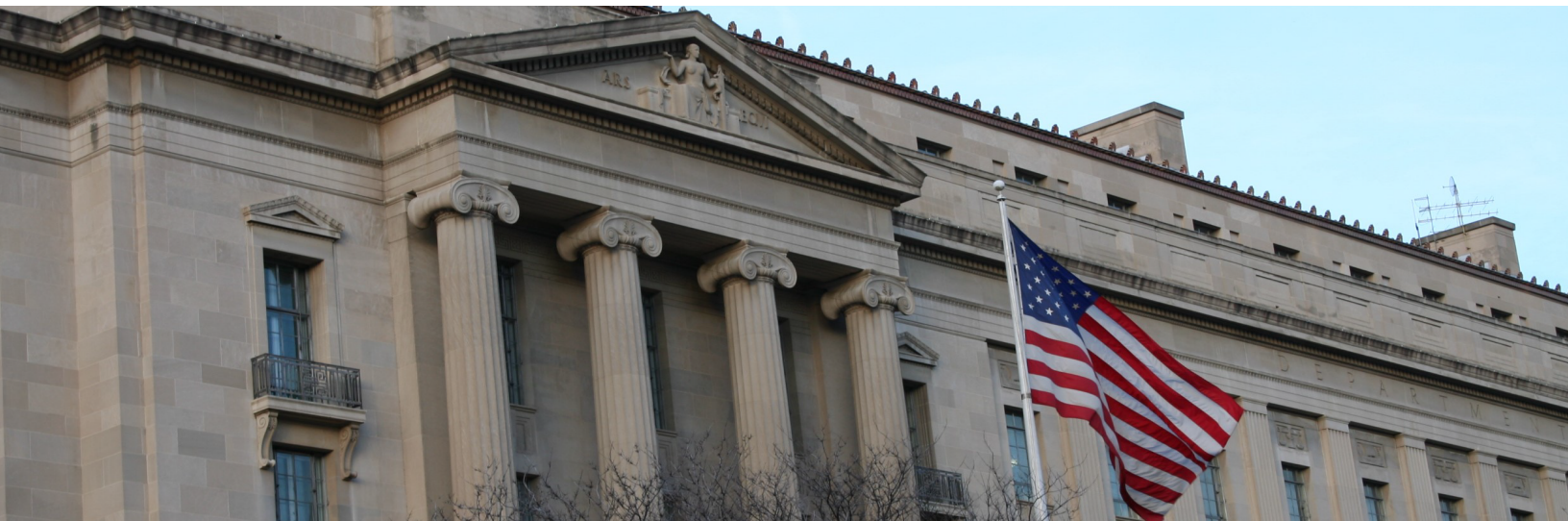




Office of the Inspector General U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the Wyoming Office of the Attorney General, Cheyenne, Wyoming

REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 4, the grantee's response, and are the names of an individual and a third-party company.

Audit Division 20-039

March 2020



Executive Summary

*Audit of the Office of Justice Programs Victim Compensation Grants
Awarded to the Wyoming Office of the Attorney General,
Cheyenne, Wyoming*

Objective

The objective of the audit was to evaluate how the Wyoming Crime Victim Compensation Program (WCVCP) designed and implemented its crime victim compensation program, which receives Victims of Crime Act (VOCA) funding. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, and (3) grant financial management.

Results in Brief

As a result of our audit, we concluded that the WCVCP established an adequate program to compensate victims and survivors of criminal violence. We did not identify concerns with administrative costs, drawdown procedures, financial reports, and the three special conditions we selected for testing. However, we identified issues with the lack of policies and procedures related to program performance reports. We also identified errors in the state certification form for fiscal years (FY) 2013 through 2017, resulting in the WCVCP receiving \$822,000 in excess grant funds. Our audit additionally identified \$16,345 in unsupported expenditures and \$1,791 in unallowable expenditures charged to the grant. However, after issuing the draft report, OJP deobligated \$360,986 to address these deficiencies. Therefore, our final report identifies \$479,150 in questioned costs and funds to be put to better use.

Recommendations

Our report contains eight recommendations to the Office of Justice Programs (OJP) to assist the WCVCP in improving its grant management and administration. We discussed the results of our audit with OJP and WCVCP officials and have included their comments in the report. Their responses can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of four VOCA victim compensation formula grants awarded by the OJP, Office for Victims of Crime (OVC) to the Wyoming Office of the Attorney General. The OVC awarded these formula grants, totaling \$2,418,000 from FY 2015 through 2018, from the Crime Victims Fund to provide financial support through the payment of compensation benefits to crime victims throughout Wyoming. As of November 2019, the WCVCP drew down a cumulative amount of \$1,889,190 for all of the grants we reviewed.

Planning and Execution – The WCVCP enhanced public awareness of victim compensation benefits for crime victims. However, we found that the WCVCP's policies and procedures were not updated to include specific details on processing payments for the victim compensation program and did not have written procedures for addressing potential refunds, as recommended by OJP's Office of the Chief Financial Officer. Furthermore, WCVCP did not correctly calculate the amounts reported on the annual state certification forms. As a result, the WCVCP overstated the amount submitted on the line item, "Total State Payments Eligible for Matching VOCA Grant Award," and was awarded a cumulative excess amount of \$822,000 for FYs 2015 through 2019 grants. However, after issuing the draft report, OJP deobligated \$26,000 in unallowable costs and \$316,850 in funds to be put to better use. Therefore, we question the remaining \$469,799 as unallowable and identify \$9,351 as funds that should be put to better use.

Program Requirements and Performance

Reporting – We found that the WCVCP complied with the three special conditions tested. However, we found that the WCVCP was unable to support some of its performance data and did not retain the original queries of performance metrics used to support the performance measures it reported to the OVC.

Grant Financial Management – The WCVCP generally implemented adequate controls over claim payments and administrative expenditures. However, we found that WCVCP did not always obtain adequate documentation for claim payments.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM COMPENSATION GRANTS AWARDED TO
THE WYOMING OFFICE OF THE ATTORNEY GENERAL,
CHEYENNE, WYOMING**

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**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM COMPENSATION GRANTS AWARDED TO
THE WYOMING OFFICE OF THE ATTORNEY GENERAL,
CHEYENNE, WYOMING**

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four victim compensation formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Wyoming Office of the Attorney General, Division of Victim Services (DVS) in Cheyenne, Wyoming. The OVC awards victim compensation grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, from fiscal years (FY) 2015 to 2018, these OVC grants totaled \$2,418,000.

Table 1
Audited Grants
Fiscal Years 2015 – 2018

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2015-VC-GX-0051	08/25/2015	10/01/2014	09/30/2018	\$683,000
2016-VC-GX-0044	09/19/2016	10/01/2015	09/30/2019	714,000
2017-VC-GX-0072	09/28/2017	10/01/2016	09/30/2020	473,000
2018-V1-GX-0019	08/09/2018	10/01/2017	09/30/2021	548,000
Total:				\$2,418,000

Note: Grant funds are available for the fiscal year of the award plus 3 additional fiscal years.

Source: OJP

Established by the Victims of Crime Act (VOCA) of 1984, the CVF is used to support crime victims through DOJ programs and state and local victim services.¹ The CVF is supported entirely by federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments. The OVC annually distributes proceeds from the CVF to states and territories. VOCA victim compensation formula grant funds are available each year to states and territories for distribution to eligible recipients.

The primary purpose of the victim compensation grant program is to compensate victims and survivors of criminal violence for: (1) medical expenses attributable to a physical injury resulting from a compensable crime, including expenses for mental health counseling and care; (2) loss of wages attributable to a

¹ The VOCA victim compensation formula program is funded under 34 U.S.C. § 20102.

physical injury resulting from a compensable crime; and (3) funeral expenses attributable to a death resulting from a compensable crime.²

The Grantee

As the Wyoming state administering agency, the Wyoming Office of Attorney General received the VOCA funding. Within the Wyoming Office of Attorney General is the Wyoming Crime Victim Compensation Program (WCVCP). The WCVCP consists of personnel from DVS and the Fiscal Section. The DVS is responsible for administering the WCVCP. DVS is solely responsible for processing applications and claims, and the actual claim payments are processed separately by the Fiscal Section. The WCVCP provides financial assistance to hundreds of victims each year. Victim compensation payments are awarded for out-of-pocket expenses, medical expenses, lost wages, and counseling costs related to emotional and physical injury suffered by the victim and the victim's family as a direct result of a crime. The compensation program helps innocent victims and their families pay for the financial cost of crime.

OIG Audit Approach

The objective of the audit was to evaluate how WCVCP designed and implemented the crime victim compensation program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, and (3) grant financial management.

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA compensation program guidelines (VOCA Guidelines), and the DOJ Grants Financial Guide as our primary criteria. We also reviewed relevant Wyoming policies and procedures, such as the Wyoming Crime Victim Compensation Act, and interviewed Wyoming personnel to determine how they administered the VOCA funds. We obtained and reviewed Wyoming records reflecting grant activity.³

² This program defines criminal violence to include drunk driving and domestic violence.

³ Appendix 1 contains additional information on the audit's objective, scope, and methodology, as well as further detail on the criteria we applied for our audit. Appendix 2 presents a schedule of our dollar-related findings.

AUDIT RESULTS

Grant Program Planning and Execution

The main purpose of the VOCA victim compensation grants is to enhance state victim compensation payments to eligible crime victims. As part of our audit, we assessed the WCVCP's overall process for making victim compensation payments. We assessed WCVCP's policies and procedures for providing compensation payments to victims, as well as the accuracy of the state certification form.

Overall, we determined that the WCVCP's implementation of its victim compensation program was appropriate and generally in compliance with the VOCA Guidelines. We found that the WCVCP complied with federal grant requirements and established an adequate program to compensate victims and survivors of criminal violence. However, we identified issues with the WCVCP's written policies and procedures and the accuracy of its annual state certification forms.

Program Implementation

State administering agencies receive VOCA victim compensation grants to compensate victims for expenses incurred from criminal victimization. For Wyoming, the WCVCP within the Wyoming Office of Attorney General, is responsible for the victim compensation program, including meeting all financial and programmatic requirements. When paying claims for victims, the WCVCP operated under the Wyoming Crime Victim Compensation Act, the Wyoming Compensation Guidelines Policy, and the Wyoming Financial Administrative Guide, which conveyed the state-specific policies for its victim compensation program. In assessing the WCVCP's implementation of its victim compensation program, we analyzed policies and procedures governing the decision-making process for individual compensation claims, as well as what efforts the WCVCP had made to bring awareness to victims eligible for compensation program benefits.

Policies and Procedures

In May 2018, OJP's Office of the Chief Financial Officer (OCFO) conducted a financial monitoring and technical assistance site visit, in part to determine if adequate policies and procedures were in place to ensure federal funds were used for authorized purposes.⁴ In its report, the OCFO provided findings and recommendations, which were intended to improve accounting practices and strengthen internal controls. Specifically, the OCFO found that the Wyoming Office of the Attorney General maintained general written accounting policies; however, it also noted that these policies lacked specific provisions for managing Federal funds, including procedures for completing the annual state certification form, processing victim payments, and any other pertinent grant-related financial activities.

⁴ The OCFO site visit reviewed the financial aspects for 15 grants awarded by the DOJ to the Wyoming Office of the Attorney General, which included 2 awards in the scope of our audit, Award Numbers 2015-VC-GX-0051 and 2016-VC-GX-0044.

In an effort to address the OCFO recommendations, in October 2018, the WCVCP implemented the Wyoming Victim Compensation Certification Form Policy, which included specific detailed procedures for completing the annual state certification form. Additionally, we reviewed the WCVCP's established policies and procedures for accepting, recording, and reviewing applications for victim compensation and found that the WCVCP relied upon the Wyoming Crime Victim Compensation Act, the Wyoming Compensation Guidelines Policy, and the Wyoming Financial Administrative Guide for determining the eligibility of claims and limits on allowable payments. These policies and procedures appear to be consistent with VOCA Guidelines and contained guidance on many of the common types of claims the WCVCP receives. However, we also found that although the OCFO closed its report in January 2019, the WCVCP's policies and procedures were not updated to include specific detail on processing payments for the victim compensation program, as the OCFO had recommended. As a result, we recommend OJP work with the WCVCP to include detailed policies and procedures related to victim payments to ensure that when applicable personnel are unavailable, or other changes resulting in the loss of institutional knowledge occur, the WCVCP remains compliant with its VOCA victim compensation requirements.

Furthermore, the WCVCP's policies and procedures were not updated to include other pertinent grant-related financial activities. Specifically, we found that the WCVCP did not have written procedures for addressing potential refunds. Therefore, to better administer the victim compensation program, we recommend OJP ensure the WCVCP develop a written procedure for refunds.

Program Outreach

According to WCVCP, efforts have been made to enhance public awareness of available victim compensation benefits. Based on our review, we found that the WCVCP provides training about the victim compensation program to all victim advocates funded through its victim assistance program. This training, provided every 2 years, informs the advocates about the victim compensation program's mission, policies and procedures, reporting requirements, and the decision-making process for victim compensation claims. We also found that the WCVCP website describes the benefits available to victims or claimants, details the compensation program and process, and provides access to several different forms, including the crime victim compensation application form. Further, DVS officials stated they work with the local news media to highlight the program. The WCVCP enhanced public awareness of victim compensation benefits for crime victims in a variety of ways, and we encourage the WCVCP to continue exploring initiatives to increase public awareness of its WCVCP.

Annual State Certification

State administering agencies must submit an annual Crime Victim Compensation State Certification Form, which provides the OVC with the necessary information to determine the next grant award amount. The certification form must include all sources of revenue to the crime victim compensation program during the federal fiscal year, as well as the total of all compensation claims paid out to, or on

behalf of, victims from all funding sources. The OVC allocates VOCA victim compensation formula grant funds to each state by calculating 60 percent of the eligible compensation claims paid out to victims during the fiscal year 2 years prior.⁵ The accuracy of the information provided in the certification form is critical to OJP's correct calculation of the victim compensation award amounts granted to each state.

We assessed the annual state certification forms submitted by the WCVCP to the OVC for FYs 2013 through 2018, which determine the amount of funds awarded in FYs 2015 through 2020.⁶ Our review focused on the accuracy of the annual state certification forms, including total funds paid, payouts made with VOCA funds, subrogation recoveries, restitution recoveries, refunds, and other reimbursements. Using official accounting records provided by the Fiscal Section, we attempted to reconcile the figures reported. We determined that the WCVCP did not correctly calculate the amounts it reported on its annual state certification forms.

According to the certification form instructions, States are prohibited from including administrative costs in the line item "Total amount paid to or on behalf of crime victim from all funding sources." Furthermore, this line item should only include payments made by the compensation program to, or on behalf of, victims of crime. However, we found that the WCVCP included in its FY 2013 through 2017 certification forms a State funding source which included administrative costs and funds other than those paid to or on behalf of crime victims.

Furthermore, for the certification forms capturing activity in FYs 2013 and 2014, there were additional transactions excluded and transposed when calculating the line item for total amount of payments made, accordingly. The amount recorded for FY 2013 total payments made did not include refund transactions. This resulted in an inaccurately high total of reported payments. The amount recorded for FY 2014, total payments made included an amount that was recorded incorrectly. The amount should have been recorded as a negative amount; however, the Fiscal Section recorded it as a positive amount. Accordingly, the FY 2014 amount for this field was also inaccurately high.

In addition, we found the WCVCP also made errors in recording totals that need to be deducted for its award certification. For FYs 2013 and 2014, we found the WCVCP underreported its deduction amount because the Fiscal Section incorrectly excluded the revenue funding source "unclaimed property" from this amount.⁷

⁵ The eligible payout amount for award consideration is determined after deducting payments made with VOCA funds, subrogation and restitution recoveries, refunds, amounts awarded for property loss, and other reimbursements.

⁶ The OJP's Office of the Chief Financial Officer, Budget Execution Division calculates the allocations for VOCA eligible crime victim compensation programs and OVC makes the grant awards. In addition, the FY 2020 grant has yet to be awarded.

⁷ The revenue funding source is restitution that was returned to the State but for some reason it could not be traced back to a specific claim.

For these reasons, we found that the WCVCP overstated the line item "Total State Payments Eligible for Matching VOCA Grant Award" for FYs 2013 through 2017 annual state certification forms. Given that the award cycle relies upon the recorded fiscal activity from 2 years prior, this resulted in excess award amounts of \$822,000 for FYs 2015 through 2019 grants, as shown in Table 2.

Table 2
Comparison of Wyoming Annual State Certification Forms and the OIGs Recalculation of Formula Awards

State-Certified Eligible Amounts						
	FY 2013 Form	FY 2014 Form	FY 2015 Form	FY 2016 Form	FY 2017 Form	FY 2018 Form
WY Certification Form	\$1,138,946	\$1,190,509	\$788,686	\$913,797	\$1,105,771	\$773,829
OIG Calculation	764,282	893,890	588,866	641,546	876,348	773,829
Difference	\$374,664	\$296,619	\$199,820	\$272,251	\$229,423	\$0
VOCA Victim Compensation Formula Grant Award Amounts						
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Total
Award Amount	\$683,000	\$714,000	\$473,000	\$548,000	\$663,000	
OIG Calculation of Award Amount	459,000	536,000	353,000	385,000	526,000	
Award Amount Difference	\$224,000	\$178,000	\$120,000	\$163,000	\$137,000	\$822,000

Note: The grant award amounts and the OIG Calculation of Awarded Amount are round to the nearest thousandth. Also, the grant award amounts are based on the annual state certification and accounting record figures from the fiscal year 2 years prior.

Source: OIG analysis of the WCVCP Section financial records and OVC documents.

In the event of an over certification, the Victim Compensation Grant Program Guidelines state that necessary steps will be taken to recover funds that were awarded in error, and that it is the policy of OVC to generally reduce the amount of the subsequent year VOCA victim compensation award by the amount of the overpayment. The WCVCP expended \$495,799 of the excess award amount, which we identified in a draft of this report as unallowable. Subsequent to the issuance of the draft report, OJP deobligated \$26,000 of the initially questioned costs. As a result, we consider the \$26,000 to be adequately addressed. Therefore, we recommend that OJP work with the WCVCP to remedy the remaining \$469,799 in excess grant funds awarded for the FYs 2015 through 2017 grants. As of November 2019, the WCVCP had not drawn down the \$326,201 in excess funds for the FYs 2016 through 2019 grants. However, subsequent to the issuance of the draft report OJP deobligated \$316,850 of the initially excess funds. As a result, we consider the \$316,850 to be adequately addressed. Therefore, we also recommend that OJP work with the WCVCP to remedy the remaining \$9,351 as funds to be put to better use.

Program Requirements and Performance Reporting

To determine whether the WCVCP distributed VOCA victim compensation program funds to compensate victims of crime, we reviewed the WCVCP performance measures and performance documents used to track goals and objectives. We further examined OVC solicitations and award documents and verified WCVCP's compliance with special conditions governing recipient award activity.

Based on our overall assessment in the areas of program requirements and performance reporting, we found that the WCVCP complied with the special conditions tested. However, as detailed in the following section, we also found that WCVCP could improve the policies and procedures used to compile its annual performance reports.

Annual Performance Reports

Each state administering agency must annually report to the OVC on activity funded by any VOCA awards active during the federal fiscal year. The reports are submitted through OJP's Grants Management System (GMS). The OVC also began requiring states to submit quarterly performance data through the web-based Performance Measurement Tool (PMT). After the end of the fiscal year, the WCVCP is required to produce the Annual State Performance Report and load it to GMS.

For the victim compensation grants, the states must report the number of victims for whom an application was made; the number of victims whose victimization is the basis for the application; victim demographics; the number of applications that were received, approved, denied, and closed; and total compensation paid by service type. Table 3 shows a summary of the WCVCP's annual reports.

Table 3
Summary from WCVCP Annual State Performance Report

Performance Categories	FY 2015	FY 2016	FY 2017	FY 2018
Number of Claims Paid ^a	455	774	945	1,001
Number of Applications Received	609	638	780	860
Number of Applications Approved	516	573	735	739
Number of Applications Denied/Closed	93	46	48	66
Total Amount of Claims Paid	\$915,702	\$1,399,429	\$1,417,888	\$1,510,054

^a Multiple claims can be paid to or on behalf for a single victim. These totals count each payment as a different claim.

Source: The WCVCP Annual State Performance Reports for FY 2015 through 2018.

We assessed whether the WCVCP's annual performance data reported to the OVC fairly reflected the performance figures of the victim compensation program

activities by comparing the data the WCVCP reported to the data it had recorded in its internal tracking system.⁸ To this end, we selected one quarter from the FYs 2017 and 2018 yearly performance reports and tested metrics from every applicable category. Based on our review, we determined that the performance data did not match precisely, with some metrics being under reported and others over reported. We tested 70 performance metrics and found discrepancies in 21 of those metrics, or 30 percent. In Table 4, below, we included the three performance metrics from each performance report with the largest discrepancies.

Table 4
Differences of the Performance Report Metrics

FY Quarter	Performance Metric	Sub Metric	Progress Report	Supporting Documents	Difference
2017 Q4	Population Demographics	Applications for Victim Comp	197	214	17
2017 Q4	Performance Measures	New Application Received	194	213	19
2017 Q4	Performance Measures	Application Approved	183	197	14
2018 Q2	Victim Demographics	Age: Not Reported	4	1	(3)
2018 Q2	Performance Measures	Applications Approved	199	204	5
2018 Q2	Performance Measures	Application received for Sexual Assault Forensic Exam	21	0	(21)

Source: The WCVCP Annual Performance Reports for FYs 2017 and 2018.

The DVS officials did not retain the original queries used to generate the supporting information from its internal tracking system, therefore, they could not explain why there were differences identified in the metrics reviewed.

A DVS official reproduced the supporting information from their internal tracking system at the time of our fieldwork. In order to verify this data, we then traced a sample of 40 victims to their victim files. Based on our analysis we identified three instances where the victim's age was incorrect. DVS has since corrected the errors. Based on our analysis, except for the discrepancies noted above, we found the supporting information from WCVCP's internal tracking system to be generally reliable.

Overall, we found the WCVCP lacked policies and procedures related to maintenance of valid and auditable source documentation. In our judgement, accurate statistics are a vital tool for OVC to use to better manage the victim compensation program. Retaining contemporaneous records when submitting PMT

⁸ The DVS uses an electronic case management system (CCVC) to prepare its quarterly and annual performance reports.

reports to OVC would enable WCVCP to more readily demonstrate that reported data accurately reflected its performance at the time of reporting. Therefore, we recommend OJP work with WCVCP to create policy or procedures to ensure that it maintains support for the performance data used at the time of reporting to OVC and thereby enable reconciliation of reported data with its internal records.

Compliance with Special Conditions

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, the WCVCP certified it would comply with these special conditions. We reviewed the special conditions for each VOCA victim compensation program grant and identified three special conditions that we deemed significant to grant performance which are not otherwise addressed in another section of this report. The special conditions we tested required that:

- The recipient agrees to submit quarterly performance reports on the performance metrics identified by OVC, and in the manner required by OVC.
- The recipient agrees to ensure that at least one key grantee official attends the annual VOCA National Training Conference. Any recipient unable to attend must get prior approval by OVC in writing.
- Both the Point of Contact and all Financial Points of Contact for this award must have successfully completed an "OJP financial management and grant administration training," by 120 days after the date of the recipient's acceptance of the award.

Based on our analysis, the WCVCP was in compliance with the grant special conditions we analyzed.

Grant Financial Management

Award recipients must establish an adequate accounting system and maintain financial records that accurately account for awarded funds. To assess the adequacy of the WCVCP's financial management of the VOCA victim compensation grants, we reviewed the process used to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. We also reviewed the Single Audit Reports for FYs 2015 to 2018. These Single Audits did not identify significant deficiencies or material weaknesses specific to the victim compensation program.

Finally, we interviewed WCVCP personnel who were responsible for financial aspects of the grants; reviewed WCVCP written policies and procedures; and inspected award documents, drawdown procedures, and the preparation and submission of financial records.

As discussed below, in our overall assessment of grant financial management, we determined that the WCVCP generally implemented adequate controls over claim payments and administrative expenditures associated with

managing the victim compensation program. However, we also identified unsupported and unallowable expenditures charged to the grants.

Grant Expenditures

State administering agency VOCA compensation expenses fall into two overarching categories: (1) compensation claim payments – which constitute the vast majority of total expenses, and (2) administrative expenses – which are allowed to total up to 5 percent of each award. 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 from each of these categories by reviewing accounting records and verifying support for select transactions.

Victim Compensation Claim Expenditures

Victims of crime in the state of Wyoming submit claims for reimbursement of expenses incurred as a result of victimization, such as medical and funeral costs or loss of wages. WCVCP staff adjudicate these claims for eligibility and make payments from the VOCA victim compensation grants and state funding.

To evaluate the WCVCP's financial controls over VOCA victim compensation grant expenditures, we judgmentally selected 150 claims that totaled \$175,342 from the audited awards. These claims included costs for funeral services, lost wages, prescription medication, ambulance services, dental and hospital visits, chiropractor services, and mental health counseling.

We found that WCVCP did not always obtain adequate documentation for claim payments, or perform secondary review of claims, resulting in errors calculating claim reimbursement amounts. Of the 150 claims reviewed, we identified 15 claims that included unsupported and/or unallowable costs. Our findings are discussed in greater detail in the following sections of the report.

• Lost Wage Verification

The Wyoming Compensation Guidelines Policy allows victims to be reimbursed for up to 3 months of wages, not exceeding the federal minimum hourly wage rate. According to the Wyoming Compensation Guidelines Policy, the WCVCP may pay a victim for:

- Wages lost due to serious injury as a result of a crime.
- Wages lost while receiving medical treatment or counseling.
- Wages lost because of permanent disability.
- Wages lost because the victim is attending the sentencing of the offender and providing a victim impact statement.

In order to be eligible for lost wage payment due to an injury, the Wyoming Victim Compensation Guidelines Policy required WCVCP to obtain (1) verification

from a physician or mental health service provider and (2) an employer certification form or federal tax statement if self-employed.⁹

Of the 150 claims we reviewed, there were a total of 10 claims that were for lost wages. We found that WCVCP officials did not obtain the required physician or mental health service provider verification for 9 of the claims reviewed.¹⁰ In response to our concerns about the missing verifications, WCVCP officials informed us that they were removing the requirement for a physician or mental health service provider verification from the Wyoming Victim Compensation Guidelines Policy.

Although we found that the WCVCP relied on police reports to support that a crime was committed, the employer or self-employed certification form for the hours/days of work missed for the lost wage claim payment, and medical invoices to support that the crime resulted in medical treatment; we fundamentally disagree with WCVCP's decision to remove the physician or mental health service provider verification requirement and believe that relying on medical invoices to support that the crime resulted in medical treatment may not provide all the necessary and verifiable support for the time needed to recover from a crime related injury. Specifically, by removing the verification requirement, WCVCP officials become the de facto physician or mental health provider required to make judgments on the severity of a victim's injuries, the time needed to recover from those injuries, and ultimately on the legitimacy of a victim's lost wage claim. In our judgement, federal funds used for lost wages that are not supported by documentation from a physician or mental health provider, or similar documentation, may be at a greater risk for waste, fraud, and abuse. As a result, we recommend that OJP work with WCVCP to strengthen its current policies and procedures to ensure it obtains all necessary documentation to support any lost wage amount paid.

- **Other Lost Wage Claims**

In addition to the lost wage verification discussed above, we identified four lost wage claims with questioned costs. For one claim, WCVCP paid a family member \$341, for 47 hours of lost wages to bereave the death of a sibling.¹¹ However, the Wyoming Victim Compensation Guidelines Policy only allows for wage loss to be reimbursed to an associated victim for:

- Wages lost during travel time to be with a critically injured victim.

⁹ The Employment Verification Form is used to determine whether the victim was employed at the time of the crime and to collect the necessary information related to number of hours worked and dates of missed work.

¹⁰ Of the 10 lost wage claims there was 1 claim for bereavement, which a physician or mental health service provider verification would not be applicable. However, this claim is discussed subsequently in this report in the Other Lost Wage Claims section.

¹¹ The family member worked 20-25 hours a week, which the WCVCP paid a two week lost wage claim.

- Wages lost while attending to a critically injured victim.
- Wages lost while transporting victim to medical treatment, counseling, or sentencing when the victim is providing a victim impact statement.

Since the Wyoming Victim Compensation Guidelines Policy does not include bereavement for the loss of a loved one as an allowable expense, we are questioning the claim as unallowable.

For another claim, WCVCP paid a victim for 45 days of missed work, although the employer verification form provided indicated that the victim had not worked there for more than 5 weeks. The Wyoming Victim Compensation Guidelines Policy states that if the victim was employed for less than the 6 months preceding their victimization, payment for lost wages shall not exceed the amount of time the victim had worked prior to their victimization. When we asked for support for the 45 days, DVS officials indicated they should have only approved payment for 25 days based on the number of days the victim had been employed prior to the crime. Therefore, we are questioning the additional 20 days paid, totaling \$986 in unsupported costs.

Finally, for two lost wage claims, the WCVCP did not receive a federal tax return for the self-employed victim, as required by the Wyoming Victim Compensation Guidelines. Instead, WCVCP obtained a notarized self-employed verification of lost wages form. Therefore, we are questioning these two claims, totaling \$4,179, as unsupported costs.

• **Other Claims**

We identified 11 other claims with unsupported and unallowable costs. The unsupported costs included expenses for prescription medication, travel/mileage, medical treatment, and mental health counseling. The unallowable costs included expenses for travel/mileage, and per diem. The issues identified were for miscalculations, inadequate support, or did not follow the Wyoming Victim Compensation Guidelines Policy for max allowance. Therefore, we are questioning the 11 claims, totaling \$11,180 in unsupported and \$1,450 in unallowable expenditures charged to the VOCA victim compensation program grants.

In total, we identified \$16,345 in unsupported and \$1,791 in unallowable expenditures charged to the grants, which OJP deobligated and adequately remedied subsequent to the issuance of our draft report.¹² As a result, we consider these costs to be adequately addressed.

Furthermore, in our judgment, the WCVCP should enhance its claims reviewing process by implementing a secondary review in order to mitigate the risk of misapplication of the crime victim compensation funds in the future. We discussed this issue with DVS officials during the course of our audit, and DVS

¹² In response to the draft report, the WCVCP provided additional documentation that would have remedied \$7,304 in questioned costs. However, the questioned costs were remedied when OJP deobligated the funds.

officials agreed and implemented an internal process to review at least 10 percent of the claims for accuracy on a quarterly basis. As a result, we do not recommend any further action regarding secondary review of claims.

Administrative Expenditures

The state administering agency may retain up to 5 percent of each grant to pay for administering its crime victim compensation program. However, such costs must derive from efforts to improve program effectiveness and service to crime victims, including claims processing, staff development and training, and public outreach.

For the compensation grant program, we tested the WCVCP's compliance with the 5 percent limit on the administrative expenses and found that WCVCP complied with or is positioned to comply with the 5 percent administrative expenditure limitations. In addition to testing the WCVCP's compliance with the 5 percent administrative allowance, we also performed a detailed review of a sample of these administrative expenditures. We judgmentally selected 15 expenditures, totaling \$22,843. Based on our testing, we found that the administrative expenditures charged by the WCVCP were both allowable and adequately supported.

Drawdowns

Award recipients should request funds based upon immediate disbursement or reimbursement needs, and the grantee should time drawdown requests to ensure that the federal cash on hand is the minimum needed for disbursements or reimbursements made immediately or within 10 days. VOCA victim compensation grant funds are available for the fiscal year of the award plus 3 additional fiscal years. To assess whether the WCVCP managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in the WCVCP's accounting system and accompanying financial records.

For the VOCA victim compensation awards, we found that the WCVCP calculated its drawdown funding requests to reimburse the state for compensation claims paid on behalf of the victim or to the victim, and the 5 percent administrative costs. Although our testing only covered through May 2019, Table 6 shows the total amount drawn down for each grant as of November 2019.

Table 6
Amount Drawn Down for Each Grant as of November 2019

Award Number	Total Award	Award Period End Date	Amount Drawn Down	Amount Remaining^a
2015-VC-GX-0051	\$683,000	09/30/2018	\$683,000	\$0
2016-VC-GX-0044	\$714,000	09/30/2019	\$709,436	\$4,564
2017-VC-GX-0072	\$473,000	09/30/2020	\$451,363	\$21,637
2018-V1-GX-0019	\$548,000	09/30/2021	\$45,391	\$502,609
Total:	\$2,418,000		\$1,889,190	\$528,810

^a According to the WCVCP, the amount remaining for grant 2016-VC-GX-0044 will be drawn down within 90 days from the award period end date.

Source: OJP

During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests.

Financial Reporting

According to the 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 the WCVCP submitted accurate Federal Financial Reports (FFRs), we compared the FFRs to the WCVCP's accounting records for each grant. We determined that the quarterly and cumulative expenditures for the reports reviewed matched the WCVCP's accounting records.

CONCLUSION AND RECOMMENDATIONS

We found that the WCVCP used its VOCA funding to enhance its crime victim compensation program. However, we found that the WCVCP did not accurately calculate and report on its Crime Victim Compensation State Certification Forms the correct amount eligible for federal matching funds in FYs 2013 through 2017. Because these reported amounts are the basis for future VOCA awards, the errors on the WCVCP's forms resulted in excess awards totaling \$822,000 for the FYs 2015 through 2019 grants. However, subsequent to the issuance of our draft report, OJP deobligated \$26,000 in unallowable costs and \$316,850 in funds to be put to better use. Therefore, we questioned the remaining \$469,799 as unallowable, and \$9,351 as funds to be put to better use. Further, we found that WCVCP did not always obtain adequate documentation for claim payments, or perform secondary review of claims, resulting in errors calculating the claim reimbursement amounts. This resulted in \$16,345 in unsupported and \$1,791 in unallowable expenditures charged to the grants, which OJP deobligated and adequately remedied subsequent to the issuance of our draft report. In addition, we found that the WCVCP was unable to support some of its performance data and did not retain its queries of data to support its reported performance metrics. We provide eight recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Work with the WCVCP to update its policies and procedures to include details on processing victim payments.
2. Ensure the WCVCP develop written procedure for refunds.
3. Work with the WCVCP to remedy the remaining \$469,799 of the \$495,799 in excess grant funds awarded for FYs 2015 through 2017 grants.¹³
4. Work with the WCVCP to remedy the remaining \$9,351 of the \$326,201 in funds to be put to better use for the FYs 2016 through 2019 grants.¹⁴
5. Work with the WCVCP to create policies or procedures to ensure that it maintains support for the performance data used at the time of reporting to OVC and thereby enable reconciliation of reported data with its internal records.
6. Work with WCVCP to strengthen its current policies and procedures to ensure it obtains all necessary documentation to support any lost wage amount paid.

¹³ As discussed previously, OJP deobligated \$26,000 of the previously questioned excess grant funds. That amount is not included in the \$469,799.

¹⁴ As discussed previously, OJP deobligated \$316,850 of the previously questioned funds to be put to better use. That amount is not included in the \$9,351.

7. Remedy \$16,345 in unsupported expenditures charged to the VOCA victim compensation program grants.¹⁵
8. Remedy \$1,791 in unallowable expenditures charged to the VOCA victim compensation program grants.¹⁵

¹⁵ As discussed previously, OJP deobligated the unsupported and unallowable expenditures that we identified in our audit. Based on the actions in its response to a draft of this report (see Appendix 3), OJP requested closure of Recommendations 7 and 8. These actions are sufficient to remedy the questioned costs, as explained more fully in Appendix 5.

APPENDIX 1

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of the audit was to evaluate how Wyoming Crime Victim Compensation Program (WCVCP) designed and implemented its crime victim compensation program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, and (3) grant financial management.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This was an audit of Victims of Crime Act (VOCA) victim compensation formula grants 2015-VC-GX-0051, 2016-VC-GX-0044, 2017-VC-GX-0072, and 2018-V1-GX-0019 from the Crime Victims Fund (CVF) awarded to the WCVCP. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$2,418,000 to the Wyoming Office of the Attorney General, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 1, 2014, the project start date for VOCA compensation grant number 2015-VC-GX-0051, through December 2019. As of November 2019, the WCVCP had drawn down a total of \$1,889,190 from the four audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the WCVCP's activities related to the audited grants. We performed sample-based audit testing for grant expenditures, which includes administrative and claim compensation costs, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The authorizing VOCA legislation, the VOCA compensation program guidelines, the DOJ Grants Financial Guide, state compensation criteria, 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 the WCVCP accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems was verified with documents from other sources.

While our audit did not assess WCVCP's overall system of internal controls, we did review the internal controls of WCVCP's financial management system specific to the management of funds for each VOCA grant within our review. To determine whether WCVCP adequately managed the VOCA funds we audited, we conducted interviews with state of Wyoming financial staff, examined policies and procedures, and reviewed grant documentation and financial records. We also developed an understanding of WCVCP'S financial management system and its policies and procedures to assess its risk of non-compliance with laws, regulations, guidelines, and terms and conditions of the grants.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Pages</u>
Questioned Costs: ¹⁶		
Excess FY 2015 Victim Compensation Award Expended	\$224,000	6, 13
Excess FY 2016 Victim Compensation Award Expended	\$173,436	6, 13
Excess FY 2017 Victim Compensation Award Expended	\$98,363	6, 13
Other Lost Wage Claims	\$341	11-12
Other Claims	<u>\$1,450</u>	12
Unallowable Costs	\$497,590	
Other Lost Wage Claims	\$5,165	12
Other Claims	<u>\$11,180</u>	12
Unsupported Costs	\$16,345	
Net Questioned Costs	<u>\$513,935</u>	
Funds to be put to Better Use: ¹⁷		
Excess FY 2016 Victim Compensation Award Remaining ¹⁴	\$4,564	6, 13
Excess FY 2017 Victim Compensation Award Remaining ¹⁸	\$21,637	6, 13
Excess FY 2018 Victim Compensation Award Remaining	\$163,000	6, 13
Excess FY 2019 Victim Compensation Award Remaining	<u>\$137,000</u>	6
Total Funds to be put to Better Use	<u>\$326,201</u>	
Less Remedied Costs ¹⁹		
Less Remedied Unallowable Costs	\$27,791	
Less Remedied Unsupportable Costs	\$16,345	
Less Remedied Funds to be put to Better Use	\$316,850	
Total Remedied Costs	<u>(\$360,986)</u>	
TOTAL DOLLAR-RELATED FINDINGS	<u>\$479,150</u>	

¹⁶ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

¹⁷ **Funds to be put to Better Use** are future funds that could be used more efficiently if management took actions to implement and complete audit recommendations.

¹⁸ As shown in Table 6, as of November 2019, the WCVCP had not drawn down all funds for Award Numbers 2016-VC-GX-0044 and 2017-VC-GX-0072; as a result, we included these amounts as funds to be put to better use.

¹⁹ Prior to issuance of the final report, OJP deobligated \$360,986 in previously questioned and funds to be put to better use that we identified during our audit.

APPENDIX 3

U.S. DEPARTMENT OF JUSTICE OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT AUDIT REPORT²⁰



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

FEB 20 2020

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, Victim Compensation Grants, Awarded to the Wyoming Office of the Attorney General, Cheyenne, Wyoming*

This memorandum is in reference to your correspondence, dated January 15, 2020, transmitting the above-referenced draft audit report for the Wyoming Office of the Attorney General. The Wyoming Crime Victim Compensation Program (WCVCP), which is located within the Wyoming Office of the Attorney General, is responsible for administering the Office of Justice Programs (OJP), Victims of Crime Act (VOCA), Crime Victim Compensation Formula Grant Program. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **eight** recommendations, **\$513,935** in questioned costs, and **\$326,201** in funds to be put to better use. The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

1. **We recommend that OJP work with the WCVCP to update its policies and procedures to include details on processing victim payments.**

OJP agrees with this recommendation. We will coordinate with the WCVCP to obtain a copy of its written policies and procedures, updated and implemented, to include specific details on processing victim payments.

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

2. **We recommend that OJP ensure the WCVCP develop written procedures for refunds.**

OJP agrees with this recommendation. We will coordinate with the WCVCP to obtain a copy of its written policies and procedures, developed and implemented, to ensure that refunds pertaining to its Victim Compensation Program are properly accounted for, processed, and administered.

3. **We recommend that OJP work with the WCVCP to remedy the \$495,799 in excess grant funds awarded for Fiscal Years (FYs) 2015 through 2017 grants.**

OJP agrees with this recommendation. To remedy \$26,000 of the \$495,799 in excess grant funds, in accordance with instructions from the WCVCP, on February 11, 2020, OJP's Office of the Chief Financial Officer (OCFO) deobligated these funds from Grant Number 2019-V1-GX-0003 (see Attachment). Accordingly, the Office of Justice Programs requests closure of \$26,000 in excess grant funds associated with this recommendation.

With regards to the remaining \$469,799 in excess grant funds awarded to the WCVCP under OJP's VOCA, Crime Victim Compensation Formula Grant Program, in fiscal years 2015 through 2017, we will review these costs, and work with the WCVCP to remedy, as appropriate.

4. **We recommend that OJP work with the WCVCP to remedy the \$326,201 in funds to be put to better use for the FYs 2016 through 2019 grants.**

OJP agrees with this recommendation. To remedy \$316,850 of the \$326,201 in funds to be put to better use, on February 11, 2020, the OCFO deobligated the funds under Grant Numbers 2017-VC-GX-0072 (\$16,850), 2018-V1-GX-0019 (\$163,000), and 2019-V1-GX-0003 (\$137,000) (see Attachment). Accordingly, the Office of Justice Programs requests closure of \$316,850 in funds to be put to better use associated with this recommendation.

With regards to the remaining \$9,351 in in funds to be put to better use, related to excess grant funds awarded to the WCVCP, under OJP's VOCA, Crime Victim Compensation Formula Grant Program, in fiscal year 2017, we will work with the WCVCP to remedy, as appropriate.

5. **We recommend that OJP work with the WCVCP to create policies or procedures to ensure that it maintains support for the performance data used at the time of reporting to OVC, and thereby enable reconciliation of reported data with its internal records.**

OJP agrees with this recommendation. We will coordinate with the WCVCP to obtain a copy of written policies and procedures, developed and implemented, to ensure that supporting documentation is maintained for the performance data included in its reports to OJP's Office for Victims of Crime (OVC); and that the reported data can be reconciled with WCVCP's internal records.

6. **We recommend that OJP work with the WCVCP to strengthen its current policies and procedures to ensure it obtains all necessary documentation to support any lost wage amount paid.**

OJP agrees with this recommendation. We will coordinate with the WCVCP to obtain a copy of its written policies and procedures, updated and implemented, to ensure that necessary documentation is obtained to support lost wage amounts paid to crime victims.

7. **We recommend that OJP remedy \$16,345 in unsupported expenditures charged to the VOCA Victim Compensation Program grants.**

OJP agrees with this recommendation. To remedy the \$16,345 in unsupported expenditures charged to VOCA Victim Compensation Program grants, on February 11, 2020, the OCFO deobligated the funds from Grant Number 2019-V1-GX-0003 (see Attachment). Accordingly, the Office of Justice Programs requests closure of this recommendation.

8. **We recommend that OJP remedy \$1,792 in unallowable expenditures charged to the VOCA Victim Compensation Program grants.**

OJP agrees with this recommendation. To remedy the \$1,792 in unallowable expenditures charged to VOCA Victim Compensation Program grants, on February 11, 2020, the OCFO deobligated the funds from Grant Number 2019-V1-GX-0003 (see Attachment). Accordingly, the Office of Justice Programs requests closure of this recommendation.

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. Halcy, Deputy Director, Audit and Review Division, on (202) 616-2936.

Attachment

cc: Katharine T. Sullivan
Principal Deputy Assistant Attorney General

cc: Maureen A. Henneberg
Deputy Assistant Attorney General
for Operations and Management

LeToya A. Johnson
Senior Advisor
Office of the Assistant Attorney General

Jeffery A. Haley
Deputy Director, Audit and Review Division
Office of Audit, Assessment, and Management

Gary Barnett
Acting Director
Office for Victims of Crime

Allison Turkel
Deputy Director
Office for Victims of Crime

Katherine Darke-Schmitt
Deputy Director
Office for Victims of Crime

Kathrina S. Peterson
Acting Deputy Director
Office for Victims of Crime

James Simonson
Associate Director for Operations
Office for Victims of Crime

Joel Hall
Victim Justice Program Specialist
State Compensation and Assistance Division
Office for Victims of Crime

Leigh A. Benda
Chief Financial Officer

cc: Christal McNeil-Wright
Associate Chief Financial Officer
Grants Financial Management Division
Office of the Chief Financial Officer

Joanne M. Suttington
Associate Chief Financial Officer
Finance, Accounting, and Analysis Division
Office of the Chief Financial Officer

Aida Brumme
Manager, Evaluation and Oversight Branch
Grants Financial Management Division
Office of the Chief Financial Officer

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

OJP Executive Secretariat
Control Number IT20200115160332

WYOMING OFFICE OF THE ATTORNEY GENERAL DIVISION OF VICTIM SERVICES RESPONSE TO THE DRAFT AUDIT REPORT²¹



Office of the Attorney General Division of Victim Services

Governor
Mark Gordon

Capitol Hill Building
320 West 25th Street, 2nd Floor
Cheyenne, Wyoming 82002
Phone 307-777-7200
Fax 307-777-6683

Director
Cara Boyle Chambers

Attorney General
Bridget Hill

Deputy Director
Darryl S. Erickson

February 4, 2020

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

VIA: U.S. Mail and Electronic Mail at: David.M.Sheeren@usdoj.gov

Dear Mr. Sheeren,

The Wyoming Office of the Attorney General, Division of Victim Services (DVS) appreciates the opportunity to respond to the Draft Audit Report received by our office on January 16, 2020, and the REVISED Draft Audit Report received January 23, 2020 (hereafter referred to as "Draft Audit Report"). The Draft Audit Report covers the Office of Justice Programs (OJP) Victims of Crime Act Victim Compensation Formula Grant Program for Fiscal Years 2015 through 2018. The purpose of this letter is to provide a formal response to the recommendations contained in the Draft Audit Report.

The Draft Audit Report contains eight recommendations:

Recommendation #1- Update policies and procedures to include details on processing victim payments.

Response #1: DVS concurs with this recommendation.

The Fiscal Office of the Wyoming Attorney General's Office handles, among other duties related to state and federal funds, the processing of all payments made to victims through the Wyoming Crime Victim Compensation Program. The Fiscal Office has updated its Policy Manual to include detailed instructions on processing Victim Compensation payments.

Wyoming Crime Victims Compensation Program
Response to OIG Draft Audit Report
Page 1 of 7

²¹ Attachments to this response were not included in this final report.

Recommendation #2- Develop written procedure for refunds.

Response #2: DVS concurs with this recommendation.

The Fiscal Office has already drafted a written procedure for handling refunds to both the federal grants and State Surcharge funds. Additionally, there are new written procedures on how to separately account for: restitution; subrogation awards; and gifts and donations made to the Crime Victims Compensation Program.

Recommendation #3- Remedy \$495,799 in excess grant funds awarded for FYs 2015 through 2017 grants.

Response #3: DVS concurs with this recommendation; however, we would like the opportunity to present appropriate costs that should be considered in a recalculation of the grant award.

DVS agrees that our office had been including a funding object code that should not have been attributed to the Crime Victim Compensation formula. The error initially occurred in the 2013 State Certification when there was a change of staff due to the prior Chief Fiscal Officer's pending retirement. During this transition period, DVS's Senior Accounting Analyst assumed the duty of filling out the State Certification form and has been completing the form ever since. At that time, the error of including the object code 626 - Surcharge Grants & Aid went unnoticed by the Fiscal Office. Regrettably, this simple error (in terms of including one object code too many) was repeated for five years until it was discovered during this OIG audit. The cumulative error is staggering.

What is perhaps most regrettable about this error is that it was not caught sooner. It is worth noting that in the period of time from when the error began up until it was discovered, DVS underwent several enhanced desk reviews, on-sites, and even an OCFO Audit of these same State Certifications. Unfortunately, the issue was not uncovered during these prior reviews, which could have alerted us to the error. I'd like to believe that had we not relied upon the assurances that these forms were reviewed and no error found, we could have corrected our practice immediately and mitigated the compounding error. This observation is not to deflect responsibility of our own admitted error but to point out how unfortunate it was that review of our State Certification Forms over the years did not alert us to the mistake. Our office's ability to course correct a previously undetected error is evidenced by the fact that, as noted in Table 2 of the Draft Audit Report, DVS's FY 2018 State Certification Form calculation was confirmed correct by OIG's own calculation, once corrective action was taken.

Below is a chart representing DVS's proposed corrective action to remedy the \$495,799 in excess grants funds by reverting funds from future awards to offset the balance owed to OJP/OVC:

Respondent's Exhibit 1 - Recommendation #3, Plan to return \$495,799 in unallowable costs

To repay the Unallowable Costs, we would reduce the 2017 grant by \$93,799, the 2019 grant by \$263,000, and the 2020 grant by \$139,000.							
Award Year	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	
Certification Year	2013	2014	2015	2016	2017	2018	Totals
Expenditure Dates	10/01/2012 09/30/2013	10/01/2013 09/30/2014	10/01/2014 09/30/2015	10/01/2015 09/30/2016	10/01/2016 09/30/2017	10/01/2017 09/30/2018	
Award Amount	\$683,000	\$714,000	\$473,000	\$548,000	\$663,000	\$464,297	\$3,545,297
OIG Calc Amt	\$459,000	\$536,000	\$353,000	\$385,000	\$526,000	\$464,297	\$2,723,297
Award Amount Difference	\$224,000	\$178,000	\$120,000	\$163,000	\$137,000	\$0	\$822,000
Adjustment Amount Unallowable Costs			(\$93,799)		(\$263,000)	(\$139,000)	(\$495,799)

Additionally, DVS would like the opportunity to mitigate the total questioned cost by presenting documentation of approved costs to recalculate the 2013 – 2018 State Certifications. Within the questioned object/expenditure code, which was erroneously added to our State Certifications, were allowable cost for emergency financial assistance to victims. (Please see Respondent's Attachment 1)

Recommendation #4- Remedy \$326,201 in funds to be put to better use for FYs 2016 through 2019 grants

Response #4: DVS concurs with this recommendation.

As part of the repeated miscalculation of our State Certification, the awards for Fiscal Years 2016 through 2019 included excess funding. When the OIG audit was conducted, DVS had unexpended funds from the 2017, 2018, and 2019 grant awards that will be returned to OVC immediately. DVS intends to de-obligate/return the excess unexpended funds and put them to better use by correcting our over-award in the manner detailed below:

Respondent's Exhibit 2 - Recommendation #4, Remedy \$326,201 in Funds Put To Better Use

To repay the Funds Put to Better Use finding, we would reduce the 2017 grant by \$26,201, the 2018 grant by \$163,000, and the 2019 grant by \$137,000.

Award Year	FY2017	FY2018	FY2019	
Certification Year	2015	2016	2017	Totals
Expenditure Dates	10/01/2014 09/30/2015	10/01/2015 09/30/2016	10/01/2016 09/30/2017	
Award Amount	\$473,000	\$548,000	\$663,000	\$1,684,000
OIG Calc Amt	\$353,000	\$385,000	\$526,000	\$1,264,000
Award Amount Difference	\$120,000	\$163,000	\$137,000	\$420,000
Adjustment Amount Unallowable Costs	(\$26,201)	(\$163,000)	(\$137,000)	(\$326,201)

Recommendation #5- Create policies and procedures to maintain performance data reports used contemporaneously with reporting into the OVC PMT system.

Response #5: DVS concurs with this recommendation.

In 2010 DVS entered a contract with [REDACTED] to develop and maintain the CCVC database system for the State of Wyoming's Crime Victim Compensation Program. When OVC moved to the Performance Measurement Tool (PMT) for quarterly and annual reporting, CCVC was modified to capture the required reporting parameters of the OVC PMT reporting platform. CCVC's interface added a "report date range" that conformed to the requested PMT quarterly or annual reporting time frame. It is understood by both DVS and OVC that the data captured in PMT is a "snapshot" of the programs data at the time the report is generated. In CCVC there is also a "functionality" that allows the user to "Lock Report" for the time period of the requested report. It was DVS's understanding that this functionality would "lock" the numbers and data in the generated report for future reference in the event of an audit, etc. However, when this office went to re-print the "Locked Report" for the time frames requested by the OIG auditor, it was discovered

that the “lock” function does not actually “lock” anything. The resulting data discrepancies were documented in the Draft Audit Report.

In an effort to resolve this issue, DVS adopted an internal policy to address the recommendation. (Please see Respondent’s Attachment 2)

Recommendation #6- Strengthen policies and procedures on compensating lost wages.

Response #6: DVS concurs with this recommendation; however, DVS reserves the right to augment our lost wages policy to conform to OVC guidance while adopting some aspects of OIG’s recommendations.

DVS generally agrees with the finding that the Lost Wage policy that had been in effect was in need of revision. In fact, DVS acknowledges that the requirement to obtain a “physician or mental health service provider verification” (hereafter “verification”) for lost wages was, in fact, still in policy at the time of the OIG Audit. However, as was explained to the Auditor at the time, DVS had long ago deemed the verification unnecessary. The verification requirement often created an additional “hurdle” for victims. The provision had therefore not been enforced and should have been removed from the policy years ago. The error our office made was in not changing that guideline sooner to reflect current practice.

The Draft Audit Report, on page 11, acknowledged that DVS immediately revised the Guidelines to remove the verification so as to reflect actual practices of the office. Further, DVS provided an excerpt from an email DVS obtained from Wyoming’s OVC Victim Justice Program Specialist, [REDACTED], supporting the removal of the verification because it was: a) not required by OVC; and b) not necessarily appropriate or available in all circumstances – specifically bereavement.

The Draft Audit Report, however, takes exception to DVS’s decision to remove the verification, and goes on to suggest that “by removing the verification requirement, [WCVCP] officials become the de facto physician or mental health provider required to make judgments on the severity of a victim’s injuries, the time needed to recover from those injuries, and ultimately on the legitimacy of a victim’s lost wage claim.” In fact, that is not the case at all. DVS continues to require an Employer Certification or a Federal Tax Statement (for self-employed individuals) on all lost wages claims. Further, DVS’s revised policy is actually in keeping with our guiding principles as outlined in the introduction to DVS’s Compensation Guidelines:

DVS employees respect the victim's right to self-determination. In some cases, DVS employees' perception of victim wants, needs, and rights may not correspond with the victim's perceptions. Unless dictated by program policy, DVS employees shall under no circumstances use ultimatums in provision of services. DVS employees are further prohibited from intentionally withholding service information that may contribute to the victim's decision making. The victim has the most informed perspective regarding his or her own history, inclination, risks, and resources. Accordingly, the victim carries the ultimate authority over his or her own interests.

The Draft Audit Report also suggests that removing the verification requirement opens DVS to “fraud, waste and abuse” of that benefit. Again, DVS still requires an Employer Certification or Tax Statement. Additionally, a review of DVS’s Compensation payments over the most recent federal fiscal year showed that lost wages account for approximately 2% of the total funds paid to victims. Moreover, the average pay-out per claim was \$1,000.00 (or 17.5 days @ \$7.25/hour; 8

hours/day). DVS also limits claims to 173 hours per month; restricts the rate of pay to \$7.25/hour; and restricts the duration of a lost wage claim to 3 months. In light of the concern for fraud, waste, and abuse, it is our intention to augment DVS's lost wage policy to re-instate the physician or mental health provider verification for any claim of lost wages that exceeds 30 days. This seems like a logical compromise, and due to the previously mentioned average, does not appear likely to burden the majority of claims we see.

Finally, DVS would like to address the Draft Audit Report's recommendations concerning lost wages for bereavement leave. Currently DVS's Guidelines are silent on bereavement leave, but it has been our office's practice to compensate victims for that type of leave. Bereavement leave is treated the same as other claims for lost wages and an Employer Certification or Federal Tax Statement is required to calculate hours and days lost. DVS will amend our policy to specifically include that benefit. The grieving family member of a homicide victim should not be denied this benefit. It is reasonable to expect the grieving family member may need time off from work to arrange a funeral, plan a memorial, or engage in self-care. The error on DVS's part was to not update our policy sooner to reflect best practices.

Recommendation #7- Remedy \$16,345 in unsupported expenditures charged to the VOCA compensation program grants.

Response #7: DVS concurs in part with this recommendation, but challenges \$10,079 of the costs deemed unsupported. Below is a chart of the "unsupported costs" to the grants DVS challenges:

	Victim #	Date Paid	Expense Type	Issue Description	Unsupported
3	415061	3/23/18	Lodging and Crime Scene Clean-Up	Miscalculated	\$3,906
5	414863	4/19/18	Travel/Mileage	No Support in Case File	\$3,057
9	415761	3/26/19	Medical Treatment	No Support in Case File	\$2,854
10	414756	3/27/19	Medical Treatment	No Support in Case File	\$262
			TOTAL		\$10,079

DVS is requesting reconsideration of the identified "unsupported costs" based on the following:

Claim #415061- DVS determined that an overpayment was in fact made on this claim. DVS contacted the claimant, and a refund of \$3,920.49 was received on July 25, 2019 via a personal check sent by certified mail to DVS.

Claim #414863 – DVS has receipts, Explanation of Benefits (EOB), doctor's appointment cards, and memos from the claimant that correlate to every travel date claimed for reimbursement. This was a head-on motorcycle collision that was treated out-of-state due to the severity of the injury and the need for specialists, which comports with DVS policy.

Claim # 415761- DVS has medical bills and receipts for every claim for payment in the file.

Claim #414756 – DVS has copies of medical bills for treatment related to injury sustained as a result of a crime.

Due to the confidential and personally identifiable information (PII) contained in the supporting documentation for these aforementioned claims, documents will be provided to OIG staff separately in a manner deemed appropriate for transmittal by the parties. Any supporting documentation provided shall remain confidential and shall not be included in any OIG publication related to this audit. (CONFIDENTIAL: Respondent's Attachment 3 submitted upon request.)

DVS concurs that the remaining \$6,267 of "unsupported costs" should not have been billed to the grant and will correct the error by moving these expenses into state funds.

Recommendation #8- Remedy \$1,791 in unallowable expenditures charged to the VOCA victim compensation program grants.

Response #8: DVS does not concur with this recommendation. DVS requests reconsideration of the determination that \$1,791 of the costs should be deemed unsupported.

Below is a chart provide by OIG to identify "unallowable costs" to the grants:

	Victim #	Date Paid	Expense Type	Issue Description	Unallowable
6	415368	5/14/18	Travel/Mileage	Exceeded Max Allowed	\$600
7	415387	5/16/18	Per Diem	Payment to Non-Relative	\$850
12	415412	6/18/18	Lost Wages - Bereavement	Not Addressed in Policy	\$341
			TOTAL		\$1,791

DVS challenges the aforementioned "unallowable costs" based on the following:

Claim # 415368- DVS believes this finding was a misunderstanding of DVS policy due to the nuance of our formatting. DVS does not have a cap on travel for primary and associated victims. The financial cap of \$600.00 only applies to Claimants/Family Members when the victim is a disabled or deceased adult. Below is the policy for Claimants/ Family Members:

Description of Coverage for Claimants/ Family Members:

- Relatives to identify and/or pick up a victim's body/funeral arrangements.
- Relatives to attend the funeral of a victim.
- Relatives to be with a critically injured victim.

Financial Limits for Claimants:

- Commercial transportation, (i.e. commercial air, train, bus, or rental car).
- Mileage paid at State of Wyoming established rate.
- Housing and food reimbursed at the federal meals and incidental expense rates (M&IE) per U.S. General Services Administration (GSA) guidelines.
- **All expenses shall not exceed \$600.00 per person in total and shall be deducted from the maximum award amount.**

No financial cap exists for a primary victim's travel to and from a medical appointment as is explained in a separate sub-section of our policy shown below:

Description of Coverage for Primary and Associated Victims:

Expenses incurred when required to travel outside the home community to receive the following services.

- Counseling
- Medical treatment---if treatment is unavailable in the local community
- Participation in the sentencing of the offender by providing a victim impact statement to the Court.

Financial Limits for Primary and Associated Victims:

- Mileage paid at State of Wyoming established rate.
- Housing and food reimbursed at the federal meals and incidental expense rates (M&IE) per U.S. General Services Administration (GSA) guidelines.

The expenses on this claim was for a child receiving treatment outside of her home community. The payment was to the minor child's mother who is an associated victim on her daughter's claim.

Claim # 415387- This was a payment made to the live-in girlfriend of the victim who transported the victim to and from medical appointments. DVS policy attempts to define who could be a claimant on a compensation claim, and generally defers to "family" as it is the most frequent and common scenario. To deem this cost as unallowable solely due to the fact that the victim and the claimant were not married at the time seems overly restrictive. DVS chose to respect the victim's decision to have his live-in girlfriend transport him. What if the victim had no other blood relations? While our policy is not specific, it seems natural that two adults, cohabitating as if married, can be viewed as "family" to one another.

Claim # 415412- DVS has previously addressed the bereavement leave policy under the response to recommendation #6. Reimbursing the sister (and only living relative) of a homicide victim while she takes leave to plan a funeral and make final arrangements for her brother's estate is a reasonable expense attributed to Compensation. DVS policy is silent on bereavement, however we obtained specific support for the cost from OVC Victim Justice Program Specialist, [REDACTED]. OVC does not deem bereavement leave "unallowable." Because DVS policy is silent on this matter, it is reasonable to default to OVC guidance. Further, DVS will amend the lost wage policy as detailed in Recommendation #6.

Thank you for providing our office the opportunity to address OIG's audit of our Compensation Program. Overall, DVS feels that as a result of the audit, our office's policy and procedures have been strengthened. We look forward to addressing the audit further, and will provide any supporting documentation needed to allow you to evaluate our responses.

Sincerely,


Cara B. Chambers
Director

APPENDIX 5

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

The OIG provided a draft of this audit report to the Wyoming Office of the Attorney General and the Office of Justice Programs (OJP) for review and official comment. OJP's response is incorporated in Appendix 3 of this final report, and the WCVCP's response is incorporated in Appendix 4. OJP agreed with each recommendation contained in this report and discussed the actions it plans to complete in order to address the recommendations. As a result, the report is resolved. The WCVCP concurred with six recommendations, partially concurred with one recommendation, and did not concur with one recommendation, as discussed below. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for OJP

1. Work with the WCVCP to update its policies and procedures to include details on processing victim payments.

Closed. The WCVCP concurred with our recommendation and included a revised policy with its response. The WCVCP stated that the Fiscal Section updated its policy to include detailed instructions on processing victim compensation payments.

OJP agreed with our recommendation. After receiving OJP's and WCVCP's official responses to our draft report, we confirmed with OJP that it agreed that WCVCP's updated policy includes details on processing victim payments, and OJP requested closure of this recommendation.

We reviewed the revised policy included with the WCVCP's response and found that the policy now includes detailed instructions on processing victim compensation payments. As a result, we consider this recommendation closed.

2. Ensure the WCVCP develop written procedure for refunds.

Closed. The WCVCP concurred with our recommendation and included a revised policy with its response. The WCVCP stated that the Fiscal Section has a written procedure for handling refunds.

OJP agreed with our recommendation. After receiving OJP's and WCVCP's official response to the draft report, we confirmed with OJP that it agreed that WCVCP's updated policy includes procedures for refunds and OJP requested closure of this recommendation.

We reviewed the policy included with the WCVCP's response and found that the policy now includes a process for handling refunds. As a result, we consider this recommendation closed.

3. Work with the WCVCP to remedy the remaining \$469,799 of the \$495,799 in excess grant funds awarded for FYs 2015 through 2017 grants.

Resolved. OJP agreed with our recommendation. OJP stated in its response that, in February 2020, in accordance with instructions from the WCVCP, OJP's Office of the Chief Financial Officer deobligated \$26,000 of the excess funds from Grant Number 2019-V1-GX-0003. As a result, OJP requested the closure of \$26,000 in excess grant funds associated with this recommendation. Furthermore, in regards to the remaining \$469,799 in excess grant funds, OJP will review these costs and work with the WCVCP to remedy, as appropriate.

The WCVCP also concurred with our recommendation. The WCVCP stated that it included a funding object code that should not have been attributed to the Crime Victim Compensation formula. WCVCP officials stated that the inclusion of the funding object code had initially occurred during the completion of the FY 2013 State Certification as a result of a change of staff. To remedy the recommendation, WCVCP proposes to revert funds from existing and future awards to offset the balance owed to OJP. Specifically, WCVCP stated that it will revert:

- \$93,799 from its FY 2017 grant,²²
- \$263,0000 from its FY 2019 grant, and
- \$139,000 from its FY 2020 grant.

Furthermore, although the WCVCP acknowledged that this funding code should not have been included when completing its state certification forms, they stated that they would like the opportunity to mitigate related questioned costs. The WCVCP provided a summary report for \$254,018 from the questioned funding object code that it believed qualified as expenditures that provided emergency financial assistance directly to victims and should have been included in the state certification forms. However, the summary report did not provide details on what the emergency financial assistance was paid for and whether that assistance went directly to a victim of crime.

Based on our review of the supporting documents provided by OJP, we consider \$26,000 in funds deobligated from Grant Number 2019-V1-GX-0003 to have been appropriately remedied. Therefore, this recommendation can be closed when we receive documentation that OJP has

²² As shown in Table 6, the \$93,799 of funds WCVCP plans to deobligate from the FY 2017 grant is more than what the grant balance is as of November 2019.

remedied the remaining \$469,799 of the \$495,799 in excess funds awarded for the FYs 2015 through 2017 grants.

4. Work with the WCVCP to remedy the remaining \$9,351 of the \$326,201 in funds to be put to better use for the FYs 2016 through 2019 grants.

Resolved. OJP agreed with our recommendation. OJP stated in its response that, in February 2020, OJP's Office of the Chief Financial Officer deobligated \$316,850 of the \$326,201 in fund to be put to better use. Specifically, OJP's Office of the Chief Financial Officer deobligated:

- \$16,850 from Grant Number 2017-VC-GX-0072;
- \$163,000 from Grant Number 2018-V1-GX-0019; and
- \$137,000 from Grant Number 2019-V1-GX-0003.

As a result, OJP requested the closure of the \$316,850 in funds to be put to better use associated with this recommendation.

The WCVCP also concurred with our recommendation. WCVCP officials stated that unexpended funds from its 2017, 2018, and 2019 grant awards will be returned to OVC immediately. Specifically, the WCVCP stated that it would return:

- \$26,201 in unexpended funds from its FY 2017 grant,²³
- \$163,000 in unexpended funds from its FY 2018 grant, and
- \$137,000 in unexpended funds from its FY 2019 grant.

Based on our review of the supporting documents provided by OJP, we consider \$316,850 in funds to be to better use to have been appropriately remedied. Therefore, this recommendation can be closed when we receive documentation that OJP has remedied the remaining \$9,351 of the \$362,201 in funds to be put to better use for the FYs 2016 through 2019 grants.

5. Work with the WCVCP to create policies or procedures to ensure that it maintains support for the performance data used at the time of reporting to OVC and thereby enable reconciliation of reported data with its internal records.

Closed. The WCVCP concurred with our recommendation and included a revised policy with its response. The WCVCP stated that it has adopted an internal policy that preserves the quarterly reports by saving copies of all reports generated.

OJP agreed with our recommendation. After receiving OJP's and WCVCP's official response to the draft report, we confirmed with OJP that it agreed

²³ At the time of deobligation, the WCVCP had drawn \$9,351 in funds from Grant Number 2017-VC-GX-0072. As a result, OJP only deobligated \$16,850 in funds remaining for this grant.

that WCVCP's updated policy includes a process for maintaining support for the performance data used at the time of reporting and OJP requested closure of this recommendation.

We reviewed the internal quarterly and annual performance report policy included in the WCVCP's response and found that the policy now includes an adequate process for maintaining support for the performance data reported to OVC. As a result, we consider this recommendation closed.

6. Work with the WCVCP to strengthen its current policies and procedures to ensure it obtains all necessary documentation to support any lost wage amount paid.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the WCVCP to obtain a copy of its written policies and procedures, developed and implemented, to ensure that necessary documentation is obtained to support lost wage amounts paid to crime victims.

The WCVCP also concurred with our recommendation but reserved the right to augment its lost wage policies and procedures to conform to OVC guidance while adopting some aspects of the OIG's recommendation.

In its response, the WCVCP provided numerous reasons related to its decision to remove the physician or mental health service provider verification from its lost wage policies and procedures. However, as noted in the Grant Expenditures section of this report, we disagreed with WCVCP's decision to remove the physician or mental health service provider verification. Further, the WCVCP ultimately concluded in its response, that it would augment its lost wage policy to reinstate the physician or mental health provider verification for any claim of lost wages that exceeds 30 days.

This recommendation can be closed when we receive the updated policies and procedures.

7. Remedy \$16,345 in unsupported expenditures charged to the VOCA compensation program grants.

Closed. OJP agreed with our recommendation. OJP stated in its response that, in February 2020, OJP's Office of the Chief Financial Officer deobligated \$16,345 in unsupported expenditures charged to the VOCA victim compensation program grants, from Grant Number 2019-V1-GX-0003. As a result, OJP requested the closure of this recommendation. We consider this recommendation closed based on our review of the deobligation documents from OJP.

The WCVCP partially concurred with our recommendation. In its response, the WCVCP stated that of the \$16,345 of unsupported expenditures, the WCVCP concurs that \$6,267 should not have been billed to the VOCA compensation program grants and will correct the error by moving these

expenses to state funds. However, WCVCP did not concur with, and requested reconsideration of, the remaining \$10,079 in costs associated with four unsupported expenditures. Based on our review of support that WCVCP provided with its response, we found that the WCVCP adequately supported two of the previously questioned expenditures of \$3,906 and \$3,057. While OJP has deobligated the amount of these two expenditures, we provide this determination for OJP's consideration should WCVCP request reimbursement now that it can support these two expenditures.

However, for the other two transactions, we found that the documentation provided did not support the expenditures charged to the VOCA compensation program grants. We provide our analysis for OJP's consideration in remedying additional questioned costs in this report. Specifically:

1. According to the claim file, the victim received emergency medical treatment almost 2 months after the crime. As a result, the WCVCP sent an official letter to the victim requesting additional support that the emergency medical care was directly related to the crime. The WCVCP provided a description of a diagnosis code that would support the victim being treated for anxiety disorder. However, there was no diagnosis code, but only the service provided. The WCVCP did not provide adequate documentation to support that the emergency medical treatments were a result of the crime, 2 months prior. As a result, we are still questioning the \$2,854 as unsupported.
2. According to the claim file, the WCVCP paid \$8,542 associated with the victim's medical expenses in February 2019; however, the latest medical bill, dated in October 2018, showed medical expenses totaling \$7,667. As a result, we are still questioning the difference of \$262 as unsupported.²⁴

8. Remedy \$1,791 in unallowable expenditures charged to the VOCA compensation program grants.

Closed. OJP agreed with our recommendation. OJP stated in its response that, in February 2020, OJP's Office of the Chief Financial Officer deobligated \$1,792 from Grant Number 2019-V1-GX-0003 to account for these unallowable expenditures that WCVCP charged to the VOCA victim compensation program grants. As a result, OJP requested the closure of this recommendation. We consider this recommendation closed based on our review of the deobligation documents from OJP.

The WCVCP did not concur with our recommendation. WCVCP officials requested that we consider reclassifying these costs as unsupported rather than unallowable. The following provides the OIG analysis of the WCVCP responses for each of the three expenditures:

²⁴ This transaction was paid with both federal and state funds. We only question \$262, the portion of payment paid with federal funds.

1. The WCVCP believed this finding was caused by a misunderstanding of the Wyoming Victim Compensation Guidelines Policy due to the nuance of the formatting. WCVCP stated that the travel expenditure was for an associated victim and not a claimant's family member. However, based on the documentation in the file, the travel expense was not for an associated victim to receive counseling or medical treatment. Rather, the expense was for a family member to visit the victim. Therefore, we stand by our conclusion that the expense in excess of the financial limit by \$600 is unallowable.
2. The WCVCP stated in its response that it made the payment to a live-in girlfriend of the victim, and while the Wyoming Victim Compensation Guidelines Policy is not specific, it seems natural that two adults, cohabitating as if married, can be viewed as "family" to one another. However, based on the claimant's file, there was no support that the victim lived with the girlfriend. Therefore, we stand by our conclusion to question the expense, totaling \$850.
3. Finally, the WCVCP stated in its response that the Wyoming Victim Compensation Guidelines Policy is silent on bereavement leave, but it has been the office's practice to compensate victims for that type of leave. WCVCP stated it will amend the Wyoming Victim Compensation Guidelines Policy to specifically include bereavement. Therefore, since WCVCP will amend the policy to include bereavement, we can consider the allowability of this expenditure should OJP determine that WCVCP's updated policy is sufficient to address our finding and recommendation.

While this recommendation is closed based on OJP's deobligation decision, we provided our analysis of WCVCP's response to our draft report for OJP to consider should WCVCP request OJP to reconsider its deobligation decisions, and in remedying additional questioned costs in this report.



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950 Pennsylvania Avenue, NW
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