



Audit of the Office of Justice Programs Victim
Assistance Funds Subawarded by the California
Governor's Office of Emergency Services to the
Huckleberry Youth Programs, Inc.,
San Francisco, California



AUDIT DIVISION

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EXECUTIVE SUMMARY

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Background

The U.S. Department of Justice (DOJ) Office of Justice Programs (OJP) provided funds to the California Governor's Office of Emergency Services (Cal OES) to make subawards to support victim assistance programs in the state of California. Cal OES awarded \$705,448 in crime victim assistance funds to the Huckleberry Youth Programs, Inc. (Huckleberry) under four subawards awarded for calendar years 2024 and 2025. The purpose of Huckleberry's subawards was to provide advocacy and outreach services to unserved and underserved youth victims of crime, as well as to provide comprehensive psychotherapy services to children victimized by abuse and/or neglect. As of December 2025, Cal OES had reimbursed Huckleberry a cumulative amount of \$579,145 for the subawards we reviewed.

Audit Objective

The objective of this DOJ Office of the Inspector General audit was to review how Huckleberry 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.

Recommendations

Our report contains five recommendations for OJP to work with Cal OES to assist Huckleberry in improving its subaward management and administration, as well as to remedy the \$724,578 in dollar-related findings. We requested a response to our draft audit report from Huckleberry, Cal OES, and OJP officials, which can be found in Appendices 3, 4, and 5, respectively. Our analysis of those responses is included in Appendix 6.

Summary of Audit Results

We concluded that Huckleberry provided services to victims of crime in the San Francisco, California, Bay Area. However, we found significant deficiencies with Huckleberry's financial management of the subawards, including a lack of internal controls to ensure proper stewardship of subaward funds as well as insufficient and unreliable tracking of VOCA expenditures within Huckleberry's accounting system. We also found inaccurate performance reporting.

Program Performance Accomplishments

We found that Huckleberry provided direct services to victims; however, we determined that the data reported was overstated as it included activities funded by other sources. We found that Huckleberry did not prorate performance data to reflect only VOCA-funded activity.

Financial Management

We identified significant deficiencies with Huckleberry's financial management, including a lack of grant financial management policies and procedures, as well as insufficient and unreliable tracking of VOCA expenditures within Huckleberry's accounting system. We also identified deficiencies with Huckleberry's allocation of expenditures and untimely posting of revenues to the subaward general ledger, its lack of activity-based timekeeping by funding source, its lack of internal controls to ensure proper stewardship of subaward funds, and the staff's lack of accounting proficiency. As a result, we questioned \$579,145 in unsupported subaward expenditures and \$145,433 in unsupported match contributions (an unknown portion of which was also unallowable).

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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 the Huckleberry Youth Programs, Inc. (Huckleberry), which is located in San Francisco, California. The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) provided this funding to the California Governor’s Office of Emergency Services (Cal OES), which serves as the state administering agency (SAA) for California and makes subawards to direct service providers. As a direct service provider, Huckleberry received four subawards from the Cal OES totaling \$705,448 between January 2024 and December 2025. These funds originated from Cal OES’s federal grants for fiscal years 2020 through 2024, as shown in Table 1.

Table 1

**Audited Subawards to Huckleberry Youth Programs, Inc.
from California Governor’s Office of Emergency Services**

| Cal OES Subaward Identifier ^a | OJP Prime Award Numbers | Project Start Date | Project End Date | Victim Assistance Funds Subaward Amount |
|---|-------------------------|--------------------|------------------|---|
| Unserved or Underserved Victim Advocacy | | | | |
| UV23-02-8517 | 15POVC-23-GG-00432-ASSI | 01/01/2024 | 12/31/2024 | \$196,906 |
| UV24-04-7001 | 15POVC-24-GG-00612-ASSI | 01/01/2025 | 12/31/2025 | \$108,889 |
| <i>Unserved or Underserved Victim Advocacy Subawards Subtotal</i> | | | | <i>\$305,795</i> |
| Child Abuse Treatment | | | | |
| AT23-04-8517 | 2020-V2-GX-0031 | 01/01/2024 | 12/31/2024 | \$18,967 |
| | 15POVC-23-GG-00432-ASSI | | | \$238,533 |
| AT24-04-7001 | 15POVC-21-GG-00613-ASSI | 01/01/2025 | 12/31/2025 | \$71,077 |
| | 15POVC-24-GG-00612-ASSI | | | \$71,076 |
| <i>Child Abuse Treatment Subawards Subtotal</i> | | | | <i>\$399,653</i> |
| Total: | | | | \$705,448 |

^a Cal OES subawarded the “UV” awards to provide unserved or underserved victim advocacy and outreach for victims of crime and the “AT” awards to provide comprehensive psychotherapy services to children victimized by abuse and/or neglect.

Source: Cal OES

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.¹

¹ The CVF is funded under 34 U.S.C. § 20101 through federal criminal fines, penalties, forfeited bail bonds, gifts, donations, deferred prosecution agreements, and non-prosecution agreements, and special assessments. 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.

According to OJP's program guidelines, victim assistance services eligible to receive VOCA support must: (1) respond to the emotional, psychological, or 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) restore a measure of safety and security for the victim. 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.

The Huckleberry Youth Programs, Inc.

Huckleberry is a 501(c)(3) non-profit organization in San Francisco, California, whose mission is to educate, inspire, and support youth to develop healthy life choices, maximize their potential, and realize their dreams. Huckleberry was officially founded in 1967 to provide a housing alternative to incarceration for San Francisco's runaway youth and has been a subrecipient of VOCA grants since 2014. According to organization officials, Huckleberry's services have adapted over the years to the needs of the communities it serves and have included housing, mental health care and counseling, incarceration support, schooling, health information sharing and support, and general advocacy for troubled or underserved youth. Huckleberry provides its services through seven distinct programs: Huckleberry House, Huckleberry Advocacy & Response Team (HART), Huckleberry Youth Health Center, Huckleberry Teen Health Program, Huckleberry Access to College Equity Academy, Community Assessment and Referral Center, and Seeds of Change.

OIG Audit Approach

The objective of this audit was to review how Huckleberry used the VOCA funds received through subawards from Cal OES to assist crime victims and assess whether Huckleberry 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 Cal OES officials regarding the Huckleberry's records of delivering crime victim services, accomplishments, and compliance with Cal OES award requirements.²

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); OVC's Performance Measurement Tool (PMT) Victim Assistance User Guide; the Cal OES Subrecipient Handbook;

² As an SAA, Cal OES is responsible for ensuring that Huckleberry's subaward is 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. As such, we considered the results of our audit of victim assistance grants awarded to Cal OES 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 Formula Grants Awarded to the California Governor's Office of Emergency Services, Mather, California](#), Audit Report GR-90-16-002 (January 2016), oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-formula-grants-awarded-california-governors.

Cal OES Victim Services Branch Procedural Manual; Huckleberry's Fiscal Policies and Procedures Manual; Huckleberry Program Manuals; and the OVC and Cal OES 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.

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. Huckleberry received VOCA funding through its UV 2023 and 2024 subawards (UV subawards) from Cal OES to provide crisis intervention, counseling, outreach, and criminal justice support and advocacy for underserved youth in the San Francisco Bay Area.³

We obtained an understanding of Huckleberry's standard operating procedures in relation to the subaward-funded services. We compared the subaward solicitations and subaward agreements against available evidence of accomplishments to determine whether Huckleberry provided services for which it was funded. We also tested a sample of Huckleberry's UV subawards' programmatic performance reports. Overall, we concluded that Huckleberry generally served youth victims consistent with its UV subawards' program goals. However, we identified that Huckleberry had reported inaccurate performance data.

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 Huckleberry's standard operating procedures in relation to audited victim services, we conducted interviews with managers and staff at Huckleberry House and HART. We also reviewed Huckleberry's written policies and procedures that govern the VOCA-funded program and received a demonstration of the client management system. We determined that Huckleberry had sufficient written policies and operating procedures to perform and document its victim services. However, as detailed below, we found Huckleberry overstated its performance data, should enhance their policies and procedures to delineate performance data across programs and funding sources, lacked internal controls to ensure accurate reporting of programmatic data, and did not meet record retention requirements.

According to the objective of the UV subawards, Huckleberry was to serve at least 100 underserved youths annually in the San Francisco Bay Area with individualized, culturally appropriate, trauma-informed programming tailored to youth victims or survivors of crime. Huckleberry reported serving 346 youths during the period January through December 2024. However, we found that Huckleberry overstated its performance data because it included youth victims served through other Huckleberry programs not funded by these subawards. According to a Huckleberry official responsible for submitting performance data, the official was advised by the Program Director to include data from all of Huckleberry's seven programs when they submit quarterly performance measures reports to the Performance Measurement Tool (PMT), OVC's system to capture performance data. Further, Huckleberry did not appropriately prorate

³ Our programmatic performance testing was limited to the UV subawards, which was the initial scope of our audit. We later expanded the scope of our financial analysis to include the concurrent AT subawards due to the deficiencies in Huckleberry's financial management.

its performance data to reflect activities funded only by VOCA (including matching funds), as required by the OVC. Huckleberry stated that it received instructions from Cal OES in 2025 to prorate performance data and Huckleberry began to allocate achievements to VOCA based on the percentage of VOCA funds in relation to the entirety of Cal OES subaward funds. However, Huckleberry's prorating methodology is not in compliance with OVC guidance because it does not take into account Huckleberry's other victim services funding from other sources (such as city, county, private entities, and other federal) of its programs. We previously issued a recommendation for OJP to work with Cal OES to ensure that it provides the necessary guidance for its subrecipients to report only VOCA-funded activities in PMT, prorating when appropriate.⁴ In January 2026, we closed this recommendation based on Cal OES's revised procedures to assist subrecipients with PMT reporting, including comparing data entered into PMT to ensure that data is specific to VOCA-funded activities (i.e., prorated). We also reviewed Cal OES's template email "OVC PMT Entries – Proration Instructions" and noted that Cal OES informs its subrecipients to report data only for Grant Subaward activities funded with VOCA and VOCA match contributed and provides its subrecipients with reference to OVC's Victim Assistance Proration Strategies for Subgrantees.

Huckleberry's written policies and procedures detailed the definitions of various types of victims but fell short of providing necessary guidance on how to extract performance data from its client management system for different programs and funding sources. We also determined that there was no internal review of the programmatic data to ensure accuracy. Finally, Huckleberry does not memorialize or retain copies of supporting documents; instead, personnel rely on the ability to re-run queries in its client management system. An official told us, however, that subsequent edits to client records may lead to different query results.

Inaccurate reporting of performance measures can lead to a misrepresentation of the organization's activities and potentially impact funding decisions. According to OVC's PMT Victim Assistance User Guide, performance data should be reported only on activities funded with VOCA victim assistance dollars plus match funding, and when necessary, the subgrantee may apply an appropriate strategy for prorating subgrantee activity so that a reasonable portion is allocated to the victim assistance subgrants and reported in the PMT. Huckleberry included achievements from all of its seven programs and did not prorate its performance data, as required, providing a misrepresentation of the effectiveness and utilization of VOCA funds. Therefore, we recommend that OJP work with Cal OES to ensure that Huckleberry incorporates detailed procedures to accurately report performance funded with the VOCA funds.

Program Services

According to Huckleberry's UV subawards, Huckleberry House provides 24-hour crisis services and emergency shelter for youth ages 12 to 17. Meanwhile, through the subaward funds for HART, Huckleberry provides access to crisis response, advocacy, and case management services to youth ages 11 to 24 experiencing commercial sexual exploitation. To verify that Huckleberry provided these services, we interviewed program directors, an intervention specialist, a case manager, and a residential counselor at the program centers. We also reviewed Huckleberry's programmatic policies and procedures and toured the

⁴ See U.S. Department of Justice Office of the Inspector General, [Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the California Governor's Office of Emergency Services to Building Futures with Women and Children, San Leandro, California](#), Audit Report 25-060 (June 2025), oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-funds-subawarded-california-governors.

facilities. We determined that Huckleberry used the subawards for the purposes for which it received funding.

Financial Management

According to the DOJ Grants Financial Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records to accurately account for awarded funds. We interviewed Huckleberry's Finance Director and accounting staff, reviewed the fiscal policies, examined accounting records, and reviewed requests for reimbursements submitted to Cal OES to determine whether Huckleberry adequately accounted for the subaward funds we audited. Overall, our audit identified significant concerns with Huckleberry's financial management, including inaccurate and unreliable accounting records and inadequate internal controls.

Accounting System

The Cal OES UV 2023 subaward and AT 2023 subaward to Huckleberry were funded with only VOCA funds, while the UV 2024 subaward and AT 2024 subaward were funded with both VOCA and California state funds. Cal OES clearly identified the subaward amounts for each budget category by funding source (VOCA funds and state). Huckleberry maintained a general ledger within its accounting system for all its operations, including the Cal OES subawards.

According to the Uniform Guidance, the financial management system of each non-federal entity must provide identification, in its accounts, of all federal awards received and expended and the federal programs under which they were received. However, we found that Huckleberry was commingling VOCA and state funds within their general ledger. In the general ledger, Huckleberry assigned a subclass code to different funding streams to identify revenues and expenses to that source. The subclass code assigned was based on the subaward agreement rather than the various funding sources under the agreements. In addition, Huckleberry was posting the revenues or reimbursements from Cal OES, but did not post them timely, as required by Huckleberry's Fiscal Policies and Procedures Manual. We also found that Huckleberry did not post all of the expenses to the designated subclasses. As of October 2025, we determined that \$290,145 in revenues (reimbursements received) was recorded under the UV subawards, while only \$15,965 (6 percent of revenues) in expenses were recorded. Similarly, of the \$394,605 revenues recorded for the AT 2023 and 2024 subawards (AT subawards), only \$21,123 (5 percent in revenues) in expenses was recorded. Huckleberry's Finance Director explained that the remaining UV and AT subaward expenses are recorded in the general expense account for Huckleberry.

The Finance Director explained that Huckleberry managed and allocated costs outside of its official accounting system using multiple spreadsheets, one spreadsheet for each of the programs. The spreadsheets are completed monthly to allocate personnel and operating expenses by funding source. We reviewed the allocation spreadsheets, and we found that there are no controls for accuracy through reconciliations with and posting to the accounting system. Instead, the Finance Director stated that Huckleberry used budgeted amounts for personnel and operating expenses in the spreadsheet. However, this practice does not comply with 2 C.F.R. § 200.430, which states that while a grant recipient may rely on budget estimates or other distribution percentages determined for preliminary or interim accounting purposes, such estimates cannot be used to support charges to federal awards without reconciling after-the-fact charges. Also, if a grant recipient allocates employee time across multiple projects, it must support

the distribution of the employee's salary or wages among the specific activities or cost objectives. Furthermore, we found errors in some of the formulas and invoiced amounts being greater than actual expenses within the spreadsheets. The Finance Director explained these were data entry errors and that certain fields were not always updated. This individual also cited staff and accounting system limitations as a reason for the errors.

As a result, we determined that the allocation worksheets were not reliable for supporting expenditures charged to the VOCA subawards and Huckleberry's accounting system does not meet the financial management requirements under 2 C.F.R. § 200.302. Consequently, we determined that Huckleberry's accounting records were inaccurate. We recommend that OJP work with Cal OES to ensure Huckleberry implements an adequate accounting system that accurately accounts for federal funds awarded, including the ability to account for subaward funds and expenditures separately. We also recommend that OJP work with Cal OES to ensure that Huckleberry develops, implements, and disseminates written policies and procedures to comply with the DOJ Grants Financial Guide and federal award requirements, to ensure accurate allocation of expenses and timely posting of revenues by funding source.

Subaward Expenditures

For the subawards audited, Huckleberry's approved budgets included personnel and operating costs (e.g., rent, utilities, communication, staff training, and indirect costs). As of December 2025, we found that Cal OES paid a total of \$579,145 to Huckleberry with VOCA funds. During this period, Huckleberry also reported \$145,433 of matching costs for the subawards.

Based on the aforementioned systemic commingling issue, unreliable and incomplete accounting records, as well as a lack of adequate allocation of costs and lack of accounting controls, we concluded that Huckleberry's accounting records were unreliable. As a result, we were unable to sufficiently test subaward transactions, and we believe that subaward funds are at risk for misuse. Further, Huckleberry reportedly met its match requirements with personnel salaries paid for by non-VOCA funds that were handled similarly in the accounting system, and we likewise were unable to sufficiently test them. Because we determined that Huckleberry's accounting system is unreliable, we also question Huckleberry's reported match as unsupported. Therefore, we have identified the expended funds as unsupported, and we recommend that OJP work with Cal OES to remedy \$579,145 in unsupported subaward expenditures and \$145,433 in unsupported match contributions for the UV and AT subawards.

Fiscal Policies and Procedures

Huckleberry had not established adequate internal controls as required by the DOJ Grants Financial Guide. Specifically, we determined that Huckleberry had general fiscal policies and procedures; however, these were outdated and lacked adequate internal controls to ensure proper stewardship of subaward funds. Additionally, the Finance and Administration Department staff did not always follow Huckleberry's existing fiscal policies and procedures. As discussed below, Huckleberry lacked an adequate timekeeping system, lacked adequate separation of duties, lacked controls over its credit card and gift cards, reported matching costs funded by non-eligible sources, submitted reimbursement requests later than intended by Cal OES, and the staff lacked adequate training to use the accounting software.

- ***Timekeeping system*** – We determined that Huckleberry did not have timesheets, time and effort reports, or activity reports to track employees’ distribution of activities to be able to accurately allocate compensation to the different subawards and programs. According to 2 C.F.R. § 200.430(g), charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed, the records must support the distribution of salary among specific activities if the employee works on more than one federal award or a federal award and non-federal award, and that budget estimates alone do not qualify as support for charges to federal awards.
- ***Separation of duties*** – We found that Huckleberry employees were performing multiple duties that should be separated. Huckleberry’s fiscal policies require segregation of duties to ensure appropriate checks and balances in the areas of revenue, purchasing, and in the accounts payable processes, and to prevent accounting errors from going undetected. However, we determined that one of Huckleberry’s Directors approved purchases but also signed checks to make payments. Additionally, the Finance Director made accounts receivable entries and also performed accounts receivable reconciliations. The lack of separation of these duties increases the risk of errors, improper payments, and fraud.
- ***Credit card management*** – According to Huckleberry’s Fiscal Policies and Procedures Manual, only authorized personnel are issued credit cards and must agree to the credit card policies. However, various Huckleberry staff stated that credit card holders allowed other employees to use their cards for purchases. This raises physical control issues as the credit card holders are personally liable for any unauthorized expenditures on the credit cards. Additionally, Huckleberry’s accountant explained that the credit card holders are responsible for assigning their credit card expenses to appropriate funding sources using a spreadsheet provided by the Finance and Administration Department. We noted that one of the VOCA subawards was erroneously missing from the list and credit card holders were not able to code expenditures to it.
- ***Gift card management*** – The UV 2024 subaward included a budget for client assistance such as providing gift cards, although Huckleberry stated that it had not purchased any gift card with VOCA funds within our audit scope. We assessed controls over gift cards at both HART and Huckleberry House. At HART, the staff maintained a log of gift cards with serial numbers, recipient’s initials, Huckleberry staff’s initials, and justification. We performed an inventory count at HART and confirmed that all \$3,370 in gift cards listed on the log were accounted for. However, at Huckleberry House, the staff informed us that they do not maintain a log of gift cards because the gift cards were donated. Also, Huckleberry’s Fiscal Policies and Procedures Manual states that physical access to valuable and movable assets is restricted to authorized personnel. However, during our visit to HART, we noted that the gift cards were stored without adequate physical controls where an unauthorized individual could access the cards.

We found that the HART Program Manual and the Huckleberry House Program Manual did not provide specific instructions or procedures for the management of gift cards. In addition, HART’s Program Manual provided specific guidelines on the amounts and frequency of client assistance. For example, Huckleberry provided gift cards to the youth to incentivize attendance to its awareness training, \$25 gift card for hygiene supplies, as well as on specific milestones such as \$50 gift card for high school graduation and \$20 gift card for college registration. Huckleberry’s staff stated that they do not annotate any gift card disbursements in the client management system. Without including

notes on gift card disbursements in the system, we believe Huckleberry staff would not have the information necessary to ensure compliance with the program manual with regards to the frequency of gift card distribution and amounts.

- ***Timeliness of submission of requests for reimbursement*** – Based on the Cal OES Subrecipient Handbook, subrecipients are encouraged to submit reimbursement requests at least quarterly. However, based on the accounting records we reviewed, Huckleberry did not invoice monthly on more than one occasion. In one instance, Huckleberry requested funds from Cal OES 8 months after the expenditure was incurred. Untimely requests for reimbursement increases the risk of errors, improper payments, and fraud.
- ***Matching costs*** – We found that a portion of Huckleberry's reported matching contributions consisting of personnel costs were paid with grant funds from the City and County of San Francisco. Upon further review, we determined that this grant was funded with federal dollars, specifically funds from the Department of Health and Human Services, Administration for Children and Families. The 2 C.F.R. § 200.306 explains that subrecipients' matching costs may not be paid by another federal award. However, due to Huckleberry's inadequate and unreliable accounting records, we could not determine the specific amount of these unallowable match contributions.
- ***Training of Finance and Administration Department personnel*** – The Huckleberry Finance Director stated that the Finance and Administration Department staff have not received training on the accounting software used by the organization. The Finance Director also stated that the department staff are not required to take continuous accounting training. We believe that Huckleberry's lack of training of its Finance and Administration Department personnel contributed to accounting deficiencies identified during the audit.

We believe that the internal control deficiencies and deviations found, along with the lack of written comprehensive policies and procedures, increase the potential that errors or irregularities may occur and not be detected. By not having sufficient policies and procedures in place, Huckleberry's ability to adequately manage subaward funds was hindered. We recommend that OJP work with Cal OES to ensure that Huckleberry develops, implements, and disseminates written policies and procedures to comply with the DOJ Grants Financial Guide and federal award requirements. Specifically, the policies should ensure: (1) employees' distribution of activities are tracked to facilitate allocation of personnel cost to the subawards; (2) adequate separation of duties among individuals responsible for authorization, custody of assets, record keeping, and reconciliation; (3) adequate physical control of credit cards and proper credit card expense allocation; (4) controls over tracking and safeguarding of VOCA-funded gift cards (to include either a log or tracking in the client management system); (5) adequate controls over the timing of reimbursement requests; (6) matching costs contributions are allowable in-kind sources and come from non-federal sources; and (7) proper training of Finance and Administration Department personnel.

Cal OES's Subrecipient Performance Assessment Recommendations

Many of the findings we discussed in this report were previously identified by Cal OES. In March 2024, Cal OES conducted a performance assessment on Huckleberry's AT 2023 subaward, UV 2023 subaward, and

another non-VOCA-funded subaward.⁵ Some related findings by Cal OES were that Huckleberry was: (1) unable to accurately allocate time by activity and funding source; (2) unable to provide sufficient records of funds that can be traced to the Report of Expenditures and Request for Payments; (3) unable to provide adequate internal control so that no one person may perform more than one duty of the financial administration, and (4) unable to provide supporting costs claimed on the Report of Expenditure and Request for Payments forms. Cal OES reviewed Huckleberry's responses to the findings and recommendations, along with detailed explanations and documents, and deemed that Huckleberry satisfactorily completed the corrective action plan as of June 2024. However, we determined that the deficiencies still existed at Huckleberry during our audit. This indicates that Huckleberry did not implement changes that would ensure its compliance with various guidelines and regulations required under the subawards.

Additionally, we determined that Cal OES did not require Huckleberry to make corrective actions that would address the root cause of the issues identified. Rather, the corrective actions only required Huckleberry to provide support for any issues identified in Cal OES's sample testing. We reviewed Cal OES's reference document "Common Findings – Performance Assessment" which provided guidance on structuring corrective actions. We found that, to address a subrecipient's inability to accurately allocate time between different funding sources, the example corrective action provided was "The Subrecipient must provide an updated functional timesheet that includes all activities and time worked by employees to Cal OES by Month X, 202X." We conclude that Cal OES's 2025 Victim Services Branch Procedural Manual as well as the Common Findings – Performance Assessment guidance document did not ensure that subrecipients implement appropriate corrective actions to resolve root issues and ensure future compliance with federal guidance. In the absence of adequate policies and procedures as well as internal controls to address the root cause of issues, any corrective action taken may be temporary and may result in future non-compliance. Thus, we recommend that OJP work with Cal OES to enhance existing performance assessment procedures and manuals to ensure that it requires subrecipients to implement corrective actions that target the root cause of issues.

⁵ The non-VOCA subaward was an award under Cal OES's Sexual and Domestic Violence Prevention (SD) Program. The SD grant was a California state-funded award and thus was not part of our audit scope.

Conclusion and Recommendations

Our audit identified significant issues with Huckleberry's financial management, including a lack of reliable accounting records and a lack of an adequate timekeeping system to accurately account for VOCA expenditures. We also found that Huckleberry should enhance its internal controls related to separation of duties, credit card expense allocations and physical access controls over credit cards, documentation of gift card disbursements, as well as timely submissions of requests for payments. We believe that Huckleberry staff's lack of training on its accounting system contributes to the financial deficiencies we identified during our audit. Finally, our audit concluded that Huckleberry provided advocacy and outreach services to underserved youth victims of crime. However, we found that Huckleberry needs to modify its performance reporting procedures to ensure it reports performance data that is accurate and relevant to the VOCA subawards. We provide five recommendations to OJP to work with Cal OES to address these deficiencies.

We recommend that OJP work with Cal OES to:

1. Ensure that Huckleberry incorporates detailed procedures to accurately report performance funded with the VOCA funds.
2. Ensure Huckleberry implements an adequate accounting system that accurately accounts for federal funds awarded, including the ability to account for subaward funds and expenditures separately.
3. Remedy \$579,145 in unsupported subaward expenditures and \$145,433 in unsupported match contributions for the UV and AT subawards.
4. Ensure that Huckleberry develops, implements, and disseminates written policies and procedures to comply with the DOJ Grants Financial Guide and federal award requirements. Specifically, the policies should ensure:
 - a. accurate allocation of expenses and timely posting of revenues by funding source;
 - b. employees' distribution of activities are tracked to facilitate allocation of personnel cost to the subawards;
 - c. adequate separation of duties between individuals responsible for authorization, custody of assets, record keeping, and reconciliation;
 - d. adequate physical control of credit cards and proper credit card expense allocation;
 - e. controls over tracking and safeguarding of VOCA-funded gift cards (to include either a log or tracking in the client management system);
 - f. adequate controls over the timing of reimbursement requests;

- g. matching costs contributions are allowable in-kind sources and come from non-federal sources; and
- h. proper training of Finance and Administration Department personnel.

We recommend that OJP:

- 5. Work with Cal OES to enhance existing performance assessment procedures and manuals to ensure that it requires subrecipients to implement corrective actions that target the root cause of issues.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to review how Huckleberry Youth Programs, Inc. (Huckleberry) used the Victims of Crime Act (VOCA) funds received through subawards from the California Governor's Office of Emergency Services (Cal OES) 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.

Our original audit scope included two Cal OES subawards, UV23-02-8517 (UV 2023 subaward) and UV24-04-7001 (UV 2024 subaward) to Huckleberry, totaling \$305,795, funded by Cal OES from primary VOCA grants 15POVC-23-GG-00432-ASSI and 15POVC-24-GG-00612-ASSI awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). However, based on our concerns related to Huckleberry's lack of reliable accounting records and lack of internal controls, we expanded the scope of our financial analysis to include two additional Cal OES subawards, AT23-04-8517 (AT 2023 subaward) and AT24-04-7001 (AT 2024 subaward), totaling \$399,653 funded by OVC grants 2020-V2-GX-0031, 15POVC-23-GG-00432-ASSI, 15POVC-21-GG-00613-ASSI, and 15POVC-24-GG-00612-ASSI. As of December 2025, Cal OES had reimbursed Huckleberry \$579,145 in subaward funds.

Our audit concentrated on, but was not limited to, the period of January 2024 through December 2025. 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; Cal OES guidance; and the OVC and Cal OES 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 Huckleberry's activities related to the audited subawards. Our work included conducting interviews with Huckleberry's staff, examining policies and procedures, and reviewing subaward documentation and financial records. We performed sample-based audit testing for program performance and accomplishments reported under the UV 2023 and 2024 subawards within our original audit scope. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the subawards reviewed. 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 Cal OES Grants Central System, and Huckleberry's accounting system specific to the management of DOJ funds during the audit

period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources.

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 Huckleberry to provide assurance on its internal control structure as a whole. Huckleberry's management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. § 200. Because we do not express an opinion on the Huckleberry's internal control structure as a whole, we offer this statement solely for the information and use of Huckleberry, Cal OES, and DOJ.⁶

We identified internal control components and underlying internal control principles as significant to the audit objective. Specifically, we reviewed the design and implementation of Huckleberry's written 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.

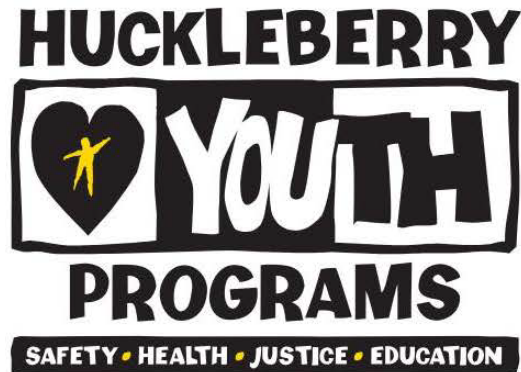
⁶ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Schedule of Dollar-Related Findings

| Description | OJP Prime Number | SAA Subaward Identifier | Amount | Page |
|--|-------------------------|-------------------------|------------------|------|
| Questioned Costs: ⁷ | | | | |
| Unsupported Personnel and Operating Costs | 15POVC-23-GG-00432-ASSI | UV23-02-8517 | \$189,075 | 7 |
| | 15POVC-24-GG-00612-ASSI | UV24-04-7001 | \$29,537 | |
| | 2020-V2-GX-0031 | AT23-04-8517 | \$18,967 | |
| | 15POVC-23-GG-00432-ASSI | AT23-04-8517 | \$238,533 | |
| | 15POVC-21-GG-00613-ASSI | AT24-04-7001 | \$70,719 | |
| | 15POVC-24-GG-00612-ASSI | AT24-04-7001 | \$32,314 | |
| <i>Total Unsupported Personnel and Operating Costs</i> | | | \$579,145 | |
| Unsupported Match | 15POVC-23-GG-00432-ASSI | UV23-02-8517 | \$47,511 | 7 |
| | 15POVC-24-GG-00612-ASSI | UV24-04-7001 | \$5,744 | |
| | 2020-V2-GX-0031 | AT23-04-8517 | \$4,742 | |
| | 15POVC-23-GG-00432-ASSI | AT23-04-8517 | \$59,633 | |
| | 15POVC-21-GG-00613-ASSI | AT24-04-7001 | \$17,769 | |
| | 15POVC-24-GG-00612-ASSI | AT24-04-7001 | \$10,034 | |
| <i>Total Unsupported Match</i> | | | \$145,433 | |
| Unsupported Costs | | | \$724,578 | |
| | | | | |
| TOTAL DOLLAR-RELATED FINDINGS | | | \$724,578 | |

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: Huckleberry Youth Programs, Inc. Response to the Draft Audit Report⁸



HUCKLEBERRY YOUTH PROGRAMS, INC.

555 Cole Street, San Francisco, California 94117

AUDITEE RESPONSE

to the Draft Audit Report of the
U.S. Department of Justice Office of the Inspector General

Audit of the Office of Justice Programs
Victim Assistance Funds Subawarded by the
California Governor's Office of Emergency Services
to the Huckleberry Youth Programs, Inc.,
San Francisco, California

Prepared with the assistance of
MJ White Consulting, Inc.
Federal Grants Management and Compliance

⁸ We have excluded attachments to Huckleberry's response from this final report.

Transmittal and Overview

This document constitutes the formal response of Huckleberry Youth Programs, Inc. (“HYP” or “Huckleberry”) to the Draft Audit Report issued by the U.S. Department of Justice Office of the Inspector General (OIG) concerning the Office of Justice Programs Victim Assistance Funds subawarded by the California Governor’s Office of Emergency Services (Cal OES) to HYP. HYP submits this response together with a Management Representation Letter executed on HYP letterhead and signed by authorized HYP officials, and together with a comprehensive Corrective Action Plan that integrates the corrective commitments set forth in this response.

HYP appreciates the professionalism of the OIG audit team throughout the audit process and acknowledges the constructive nature of the findings and recommendations contained in the Draft Audit Report. HYP is committed to the responsible stewardship of federal victim assistance funds and to the services those funds support for underserved youth victims of crime in the San Francisco Bay Area. HYP further recognizes that the conditions identified in the Draft Audit Report, whether addressed by concurrence or by partial concurrence, reflect opportunities for meaningful strengthening of HYP’s financial management and internal control environment, and HYP is committed to undertaking that strengthening on an expedited basis.

Overview of HYP’s Responses

HYP’s responses to each of the five recommendations in the Draft Audit Report are summarized as follows, with full detail in the sections that follow:

- Finding 1 - Performance Reporting (Recommendation 1): Partial concurrence. HYP concurs that 2024 performance data included activities outside the UV subawards and was not prorated, that HYP’s 2025 proration methodology did not comply with OVC guidance, and that source-data retention did not meet federal expectations; HYP partially concurs on the characterization of written procedures.
- Finding 2 - Accounting System (Recommendation 2): Full concurrence. HYP concurs with the conditions identified and commits to restructuring the chart of accounts, transitioning from budget-based to actual-based cost allocation, and implementing monthly reconciliation to the general ledger.
- Finding 3 - Unsupported Expenditures and Match (Recommendation 3): Partial concurrence. HYP commits to retrospective reconstruction of supporting documentation for the \$579,145 in questioned costs from payroll and source records independent of the deficient allocation spreadsheets; HYP concurs that a portion of the \$145,433 in reported match was sourced from federal funds and commits to identifying and remedying that portion.
- Finding 4 - Internal Controls (Recommendation 4): Partial concurrence, calibrated sub-by-sub. HYP concurs on timekeeping, separation of duties, matching-cost sources,

and staff training; HYP partially concurs on credit card management, gift card management, and timeliness of reimbursement requests.

- Recommendation 5 (directed to OJP and Cal OES): HYP welcomes and supports enhanced Cal OES performance assessment procedures that require root-cause corrective actions and commits to participate cooperatively in any such enhanced procedures.

The full text of HYP's response to each finding follows. A list of attachments and supporting documentation is provided

Response to Finding 1: Performance Reporting

This section presents HYP's response to the performance reporting matters addressed at pages 4 and 5 of the Draft Audit Report and to Recommendation 1. Consistent with the Draft Audit Report's structure, HYP addresses (a) the scope of activities reported under the UV subawards in calendar year 2024, (b) the proration methodology applied to 2025 OVC Performance Measurement Tool (PMT) submissions, (c) the existence and adequacy of written performance-reporting procedures, and (d) the retention of source documentation supporting reported performance data.

HYP's position on Finding 1 is a partial concurrence. HYP concurs that calendar year 2024 UV performance data submitted through the OVC PMT was not prorated to reflect only VOCA-funded activity and included youth served through HYP programs beyond those directly supported by the UV subawards. HYP further concurs that the proration methodology it applied in 2025 did not fully comply with OVC's Victim Assistance Proration Strategies for Subgrantees. HYP partially concurs to the characterization that HYP lacked written performance-reporting procedures and provides the context and supporting documentation described below. HYP concurs that its historical practice of re-running case-management-system queries rather than retaining static reporting datasets does not satisfy federal record-retention expectations.

1.1 Concurrence: Scope of Activities Reported in Calendar Year 2024

HYP concurs that the performance data reported to the OVC PMT under the UV subawards during calendar year 2024 included service counts drawn from HYP programs beyond those directly funded by the UV subawards. The Draft Audit Report states that HYP reported serving 346 youths under the UV subawards during January through December 2024 and that this figure incorporated activity from programs not supported by the UV subawards (Draft Report, pp. 4-5). HYP does not dispute this characterization.

HYP acknowledges that, under the OVC PMT Victim Assistance User Guide, subrecipients are required to report only on activities funded by VOCA victim assistance dollars and allowable match, and, where appropriate, to apply a reasonable proration strategy so that reported activity reflects the VOCA-funded share. HYP's 2024 UV reporting practice did not satisfy that requirement. HYP is committed to correcting this practice, and the corrective actions addressing this condition are set forth in HYP's Corrective Action Plan accompanying this response.

1.2 Concurrence: 2025 Proration Methodology

HYP concurs with the Draft Audit Report's characterization of HYP's 2025 proration methodology. The methodology HYP applied in calendar year 2025 prorated reported activity based on the VOCA and VOCA-match share of the Cal OES subaward budget. That methodology did not reflect the total program funding supporting the underlying services, including funding from city, county, other federal, and private sources, and therefore did not fully comply with OVC's Victim Assistance Proration Strategies for Subgrantees as applied to a subrecipient whose victim assistance programs are supported by multiple funding streams.

HYP recognizes that the OVC PMT Victim Assistance User Guide provides that performance data should be reported only on activities funded with VOCA victim assistance dollars plus match funding, and that when necessary, the subgrantee may apply an appropriate strategy for prorating subgrantee activity so that a reasonable portion is allocated to the victim assistance subgrants and reported in the PMT. HYP further recognizes, as reflected in Footnote 4 of the Draft Audit Report, that OIG closed a prior recommendation to OJP in January 2026 based on Cal OES's revised proration procedures, including Cal OES's template email entitled "OVC PMT Entries – Proration Instructions" and its reference to OVC's Victim Assistance Proration Strategies for Subgrantees, and that the currently correct methodology prorates reported activity against the full cost of the program from all funding sources rather than against the Cal OES subaward total alone.

HYP also recognizes that its own internal documentation of its 2025 proration calculations was incomplete. HYP calculated and submitted prorated data for certain quarters during 2025 but did not consistently document or complete proration calculations across all quarterly submissions, and HYP did not retain adequate written support for the methodology or for the quarter-specific calculations it did perform. HYP's corrective actions under Recommendation 1 therefore address not only the adoption of a methodology consistent with current OVC and Cal OES guidance, but also the documentation and retention of the methodology and calculations for each reporting period going forward, together with a retrospective documentation effort for the 2025 submissions as set forth in Section 1.5 below.

1.3 Partial Concurrence: Written Performance-Reporting Procedures

HYP partially concurs with the Draft Audit Report's characterization that HYP's written policies and procedures "fell short of providing necessary guidance on how to extract performance data from its client management system for different programs and funding sources" (Draft Report, p. 5). HYP concurs that the procedures in place during the audit period did not delineate, with sufficient specificity, how performance data were to be extracted and allocated by funding source across HYP's seven programs, and that those procedures did not include a formal pre-submission internal review step. HYP partially concurs insofar as HYP did maintain written performance-reporting procedures during the audit period, which provide a documented foundation on which HYP will build the enhanced procedures called for in Recommendation 1.

Specifically, HYP's Research and Evaluation department maintained a written "Reporting Processes" document covering external-stakeholder reporting, with detailed sub-sections addressing, among other topics, OVC PMT quarterly submissions for the Cal OES AT and UV grants, the Crime Victimization Coding process within HYP's client management system, the proration calculation applied to PMT submissions, the mapping of client-management-system Encounter Activities to each OVC PMT service category (A1 through E11), and the quarterly mark-and-log process by which Progress Notes included in a given quarter's submission are flagged in the system. HYP is providing this document to OIG as an attachment to this response.

HYP acknowledges that its written procedures contain internal notations (including “TODO” markers) identifying areas for further development, and that those notations reflect work in progress rather than fully implemented controls. HYP will incorporate the enhancements identified in the Draft Audit Report, together with the enhancements already identified internally, into a revised set of written performance-reporting procedures. The revised procedures will address, at minimum: (i) identification of the population of clients and services allocable to each federal subaward by funding source; (ii) a proration methodology consistent with current OVC and Cal OES guidance; (iii) pre-submission internal review and sign-off; (iv) retention of the source query results underlying each submission; and (v) the process for reconciling quarterly PMT submissions to semi-annual and annual progress reports. The corrective actions addressing this condition are set forth in HYP’s Corrective Action Plan.

1.4 Concurrence: Retention of Supporting Documentation

HYP concurs with the Draft Audit Report’s observation that HYP has not historically memorialized or retained copies of the source data supporting its PMT submissions and instead relied on the ability to re-run queries from its client management system (Draft Report, p. 5). HYP also concurs with the observation, attributed to an HYP official, that subsequent edits to client records may cause re-run queries to return results different from those underlying the original submission.

HYP recognizes that 2 C.F.R. § 200.334 requires recipients and subrecipients to retain financial records, supporting documents, statistical records, and all other records pertinent to a federal award for a period of three years from the date of submission of the final financial report, and that this retention requirement applies to performance records as well as financial records. HYP further recognizes that the DOJ Grants Financial Guide’s internal-control expectations require that reported data be supported by records that are reliable and reproducible. HYP’s historical practice does not meet those expectations.

HYP will implement a source-data retention protocol under which, at the time each PMT submission is prepared, the underlying query results and supporting client-management-system outputs are exported, timestamped, and retained in a read-only form for the full federal record-retention period. The protocol will be incorporated into HYP’s revised written performance-reporting procedures. The specific corrective actions addressing this condition are set forth in HYP’s Corrective Action Plan.

Response to Recommendation 1

Recommendation 1 of the Draft Audit Report states: “We recommend that OJP work with Cal OES to ensure that Huckleberry incorporates detailed procedures to accurately report performance funded with the VOCA funds” (Draft Report, p. 11).

HYP concurs with Recommendation 1 and commits to the following corrective actions, described in further detail in the accompanying Corrective Action Plan:

- Revising HYP's written performance-reporting procedures to (i) identify, for each federal subaward, the specific programs, services, and client populations that are properly allocable to the subaward; (ii) document a proration methodology aligned with Cal OES's "OVC PMT Entries – Proration Instructions" and OVC's Victim Assistance Proration Strategies for Subgrantees, reflecting the VOCA-funded share of total program cost from all funding sources; (iii) incorporate a pre-submission internal review and supervisory sign-off step; (iv) require retention of the source query results and supporting outputs underlying each submission; and (v) establish a reconciliation process between quarterly PMT submissions and semi-annual and annual progress reports submitted to Cal OES.
- Applying, for calendar year 2026 forward, the revised proration methodology described above, and documenting in writing for each reporting period the calculation basis, the data sources used, and the internal review sign-off.
- Conducting a retrospective documentation exercise for the 2025 quarterly PMT submissions, to memorialize in writing the methodology and calculations applied to each 2025 quarterly submission, identify any submissions for which proration was incomplete or inconsistent, and, in coordination with Cal OES, determine whether any 2025 submissions should be revised or supplemented.
- Implementing a source-data retention protocol consistent with 2 C.F.R. § 200.334, under which query results underlying each PMT submission are exported, timestamped, and retained for the full federal record-retention period.
- Providing training to all HYP personnel responsible for performance data collection, coding, and submission on the revised procedures, including the proration methodology, the pre-submission review process, and the source-data retention protocol.
- Establishing a quarterly compliance review, conducted by HYP's Research and Evaluation Director, with reporting to the Executive Director and Finance Director, to confirm that PMT submissions have been prepared in accordance with the revised procedures and that source data retention has been completed for each submission.

HYP anticipates that these corrective actions will be implemented within 180 days of the issuance of the Final Audit Report, with the revised written procedures completed within 90 days and the retrospective documentation exercise for 2025 submissions completed within 120 days. HYP will coordinate with Cal OES throughout implementation and will provide documentation of completion to Cal OES and OJP upon request.

Response to Finding 2: Accounting System

This section presents HYP's response to the accounting system matters addressed at pages 6 and 7 of the Draft Audit Report and to Recommendation 2.

HYP's position on Finding 2 is full concurrence. HYP agrees with the Draft Audit Report's conclusions that HYP's accounting system, as operated during the audit scope, did not provide for the identification, in its accounts, of all federal awards received and expended and the federal programs under which they were received, as required by 2 C.F.R. § 200.302(b)(1); that HYP commingled VOCA and California state funds within a single subclass assigned at the subaward level rather than at the funding-source level; that revenue and expense posting to the subaward subclasses was incomplete, with approximately \$290,145 in revenues recorded under the UV subawards against only \$15,965 in expenses, and \$394,605 in revenues recorded under the AT subawards against only \$21,123 in expenses, as of October 2025; that the monthly cost-allocation spreadsheets used to distribute personnel and operating costs across programs and funding sources relied on budgeted rather than actual amounts; and that those spreadsheets contained formula errors, were not reconciled to the accounting system, and in certain periods reflected invoiced amounts that exceeded actual expenses.

HYP recognizes that 2 C.F.R. § 200.430(a) permits a recipient to use budget estimates or other distribution percentages for preliminary or interim accounting purposes only, and that such estimates cannot support final charges to federal awards without after-the-fact reconciliation to actual activity. HYP further recognizes that 2 C.F.R. § 200.302(b) requires accounting records supported by source documentation, and that the identification of federal awards and programs in the accounts must be sufficient to permit the preparation of required federal reports and the tracing of funds to a level of expenditure adequate to establish that funds have been used in accordance with federal statutes, regulations, and the terms and conditions of the award.

HYP acknowledges that, for the subawards audited, it did not satisfy those requirements, and that the cumulative effect (subclass codes assigned at the subaward rather than funding-source level, partial posting of expenses, budget-based rather than actual-based allocation, and formula errors within the allocation spreadsheets) rendered its accounting records unreliable for federal-award purposes. HYP does not dispute any of these conditions.

Response to Recommendation 2

Recommendation 2 of the Draft Audit Report states: "We recommend that OJP work with Cal OES to ensure Huckleberry implements an adequate accounting system that accurately accounts for federal funds awarded, including the ability to account for subaward funds and expenditures separately" (Draft Report, p. 11).

HYP concurs with Recommendation 2 and commits to the following corrective actions, described in further detail in the accompanying Corrective Action Plan:

- Restructuring the chart of accounts and class/subclass framework so that each federal subaward and each funding source within a subaward (VOCA, VOCA match, California state VCGF, and other sources) is separately identifiable in the general ledger, consistent with 2 C.F.R. § 200.302(b)(1). HYP will retain its accounting consultant to design the revised structure and will obtain written confirmation from Cal OES that the revised structure meets pass-through identification requirements.
- Discontinuing the use of budget-based cost allocation spreadsheets as the sole basis for charging costs to federal awards, and transitioning to an actual-time, actual-cost allocation methodology supported by 2 C.F.R. § 200.430(i)-compliant personnel activity records for employees whose effort is split across multiple funding sources.
- Posting all subaward revenue and expense activity to the subaward-identified general ledger accounts monthly, and performing a monthly reconciliation between the general ledger, the cost allocation work product, and the reimbursement requests submitted to Cal OES.
- Implementing pre-submission supervisory review of each Report of Expenditure and Request for Payment, with written sign-off by the Finance Director and a second-level reviewer independent of the preparer.
- Conducting a historical cost-by-cost reconciliation, for the audit scope period, between actual payroll and accounts-payable activity and the amounts previously invoiced to Cal OES, to identify and document any differences between amounts invoiced and actual costs incurred, and to support the reconstruction of supporting documentation for the questioned costs addressed in Finding 3.
- Providing training to Finance and Administration Department personnel on the revised accounting structure, allocation methodology, and monthly reconciliation process.

HYP anticipates that the revised accounting structure will be operational within 120 days of the issuance of the Final Audit Report, that the historical reconciliation described above will be completed within 180 days, and that all associated training will be completed within 180 days. HYP will coordinate with Cal OES throughout implementation and will provide documentation of completion to Cal OES and OJP upon request.

Response to Finding 3: Unsupported Subaward Expenditures and Match

This section presents HYP's response to the dollar-related findings addressed at pages 6 through 9 of the Draft Audit Report and to Recommendation 3, which identifies \$579,145 in unsupported subaward expenditures and \$145,433 in unsupported match contributions, totaling \$724,578.

HYP's position on Finding 3 is a partial concurrence. HYP concurs that, as recorded and supported within HYP's accounting system during the audit scope, the subaward expenditures and match contributions were not supported at a level sufficient for audit testing, and that this condition followed directly from the accounting-system deficiencies addressed in Finding 2. HYP partially concurs with the characterization of the full \$724,578 as unsupported and respectfully submits that a substantial portion of these costs is supportable from source records that exist outside the deficient cost-allocation spreadsheets. HYP concurs that a portion of the reported match consisting of personnel costs paid with City and County of San Francisco grant funds originating from the U.S. Department of Health and Human Services, Administration for Children and Families, was not allowable as match under 2 C.F.R. § 200.306(b)(5), and commits to identifying the specific amount and proposing an appropriate remedy.

3.1 Unsupported Subaward Expenditures: \$579,145

HYP recognizes the footnote at Appendix 2 of the Draft Audit Report, which provides that questioned costs "may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate." HYP respectfully submits that the appropriate remedy for the \$579,145 in questioned personnel and operating costs is, in substantial part, the provision of supporting documentation.

The Draft Audit Report concluded that HYP's accounting records were unreliable and that OIG was therefore unable to sufficiently test subaward transactions. OIG's conclusion addresses the reliability of HYP's accounting records as presented during the audit; it does not address whether the underlying costs were allowable, allocable, reasonable, and actually incurred. HYP represents that the costs reimbursed by Cal OES under the subawards were in fact incurred and paid, consisted predominantly of personnel salaries and associated fringe benefits for named employees working on HYP's victim assistance programs, and are supported by source records including payroll registers, bank disbursement records, personnel files, and vendor invoices that exist independent of the deficient cost-allocation spreadsheets.

HYP commits to conducting a retrospective reconstruction, for the period January 2024 through December 2025, supporting documentation for the \$579,145 in subaward expenditures. The reconstruction will be performed under the supervision of HYP's Finance Director with the assistance of an external grants compliance consultant, and will document, for each invoiced cost, (i) the specific employee or vendor, (ii) the actual hours worked or services rendered allocable to the subaward, (iii) the actual dollar amount paid, (iv) the funding-source allocation,

and (v) the source documentation supporting each element. For personnel costs, the reconstruction will rely on payroll system reports showing actual time paid, supplemented with whatever contemporaneous activity records exist (calendars, program service logs, client management system entries) to support the allocation of effort to the subaward. HYP recognizes that the absence of 2 C.F.R. § 200.430(i)-compliant personnel activity reports is itself a finding, and that reconstructed allocations from non-contemporaneous records may not fully satisfy the after-the-fact activity-record requirement; HYP's position is that the reconstruction represents the best available evidence of allowability and allocability for costs actually incurred, and that the reconstructed support, together with the implementation of compliant timekeeping going forward, provides a reasonable basis for Cal OES and OJP to determine the appropriate remedy.

HYP respectfully requests that OJP, in working with Cal OES pursuant to Recommendation 3, consider the reconstructed documentation when it is completed, and that any portion of the \$579,145 for which HYP is able to provide adequate supporting documentation be removed from the final questioned-cost total. HYP further commits that any portion of the \$579,145 for which HYP is unable to provide adequate supporting documentation following the reconstruction will be addressed through one of the remedies identified in the Appendix 2 footnote, in coordination with Cal OES and OJP.

3.2 Unsupported Match: \$145,433

The Draft Audit Report characterizes \$145,433 in reported match contributions as unsupported and further notes that, upon review, a portion of HYP's reported matching contributions consisted of personnel costs paid with a City and County of San Francisco grant that was itself funded with federal dollars from the U.S. Department of Health and Human Services, Administration for Children and Families (Draft Report, p. 9). Under 2 C.F.R. § 200.306(b)(5), cost sharing or matching contributions may not be paid by another federal award, except where expressly authorized by federal statute.

HYP concurs that, to the extent any portion of its reported \$145,433 in match was funded with federal-source city funds, that portion was not allowable as match. HYP commits to identifying, through the same retrospective reconstruction described in Section 3.1, the specific portion of the \$145,433 that was sourced from the federally funded City and County of San Francisco grant, and to proposing an appropriate remedy for that portion in coordination with Cal OES and OJP. HYP further commits to implementing written procedures, as part of the revised policies and procedures addressed in Finding 4, to verify the source of all match contributions prior to their inclusion in reports to Cal OES, including a specific certification that no portion of any reported match is sourced from another federal award.

HYP partially concurs as to the characterization of the remaining portion of the \$145,433 as unsupported. HYP represents that match contributions consisting of personnel salaries paid with non-federal sources were in fact incurred and paid and are supportable by the same

retrospective reconstruction described in Section 3.1. HYP respectfully requests that any portion of the match that (i) was not sourced from another federal award and (ii) can be adequately supported through the reconstruction be removed from the final questioned-match total.

Response to Recommendation 3

Recommendation 3 of the Draft Audit Report states: "Remedy \$579,145 in unsupported subaward expenditures and \$145,433 in unsupported match contributions for the UV and AT subawards" (Draft Report, p. 11).

HYP concurs with Recommendation 3 and commits to the following corrective actions:

- Completing, within 180 days of the issuance of the Final Audit Report, a retrospective reconstruction of supporting documentation for the \$579,145 questioned subaward expenditures, including personnel cost reconstruction based on payroll system data and available contemporaneous activity records, and operating cost reconstruction based on vendor invoices, disbursement records, and allocation rationale.
- Identifying, within the same 180-day period, the specific portion of the \$145,433 in reported match that was sourced from the federally funded City and County of San Francisco grant and proposing an appropriate remedy for that portion in coordination with Cal OES and OJP.
- Submitting the reconstructed documentation to Cal OES and OJP for review and working with Cal OES and OJP to determine the final questioned-cost and questioned-match totals after consideration of the reconstructed support.
- Addressing any residual questioned amounts that remain after Cal OES and OJP review through one of the remedies identified in the Appendix 2 footnote - offset, waiver, recovery, further documentation, or ratification - as determined by OJP in coordination with Cal OES.
- Implementing written match-verification procedures, prior to the submission of any further reports to Cal OES, under which Finance and Administration Department personnel confirm and document the non-federal source of each match contribution prior to its reporting.

Response to Finding 4: Internal Controls and Fiscal Policies and Procedures

This section presents HYP's response to the internal control matters addressed at pages 7 through 10 of the Draft Audit Report and to Recommendation 4. The Draft Audit Report identifies seven sub-conditions under this finding: timekeeping, separation of duties, credit card management, gift card management, timeliness of reimbursement requests, matching costs sources, and staff training.

HYP's position on Finding 4 is a partial concurrence, with HYP's position stated separately for each of the seven sub-conditions below. Where HYP concurs, it accepts OIG's characterization and commits to corrective action. Where HYP partially concurs, it accepts the core condition while providing context that is material to the appropriate scope of corrective action.

4.1 Timekeeping: Concur

HYP concurs that, during the audit scope, HYP did not maintain timesheets, time and effort reports, or activity reports sufficient to satisfy the personnel activity record requirements of 2 C.F.R. § 200.430(i). HYP further concurs that charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed and that support the distribution of salary among specific activities where an employee works on more than one federal award or on a federal award and a non-federal activity, and that budget estimates alone do not qualify as such support. This condition is the underlying cause of a substantial portion of the unsupported-cost finding addressed in Finding 3.

HYP commits to implementing a compliant personnel activity record system for all employees whose effort is allocable in whole or in part to federal awards. The system will provide for after-the-fact certification of actual time worked by activity, will be completed and signed by the employee (or, where permitted, by a responsible supervisor with first-hand knowledge of the work), and will be reconciled to payroll records monthly. Specific implementation details are set forth in the Corrective Action Plan.

4.2 Separation of Duties: Concur

HYP concurs that, during the audit scope, certain duties were not adequately separated, including specifically (i) a Director who approved purchases also signing checks to make payments, and (ii) the Finance Director making accounts receivable entries and performing accounts receivable reconciliations. HYP further concurs that HYP's own Fiscal Policies and Procedures Manual required segregation of these duties and that HYP's practices deviated from its written policy.

HYP commits to implementing compensating controls that restore adequate separation of duties in the areas identified by OIG, including reassignment of check-signing authority for purchases approved by a specific Director, and implementation of an independent second-level review of

accounts receivable reconciliations performed by the Finance Director. Specific implementation details are set forth in the Corrective Action Plan.

4.3 Credit Card Management: Partial Concur

HYP concurs that, contrary to HYP's Fiscal Policies and Procedures Manual, certain credit card holders permitted other employees to use their cards for purchases, and that this practice raised physical control concerns and exposed the cardholders to personal liability for unauthorized expenditures. HYP further concurs that the spreadsheet used by cardholders to allocate credit card expenses to funding sources erroneously omitted one of the VOCA subawards, with the result that cardholders could not code expenditures to that subaward.

HYP partially concurs as to the scope of control failure. HYP represents that its written credit card policy, which authorizes the issuance of cards only to specified personnel and requires agreement to card use policies, remained in place throughout the audit scope, and that the condition identified by OIG reflects a deviation from existing policy rather than the absence of policy. Nonetheless, HYP acknowledges that the deviation itself reflects an internal control weakness, and that stronger monitoring and enforcement of the existing policy are required.

HYP commits to (i) reissuing the credit card policy with acknowledged sign-off by each cardholder; (ii) implementing monthly supervisory review of credit card activity to identify any use inconsistent with the policy; (iii) correcting the funding-source allocation spreadsheet to include all active VOCA subawards; and (iv) conducting targeted training for cardholders on cardholder responsibilities and prohibited uses.

4.4 Gift Card Management: Partial Concur

HYP partially concurs with the gift card management condition. HYP acknowledges that (i) its HART and Huckleberry House Program Manuals did not provide specific instructions or procedures for the management of gift cards; (ii) gift cards at Huckleberry House were not tracked in a log because staff understood those cards to have been donated rather than purchased with subaward funds; (iii) gift card storage at HART lacked adequate physical access controls at the time of OIG's site visit; and (iv) HYP staff did not annotate gift card disbursements in the client management system, with the result that the information necessary to confirm compliance with Program Manual guidelines on gift card frequency and amounts was not readily available.

HYP partially concurs insofar as HYP notes, consistent with the Draft Audit Report's own findings at page 8, that HART staff did maintain a log of gift cards recording serial numbers, recipient initials, staff initials, and justification, and that OIG's inventory count confirmed that all \$3,370 in gift cards listed on the HART log were accounted for. HYP further notes that during the audit scope no gift cards were purchased with VOCA funds.

HYP commits to (i) updating the HART and Huckleberry House Program Manuals to incorporate specific gift card management procedures covering purchase authorization, logging, physical

storage controls, disbursement documentation, and periodic inventory; (ii) implementing a standardized gift card log across all programs that will be used for both VOCA-funded and donated gift cards; (iii) annotating gift card disbursements in the client management system, or alternatively implementing a supplementary tracking mechanism that links gift card disbursements to specific clients and to the Program Manual guidelines on frequency and amount; and (iv) implementing physical access controls for gift card storage consistent with HYP's existing Fiscal Policies and Procedures Manual requirements for valuable and movable assets.

4.5 Timeliness of Reimbursement Requests: Partial Concur

HYP concurs that, during the audit scope, HYP did not consistently submit reimbursement requests monthly and that in at least one instance HYP requested reimbursement from Cal OES eight months after the expenditure was incurred. HYP recognizes that untimely reimbursement requests increase the risk of errors, improper payments, and missed opportunities to detect and correct discrepancies in a timely manner.

HYP partially concurs insofar as HYP notes that the Cal OES Subrecipient Handbook encourages submission of reimbursement requests at least quarterly rather than monthly, and that HYP's submissions, while not consistently monthly, did generally fall within a quarterly cadence. HYP nonetheless recognizes that the eight-month instance materially exceeded any reasonable reimbursement timeline and that the underlying condition reflected the accounting-system and allocation-spreadsheet issues addressed in Findings 2 and 3 rather than an affirmative choice to delay.

HYP commits to submitting reimbursement requests monthly going forward, and to establishing an internal control under which any reimbursement request submitted more than 45 days after the end of the month in which the expenditure was incurred is escalated to the Finance Director and Executive Director for written explanation and approval.

4.6 Matching Costs: Concur (Cross-Reference to Finding 3)

HYP concurs with the condition identified at page 9 of the Draft Audit Report regarding matching contributions sourced from a City and County of San Francisco grant funded with federal dollars from the U.S. Department of Health and Human Services, Administration for Children and Families. HYP's substantive response to this condition, including its commitment to identify the specific amount of federal-source match and to propose an appropriate remedy, is set forth in Section 3.2 of HYP's response to Finding 3, and is incorporated here by reference.

For purposes of Finding 4, HYP additionally commits to implementing written match-verification procedures under which Finance and Administration Department personnel confirm and document the non-federal source of each match contribution prior to its reporting to Cal OES, as described in Section 3.2.

4.7 Training of Finance and Administration Department Personnel: Concur

HYP concurs that Finance and Administration Department personnel have not received training on the accounting software used by HYP, that continuous accounting training is not currently required, and that the absence of such training contributed to the accounting deficiencies identified during the audit.

HYP commits to (i) conducting structured training for all Finance and Administration Department personnel on the accounting software, the revised chart of accounts and subclass structure addressed in Finding 2, the revised cost allocation methodology, and the federal grants compliance requirements of 2 C.F.R. Part 200; (ii) establishing a continuing professional education requirement for Finance and Administration Department personnel, with a minimum annual training requirement specific to federal grants management; and (iii) documenting all training completion in personnel files.

Response to Recommendation 4

Recommendation 4 of the Draft Audit Report states: "Ensure that Huckleberry develops, implements, and disseminates written policies and procedures to comply with the DOJ Grants Financial Guide and federal award requirements" covering subparts (a) through (h) addressing allocation of expenses, timekeeping, separation of duties, credit card controls, gift card controls, reimbursement timing, match sources, and personnel training (Draft Report, p. 11).

HYP concurs with Recommendation 4 in its entirety. The comprehensive corrective actions addressing each subpart are set forth in the sub-sections above and in the accompanying Corrective Action Plan. HYP will develop, implement, and disseminate revised written policies and procedures covering each of the eight subparts within 120 days of the issuance of the Final Audit Report, will provide training on the revised policies to all affected personnel within 180 days, and will provide documentation of completion to Cal OES and OJP upon request.

Observation on the March 2024 Cal OES Performance Assessment and Response to Recommendation 5

At pages 9 and 10 of the Draft Audit Report, OIG observes that Cal OES conducted a performance assessment of HYP in March 2024 that identified deficiencies substantially similar to those addressed in the present audit - including HYP's inability to accurately allocate time by activity and funding source, to provide sufficient records traceable to the Report of Expenditures and Request for Payments, to provide adequate separation of duties, and to provide supporting costs claimed on the Report of Expenditures and Request for Payments forms. OIG further observes that Cal OES accepted HYP's corrective actions as satisfactorily complete in June 2024, but that OIG found the same deficiencies still present during the current audit. OIG concludes, in Recommendation 5, that Cal OES's performance assessment procedures did not ensure that subrecipients implemented corrective actions targeting the root cause of issues.

HYP respectfully acknowledges this observation. The corrective actions HYP completed in response to the March 2024 Cal OES performance assessment were oriented toward producing the specific supporting documentation requested by Cal OES for the sample transactions identified during the assessment, rather than toward restructuring the underlying accounting system, timekeeping practices, and internal control environment that produced the sampled conditions. As a result, while the 2024 corrective actions satisfied the transaction-level documentation requests, they did not remediate the systemic conditions addressed in the present audit.

HYP is committed to ensuring that the corrective actions undertaken in response to the present audit are different in character from those undertaken in 2024. The corrective actions set forth in this response and in the accompanying Corrective Action Plan are structured to address the root cause of each finding, rather than to produce transaction-level documentation for the specific items sampled by OIG. HYP welcomes OIG's Recommendation 5 to OJP and Cal OES and will work cooperatively with Cal OES under any enhanced performance assessment procedures adopted in response to that recommendation.

APPENDIX 4: California Governor's Office of Emergency Services Response to the Draft Audit Report

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GAVIN NEWSOM
GOVERNOR



CAROLINE THOMAS JACOBS
DIRECTOR

May 5, 2026

David Gaschke
Department of Justice
Office of the Inspector General
90 7th Street
San Francisco, CA

Dear David Gaschke:

The California Governor's Office of Emergency Services (Cal OES) received the U.S. Department of Justice Office of the Inspector General (DOJ OIG) Finding Draft Report regarding the results of the Fiscal Year 2024-2025 Audit of the Cal OES' Subrecipient, Huckleberry Youth Programs Inc. via email on April 3, 2026. There are five recommendations that have been identified by DOJ OIG and Cal OES is required to work directly with Huckleberry Youth Programs Inc. to address the recommendations. Cal OES thanks DOJ OIG for the opportunity to provide its response.

Recommendation 1: Cal OES needs to ensure that Huckleberry Youth Programs Inc. incorporate detailed procedures to accurately report performance funded with the VOCA funds.

Cal OES Response: Cal OES agrees with the recommendation. In September 2024, Cal OES updated its Subrecipient Handbook to include more information related to performance data. In addition, Cal OES provides written instructions on pro-rating performance data to Subrecipients on a quarterly basis. It is important to note that Huckleberry Youth Programs Inc. did not implement a proration strategy until October 2025.

On March 19, 2026, Cal OES provided in-person technical assistance and is requiring Huckleberry Youth Programs Inc. to submit approved detailed policies and procedures to accurately report performance data by June 1, 2026. Additionally, Cal OES is requiring Huckleberry Youth Programs Inc. to submit source documentation supporting the data entered in the Performance Measurement Tool (PMT) for FFY 2025 quarters two and three.



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May 5, 2026
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Huckleberry Youth Programs Inc. has provided the source documentation supporting data entered in the PMT for FFY quarter two, which covers January through March 2026. In addition, Cal OES will be requesting the source documentation supporting data by July 2026, for quarter three, which covers April through June 2026. Cal OES will analyze the source documentation and ensure the Subrecipient is accurately prorating performance data.

Recommendation 2: Cal OES needs to ensure that Huckleberry Youth Programs Inc. implements an adequate accounting system that accurately accounts for federal funds awarded, including the ability to account for subaward funds and expenditures separately.

Cal OES Response: Cal OES agrees with the recommendation. On March 19, 2026, Cal OES provided in-person technical assistance and is requiring Huckleberry Youth Programs Inc. to submit approved detailed policies and procedures by May 11, 2026. The policies and procedures should ensure implementation of an adequate accounting system that accurately accounts for federal funds awarded. In addition, Huckleberry Youth Programs Inc. will be required to provide source documentation that supports all requests for funds until Cal OES reviews and approves the updated policies and procedures.

Recommendation 3: Cal OES needs to remedy \$579,145 in unsupported subaward expenditures and \$145,433 in unsupported match contributions for the UV and AT subawards.

Cal OES Response: Cal OES agrees with the recommendation. Cal OES is currently conducting a thorough review of accounting controls, allocation methodologies, and supporting documentation to assess the reliability of Huckleberry Youth Programs Inc.'s accounting system. As part of this process, Cal OES will evaluate whether the questioned costs were properly tracked and supported by adequate source documentation. A determination is expected by August 7, 2026. If it is found that the costs were not sufficiently supported, Cal OES will remedy the funds.

Recommendation 4: Cal OES needs to ensure that Huckleberry Youth Programs Inc. develops, implements, and disseminates written policies and procedures to comply with the DOJ Grants Financial Guide and federal award requirements. Specifically, the policies should ensure:

David Gaschke
May 5, 2026
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- a. accurate allocation of expenses and timely posting of revenues by funding source
- b. employees' distribution of activities are tracked to facilitate allocation of personnel cost to the Grant Subawards
- c. adequate separation of duties between individuals responsible for authorization, custody of assets, record keeping, and reconciliation
- d. adequate physical control of credit cards and proper credit card expense allocation
- e. controls over tracking and safeguarding of VOCA-funded gift cards (to include either a log or tracking in the client management system)
- f. adequate controls over the timing of reimbursement requests
- g. matching costs contributions are allowable in-kind sources and come from non-federal sources
- h. proper training of Finance and Administration Department personnel

Cal OES response: Cal OES agrees with the recommendation. On March 19, 2026, Cal OES provided in-person technical assistance and is requiring Huckleberry Youth Programs Inc. to submit approved detailed policies and procedures by May 11, 2026. The policies and procedures should comply with the DOJ Grants Financial Guide and federal award requirements, specifically items a – h listed above. In addition, Huckleberry Youth Programs Inc. will be required to provide source documentation that supports all requests for funds until Cal OES reviews and approves the updated policies and procedures.

Recommendation 5: Cal OES needs to enhance existing performance assessment procedures and manuals to ensure that it requires subrecipients to implement corrective actions that target the root cause of issues.

Cal OES Response: While Cal OES has existing performance assessment procedures in place to ensure Subrecipients implement corrective actions that target the root cause of issues, Cal OES agrees with the recommendation that the existing procedures could be enhanced. Cal OES is updating its Victim Services Branch (VSB) Procedural Manual to ensure that performance assessment corrective actions are implemented by Subrecipients. Cal OES anticipates that the VSB Procedural Manual update will be completed by May 29, 2026.

David Gaschke
May 5, 2026
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Furthermore, since Huckleberry Youth Programs Inc. hired a new CEO in January 2026, Cal OES is providing ongoing and frequent technical assistance to ensure the CEO understands all grant requirements.

Cal OES appreciates the assistance and guidance provided by DOJ OIG. If you have additional questions or concerns, please contact Ralph Zavala, Cal OES Office of Audits and Investigations Chief, at (916) 845-8437.

Sincerely,

Signed by:

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Ricki Hammett
Grants Management, Assistant Director

cc:
Ralph Zavala
Office of Audits and Investigations Chief
California Governor's Office of Emergency Services

Joanna Bautista
Office of Audits and Investigations
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Manager II
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California Governor's Office of Emergency Services.

Janine Williams
Victim Services Branch
Supervisor II
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Victim Services Branch
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Nicole Holm
Victim Services Branch
Supervisor II
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Elizabeth Manrique
Funds Management Unit
Supervisor I
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APPENDIX 5: Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

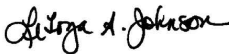
Office of Audit, Assessment, and Management

Washington, DC 20531

May 12, 2026

MEMORANDUM TO: David J. Gaschke
Regional Audit Manager
San Francisco Regional Audit Office
Office of the Inspector General

Digitally signed by LETOYA A. JOHNSON
Date: 2026.05.12 15:49:26 -0400

FROM: 
LeToya A. Johnson, CPA
Acting Deputy Director
Audit and Review Division
Office of Audit, Assessment, and Management

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the California Governor's Office of Emergency Services to the Huckleberry Youth Programs, Inc., San Francisco, California*

This memorandum is in reference to your correspondence dated March 19, 2026, transmitting the above-referenced draft audit report for grant funds subawarded to Huckleberry Youth Programs, Inc. (Huckleberry) by the California Governor's Office of Emergency Services (CAL OES). We consider the subject report resolved and request written acceptance of this action from your office.

The draft audit report contains **five recommendations and \$724,578 in questioned costs**. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by OJP's response.

- 1. We recommend that OJP work with CAL OES to ensure that Huckleberry incorporates detailed procedures to accurately report performance funded with the VOCA funds.**

The Office of Justice Programs agrees with the recommendation. We will work with CAL OES to ensure that Huckleberry updates its procedures to provide guidance on how to extract VOCA-funded performance data from its client management system and retain documentation to support the data reported.

- 2. We recommend that OJP work with CAL OES to ensure Huckleberry implements an adequate accounting system that accurately accounts for federal funds awarded, including the ability to account for subaward funds and expenditures separately.**

The Office of Justice Programs agrees with the recommendation. We will work with CAL OES to ensure that Huckleberry implements an adequate accounting system that accurately accounts for federal funds awarded, including the ability to account for subaward funds and expenditures separately.

- 3. We recommend that OJP work with CAL OES to remedy \$579,145 in unsupported subaward expenditures and \$145,433 in unsupported match contributions for the UV and AT subawards.**

The Office of Justice Programs agrees with the recommendation. We will work with CAL OES to obtain support from Huckleberry to remedy the \$579,145 in subaward expenditures and \$145,433 in unsupported match contributions.

- 4. We recommend that OJP work with CAL OES to ensure that Huckleberry develops, implements, and disseminates written policies and procedures to comply with the DOJ Grants Financial Guide and federal award requirements. Specifically, the policies should ensure:**

- a. accurate allocation of expenses and timely posting of revenues by funding source;**
- b. employees' distribution of activities are tracked to facilitate allocation of personnel cost to the subawards;**
- c. adequate separation of duties between individuals responsible for authorization, custody of assets, record keeping, and reconciliation;**
- d. adequate physical control of credit cards and proper credit card expense allocation;**
- e. controls over tracking and safeguarding of VOCA-funded gift cards (to include either a log or tracking in the client management system);**
- f. adequate controls over the timing of reimbursement requests;**
- g. matching costs contributions are allowable in-kind sources and come from non-federal sources; and**
- h. proper training of Finance and Administration Department personnel.**

The Office of Justice Programs agrees with the recommendation. We will work with CAL OES to ensure that Huckleberry develops, implements, and disseminates written policies and procedures to comply with the Department of Justice Grants Financial Guide and federal award requirements, to ensure accurate allocation of expenses and timely posting of revenues by funding source.

5. We recommend that OJP work with CAL OES to enhance existing performance assessment procedures and manuals to ensure that it requires subrecipients to implement corrective actions that target the root cause of issues.

The Office of Justice Programs agrees with the recommendation. We will work with CAL OES to ensure that its existing performance assessment procedures and manuals require that subrecipients implement corrective actions that target the root cause of issues.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact me on (202) 353-5744.

cc: Maureen A. Henneberg
Deputy Assistant Attorney General

Katherine Darke Schmitt
Acting Director
Office for Victims of Crime

James Simonson
Director of Operations, Budget, and
Performance Management Division
Office for Victims of Crime

Jeffrey Nelson
Deputy Director of Operations, Budget, and
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cc: Rachel Johnson
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Jorge L. Sosa
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Office of the Inspector General

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

The U.S. Department of Justice Office of the Inspector General provided a draft of this audit report to the Office of Justice Programs (OJP), the California Governor's Office of Emergency Services (Cal OES), and the Huckleberry Youth Programs, Inc. (Huckleberry). OJP's response is incorporated in Appendix 5, the Cal OES's response is incorporated in Appendix 4, and Huckleberry'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. Cal OES agreed with our recommendations. Huckleberry concurred with the four recommendations directed to it and supported the fifth recommendation that the OIG directed to Cal OES. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP to work with Cal OES to:

1. **Ensure that Huckleberry incorporates detailed procedures to accurately report performance funded with the Victims of Crime Act (VOCA) funds.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with Cal OES to ensure that Huckleberry updates its procedures to provide guidance on how to extract VOCA-funded performance data from its client management system and retain documentation to support the data reported.

Cal OES agreed with our recommendation and stated in its response that, although Cal OES provided updated written instructions on prorating performance data to subrecipients in September 2024 and also on a quarterly basis, Huckleberry did not implement a proration strategy until October 2025. Also, Cal OES stated that it provided Huckleberry in-person technical assistance on March 19, 2026, and required Huckleberry to submit approved detailed policies and procedures to accurately report performance data by June 1, 2026. Additionally, Cal OES has required Huckleberry to submit source documentation supporting the data entered in the Performance Measurement Tool (PMT). Cal OES stated that Huckleberry has provided the source documentation for PMT data for federal fiscal year quarter two (January through March 2026) but has yet to provide the source documentation for quarter three (April through June 2026). Cal OES will analyze the source documentation and ensure Huckleberry is accurately prorating performance data.

Huckleberry concurred with this recommendation overall but provided a detailed response to the findings leading to our recommendation. For example, Huckleberry concurred that the procedures in place during the audit period did not delineate, with sufficient specificity, how performance data were to be extracted and allocated by funding source across its seven programs, and that those procedures did not include a formal pre-submission internal review step. Huckleberry stated that it will revise its written performance reporting procedures to: (a) identify the specific programs, services, and client populations that are allocable to each federal subaward; (b) document a proration methodology aligned with Cal OES's and OVC's guidelines; (c) incorporate a pre-submission internal review and supervisory sign-off step; (d) require retention of the source query results and supporting outputs for each submission; and (e) establish a reconciliation process

between quarterly PMT submissions and semi-annual and annual progress reports submitted to Cal OES.

This recommendation can be closed when we receive evidence that Huckleberry has incorporated detailed procedures to accurately report performance funded with the VOCA funds.

2. Ensure Huckleberry implements an adequate accounting system that accurately accounts for federal funds awarded, including the ability to account for subaward funds and expenditures separately.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with Cal OES to ensure that Huckleberry implements an adequate accounting system that accurately accounts for federal funds awarded, including the ability to account for subaward funds and expenditures separately.

Cal OES agreed with our recommendation and stated in its response that, on March 19, 2026, Cal OES provided in-person technical assistance to Huckleberry and required Huckleberry to submit approved detailed policies and procedures that ensure implementation of an adequate accounting system that accurately accounts for federal funds awarded. In addition, Huckleberry will be required to provide source documentation that supports all requests for funds until Cal OES reviews and approves the updated policies and procedures.

Huckleberry concurred with our recommendation. In its response, Huckleberry stated it will restructure its chart of accounts and class/subclass framework to ensure each federal subaward and each funding source within a subaward (VOCA, VOCA match, California state funds, and other sources) is separately identifiable in the general ledger, consistent with 2 C.F.R. § 200.302(b)(1). In addition, Huckleberry stated it will transition to charging costs to federal awards based on an actual-time, actual-cost allocation methodology in accordance with 2 C.F.R. § 200.430(i). Huckleberry also stated it will post all subaward revenue and expense activity to the subaward-identified general ledger accounts on a monthly basis, and perform a monthly reconciliation between the general ledger, the cost allocation work product, and the reimbursement requests submitted to Cal OES. Also, Huckleberry stated that it will implement pre-submission supervisory review of each Report of Expenditure and Request for Payment, requiring written sign-off by the Finance Director and an independent second-level reviewer. Finally, Huckleberry stated that it will train its Finance and Administration Department personnel on the revised accounting structure, allocation methodology, and monthly reconciliation process.

This recommendation can be closed when we receive evidence that Huckleberry has implemented an adequate accounting system that accurately accounts for federal funds awarded, including the ability to account for subaward funds and expenditures separately.

3. Remedy \$579,145 in unsupported subaward expenditures and \$145,433 in unsupported match contributions for the UV and AT subawards.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with Cal OES to obtain support from Huckleberry to remedy the \$579,145 in subaward expenditures and \$145,433 in unsupported match contributions.

Cal OES agreed with our recommendation and stated in its response that Cal OES conducted a thorough review of Huckleberry's accounting controls, allocation methodologies, and supporting documentation to assess the reliability of the accounting system. Cal OES will evaluate whether the questioned costs were properly tracked and supported by adequate source documentation. Cal OES expects to make a determination by August 7, 2026. Cal OES stated that if it finds that the costs were not sufficiently supported, Cal OES will remedy the funds.

Huckleberry concurred with this recommendation overall but provided a detailed response to the findings leading to our recommendation. Specifically, Huckleberry stated in its response that \$579,145 reimbursed by Cal OES under the subawards, as well as portions of the \$145,433 match, were incurred, paid, and predominantly consisted of personnel salaries and associated fringe benefits for named employees working on Huckleberry's victim assistance programs and that these costs are supported by source records, such as payroll registers, bank disbursement records, personnel files, and vendor invoices. However, Huckleberry also acknowledged that, as recorded and supported within its accounting system, Huckleberry's subaward expenditures and match contributions were not supported at a level sufficient for audit testing. Huckleberry stated it would reconstruct supporting documentation for the \$579,145 in questioned subaward expenditures, and \$145,533 in unsupported match contributions. Additionally, Huckleberry will implement written match-verification procedures requiring Finance and Administration Department personnel to confirm and document the non-federal source of each match contribution before reporting to Cal OES.

This recommendation can be closed when we receive evidence that OJP has remedied \$579,145 in unsupported subaward expenditures and \$145,433 in unsupported match contributions for the UV and AT subawards.

4. Ensure that Huckleberry develops, implements, and disseminates written policies and procedures to comply with the DOJ Grants Financial Guide and federal award requirements. Specifically, the policies should ensure:

- a. accurate allocation of expenses and timely posting of revenues by funding source;
- b. employees' distribution of activities are tracked to facilitate allocation of personnel cost to the subawards;
- c. adequate separation of duties between individuals responsible for authorization, custody of assets, record keeping, and reconciliation;

- d. **adequate physical control of credit cards and proper credit card expense allocation;**
- e. **controls over tracking and safeguarding of VOCA-funded gift cards (to include either a log or tracking in the client management system);**
- f. **adequate controls over the timing of reimbursement requests;**
- g. **matching costs contributions are allowable in-kind sources and come from non-federal sources; and**
- h. **proper training of Finance and Administration Department personnel.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with Cal OES to ensure that Huckleberry develops, implements, and disseminates written policies and procedures to comply with the Department of Justice Grants Financial Guide and federal award requirements, to ensure accurate allocation of expenses and timely posting of revenues by funding source.

Cal OES agreed with our recommendation and stated in its response that, on March 19, 2026, Cal OES provided in-person technical assistance and required Huckleberry to submit approved detailed policies and procedures by May 11, 2026. The policies and procedures should comply with the DOJ Grants Financial Guide and federal award requirements, specifically the matters itemized in our recommendation. In addition, Huckleberry will be required to provide source documentation that supports all requests for funds until Cal OES reviews and approves the updated policies and procedures.

Huckleberry concurred with this recommendation overall but provided a detailed response to the findings leading to our recommendation. Specifically, Huckleberry stated that it has written credit card policies, has a gift card log, and generally submitted reimbursements on a quarterly basis. However, Huckleberry's response also indicated that it accepts the core conditions the OIG identified and declared its commitment to implementing the recommended corrective action. In turn, Huckleberry stated that it will develop, implement, and disseminate revised written policies and procedures covering each of the eight items identified in our recommendation and will provide training on those policies to all affected Huckleberry personnel.

This recommendation can be closed when we receive evidence that Huckleberry has developed, implemented, and disseminated written policies and procedures to comply with the DOJ Grants Financial Guide and federal award requirements. Specifically, the policies should ensure: (a) accurate allocation of expenses and timely posting of revenues by funding source; (b) employees' distribution of activities are tracked to facilitate allocation of personnel cost to the subawards; (c) adequate separation of duties between individuals responsible for authorization, custody of assets, record keeping, and reconciliation; (d) adequate physical control of credit cards and proper credit card expense allocation; (e) controls over tracking and safeguarding of VOCA-funded gift cards (to include either a log or tracking in the client management system); (f) adequate controls over the timing of reimbursement requests; (g) matching costs contributions are allowable in-kind sources and come

from non-federal sources; and (h) proper training of Finance and Administration Department personnel.

Recommendation that OJP:

- 5. Work with Cal OES to enhance existing performance assessment procedures and manuals to ensure that it requires subrecipients to implement corrective actions that target the root cause of issues.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with Cal OES to ensure that its existing performance assessment procedures and manuals require that subrecipients implement corrective actions that target the root cause of issues.

Cal OES agreed with our recommendation and stated in its response that, while Cal OES has existing performance assessment procedures in place to ensure subrecipients implement corrective actions that target the root cause of issues, Cal OES agrees that the existing procedures could be enhanced and stated that it is updating its Victim Services Branch (VSB) Procedural Manual to ensure that performance assessment corrective actions are implemented by subrecipients. According to its response, Cal OES's VSB Procedural Manual's update will be completed by May 29, 2026.

This recommendation can be closed when we receive evidence that Cal OES has enhanced its existing performance assessment procedures and manuals to ensure that it requires subrecipients to implement corrective actions that target the root cause of issues.