



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

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



Audit of the Office of Justice Programs Grants Awarded to New Castle County Police Department, New Castle, Delaware



Executive Summary

*Audit of the Office of Justice Programs Grants Awarded to
New Castle County Police Department, New Castle, Delaware*

Objectives

The Office of Justice Programs (OJP) awarded New Castle County, Delaware (New Castle), 8 awards totaling \$1,571,296 under the Technology Innovation for Public Safety (TIPS) Program, the Body-Worn Camera Policy and Implementation Program, and the Edward Byrne Memorial Justice Assistance Grant (JAG) 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 New Castle demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit, we concluded that New Castle demonstrated progress towards achieving the stated goals and objectives of its awards. At the time of our audit, New Castle had not drawn down significant funds from its 2017 and 2018 JAG awards and, as such, little progress had been made for those programs. We found that New Castle has acquired and is making full use of a Rapid DNA Instrument and the body-worn cameras. Additionally, we found that New Castle has made, or was making, adequate progress towards meeting its performance goals by assigning officers overtime shifts in areas of need based on crime statistics, ensuring officers' training needs were met, and acquiring equipment that aids officers in their policing efforts.

This audit did not identify significant concerns regarding New Castle's grants-related financial reporting, budget management, or expenditures.

Recommendations

Our report contains no recommendations to OJP.

Audit Results

The purpose of the OJP awards we reviewed was to provide funds for the acquisition of equipment, as well as funding for officer overtime and officer training. The project period for the awards was from October 2012 through September 2021. New Castle drew down a cumulative amount of \$1,398,232 for all of the awards we reviewed.

Program Goals and Accomplishments - We found that New Castle made progress toward the stated goals and objectives of the award-funded programs we reviewed. New Castle used the funds awarded from the TIPS award for the acquisition of a Rapid DNA Instrument. The Rapid DNA Instrument was being used to process various types of DNA evidence collected by officers that could aid in New Castle's ability to solve crimes. The DNA collected was also being used to increase the records within New Castle's DNA database, which could help solve past and future crimes for the county and neighboring law enforcement agencies.

The funds awarded by the Body-Worn Camera award allowed New Castle to acquire 77 additional cameras to outfit all of its officers with body-worn cameras. Further, New Castle created policy on body-worn camera use and handling of associated recordings, satisfying award requirements.

For the JAG Awards, New Castle used the funds to pay officers for overtime worked, provide officers training, and purchase equipment. New Castle used statistical analysis of crime data to identify areas within New Castle's communities that needed increased police presence and assigned its officers to work overtime in those areas. New Castle also used its JAG funds to provide its officers a variety of training, such as those offered by the Federal Bureau of Investigations and Federal Law Enforcement Training Centers. The equipment purchased has allowed New Castle to meet specific officer needs, such as through the acquisition of surveillance equipment.

Financial Management - We reviewed New Castle's financial management procedures and practices for its grant awards. We performed testing of expenditures, financial reporting, and budget management, and we did not identify concerns in these areas.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
BUREAU OF JUSTICE ASSISTANCE AWARDS AWARDED TO
NEW CASTLE COUNTY, NEW CASTLE, DELAWARE**

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AUDIT OF THE OFFICE OF JUSTICE PROGRAMS BUREAU OF JUSTICE ASSISTANCE AWARDS AWARDED TO NEW CASTLE COUNTY, NEW CASTLE, DELAWARE

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of eight awards made by the Office of Justice Programs (OJP) to New Castle County, Delaware (New Castle), under the Technology Innovation for Public Safety Program (TIPS), the Body-Worn Camera (BWC) Policy and Implementation Program, and the Edward Byrne Memorial Justice Assistance Grant (JAG) Program. The total amount of these awards was \$1,571,296, as shown in Table 1.

Table 1
Awards to New Castle County

| Award Number | Program Office | Grant Program | Award Date | Project Period Start Date | Project Period End Date | Award Amount |
|---------------------|-----------------------|----------------------|-------------------|----------------------------------|--------------------------------|---------------------|
| 2016-DG-BX-K038 | OJP | TIPS | 9/26/16 | 10/01/16 | 03/31/18 | \$306,700 |
| 2016-BC-BX-K094 | OJP | BWC | 9/26/16 | 10/01/16 | 09/30/18 | \$121,500 |
| 2013-DJ-BX-0481 | OJP | JAG | 8/21/13 | 10/01/12 | 09/30/16 | \$209,317 |
| 2014-DJ-BX-0653 | OJP | JAG | 8/12/14 | 10/01/13 | 09/30/17 | \$216,491 |
| 2015-DJ-BX-0121 | OJP | JAG | 8/12/15 | 10/01/14 | 09/30/18 | \$183,325 |
| 2016-DJ-BX-0209 | OJP | JAG | 8/16/16 | 10/01/15 | 09/30/19 | \$185,279 |
| 2017-DJ-BX-0286 | OJP | JAG | 6/26/18 | 10/01/16 | 09/30/20 | \$175,711 |
| 2018-DJ-BX-0322 | OJP | JAG | 10/1/18 | 10/01/17 | 09/30/21 | \$172,973 |
| Total: | | | | | | \$1,571,296 |

Source: Office of Justice Programs – Grants Management System

TIPS funding is provided to assist state, local, territorial, and tribal jurisdictions in enhancing their information-sharing capacity through the use of innovative technological solutions such that they may more effectively address disproportional and precipitous increases in crime. New Castle used the \$306,700 in awarded funds to acquire a Rapid DNA Instrument which is used to process DNA evidence collected by police officers.

The Body-Worn Camera program was intended to help law enforcement agencies develop, implement, and evaluate a BWC program as one tool in a law enforcement agency's comprehensive problem-solving approach to enhance officer interactions with the public, and build community trust. New Castle used its \$121,500 to add 77 body-worn cameras and otherwise support its existing BWC program.

New Castle also received six annual JAG awards totaling \$1,143,096. Justice Assistance Grants are to be used to support a range of program areas, including law enforcement, prosecution and court programs, prevention and education programs, corrections and community corrections, drug treatment and enforcement, crime victim and witness initiatives, and planning, evaluation, and

technology improvement programs. New Castle used its JAG funding for officer overtime, officer training, and equipment acquisitions. As of the start of this audit, New Castle had only used funds from four of its six JAG awards, but planned to use the remaining awards for the same purposes outlined above.

The Grantee

New Castle County, Delaware, is located in the northern portion of the State of Delaware, and is the most populated county in Delaware, encompassing 437 square miles with a population of approximately 550,000. The City of Wilmington, the county seat, is the largest incorporated city in the State. Organizationally within the New Castle County Government, the New Castle County Division of Police consists of approximately 380 sworn officers and is one of the three largest police departments in the state of Delaware. The Division of Police had the primary responsibility of managing the award-funded programs included in this audit.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 award; and to determine whether New Castle demonstrated adequate progress towards achieving program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the awards. The 2011 OJP Financial Guide, the 2015 DOJ Awards Financial Guide, 2 CFR 200 Uniform Guidance, New Castle's award-related policy, 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.

¹ The New Castle County Division of Police was the recipient of record for the BWC award. The remaining funding from the JAG and TIPS programs was awarded to New Castle County Government. In this report we use "New Castle" to refer to both the County Government and the Division of Police.

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports, award solicitations, award documentation, interviewed grantee officials and others working with the grantee, and determined that New Castle demonstrated adequate progress towards achieving program goals and objectives. We also reviewed Progress Reports and determined the required reports were accurate and reported timely.

Program Goals and Objectives

TIPS and BWC Awards

Generally speaking, the goals for the TIPS and BWC awards were to acquire and utilize a Rapid DNA Instrument and 77 body-worn cameras to be used by police officers.

We determined that New Castle acquired the Rapid DNA Instrument in June 2017 and, according to officials, through September 2019 used the instrument to produce 446 searchable results to be compared to the County's DNA database.

We also determined that New Castle purchased and deployed 77 body-worn cameras in March 2017. According to New Castle officials, this purchase has made it possible to ensure all of its police officers are equipped with body-worn cameras while on duty.

JAG Awards

The goal of the JAGs awards was to support a range of programs related to law enforcement. The award funds were to support officer overtime costs, officer training, and to purchase law enforcement equipment. New Castle's objectives were to use overtime funds to deploy targeted policing based on statistical analyses of reported criminal activity and patterns of crime, provide training to officers, and acquire equipment for on the job use by officers.

Based on our review, New Castle was able to demonstrate progress toward achieving the stated goals and objectives associated with these awards.

Required Performance Reports

According to the OJP Financial Guide and DOJ Grants Financial Guide, funding recipients should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. As part of this audit, we selected a sample of performance measures associated with the TIPS award and JAG award 2014-DJ-BX-0653 for verification.

We reviewed supporting documentation for the judgmentally selected performance measures and, based on our testing, did not identify any instances

where the accomplishments described in the required reports did not match the supporting documentation.

Grant Financial Management

According to the OJP and DOJ guides, 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 New Castle's financial management of the awards covered by this audit, we conducted interviews with personnel from the financial department, reviewed its award-related financial management processes, examined policy and procedures, and inspected award documents to determine if it adequately safeguards the award funds we audited. Finally, we performed testing in the areas that were relevant for the management of these awards, as discussed throughout this report. Based on our review, we did not identify significant concerns related to grant financial management.

Single Audit

Non-federal entities that receive federal financial assistance are required to comply with the *Single Audit Act of 1984*, as amended. The Single Audit Act provides for recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures.² We reviewed New Castle's Single Audit Reports for 2013 through 2017 and determined the audits did not identify any internal control weaknesses or significant non-compliance issues related to the federal awards we audited.

Grant Expenditures

To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of equipment expenditures from the TIPS, BWC, and JAG awards as detailed below.

TIPS Award

New Castle used its TIPS award of \$306,700 to acquire a Rapid DNA Instrument. Initially, New Castle requested sole source procurement authority from OJP to purchase the instrument, however, the request was denied and New Castle followed its competitive bidding process.

² On December 26, 2014, the Uniform Guidance superseded OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organization. Under OMB Circular A-133, which affected all audits of fiscal years beginning before December 26, 2014, the audit threshold was \$500,000. On December 26, 2014, OMB Circular A-133, was superseded by 2 C.F.R. 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The new guidance, which affects all audits of fiscal years beginning on or after December 26, 2014, raised the audit threshold from \$500,000 to \$750,000.

Based on our review of documentation related to the procurement of the instrument, we did not identify any instances of noncompliance with policies or award-related requirements. We also inspected the Rapid DNA Instrument and New Castle's property management system records related to the machine and determined the Rapid DNA Instrument was in use and properly safeguarded.

BWC Award

New Castle used its BWC award of \$121,500 to purchase 77 body-worn cameras to add to its existing inventory of 260 cameras. According to officials, the purchase of the existing cameras and additional award-funded cameras was made using prices and terms established by a contract negotiated by a nearby state government. Based on our review of New Castle policy and documentation related to the procurement with award funding, we did not identify any instances of noncompliance with New Castle policy or award requirements.

JAG Awards

Police Officer Overtime Expenditures

As of October 31, 2019, New Castle spent \$524,327 from its six JAG grants for officer overtime expenditures. This level of spending translates to approximately 3,500 3-hour overtime shifts.

To identify the need for additional police shifts and the locations to assign the officers, New Castle used a proactive policing program called the *Targeted Analytical Policing System*, or TAPS. This "Predictive Policing" program uses a computerized mapping analysis of current data associated with quality of life incidents, such as disorderly subjects, speeding cars, suspicious persons, loitering, and suspected drug dealing, to predict where and when these quality of life issues could most likely occur. The information generated through this process then shows a detailed analysis of what time of day and areas where crimes have a probability of occurring.

As part of this audit, we used judgmental sampling to select a sample of overtime expenditures for testing and determined the expenditures were adequately supported by TAPS assignment logs, payroll records, and patrol reports. We also determined the tested amounts were accurately calculated using correct overtime rates.

Police Officer Training Expenditures

As of October 2019, New Castle spent \$323,263 in funding from its 6 JAG awards on police officer training. The format of these police officer trainings included group instruction and classroom based trainings led by a professional instructor. The trainings were typically provided within New Castle.

We judgmentally selected 12 training courses to review. These 12 training courses accounted for \$16,724 or approximately 5 percent of the total training

expenditures. As a result of our testing, we did not identify any instances of noncompliance with related requirements.

Law Enforcement Equipment

According to the solicitations for the JAG awards we audited, funds may be used for equipment that will improve or enhance a variety of law enforcement programs. As of October, 2019, New Castle used \$186,998 of JAG award funding to purchase law enforcement equipment such as firearms, surveillance equipment, and vests.

As part of this audit, we judgmentally selected 18 expenditures totaling \$68,761, or approximately 37 percent of the total law enforcement equipment purchased using JAG awards. Our testing included examinations of accounting data, purchase orders, information on receipts/invoices such as dollar amount, item descriptions, and discussions with personnel involved in the acquisition process. We also ensured that equipment was included in New Castle's property management system as necessary. As the result of our testing, we did not identify any instances of noncompliance with related requirements.

Matching Costs

Matching costs are the non-federal recipient's share of the total project costs. The BWC award had a 50 percent matching requirement of \$121,500. New Castle used local funds to meet its matching requirement by designating and paying the salaries and benefits of two individuals managing the body-worn camera program. One staff member was dedicated full time to the program and conducted day-to-day operations and managed the equipment. The other staff member was in a supervisory position for the body-worn camera program. New Castle was able to provide supporting documentation that demonstrated that it carried out the actions stated in the award narrative in creating these two positions. We did not identify any issues related to compliance with matching cost requirements.

Budget Management and Control

According to the OJP and DOJ guides, award recipients are 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, award recipients 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.³ This requirement was applicable to the discretionary awards, including the awards for the Rapid DNA Instrument and body-worn cameras.

We compared award expenditures to the approved budgets to determine whether New Castle transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category

³ This requirement is not applicable to JAG formula awards.

expenditures and approved budget category totals was not greater than 10 percent.

Drawdowns

According to the OJP and DOJ guides, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. New Castle drew down a cumulative amount of \$1,398,232 for all of the awards we reviewed.

To assess whether New Castle managed award receipts in accordance with federal requirements for the discretionary awards, we compared the total amount reimbursed to the total expenditures in the accounting records. We did not identify significant deficiencies related to the recipient's process for developing drawdown requests.

Federal Financial Reports

According to the OJP and DOJ guides, recipients shall report the actual expenditures incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether New Castle submitted accurate FFRs, we compared the four most recent reports to accounting records for TIPS, BWC and JAG awards years 2013 through 2016. We determined that quarterly and cumulative expenditures for the reports reviewed matched the accounting records.

Program Income

According to the OJP and DOJ guides, award recipients can either use program income to advance program objectives or refund program income to the awarding agency. Program income must also be reported on FFRs. New Castle used JAG award funds for training held at its facilities which it made available to other law enforcement agencies to attend for a fee. The training cost charged to the other law enforcement agencies, totaling \$51,880, resulted in program income. We found that this program income was earmarked for the same purposes of the JAG awards.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing we concluded that New Castle generally managed the awards that we reviewed appropriately, and has demonstrated adequate progress towards achieving the awards' stated goals and objectives. We found that all tested expenditures were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the awards. Additionally, we found that the TIPS award allowed New Castle to acquire a key piece of equipment for use in conducting police investigations. The funds awarded by OJP has allowed New Castle to ensure all of its officers can be outfitted with body-worn cameras while on duty. Additionally, each of the JAG Awards appeared to help New Castle to ensure officers receive the training they need, and allow them to implement policing efforts in a targeted manner. Therefore, we are making no recommendations.

APPENDIX 1

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 award; 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 Office of Justice Programs (OJP) awards awarded to the New Castle County Police Department under the Technology Innovation for Public Safety (TIPS), Body-Worn Camera (BWC) Policy and Implementation, and Edward Byrne Memorial Justice Assistance Grant (JAG) Programs. New Castle was awarded eight awards totaling \$1,571,296. The individual amounts for each award can be found in Table 1. As of November 20, 2018, New Castle had drawn down \$1,398,232 of the total award funds awarded. Our audit concentrated on, but was not limited to, August 2013 through January 2020.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of New Castle's activities related to the audited awards. We performed sample-based audit testing for overtime, training, equipment, 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 OJP and DOJ guides 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 New Castle'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.

We discussed our audit results with New Castle officials throughout the audit and at a formal exit conference. We also provided New Castle a draft of our report and allowed an opportunity to respond, but New Castle opted not to provide a written response.

APPENDIX 2

**U.S. DEPARTMENT OF JUSTICE OFFICE OF JUSTICE PROGRAMS
RESPONSE TO THE DRAFT AUDIT REPORT**



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

February 13, 2020

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

FROM: /s/
Ralph E. Martin
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Bureau of Justice Assistance Grants Awarded to New Castle County Police Department, New Castle, Delaware*

This memorandum is in response to your correspondence, dated January 31, 2020, transmitting the subject draft audit report for the New Castle County Police Department (New Castle). The draft audit report does not contain any recommendations directed to the Office of Justice Programs (OJP). OJP has reviewed the draft audit report and does not have any comments.

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

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