



Audit of the Office of Justice Programs Victim
Assistance Funds Subawarded by the
Tennessee Department of Finance and
Administration to Freed Life, Inc.,
Memphis, Tennessee



AUDIT DIVISION

25-053

MAY 2025



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Tennessee Department of Finance and Administration to Freed Life, Inc., Memphis, Tennessee

Background

The U.S. Department of Justice (DOJ) Office of Justice Programs (OJP) provided funds to the Tennessee Department of Finance and Administration (Tennessee DFA) to make subawards to support victim assistance programs in the state of Tennessee. The Tennessee DFA awarded \$358,889 in crime victim assistance funds to Freed Life, Inc. (Freed Life) to provide services to victims of human trafficking. Freed Life started managing this program in November 2023 after the organization that previously managed the program ended its management of the program in October 2023.¹ The funding for this program was previously provided to a different organization that managed program implementation. As of June 2024, the Tennessee DFA had reimbursed Freed Life for a cumulative amount of \$240,718 under the subawards we reviewed.

Audit Objective

The objective of this DOJ Office of the Inspector General audit was to review how Freed Life used Victims of Crime Act (VOCA) funds to assist crime victims and assess whether it accounted for these funds in compliance with select award requirements, terms, and conditions.

Summary of Audit Results

We concluded that Freed Life provided services to human trafficking victims in Tennessee. However, we also concluded that Freed Life's VOCA policies and procedures lacked specific guidance on retaining supporting documentation for all performance data, and Freed Life could not provide adequate supporting documentation for all personnel costs.

Program Performance Accomplishments

The audit concluded that Freed Life did not meet all subaward goals and objectives that we reviewed. The audit also found that the organization did not always maintain supporting documentation of performance data reported to OJP.

Financial Management

The audit concluded that Freed Life could not provide adequate documentation to support all personnel costs. As a result, we questioned \$195,683 in reimbursed personnel costs.

Recommendations

Our report contains four recommendations for OJP to work with the Tennessee DFA to remedy the questioned costs and assist Freed Life in improving its award management and administration. We provided our draft audit report to Freed Life, Tennessee DFA, and OJP, and their responses can be found in Appendices 3, 4, and 5, respectively. Our analysis of those responses can be found in Appendix 6.

¹ We conducted a separate audit of the Memphis Leadership Foundation. See Audit of Office of Justice Programs Victim Assistance Funds Subawarded by the Tennessee Department of Finance and Administration to

the Memphis Leadership Foundation, Memphis, Tennessee, Audit Report 25-052 (May 2025), <https://oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-funds-subawarded-tennessee-department-0>

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of victim assistance funds received by Freed Life, Inc. (Freed Life), which is in Memphis, Tennessee. The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) provided this funding to the Tennessee Department of Finance and Administration (Tennessee DFA), which serves as the state administering agency (SAA) for Tennessee to make subawards to direct service providers. As a direct service provider, Freed Life received two subawards from the Tennessee DFA totaling \$358,889 between November 2023 and June 2024.² These funds originated from federal grants awarded to the Tennessee DFA in fiscal year (FY) 2020, as shown in Table 1.

Table 1

Audited Subawards to Freed Life from the Tennessee DFA

Tennessee DFA Subaward Identifier	OJP Prime Award Numbers	Project Start Date	Project End Date	Subaward Amount
52636	2020-V2-GX-0012	11/01/2023 ^a	6/30/2025	\$160,035
52637	2020-V2-GX-0012	11/01/2023 ^a	6/30/2025	\$198,854
Total:				\$358,889

^a Tennessee DFA's fiscal year spans from July 1 through June 30. Our audit scope for subawards 52636 and 52637 was for the period of November 1, 2023, through June 30, 2024.

Source: JustGrants and the Tennessee DFA

Established by the Victims of Crime Act (VOCA) of 1984, the Crime Victims Fund (CVF) is used to support crime victims through DOJ programs and state and local victim assistance and compensation initiatives.³ According to OJP's program guidelines, eligible victim assistance programs provide services and efforts that: (1) respond to the emotional and physical needs of crime victims, (2) assist victims of crime to stabilize their lives after a victimization, (3) assist victims to understand and participate in the criminal justice system, or (4) provide victims of crime with a measure of safety and security. Direct service providers receiving VOCA victim assistance subawards thus may provide a variety of support to victims of crime, to include offering help filing restraining orders, counseling in crises arising from the occurrence of crime, crisis intervention, and emergency shelter.

²Tennessee DFA's fiscal year spans from July 1 through June 30.

³ The VOCA Victim Assistance Formula Grant Program is funded under 34 U.S.C. § 20101. Federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments support the CVF. The total amount of funds that the OVC may distribute each year depends upon the amount of CVF deposits made during the preceding years and limits set by Congress.

Freed Life, Inc.

Located in Memphis, Tennessee, Freed Life is a non-profit organization whose self-described mission is to eradicate human trafficking by empowering survivors, equipping communities, and changing systems in west Tennessee. Freed Life seeks to coordinate services to meet the needs of individual human trafficking survivors and works collaboratively with other organizations, nonprofits, direct service providers, and law enforcement agencies to accomplish this coordination of comprehensive services.

Prior to November 2023, Freed Life was a member of a non-profit organization that provided various levels of support through its operational programs, partnerships, and affiliations. The non-profit received VOCA subaward funds to provide certain victim services, and Freed Life was responsible for conducting all programming, such as direct services to human trafficking victims. In November 2023, Freed Life dissolved its membership with the non-profit and began receiving VOCA subaward funds.

OIG Audit Approach

The objective of this audit was to review how Freed Life used the VOCA funds received through subawards to assist crime victims and assess whether the subrecipient accounted for VOCA funds in compliance with select award requirements, terms, and conditions. To accomplish this objective, we assessed program performance and accomplishments and financial management.

To gain a further understanding of victim assistance subaward oversight, as well as to evaluate subrecipient performance and administration of VOCA-funded programs, we solicited feedback from Tennessee DFA officials regarding Freed Life's records of delivering crime victim services accomplishments, and compliance with Tennessee DFA award requirements.⁴ We tested compliance with what we considered to be the most important conditions of the subawards. The DOJ Grants Financial Guide; VOCA Guidelines and Final Rule; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); Tennessee DFA guidance; and the OVC and SAA award documents contain the primary criteria we applied during this audit. The results of our analysis are discussed in detail in the following sections of this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology. Appendix 2 presents the audit's Schedule of Dollar-Related Findings.

⁴As an SAA, the Tennessee DFA is responsible for ensuring that Freed Life's subawards are used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. We considered the results of our audit of victim assistance grants awarded to the Tennessee DFA in performing this separate review. See U.S. Department of Justice Office of the Inspector General [*Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Tennessee Department of Finance and Administration, Nashville, Tennessee*](#), Audit Report GR-40-19-002 (May 2019) oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-grants-awarded-tennessee-department-finance

Audit Results

Program Performance and Accomplishments

As established by the VOCA legislation, VOCA subawards are available to subrecipients for the purpose of providing direct services to victims. Freed Life received its VOCA funding from the Tennessee DFA to provide services to victims of human trafficking. We obtained an understanding of Freed Life's standard operating procedures in relation to the subaward-funded services. We also compared the subaward agreement against available evidence of accomplishments to determine whether Freed Life demonstrated progress towards providing the services for which it was funded. Overall, we concluded that while Freed Life generally provided victim services for which it was funded, one service expected from the subawards was not provided and Freed Life did not notify the Tennessee DFA about this shortfall. We also concluded Freed Life's VOCA policies and procedures lacked specific guidance on retaining supporting documentation for performance data and that Freed Life could not adequately support all accomplishments reported to the Tennessee DFA.

Program Implementation

According to the DOJ Grants Financial Guide, recipients of federal awards should maintain a well-designed and tested system of internal controls. The DOJ Grants Financial Guide further defines internal controls as a process designed to provide reasonable assurance regarding the achievement of objectives in: (1) the effectiveness and efficiency of operations, (2) reliability of reporting for internal and external use, and (3) compliance with applicable laws and regulations. To obtain an understanding of its standard operating procedures in relation to audited victim services, we conducted interviews with Freed Life's Chief Executive Officer and other employees. We also requested and reviewed Freed Life's written policies and procedures that govern the VOCA-funded program.

According to the goals and objectives of the subawards, Freed Life was to provide residential and non-residential services to human trafficking survivors in west Tennessee that included the provision of medical care, substance abuse treatment, counseling, shelter, and other services. Additionally, Freed Life was to provide transitional housing to human trafficking victims. We tested whether select subaward objectives were accomplished and reported accurately. To determine whether Freed Life achieved its objectives, we judgmentally selected eight objectives and we assessed whether Freed Life maintained adequate documentation to support its related activities. As shown in Table 2, for seven of the eight objectives, Freed Life is making progress toward accomplishing the objectives. The remaining objective, which was to provide support to individuals participating in a residential environment, had not been accomplished.

Table 2

OIG Analysis of Freed Life's Accomplishment of Objectives

Subaward Objectives	Status
Subaward 52637	
Enhance victims' understanding of the criminal justice system and provide support through participation in criminal and civil matters to the extent the victims seek this out	Making progress
Enhance victims' use of positive coping mechanisms through ongoing crisis counseling, advocacy, and mentoring	
Enhance quality of services victims receive through ongoing staff and mentor trainings in trauma-informed services and evidence-based practice in working with victims of human trafficking	
Provide support to individuals participating in a residential environment	Did not meet objective
Subaward 52636	
Provide adverse childhood experience score information to client ^a	Making progress
Provide staff with trauma-informed care training and regular reinforcement of the skills.	
Utilize adverse childhood experience strength-based programming	
Utilize evidence-informed/trauma-responsive curriculums in client group facilitation	

^a Adverse childhood experience is a ten-item measure used to measure childhood trauma.

Source: OIG analysis of Freed Life performance records

Under subaward 52637, Freed Life was expected to provide case management services and care for individuals housed in specialized residential environments. According to a Freed Life official, the lease for the house in which the program operated ended in November 2023 and was not renewed during the period of our review for this subaward.⁵ According to the Tennessee DFA, it was not notified of this development until June 2024 during a visit to Freed Life's office.

⁵Our audit concentrated on, but was not limited to, the period of November 1, 2023, through June 30, 2024.

According to the DOJ Grants Financial Guide, award recipients must initiate a grant modification notice for changes in scope, duration, activities, or other significant areas, including altering programmatic activities. Additionally, the Tennessee DFA requires prior written approval from subrecipients before changing a program's scope of services. Prompt notification of significant scope changes is necessary to facilitate Tennessee DFA's ability to make program modifications, provide technical assistance, and help ensure the success of grant programs. While Freed Life's policies and procedures were silent on the need to inform the Tennessee DFA of program scope changes, the DOJ Grants Financial Guide and Tennessee DFA's grant manual required Freed Life to provide advance notice of program scope changes. Therefore, we recommend that OJP work with the Tennessee DFA to ensure Freed Life establishes policies and procedures to ensure the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications.

Performance Measurement Tool Reporting

Award subrecipients are required to provide relevant program data by submitting quarterly performance metrics through the Performance Measurement Tool (PMT). We reviewed a Freed Life's quarterly PMT report for the subawards. To determine whether the organization submitted accurate performance data, we judgmentally selected five performance categories of data reported in PMT during the second quarter of FY 2024. As shown in Table 3 below, we found that Freed Life underreported all performance categories.

Table 3

OIG Analysis of Freed Life's Reporting of Select Performance Data for FY 2024, Quarter 2

Performance Categories	
Total Number of Victims Served	
Reported in PMT	69
Supported in Entity Records	88
Difference	(19)
Providing Services to Demographic 1	
Reported in PMT	15
Supported in Entity Records	21
Difference	(6)
Providing Services to Demographic 2	
Reported in PMT	4
Supported in Entity Records	6
Difference	(2)
Referral to Other Services	
Reported in PMT	55
Supported in Entity Records	61
Difference	(6)
Individual Counseling	
Reported in PMT	144
Supported in Entity Records	145
Difference	(1)

Source: OIG analysis of Freed Life performance records

According to a Freed Life official, the organization did not maintain documentation to support its identification or calculation of figures reported on a quarterly basis through PMT, the commercial database Freed Life used to complete its PMT reporting was continually updated, and historical data was not saved. Moreover, Freed Life did not have a policy requiring the retention of supporting documentation for reported program accomplishments. OVC uses PMT data in reports and publications and to respond to inquiries from Congress and other entities; therefore, it is imperative that subrecipients accurately report performance data to ensure it reflects the impact of their program. In addition, the Uniform Guidance at 2 C.F.R. § 200.334 requires subrecipients to retain all federal award records for 3 years from the date of submission of their final financial report. Consequently, we recommend that OJP work with the Tennessee DFA to ensure that Freed Life updates its written policies and procedures to ensure performance data reported in PMT is accurate and supporting records are maintained.

Financial Management

According to the DOJ Grants Financial Guide, all subrecipients are required to establish and maintain adequate accounting systems and financial records to accurately account for awarded funds. We interviewed Freed Life officials, examined the organization's policies and procedures, reviewed subaward documents, and performed expenditure testing to determine whether Freed Life adequately accounted for the subaward funds we audited. Overall, we concluded that Freed Life could not provide adequate documentation to support all personnel costs.

Fiscal Policies and Procedures

Freed Life used commercially available financial management software for its accounting of grant funds, and its payroll was processed by a third-party entity. The organization tracked subaward funds by a designated project or account number and had a grant financial management policy that included procedures for financial reporting and procurement and processing cash receipts and payroll.

Subaward Expenditures

Freed Life requested reimbursements from the Tennessee DFA through monthly invoices. For the subawards audited, Freed Life's approved budget included personnel, employee benefits, supplies and equipment, specific assistance to individuals, and indirect costs. As of June 2024, we found that the Tennessee DFA reimbursed Freed Life \$240,718 for the funds we reviewed for subawards 52636 and 52637.

We reviewed and tested a sample of Freed Life's expenditure transactions for personnel costs to determine whether the costs charged to the projects and paid with VOCA funds were accurate, allowable, supported, and in accordance with VOCA program requirements. As described below, we identified unsupported personnel costs and questioned a total of \$195,683.

Personnel Costs

The Tennessee DFA reimbursed Freed Life \$195,683 for personnel costs, which represented 81 percent of the \$240,718 in reimbursed subaward funds within our scope. We judgmentally selected a sample of two pay periods from subaward 52636 and another two pay periods from subaward 52637.

According to the DOJ Grants Financial Guide, charges made to federal awards for salaries, wages, and fringe benefits must be supported by a system of internal controls that provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Additionally, charges must be based on records that accurately reflect the work performed and comply with the established policies and practices of the organization. Similarly, the Tennessee DFA's policies state that Freed Life must maintain all accurate time and attendance records for personnel whose salary is charged to a project. However, Freed Life's policies and procedures contain no requirement to track and retain timekeeping records. A Freed Life official told us the organization does not require employees to record and submit time and attendance documentation for approval prior to payment because the financial management software does not have that capability. These practices are not reflective of an adequate system of internal controls and are not compliant with Tennessee DFA's personnel-related policies that Freed Life is required to adhere to according to its subaward documents. In addition, we believe that this lack of internal controls over personnel charges increases the risk that VOCA funds could be mismanaged.

From our sample testing, we determined that four employees were paid solely with VOCA funds, and four additional employees were paid with VOCA funds and other funds. Freed Life maintained check register and general ledger documentation, but we were unable to determine from these records the time Freed Life staff spent working on VOCA-related and non VOCA-related activities. Consequently, we concluded that regardless of our sample size, Freed Life could not support the personnel costs charged to the audited subawards. Therefore, we question as unsupported \$119,924 in personnel expenditures for subaward 52636 and \$75,759 in personnel expenditures for subaward 52637. We recommend OJP work with the Tennessee DFA to remedy \$195,683 in unsupported personnel costs.

Additionally, because Freed Life's policies and procedures contain no requirement to track and retain timekeeping records, we also recommend OJP and the Tennessee DFA ensure Freed Life develops and implements a system of internal controls that provides reasonable assurance that personnel charges are accurate, allowable, and properly allocated and based on records that accurately reflect the time spent on VOCA-related activities.

Conclusion and Recommendations

As a result of our audit testing, we concluded Freed Life, Inc. (Freed Life) provided services to human trafficking victims in Tennessee. However, we also concluded Freed Life's VOCA policies and procedures lacked specific guidance on retaining supporting documentation for all performance data, and Freed Life could not provide adequate supporting documentation for all personnel costs. We provide four recommendations to the Office of Justice Programs (OJP) and the Tennessee Department of Finance and Administration (Tennessee DFA) to address these deficiencies.

We recommend that OJP work with the Tennessee DFA to:

1. Ensure Freed Life establishes policies and procedures to ensure the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications.
2. Ensure Freed Life updates its written policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained.
3. Remedy \$119,924 in unsupported personnel costs for subaward 52636 and \$75,759 in unsupported personnel costs for subaward 52637.
4. Ensure Freed Life develops and implements a system of internal controls that provides reasonable assurance that personnel charges are accurate, allowable, and properly allocated and based on records that accurately reflect the time spent on VOCA-related activities.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to review how Freed Life, Inc. (Freed Life), used the Victims of Crime Act (VOCA) funds received through a subaward from the Tennessee Department of Finance and Administration (Tennessee DFA) to assist crime victims and assess whether it accounted for VOCA funds in compliance with select award requirements, terms, and conditions. To accomplish this objective, we assessed program performance and accomplishments and 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 two subawards to Freed Life. These subawards, totaling \$358,889, were funded by the Tennessee DFA from primary VOCA grant 2020-V2-GX-0012 that was awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of June 30, 2024, the Tennessee DFA had reimbursed Freed Life \$240,718 in subaward funds.

Our audit concentrated on, but was not limited to, the period of November 1, 2023, through June 30, 2024. The Department of Justice (DOJ) Grants Financial Guide; the VOCA Guidelines and Final Rule; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Tennessee DFA guidance; and the OVC and Tennessee DFA award documents contain the primary criteria we applied during the audit.

To accomplish our objective, we tested compliance with what we considered to be the most important conditions of Freed Life's activities related to the audited subawards. Our work included conducting interviews with Freed Life's financial staff, examining policies and procedures, and reviewing subaward documentation and financial records. We performed sample-based audit testing for subaward expenditures including payroll and fringe benefit charges. In this effort, we employed a judgmental sampling design. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected.

During our audit, we obtained information from DOJ's JustGrants System, as well as the Tennessee DFA's financial management system, Freed Life's financial management and payroll management systems, and systems specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems were verified with documentation from other sources.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objective. We did not evaluate the internal controls of Freed Life to provide assurance on their internal control structures as a whole. Because we do not express an opinion on Freed Life's internal control structures as a whole, we offer this statement solely for the information and use of Freed Life, the Tennessee DFA, and OJP.⁶

In planning and performing our audit, we identified internal control components and underlying internal control principles as significant to the audit objective. Specifically, we assessed the design and implementation of Freed Life's policies and procedures. We also tested the implementation and operating effectiveness of specific controls over award execution and compliance with laws and regulations in our audit scope.

The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objective of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

⁶This 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>OJP Prime Number</u>	<u>SAA Subaward Identifier</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:⁷				
Unsupported Personnel and Fringe Benefits	2020-V2-GX-0012	52636	\$119,924	7
Unsupported Personnel and Fringe Benefits		52637	<u>\$75,759</u>	7
Unsupported Costs			\$195,683	
TOTAL DOLLAR-RELATED FINDINGS			<u>\$195,683</u>	

⁷**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: Freed Life, Inc. Response to the Draft Audit Report



March 15, 2025

B. Allen Wood
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
75 Ted Turner Drive Southwest
Suite 1130
Atlanta, Georgia 30303

Subject: Response to Audit Findings Regarding VOCA Subawards 52636 and 52637, OJP Prime Award Number 2020-V2-GX-0012

Dear Mr. Wood:

The Board of Freed Life appreciates the opportunity to provide a response to the recommendations identified in the draft audit report for subawards 52636 and 52637 made by the Office of Criminal Justice Programs (OCJP) under the Office of Justice Programs' Victims of Crime Act, Victim Assistance Formula Grant Program to our agency.

Freed Life, Inc. acknowledges receipt of the OIG's audit findings regarding our administration of VOCA Subawards 52636 and 52637, under OJP Prime Award Number 2020-V2-GX-0012, for the period of November 1, 2023, to June 30, 2024.

We sincerely appreciate the OIG's thorough review and recognize the importance of maintaining accurate and complete documentation for all grant-funded activities. We accept the findings regarding the lack of supporting documentation for performance data and personnel costs.

We understand that our failure to provide adequate timesheets resulted in the questioned personnel costs of \$119,924 for subaward 52636 and \$75,759 for subaward 52637. We deeply regret this oversight. As a new organization in November 2023, we were in the process of establishing our own policies and procedures while simultaneously striving to deliver essential services to human trafficking victims. In the first year, our initial focus was primarily on program implementation, and we acknowledge we did not prioritize necessary administrative oversight to identify and adopt all required documentation processes.



We are committed to rectifying these deficiencies and ensuring full compliance with all grant requirements. To that end, we have taken the following corrective actions:

Addressing OIG Recommendations:

- 1. Ensure Freed Life establishes policies and procedures to ensure the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications.**
 - o Freed Life has updated its policies and procedures to include clear guidelines for notifying the Tennessee DFA of any events that may impact subaward objectives or have financial implications. We will provide copies of these updated policies and procedures to the OIG and the Tennessee DFA by April 1, 2025.
- 2. Ensure Freed Life updates its written policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained.**
 - o Freed Life has updated its written policies and procedures to ensure accurate performance data reporting and the maintenance of supporting records. We have also implemented a system for tracking and retaining all relevant documentation. These updated policies and procedures will be provided by April 1, 2025.
- 3. Remedy \$119,924 in unsupported personnel costs for subaward 52636 and \$75,759 in unsupported personnel costs for subaward 52637.**
 - o We are actively compiling and will provide any additional documentation that may support some or all of the questioned personnel costs. We understand that we are responsible for the unsupported costs, and are working to resolve this issue. We will work with the Tennessee DFA and OJP to resolve this issue.
- 4. Ensure Freed Life develops and implements a system of internal controls that provide reasonable assurance that personnel charges are accurate, allowable, and properly allocated and based on records that accurately reflect the time spent on VOCA-related activities.**
 - o Freed Life has implemented a system of mandatory timesheets for all personnel charged to the VOCA subawards. These timesheets are reviewed and approved by supervisors. We have updated our policies and procedures to ensure accurate



timekeeping, allocation, and documentation of personnel charges. These updated policies and procedures will be provided by April 1, 2025.

We understand the seriousness of these findings and are committed to maintaining the highest standards of accountability and transparency. We are confident that the corrective actions we have taken will prevent similar issues from occurring in the future.

We are available to discuss these matters further at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Corey Strong".

Mr. Corey Strong, Board Chair Freed Life, Inc.

APPENDIX 4: Tennessee Department of Finance and Administration Response to the Draft Audit Report



March 13, 2025

Regional Audit Manager B. Allen Wood
U.S. Department of Justice
Office of the Inspector General
950 Pennsylvania Avenue NW
Washington, DC 20530-0001

Dear Mr. Wood:

The State of Tennessee, Department of Finance and Administration (Tennessee DFA) appreciates the opportunity to provide a response to the recommendations identified in the draft audit report for subawards 52636 and 52637 made by the Office of Criminal Justice Programs (OCJP) under the Office of Justice Programs' Victims of Crime Act, Victim Assistance Formula Grant Program to Freed Life, Inc.

Recommendation 1: Ensure Freed Life establishes policies and procedures to ensure the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications.

Tennessee DFA acknowledges this recommendation and concurs.

These deficiencies were also noted in our agency's monitoring report. Tennessee DFA will require Freed Life to submit policies and procedures to ensure the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications. The Tennessee DFA will follow up with the agency and require policies and procedures for this finding to be submitted no later than April 1, 2025. The Tennessee DFA will submit our determination of compliance to the OIG by April 11, 2025.

Recommendation 2: Ensure Freed Life updates its written policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained

Tennessee DFA acknowledges this recommendation and concurs.

Tennessee DFA will require Freed Life to submit policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained. The Tennessee DFA will follow up with the agency and require policies and procedures for this finding to be submitted no later than April 1, 2025. The Tennessee DFA will submit our determination of compliance



to the OIG by April 11, 2025.

Recommendation 3: Remedy \$119,924 in unsupported personnel costs for subaward 52636 and \$75,759 in unsupported personnel costs for subaward 52637.

Tennessee DFA acknowledges this recommendation and concurs.

A payment plan is due to the Tennessee DFA by April 1, 2025. Tennessee DFA will continue to work with the agency to identify potential resources to offset the amount of unsupported personnel costs for subawards 52636 and 52637.

Recommendation 4: Ensure Freed Life develops and implements a system of internal controls that provide reasonable assurance that personnel charges are accurate, allowable, and properly allocated and based on records that accurately reflect the time spent on VOCA-related activities.

Tennessee DFA acknowledges this recommendation and concurs.

Tennessee DFA will require Freed Life to submit policies and procedures to ensure the implementation of a system of internal controls that provide reasonable assurance that personnel charges are accurate, allowable, and properly allocated and based on records that accurately reflect the time spent on VOCA-related activities. The Tennessee DFA ensure that there is a proper process for review and approval of the time and will follow up with the agency and require policies and procedures for this finding to be submitted no later than April 1, 2025. The Tennessee DFA will submit our determination of compliance to the OIG by April 11, 2025.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Neubert".

Eugene Neubert, Deputy Commissioner
Department of Finance and Administration

cc: Thomas Murphy
Senior Audit Liaison Specialist
Audit Coordination Branch
Audit and Review Division
Office of Audit, Assessment, and Management
Office of Justice Programs

APPENDIX 5: Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

March 31, 2025

MEMORANDUM TO: B. Allen Wood
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General

FROM: Iyauta I. Green
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Funds, Subawarded by the Tennessee Department of Finance and Administration to Freed Life, Inc., Memphis, Tennessee*

Iyauta Green
Digitally signed by Iyauta Green
Date: 2025.03.31 17:24:51 -04'00'

This memorandum is in reference to your correspondence, dated March 3, 2025, transmitting the above-referenced draft audit report for Freed Life, Inc. (Freed Life). Freed Life received subaward funds from the Tennessee Department of Finance and Administration (Tennessee DFA), under the Office of Justice Programs' (OJP), Office for Victims of Crime (OVC), Victims of Crime Act (VOCA), Victim Assistance Formula Grant Program, Grant Number 2020-V2-GX-0012. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **four recommendations and \$195,683 in questioned costs**. The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by OJP's response.

- 1. We recommend that OJP work with the Tennessee DFA to ensure Freed Life establishes policies and procedures to ensure the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications.**

OJP agrees with the recommendation. In its response, dated March 13, 2025, the Tennessee DFA agreed to work with Freed Life to address this recommendation. The Tennessee DFA stated that it will require Freed Life to provide updated policies and procedures by April 1, 2025, and that it will submit its determination of compliance to the OIG by April 11, 2025.

Accordingly, we will work with the Tennessee DFA to obtain a copy of Freed Life's written policies and procedures, developed and implemented, to ensure that the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications.

We will also work with the Tennessee DFA to obtain evidence that Freed Life distributed the policies and procedures to its relevant staff responsible for managing federal grant funds.

2. **We recommend that OJP work with the Tennessee DFA to ensure Freed Life updates its written policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained.**

OJP agrees with the recommendation. In its response, dated March 13, 2025, the Tennessee DFA agreed to work with Freed Life to address this recommendation. The Tennessee DFA stated that it will require Freed Life to provide updated policies and procedures by April 1, 2025, and that it will submit its determination of compliance to the OIG by April 11, 2025.

Accordingly, we will work with the Tennessee DFA to obtain a copy of Freed Life's written policies and procedures, developed and implemented, to ensure that performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained.

We will also work with the Tennessee DFA to obtain evidence that Freed Life distributed the policies and procedures to its relevant staff responsible for managing federal grant funds.

3. **We recommend that OJP work with the Tennessee DFA to remedy \$119,924 in unsupported personnel costs for subaward 52636 and \$75,759 in unsupported personnel costs for subaward 52637.**

OJP agrees with the recommendation. To remedy the \$195,683 in questioned costs, related to unsupported personnel costs, charged to Grant Number 2020-V2-GX-0012 in subaward 52636 (\$119,924) and 52637 (\$75,759), the Tennessee DFA stated that it required Freed Life to submit a payment plan by April 1, 2025. The Tennessee DFA also stated that it will work with Freed Life to identify potential resources to offset the amount of unsupported personnel costs identified in this recommendation.

Accordingly, we will review the \$195,683 in questioned costs, related to unsupported personnel expenditures that were charged to the subawards under Grant Number 2020-V2-GX-0012, and work with the Tennessee DFA to remedy the costs, as appropriate.

4. **We recommend that OJP work with the Tennessee DFA to ensure Freed Life develops and implements a system of internal controls that provide reasonable assurance that personnel charges are accurate, allowable, and properly allocated and based on records that accurately reflect the time spent on VOCA-related activities.**

OJP agrees with the recommendation. In its response, dated March 13, 2025, the Tennessee DFA agreed to work with Freed Life to address this recommendation. The Tennessee DFA stated that it will require Freed Life to provide updated policies and procedures by April 1, 2025, and that it will submit its determination of compliance to the OIG by April 11, 2025.

Accordingly, we will work with Tennessee DFA to obtain a copy of Freed Life's written policies and procedures, developed and implemented, to ensure that a system of internal controls provides reasonable assurance that personnel charges are accurate, allowable, and properly allocated, and based on records that accurately reflect the time spent on VOCA-related activities.

We will also work with the Tennessee DFA to obtain evidence that Freed Life distributed the policies and procedures to its relevant staff responsible for managing federal grant funds.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Michael Freed, Acting Deputy Director, Audit and Review Division, of my staff, on (202) 598-7964.

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APPENDIX 6: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP), the Tennessee Department of Finance and Administration (Tennessee DFA), and Freed Life, Inc. (Freed Life). OJP's response is incorporated in Appendix 5, the Tennessee DFA's response is incorporated in Appendix 4, and Freed Life's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, OJP agreed with our recommendations, and as a result, the status of the audit report is resolved. The Tennessee DFA concurred with our recommendations. Freed Life did not state whether it agreed or disagreed with our recommendations but outlined actions it will take to address the recommendations. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP to work with the Tennessee DFA to:

- 1. Ensure Freed Life establishes policies and procedures to ensure the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with the Tennessee DFA to obtain Freed Life's written policies and procedures to ensure that the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications. As a result, this recommendation is resolved.

The Tennessee DFA concurred with our recommendation and stated in its response that it will require Freed Life to submit policies and procedures to ensure the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications.

Freed Life acknowledged our recommendation and stated in its response that it has updated its policies and procedures to include clear guidelines for notifying the Tennessee DFA of any events that may impact subaward objectives or have financial implications.

This recommendation can be closed when we receive evidence that Freed Life has developed and implemented written policies and procedures to ensure the Tennessee DFA is notified of events impacting the accomplishment of subaward objectives and any related financial or budget implications.

- 2. Ensure Freed Life updates its written policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with the Tennessee DFA to obtain a copy of Freed Life's written policies and procedures, developed and

implemented, to ensure that performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained. OJP also stated that it will also work with the Tennessee DFA to obtain evidence that Freed Life distributed the policies and procedures to its relevant staff responsible for managing federal grant funds. As a result, this recommendation is resolved.

The Tennessee DFA concurred with our recommendation. The Tennessee DFA stated in its response that it will require Freed Life to submit policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained.

Freed Life acknowledged our recommendation and stated in its response that it has updated its written policies and procedures to ensure accurate performance data reporting and the maintenance and retention of supporting documentation.

This recommendation can be closed when we receive evidence that Freed Life has updated its written policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and that supporting records are maintained.

3. Remedy \$119,925 in unsupported personnel costs for subaward 52636 and \$75,759 in unsupported personnel costs for subaward 52637.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$195,684 in questioned costs, related to unsupported personnel expenditures that were charged to the subawards under Grant Number 2020-V2-GX-0012, and work with the Tennessee DFA to remedy the costs, as appropriate. As a result, this recommendation is resolved.

The Tennessee DFA concurred with our recommendation. The Tennessee DFA stated in its response that Freed Life will have a payment plan, and the Tennessee DFA will continue to work with Freed Life to identify potential resources to offset the amount of unsupported personnel costs for subawards 52636 and 52637.

Freed Life acknowledged our recommendation and stated in its response that it is actively compiling and will provide any additional documentation that may support some or all of the questioned personnel costs. Freed Life also acknowledged responsibility for the unsupported costs and stated that it will work with the Tennessee DFA and OJP to resolve this issue.

This recommendation can be closed when we receive evidence that \$119,925 in unsupported personnel costs for subaward 52636 and \$75,759 in unsupported costs for subaward 52637 has been remedied in an appropriate manner.

4. Ensure Freed Life develops and implements a system of internal controls that provides reasonable assurance that personnel charges are accurate, allowable, and properly allocated and based on records that accurately reflect the time spent on VOCA-related activities.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with Tennessee DFA to obtain a copy of Freed Life's written policies and procedures, developed and implemented, to ensure that a system of internal controls provides reasonable assurance that personnel charges are accurate, allowable, and properly allocated and based on records that accurately reflect the time spent on VOCA-related activities. OJP also stated that it will work with the Tennessee DFA to obtain evidence that Freed Life distributed the policies and procedures to its relevant staff responsible for managing federal grant funds. As a result, this recommendation is resolved.

The Tennessee DFA concurred with our recommendation. The Tennessee DFA stated in its response that it will require Freed Life to submit policies and procedures to ensure the implementation of a system of internal controls that provides reasonable assurance that personnel charges are accurate, allowable, and properly allocated and based on records that accurately reflect the time spent on VOCA-related activities.

Freed Life acknowledged our recommendation and stated in its response that it has implemented a system of mandatory timesheets for all personnel charged to the VOCA subawards and has updated its policies and procedures to ensure accurate timekeeping, allocation, and documentation of personnel charges.

This recommendation can be closed when we receive evidence that Freed Life has developed and implemented a system of internal controls that provides reasonable assurance that personnel charges are accurate, allowable, and properly allocated and based on records that accurately reflect the time spent on VOCA-related activities.