



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

**OVERSIGHT ★ INTEGRITY ★ GUIDANCE**



**Audit of the Office of Justice Programs  
Cooperative Agreement and the  
Office on Violence Against Women  
Grant Awarded to Lone Star Legal Aid,  
Houston, Texas**



# Executive Summary

*Audit of the Office of Justice Programs Cooperative Agreement and the Office on Violence Against Women Grant Awarded to Lone Star Legal Aid, Houston, Texas*

## Objectives

The Office of Justice Programs (OJP) awarded Lone Star Legal Aid a cooperative agreement totaling \$1,599,923 and the Office on Violence Against Women (OVW) awarded Lone Star Legal Aid (LSLA) a grant totaling \$1,200,000. Overall, LSLA received two awards totaling \$2,799,923 for the Wraparound Victim Legal Assistance Network and Legal Assistance for Victims programs. 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 LSLA demonstrated adequate progress towards achieving the awards' stated goals and objectives, and that required performance reports were generally accurate. We also found that LSLA complied with award requirements related to special conditions, budget management, and drawdowns. However, we found LSLA charged unsupported contractor costs totaling \$30,500 to the OJP award. We also found that LSLA needs to improve the wording of its contract agreements.

## Recommendations

Our report contains two recommendations for OJP and OVW. We requested a response to our draft audit report from LSLA, OJP, and OVW, which can be found in Appendices 3, 4, and 5, respectively. Our analysis of those responses is included in Appendix 6.

## Audit Results

The purposes of the OJP and OVW awards we reviewed were to develop a collaborative network to provide comprehensive, free legal services to low-income victims of violence. The project period for the grants was from September 2012 through September 2021. LSLA drew down a cumulative amount of \$2,007,974 for all of the awards we reviewed.

### ***Program Performance and Accomplishments*** -

Based on our review, there were no indications that LSLA was not adequately achieving the stated goals and objectives of the awards. We also found that based on our progress report testing, the accomplishments described in the progress reports generally matched the supporting documentation.

***Contractor Costs*** - We identified \$30,500 in unsupported questioned costs charged to Award Number 2012-VF-GX-K019. In addition, we found that LSLA needs to improve the wording used in its contract agreements to accurately reflect the contractor requirements.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS COOPERATIVE  
AGREEMENT AND THE OFFICE ON VIOLENCE AGAINST  
WOMEN GRANT AWARDED TO  
LONE STAR LEGAL AID, HOUSTON, TEXAS**

**TABLE OF CONTENTS**

INTRODUCTION .....	1
The Grantee .....	1
OIG Audit Approach .....	2
AUDIT RESULTS.....	3
Program Performance and Accomplishments .....	3
Program Goals and Objectives.....	3
Required Performance Reports .....	3
Compliance with Special Conditions.....	3
Award Financial Management .....	4
Award Expenditures .....	4
Personnel Costs .....	5
Contractor Costs.....	5
Other Direct Costs .....	6
Subrecipient Costs .....	6
Budget Management and Control .....	7
Drawdowns .....	7
Federal Financial Reports .....	7
CONCLUSION AND RECOMMENDATIONS.....	8
APPENDIX 1: OBJECTIVES, SCOPE, AND METHODOLOGY .....	9
APPENDIX 2: SCHEDULE OF DOLLAR-RELATED FINDINGS.....	11
APPENDIX 3: LONE STAR LEGAL AID’S RESPONSE TO THE DRAFT AUDIT REPORT .....	12

APPENDIX 4: OFFICE OF JUSTICE PROGRAMS' RESPONSE TO THE DRAFT AUDIT REPORT .....	15
APPENDIX 5: OFFICE ON VIOLENCE AGAINST WOMEN'S RESPONSE TO THE DRAFT AUDIT REPORT .....	18
APPENDIX 6: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF THE ACTIONS NECESSARY TO CLOSE THE REPORT .....	20

# AUDIT OF THE OFFICE OF JUSTICE PROGRAMS COOPERATIVE AGREEMENT AND THE OFFICE ON VIOLENCE AGAINST WOMEN GRANT AWARDED TO LONE STAR LEGAL AID, HOUSTON, TEXAS

## INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of one cooperative agreement awarded by the Office of Justice Programs (OJP) under the Wraparound Victim Legal Assistance Network program and one grant awarded by the Office on Violence Against Women (OVW) under the Legal Assistance for Victims program, to Lone Star Legal Aid (LSLA) in Houston, Texas. LSLA received two awards totaling \$2,799,923, as shown in Table 1.

**Table 1**

**Grants Awarded to Lone Star Legal Aid**

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2012-VF-GX-K019	OJP	09/25/2012	11/01/2012	09/30/2018	\$1,599,923
2015-WL-AX-0016	OVW	09/16/2015	10/01/2015	09/30/2021	\$1,200,000
<b>Total:</b>					<b>\$2,799,923</b>

Source: OJP's Grants Management System

Funding through the Wraparound Victim Legal Assistance Network program supports the development of models for networks that collaboratively provide free, comprehensive, holistic legal assistance to victims to address the range of legal needs that may arise in the wake of victimization. Funding through the Legal Assistance for Victims program aims to increase the availability of civil and criminal legal assistance programs for adult and youth victims of domestic violence, dating violence, sexual assault, and stalking who are seeking relief in legal matters relating to or arising out of that abuse or violence, at minimal or no cost to the victims.

### **The Grantee**

LSLA is a nonprofit law firm with a history of advocacy on behalf of low-income and underserved populations. LSLA is the fourth largest legal aid organization of its type in the United States, serving approximately 60,000 square miles, including 72 counties in the Eastern and Gulf Coast regions of Texas, and also 4 counties in southwest Arkansas. In addition to its Houston headquarters, LSLA staff work from 12 branch offices in Angleton, Beaumont, Belton, Bryan, Conroe, Galveston, Longview, Nacogdoches, Paris, Texarkana, Tyler, and Waco, Texas.<sup>1</sup>

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<sup>1</sup> Background information on LSLA has been taken from directly the organization's website (unaudited).

## **OIG Audit Approach**

The objectives of this audit were to determine whether costs claimed under the grants 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 tested compliance with what we consider to be the most important conditions of the awards. The 2012 OJP Financial Guide, 2014 OJP Financial 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.

# AUDIT RESULTS

## Program Performance and Accomplishments

We reviewed required performance reports, award documentation, and interviewed recipient officials to determine whether LSLA 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 LSLA'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 2012-VF-GX-K019 – Develop a comprehensive, coordinated, collaborative network of free wraparound legal services that holistically address the full range of crime victims' legal needs in connection with their victimization; and ensure that crime victims in LSLA's 72-county service area have access to the legal tools needed to stabilize, recover, and rebuild their lives after victimization.
- Award Number 2015-WL-AX-0016 – Provide free holistic legal services to victims of domestic violence, sexual assault, dating violence, and stalking in matters related to or arising out of their victimization; and provide victims with easier access to legal services and a single point of entry from which to access free legal help and any other non-legal rehabilitative and restorative services.

Based on our review, there were no indications that LSLA was not adequately achieving the stated goals and objectives of the awards.

### *Required Performance Reports*

According to the OJP 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 17 performance measures for Award Number 2012-VF-GX-K019 and 20 performance measures for Award Number 2015-WL-AX-0016 from the 2 most recent reports submitted for each award for a total sample size of 37. We then traced the items to supporting documentation maintained by LSLA.

Based on our progress report testing, we found that the accomplishments described in the progress reports generally matched the supporting documentation.

### *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 six special conditions for the awards in our scope.

Based on our analysis, we found that LSLA generally complied with the special conditions of the awards.

## **Award Financial Management**

According to the OJP Financial Guides and the 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 LSLA'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 LSLA adequately safeguards the grant funds we audited. We also reviewed LSLA's Single Audit Report for the year ended December 31, 2017, along with the Office of the Chief Financial Officer (OCFO) site visit report dated January 25, 2018, 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 \$82,643, as well as concerns related to LSLA's internal controls and accounting practices. Specifically, OCFO found: (1) policies and procedures were not documented for federal grants management; (2) unsupported personnel costs, resulting in questioned costs totaling \$12,000; (3) unsupported fringe benefit costs, resulting in questioned cost totaling \$4,974; (4) unsupported contractual costs, resulting in questioned costs totaling \$65,669; (5) procedures were not documented for subrecipient monitoring; (6) Federal Funding Accountability and Transparency Act (FFATA) reporting requirements were not met; and (7) not all financial points of contact completed the DOJ online training course. OCFO made seven financial and administrative recommendations to LSLA to address its findings.

Based on OCFO's most recent response to LSLA, dated June 5, 2019, LSLA has addressed all of the recommendations. However, based on our analysis, we identified similar weaknesses in LSLA's financial management. Specifically, we found that LSLA charged unsupported contract costs to the OJP award and did not monitor subrecipients. These deficiencies are discussed in more detail in the Contractor Costs and Subrecipient Costs sections of this report.

## **Award Expenditures**

For the awards in our scope, LSLA's approved budgets included personnel, fringe benefits, travel, supplies, contractual, 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 96 transactions totaling \$249,249. We reviewed



documentation, accounting records, and performed verification testing related to award expenditures. As discussed in the following sections, we identified \$30,500 in unsupported questioned costs.<sup>2</sup>

### *Personnel Costs*

As part of our sample, we reviewed 16 payroll transactions totaling \$59,735, which included all salary expenditures and fringe benefits rates for 2 non-consecutive pay periods for each award, to determine if labor charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the award.

Based on our review, we found that the payroll costs for the periods we tested were computed correctly, properly authorized, accurately recorded, and properly allocated to the award.

### *Contractor Costs*

As part of our sample, we reviewed 29 contractor transactions totaling \$80,391 to determine if charges were computed correctly, 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 2012-VF-GX-K019, we identified six transactions for contractor costs that were not supported. Specifically, we identified three transactions that were not supported by invoices detailing the services rendered. Additionally, we noted that the three contractors were paid for services rendered prior to entering into a contract with LSLA. According to the LSLA Program Manager, all work on these contracts had been completed. However, we did not receive sufficient documentation to substantiate that claim. We also identified three transactions for contractors who were paid a fee to attend meetings that were not supported. Based on the meeting minutes maintained by LSLA, the contractors were not in attendance for all of the meetings included on the invoices. In total, we identified \$30,500 in unsupported contractor questioned costs charged to Award Number 2012-VF-GX-K019. Therefore, we recommend that OJP coordinate with LSLA to remedy the \$30,500 in unsupported contractor questioned costs.

For Award Number 2015-TA-AX-0016, we found that all transactions tested were computed correctly, properly authorized, accurately recorded, and properly allocated to the award. However, we noted that the language in some of the contracts was misleading. The contracts state that payments will be issued after the subrecipient meets pre-determined milestones. Specifically, each 6-month payment will be "triggered by the subrecipient achieving the following milestones" - referral of at least 30 victims in each 6-month period, and participation in at least 4 sub-recipient meetings throughout each 6-month period. However, we found that

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<sup>2</sup> 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.

the contractors were paid for referrals without meeting the minimum 30 victim referral requirement implied by the contract. According to the LSLA Program Manager, LSLA and its partners all interpreted the contract language to set the maximum number of referrals for which compensation could be requested, not the minimum of 30 referrals as implied by the contract. We also found that the contractors were paid for attending meetings without meeting the four-meeting requirement implied by the contract. Again, according to LSLA, it interpreted the contract language to set the maximum number of meetings for which the contractor would be paid, not the minimum four meetings implied by the contract.

Additionally, the contract is titled Fixed Amount Sub-Award Agreement, and the terms subrecipient and sub-award are used throughout the agreement. However, according to the LSLA Program Manager, the agreements are with contractors, rather than subrecipients as implied by the contract language. Based on the terms of the agreement and services outlined in the agreement, we agree that these are contractors and not subrecipients. However, the title and wording of the agreements is misleading.

While we did not take exception to the payments made to the contractors for the work performed, we recommend that OVW coordinate with LSLA to ensure it adopts precise language in its contract agreements that accurately reflects the contractor requirements.

#### *Other Direct Costs*

As part of our sample, we reviewed 40 other direct cost transactions, totaling \$12,281 to determine if charges were computed correctly, properly authorized, accurately recorded, and properly allocated to the award. Based on our review, we did not identify any material concerns related to other direct costs.

#### *Subrecipient Costs*

As part of our sample, we reviewed 11 subrecipient transactions totaling \$96,842 to determine if costs were supported, approved, allowable, and reasonable. In addition, we assessed the role they fulfilled, determined whether LSLA monitored, evaluated, or otherwise assessed the effectiveness of the subrecipients' grant program(s), and determined whether the assessment was effective.

Based on our review, we did not identify any deficiencies related to subrecipient costs. However, LSLA officials informed us that they did not conduct formal subrecipient monitoring because they considered the subrecipients to be contractors. However, during the OCFO site visit discussed in the Award Financial Management section of this report, OCFO identified two organizations that were subrecipients, not contractors. As a result of its finding, OCFO recommended that LSLA implement new policies and procedures for monitoring subrecipients. We confirmed that LSLA has implemented a new subrecipient monitoring policy. As a result, we are not making a recommendation related to this issue.

## **Budget Management and Control**

According to the OJP Financial Guides and the 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 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 grant expenditures to the approved budgets to determine whether LSLA 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 OJP Financial Guides and the 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 February 14, 2019, LSLA had drawn down a total of \$2,007,974 from the awards in our scope. To assess whether LSLA managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records.

During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests. However, we identified deficiencies and questioned costs related to compliance of individual expenditures with award rules. We address those deficiencies in the Grant Expenditures section in this report.

## **Federal Financial Reports**

According to the OJP Financial Guides and the 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 LSLA submitted accurate FFRs, we compared the four most recent reports to LSLA's accounting records for each award.

We determined that the expenditures reported on the FFRs were generally accurate and supported.

## CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing, we conclude that LSLA did not adhere to all of the award requirements we tested, but demonstrated adequate progress towards achieving the awards' stated goals and objectives, except for several discrepancies or instances of noncompliance. We did not identify significant issues regarding LSLA's program performance, management of the award budgets, or drawdowns. However, we found that the LSLA did not comply with essential award conditions related to the use of award funds and contract management. We provide two recommendations to LSLA to address these deficiencies.

We recommend that OJP:

1. Remedy the \$30,500 in unsupported contractor questioned costs.

We recommend that OVW:

2. Coordinate with LSLA to ensure it adopts precise language in its contract agreements that accurately reflects the contractor requirements.

## **OBJECTIVES, SCOPE, AND METHODOLOGY**

### **Objectives**

The objectives of this audit were to determine whether costs claimed under the grants 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.

### **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 of Justice Programs (OJP) cooperative agreements and the Office on Violence Against Women (OVW) grants awarded to Lone Star Legal Aid (LSLA) under the Wraparound Victim Legal Assistance Network and Legal Assistance for Victims programs. LSLA was awarded a total of \$2,799,923 under Award Numbers 2012-VF-GX-K019 and 2015-WL-AX-0016, and as of February 14, 2019, had drawn down \$2,007,974 of the total grant funds awarded. Our audit concentrated on, but was not limited to September 25, 2012, the award date for Award Number 2012-VF-GX-K019, through April 5, 2019, the last day of our audit work. The project period for Award Number 2012-VF-GX-K019 ended on September 30, 2018, prior to the start of our audit.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of LSLA'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 OJP Financial Guide, 2014 Office of the Chief Financial Officer (OCFO) Financial Guide, 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 LSLA'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**

<b>Description</b>	<b>Amount</b>	<b>Page</b>
<b>Questioned Costs:</b> <sup>3</sup>		
<b>Unsupported Costs</b>		
Contractor and Consultant Costs	\$30,500	6
<i>Total Unsupported Costs</i>	<i>\$30,500</i>	
<b>Total Questioned Costs</b>	<b>\$30,500</b>	

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<sup>3</sup> **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.

## LONE STAR LEGAL AID'S RESPONSE TO THE DRAFT AUDIT REPORT

PAUL E. FURRH, JR.  
Attorney at Law  
Chief Executive Officer

ERNEST W. BROWN, JR.  
Attorney at Law  
Deputy Director



Lone Star Legal Aid

August 16, 2019

Houston Address:  
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Houston, Texas 77001-0398

1415 Fannin, 3<sup>rd</sup> Floor  
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(713) 652-0077 Telephone  
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Mr. David M. Sheeren – *via CMRRR and email at [David.M.Sheeren@usdoj.gov](mailto:David.M.Sheeren@usdoj.gov)*  
Regional Audit Manager  
Denver Regional Audit Office  
Office of the Inspector General  
U.S. DEPARTMENT OF JUSTICE  
1120 Lincoln Street, Suite 1500  
Denver, Colorado 80203

Dear Mr. Sheeren:

Lone Star Legal Aid (LSLA) is in receipt of the draft audit report dated July 26, 2019 that was issued by the U.S. Department of Justice (DOJ), Office of the Inspector General (OIG), Denver Regional Audit Office. The audit is related to the Cooperative Agreement Number 2012-VF-GX-K019, which was awarded under the Office for Victims of Crime's (OVC's) Fiscal Year 2012 Wraparound Victim Legal Assistance Network Demonstration Project. The audit also included Grant Number 2015-WL-AX-0016, which was awarded by the Office of Violence Against Women (OVW). This letter serves as LSLA's response to the two recommendations within the draft audit report.

**DOJ OIG Recommendation #1 - Office of Justice Programs (OJP):** DOJ OIG recommends that OJP remedy \$30,500 of what it believes to be unsupported contractor questioned costs.

LSLA does not concur that \$30,000 paid to contractors is unsupported. LSLA believes the costs are supported by the work completed by the contractors, also referred to as "Network Partners." The \$30,000 relates to payments made to three Network Partners - YMCA International, Aid to Victims of Domestic Abuse and Boat People SOS. The Partners received payments compliant with the grant guidelines in the amounts of \$20,000, \$5,000 and \$5,000, respectively. LSLA will work with OVW to remedy the \$30,000 of payments to our Network Partners. LSLA plans to provide a detailed summary of the work performed by each of the three Network Partners, as well as a description of the specific supporting documents that evidence the work performed on the project.

With regard to the remaining \$500 of costs, LSLA believes that the costs were allowable under the grant. We, however, concur that they are not fully supported at this time.

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Mr. David Sheeren  
U.S. Department of Justice  
August 16, 2019  
Page Two

Please note that LSLA's main office was severely damaged by an electrical fire caused by Hurricane Harvey in August 2017. A great many files were damaged due to smoke and water damage which we remediated. A small number of files were unable to be retrieved. We also experienced some technology infrastructure damage which affected our ability to retrieve files. While LSLA has persevered through this hardship and continued to provide quality services, LSLA's headquarters has moved while the office is rebuilt. During this unfortunate and difficult time, LSLA participated in DOJ Office of the Chief Financial Officer (OFCO) and OIG audits and has worked diligently to provide as much information as possible despite being in recovery. LSLA and its Network Partners were all impacted during Hurricane Harvey and worked effortlessly to resume normal operations in the performance of program objectives. I have attached an October 26, 2017 OMB Memo regarding Administrative Relief for Federal Grantees Impacted by Hurricanes Harvey, Irma and Maria. LSLA believes that the \$500 are simply a result of LSLA's and Network Partner's aftermath of Hurricane Harvey. LSLA will work with OJP to remedy the \$500 of unsupported payments to our partners.

***DOJ OIG Recommendation #2 – Office on Violence Against Women (OVW):*** LSLA concurs with this recommendation and will coordinate with OVW to adopt more concise language in its contract agreements.

In closing, LSLA thanks the DOJ OIG team for their professionalism while conducting the audit. We will send our corrections and comments of the draft audit report under separate cover next week as suggested in DOJ's TIPS letter dated July 29, 2019. We look forward to working with everyone to resolve the matters noted in the draft audit report.

Sincerely,



**PAUL E. FURRH, JR**  
Chief Executive Officer

PEF:rc

Attachment: *October 26, 2017 OMB Memo Regarding Administrative Relief for Grantees Impacted by Hurricanes Harvey, Irma and Maria*

cc: Ms. Linda Taylor – Sent via mail and email at [Linda.Taylor2@usdoj.gov](mailto:Linda.Taylor2@usdoj.gov)  
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Audit and Review Division  
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Mr. David Sheeren  
U.S. Department of Justice  
August 16, 2019  
Page Three

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OFFICE OF JUSTICE PROGRAMS'  
RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

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Washington, D.C. 20531

AUG 22 2019

MEMORANDUM TO: David M. Sheeren  
Regional Audit Manager  
Denver 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 Cooperative Agreement and the Office on Violence Against Women Grant Awarded to Lone Star Legal Aid, Houston, Texas*

This memorandum is in reference to your correspondence, dated July 26, 2019, transmitting the above-referenced draft audit report for Lone Star Legal Aid (LSLA). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **two** recommendations and \$30,500 in questioned costs, of which one recommendation and \$30,500 in questioned costs is directed to the Office of Justice Programs (OJP); and one recommendation is directed to the Office on Violence Against Women (OVW). The following is OJP's analysis of the draft audit report recommendation directed to OJP. For ease of review, the recommendation is restated in bold and is followed by OJP's response.

1. **We recommend that OJP remedy the \$30,500 in unsupported contractor questioned costs.**

OJP agrees with this recommendation. We will review the \$30,500 in questioned costs, related to unsupported contractor costs that were charged to Cooperative Agreement Number 2012-VF-GX-K019, and will work with LSLA 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.

cc: Katharine T. Sullivan  
Principal Deputy Assistant Attorney General

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Internal Review and Evaluation Office  
Justice Management Division

OJP Executive Secretariat  
Control Number IT20190726131026

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



U.S. Department of Justice

Office on Violence Against Women

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Washington, DC 20530

August 27, 2019

MEMORANDUM

TO: David Sheeren  
Regional Audit Manager

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

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

Rodney Samuels *RS*  
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office of Justice Programs  
Cooperative Agreement and the Office on Violence  
Against Women Grant Awarded to Lone Star Legal Aid  
Houston, Texas

This memorandum is in response to your correspondence dated July 26, 2019 transmitting the above draft audit report for the Lone Star Legal Aid (LSLA). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains two recommendations with \$30,818 in Total Questioned Costs. There is one recommendation identified for the Office on Violence Against Women (OVW) and one recommendation identified for the Office of Justice Programs (OJP). OVW is committed to addressing and bringing the open recommendation identified by your office to a close as quickly as possible. The following is our analysis of each OVW recommendation.

**1. Coordinate with LSLA to ensure it adopts precise language in its contract agreements that accurately reflects the contractor requirements.**

Concur: OVW will work with the grantee to ensure that they adopt precise language in its contract agreements that accurately reflects the contractor requirements.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office of Justice Programs Cooperative Agreement  
and the Office on Violence Against Women Grant Awarded to Lone Star Legal Aid  
Houston, Texas

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 Louise M. Duhamel, Ph.D.  
Acting Assistant Director, Internal Review and Evaluation Office, Audit Liaison Group  
Justice Management Division

Sandi Van Orden  
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 LSLA, OJP, and OVW. LSLA's response is incorporated in Appendix 3, OJP's response is incorporated in Appendix 4, and OVW's response is incorporated in Appendix 5 of this final report. In response to our draft audit report, both OJP and OVW concurred with 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.

**Recommendation for OJP:**

**1. Remedy the \$30,500 in unsupported contractor questioned costs.**

Resolved. OJP agreed with our recommendation and stated in its response that it will review the \$30,500 in questioned costs related to unsupported contractor costs that were charged to Cooperative Agreement Number 2012-VF-GX-K019, and will work with LSLA to remedy, as appropriate.

LSLA did not concur with our finding that \$30,000 paid to contractors was unsupported. In its response to the draft report, LSLA stated that it believes the costs are supported by the work performed by the contractors. However, LSLA also stated that it will work with OVW [OJP] to remedy the questioned costs. LSLA plans to provide a detailed summary of the work performed by the contractors, as well as a description of the specific supporting documents that evidence work performed on the project.

For the remaining \$500 in unsupported questioned costs, LSLA concurs that the costs are not fully supported at this time. LSLA also stated that its main office was severely damaged by an electrical fire caused by Hurricane Harvey in August 2017 and a number of files were damaged. LSLA believes that the \$500 in unsupported costs are a result of the aftermath of Hurricane Harvey. However, it should be noted that the questioned costs were related to meetings included on the contractor invoices, which we received. We also requested and received the meeting minutes from LSLA, based on which we determined that the contractors did not attend the number of meetings listed on the invoices. This indicates that the supporting documentation related to the \$500 in unsupported questioned costs was not lost as a result of the damage caused by Hurricane Harvey.

This recommendation can be closed when we receive documentation that OJP has remedied the \$30,500 in unsupported contractor questioned costs.



**Recommendation for OVW:**

- 2. Coordinate with LSLA to ensure it adopts precise language in its contract agreements that accurately reflects the contractor requirements.**

Resolved. OVW concurred with our recommendation and stated in its response that it will work with LSLA to ensure it adopts precise language in its contract agreements that accurately reflects the contractor requirements.

LSLA concurred with our finding and stated in its response that it will coordinate with OVW to adopt more concise language in its contract agreements.

This recommendation can be closed when we receive documentation showing that LSLA has adopted more precise language in its contract agreements that accurately reflect the contractor requirements.



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