the progress reports for Award Numbers 2016-SA-AX-K001 and 2017-SA-AX-K001. Additionally, there was only one progress report with activity reported for Award Numbers 2014-SA-AX-K001 and 2015-TA-AX-K078. As a result, our sample only included the most recent report submitted for each award. Additionally, for Award Number 2015-TA-AX-K078, only five of the eight areas we tested had quantifiable performance measures.

Based on our review, we found that all of the progress reports we tested were inaccurate or not supported, as shown below:

- Award Number 2011-TA-AX-K045: For Report Number 11: we found that for training events provided under the award, the only training event SWCLAP reported was OVW's New Grantee Orientation. However, we do not consider OVW's New Grantee Orientation a training event provided by SWCLAP. In addition, SWCLAP could not provide sufficient documentation to support the number of people trained or the total number of hours spent on training. We also noted that the only support provided for the number of technical assistance activities and total number of hours spent on technical assistance, were tally marks that SWCLAP officials made on blank copies of the progress report for these areas, which is not sufficient documentation to support the numbers reported. For Report Number 12: we found that for training events provided under the award, the only training event SWCLAP reported was a National Roundtable Discussion sponsored by the Office of Justice Programs Office for Victims of Crime and OVW. Although SWCLAP officials may have participated in some of the discussions, a roundtable discussion by nature includes participation and information from those who attended rather than a training event provided by SWCLAP. Also, SWCLAP could not provide sufficient documentation to support the number of people trained and could only support 6.5 of the 16 hours of training reported. Finally, for the technical assistance activities we tested, we found the same issue related to the use of tally marks on a blank progress report as supporting documentation, which we do not consider sufficient.
- Award Number 2012-TA-AX-K050: For Report Number 10: we found that SWCLAP could only provide documentation to support 1 of the 20 training events reported. Additionally, SWCLAP could not provide sufficient documentation to support the number of people trained or the total number of hours spent on training. For the technical assistance activities we tested, we found the same issue related to the use of tally marks on a blank progress report as supporting documentation, which we do not consider sufficient. Finally, we could not confirm that SWCLAP produced eight training videos as reported. For Report Number 11: we found that SWCLAP reported the same training event that was included in Report Number 10. We also found that SWCLAP could not provide sufficient documentation to support the number of people trained or the total number of hours spent on training. Additionally, SWCLAP did not provide any documentation to support the number of technical assistance activities or total number of hours spent on technical assistance.
- Award Number 2014-SA-AX-K001: For Report Number 7: we found that SWCLAP reported 13 training events. SWCLAP officials informed us that only 3 training events were actually provided. However, SWCLAP could only provide adequate documentation to support 1 of the 13 training events reported. Additionally, SWCLAP could only support 12 of the 53 people trained reported. We also noted one of the training events

reported was not included in the budget for this award. Further, SWCLAP could only support 40 of the 45 hours of training reported. Finally, for the number of technical assistance activities and the total number of hours spent on technical assistance, we found the same issue related to the use of tally marks on a blank progress report as supporting documentation, which we do not consider sufficient.

- Award Number 2015-TA-AX-K078: For Report Number 5: we found that SWCLAP could not provide sufficient documentation to support the number of technical assistance activities and the total number of hours spent on technical assistance. Specifically, we found the same issue related to the use of tally marks on a blank progress report as supporting documentation, which we do not consider sufficient.

As a result of our testing, we found that all of the progress reports we tested were inaccurate or not supported. Therefore, we recommend that OVW coordinate with SWCLAP to ensure that progress reports are accurate and fully supported.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the awards. We evaluated the special conditions for each award and selected a judgmental sample of the requirements that are significant to performance under the awards and are not addressed in another section of this report. We evaluated a total of 10 special conditions for the awards in our scope.

Based on our review, we found that SWCLAP was in compliance with 8 of the 10 special conditions we tested. However, we noted that SWCLAP was not in compliance with special condition 30 for award 2012-TA-AX-K050 regarding the purchase of trinkets and gifts. This issue will be addressed in the Other Direct Cost section of this report. We also found that SWCLAP was not in compliance with special condition 50 for award 2016-SA-AX-K001, which states that the recipient may obligate, expend, and draw down *only* funds for travel related expenses to attend OVW-sponsored technical assistance events. However, we noted that SWCLAP charged \$398 in non-exempt travel related expenses to the award prior to this special condition being removed by a Grant Adjustment Notice (GAN). As a result, we are questioning as unallowable the \$398 related to expenditures that were not in compliance with award special conditions.

Therefore, we recommend OVW coordinate with SWCLAP to develop policies and procedures that ensure it adheres to all special conditions for the awards. In addition, we recommend OVW remedy the \$398 in unallowable costs related to noncompliance with award special conditions.

Award Financial Management

According to the OVW Financial Guides and the 2015 DOJ Grants Financial Guide all award recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess SWCLAP's financial management of the awards covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected award documents to determine whether SWCLAP adequately safeguards the grant funds we audited. We also reviewed SWCLAP's Single Audit Report for the year ended December 31, 2016, along with the Office of the Chief Financial Officer (OCFO) site visit report dated August 26, 2015, to identify internal control weaknesses and significant non-compliance issues related to federal awards. Finally, we performed testing in the areas that were relevant for the management of the awards, as discussed throughout this report.

While the most recent Single Audit Report did not note any significant issues, the OCFO review identified questioned costs totaling \$123,036, as well as concerns related to SWCLAP's internal controls and accounting practices. Specifically, OCFO found: (1) indirect costs were incorrectly categorized; (2) SWCLAP held excess cash on hand, i.e., drawdowns exceeded expenditures, resulting in questioned costs totaling \$1,885; (3) inadequate segregation of duties; (4) budget modifications exceeded the 10-percent limit, resulting in questioned costs totaling \$32,610; (5) payroll costs were improperly allocated; (6) Federal Financial Reports (FFR) did not reconcile to SWCLAP's accounting records; (7) fringe benefits were unreasonable, resulting in questioned costs totaling \$83,699; (8) procedures regarding contractual agreements were not documented or needed improvement; (9) unallowable expenditures totaling \$162; (10) unauthorized expenditures totaling \$4,680; and (11) financial points of contact did not complete the DOJ online training course. OCFO made 11 financial and administrative recommendations to SWCLAP to address its findings.

Despite the fact that the OCFO identified these issues and recommended corrective actions more than 3 years ago, we identified similar concerns during our audit. Specifically, we also found: (1) drawdowns exceeded total expenditures; (2) FFRs did not reconcile to SWCLAP's accounting records; (3) SWCLAP did not have contractual agreements with many of its contractors and consultants, and consultant payments were not adequately supported, indicating that SWCLAP's procedures regarding contractual agreement still need improvement; and (4) unallowable personnel, contractor and consultant, and other direct cost expenditures.

Based on our analysis, we identified weaknesses in SWCLAP's financial management. Specifically, we found that SWCLAP: (1) failed to adequately address the financial management weaknesses identified by OCFO more than 3 years prior to our audit; (2) charged unallowable and unsupported costs to the awards; (3) paid consultants prior to work being performed, without invoices or based on invoices that did not contain sufficient detail, and without contracts or agreements in place detailing the work to be performed; (4) made excessive drawdowns and drawdowns from an incorrect award; and (5) submitted FFRs that

were inaccurate. These deficiencies are discussed in more detail in the Personnel, Contractor and Consultant, Other Direct Costs, Drawdowns, and Federal Financial Reports sections of this report.

Award Expenditures

For the awards in our scope, SWCLAP's approved budgets included personnel, fringe benefits, travel, equipment, supplies, contractor and consultant, and other direct costs. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions. Our sample included 300 transactions totaling \$484,410. We reviewed documentation, accounting records, and performed verification testing related to award expenditures. As discussed in the following sections, we identified \$413,530 in questioned costs, including \$131,532 in unallowable questioned costs and \$281,998 in unsupported questioned costs.⁴

Personnel Costs

As part of our sample, we reviewed 26 payroll transactions totaling \$41,396, which included all salary expenditures and fringe benefits rates for 2 non-consecutive pay periods for each award in our scope, to determine if labor charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the award.⁵ Based on our review, we identified \$62,089 in unallowable personnel costs charged to Award Numbers 2011-TA-AX-K045, 2012-TA-AX-K050, and 2015-TA-AX-K078.

Specifically, during our initial testing, we identified two employees for Award Number 2011-TA-AX-K045, one for Award Number 2012-TA-AX-K050, and two for Award Number 2015-TA-AX-K078 that were paid with award funds for positions that were not included in the award budgets. As a result of our testing, we questioned the salaries and related fringe benefits for the unbudgeted positions totaling \$2,329 as unallowable. Additionally, we reviewed the award general ledgers and questioned all salaries and related fringe benefits for the life of the awards for the unbudgeted positions, resulting in an additional \$59,760 in unallowable salaries and fringe benefits.

In total, we identified \$62,089 in unallowable personnel costs charged to the awards. Therefore, we recommend that OVW coordinates with SWCLAP to remedy the \$62,089 in unallowable personnel costs.

Contractor and Consultant Costs

As part of our sample, we reviewed 137 contractor and consultant transactions totaling \$350,959 to determine if charges were computed correctly,

⁴ Throughout this report, differences in the total amounts are due to rounding. The sum of individual numbers prior to rounding may differ from the sum of the individual numbers rounded.

⁵ There were no payroll transactions for Award Numbers 2016-SA-AX-K001 and 2017-SA-AX-K001 at the time of our review.

properly authorized, accurately recorded, and properly allocated to the awards. In addition, we determined if rates, services, and total costs were in accordance with those allowed in the approved budgets.

For Award Number 2011-TA-AX-K045, we identified 47 transactions that were not supported by invoices detailing the services rendered or contracts and agreements detailing the rates and services to be rendered. According to the Program Manager, SWCLAP does not always require invoices because they observed the services provided. Instead, the Program Manager issues an internal memorandum to pay the contractor or consultant. However, we noted that in 22 instances, the memorandum or check was dated prior to the services being rendered, meaning that SWCLAP officials could not have observed the services provided prior to payment. Regardless, an internal memorandum in lieu of an invoice provided by the vendor detailing the services rendered is not sufficient supporting documentation. Additionally, we found that 15 transactions were for training or services that were not included in the approved budget, such as NTTC, the University of Arizona Speaker series, and tax preparation services. Finally, we identified one instance where total compensation exceeded the contracted amount by \$3,713. The contract expressly stated that total compensation shall not exceed \$20,000 without the client's written consent; however, payments to this contractor totaled \$23,713, and there was no documentation supporting that SWCLAP consented to the excess compensation prior to or after the services were rendered. Based on our analysis, we identified \$91,988 in unsupported and \$35,620 in unallowable questioned costs.

For Award Number 2012-TA-AX-K050, we identified 54 transactions that were not supported by invoices detailing the services rendered or contracts and agreements detailing the rates and services to be rendered. As previously noted the SWCLAP Program Manager stated that in some instances, it uses an internal memorandum in lieu of an invoice provided by the vendor detailing the services rendered because they observed the services provided, which is not sufficient supporting documentation. We also noted in nine instances where the memorandum or check was dated prior to the services being rendered. Additionally, we found that one transaction for tax preparation services was not included in the approved budget, and one transaction where the total number of hours listed on the consultant's invoice were not supported by the event agenda, resulting in excessive consulting fees charged to the award. Based on our analysis, we identified \$170,200 in unsupported and \$4,511 in unallowable questioned costs.

For Award Number 2014-SA-AX-K001, we identified three transactions that were not supported by invoices detailing the services rendered or contracts and agreements detailing the rates and services to be rendered. We also found one transaction where the check was dated prior to services rendered. Additionally, we identified two transactions for services and a conference not included in the approved budget, including one for tax preparation services and one for a sex trafficking conference. Based on our analysis, we identified \$9,793 in unsupported and \$6,543 in unallowable questioned costs.

For Award Number 2015-TA-AX-K078, we identified four transactions were not supported by invoices detailing the services rendered or contracts and agreements detailing the rates and services to be rendered. Additionally, we identified two transactions for tax preparation services not included in the approved budget. Based on our analysis, we identified \$3,751 in unsupported and \$509 in unallowable questioned costs.

For Award Number 2016-SA-AX-K001, we identified two transactions were not supported by invoices detailing the services rendered or contracts and agreements detailing the rates and services to be rendered. Additionally, we identified one transaction for which the costs were incorrectly charged to the award since the invoice only included work performed on awards other than this one. Based on our analysis, we identified \$257 in unsupported and \$254 in unallowable questioned costs.

For Award Number 2017-SA-AX-K001, we did not identify any issues related to the transaction included in our sample.

In total, we identified \$275,989 in unsupported and \$47,436 in unallowable contractor and consultant questioned costs charged to the awards. Therefore, we recommend that OVW coordinate with SWCLAP to remedy the \$275,989 in unsupported and \$47,436 in unallowable contractor and consultant questioned costs. Additionally, we recommend that OVW coordinate with SWCLAP to develop policies and procedures requiring a contract or agreement for all contractors and consultants, as well as detailed invoices submitted by the contractors and consultants prior to payment for services.

Other Direct Costs

As part of our initial sample, we reviewed 112 other direct cost transactions, totaling \$82,996 to determine if charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the award.⁶ Based on our initial findings, we expanded testing and selected an additional 25 transactions, totaling \$9,058. As a result of our testing, we identified 45 transactions totaling \$28,017 in unsupported and unallowable costs.

For Award Number 2011-TA-AX-K045, we identified unallowable questioned costs totaling \$12,018 related to 12 transactions for costs that were not included in the approved budget and two transactions related to costs that were not properly allocated. Specifically, we identified unallowable travel costs for contractors and consultants related to the NTTCC program, which is not funded by this award, or authorized by a formal agreement. We also identified unallowable costs for attorney bar dues for an attorney other than the Executive Director, drinking water, late and interest fees, bonuses, and an extended warranty that were not in the budget. Additionally, we identified expenditures for office cleaning services and property taxes that should have been allocated among all of SWCLAP's open awards

⁶ There were no other direct cost transactions for Award Number 2017-SA-AX-K001 at the time of our review.

since these overhead costs benefit SWCLAP as a whole and are not associated directly with the award. Finally, we identified unsupported questioned costs totaling \$1,276 related to six transactions that were not supported by an invoice or the amounts charged to the award did not reconcile to the invoice.

For Award Number 2012-TA-AX-K050, we identified unallowable questioned costs totaling \$7,851 related to eight transactions for costs that were not included in the approved budget and four transactions related to costs that were not properly allocated. Specifically, we identified unallowable travel costs related to a firearms conference, which is not funded by this award; a mold and air quality analysis; drinking water; trinkets such as faculty pins; graphic artwork design; and paying a vendor to inventory and organize SWCLAP's supply room. Additionally, we identified expenditures for rent and office cleaning services that should have been allocated among all of SWCLAP's open awards since these overhead costs benefit SWCLAP as a whole and are not associated directly with the award. Finally, we identified unsupported questioned costs totaling \$4,052 related to four transactions that were not supported by an invoice or the documentation provided did not match the description of the expenditure recorded in the general ledger for the award.

For Award Number 2014-SA-AX-K001, we identified unallowable questioned costs totaling \$1,135 related to five transactions for costs that were not included in the approved budget. Specifically, we identified unallowable expenditures for document shredding services, moving expenses, decorative supplies, and a coffee maker.

For Award Number 2015-TA-AX-K078, we identified unallowable questioned costs totaling \$1,003 related to two transactions for costs that were not included in the approved budget. Specifically, we identified unallowable expenditures for liability insurance and trinkets such as custom pens with logos. We also identified unsupported questioned costs totaling \$682 related to two transactions that were not supported by an invoice.

For Award Number 2016-SA-AX-K001, we did not identify any issues related to the transactions included in our sample.

In total, we identified \$22,007 in unallowable and \$6,010 in unsupported Other Direct Costs. As a result, we recommend OVW coordinate with SWCLAP to remedy the \$22,007 in unallowable and \$6,010 in unsupported Other Direct Costs.

Budget Management and Control

According to the OVW Financial Guides and the 2015 DOJ Grants Financial Guide, the recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the grant recipient must initiate a Grant Adjustment Notice (GAN) for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We compared award expenditures to the approved budgets to determine whether SWCLAP transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

Drawdowns

According to the OVW Financial Guides and the 2015 DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. As of April 26, 2018, SWCLAP had drawn down a total of \$2,854,300 from the awards in our scope. To assess whether SWCLAP managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records.

We found that total drawdowns exceeded total expenditures for three awards. For Award Number 2011-TA-AX-K045, drawdowns exceeded expenditures by \$12,998 and for Award Number 2012-TA-AX-K050, drawdowns exceeded expenditures by \$1,382. Both of these awards were closed at the time of our analysis. As a result, we questioned the \$14,380 in excess drawdowns as unsupported. Therefore, we recommend OVW coordinate with SWCLAP to remedy the \$14,380 in unsupported excess drawdowns.

For Award Number 2016-SA-AX-K001, we noted that \$10,000 was drawn down for the award on August 2, 2017, more than a year prior to the first expenditure for the award. As a result, at the time of our initial analysis, drawdowns exceeded expenditures by \$9,673 for this award. The SWCLAP Bookkeeper stated that the excess drawdown resulted from the fact that a \$10,000 drawdown related to expenditures for Award Number 2014-SA-AX-K001 was erroneously drawn down from Award Number 2016-SA-AX-K001. However, during our review of the award accounting records, we noted that SWCLAP did not make any adjusting entries or any attempt to remedy the error.

We requested updated accounting records and a payment history report for Award Number 2016-SA-AX-K001 to determine whether drawdowns still exceeded expenditures. Based on our updated analysis, we found that as of September 14, 2018, over a year after the erroneous drawdown, total expenditures in the accounting records exceeded total drawdowns for the award. As a result, we are not questioning costs related to excess drawdowns for this award. However, we recommend that OVW coordinate with SWCLAP to develop written policies and procedures to ensure that drawdowns are fully supported, funds are drawn down from the correct award, and drawdowns do not exceed expenditures.

Federal Financial Reports

According to the OVW Financial Guides and the 2015 DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations

incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether SWCLAP submitted accurate FFRs, we compared the four most recent reports to SWCLAP's accounting records for each award.⁷

We found that for 20 of the 23 FFRs tested, the expenditures reported did not match SWCLAP's accounting records, as shown in Table 2.

Table 2
FFR Accuracy

Report #	Quarterly Expenditures Difference (Qtr. Exp. Per GL – Qtr. Exp. Per FFR)	Cumulative Expenditures Difference Per GL (Cumulative Exp. Per GL – Cumulative Exp. Per FFR)
Grant Number: 2011-TA-AX-K045		
19	\$9,872	\$324
20	\$5,135	\$5,460
21	\$54	\$5,514
22	(\$5,714)	(\$199)
Grant Number: 2012-TA-AX-K050		
18	\$25,044	\$31,838
19	(\$15,021)	\$16,817
20	(\$17,213)	(\$396)
21	\$396	-
Grant Number: 2014-SA-AX-K001		
11	(\$307)	(\$285)
12	\$8,628	\$8,343
13	\$7,408	\$15,751
14	(\$879)	\$14,872
Grant Number: 2015-TA-AX-K078		
7	(\$7)	\$15
8	\$525	\$540
9	(\$60)	\$480
10	(\$338)	\$142
Grant Number: 2016-SA-AX-K001		
1	(\$1,274)	(\$1,274)
2	-	(\$1,274)
3	-	(\$1,274)
4	-	(\$1,274)

Source: OJP's Grants Management System and SWCLAP financial records.

The SWCLAP Bookkeeper stated that she does not always receive pertinent award expenditure information for the quarter in a timely manner. As a result, award transactions may not be entered in the general ledger until after the FFR has been submitted. In these situations the award recipient is required to submit an updated FFRs that accurately reflects award expenditures for the period. Therefore, we recommend OVW coordinate with SWCLAP to ensure that it submits accurate FFRs.

⁷ Award Number 2017-SA-AX-K001 only had three FFRs at the time of our analysis.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing, we conclude that SWCLAP did not adhere to all of the award requirements we tested, but we did not identify significant issues regarding its management of the award budgets. However, we found that SWCLAP did not comply with essential award conditions related to progress reports and the progress towards achieving the awards' stated goals and objectives, compliance with award special conditions, use of award funds, drawdowns, and FFRs. We provide nine recommendations to SWCLAP to address these deficiencies.

We recommend that OVW:

1. Ensure that SWCLAP achieved the goals and objectives for the closed awards and that SWCLAP is on track for achieving the goals and objectives of the awards that are still ongoing.
2. Coordinate with SWCLAP to ensure that progress reports are accurate and fully supported.
3. Coordinate with SWCLAP to develop policies and procedures to ensure it adheres to all special conditions of the awards.
4. Remedy the \$398 in unallowable costs related to noncompliance with award special conditions.
5. Remedy the \$131,532 in unallowable questioned costs related to the \$62,089 in unallowable personnel costs, \$47,436 in unallowable contractor and consultant costs, and \$22,007 in unallowable other direct costs.
6. Remedy the \$296,379 in unsupported questioned costs related to the \$275,989 in unsupported contractor and consultant costs, \$6,010 in unsupported other direct costs, and \$14,380 in unsupported excess drawdowns.
7. Coordinate with SWCLAP to develop policies and procedures requiring a contract or agreement for all contractors and consultants, as well as detailed invoices submitted by the contractors and consultants prior to payment for services.
8. Coordinate with SWCLAP to develop written policies and procedures to ensure that drawdowns are fully supported, funds are drawn down from the correct award, and drawdowns do not exceed expenditures.
9. Coordinate with SWCLAP to ensure that it submits accurate FFRs.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were 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 awards; 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.

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, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This was an audit of the Office on Violence Against Women (OVW) cooperative agreements awarded to the Southwest Center for Law and Policy (SWCLAP) under the Technical Assistance Programs. SWCLAP was awarded a total of \$4,465,600 under Award Numbers 2011-TA-AX-K045, 2012-TA-AX-K050, 2014-SA-AX-K001, 2015-TA-AX-K078, 2016-SA-AX-K001, and 2017-SA-AX-K001, had drawn down \$2,854,300 of the total grant funds awarded. Our audit concentrated on, but was not limited to September 7, 2011, the award date for Award Number 2011-TA-AX-K045 through June 8, 2018, the last day of our audit work.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of SWCLAP's activities related to the audited awards. We performed sample-based audit testing for award expenditures including payroll and fringe benefit charges, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the awards reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The 2012, 2013, and 2014 OVW Financial Guides, the 2015 DOJ Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System, as well as SWCLAP'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 were verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

Description	Amount	Page
Questioned Costs: ⁸		
Unallowable Costs		
Unauthorized Spending Costs	\$398	6
Personnel Costs	\$62,089	8
Contractor and Consultant Costs	\$47,436	10
Other Direct Costs	\$22,007	11
<i>Total Unallowable Costs</i>	\$131,930	
Unsupported Costs		
Contractor and Consultant Costs	\$275,989	10
Other Direct Costs	\$6,010	11
Excess Drawdowns	\$14,380	12
<i>Total Unsupported Costs</i>	\$296,379	
<i>Gross Questioned Costs</i>	\$428,309	
Less Duplicate Questioned Costs ⁹	(44,811)	
Net Questioned Costs	\$383,498	

⁸ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements, or 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.

⁹ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which includes \$43,490 in contractor and consultant costs and \$1,321 in other direct costs that were both unallowable and unsupported.

SOUTHWEST CENTER FOR LAW AND POLICY'S RESPONSE TO THE DRAFT AUDIT REPORT



SOUTHWEST CENTER FOR LAW AND POLICY

4015 E Paradise Falls Dr. STE 131, Tucson AZ 85712
Phone: 520.623.8192 Fax: 520.623.8246 swclap.org

March 6, 2019

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

RE: Southwest Center for Law and Policy (SWCLAP) Response to the Office of the Inspector General (OIG) Draft Audit Report issued February 20, 2019

Dear Mr. Sheeren,

Below please find the Southwest Center for Law and Policy (SWCLAP) response to the Office of the Inspector General's nine (9) recommendations to six (6) cooperative agreements (2011-TA-AX-K045, 2012-TA-AX-K050, 2014-SA-AX-K001, 2015-TA-AX-K078, 2016-SA-AX-K001, 2017-SA-AX-K001) awarded by the Office on Violence Against Women.

1. Ensure that SWCLAP achieved the goals and objectives for the closed awards and that SWCLAP is on track for achieving the goals and objectives of the awards that are still ongoing.

Agree with the finding.

However, SWCLAP disagrees with the characterization in the Audit Report that goals and objectives have not been met on closed awards. Indeed, all goals and objectives have been met or exceeded and the organization is on track for achieving current goals and objectives for all current awards in close collaboration with OVW.

SWCLAP was not provided with the services of an OVW Program Grant Program Specialist during the majority of the grant funded work conducted during the audit period. Rather, the OVW Deputy Director for Tribal Affairs filled in sporadically to oversee progress and to approve and suggest changes to budgets, agendas and other work. Despite this challenge, all deliverables were met or exceeded. During the audit period, a small staff utilized OVW funding to develop and deliver an impressive amount

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of work including the National Tribal Trial College (now in its 5th year), the National Indian Country Clearinghouse on Sexual Assault and SAFESTAR. Documentation (such as maintaining approved Grant Adjustment Notices uploaded to the system) was not up to current high standards during the period when SWCLAP was not provided with an OVW Grant Program Specialist. There are zero “performance findings” since SWCLAP was provided with a dedicated, assigned OVW Grants Management Team Lead.

Award Number 2011-TA-TX-K045: OVW approved all Progress Reports and was aware that SWCLAP included the SAFESTAR/National Indian Country Clearinghouse on Sexual Assault presentation at the FY 2015 OVW CTAS New Grantee Orientation as a “training” in its reporting. SWCLAP reviewed the definition of “training” in effect at the time and concluded that this event comported with the definition in that grantees were provided information on sexual violence in Indian Country, taught how to access SAFESTAR sexual assault services and trained on utilizing the NICCSA.org resource. SWCLAP also staffed an exhibit table at the event showcasing our OVW funded activities and conducted one on one technical assistance to grantees throughout the training event. OVW staff were present, aware of, and in approval of all activities. SWCLAP will now conduct more careful and documented discussions with OVW on the meaning of the word “training” for reporting purposes. SWCLAP will document not only the training hours contained on OVW approved written agendas, but will also document the actual hours spent on training grantees one on one.

Similarly, the National Roundtable was approved by and funded by the Office of Justice Programs, Office for Victims of Crime and by OVW. During the training, participants were able to craft a seminal publication still used in the field. All participants and the agenda for the Roundtable were approved by OVW in advanced of the training. The Progress Report containing the Roundtable training information was approved by OVW. Again, SWCLAP will now work closely with our assigned Grants Management Team Lead to ensure that reporting of deliverables as “training” comports with the exact definition of the word “training” in effect at the time of reporting.

SWCLAP now consistently enforces a strict sign-in sheet policy for all training events. It was culturally awkward to require an elder or elected official to verify their attendance at training events through their signature on a sign in sheet. We are now aware that our ability to receive funding for our important work is based on the written sign in sheet document and that we may not count those who participated and were present if their signature does not appear on the document. Although OVW may approve all attendees, the agenda, and the materials (and are often in attendance observing the event), we will carefully document the content, hours and attendees of training and ensure that the event meets the current definition of training in effect at the time of the filing of the Progress Report for OIG purposes.

SWCLAP documented training and technical assistance requests on an exact copy of the OVW Progress Report form that included the reportable categories of TTA topics,

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recipients, and actions/referrals. Grounded in the importance of confidentiality for survivors of gender based violence, SWCLAP erroneously believed that the use of “tally marks” on the OVW generated form (and supported by other documentation) preserved confidentiality and was acceptable documentation. A new form containing more detailed information on the exact contact, content, time, and action has been created and required for use by all SWCLAP staff.

SWCLAP and the other Tribal TTA providers recently received intensive training from the OVW Tribal Unit on the completion of Progress Reports. This has been incorporated in to all of our policies and procedures and informs the completion of Progress Reports.

Award Number 2012-TA-AX-K050, Report Number #10: SWCLAP disagrees that documentation was not provided for the twenty (20) National Tribal Trial College training events. OIG did not interpret the submitted documentation correctly despite numerous attempts on the part of SWCLAP staff to explain the documentation and the nature of our work. SWCLAP submitted documentation of twenty training events for the National Tribal Trial College. The training events included OVW approved original research and materials for OVW CTAS grantees: 1) Legal Representation of American Indian and Alaska Native Victims of Sexual Violence in Tribal Courts, 2) Basics of Federal Law: Civil and Criminal Jurisdiction, 3) Tribal Court Legal Practice: Researching Rules of Procedure, Civil and Criminal Codes, Constitutions, Administrative Rules and Case Law, 4) Historical and Personal Trauma: Interviewing Clients, Safety Planning, Ethic and Confidentiality, 5) Victims with Special Consideration, 6) Developing Your Case File: Developing Your “Theory of the Case” with Case File Management, 7) Evidence and Witnesses, 8) Utilizing Custom, Tradition and Expert Witnesses, 9) Restitution and Creative Civil Remedies, 10) Sexual Assault Protection Orders, 11) Litigating Sexual Assault Protection Orders: Pleadings, 12) Due Process, Service of Process and Subpoenas, 13) Courtroom Safety, Opening Statements, 14) Telling the Victim’s Story on Direct Examination, 15) Objections, Cross Examination, and Closing Arguments, 16) Child Custody, 17) Child Support and Visitation, 18) Enforcement of Judgments and Appeals, 19) Litigating Victim Rights in Criminal Cases: Part 1, 20) Litigating Victim Rights in Criminal Cases: Part 2. Documentation of eight training videos was provided to the OIG. These included eight updated (because of changes in the law or new data from the field): Due Process; Courtroom Safety and Opening Statements; Telling the Victim’s Story on Direct Examination, Objections, Cross Examination and Closing Arguments; Basics of Federal Indian Law- Civil and Criminal Jurisdiction; Developing Your Case File; Evidence and Witnesses; and Enforcement of Judgments and Appeals. SWCLAP also provided documentation to support the thirty-nine students who were enrolled and received the 20 training events. The OIG questioned the number of training hours reported for the online course. Before the OIG audit this error was discovered by SWCLAP itself. The number was corrected and amended after consultation with the Muskie School of Public Service and before the commencement of the audit.

Award Number 2012-TA-AX-K050, Report Number #11: SWCLAP provided documentation to support the successful development and delivery of both the National Tribal Trial College 20 weeks of on-line training events and of the on-site, 40 hour trial skills training event. The agenda and supporting materials provided to OIG also accurately record the number of hours of training delivered for all events. Many of the on-site course topics bore similar titles to topics delivered on-line. However, the 40 hour on-site course materials were markedly different training modules that supported the development (in real time) of actual Tribal court litigation skills. The content was delivered in person by SWCLAP and other Indian Country expert faculty. Documentation was provided to support that twenty-one students attended the on-site training event in question (the 40 hour University of Wisconsin Law School training). SWCLAP also noted that one student left the course shortly before it concluded because of a family emergency. She was unable to receive Certification from the course.

Award Number 2014-SA-AX-KOOL, Report Number 7: As discussed previously, OVW staff was present, aware of, and in approval of all of the training. SWCLAP will now conduct more careful and documented discussions with OVW on the meaning of the word "training" for reporting purposes. SWCLAP will document not only the training hours contained on OVW approved written agendas, but also the actual hours spent on training grantees one on one. Handwritten notes were inadvertently misread and led to "13" rather than "3" events recorded. We will ensure greater accuracy of transcribed handwritten notes by having two employees verify that the correct number was listed. SWCLAP provided documentation to OIG that 45 hours of training was performed. This included a 40 hour SAFESTAR training, 3 hours of SAFESTAR presentations at the OVW sponsored (and mandatory) Tribal Summit, and 2 hours of elder abuse training at the United States Department of Justice Arizona Four Corners Conference. As stated above, the more comprehensive, in-house generated TTA documentation form will be used in place of the tally marks (used for confidentiality purposes) that were placed on the OVW generated form.

2. Coordinate with SWCLAP to ensure that progress reports are accurate and fully supported.

Agree with this finding.

In 2017 SWCLAP received OVW sponsored training and tools to ensure that progress reports are accurate and fully supported with appropriate documentation. SWCLAP will continue to submit comprehensive progress reports and remain on track to meet goals and objectives of each award. SWCLAP has had an assigned OVW Grants Management Team Lead since 2017.

3. Coordinate with SWCLAP to develop policies and procedures to ensure it adheres to all special conditions of the awards.

Agree with this finding.

SWCLAP is committed to developing policies and procedures to ensure adherence to all special conditions of the awards. Towards that end, training is scheduled for all SWCLAP employees later this month. SWCLAP now has an assigned OVW Grants Management Team Lead.

4. Remedy the \$398. in unallowable costs related to noncompliance with award special conditions.

Disagree with the finding in part.

SWCLAP is a careful steward of taxpayer dollars and disagrees with the characterization of supplemental name badge pins for Tribal court judges serving as faculty as “trinkets.” The supplemental portions of the badges allowed easy identification of faculty by the students, served as an important, culturally appropriate signifier of expert status, and encouraged students to access the experts during the training. The practice has been discontinued.

Agree with the finding in part.

K001-16 Special Condition 50: A previous SWCLAP bookkeeper erroneously billed for her work on budget modifications requested by OVW that were necessary to release the grant funding. SWCLAP is now aware that we may not bill for work on OVW requested budget modifications necessary to release grant funding prior to the actual release of grant funding.

5. Remedy the \$131,532 in unallowable questioned costs related to the \$62,089 in unallowable personnel costs, \$47,436 in unallowable contractor and consultant costs, and \$22,007 in unallowable other direct costs.

Agree with the finding in part.

Employees of SWCLAP who were not listed by specific name and title in the final, approved budgets did perform OVW approved work under grants 2011-TA-AX-K045, 2012-TA-AX-K050, and 2015-TA-AX-K078. However, all of these employees were approved by OVW, interacted with OVW on a regular basis, and conducted OVW approved work. SWCLAP is now aware that all employees must be listed by name and title in all OVW budgets and that a Grant Adjustment Notice must be submitted and approved if an employee named in a budget is replaced by another employee. We have acquired a new bookkeeper experienced in grants management and have attended Grants Management training to ensure compliance.

Contractors and consultants approved by OVW did perform \$47,436 of documented and OVW approved work and training under the grants. They had signed, written contracts. All of them were listed on OVW approved agendas. Erroneously, SWCLAP did not require each of them to submit an Invoice so that we could include that in OIG mandatory documentation in addition to their signed contract, the OVW approved agenda, sign in sheet, and video tape of the work that they provided. SWCLAP has been in compliance with this condition since 2018 and now requires both a contract and an invoice from all contractors and consultants.

Tenth Avenue Productions did perform OVW approved work on the NICCSA.org website that exceeded the original contract amount by \$3,713. The original contract was for \$20,000. SWCLAP could not locate the files and emails approving the overage from a previous employee who managed the development of NICCSA.org. The work was performed. There was no fraud or misuse.

Disagree in part.

SWCLAP has never paid contractors prior to work being performed. As explained to OIG auditors, checks for consultants presenting at out of state training events were prepared prior to staff leaving for the event. The actual checks were handed to the consultants at the completion of their contractually obligated, OVW approved work. This was typically done after the final session of the OVW sponsored conference or training. SWCLAP made a mistake in not post-dating the checks. The bookkeeper did not travel to the events and prepared them in advance. If the work was not performed, the check was returned to the bookkeeper and voided. The practice of remitting payment immediately upon completion of work allowed SWCLAP to maintain a core group of Indian Country experts available for training. It is an unfortunate economic reality that many of this country's finest and most experienced Indian Country presenters live close to the federal poverty level. They would not be available without the guarantee of receiving funds immediately after services were rendered. They simply cannot afford to wait 6 to 8 weeks to receive payment. This practice has been remedied. All payment is now dated appropriately on the checks to reflect the actual completion date of the work.

6. Remedy the \$296,379 in unsupported questioned costs related to the \$275,989 in unsupported contractor and consultant costs, \$6,010 in unsupported other direct costs, and \$14,380 in unsupported excess drawdowns.

Agree with this finding.

There was no fraud and there was no misuse. SWCLAP erred in failing to require both contracts and invoices as documentation (in addition to the OVW approved agendas, student evaluations, sign in sheets, and video tapes that we maintained) for all

consultants. Although the work was OVW approved, performed, and documented, SWCLAP failed to require an Invoice. This has been remedied.

Additionally, SWCLAP erred in failing to use precise, expansive and inclusive language consistently in every OVW approved budget. For example, SWCLAP erroneously assumed that listing "Accounting-Audit" was inclusive of expenses for filing tax returns ("990s") and that costs listed for "Insurance" were inclusive of health insurance, disability insurance, liability insurance, property insurance, and Director and Officer insurance. SWCLAP has received training and has hired a bookkeeper experienced in federal grants to assist with correctly delineating all costs to be billed to the grants within the approved budgets.

7. Coordinate with SWCLAP to develop policies and procedures requiring a contract or agreement for all contractors and consultants, as well as detailed invoice submitted by the contracts and consultants prior to payment for services.

Agree with this finding.

Since 2016, SWCLAP has both developed and implemented policies and procedures requiring a contract or agreement for all contractors and consultants, as well as detailed invoices submitted by the contracts and consultants prior to payment for services.

8. Coordinate with SWCLAP to develop written policies and procedures to ensure that drawdowns are fully supported, funds are drawn down from the correct award, and drawdowns do not exceed expenditures.

Agree with this finding.

SWCLAP has written policies and procedures to ensure that all drawdowns are fully supported, funds are drawn down from the correct award, and drawdowns do not exceed expenditures. SWCLAP agrees that on one occasion a new bookkeeper drew down funds from a grant in error because both grants had markedly similar grant numbers. She unsuccessfully inquired on how to remedy her error. The funds remained untouched until they were correctly expended and reimbursed. No funds were misused.

9. Coordinate with SWCLAP to ensure that it submits accurate FFRs.

Agree with this finding.

There was no fraud or misuse of funds. SWCLAP was without an OVW Grant Specialist for most of the audit period. SWCLAP employed a direct accounting method at the beginning of the Audit period and, at the request of OVW, soon thereafter switched to an indirect accounting method. In 2015 SWCLAP was asked to return to the direct accounting method. Some of our events take place over numerous FFR reporting periods.

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For example, the online portion of the National Tribal Trial College is held in the first and second quarters of the calendar fiscal year. The on-site portion is held at the start of the third fiscal quarter. SWCLAP now more accurately reports on the FFRs. The OIG generated chart in the appendix clearly shows SWCLAP's marked improvement since 2015. In 2018, SWCLAP senior management and bookkeeper successfully completed Department of Justice sponsored financial management training to ensure all federal financial reports are accurate. SWCLAP has hired a bookkeeper experienced in compliance with federal financial reporting requirements.

We appreciate the opportunity to review and comment on the draft report. We will continue to work with OVW to address the recommendations. The accuracy of our reporting has markedly improved. If you have any questions or require additional information, please contact me at 520-623-8192.

Respectfully submitted,



Hallie Bongar White
Executive Director

cc: Office on Violence Against Women

**OFFICE ON VIOLENCE AGAINST WOMEN'S
RESPONSE TO THE DRAFT AUDIT REPORT**



U.S. Department of Justice

Office on Violence Against Women

Washington, DC 20530

March 13, 2019

MEMORANDUM

TO: David Sheeren
Regional Audit Manager

FROM: Nadine M. Neufville *ANN*
Deputy Director, Grants Development and Management

Donna Simmons *DS*
Associate Director, Grants Financial Management Unit

Rodney Samuels *RS*
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Cooperative Agreements Awarded to the Southwest Center for Law and Policy (SWCLAP) Tucson, Arizona

This memorandum is in response to your correspondence dated February 20, 2019 transmitting the above draft audit report for SWCLAP. We consider the subject report resolved and request written acceptance of this action from your office.

The report contains nine recommendations with \$428,309 of Questioned Costs. OVW is committed to addressing and bringing the open recommendations identified by your office to a close as quickly as possible. The following is our analysis of each recommendation.

1. Ensures that SWCLAP achieved the goals and objectives for the closed awards and that SWCLAP is on track to achieve the goals and objectives of the awards that are still ongoing.

Concur: OVW will coordinate with SWCLAP to ensure that they achieved the goals and objectives for the closed awards and that they are on track to achieve the goals and objectives of the awards that are still ongoing.

2. Coordinate with SWCLAP to ensure that progress reports are accurate and fully supported.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Cooperative Agreements Awarded to the Southwest Center for Law and Policy (SWCLAP) Tucson, Arizona

Concur: OVW will coordinate with SWCLAP to ensure that progress reports are accurate and fully supported.

3. Coordinate with SWCLAP to develop policies and procedures to ensure it adheres to all special conditions of the awards.

Concur: OVW will coordinate with SWCLAP to develop policies and procedures to ensure that they adhere to all special conditions of the awards.

4. Remedy \$398 in unallowable costs related to noncompliance with award special conditions.

Concur: OVW will coordinate with SWCLAP to ensure that they remedy \$398 in unallowable costs related to noncompliance with award special conditions.

5. Remedy \$131,532 in unallowable questioned costs related to the \$62,089 in unallowable personnel costs, \$47,436 in unallowable contractor and consultant costs, and \$22,007 in unallowable other direct costs.

Concur: OVW will coordinate with SWCLAP to ensure that they remedy \$131,532 in unallowable questioned costs related to the \$62,089 in unallowable personnel costs, \$47,436 in unallowable contractor and consultant costs, and \$22,007 in unallowable other direct costs.

6. Remedy \$296,379 in unsupported questioned costs related to the \$275,989 in unsupported contractor and consultant costs, \$6,010 in unsupported other direct costs, and \$14,380 in unsupported excess drawdowns.

Concur: OVW will coordinate with SWCLAP to ensure that they remedy \$296,379 in unsupported questioned costs related to the \$275,989 in unsupported contractor and consultant costs, \$6,010 in unsupported other direct costs, and \$14,380 in unsupported excess drawdowns.

7. Coordinate with SWCLAP to develop policies and procedures requiring a contract or agreement for all contractors and consultants, as well as detailed invoices submitted by the contractors and consultants prior to payment for services.

Concur: OVW will coordinate with SWCLAP to develop policies and procedures requiring a contract or agreement for all contractors and consultants, as well as detailed invoices submitted by the contractors and consultants prior to payment for services.

8. Coordinate with SWCLAP to develop written policies and procedures to ensure that drawdowns are fully supported, funds are drawn down from the correct award, and drawdowns do not exceed expenditures.

MEMORANDUM

SUBJECT: Draft Audit Report -- Audit of the Office on Violence Against Women (OVW) Cooperative Agreements Awarded to the Southwest Center for Law and Policy (SWCLAP) Tucson, Arizona

Concur: OVW will coordinate with SWCLAP to develop written policies and procedures to ensure that drawdowns are fully supported, funds are drawn down from the correct award, and drawdowns do not exceed expenditures.

9. Coordinate with SWCLAP to ensure that it submits accurate FSRs.

Concur: OVW will coordinate with SWCLAP to ensure that they submit accurate FSRs.

We appreciate the opportunity to review and comment on the draft report. If you have any questions or require additional information, please contact Rodney Samuels at (202) 514-9820.

cc Richard P. Theis
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

Darla Nolan
Program Manager
Office on Violence Against Women

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

The OIG provided a draft of this audit report to OVW and SWCLAP. SWCLAP's response is incorporated in Appendix 3 and OVW's response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OVW concurred with all of our recommendations, and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OVW:

- 1. Ensure that SWCLAP achieved the goals and objectives for the closed awards and that SWCLAP is on track for achieving the goals and objectives of the awards that are still ongoing.**

Resolved. OVW concurred with our recommendation and stated in its response that it will work with SWCLAP to ensure that the goals and objectives for the closed awards were achieved and that SWCLAP is on track for achieving the goals and objectives of the awards that are still ongoing.

SWCLAP agreed with our finding; however, it disagreed with "the characterization in the Audit Report that goals and objectives have not been met on closed awards." SWCLAP also stated that all goals and objectives have been met or exceeded and that the organization is on track for achieving current goals and objectives for all current awards in close collaboration with OVW.

We disagree with these statements. We found that SWCLAP was unable to support performance measure data directly related to the goals and objectives of the awards, and that SWCLAP maintained no verifiable evidence of any progress toward achieving the goals and objectives. We further found that all of the SWCLAP progress reports that we tested were inaccurate or not supported. As a result, we are unable to determine SWCLAP's performance in achieving the stated goals and objectives of its awards.

For Award Number 2011-TA-AX-K045, SWCLAP stated in its response that OVW approved all progress reports and was aware that SWCLAP included certain events as training. However, OVW's approval of progress reports is merely an acknowledgement that the report has been received, not that the report was accurate or supported.

SWCLAP also stated in its response that for reporting purposes it will now conduct more careful and documented discussions with OVW on the meaning of the word training. SWCLAP stated that it will document the training hours contained on the OVW approved written agendas, as well as the actual hours spent on training grantees one on one. Additionally, SWCLAP stated that it

now consistently enforces a strict sign-in sheet policy for all training events and will carefully document the content, hours, and attendees of training to ensure that the event meets the current definition of training. Also, SWCLAP stated that it has created a new form to document training and technical assistance requests that includes the exact contact, content, time, and action. SWCLAP further stated that it and other tribal training and technical assistance providers recently received intensive training from the OVW Tribal Unit on the completion of progress reports and it has been incorporated into all of its policies and procedures.

For Award Number 2012-TA-AX-K050, SWCLAP stated that it provided documentation to support 39 participants in the 20 training events it reported in its progress report. We disagree with this statement. SWCLAP provided us the course curriculum for its National Tribal Trial College (NTTC) training, which included 20 different topic areas, all of which must be completed to graduate. As stated in our report, NTTC is 1 training event, not 20 separate training events. SWCLAP also stated that it provided documentation to support that 39 students were enrolled in the NTTC. However, SWCLAP stated that only 21 students completed the training and graduated the NTTC. Further, we found the documentation provided by SWCLAP – only a typed list of names – to be insufficient to support SWCLAP's statement that 39 participants were enrolled and 21 participants graduated the NTTC.

For Award Number 2014-SA-AX-K001, in response to our findings that one of the training events reported was not included in the budget for this award, SWCLAP stated that OVW staff was present, aware of, and in approval of all training. However, one of the training events reported was for NTTC, which is funded under a different award. Nonetheless, SWCLAP stated that now it will conduct more careful and documented discussions on the meaning of training for reporting purposes. Additionally, SWCLAP stated that it will document not only the training hours on OVW approved agendas, but also the actual hours spent training grantees one on one. Also in its response, SWCLAP stated that handwritten notes were inadvertently misread and led to it reporting 13 rather than the actual 3 training events during the reporting period. We noted in our report that SWCLAP informed us of the error. However, as stated in our report, SWCLAP could only provide adequate documentation to support one training event.

This recommendation can be closed when we receive documentation that SWCLAP has achieved all goals and objectives for the closed awards and the goals and objectives are on track for awards that are still ongoing.

2. Coordinate with SWCLAP to ensure that progress reports are accurate and fully supported.

Resolved. OVW concurred with our recommendation and stated in its response that it will work with SWCLAP to ensure that progress reports are accurate and fully supported.

SWCLAP agreed with our finding and stated in its response that it will continue to submit comprehensive progress reports and remain on track to meet goals and objectives of each award.

This recommendation can be closed when we receive documentation showing that SWCLAP has submitted accurate and fully supported progress reports.

3. Coordinate with SWCLAP to develop policies and procedures to ensure it adheres to all special conditions of the awards.

Resolved. OVW concurred with our recommendation and stated in its response that it will work with SWCLAP to develop policies and procedures that ensure it adheres to all special conditions of the awards.

SWCLAP agreed with our finding and stated in its response that it is committed to developing policies and procedures to ensure adherence to all special conditions of the awards and training is scheduled for all SWCLAP employees during March 2019.

Although included in its response to Recommendation 4, SWCLAP partially disagreed with our finding related to the purchase of faculty pins because it does not view them as trinkets, and stated that they served as an important, culturally appropriate signifier of expert status, and encouraged students to access the experts during the training. We disagree with this statement. We consider the faculty pins to be trinkets, which is in violation of special condition 30 for award 2012-TA-AX-K050. Regardless, SWCLAP also stated in its response that it has discontinued this practice.

This recommendation can be closed when we receive documentation confirming the new policies and procedures ensuring SWCLAP adheres to all special conditions of the awards has been implemented.

4. Remedy the \$398 in unallowable costs related to noncompliance with award special conditions.

Resolved. OVW concurred with our recommendation and stated in its response that it will work with SWCLAP to remedy the \$398 in unallowable costs related to noncompliance with award special conditions.

SWCLAP partially agreed with our recommendation related to the \$398 billed to Award Number 2016-SA-AX-K001 for a cost that was not allowed by the award prior to SWCLAP requesting and receiving OVW approval to remove the special condition that prohibited such an expense. In its response, SWCLAP stated that it is now aware that it may not bill for work prior to the release of grant funding. With this recommendation, we also emphasize that SWCLAP, unless an exception is explicitly granted, not bill for costs that are unallowable at the time expense.

This recommendation can be closed when we receive documentation that OVW has remedied the \$398 in unallowable costs related to noncompliance with award special conditions.

5. Remedy the \$131,532 in unallowable questioned costs related to the \$62,089 in unallowable personnel costs, \$47,436 in unallowable contractor and consultant costs, and \$22,007 in unallowable other direct costs.

Resolved. OVW concurred with our recommendation and stated in its response that it will work with SWCLAP to remedy the \$131,532 in unallowable questioned costs related to the \$62,089 in unallowable personnel costs, \$47,436 in unallowable contractor and consultant costs, and \$22,007 in unallowable other direct costs.

SWCLAP partially agreed with our finding. In its response, SWCLAP stated that employees who were not listed by specific name and title in the final approved budgets did perform OVW-approved work under Award Numbers 2011-TA-AX-K045, 2012-TA-AX-K050, and 2015-TA-AX-K078. SWCLAP also stated that these employees were approved by OVW, interacted with OVW on a regular basis, and conducted OVW approved work.

We disagree with these statements. If the positions were not in the approved budgets, then the work performed by the employees in those positions was not approved by OVW, regardless of whether OVW interacted with the employees. SWCLAP stated that it is now aware that all employees and titles must be listed in all OVW budgets and that a Grant Adjustment Notice (GAN) must be submitted and approved if an employee named in a budget is replaced by another employee. However, SWCLAP's statement indicates that it may not fully understand the award requirements. If an employee named in the budget is replaced by another employee for the same position or title included in the approved budget, a GAN is not required to modify the budget. A GAN is only required if new employees are hired to work on the grant for a position that was not included in the approved budget. Further, SWCLAP stated that it has a new bookkeeper experienced in grants management and staff members have attended Grants Management training to ensure compliance.

Regarding our findings related to contractors and consultants, SWCLAP stated in its response that the contractors and consultants it hired did perform \$47,436 of documented work, and OVW approved work and training under the awards. SWCLAP stated that contractors and consultants had signed, written contracts and were listed on OVW approved agendas. We disagree with this statement because SWCLAP did not have written contracts for all its consultants. In addition, SWCLAP acknowledged that it did not require consultants to submit an invoice; and SWCLAP stated that it now requires both a contract and an invoice from all contractors and consultants.

Regarding our finding related to the overpayment of a contractor, SWCLAP stated that the contractor performed OVW-approved work that exceeded the original contract amount, but SWCLAP could not locate the files and emails approving the overage from a previous employee.

SWCLAP stated that it has revised its practice and all payments are now dated appropriately to reflect the actual completion date of the work. SWCLAP previously stated that is now requiring its consultants to submit invoices. However, it should be noted that these invoices should include details of the work performed and the hours worked, and they should be prepared and submitted to SWCLAP after all work has been completed.

This recommendation can be closed when we receive documentation that OVW has remedied the \$131,532 in unallowable questioned costs related to the \$62,089 in unallowable personnel costs, \$47,436 in unallowable contractor and consultant costs, and \$22,007 in unallowable other direct costs.

6. Remedy the \$296,379 in unsupported questioned costs related to the \$275,989 in unsupported contractor and consultant costs, \$6,010 in unsupported other direct costs, and \$14,380 in unsupported excess drawdowns.

Resolved. OVW concurred with our recommendation and stated in its response that it will work with SWCLAP to remedy the \$296,379 in unsupported questioned costs related to the \$275,989 in unsupported contractor and consultant costs, \$6,010 in unsupported other direct costs, and \$14,380 in unsupported excess drawdowns.

SWCLAP agreed with our finding and stated in its response that it erred in failing to require both contracts and invoices for all consultants and that the issue has been remedied. In addition, SWCLAP stated that it erred in not using precise language in each of its OVW-approved budgets and that it has received training and hired a bookkeeper experienced in federal grants to assist with correctly delineating all costs to be billed to the grants within the approved budgets.

This recommendation can be closed when we receive documentation that OVW has remedied the \$296,379 in unsupported questioned costs related to the \$275,989 in unsupported contractor and consultant costs, \$6,010 in unsupported other direct costs, and \$14,380 in unsupported excess drawdowns.

7. Coordinate with SWCLAP to develop policies and procedures requiring a contract or agreement for all contractors and consultants, as well as detailed invoices submitted by the contractors and consultants prior to payment for services.

Resolved. OVW concurred with our recommendation and stated in its response that it will work with SWCLAP to develop policies and procedures requiring a contract or agreement for all contractors and consultants, as well as detailed invoices submitted by the contractors and consultants prior to payment for services.

SWCLAP agreed with our finding and stated in its response that it has developed and implemented policies and procedures requiring a contract or agreement for all contractors and consultants, as well as detailed invoices submitted by the contractors and consultants prior to payment for services.

This recommendation can be closed when we receive documentation confirming the new policies and procedures requiring a contract or agreement for all contractors and consultants, as well as detailed invoices submitted by the contractors and consultants prior to payment for services have been implemented.

8. Coordinate with SWCLAP to develop written policies and procedures to ensure that drawdowns are fully supported, funds are drawn down from the correct award, and drawdowns do not exceed expenditures.

Resolved. OVW concurred with our recommendation and stated in its response that it will work with SWCLAP to develop written policies and procedures to ensure that drawdowns are fully supported, funds are drawn down from the correct award, and drawdowns do not exceed expenditures.

SWCLAP agreed with our finding and stated in its response that it has written policies and procedures to ensure that all drawdowns are fully supported, funds are drawn down from the correct award, and drawdowns do not exceed expenditures. However, we did not find specific language regarding how SWCLAP draws down funds in the written policies and procedures that it provided to us.

This recommendation can be closed when we receive documentation that SWCLAP's written policies and procedures specifically address drawdowns being fully supported, funds being drawn down from the correct award, and drawdowns not exceeding expenditures.

9. Coordinate with SWCLAP to ensure that it submits accurate FFRs.

Resolved. OVW concurred with our recommendation and stated in its response that it will coordinate with SWCLAP to ensure that it submits accurate FFRs.

SWCLAP agreed with our finding. SWCLAP stated it now reports more accurately on its FFRs because its senior management and bookkeeper successfully completing the Department of Justice financial management training and because SWCLAP hired a bookkeeper experienced in compliance with federal financial reporting requirements.

This recommendation can be closed when we receive documentation showing that SWCLAP is submitting accurate FFRs.



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