



# Review of the Office of Justice Programs' Administration of CARES Act Funding



21-130

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**SEPTEMBER 2021**

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# EXECUTIVE SUMMARY

## Review of the Office of Justice Programs' Administration of CARES Act Funding

### Objectives

The Department of Justice (DOJ) Office of the Inspector General (OIG) reviewed the Office of Justice Programs' (OJP) administration of Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding. Our preliminary objectives were to assess OJP's efforts to: (1) distribute Coronavirus Emergency Supplemental Funding (CESF) awards in a timely and efficient manner, and (2) review pre-award activities to determine if CESF awards were made in accordance with applicable laws, regulations, and other guidelines.

### Results in Brief

As detailed throughout our review, we found that OJP acted quickly to distribute CESF funding and that most recipient spending we reviewed appeared allowable under the terms and conditions of the awards. However, we noted that as of March 31, 2021, nearly a year after the first award was made, CESF recipients reported spending or obligating just 40 percent of the total amount awarded. As the country continues to make progress in combatting the ongoing pandemic, OJP must continue to carefully monitor CESF funds to ensure they are spent in the manner intended.

We also found that some OJP staff reported that they did not receive training on the CESF program or were dissatisfied with the training they received. Further, some award managers reported that CESF performance reports do not contain the information necessary to effectively oversee CESF awards.

### Recommendations

Our report contains three recommendations to assist OJP with CESF training efforts and performance report submissions. We requested a response to our draft report from OJP, which can be found in Appendix 2. Our analysis of its response is included in Appendix 3.

### Review Results

On March 27, 2020, U.S. Congress passed the CARES Act, which provided over \$2 trillion in funding intended to strengthen the national response to the COVID-19 global pandemic. Of this amount, approximately \$1.007 billion was appropriated to DOJ, with \$850 million (84 percent of the total) allocated to DOJ's OJP to award CESF grants for the purposes of preventing, preparing for, and responding to the Coronavirus.

On July 9, 2020, the OIG issued its first interim report on OJP's administration of CARES Act funding, which covered activity through the CESF solicitation's initial open period. Our second interim report was issued on November 17, 2020, and provided updates related to OJP's award activity, recipient drawdowns, expenditures, and program activities

### CESF Award Distribution and Spending

OJP made its first CESF award on April 3, 2020 and awarded 99.7 percent of the \$850 million received by August 2020. However, we found that as of March 31, 2021, nearly a year after the first award was made, recipients reported spending or obligating just \$340 million in CESF funds (40 percent of the total amount awarded). As the country continues to make progress in combatting the ongoing pandemic, and as the need for items funded under the CESF program – such as personal protective equipment and overtime costs for emergency responders – may be reduced due to wide availability of COVID-19 vaccines, OJP must continue to carefully monitor CESF awards to ensure those funds are spent in the manner intended, or returned to OJP as required. To help address these concerns in July 2021, OJP initiated a CESF outreach plan to provide additional assistance to CESF recipients and is coordinating with the National Criminal Justice Association to provide additional guidance to CESF recipients.

## **OIG Review of CESF Accounting Records and Performance Reports**

We also reviewed 30 general ledgers and performance reports from CESF award recipients and found that most grant activities and expenditures appeared allowable under the terms and conditions of the award. However, we identified instances of unallowable payments to a membership-based, not-for-profit organization. We identified similar payments in our previous review. In both instances, we notified OJP of the unallowable payments, and OJP acted quickly to remedy the issue with the CESF community. This issue is discussed in more detail later in this report.

## **OIG Survey of OJP Grant Managers**

Finally, we surveyed OJP grant managers to obtain feedback on the CESF program. In some cases, those grant managers stated that the information provided by CESF recipients in performance reports was not sufficient to effectively oversee CESF awards. Further, some grant managers stated that they did not receive training on the CESF program, and others were dissatisfied with the training they received. As discussed in more detail later in this report, we requested that OJP provide records of CESF staff training to determine if staff charged with CESF oversight duties had in fact received CESF training. OJP stated that it did not maintain records of who attended CESF training; therefore, we were unable to verify if training was provided to all staff charged with CESF oversight duties at the time the training was provided. To address these issues, we make three recommendations to OJP to assist in future administration of CARES Act funds.

## **Ongoing OIG Oversight of CESF Funds**

Our review of OJP's administration of the CESF began in April 2020 and, as discussed throughout this report, resulted in the issuance of two interim reports and this report. Throughout our review, we communicated areas of concern to OJP, and OJP acted quickly to respond to those concerns. However, some issues—such as the need to work proactively to identify and mitigate fraud schemes targeting CARES Act funds (detailed in our first interim report), and to ensure continued adherence to internal policies and procedures related to high risk grantees (detailed in our second interim report), as well as the areas of concern identified in this report—should remain areas of focus for OJP throughout its CESF administration efforts.

With this report, we have completed our review of OJP's initial distribution of CESF funds. The OIG will continue monitoring OJP's management of CESF awards and may perform future audits to ensure the appropriate expenditures of CESF funds. Additionally, the OIG continues to partner with the Pandemic Response Accountability Committee to review and assess CARES Act spending across the federal government.

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## Introduction

On March 27, 2020, U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which provided over \$2 trillion in funding intended to strengthen the national response to the COVID-19 global pandemic. Of this amount, approximately \$1.007 billion was appropriated to the Department of Justice (DOJ), with \$850 million (84 percent of the total) allocated to DOJ's Office of Justice Programs (OJP) to award Coronavirus Emergency Supplemental Funding (CESF) grants for the purposes of preventing, preparing for, and responding to the Coronavirus. The OIG initiated a review of OJP's administration of CARES Act funding on April 23, 2020.

### CESF Program Background

All CARES Act funding appropriated to OJP is being administered through the CESF, which aids eligible states, U.S. territories, the District of Columbia, units of local government, and tribes in preventing, preparing for, and responding to the coronavirus. Allowable uses of CESF funding include, but are not limited to, overtime, equipment (including law enforcement and medical personal protective equipment), hiring, training, supplies (such as gloves, masks, and sanitizer), travel expenses, and addressing the medical needs of inmates in state, local, and tribal prisons. Additional detail on CESF program background can be found in our [first](#) and [second](#) interim reports.<sup>1</sup>

### OIG Review Approach

The DOJ Office of the Inspector General (OIG) reviewed OJP's administration of CARES Act funding. Our preliminary objectives were to assess OJP's efforts to: (1) distribute Coronavirus award funding in a timely and efficient manner, and (2) review pre-award activities to determine if Coronavirus awards were made in accordance with applicable laws, regulations, and other guidelines.

On July 9, 2020, the OIG issued its first interim report on OJP's administration of CARES Act funding, which covered activity through the CESF solicitation's initial open period. Our second interim report was issued on November 17, 2020, and provided updates related to OJP's award activity, recipient drawdowns, expenditures, and program activities. With this report, we have completed our review of OJP's initial distribution of CESF funds. The OIG will continue monitoring OJP's management of CESF awards and may perform future audits to ensure the appropriate expenditures of CESF funds. Additionally, the DOJ OIG continues to partner with the Pandemic Response Accountability Committee to review and assess CARES Act spending across the federal government.

### OIG Survey of Bureau of Justice Assistance Staff

On April 21, 2021, the OIG distributed a survey to 53 OJP Bureau of Justice Assistance (BJA) employees charged with oversight of CESF awards. Our survey was designed to obtain feedback on the CESF program, including staff views on: (1) training provided by OJP; (2) challenges in monitoring CESF awards, including those stemming from the remote working environment necessitated by the pandemic; and (3) recipient

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<sup>1</sup> DOJ OIG, *Interim Report – Review of OJP's Administration of CARES Act Funding*, 1-2; *Interim Report II – Review of OJP's Administration of CARES Act Funding*, 1-2.

ability to effectively implement their CESF awards. On average, survey respondents reported overseeing 144 OJP grant awards, including 31 CESF awards.

Our survey was open through May 7, 2021, and we received 27 responses (a 51 percent response rate). While the survey allowed us to aggregate overall satisfaction or concern with program areas, we also requested narrative responses to assist in identifying consensus surrounding specific challenges to award administration. Aggregate and narrative survey results are included in relevant sections throughout this final report.<sup>2</sup>

## DOJ's Transition to New Grant Award and Financial Management Systems

In October 2020, DOJ transitioned from the Grants Management System (GMS) to the Justice Grants System (JustGrants). These systems served or serve as a repository for all award-related documentation, such as the initial award package, Federal Financial Reports (FFRs), performance reports, award adjustments or modifications, and closeout packages. DOJ also transitioned from the Grants Payment Request System (GPRS) to the Automated Standard Application for Payments (ASAP), the U.S. Department of the Treasury system through which award recipients access DOJ funding.

DOJ's system transition caused issues for award recipients such as [delays in accessing the system itself](#) and [complications related to report submission](#).<sup>3</sup> To assess the impact on CESF awards, we included two questions specific to the transition in our BJA staff survey. As shown in Figure 1, approximately 78 percent of respondents indicated that the transition affected their ability to monitor CESF awards.

Twenty one of the 27 respondents provided a narrative response to this question. We reviewed those responses and found that nearly all areas of concern related to technical issues with JustGrants (16 respondents), or a lack of training on this new system (seven respondents, four of whom also expressed concerns related to technical issues with JustGrants).

**Figure 1. Survey Response – Grant Management System Effect on Award Monitoring**

*Has the transition to JustGrants affected your ability to monitor CESF awards?*



Source: OIG survey of BJA staff; results include 21 "Yes" responses and 6 "No" responses.

<sup>2</sup> The OIG's survey instrument included three questions that are not reported here. One question requested demographic information about the survey respondents and are not reported here to protect the anonymity of respondents. Two other questions asked for general feedback not covered elsewhere in our survey, or for the respondent to identify specific grants that the respondent believed the OIG should audit; no specific grants were identified in response to that question.

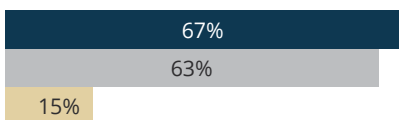
<sup>3</sup> DOJ, "[FFR Reporting Deadline Extended and JustGrants Onboarding Update](https://justicegrants.usdoj.gov/sites/g/files/xyckuh296/files/media/document/news-ffr-report-deadline-ext.pdf)," November 19, 2020, <https://justicegrants.usdoj.gov/sites/g/files/xyckuh296/files/media/document/news-ffr-report-deadline-ext.pdf> (accessed June 28, 2021) and "[JustGrants: Important Information on Financial and Progress Reporting and Closeout Requirements](https://justicegrants.usdoj.gov/sites/g/files/xyckuh296/files/media/document/news-closeout-reqmnt-01272021.pdf)," January 27, 2021, <https://justicegrants.usdoj.gov/sites/g/files/xyckuh296/files/media/document/news-closeout-reqmnt-01272021.pdf> (accessed June 28, 2021).



We provided a draft copy of this report to OJP for review, and OJP officials stated that, since June 2020 (prior to the transition to JustGrants), OJP has offered numerous training opportunities for DOJ staff to enhance their knowledge of JustGrants, including facilitated virtual instructor-led trainings, ongoing office hours sessions for on-the-spot technical assistance, and weekly status briefings. Specifically, OJP officials stated that, since June 2020, OJP has facilitated over 30 instructor-led sessions for approximately 1,600 DOJ staff on all modules of JustGrants and, since January 2021, approximately 270 office hours sessions were attended by approximately 370 DOJ personnel. These officials also stated that, since March 2021, OJP has facilitated 25 weekly JustGrants status briefings attended by approximately 100-250 staff members per session to provide a forum for learning about JustGrants, how to navigate known issues, and how to get additional support. The OIG did not audit these statements.

**Figure 2. Survey Response – New Grant and Financial Management System Effect on Award Recipients**

*Has the transition to JustGrants or ASAP affected recipient ability to implement CESF awards?*



- *Yes, the transition to ASAP has affected recipient ability to implement CESF awards.*
- *Yes, the transition to JustGrants has affected recipient ability to implement CESF awards.*
- *No, the transition to JustGrants and ASAP has not affected recipient ability to implement CESF awards.*

Source: OIG survey of BJA staff; this question allowed respondents to select more than one response. In total, 18 respondents stated that the transition to ASAP affected recipients; 17 stated that the transition to JustGrants affected recipients; 4 stated that neither had affected recipients.

Finally, BJA staff reported concerns with recipient progress reports. Specifically, 11 respondents stated that the transition had adversely affected recipient ability to submit performance reports to OJP for review.

Performance reports provide information relevant to the performance and activities of CESF awards, and grant managers rely on these reports to review award accomplishments. In April 2021, OJP [issued an announcement](#) acknowledging that while over 9,300 performance reports had been successfully submitted, "there have been individual cases where system issues are preventing grantees from submitting their reports and the JustGrants team is working to fix these issues."<sup>4</sup>

We also asked BJA staff about the impact of the transition to JustGrants and ASAP on award recipients. The results are shown in Figure 2.

Again, 21 out of 27 respondents provided a narrative response to this question. We reviewed those responses and determined that the overwhelming challenge to award recipients fell into the categories of system issues (17 respondents discussed general system or technical issues that impacted CESF award recipients). Within those 17 responses, we identified: (1) nine respondents who stated that award recipients experienced issues with onboarding or setting up accounts in JustGrants; and (2) five respondents who specifically stated that grantees expressed challenges in accessing grant funds.

<sup>4</sup> DOJ, "[Review Updated DOJ Guidance on Performance Reporting and Federal Financial Reporting](https://justicegrants.usdoj.gov/sites/g/files/xyckuh296/files/media/document/news-ffr-pr-extend-042121.pdf)," November 19, 2020, <https://justicegrants.usdoj.gov/sites/g/files/xyckuh296/files/media/document/news-ffr-pr-extend-042121.pdf> (accessed June 28, 2021).

In response to a draft of this report, OJP officials stated that as of September 7, 2021, 91 CESF recipients had not completed their ASAP entity enrollment and that an OJP customer service center had received and resolved over 8,800 ASAP-related inquiries. Further, while OJP officials acknowledged that there were some technical issues early in the JustGrants transition, they told us that OJP worked quickly to identify and remedy those issues. OJP officials stated that at least 371 CESF recipient submitted their FFRs covering January to March 2021 by the April 30th due date (the OIG notes that the CESF program has a total of over 1,800 CESF recipients). Further, OJP stated that as of this same date, of the 4,452 performance reports due, 983 were delinquent. In addition, OJP officials stated that there were 2,719 instances of CESF recipients successfully submitting performance report question set answers in JustGrants. The OIG did not audit these statements.

In May 2021, the OIG [published an alert](#) that summarized these and other issues, and in August 2021, the OIG [initiated an audit](#) of the JustGrants contract and implementation of the system, in which the OIG will address any issues specific to JustGrants; therefore, we make no recommendations specific to JustGrants at this time.

## CESF Drawdowns and Reported Expenditures

Consistent with the CESF program's purpose to provide assistance in response to the coronavirus, OJP determined that eligible recipients may draw down funds either in advance of an expenditure or on a reimbursable basis. Additionally, recipients report award expenditures using the FFR, which shows the actual funds that have been spent (expenditures), and any bills that will be paid (unliquidated obligations) at the recipient or subrecipient level, for each award.

OJP made its first CESF award on April 3, 2020 and awarded 99.7 percent of the \$850 million received by August 2020. In our [second interim report](#), we found that as of June 30, 2020, CESF recipients had drawn down a total of \$273,044,373 in award funds (32 percent of the total amount available under the CESF) and reported spending or obligating a total of \$75,702,823 (9 percent of the total available, and 28 percent of the total drawn down). A total of 1,215 recipients, or 67 percent of the 1,827 total CESF recipients, had reported no expenditures as of that date.

As part of our current work, we analyzed total drawdowns and total expenditures through March 31, 2021, the most recent period for which aggregate financial reporting was available at the time of our analysis. As shown in Figure 3, recipients had drawn down a total of \$474,792,268 in award funds (56 percent of the total amount available under the CESF) and reported spending or obligating a total of \$339,752,108 (40 percent of the total available and 72 percent of the total drawn down).<sup>5</sup> This represents a significant increase over the 28 percent of funds spent in relation to funds drawn down as of June 30, 2020.

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<sup>5</sup> DOJ suspended drawdowns in GPRS on September 22, 2020. On October 1, 2020, OJP transferred all prior drawdowns from GPRS to JEDI, the system through which OJP and the OIG access drawdown records, as one cumulative amount. We use this cumulative transfer amount for our analysis in Figure 3. Drawdowns resumed through ASAP beginning on October 15<sup>th</sup> but, as noted elsewhere in this report, often experienced delays.

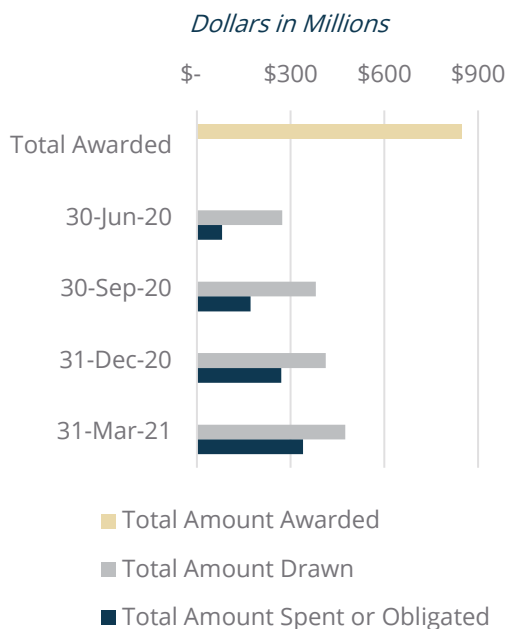


Although advance drawdowns are allowable under the terms and conditions of the CESF, we believe significant lapses of time between draw down and expenditure may indicate difficulties in implementing award goals and objectives, or ongoing issues with locating supplies or equipment that constitute allowable purchases under the CESF. Given the ongoing disparities between drawdowns and reported expenditures, we asked OJP officials if procedures were in place to monitor advance drawdown activity. OJP reported that in March 2021 BJA broadened its financial guidance to ensure CESF grant managers monitor CESF awards for compliance with award special conditions related to advance drawdowns.<sup>6</sup>

In light of this guidance, because advance drawdowns are allowable, and because the disparity between funds spent and funds drawn down had decreased significantly as of March 31, 2021, the OIG makes no recommendations to OJP regarding the disparity between drawdowns and expenditures. However, we consider the 60 percent of CESF funds that was not obligated or spent as of March 31, 2021, to be an issue that will require OJP's careful monitoring. This monitoring will be particularly important in light of the evolving pandemic response because, as the country continues to make progress in combatting the pandemic, vaccines become more widely available, and if local jurisdiction mask mandates are lifted, the need for award recipients to purchase items that are authorized under the CESF—such as personal protective equipment and overtime costs for emergency responders—may decrease.

On July 6, 2021, BJA initiated an outreach plan to provide additional assistance to CESF recipients. First, BJA contacted state and local CESF recipients and summarized projects and purchases that are allowable under the CESF solicitation. BJA also identified new areas in which CESF funds may be spent, such as: (1) enhancing resources to assist in developing or improving case management systems to eliminate the backlog of court cases that built during the pandemic, (2) developing tools to support diversion and alternatives to incarceration as part of the review of backlogged cases due to the coronavirus, and (3)

**Figure 3. CESF Spending Through March 2021**



Source: OJP and the Justice Department Enterprise Data Integration and BI Portal

<sup>6</sup> Specifically, if award funds are being drawn down in advance, the recipient (or a subrecipient, with respect to a subaward) is required to establish an interest-bearing account and must generally maintain advance payments of federal awards in that account. The award funds, including any interest, may not be used to pay debts or expenses incurred by other activities beyond the scope of the CESF program. The recipient also agrees to obligate the award funds in the account (including any interest earned) during the period of performance for the award and expend within 120 days thereafter. Any unobligated or unexpended funds, including interest earned, must be returned to OJP at the time of closeout.

supporting enhanced jail operations and mitigation efforts within jails as a result of the coronavirus pandemic.

BJA is also coordinating with the National Criminal Justice Association (NCJA) to provide additional guidance to CESF recipients. Specifically, between July 20, 2021 and August 24, 2021, the NCJA is conducting individual outreach calls to state administering agencies with an unobligated balance of 60 percent or greater, and will coordinate with those states to discuss ways state and local recipients can utilize funding for the reopening of the criminal justice system. Further, the NCJA has created and distributed [additional criminal justice resources](#) intended to assist CESF recipients throughout the remaining award period. BJA stated that, in

October 2021, it intends to reassess balances that remain on CESF awards and conduct additional outreach to CESF recipients, as necessary.

**Figure 4. Survey Response – Recipient Implementation of CESF Awards**

*Did the CESF recipients assigned to you encounter other challenges in implementing their awards?*



- *Recipients have not reported challenges in implementing their CESF awards.*
- *Recipients have only reported challenges that are typical for all awards.*
- *Recipients have reported challenges with CESF awards that are not typical for other awards.*
- *Other*

Source: OIG survey of BJA staff ; results include 5 “Recipients have not reported challenges,” 13 “Recipients have only reported challenges typical for all awards,” 4 “Recipients have reported challenges with CESF awards that are not typical for other awards,” and 5 “Other.”

Our analysis of expenditure data also identified 879 award recipients who received a total of \$542,579,965 and had over 50 percent of award funds remaining; within that total, we identified 495 recipients with over 99 percent of their funds remaining. To determine the reasons for these apparent delays in spending, we selected a sample of 30 award recipients with over 99 percent funds remaining and requested that they provide a brief narrative explaining: (1) why CESF funds were not utilized as of March 2021, (2) if those recipients intended to use CESF funds within the next 6 months, and (3) to report any issues with delayed financial reporting. In response, 23 of the 30 recipients we contacted stated that they had spent CESF funds as of June 2021. Regarding delays in using award funds, 11 respondents stated they had issues with JustGrants, 5 stated they had issues with acquiring access to ASAP, and 5 stated they had challenges sourcing items. In some cases, recipients with issues related to JustGrants reported being unable to access the system for months and, as of June 2021, two recipients reported that they still did not have access. Additionally, six recipients stated that other CARES Act funding was prioritized over CESF funds, or that CESF spending was delayed to avoid the appearance of supplanting.<sup>7</sup>

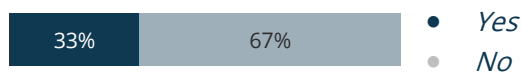
<sup>7</sup> Federal funds must be used to supplement existing state and local funds for program activities and must not supplant (replace) those funds that have been appropriated for the same purpose. As noted in our second interim report, the CARES Act provided funding to other federal agencies that, in some cases, duplicated activities deemed allowable under the CESF. Further, CESF recipients may have received funds from state and local organizations also intended to combat the pandemic.

These responses from CESF award recipients were often consistent with BJA staff responses to our survey, as shown in Figure 4. Specifically, only 15 percent of BJA award managers stated that CESF recipients reported challenges that were not typical for any award.<sup>8</sup> Twelve of the 27 respondents to this question provided a narrative response. In those responses, BJA staff discussed challenges related to:

(1) managing different sources of CARES Act funds, including managing these funds to avoid potential issues with supplanting (one respondent); (2) difficulty in locating and ordering supplies that have been in high demand, such as personal protective equipment or hand sanitizer (four respondents); and (3) challenges related to DOJ's transition to JustGrants (four respondents). These responses were also consistent with challenges reported to us in our August/September 2020 survey of CESF award recipients; those survey results can be found in our [second interim report](#).<sup>9</sup>

**Figure 5. Survey Response – CESF Program Improvements to Assist BJA Oversight**

*Could improvements be made to the CESF program that would assist in your monitoring duties?*



Source: OIG survey of BJA staff; results include 9 “Yes” responses and 18 “No” responses.

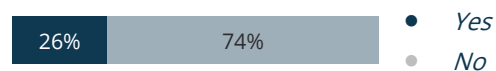
We also asked BJA staff if improvements could be made to the CESF program that would assist BJA staff in their monitoring duties, or otherwise assist CESF award recipients, as shown in Figure 5.

Eleven of the 27 respondents provided a narrative response to this question. In those responses, some BJA staff discussed the need for in-person monitoring (two respondents). Others requested more guidance for award recipients, including additional detail on allowable uses of CESF funds (three respondents).

Concerns regarding the need for clarified or enhanced guidance on allowable costs were echoed in responses to a separate question about CESF program improvements that would assist award recipients, as shown in Figure 6. Nine of the 27 respondents provided a narrative response to this question. Some of those responses continued to discuss issues with JustGrants (two respondents) or voiced general concerns regarding BJA grant manager workload (two respondents). However, other individual respondents mentioned the need for clear guidance on allowable costs, including detailed uniform guidelines on requirements for reporting, additional guidance on the award acceptance process, and clear guidance – including clear restrictions – on how CESF funds can be used. Additionally, other respondents discussed the

**Figure 6. Survey Response – CESF Program Improvements to Assist Award Recipients**

*Could improvements be made to the CESF program that would assist in your monitoring duties?*



Source: OIG survey of BJA staff; results include 7 “Yes” responses and 20 “No” responses.

<sup>8</sup> All grant awards have challenges, which may include hiring staff necessary to implement the award, ensuring compliance with award special conditions, and meeting all goals and objectives of the award.

<sup>9</sup> DOJ OIG, *Interim Report II – Review of OJP’s Administration of CARES Act Funding*, 3-4.

need for enhanced guidance to assist CESF recipients in understanding what is required of them when submitting performance reports, including a more robust report that specifically solicits information on activities undertaken to prepare for or respond to the coronavirus. We discuss award manager concerns with current performance reports in more detail later in this report.

Finally, we asked BJA staff if they encountered other challenges in monitoring CESF awards. As shown in Figure 7, only 11 percent of staff reported that they had encountered challenges that were not typical of other awards. Eleven of the 27 respondents provided a narrative response to this question. In addition to ongoing discussion of the transition to JustGrants (mentioned by four respondents), some award managers mentioned challenges related to monitoring new recipients who are unfamiliar with federal awards (three respondents), and recipient confusion regarding reporting requirements (one respondent).<sup>10</sup>

## OIG Review of CESF Recipient Accounting Records

To assess recipient spending, we requested accounting records from a judgmental sample of 30 CESF recipients who had drawn down CESF funds at the time of our analysis. In total, these 30 recipients requested \$100,614,705 in CESF drawdowns as of May 3, 2021, and the award accounting records supported expenses totaling \$25,872,166 (26 percent of the total drawn down).

We reviewed these accounting records to determine if reported expenditures appeared to be allowable under the terms of the CESF program. While we found that most expenditures appeared reasonable and allowable under the program, we identified a continued area of concern. Specifically, during our previous review of CESF accounting records, detailed in our [second interim report](#), we identified a payment made for a “special assessment of dues” at the request of a membership-based, not-for-profit organization that represents justice system concerns to the federal government and provides assistance to member organizations. We contacted OJP regarding allowability of the payment at that time, and OJP determined the payment to be unallowable. In response, OJP created and distributed guidance notifying the CESF community that the cost was unallowable.

In our current review, we identified two additional payments, from two additional state administering agencies, in the amount of \$1,842 each to the same organization. Both state administering agencies in our

**Figure 7. Survey Response – Other Challenges in Monitoring CESF Awards**

*Have you encountered other challenges in monitoring the CESF awards assigned to you?*



- *I have not encountered any challenges*
- *I have only encountered challenges that are typical of all awards*
- *I have encountered challenges with CESF awards that are not typical for my other awards*
- *Other (please describe)*

Source: OIG Survey of BJA Staff; results include 10 “I have not encountered any challenges,” 9 “I have only encountered challenges that are typical of all awards,” 3 “I have encountered challenges with CESF awards that are not typical for my other awards,” and 5 “Other.”

<sup>10</sup> Respondents who selected “Other” and provided a narrative response generally discussed the ongoing issues with JustGrants or staff workload.

current sample received the additional guidance and took corrective actions but had not corrected their accounting records as of April 2021. We again contacted OJP regarding these expenses and OJP provided evidence that, within 4 days of our communication, it had created and distributed additional guidance notifying the state administering agency partners that the cost was unallowable.

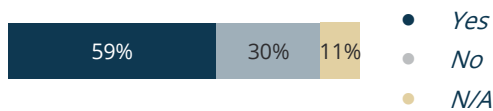
We also compared the recipient accounting records to COVID-related complaints submitted to the OIG’s fraud hotline and did not identify any purchases related to entities listed in the complaints.

## OIG Review of CESF Recipient Performance Reports

We reviewed performance reports for each of the 30 CESF recipients in our sample to determine if reported award activities appeared to be consistent with the goals of the CESF program. In general, state recipients hired administrative staff and contacted stakeholders regarding subawards, and local recipients purchased items that were approved in award documents. We found no indication that reported award activities were inconsistent with the CESF program.<sup>11</sup>

**Figure 8. Survey Response – Information in CESF Performance Reports**

*Do current performance reporting requirements provide the information you need to effectively oversee CESF awards?*



Source: OIG survey of BJA staff; results include 16 “Yes” responses, 8 “No” responses, and 3 “Not Applicable.”

Further, we asked BJA staff if the information requested from recipients in CESF performance reports provided information necessary to oversee CESF awards. As shown in Figure 8, 59 percent of those surveyed responded in the affirmative.<sup>12</sup>

Thirteen of the 27 respondents provided a narrative response to this question. Those narrative responses often discussed challenges related to recipient inability to submit performance reports in JustGrants (six respondents); two of those respondents also expressed concerns regarding their inability to request changes from award recipients through that system. However, others had more specific concerns, and stated that some recipients seemed confused by the wording of questions in performance reports, or left questions blank (five respondents, three of whom also discussed separate

concerns related specifically to JustGrants).

In response to a draft of our report, OJP officials stated that BJA believes the reported concerns relate to JustGrants, and not grantee understanding of what to report for performance. Further, OJP officials stated that a preliminary analysis of progress report questions related to reporting overtime hours and jobs found “almost no evidence of unclarity within grantee responses.” OJP officials also stated that participants at a December 2020 training event had very few questions regarding the clarity of the reporting questions;

<sup>11</sup> As of May 13, 2021, 2 of the 30 award recipients had not submitted a progress report for period ending June 30, 2020, and 9 of the 30 recipients had not submitted a progress report for period ending December 31, 2020. As previously noted, OJP award recipients experienced issues preventing them from submitting reports through JustGrants throughout the time our field work was conducted.

rather, most questions were related to JustGrants. The OIG did not audit these statements. However, our results indicate that OJP may benefit from conducting a review of CESF performance reports to ensure recipients are providing accurate information to OJP. Therefore, we recommend that OJP assess the extent to which dissatisfaction with current performance reporting is limited to the transition to JustGrants, and, if necessary, provide clarification to the CESF community as to the type of information BJA expects to receive on its semi-annual progress reports in the future.

## BJA Training and Remote Oversight

As part of our staff survey, we asked several questions regarding BJA staff ability to effectively oversee CESF awards. We first asked if the CESF training provided to BJA staff was adequate. As shown in Figure 9, approximately 74 percent of survey respondents stated that they agreed, or strongly agreed, that the training adequately prepared them to successfully monitor CESF awards.

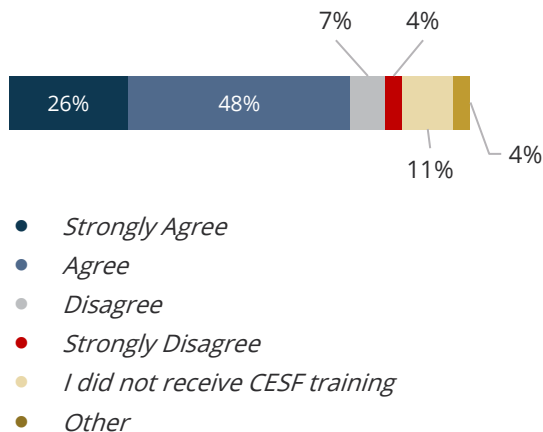
However, we also noted that 11 percent of respondents (three individuals) disagreed or strongly disagreed that the training provided was adequate, and an additional 11 percent (again, three individuals) reported that they did not receive CESF training.<sup>13</sup>

OJP did provide training to BJA staff in April 2020. This training included guidance related to the review and approval of CESF applications, unallowable costs, and other issues related to award administration. However, given that approximately 22 percent of survey respondents either stated they did not receive training or expressed dissatisfaction with the training provided, we communicated our concerns to OJP. Specifically, we asked if OJP maintained a record of who had attended the training, if the training was recorded for later viewing, and if OJP had provided any follow-up training on the CESF program to BJA staff.

OJP stated that it did not maintain a record of who attended the CESF training, but that it was mandatory for all staff unless on approved leave or official travel. Because our survey was anonymous, and because OJP did not maintain records of who attended CESF training, we are unable to determine if respondents who selected "I did not receive CESF training" were charged with CESF oversight duties after the April 2020

**Figure 9. Survey Response – CESF Training for BJA Staff**

*I received adequate training on the CESF program to be able to successfully monitor CESF awards.*



Source: OIG survey of BJA staff; results include 7 "Strongly Agree," 13 "Agree," 2 "Disagree," 1 "Strongly Disagree," 3 "I did not receive CESF training," and 1 "Other."

<sup>13</sup> Further, one respondent selected "Other," but in a narrative response reported that OJP's Office of Audit, Assessment, and Management had not provided training to BJA staff. As BJA itself did provide CESF training, we did not take further issue.



training (though, as noted on the previous page, OJP provided an additional training in December 2020; our survey was conducted in April to May 2021). Further, while the live training was not recorded, the training materials were provided to all BJA staff via email. OJP also provided staff with copies of an overview of the CESF program which outlined general award requirements and approved special conditions for all CESF awards.<sup>14</sup> Finally, OJP maintains a [Frequently Asked Questions](#) document on its website, which discusses allowable and unallowable costs as well as other areas related to the CESF program.<sup>15</sup>

We acknowledge the training efforts undertaken by OJP; however, given that 22 percent of survey respondents (six BJA staff) stated that they did not receive training, or were dissatisfied with the training they did receive, we believe OJP would benefit from assessing the need for follow-up training on the CESF program for BJA staff. Therefore, we recommend that OJP ensure it maintains records of staff who attend, and do not attend, program-specific training, and consider whether follow-up training opportunities for the CESF award managers is warranted.

**Figure 10. Survey Response – Challenges Presented by the Remote Monitoring Environment**

*Has the remote monitoring environment necessitated by COVID-19 presented challenges to monitoring awards effectively?*



Source: OIG survey of BJA staff; results include 7 “Yes” responses and 20 “No” responses.

Finally, we asked BJA staff if the remote monitoring environment necessitated by COVID-19 presented challenges to effective award monitoring. As shown in Figure 10, approximately 74 percent of staff reported that it had not.

Those who discussed challenges in their narrative responses mentioned the need for in-person site visits, but some also acknowledged that such monitoring was restricted or would have been unreasonable during the pandemic. We asked OJP when it expects in-person monitoring to resume. OJP officials reported that it continues to follow DOJ guidance to generally limit on-site work to situations in which it is necessary, such as law enforcement functions essential to public health and safety, accessing classified material, or performing critical on-site support functions. For these reasons,

OJP However, OJP officials also noted that OJP has established practices for in-depth remote monitoring and has conducted a portion of its in-depth monitoring activities remotely since FY 2011.

<sup>14</sup> Special conditions are terms and conditions that are included with the award and may include additional requirements covering areas such as performance and financial reporting, prohibited uses of Federal funds, consultant rates, changes in key personnel, and proper disposition of program income.

<sup>15</sup> OJP, “BJA Fiscal Year 2020 Coronavirus Emergency Supplemental Funding Program Frequently Asked Questions,” July 1, 2020, <https://bja.ojp.gov/sites/g/files/xyckuh186/files/media/document/cesf-faqs.pdf>, (accessed June 23, 2021).

## **Conclusion and Recommendations**

Our review of 30 CESF award recipients found that most expenditures and reported award activities were generally allowable under the terms and conditions of the award. When we did identify unallowable expenditures, OJP acted quickly to remedy the associated costs. However, some BJA grant managers stated that the information provided by CESF recipients in performance reports was not sufficient to effectively oversee CESF awards. Further, some BJA grant managers stated that they did not receive training on the CESF program, and others were dissatisfied with the training they received. To this end, we make three recommendations to OJP to assist in future administration of CARES Act funds.

We recommend that OJP:

1. Assess the extent to which dissatisfaction with current performance reporting is limited to the transition to JustGrants, and, if necessary, provide clarification to the CESF community as to the type of information BJA expects to receive on its semi-annual progress reports in the future.
2. Ensure it maintains records of staff who attend, and do not attend, program-specific training.
3. Consider whether follow-up training opportunities for the CESF award managers is warranted.

# **APPENDIX 1: Objectives, Scope, and Methodology**

## **Objectives**

Our review objectives were to assess OJP's efforts to: (1) distribute Coronavirus Emergency Supplemental Funding (CESF) awards in a timely and efficient manner, and (2) review pre-award activities to determine if CESF awards were made in accordance with applicable laws, regulations, and other guidelines.

## **Scope and Methodology**

The scope of this review generally covers March 2020, when the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed, through July 2021, when our field work was substantially complete. On July 9, 2020, the OIG issued its first interim report on OJP's administration of CARES Act funding, which covered activity through the CESF solicitation's initial open period. Our second interim report was issued on November 17, 2020, and provided updates related to OJP's award activity, recipient drawdowns, expenditures, and program activities. With this report, we have completed our review of OJP's initial distribution of CESF funds.

To accomplish our objectives for this report and our two interim reports, we reviewed: (1) OJP's actions during the CESF solicitation's open period; (2) OJP's CESF training efforts; (3) OJP's CESF allocation methodology; (4) CESF applications that were approved or denied by OJP; (5) OJP's overall distribution of CESF funds, generally from April through August 2020; (6) recipient spending by Federal Financial Report period; (7) OJP's readiness to address and prevent COVID-19 fraud schemes; (8) potential overlap between the CESF and other CARES Act-funded programs; (9) OJP's compliance with internal policies and procedures governing high-risk recipients, and; (10) CESF award recipient accounting records and programmatic reports. We also conducted interviews with staff from OJP's Office of Audit, Assessment, and Management; Bureau of Justice Assistance (BJA); and Office of the Chief Financial Officer. Finally, we administered two surveys: one to assess the viewpoints and obtain feedback from CESF award recipients, and one to assess the viewpoints and obtain feedback from OJP's BJA staff.

The OIG will continue monitoring OJP's management of CESF awards and may perform future audits to ensure the appropriate expenditures of CESF funds. Additionally, the DOJ OIG continues to partner with the Pandemic Response Accountability Committee to review and assess CARES Act spending across the federal government.

# APPENDIX 2: The Office of Justice Programs' Response to the Draft Report



U.S. Department of Justice

Office of Justice Programs

*Office of the Assistant Attorney General*

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Washington, D.C. 20531

September 24, 2021

MEMORANDUM TO: Michael E. Horowitz  
Inspector General  
United States Department of Justice

THROUGH: Jason R. Malmstrom  
Assistant Inspector General for Audit  
Office of the Inspector General  
United States Department of Justice

FROM: Amy L. Solomon  
Amy L. Solomon  
Acting Assistant Attorney General

SUBJECT: Response to the Office of the Inspector General's Draft Audit Report, *Review of the Office of Justice Programs' Administration of CARES Act Funding*

Digitally signed by Amy L. Solomon  
Date: 2021.09.24 17:06:35 -04'00'

This memorandum provides a response to the Office of the Inspector General's (OIG) September 20, 2021, draft audit report entitled, *Review of the Office of Justice Programs' Administration of CARES Act Funding*. The Office of Justice Programs (OJP) appreciates the opportunity to review and comment on the draft report.

OJP, through the Bureau of Justice Assistance (BJA), was appropriated \$850 million in Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding. With the CARES Act funding, BJA worked diligently to expedite awards to 1,828 recipients through the Coronavirus Emergency Supplemental Funding (CESF) program. OJP awarded the first CESF award on April 3, 2020, and awarded 99.7 percent of the \$850 million received by August 2020. As of August 20, 2021, CESF award recipients have drawn down \$584,645,959 in CESF awards.

BJA has taken several steps to ensure adequate oversight of CESF awards, including closely monitoring unobligated balances and facilitating training on CESF program guidelines for CESF award recipients and BJA staff that manage CESF awards. In July 2021, BJA launched an extensive outreach effort to CESF award recipients to provide additional technical assistance for recipients with unobligated balances in excess of 60% of their award amounts, on allowable activities that could be paid with CESF funds. BJA will continue to closely monitor unobligated balances until all funds are expended for allowable purposes under the CESF program.

The draft audit report contains three recommendations. For ease of review, the recommendations directed to OJP are restated in bold and are followed by our response.

1. **Assess the extent to which dissatisfaction with current performance reporting is limited to the transition to JustGrants, and, if necessary, provide clarification to the CESF community as to the type of information BJA expects to receive on its semi-annual progress reports in the future.**

The Office of Justice Programs agrees with this recommendation. OJP will follow up with CESF award recipients to reinforce performance reporting guidance, and determine if additional clarification or training is needed on performance reporting in JustGrants.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

2. **Ensure it maintains records of staff who attend, and do not attend, program-specific training.**

The Office of Justice Programs agrees with this recommendation. OJP will strengthen its procedures to ensure that records are maintained to support the completion of mandatory training by its staff.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

3. **Consider whether follow-up training opportunities for the CESF award managers is warranted.**

The Office of Justice Programs agrees with this recommendation. As discussed during the audit, BJA facilitated program-specific training for BJA staff who manage CESF awards. OJP will follow-up with BJA staff who manage CESF awards to determine whether any follow-up training is warranted.

The Office of Justice Programs considers this recommendation resolved and requests written acceptance of this action from your office.

Thank you for the opportunity to respond to this draft report, and for your continued collaboration to improve the administration of our grant programs. If you have any questions regarding this response, please contact Ralph E. Martin, Director, Office of Audit, Assessment, and Management, at (202) 305-1802.

cc: Maureen A. Henneberg  
Deputy Assistant Attorney General

Ralph E. Martin  
Director

Office of Audit, Assessment, and Management

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Bureau of Justice Assistance

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David Sheeren  
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Jorge L. Sosa  
Director, Office of Operations – Audit Division  
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Control Title IT20210920115113



## **APPENDIX 3: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Report**

The OIG provided a draft of this report to OJP. OJP's response is incorporated as Appendix 2 of this final report. In response to our draft report, OJP agreed with our recommendations and discussed the actions it will implement in response to our findings. As a result, the report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

### **Recommendations for OJP:**

- 1. Assess the extent to which dissatisfaction with current performance reporting is limited to the transition to JustGrants, and, if necessary, provide clarification to the CESF community as to the type of information BJA expects to receive on its semi-annual progress reports in the future.**

Resolved. OJP agreed with our recommendation. In its response, OJP stated that it will follow up with CESF award recipients to reinforce performance reporting guidance and determine if additional clarification or training is needed on performance reporting in JustGrants.

This recommendation can be closed when we receive evidence that OJP has assessed the impact JustGrants has on current performance reporting, and if necessary, provides clarification to the CESF community as to the type of information BJA expects to receive on future semi-annual progress reports.

- 2. Ensure it maintains records of staff who attend, and do not attend, program-specific training.**

Resolved. OJP agreed with our recommendation. In its response, OJP stated that it will strengthen its procedures to ensure that records are maintained to support the completion of mandatory training by staff.

This recommendation can be closed when we receive evidence that OJP has implemented procedures to ensure it maintains records of staff who attend, and do not attend, program-specific training.

- 3. Consider whether follow-up training opportunities for the CESF award managers is warranted.**

Resolved. OJP agreed with our recommendation. In its response, OJP stated that it will follow up with BJA staff who manage CESF awards to determine whether additional training is warranted.

This recommendation can be closed when we receive evidence that OJP has coordinated with its CESF award managers and determined if additional CESF training is warranted.