



Audit of the Office of Justice Programs
Victim Compensation Grants Awarded to the
Massachusetts Department of Attorney General,
Boston, Massachusetts



AUDIT DIVISION

20-089

AUGUST 2020

REDACTED FOR PUBLIC RELEASE

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



Executive Summary

Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the Massachusetts Department of Attorney General, Boston, Massachusetts

Objective

The objective of the audit was to evaluate how the Massachusetts Department of Attorney General, Victim Compensation and Assistance Division (VCAD) 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.

Results in Brief

As a result of our audit, we concluded that VCAD used its grant funds to compensate crime victims. This audit did not identify significant concerns with VCAD's federal financial reports or drawdowns. However, we identified several opportunities where VCAD could improve its performance reporting as well as implement and adhere to procedures for its annual state certification form. We also identified areas of concern related to claim processing and the timeliness of victim compensation payments. Finally, we identified several errors during our review of victim compensation claims and administrative expenditures, which resulted in \$27,929 in questioned costs.

Recommendations

Our report contains six recommendations to the Office of Justice Programs to improve VCAD's grant management and remedy questioned costs. We requested a response to our draft audit report from the VCAD and OJP, which can be found in Appendix 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 two Victims of Crime Act (VOCA) victim compensation formula grants awarded by the Office of Justice Programs, Office for Victims of Crime (OVC) to the Department of Attorney General in Boston, Massachusetts. The OVC awarded these formula grants, totaling \$2,726,000 from fiscal years (FY) 2016 to 2017 from the Crime Victims Fund to provide financial support through the payment of compensation benefits to crime victims throughout Massachusetts. As of February 2020, VCAD drew down a cumulative amount of \$2,718,557 for all of the grants we reviewed.

Program Accomplishments – VCAD enhanced services for crime victims by outreach efforts to increase public awareness of available benefits and by appropriately distributing the VOCA funding it received.

Claim Processing Time – While we found that VCAD had an established process for the intake, review, and payment or denial of individual compensation claims, we determined that VCAD's current claim process is ineffective and inefficient at providing timely reimbursement to victims of crime.

Performance Reporting – We were able to reconcile all of the information reported to the OVC in VCAD's quarterly reports. However, we identified a significant discrepancy in the narrative portion of its annual reports related to claim processing time.

Claim and Administrative Expenditures – We determined that most of the expenditures we reviewed were allowable and supported. However, we did identify several errors during our review of both the victim compensation claims and administrative expenditures, which resulted in \$27,929 in questioned costs.

State Certification Forms – We determined VCAD did not ensure that it correctly calculated the amounts reported on its annual certification forms, did not maintain supporting documentation, and lacked policies and procedures for completion of the state certification form.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS
VICTIM COMPENSATION GRANTS AWARDED TO THE
MASSACHUSETTS DEPARTMENT OF ATTORNEY GENERAL,
BOSTON, MASSACHUSETTS**

TABLE OF CONTENTS

INTRODUCTION	1
The Grantee.....	2
OIG Audit Approach	2
AUDIT RESULTS	3
Grant Program Planning and Execution	3
Program Implementation	3
Annual State Certification	5
Program Requirements and Performance Reporting	6
Annual Performance Reports	7
Compliance with Special Conditions	8
Grant Financial Management	9
Grant Expenditures	9
Drawdowns.....	14
Financial Reporting	14
CONCLUSION AND RECOMMENDATIONS	15
APPENDIX 1: OBJECTIVE, SCOPE, AND METHODOLOGY	16
APPENDIX 2: SCHEDULE OF DOLLAR-RELATED FINDINGS	18
APPENDIX 3: MASSACHUSETTS DEPARTMENT OF ATTORNEY GENERAL RESPONSE TO THE DRAFT AUDIT REPORT.....	19
APPENDIX 4: OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE DRAFT REPORT.....	22
APPENDIX 5: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT	26

AUDIT OF THE OFFICE OF JUSTICE PROGRAMS VICTIM COMPENSATION GRANTS AWARDED TO THE MASSACHUSETTS DEPARTMENT OF ATTORNEY GENERAL, BOSTON, MASSACHUSETTS

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of two victim compensation formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Massachusetts Department of Attorney General (DAG) in Boston, Massachusetts. 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) 2016 through 2017, these OVC grants totaled \$2,726,000.

Table 1
Audited Grants
Fiscal Years 2016 – 2017

Award Number	Award Date	Award Period Start Date	Award Period End Date	Award Amount
2016-VC-GX-0020	8/17/2016	10/1/2015	9/30/2019	\$1,431,000
2017-VC-GX-0060	9/28/2017	10/1/2016	9/30/2020	1,295,000
Total:				\$ 2,726,000

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

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

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

The Grantee

As the Massachusetts state administering agency, the DAG was responsible for administering the VOCA victim compensation program. According to its website, the DAG is committed to empowering crime victims and providing them with the tools and support they need to begin the healing process. Within the DAG, the Victim Compensation and Assistance Division (VCAD) handles the day-to-day administration and oversight of the victim compensation VOCA grants. VCAD provides financial assistance to eligible victims of violent crime for uninsured medical and dental care, mental health counseling, funeral and burial costs, and income lost due to the inability to work, amongst other expenses.

OIG Audit Approach

The objective of the audit was to evaluate how the DAG 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.

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), DOJ Grants Financial Guide, the General Laws of Massachusetts: Chapter 258C, 940 CMR 14.00 (the Massachusetts Compensation of Victims of Violent Crimes), and the Victim Compensation Administrative Manual as our primary criteria. We reviewed relevant VCAD policies and procedures and interviewed VCAD personnel to determine how VOCA funds were administered. We also reviewed VCAD records reflecting grant activity.³ Additionally, we assessed VCAD's internal controls, implemented at the time of our audit, specific to its design, implementation, and operating effectiveness for those internal controls we deemed significant within the context of our audit objective.

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 VCAD's overall process for making victim compensation payments. We assessed VCAD's policies and procedures for providing compensation payments to victims, as well as the accuracy of the state certification forms.

Program Implementation

State administering agencies receive VOCA victim compensation grants to compensate victims for expenses incurred from criminal victimization. As the state administering agency for Massachusetts, the VCAD was responsible for the victim compensation program, including meeting all financial and programmatic requirements. When paying claims for victims, VCAD operated under the Massachusetts Compensation of Victims of Violent Crimes and the Victim Compensation Administrative Manual, which conveyed the state-specific policies for the victim compensation program. In assessing VCAD'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 VCAD had made to bring awareness to victims eligible for compensation program benefits.

Overall, we determined that VCAD's implementation of its victim compensation program was appropriate and in compliance with the VOCA Guidelines and the terms and conditions of the grants we audited. We found that VCAD had an established process for the intake, review, and payment or denial of individual compensation claims, and that VCAD had adequate separation of duties between the employees who reviewed the claims and the employee who authorized payment. However, we determined that the current claim process was ineffective and inefficient at providing timely payments to claimants. We also identified several issues with the accuracy of VCAD's annual state certification forms, including a lack of policies and procedures for completing the form.

New Policy

The Massachusetts legislature amended the Victims of Violent Crime statute (M.G.L. c258C) allowing VCAD to compensate specifically for funeral and burial expenses in cases where there is evidence of contributory conduct on the part of the deceased victim. This change has been in effect since April 13, 2018. Previously, contributory conduct on the part of the deceased victim could make a claim ineligible or eligible at 50 percent for all expenses allowed under the Program. Now VCAD can issue compensation for the verified funeral and burial expenses associated with these claims. However, VCAD cannot provide compensation for other types of expenses in these cases.

Public Outreach

We found that VCAD made efforts to enhance public awareness of available victim compensation benefits through outreach efforts that included training efforts and an annual Victim Rights Awareness calendar that is distributed to local and state police departments, advocate agencies, college campuses, hospitals, and funeral homes.

Claim Processing Time

VCAD staffing is primarily comprised of a Director, Deputy Director, an Intake Assistant, two Eligibility and Outreach Coordinators, and three Investigators. New applications for compensation are received and date-stamped by the Intake Assistant, who later reviews each application for completeness of information. The Intake Assistant requests a police report or other investigative checklist for each claim.

Once a police report is received, general claims go to the Eligibility and Outreach Coordinators for review and assessment of eligibility, except for homicide and Forensic Sexual Assault Examinations, which are expedited. The Eligibility and Outreach Coordinators review the police reports obtained in the intake process. If the claim is determined eligible, the initial eligibility letters are sent to the claimant and the claim is then filed for assignment by the Deputy Director.

Twice a month, the Deputy Director assigns eligible claims for investigation. The Investigator sends a Request for Information letter to the claimant that includes a checklist of items specific to their claim that are required for an award to be made. The Investigator reviews all bills, receipts, information, and verifies balances and dates of crime-related services, and sends appropriate verifications to providers, employers, funeral homes, Social Security, etc.

When an investigation is complete, the Investigator enters all submitted expenses into the case management system as approved or denied and forwards the claim with an Investigative Report to the Deputy Director for review and issuance of Notice of Award or Notice of Denial of Expenses. The Deputy Director reviews the expenses and updates the database with the resolution and the resolution date. If expenses are approved, a Notice of Award is sent to the claimant with a Notice of Assent for signature.

According to the VCAD Director, it takes approximately 6 to 8 months, on average, for VCAD to determine claim eligibility for general claims. As shown in Table 2, based on our review of VCAD case management system data, we found that the average amount of time it takes to determine claim eligibility was 8 months. Additionally, we found that it takes approximately 12 months, on average, for a general claim to receive its first payment. For expedited claims, such as homicide and Forensic Sexual Assault Examinations, the timeframe is much shorter, with an average of 3 months from claim processing to first payment.

Table 2
Average Claim Processing Time for General and Expedited Claims
Fiscal Years 2016 – 2019

Months	General Claims	Expedited Claims
0-2	Application Received Intake	Intake
		Eligibility
2-4		Investigation First Payment
4-6		
6-8		
8-10	Eligibility	
10-12	Investigation First Payment	

Source: OIG Analysis

VCAD currently operates on a “lag” in its review of compensation claim files. For example, applications submitted in January move to investigation generally in September of the same year. We asked VCAD officials why the claims process is so lengthy. According to the VCAD Director, obtaining documentation, such as the police report (during Intake), bills (during Investigation), or the signed Notice of Assent (after Investigation), can each take several months, if not longer.

While we found that VCAD had an established process for the intake, review, and payment or denial of individual compensation claims, and that VCAD had adequate separation of duties between the employees who reviewed the claims and the employee who authorized payments, we determined that VCAD’s current claim process is ineffective and inefficient at providing timely reimbursement to victims of crime. In our view, it is unreasonable to delay benefits to eligible claimants as crime victims may be struggling through financial hardship due to costs associated with the crime in addition to having to deal with the non-financial issues associated with the crime, and more timely payment may reduce such hardships. Therefore, we recommend that OJP work with VCAD to reevaluate their established process for claim processing to ensure timely reimbursement to victims of crime.

Annual State Certification

State administering agencies must submit an annual Crime Victim Compensation State Certification Form, which provides OVC the necessary information to determine future annual grant award amounts. 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 to, or on behalf of, victims from all funding sources. 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.⁴ 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 VCAD's controls for preparing the annual certification forms submitted to the OVC for FYs 2015 through 2018, which was used to calculate the award amounts granted in FYs 2017 through 2020.⁵ We were told that the Deputy Budget Director prepared and the VCAD Director reviewed the certification forms. According to the Deputy Budget Director, VCAD did not have any written policies and procedures for preparing the certifications at the time of our audit. In addition, the Deputy Budget Director informed us that VCAD did not maintain supporting documentation for certifications they prepared and that they were unable to recreate precise financial data extracted from existing accounting records and reconcile the figures reported in the certification forms submitted for the periods.

For our review, we used existing accounting records that the Deputy Budget Director produced in an effort to reconcile the reports. We also used additional supporting documentation from VCAD's case management system to review support for loss of property.

We attempted to reconcile the category amounts reported on the four annual certification forms we reviewed, but we could not verify most of them, including the amounts for refunds, restitution, and subrogation. When asked about these discrepancies, the Deputy Budget Director admitted that refunds and restitutions were not always sent to the same office within the DAG, which causes the amounts for refunds and restitutions to not always be accurately recorded.

We determined VCAD did not ensure that it correctly calculated the amounts reported on its annual certification forms. Based on our analysis, we could not determine if the unsupported amounts resulted in over or underreporting. As mentioned earlier, 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. Therefore, we recommend that OJP ensure VCAD implements and adheres to comprehensive written policies and procedures to ensure its certification forms are accurate, and supporting documentation is maintained to facilitate review and audit of funds awarded.

Program Requirements and Performance Reporting

To determine whether VCAD distributed VOCA victim compensation program funds to compensate victims of crime, we reviewed VCAD performance measures and performance documents that VCAD used to track goals and objectives. We

⁴ 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.

⁵ 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.

further examined OVC solicitations and award documents and verified VCAD compliance with special conditions governing recipient award activity.

Based on our overall assessment in the areas of program requirements and performance reporting, we believe that VCAD: (1) implemented adequate procedures to compile annual performance reports, and (2) complied with tested special conditions. However, we did identify a significant discrepancy related to a statistic reported in the annual performance report narrative.

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 requires states to submit quarterly performance data through the web-based Performance Measurement Tool (PMT). After the end of the fiscal year, State Administering Agencies, responsible for managing CVF awards, are required to produce the Annual State Performance Report and upload it to GMS.

For the victim compensation grants, 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.

We assessed whether VCAD's annual performance report to OVC accurately reflected the performance figures of the victim compensation program. VCAD used its electronic case management system to prepare its quarterly performance reports. To assess VCAD's performance, we compared the case management reports maintained quarterly by VCAD to its FY 2016 and FY 2017 quarterly performance reports submitted to OVC. We also sampled and tested metrics from every applicable metric category in the performance report, as listed above. Finally, we tested one statistic discussed in the narrative portion of the annual performance reports from FY 2016 through 2018 related to claim processing time.

Based on our review, we were able to reconcile all of the information reported to the OVC in VCAD's quarterly reports. VCAD also maintained supporting documentation for each of the figures reported in its quarterly performance reports. However, we were unable to reconcile a statistic reported in the narrative section in each of its annual performance reports, described below.

In the narrative section of the annual report, OVC asks states to provide the average length of time, in days, it takes to process an application for claim eligibility for compensation. VCAD reported 21 days in FY 2016, 19 days in FY 2017, and 37 days in FY 2018. We asked the VCAD Director about these reported numbers, and the VCAD Director explained that the figures provided in its annual reports represented the number of weeks as opposed to days, despite what the performance report stated. In addition to this error, our analysis of VCAD case management data found that the average claim processing time, which included

both general and expedited claims, was approximately 17 weeks (117 days) in FY 2016, 22 weeks (152 days) in FY 2017, and 12 weeks (88 days) in FY 2018. We believe that these discrepancies are significant, as seen in Table 3, and misreporting such performance data prevents OVC from properly monitoring how VOCA funds are handled.

Table 3
Average Claim Processing Time
Annual PMT Fiscal Years 2016 – 2018

Fiscal Year	VCAD Reported (in Days)	Supporting Documentation (in Days)	Difference (in Days)
2016	21	117	96
2017	19	152	133
2018	37	88	51

Source: OIG Analysis

We recommend that OJP ensure VCAD reviews and accurately reports all performance data so that OVC can properly monitor how VOCA funds are handled and spent.

Compliance with Special Conditions

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

1. Ensure that at least one key grantee official attends the annual VOCA National Training Conference.
2. Comply with applicable requirements regarding the System for Award Management (SAM), to include registering for a SAM account and maintaining the currency of information in the system.
3. Both the Point of Contact and all Financial Points of Contact for this award must have successfully completed the OJP Financial Management and Grant Administration Training.
4. Collect information regarding race, sex, and age of recipients of compensation benefits, where such information is voluntarily furnished.

We found that VCAD complied with all of the special conditions we reviewed for compliance.

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 VCAD's financial management of the VOCA victim compensation grants, we reviewed the process VCAD used to administer these funds by examining expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. To further evaluate VCAD's financial management of the VOCA victim compensation grants, we also reviewed the Single Audit Report for FY 2018. We also interviewed VCAD personnel who were responsible for financial aspects of the grants, reviewed VCAD's written policies and procedures, inspected award documents, and reviewed financial records.

As discussed below, in our overall assessment of grant financial management, we determined that VCAD generally implemented adequate controls over claim payments and administrative expenditures associated with managing the victim compensation program. We also did not identify significant deficiencies related to VCAD's process for developing drawdown requests and determined that it reported quarterly Federal Financial Reports accurately. However, during our testing of grant expenditures, we identified \$27,929 in unsupported claim expenses and an immaterial amount of unallowable administrative expense.

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. We also tested a sample of denied claims to ensure VCAD adequately adjudicated each claim in accordance with state policies and VOCA Guidelines. Based on our testing, we determined that most of the expenditures we reviewed were allowable, supported by adequate documentation, and approved in accordance with state policies and VOCA Guidelines. However, we identified several errors during our review of the victim compensation claims and administrative expenditures.

Victim Compensation Claim Expenditures

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

To evaluate VCAD's financial controls over VOCA victim compensation grant expenditures, we reviewed victim compensation claims to determine whether the

payments were accurate, allowable, timely, and in accordance with the policies of the VOCA Guidelines, the Massachusetts Compensation of Victims of Violent Crimes, and the Victim Compensation Administrative Manual. We judgmentally selected 15 claims, associated with 87 transactions, totaling approximately \$343,000. The transactions we reviewed included costs in the following categories: medical, funeral, mental health, lost wages, loss of support, forensic sexual assault exam, homemaker expenses, and catastrophic injury.⁶

- **Loss of Financial Support**

We reviewed a claim for loss of financial support to an eligible dependent of a deceased victim. According to the Massachusetts Victim Compensation Administrative Manual, in order to determine how an award is calculated, VCAD must first determine the nature of the dependency of the claimant as either fully dependent or partially dependent on the victim. According to VCAD's policy, full dependency is defined as when a claimant is wholly supported by the victim's income, while partial dependency is when the claimant either receives some direct financial support from the victim or is the beneficiary of court ordered support paid by the victim. VCAD policy further states that loss of financial support awards are calculated based on the financial support provided by the victim to the dependent, multiplied by the number of years for which the dependent would have remained financially dependent on the victim.

Additionally, in the case of dependents of homicide victims in Massachusetts, VCAD current policy classifies this as a catastrophic injury which entitles a claimant's allowable expenses to be compensated up to \$50,000. According to VCAD's policy, when a claim is classified as a catastrophic injury, the eligible payout increases to a maximum of \$50,000, or double the \$25,000 maximum payment amount for non-catastrophic claims.

The claim we reviewed involved an eligible dependent claimant who, at the time of the crime, was 18 years old, but had a court order which stated the victim was to provide weekly child support up until the claimant reached the age of 21. Based on our review of the claim supporting documentation, we determined the claimant was partially dependent on the victim; however, Massachusetts calculated the award amount as if the claimant was fully dependent, and used the victim's earnings to determine the award amount of \$34,746. We discussed this claim with officials who stated that upon further review of the documents in the file, the information demonstrated that the claimant was partially dependent upon the victim at the time of the crime, and the calculations of the loss of financial support were in error and should have been based on the court documented amount of child

⁶ According to VCAD policy, homemaker expenses may be awarded if the sole occupation of the victim at the time of the crime, and for 1 year preceding the crime, was limited to performing the duties and responsibilities of a homemaker, and if, as a direct result of injuries from the crime, the victim is disabled from continuing to provide some or all of the duties and responsibilities of a homemaker. Homemaker services include housekeeping, shopping, errands, meal preparation, laundry, and supervision of children.

support. Because of this error, the claimant received \$27,402 more than should have been awarded.

- **Lost Wages**

We also reviewed a claim where the claimant sought compensation for lost wages. According to the Massachusetts Victim Compensation Administrative Manual, to be eligible for lost wages, the claimant must demonstrate that they are disabled from working as a direct result of the crime. VCAD requested that the employer complete an Employment Verification Form verifying that the claimant was working at the time of the crime, to provide their net and gross salary, any used vacation, sick, or personal time during their crime related period of disability, as well as the receipt of any collateral benefits including, but not limited to, short-term or long-term disability, paid wages, or unemployment benefits.

For the claim we reviewed, the claimant's award for lost wages was based on the claimant's net weekly salary at the time of the crime. The victim's employer paid short-term disability for 13 weeks and long-term disability, at a reduced rate of 60 percent, for an additional 11 weeks. Based on our review, for the 11 weeks the victim received long-term disability, the claim payment should have been reduced to 40 percent. We discussed this issue with VCAD officials, and they concurred that the calculation was an error. Because of this error, the victim received \$527 more than should have been awarded.

As a result of these errors identified in the tested loss of financial support and lost wage claims, we question the costs associated with the unsupported amounts. We recommend that OJP remedy the \$27,929 in unsupported expenditures.

Denied Claims

We judgmentally selected five denied claims to review. To assess whether the documentation maintained in VCAD's case files adequately supported its decision to deny claims, we reviewed available documentation including the application for benefits, the police report from the law enforcement agency, and any other supporting documentation. Based on our review, we determined that the documentation maintained by VCAD adequately supported its decision to deny each of the five claims.

Administrative Expenditures

State administering agencies 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 VCAD's compliance with the 5 percent limit on the administrative category of expenses, as shown in Table 4.

Table 4
Administrative Expenditures

Award Number	Total Award	State Administrative Expenditures	Administrative Percentage
2016-VC-GX-0020	\$1,431,000	\$37,290	2.6%
2017-VC-GX-0060	\$1,295,000	\$38,479	3%

Source: OIG Analysis

We found that VCAD's administrative expenses did not exceed 5 percent of their total award. We compared the total administrative expenditures charged to the grants against the general ledger report derived from VADC's accounting system and determined that the state has complied with these limits.

In addition to assessing VCAD's compliance with the 5 percent administrative allowance threshold, we tested a sample of administrative expenditures to ensure these were allowable and supported by adequate documentation. Based on our analysis, VCAD used its administrative expenditures to pay personnel, indirect costs, travel for training, and public outreach. We judgmentally sampled 12 expenses, totaling approximately \$9,000, charged to the grant from each of these categories.

Based on our testing, we determined VCAD generally charged the grant for allowable expenses that were adequately supported; however, we did find one charge, for DAG office furniture, that was unallowable. According to the VCAD Director, this charge was the result of an administrative oversight that should have been detected. While the amount charged to the grant was immaterial, we still believe that a more robust policy would have prevented this unallowable expense. Therefore, we recommend that OJP ensure VCAD implement and adhere to written policies and procedures for processing administrative expenses that would prevent such unallowable expenses charged to the grant.

Crowdfunding

In its Notice of Assent letter, Massachusetts informs claimants of their "Duty to Notify [VCAD] about Payments from Other Sources." It states that if a claimant receives future payments resulting from the crime from any other source, including from the offender (restitution), insurance, civil lawsuit, or other payment source, the claimant is required by law to notify VCAD of the receipt of such payments. If the total payments exceed the actual losses, the claimant may be required to reimburse Massachusetts for some or all of the compensation award. This Notice of Assent Letter is signed by all claimants who receive an award from the Commonwealth.

During our claim expenditure testing, we sampled several claims that involved Boston Marathon bombing victims. From our audit research we determined that all of the victims' claims we reviewed had crowdfunding accounts established in their names. Most of the crowdfunding accounts we viewed received

hundreds of thousands of dollars and requested donations for the victims' growing medical expenses, lost wages, or travel for medical or mental health appointments.

We asked VCAD if it had any policies regarding crowdfunding platforms and whether such sources of funding were included in making claim determinations. The VCAD Director informed us that all compensable expenses of Boston Marathon victims were vetted by VCAD, including whether there were any other third-party sources of payment prior to compensation of any compensable expenses. The VCAD Director added that this is in addition to their signed statement from the Notice of Award. Additionally, the VCAD Director noted that Massachusetts did not have any policies related to crowdfunding platforms and had not received any guidance from OJP on the matter.

We discussed crowdsourcing funds with OJP and found that no official guidance has been released to State Administering Agencies about crowdfunding platforms. An attorney from the OJP Office of the General Counsel pointed out that the statutory provision that makes a state victim compensation program the "payer of last resort" applies only to "costs that a Federal program... or a Federally financed State or local program, would otherwise pay," and does not apply to crowdfunding accounts or require that crowdfunding be exhausted before the state compensation program may pay expenses.

Because of the lack of guidance provided to states for crowdfunding platforms and the various uncertainties on how to handle such funds, we recommend that OJP inform all State Administering Agencies (SAAs) nationwide of the applicable VOCA Compensation Program requirements regarding crowdfunding and develop appropriate resources to assist SAAs in addressing how crowdfunding affects victim compensation.

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 three additional fiscal years. To assess whether VCAD managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in VCAD's accounting system and accompanying financial records.

For the VOCA victim compensation awards, VCAD automatically draws down funds on a weekly basis based on expenditures in its accounting system. Table 5 shows the total amount drawn down for each grant as of February 12, 2020.

Table 5
Amount Drawn Down for Each Grant as of February 12, 2020

Award Number	Total Award	Award Period End Date	Amount Drawn Down	Amount Remaining
2016-VC-GX-0020	\$1,431,000	09/30/2019	\$1,431,000	\$0
2017-VC-GX-0060	\$1,295,000	09/30/2020	\$1,287,557	\$7,443
Total:	\$2,726,000		\$2,718,557	\$7,443

Source: OJP Payment History Reports

During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests. However, we identified deficiencies and questioned costs related to compliance of individual expenditures with grant requirements, as described in the Grant Expenditures sections above.

Financial Reporting

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether VCAD submitted accurate Federal Financial Reports, we compared all the reports due as of September 30, 2019, to its accounting records for each grant. We determined that quarterly and cumulative expenditures for the reports reviewed matched the accounting records.

CONCLUSION AND RECOMMENDATIONS

We found that VCAD used its grant funds to compensate eligible crime victims in accordance with the criteria governing the VOCA victim compensation program. We did not take issue with VCAD's federal financial reports or drawdowns. However, we identified several opportunities where VCAD could improve its performance reporting as well as implement and adhere to procedures for its annual state certification form. We identified an area of concern related to claim processing and the timeliness of victim compensation payments. We also identified several errors during our review of victim compensation claim and administrative expenditures. We provide six recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Work with VCAD to reevaluate their established process for claim processing to ensure timely reimbursement to victims of crime.
2. Ensure VCAD implements and adheres to comprehensive written policies and procedures to ensure its annual state certification forms are accurate, and supporting documentation is maintained to facilitate review and audit of funds awarded.
3. Ensure VCAD reviews and accurately reports all performance data so that OVC can properly monitor how VOCA funds are handled and spent.
4. Remedy the \$27,929 in unsupported expenditures.
5. Ensure VCAD implement and adhere to written policies and procedures for processing administrative expenses that would prevent such unallowable expenses charged to the grant.
6. Inform all SAAs nationwide of the applicable VOCA Compensation Program requirements regarding crowdfunding and develop appropriate resources to assist SAAs in addressing how crowdfunding affects victim compensation.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The objective of the audit was to evaluate how the Massachusetts Department of Attorney General (DAG) 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 2016-VC-GX-0020 and 2017-VC-GX-0060 from the Crime Victims Fund awarded to the DAG. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$2,726,000 to the DAG, which serves as the state administering agency. Within the DAG, the Victim Compensation and Assistance Division (VCAD) handles the day-to-day administration and oversight of the victim compensation VOCA grants. Our audit concentrated on, but was not limited to, the period of October 1, 2015, the project start date for VOCA compensation grant number 2016-VC-GX-0020, through March 2020. As of February 2020, VCAD had drawn down a total of \$2,718,557 from the two audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of VCAD's activities related to the audited grants, which included conducting interviews with Commonwealth of Massachusetts financial staff, examined policies and procedures, and reviewed grant documentation and financial records. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, 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, the General Laws of Massachusetts: Chapter 258C, 940 CMR 14.00, 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 VCAD's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems was verified with documents from other sources.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of VCAD to provide assurance on its internal control structure as a whole. VCAD management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. §200. Because we do not express an opinion on VCAD's internal control structure, we offer this statement solely for the information and use of VCAD and OJP.⁷

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objective:

Internal Control Components & Principles Significant to the Audit Objectives	
Control Activity Principles	
	Management should design control activities to achieve objectives and respond to risks.
	Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
	Management should implement control activities through policies.
Information & Communication Principles	
	Management should use quality information to achieve the entity's objectives.

We assessed the design, implementation, and/or operating effectiveness of these internal controls implemented at the time of our audit and identified deficiencies that we believe could affect the VCAD's ability to effectively and efficiently operate, to facilitate reporting of accurate state financial performance information, and to ensure compliance with laws and regulations. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to aspects of these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

⁷ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:⁸		
Unsupported Costs – Claim Review	<u>\$27,929</u>	11
TOTAL DOLLAR-RELATED FINDINGS	<u>\$27,929</u>	

⁸ **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.

APPENDIX 3

MASSACHUSETTS DEPARTMENT OF ATTORNEY GENERAL RESPONSE TO THE DRAFT AUDIT REPORT



MAURA HEALEY
ATTORNEY GENERAL

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF THE ATTORNEY GENERAL
ONE ASHBURTON PLACE
BOSTON, MASSACHUSETTS 02108

(617) 727-2200
(617) 727-4765 TTY
www.mass.gov/ago

June 30, 2020

Thomas O. Puezer
Regional Audit Manager
Philadelphia Regional Audit Office
Office of the Inspector General
United States Department of Justice
701 Market Street, Suite 2300
Philadelphia, PA 19106
VIA: Electronic Mail at: Thomas.O.Puezer@usdoj.gov

Re: Response to Audits 2016-VC-GX-0020 and 2017-VC-GX-0060

Dear Mr. Puezer:

The Massachusetts Attorney Generals' Office (AGO) Victim Compensation and Assistance Division (VCAD) is in receipt of the draft audit report dated June 9, 2020. On behalf of Attorney General Maura Healey, we are grateful for the cooperation of your office and staff demonstrated to our team during the audit process. Specifically, we'd like to thank [REDACTED], [REDACTED] and [REDACTED] for their time, effort and careful attention during this review.

The audit process provides VCAD with the opportunity to strengthen our program and make necessary changes to ensure that victims of violent crime in Massachusetts are provided with the best compensation program possible. As a critical financial assistance program for victims of violent crime, it is imperative that we continue to build upon this vital source of assistance for the survivors of violent crime.

We have had the opportunity to review the draft report and submit the following comments for your review.

Recommendation #1: OJP to work with VCAD to reevaluate their established process for claim processing to ensure timely reimbursement to victims of crime.

Response #1: We agree with the recommendation and will assess each stage of our review process to ensure the timely processing of claims and reimbursements. This will include more specific timeframes for eligibility decision-making in claims where limited law enforcement information is available. Updates to our processes will be reviewed by the AGO's Executive Bureau and discussed with OJP.

While VCAD will continue to look for ways to reduce the claims process time, it should be noted that not all delays are within the purview of the division. For example, one significant and reoccurring delay is the time it takes to receive the police report from the pertinent local police department. VCAD is considering ways to address this issue, within the confines of the authorizing statute and regulations. Additionally, delays in processing expenses may also be the result of unsubmitted expenses by the claimant that could, in fact, be eligible for reimbursement.

Recommendation #2: OJP will ensure VCAD implements and adheres to comprehensive written policies and procedures to ensure its annual state certification forms are accurate, and supporting documentation is maintained to facilitate review and audit of funds awarded.

Response #2: We agree with this recommendation and VCAD will work with our Budget Division to ensure that all data submitted is reviewed and reconciled prior to the submission of the annual state certification form.

It is our understanding that clear and accurate compliance with the state certification process is not limited to Massachusetts. Should OJP, or others, be considering ways to help promote consistency in filing, our team would welcome the support.

Recommendation #3: OJP will ensure VCAD reviews and accurately reports all performance data so that OVC can properly monitor how VOCA funds are handled and spent.

Response #3: We agree with this recommendation and will develop an internal policy of how data is collected and maintained for the quarterly PMT reports. Specifically, VCAD will utilize both the reports from CCVC and Budget to ensure reported information is accurate and has begun to do so at the time of the submission of this letter.

Recommendation #4: OJP will remedy the \$27,929 in unsupported expenditures.

Response #4: We agree and will work with OJP to remedy the \$27,929 in unsupported expenditures.

Recommendation #5: OJP will ensure VCAD implement and adhere to written policies and procedures for processing administrative expenses that would prevent such unallowable expenses charged to the grant.

Response #5: *We agree with this recommendation and VCAD, working with our Budget Division, will develop and implement a written policy and procedure for the processing of administrative expenses within the OJP Financial Guide to ensure preapproval of administrative expenses by the VCAD management team.*

While a written policy is under development, we would like to point out that this work is already underway. For example, it was brought to VCAD's attention that an unallowable cost was charged to the Program's administrative account. After the unallowable expense was identified in the audit process, VCAD worked immediately to rectify the issue with our Budget team.

Recommendation #6: OJP will develop guidance for all State Administering Agencies informing them of any requirements regarding crowdfunding funds.

Response #6: *We support this recommendation and encourage the work of OJP, NACVCB and other State Administering Agencies to implement any requirements regarding crowdfunding funds for eligible claims. Upon receipt of the guidance issued by OJP, the VCAD will assess these requirements in relation to our governing statute and regulations.*

Thank you for the opportunity to provide comments in response to your draft report. We look forward to working with you and your team on the implementing the recommendation in the weeks ahead.

Sincerely,



Ann Meola
Director
Victim Compensation & Assistance Division

cc: Linda Taylor, Linda.Taylor2@usdoj.gov;


OFFICE OF JUSTICE PROGRAMS RESPONSE TO THE
DRAFT REPORT



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

July 16, 2020

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

FROM: Ralph E. Martin
Director *Ralph E. Martin*

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Victim Compensation Grants Awarded to the Massachusetts Department of Attorney General, Boston, Massachusetts*

This memorandum is in reference to your correspondence, dated June 9, 2020, transmitting the above-referenced draft audit report for the Massachusetts Department of Attorney General (DAG), Victim Compensation Assistance Division (VCAD). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **six** recommendations and **\$27,929** in questioned costs. The following is the Office of Justice Programs' (OJP) 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 VCAD to reevaluate their established process for claim processing to ensure timely reimbursement to victims of crime.**

OJP agrees with this recommendation. We will coordinate with VCAD to reevaluate its established process for claim processing, to ensure the timely reimbursement to victims of crime.

2. **We recommend that OJP ensure VCAD implements and adheres to comprehensive written policies and procedures to ensure its annual state certification forms are accurate, and supporting documentation is maintained to facilitate review and audit of funds awarded.**

OJP agrees with this recommendation. We will coordinate with VCAD to obtain a copy of written policies and procedures, developed and implemented, to ensure that its annual Crime Victim Compensation (CVC) State Certification Forms are accurate, and that supporting documentation is maintained to facilitate review and audit of funds awarded.

3. **We recommend that OJP ensure VCAD reviews and accurately reports all performance data so that OVC can properly monitor how VOCA funds are handled and spent.**

OJP agrees with this recommendation. We will coordinate with VCAD to obtain a copy of written policies and procedures, developed and implemented, to ensure that it reviews and accurately reports all performance data, so that its Victims of Crime Act (VOCA) funds can be properly monitored by the Office for Victims of crime (OVC).

4. **We recommend that OJP remedy the \$27,929 in unsupported expenditures.**

OJP agrees with this recommendation. We will review the \$27,929 in questioned costs, related to unsupported claim expenditures under Award Numbers 2016-VC-GX-0020 and 2017-VC-GX-0060, and will work with VCAD to remedy, as appropriate.

5. **We recommend that OJP ensure VCAD implement and adhere to written policies and procedures for administrative expenses that would prevent such unallowable expenses charged to the grant.**

OJP agrees with this recommendation. We will coordinate with VCAD to obtain a copy of written policies and procedures, developed and implemented, to ensure that its processes prevent unallowable administrative expenses from being charged to its Federal grants.

6. **We recommend that OJP inform SAAs of the applicable VOCA Compensation Program requirements regarding crowdfunding and develop appropriate resources to assist SAAs in addressing how crowdfunding affects victim compensation.**

OJP agrees with this recommendation. OVC will discuss crowdfunding at a future advisory committee meeting, and obtain input from State Administering Agencies (SAAs) as to whether/how they have addressed crowdfunding in the compensation context. OVC will use the information it receives to produce a communication addressing the following: (1) VOCA and the Compensation regulations do not specifically address crowdfunding; (2) state law/rules may create requirements with regard to crowdfunding; and (3) identification of promising approaches that states use to address crowdfunding.

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

cc: Katharine T. Sullivan
Principal Deputy Assistant Attorney General

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

Jessica E. Hart
Director
Office for Victims of Crime

Bill Woolf
Senior Advisor
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

Deserea Jackson
Grants Management Specialist
Office for Victims of Crime

Leigh A. Benda
Chief Financial Officer

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

cc: 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 IT20200609150740

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 Office of Justice Programs (OJP) and the Massachusetts Department of Attorney General, Victim Compensation and Assistance Division (VCAD). VCAD's response is incorporated in Appendix 3 and OJP's response in Appendix 4 of this final report. VCAD either agreed with or supported all our recommendations. In its response, OJP agreed with all our recommendations and discussed the actions it plans to complete to address our recommendations. As a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and a summary of the actions necessary to close the report.

Recommendations for OJP:

1. Work with VCAD to reevaluate their established process for claim processing to ensure timely reimbursement to victims of crime.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with VCAD to reevaluate its established process for claim processing to ensure the timely reimbursement to victims of crime.

VCAD agreed with this recommendation. In its response, VCAD stated that it will assess each stage of its review process to ensure the timely processing of claims and reimbursements. This will include more specific timeframes for eligibility decision-making in claims where limited law enforcement information is available. VCAD further said that updates to its processes will be reviewed by the Attorney General's Office Executive Bureau and discussed with OJP.

This recommendation can be closed when we receive documentation demonstrating VCAD has reviewed and updated its claim reimbursement processes to address timeliness of claims processing.

2. Ensure VCAD implements and adheres to comprehensive written policies and procedures to ensure its annual state certification forms are accurate, and supporting documentation is maintained to facilitate review and audit of funds awarded.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with VCAD to obtain a copy of written policies and procedures, developed and implemented, to ensure that its annual state certification forms are accurate, and that supporting documentation is maintained to facilitate review and audit of funds awarded.

VCAD agreed with this recommendation. In its response, VCAD stated that it will work with their Budget Division to ensure that all data submitted is

reviewed and reconciled prior to the submission of the annual state certification form.

This recommendation can be closed when we receive documentation demonstrating VCAD has implemented comprehensive written policies and procedures to ensure its annual state certification forms are accurate and supporting documentation is maintained to facilitate review and audit of funds awarded.

3. Ensure VCAD reviews and accurately reports all performance data so that OVC can properly monitor how VOCA funds are handled and spent.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with VCAD to obtain a copy of written policies and procedures, developed and implemented, to ensure that it reviews and accurately reports all performance data, so that its Victims of Crime Act (VOCA) funds can be properly monitored by the Office for Victims of Crime (OVC).

VCAD agreed with this recommendation. In its response, VCAD stated that it will develop an internal policy of how data is collected and maintained for the quarterly PMT reports. Specifically, VCAD will utilize both the reports generated from its case management system and budget to ensure reported information is accurate. VCAD further said it began this effort at the time of its response to our report.

This recommendation can be closed when we receive documentation demonstrating VCAD has developed and implemented an internal policy on how data is collected and maintained for the quarterly PMT reports.

4. Remedy the \$27,929 in unsupported expenditures.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$27,929 in questioned costs, related to unsupported claim expenditures under Award Numbers 2016-VC-GX-0020 and 2017-VC-GX-0060, and will work with VCAD to remedy the expenditures as appropriate.

VCAD agreed with this recommendation and stated it will work with OJP to remedy the unsupported expenditures.

This recommendation can be closed when we receive documentation demonstrating that OJP has coordinated with VCAD to remedy the \$27,929 in unsupported claim expenditures.

5. Ensure VCAD implement and adhere to written policies and procedures for processing administrative expenses that would prevent such unallowable expenses charged to the grant.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with VCAD to obtain a copy of written policies and procedures, developed and implemented, to ensure that its processes prevent unallowable administrative expenses from being charged to its federal grants.

VCAD agreed with this recommendation. In its response, VCAD stated that it is currently working with their Budget Division to develop and implement a written policy and procedure for the processing of administrative expenses in conformity with the OJP Financial Guide to ensure preapproval of administrative expenses by the VCAD management team.

This recommendation can be closed when we receive documentation demonstrating VCAD has developed and implemented a written policy and procedure for the processing of administrative expenses.

6. Inform all SAAs nationwide of the applicable VOCA Compensation Program requirements regarding crowdfunding and develop appropriate resources to assist SAAs in addressing how crowdfunding affects victim compensation.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will discuss crowdfunding at a future advisory committee meeting and obtain input from State Administering Agencies (SAAs) as to whether/how they have addressed crowdfunding in the victim compensation context. OVC further stated it will use the information to produce a communication addressing the following: (1) VOCA and the Victim Compensation regulations do not specifically address crowdfunding; (2) state law/rules may create requirements with regard to crowdfunding; and (3) identification of promising approaches that SAAs use to address crowdfunding.

VCAD supported this recommendation. In its response, VCAD stated that upon receipt of the guidance issued by OJP, VCAD will assess these requirements in relation to its governing statute and regulations.

This recommendation can be closed when we receive documentation demonstrating OVC has produced a communication that addresses crowdfunding issues and identifies positive approaches all SAAs nationwide can use to address crowdfunding.