

Review of Department of Justice Data Quality Procedures for Recovery Act Recipient Reports



October 2009

Introduction

Under the American Recovery and Reinvestment Act of 2009 (Recovery Act), the Department of Justice (DOJ) received \$4 billion in funding for grant recipients to enhance state, local, and tribal law enforcement; to combat violence against women; and to fight Internet crimes against children. The Recovery Act requires that contract and grant recipients report each quarter on how they used recovery funds. The first reporting period began on October 1, 2009, when prime recipients and sub-recipients began filing reports into FederalReporting.gov, the government website created to collect all the data. Each recipient report was required to include:

- total Recovery Act funds awarded between February 17 and September 30, 2009;
- total funds expended;
- a description and location of the project; and
- the number of jobs created or saved.

Between October 11 and 29, 2009, recipients and federal agencies could review the data submitted by recipients to FederalReporting.gov and recipients could make changes to their reports. From October 22 through 29, recipients could only change their reports in response to agency comments on the reports. In its Memorandum M-09-21, the Office of Management and Budget (OMB) required federal agencies to develop internal policies and procedures for reviewing recipients' reported data with a focus on identifying material omissions and significant reporting errors. On October 30, 2009, grant recipient data was to be moved to Recovery.gov and made available to the public. Any contract recipient data was moved to Recovery.gov and made available to the public on October 15.

To help ensure the quality of recipient reports, the Recovery Accountability and Transparency Board (the Board) encouraged each federal Office of Inspector General (OIG) which is overseeing an agency receiving Recovery Act funds to participate in a government-wide Recovery Act Reporting Data Quality Review. This report contains the results of the data quality review conducted by the Department of Justice OIG. The objective of this review was to determine if the DOJ has established processes to perform data quality reviews intended to identify material omissions and significant reporting errors by recipients and to notify the recipients of the need to make appropriate and timely changes. We performed our review

between September 23 and October 23, 2009. We conducted the review at the DOJ's Justice Management Division (JMD), which was responsible for certain aspects of the data quality initiative for all DOJ components, and at the DOJ's major granting agencies:

- Office of Justice Programs (OJP)
- Office on Violence Against Women (OVW)
- Office of Community Oriented Policing Services (COPS)

Results in Brief

The DOJ has made significant efforts to develop data quality review processes and procedures for ensuring that data reported by Recovery Act funding recipients is complete and accurate. We determined that JMD developed automated screening and data validation systems to support granting agencies' verification of recipients' reports and to enable the DOJ as a whole to identify any material omissions and significant errors. The DOJ granting agencies separately developed quality review processes that appear to provide effective means for assessing the quality of the reported information and correcting any deficiencies identified. Further process improvements will be necessary as the initial Recovery Act reporting is completed and experience is gained with the reporting system.

The results of our review at the JMD and the granting agencies are discussed in the following sections. Each section contains the results of our work on six specific areas of review identified by the Board.

Justice Management Division

JMD is the owner and service provider for the DOJ's Financial Management Information System (FMIS2), which is the official accounting system for the DOJ's granting agencies. FMIS2 provides JMD access to detailed financial information on the DOJ's Recovery Act awards.¹ Beginning in June 2009, the DOJ assigned JMD responsibility for reporting weekly on DOJ-wide Recovery Act funding, obligations, and outlays by program.

¹ The Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) received \$10 million of Recovery Act funding, or 0.25 percent of the DOJ's \$4 billion Recovery Act funding. The majority of ATF's Recovery Act funding will be used to fund reimbursable agreements with the Department of State for the procurement of specialized law enforcement vehicles to be used along the Southwest Border.

JMD's policy and procedures for reviewing quarterly Recovery Act data pursuant to OMB Memorandum M-09-21

Upon receiving OMB Memorandum M-09-21 on June 22, 2009, JMD began working with the DOJ's granting agencies to develop procedures that JMD would perform on recipient reports to assist in ensuring compliance with OMB Memorandum M-09-21. On September 30, 2009, JMD staff provided the OIG with a copy of their procedures. We reviewed the procedures and met with JMD staff to review the procedures in detail. On October 7, 2009, JMD staff provided us their finalized initial procedures, which we also reviewed. However, JMD staff members told us that, based on the experience they would gain with the initial data submission, they anticipated revising the procedures in November for use in reviewing recipients' next quarterly data submissions.

JMD's approach to reviewing data quality relies extensively on automated matching of recipient data maintained in FMIS2 to recipient data reported to FederalReporting.gov. For example, on October 5, 2009, JMD performed a match to determine if all DOJ grantees had registered at FederalReporting.gov. Such registration by recipients was necessary to establish an account into which the recipient's report could be uploaded. JMD matched grantee D-U-N-S numbers for DOJ grantees in FMIS2 to D-U-N-S numbers for which an entity registered at FederalReporting.gov.² The granting agencies were then provided a listing of 1,950 potentially unregistered D-U-N-S numbers and asked to contact the grant recipients to ensure registration and reporting at FederalReporting.gov.

JMD procedures for reviewing recipient data focused on ensuring that each DOJ Recovery Act recipient reported as required. As time permitted, JMD planned to identify significant errors in data reported for the award amount, Catalog of Federal Domestic Assistance (CFDA) number, and Treasury Accounting System (TAS) number. In the second quarterly reporting period beginning in January 2010, JMD plans to expand its data matching efforts to identify inconsistencies in other reported data. Also, beginning in January 2010, JMD plans to begin performing analytical procedures to check the reasonableness of jobs created or retained, and amounts expended.

After reviewing JMD's initial draft procedures, we suggested that JMD incorporate a match of funds drawn down by grantees to funds the grantees

² A D-U-N-S number is a unique nine-digit number assigned by Dunn & Bradstreet that is recognized as the universal standard for identifying and keeping track of over 100 million businesses worldwide.

reported to FederalReporting.gov as “received.” JMD’s second draft procedures stated a plan to perform this match.

JMD’s plans for ensuring that all prime recipients have filed the required quarterly reports and for ensuring that it conducts the required reviews of the reported data

Responsibility for ensuring recipients file required reports resides with the DOJ granting agencies. However, JMD planned to assist the granting agencies in identifying non-filing grantees by matching D-U-N-S numbers, CFDA numbers, and grant numbers in FMIS2 to recipient data uploaded to FederalReporting.gov. On October 13, 2009, JMD provided the granting agencies an initial listing of apparent matching errors. While inconsistent and incomplete data uploaded by the grantees initially limited the utility of this list, JMD continued providing assistance by downloading unfiltered data from FederalReporting.gov and providing that to the granting agencies. This allowed those agencies to begin analyzing the data manually to identify recipients who had not reported. JMD planned on downloading and analyzing recipient data from FederalReporting.gov at least every other work day until the end of the recipient-report adjustment-period on October 21.

JMD’s process for performing limited data quality reviews

JMD’s planned review of recipient data focused on identifying material omissions and significant reporting errors by recipients. The review was planned to be conducted at three levels as described below.

Summary Level

JMD planned to compare three types of summary data in FMIS2 to data reported to FederalReporting.gov.

- **Department Level.** For the DOJ as a whole, JMD planned to compare the total number of grants and total grant award amounts contained in FMIS2 to the totals reported to FederalReporting.gov.
- **Component Level.** For each granting agency, JMD planned to compare the total number of grants and total grant award amounts in FMIS2 to the totals reported to FederalReporting.gov.
- **Program Level.** For each program, as identified by CFDA number, JMD planned to compare the total number of grants and total grant award amounts in FMIS2 to the totals reported to FederalReporting.gov.

JMD planned to use this summary level data review to: (1) determine the overall completeness of the reporting for the DOJ as a whole, for each granting agency, and each program; (2) identify any gaps or trends that would indicate potential systemic problems with a granting agency or program's outreach efforts to ensure timely recipient reporting; and (3) help focus the DOJ's quality assurance efforts in the areas with the greatest need.

Detail Level

JMD planned to validate detailed data for each grantee by comparing FMIS2 data to the following data elements recipients reported to FederalReporting.gov.

- Fund Code
- TAS
- D-U-N-S Number
- Award Number
- CFDA Number
- Obligation/Award Amount
- Disbursed Amount
- Award Date
- Program Office (not stored in FMIS2, but will be captured via the D-U-N-S file and provided to OJP for reference purposes)
- Solicitation Title (not stored in FMIS2, but will be captured via the D-U-N-S file and provided to OJP for reference purposes)

JMD will use the detail level review to generate program-level exception reports for the three granting agencies so they can work with the grant recipients to correct the omitted or potentially erroneously reported data as quickly as possible.

Data Analytics Level

JMD planned to check the accuracy of key data elements by performing the following checks for each grantee.

1. Total number of dollars expended does not exceed the total award amount.
2. The total award amount to sub-recipients (cumulative of award amounts reported in the sub-recipient and vendor spreadsheets as well as the aggregated numbers reported in the prime recipient spreadsheet) does not exceed the award amount.

3. Number of jobs reported does not exceed award amount divided by \$92,000, which is the amount of government stimulus spending determined by the Executive Office of the President, Council of Economic Advisors that equates to the creation of one job-year.

Taken as a whole, we believe that JMD's processes for limited data quality reviews are appropriate to help ensure that recipient's reported data is as accurate as possible.

JMD's policy and procedures for ensuring the avoidance of material omissions and significant reporting errors

JMD planned to assist the granting agencies in avoiding material omissions and significant reporting errors by providing lists of recipients that had not reported, and exception reports highlighting information in key data fields that did not match the information in FMIS2. These reports were provided periodically, beginning on the 12th day after the end of the first reporting period so the awarding agency grant managers could contact the recipients and request they modify their reporting, if necessary, before the close of the recipient-report adjustment-period on the 21st calendar day after the end of the reporting period. We believe these policies and procedures will help avoid material omissions and errors.

JMD's process to remediate systemic or chronic reporting problems

JMD staff told us that they had identified three systemic reporting problems.

First, the FederalReporting.gov data field for the grant award number is a free text data field allowing up to 50 characters. The instructions to recipients specify that the field is case, space, and special character sensitive, and instructs the recipient to enter the award number as it appears on the federal award document. However, when reporting the grant award number outside the standard format of DOJ grant awards, recipients were sometimes inconsistent in their use of dashes and special characters within the award number. Consequently, JMD initially had difficulty using this field effectively in its automated screening process. JMD staff were able to mitigate this partially by removing the special characters from the FederalReporting.gov data to better match the data and further analyze the data elements such as award amount, TAS, and CFDA Number.

Second, JMD staff told us that they and the granting agencies had assumed that recipients could readily modify data that JMD's screening process identified as being in error. For example, JMD identified more than

60 recipient reports potentially misidentified as contracts in the award-type data field. The award-type data field is used to distinguish between contracts, grants, and loans. JMD and the granting agencies initially planned to review these submissions and contact the recipients that incorrectly labeled their grants as contracts. JMD staff told us they subsequently learned that recipient errors in reporting certain key fields such as D-U-N-S number, award number, and award type cannot be modified once the recipient's report is submitted because these fields are tied to the "prime key number" for that submission. The prime key number is the unique identifier for the FederalReporting.gov database. It is comprised of the data elements: calendar year, calendar quarter, D-U-N-S number, prime award number, award type, and order number. To correct these key fields, a recipient must deactivate their initial submission, reenter all of the data, and resubmit their entire report. This is a time consuming effort and several recipients expressed a reluctance to resubmit their report because they were concerned that they would be identified as a late submitter. As a consequence of these problems, the DOJ awarding agencies were unable to have recipients correct the grants reported as contracts before contract data was moved from FederalReporting.gov to public access on Recovery.gov on October 15, 2009.

Third, JMD identified several recipient reports identified as pertaining to DOJ grant awards but that were potentially not DOJ awards based on the TAS, CFDA and/or award description fields. JMD staff members told us that they and other federal agencies' staff were frustrated that they did not have an effective mechanism to notify such recipients that they may need to change the awarding agency field so the correct federal agency can review their submission. Based on a conference call with federal agencies on October 15, 2009, the FederalReporting.gov technical team modified the Agency download to include the recipient submitter's e-mail address. Federal agencies could then send recipients an e-mail outside of the FederalReporting.gov site. From October 22 through 29, agencies could make comments on recipient submissions on the FederalReporting.gov website and those comments would trigger an automatic e-mail to the reporting recipient.

We believe that JMD took appropriate steps during the initial reporting period to begin identifying and remediating systemic or chronic reporting problems. JMD plans to continue improving and refining its processes in this area, and we believe that is a reasonable and appropriate plan.

JMD's ability to use the reported information as a tool for assessing compliance with the terms and conditions of award agreements, assessing risk, and determining when to release remaining funds

JMD does not award grants or contracts and consequently will not use the recipients' reports for assessing compliance with the terms and conditions of award agreements, assessing risk, or determining when to release remaining funds. However, in the future JMD plans to compare the recipients' reporting on FederalReporting.gov to the recipients' quarterly Federal Financial Report to determine if the amount reported as expended in both reports is consistent. If the reported amounts are consistent, this will provide the awarding agencies with more timely and accurate information that could be used for estimating the accrual of grant expenditures and advances for financial statement reporting.

Conclusions on JMD's data quality initiative process and procedures

JMD's Recovery Act Recipient Reporting Data Validation Process is based on matching data contained in FMIS2 to that reported by recipients to FederalReporting.gov. This process relies on grantees accurately reporting basic information with minimal error. If a DOJ grantee misreports key data such as the Awarding Agency Code, JMD will not be able to download any of the grantee's report and it will appear as a material omission. Similarly, if the grantee misreports multiple basic data fields, such as TAS, CFDA, D-U-N-S Number, or Award Number it will significantly hinder JMD's ability to provide complete and meaningful exception reports that can be directed to the correct granting agency for action. In anticipation of the data reported during the initial reporting period being too inconsistent to allow JMD to perform its procedures as planned, JMD staff developed contingency plans to modify their process. By removing the special characters from the award number field in the FederalReporting.gov downloaded data, JMD staff believed they will be able to match the grant to the data in FMIS2 and then successfully generate exception reports for the awarding agencies.

In conclusion, we believe that JMD's automated screening and data validation process is properly designed to provide useful information for the granting agencies to verify recipients' reports and to help the DOJ to identify material omissions and significant errors.

Office of Justice Programs

OJP is responsible for administering \$2.76 billion of Recovery Act funding as summarized in the following table. A more-detailed listing of Recovery Act programs is contained in the attachment to this report.

Program Funded	Amount
Edward Byrne Memorial Justice Assistance Grant Program	\$2 billion
Edward Byrne Competitive Grant Program	\$225 million
Assistance for Tribal Law Enforcement (Construction of Jails on Tribal Lands)	\$225 million
Assistance to Rural Law Enforcement to Combat Crime and Drugs	\$125 million
Assistance for Law Enforcement along the Southern Border and in High Intensity Drug Trafficking Areas	\$30 million
Grants for Victim Compensation and Assistance	\$100 million
Grants for Internet Crimes Against Children Initiatives	\$50 million
Total Funding	\$2,755 million

Source: Office of Justice Programs

As of October 20, 2009, OJP had awarded more than 3,800 grants under these Recovery Act programs. Within OJP, the Recovery Act programs are administered by the following program offices:

- Bureau of Justice Assistance (administers the Byrne formula and competitive grants, Assistance for Tribal Law Enforcement Grants, Assistance to Rural Law Enforcement grants, and Southern Border grants);
- Office of Juvenile Justice and Delinquency Prevention (administers the Local Youth Mentoring Initiative, National Youth Mentoring Programs, and Internet Crimes Against Children Initiatives);
- Office for Victims of Crime (administers the Grants for Victim Compensation and Assistance);
- National Institute of Justice (administers research, development, and evaluation efforts); and
- Bureau of Justice Statistics (collects, analyzes, publishes, and disseminates information).

OJP's policy and procedures for reviewing quarterly Recovery Act data pursuant to OMB Memorandum M-09-21

OJPs' Office of Audit, Assessment, and Management (OAAM) obtained the data quality review procedures established by another federal grant-making organization and modified those procedures for OJP's use. OJP's procedures are documented in its Recovery Act Recipient Reporting Data

Quality Review Process and Procedures. On September 23, 2009, OJP provided us a draft version of its procedures and asked that we review those.

On September 30, 2009, we provided OAAM with a list of questions regarding the procedures. Through the questions, we raised concerns regarding data review, review and oversight mechanisms, risk assessments, desk reviews, and on-site grant monitoring. Based on the questions, subsequent discussions with OAAM staff, and additional information such as a User Guide and sample data extract that OAAM received from FederalReporting.gov, OAAM revised the procedures and provided us with a second draft on October 14, 2009.

We reviewed the updated procedures and found that those adequately addressed our questions and concerns. For example, regarding OJP's data review procedures, we raised concerns about OJPs' sampling techniques and record selection process. In response to our concerns, OJP incorporated into its procedures a detailed sample selection methodology and timeline for completing the reviews, and took action to implement the newly revised procedures. In another example, we asked OJP to provide more detail on how Recovery Act grants will be monitored by grant managers and what documentation would be maintained. In response, OJP incorporated into its procedures the checklist to be used by grant managers to address Recovery Act specific objectives and requirements.

We believe that when fully implemented, these procedures will contribute to ensuring that OJP's Recovery Act recipients report complete and accurate data. OAAM plans to continue to develop and refine the procedures as the Recovery Act recipients complete the initial quarterly reporting process and after OJP evaluates the best practices for meeting the Recovery Act standards. The ultimate success of the procedures is dependent on variables such as the quality of data reported by recipients, recipients' responses to problems identified by OJP staff, and the extent to which OJP is able to improve its procedures based on experience during the initial reporting period.

OJP's plans for ensuring that all prime recipients have filed the required quarterly reports and for ensuring that it conducts the required reviews of the reported data

OJP planned to rely on the JMD matching procedures discussed above to identify Recovery Act recipients that did not file reports with FederalReporting.gov. OJP sent e-mails in mid-August and at the end of September to Recovery Act recipients reminding them of their obligation to

report and the need to register in FederalReporting.gov. Additionally, in August, OJP sent an e-mail to recipients inviting participation in the DOJ Recovery Act Reporting Webinar for Cooperative Agreements and Grantees held September 10. During the period of our review, JMD provided a list of the non-reporting recipients to OJP. OJP e-mailed all non-reporting recipients instructing them to file their reports and providing website links to reporting guidance. OAAM, the Office of the Chief Financial Officer, the OJP program offices, and the OJP Grants Management System helpdesk responded to e-mails and calls from recipients seeking reporting assistance.

The OJP procedures provided that OJP, through automated screening and data analytic techniques, would review 100 percent of the quarterly reports filed by Recovery Act recipients to identify incomplete and inaccurate data. Once any material omissions and significant reporting errors were identified, the plan called for program managers to contact the respective grantee to correct the omissions and errors. We believe these procedures will help ensure that prime recipients file the required reports and ensure that the required reviews of the reports by OJP are completed.

OJP's process for performing limited data quality reviews

After the initial recipient reports in October 2009, at the beginning of each quarterly reporting period OAAM will request that JMD generate a sample of 10-percent of the grant recipients with a focus on programs designated as high risk by the DOJ OIG. Eighty percent of the sample will be grantees from high-risk programs and 20 percent will be from other programs. Each category will be weighted by award amount. OAAM will forward the sample to OJP program offices where program managers will review all data elements for completeness and accuracy. In addition, at the end of each quarter, OAAM will compile data from the program offices records and conduct spot checks of sampled grant recipients to ensure the recipients were contacted by the grant managers to correct report errors, if applicable. We believe that these procedures will help ensure that recipients' reported data is accurate and complete.

OJP's policy and procedures for ensuring the avoidance of material omissions and significant reporting errors

As discussed above, OJP established a process through which it planned to review all of the initial quarterly reports submitted by Recovery Act recipients. At the end of each quarter, OJP planned to review a sample of recipient reports with a focus on programs designated as high risk by the DOJ OIG. After reviewing quarterly reports, OJP planned to notify recipients of any data quality issues and instruct recipients to correct the issues. We

believe that OJP's planned procedures will help identify and address material omissions and significant reporting errors.

OJP's process to remediate systemic or chronic reporting problems

As noted above, both OAAM and OJP program offices will review all the quarterly reports filed by Recovery Act recipients to ensure that key data elements and data reported are complete and accurate. Once material omissions and significant reporting errors are identified, the data quality procedures call for program managers to contact grantees and request corrections. When corrections are not timely and adequately made, program managers will document the problems and the program offices will determine appropriate corrective actions, which may include restrictions on drawdowns and future OJP awards, suspensions or terminations of the Recovery Act awards, and referrals to the DOJ OIG for reporting false or misleading information. We believe these procedures will help remediate systemic or chronic reporting problems.

OJP's ability to use the reported information as a tool for assessing compliance with the terms and conditions of award agreements, assessing risk, and determining when to release remaining funds

OJP's data quality procedures refer to the Grants Manager's Manual for the established system to accomplish grant monitoring and oversight through programmatic, financial, and administrative management. Such monitoring and oversight occurs throughout the grant lifecycle from award through close-out of program activity. OJPs' program offices and the Office of the Chief Financial Officer plan to conduct grant monitoring and oversight through communication, desk reviews, and on-site monitoring.

The data quality procedures note that grant managers will develop annual grantee monitoring plans during an assessment period in October and November 2009. In addition to the annual assessments conducted by grant managers, OAAM will collect pertinent data from OJP's Grants Management System, FMIS2, and recipients' Recovery Act reports. OAAM will analyze the data quarterly for indicators of risk and other problems and will work with OJPs' program offices on appropriate OJP response.

OJP plans to conduct on-site monitoring of grantees for at least 10 percent of the active awards by program each year so that 30 percent of Recovery Act funds will be covered by an on-site review over the life cycle of

the Act.³ Grant managers will conduct site reviews using a checklist that covers 25 financial, administrative, and programmatic elements, as well as an addendum to the checklist that outlines the new requirements of the Recovery Act and associated OMB guidance.

We believe that OJP's procedures, if fully implemented, will provide OJP the ability to use the reported information as a tool for assessing compliance with the terms and conditions of award agreements, assessing risk, and determining when to release remaining funds.

Conclusions on OJP's data quality initiative process and procedures

In summary, we found that OJP developed a quality review process, which appears to provide an effective means for collecting and reporting information, educating recipients about reporting requirements, assessing the quality of the reported information, and using the information effectively to monitor and oversee Recovery Act programs and performance. OJP plans to continue developing and refining the procedures, which will be necessary to help ensure that problems identified during the initial reporting period are prevented in subsequent periods.

Office on Violence Against Women

The OVW provides national leadership in developing the nation's capacity to reduce violence against women through the implementation of the Violence Against Women Act. The Office is responsible for administering \$225 million of Recovery Act funding, which has been awarded to 279 grantees under five programs.

OVW's policy and procedures for reviewing quarterly Recovery Act data pursuant to OMB Memorandum M-09-21

On September 6, 2009, the OVW Acting Director e-mailed OVW staff outlining responsibilities for review of recipients' Recovery Act reports. The Acting Director noted that each OVW program unit managing Recovery Act funds was responsible for reviewing and approving the recipient reports. To ensure its capability to timely review recipient reports, OVW adjusted staff schedules, required its staff to register with FederalReporting.gov, and provided staff with training on FederalReporting.gov features. In addition, OVW issued guidance and provided technical assistance to its grant

³ If fewer than 10 awards are made under a specific program, an on-site review will be made for at least 1 grant. Because of the large number of awards under the Byrne Justice Assistance Grant program, on-site reviews will be limited each year to 5 percent of the total number of awards.

recipients. For this purpose, OVW provided e-mails, jobs calculation spreadsheets, and sample templates to ensure that its recipients are aware of specific Recovery Act reporting requirements.

On October 5, we requested that OVW provide us with the data quality procedures that it planned to use to review recipient reports. On October 9, OVW provided the first draft of its procedures, which were closely aligned with OJP's draft data quality procedures from September 23. We reviewed the first draft and on October 16 provided OVW with questions regarding the draft procedures. Through the questions, we noted that:

- data screening protocols should be coordinated with JMD and OJP,
- certain terms required definition,
- staff responsibilities should be clarified,
- procedures for documenting data problems and tracking corrections should be specified, and
- procedures for using recipient data for assessing risk should be clarified.

After receiving our comments, OVW began delegating specific review tasks to program specialists within each of its program units administering Recovery Act funds. Program specialists not directly involved with Recovery Act grantees were acting on a "stand-by basis" to assist in reviewing quarterly reports.

As of October 21, OVW staff told us that certain aspects of FederalReporting.gov were not available to them.⁴ As a result, OVW staff were not certain how FederalReporting.gov would relay review comments to grantees.⁵ For example, if while reviewing a quarterly report a program specialist accidentally selects the "Marks As Reviewed" button on the top of the FederalReporting.gov review screen, OVW was not sure whether the specialist would be locked out of further reviewing.

⁴ Federal agencies will have their first opportunity to review and comment on quarterly reports using FederalReporting.gov on October 22, 2009.

⁵ OJP staff members did not express to us a similar concern, apparently because they had created a separate system, outside of FederalReporting.gov, for managing comments on recipient reports.

Because of uncertainty about the functioning of FederalReporting.gov, OVW planned to test with three of its grantees the FederalReporting.gov communication methods. The test was planned to occur on October 22 when the grantees received access to review reports.

Because the October 2009 reporting period will provide OVW its first exposure to all FederalReporting.gov features, OVW planned to complete the review of October-reported data before finalizing the data quality procedures to be used in subsequent reporting periods. Nevertheless, OVW officials told us that they will consider our comments in finalizing the data quality assurance procedures. Given OVW's initial lack of familiarity with FederalReporting.gov procedures, we agree that OVW should continue to develop and refine their procedures after evaluating the best practices for using FederalReporting.gov.

OVW's plans for ensuring that all prime recipients have filed the required quarterly reports and for ensuring that it conducts the required reviews of the reported data

OVW planned to rely on the JMD matching procedures discussed above to identify Recovery Act recipients that did not file reports with FederalReporting.gov. During the period of our review, JMD provided a list of the non-reporting recipients to OVW and OVW staff were in the process of contacting the identified non-reporting Recovery Act recipients and instructing them to file their reports at FederalReporting.gov.

To review recipient reports, OVW planned to enlist all of its program specialists to review each quarterly report submitted by the 279 Recovery Act grantees. To accomplish a 100-percent review, OVW tentatively anticipated assigning each quarterly report to a program specialist to review all of the report's data elements for accuracy and completeness. OVW anticipated that it would review all quarterly reports between October 22 and 27, 2009, leaving 2 days for recipients to review comments and resubmit reports.

We believe these procedures, if fully implemented, will help ensure that all prime recipients file the required reports and ensure that the required reviews of the reports by OVW are completed.

OVW's process for performing limited data quality reviews

OVW plans on reviewing all of its Recovery Act quarterly reports. Therefore, we determined that OVW does not need to develop a process for performing limited data quality reviews.

OVW's policy and procedures for ensuring the avoidance of material omissions and significant reporting errors

The OVW draft policy and procedures document states that all data elements in every quarterly report will be reviewed by program specialists for material omissions and significant reporting errors. Once the quarterly reports have been reviewed, OVW will notify recipients of any data quality issues and instruct prime recipients on how to remedy them. According to the draft policy, OVW will employ two distinct methods to notify prime recipients of quarterly reporting problems: e-mail and FederalReporting.gov. Because FederalReporting.gov is public, OVW's draft policy states that it will only use FederalReporting.gov to notify recipients of "verifiable and severe" data quality issues. However, OVW's draft policy did not define what it means by "verifiable and severe" data quality issues. As a result, individual program specialists may not know which data quality issues require FederalReporting.gov notification.

Nevertheless, we believe that OVW's policy, if implemented fully, will help identify and address material omissions and significant reporting errors.

OVW's process to remediate systemic or chronic reporting problems

OVW's initial draft data quality procedures policy provided that OVW staff review recipient reports and alert grantees to any data quality issues. Grant recipients were anticipated to correct any errors during the next quarterly reporting period. OVW planned to document outstanding issues and systemic problems and flag those for additional action. Such action could include freezing access to funds, reducing or terminating the awards, and reporting deficiencies to the OIG or the U.S. General Services Administration.⁶ OVW also formed a Recovery Act reporting team to collect recipient feedback and develop a "frequently asked questions" website to provide answers to common grant recipient questions.

While the initial draft procedures required OVW staff to follow-up with recipients on reporting errors and document unresolved issues, the procedures did not clearly define the process used to address chronic or systemic reporting problems. As discussed above, during our review OVW staff were not certain how FederalReporting.gov would handle reviewer comments and communication between OVW staff and grant recipients. OVW planned to issue protocols to its reviewers. These protocols were to guide reviewers on addressing reporting problems. We believe OVW will be

⁶ The U.S. General Services Administration manages the Excluded Parties List that identifies individuals that are excluded from receiving federal contracts and assistance.

able to better ensure that systemic or chronic reporting problems are corrected once it: (1) provides its program specialists guidance on how to address chronic and systemic problems, and (2) ensures that this guidance is followed.

OVW's ability to use the reported information as a tool for assessing compliance with the terms and conditions of award agreements, assessing risk, and determining when to release remaining funds

OVW assesses grantee compliance with grant terms and conditions through a variety of means including review of semiannual grantee performance reports, telephone and e-mail communications with its grantees, desk reviews of grantee documentation, and on-site monitoring visits. OVW previously established a process to assess the risk associated with each grantee and determine the level of oversight and technical assistance required. The process assessed risk through review of quarterly federal financial status reports, progress reports, performance measurement data, on-site monitoring reports, and desk reviews. The initial data quality review procedures provide that OVW will incorporate the results of recipient report reviews into its risk assessment plan. However, the initial procedures do not specify how the recipient report reviews will be incorporated and weighted within the risk assessment process. Absent such detail, OVW may not apply the results of Recovery Act data quality reviews consistently to assess uniformly the risk associated with grantees.

Conclusions on OVW's data quality initiative process and procedures

To ensure that data is accurate and complete, OVW plans to review all data elements in each recipient report. We believe that these procedures, once fully implemented, will help identify material omissions and significant reporting errors. However, our review determined that OVW's final data quality assurance procedures will be strengthened once it: (1) defines data quality issues it considers "verifiable and severe" so that program specialists know specific problems to remedy; (2) provides its program specialists guidance on how to address chronic and systemic problems; and (3) details how its data quality review results will be incorporated in the risk assessment process. Subsequent to our review of OVW's procedures, OVW stated to us that it has strengthened its procedures in these three areas.

- OVW stated that it has updated the "Notify Awardees" section of its procedures to provide clearer guidance to report reviewers related to identifying quality issues that are "verifiable and severe."

- After creating its data quality review plan, OVW provided training and protocols to its program specialists to offer detailed guidance on how they should address chronic and systemic problems. OVW stated that to ensure that the guidance is followed, OVW supervisors will review 10 percent or 1 of the reports, whichever is greater, for each program specialist who reviews Recovery Act reports.
- OVW stated that it has developed spreadsheets that track its review and recipients compliance with the Recovery Act reporting requirements. OVW also stated that recipients' compliance with reporting requirements will be one of the factors it considers while creating its monitoring plan.

While we did not verify all of these updated procedures, if adequately implemented OVW's subsequent adjustments appear to address the concerns we found with OVW's draft quality assurance review policy. As with the OJP procedures, the ultimate success of the OVW procedures is dependent on variables that will be understood fully only at the end of the initial reporting period. Based on experience during the initial period, further improvement to the OVW procedures may be necessary.

Office of Community Oriented Policing Services

The COPS Office received \$1 billion from the Recovery Act to fund the hiring and rehiring of career law-enforcement officers. In FY 2009, COPS awarded 1,046 grants that funded 4,699 police officer positions with Recovery Act funding under the COPS Hiring Recovery Program (CHRP). In addition to the quarterly recipient reports submitted to FederalReporting.gov, COPS requires CHRP grantees to submit a CHRP Quarterly Progress Report to the COPS Office. After completion of the initial cycle of recipient reports, COPS plans to consider revising its procedures to reflect changes in reporting requirements and incorporate lessons learned during the initial cycle.

COPS' policy and procedures for reviewing quarterly Recovery Act data pursuant to OMB Memorandum M-09-21

COPS obtained and reviewed OJP's draft data quality procedures for use in developing procedures of its own. A COPS official told us that OJP procedures applicable to CHRP were adopted in COPS' procedures. However, COPS' procedures differ significantly from OJP's in that COPS plans to review entirely each recipient report rather than using a sampling methodology.

COPS' plans for ensuring that all prime recipients have filed the required quarterly reports and for ensuring that it conducts the required reviews of the reported data

COPS planned to rely on the JMD matching procedures discussed above to identify Recovery Act recipients that did not file reports with FederalReporting.gov. During the period of our review, JMD provided a list of the non-reporting recipients to COPS and COPS' staff were in the process of calling and e-mailing the non-reporting Recovery Act recipients and instructing them to file their reports at FederalReporting.gov.

COPS created a dedicated COPS Progress Report Team comprised of federal and contract employees responsible for recipients' report-related questions and for managing the review of reports. On multiple occasions beginning on September 30, 2009, COPS provided recipients with the Team's e-mail and telephone contact information along with other information via blast e-mails. COPS provided recipients with the Team's e-mail telephone contact information. COPS tasked the Team with ensuring that all CHRP grant recipients filed the required reports, and it developed a process to ensure that Team members follow a consistent, comprehensive, and documented approach to reviewing and following up on recipient reports.

For CHRP grantees, COPS also developed reporting guidance and posted that to its website. The guidance included:

- instructions for completing the Recovery Act report,
- a sample Recovery Act report,
- a full-time equivalent calculation tool and instructions,
- material pertaining to a DOJ webinar on recipient reporting, and
- the DOJ's jobs reporting guidance.

COPS e-mailed all CHRP recipients individualized reporting instructions based on each recipient's specific grant award. COPS is also developing online grant management training which addresses reporting requirements. We believe that the policies and procedures will help ensure that all prime recipients file the required reports and that the required reviews of the reports by COPS are completed.

COPS' process for performing limited data quality reviews

COPS plans to review each quarterly recipient report to ensure data accuracy. COPS developed a review checklist for use by the Progress Report Team. The checklist is designed to ensure that each recipient reports information consistent with its grant award. The checklist provides for verification that the reported:

- award amount matches the actual award amount,
- D-U-N-S number matches the number contained in the COPS Management System (CMS),⁷
- award description and project name match the actual description and name,
- number of jobs created or retained is less than or equal to the number of jobs awarded under the grant,
- description of jobs created is consistent with the description in CMS, and
- program description narrative pertains to community policing and is consistent with grant terms and conditions.

COPS intended to rely on JMD's data matches to ensure that reported obligations and outlays match those contained in FMIS2. COPS planned to automate its own review process by matching recipient reports posted to FederalReporting.gov to CMS data. COPS also planned to complete its data analysis from the 11th to the 30th of each reporting month. Because grantees are able to modify their submission up to the 21st of the month, a final query of the data was to be run on the 22nd of the month. Based on our review, we have determined that the policies and procedures in place for reviewing the quarterly Recovery Act data appear reasonable.

We believe that these procedures, if fully implemented, will help ensure that recipients' reported data is accurate and complete. However, we are concerned that should a significant number of grantees misinterpret the reporting instructions or have technical problems, COPS may not be able to complete the review of all 1,046 CHRP grant recipients within the 8-day review period.

⁷ The COPS Management System is the database COPS uses to manage information related to all its grants.

COPS' policy and procedures for ensuring the avoidance of material omissions and significant reporting errors

To avoid material omissions and significant reporting errors, COPS planned to review each recipient report using the previously discussed review checklist. COPS' detailed review would follow data-matching reviews performed by JMD. COPS planned to identify all material omissions and significant reporting errors through its detailed review of every recipient report. We have determined that the policies and procedures in place are appropriately designed to help avoid material omissions and significant reporting errors.

COPS' process to remediate systemic or chronic reporting problems

COPS planned to verify through FederalReporting.gov data any CHRP grantees delinquent in submitting reports. This will be a manual process whereby COPS staff will review the reporting status of each grantee as presented in the data extract provided by JMD. For grantees not reporting by the 11th of each reporting month, COPS planned to notify the grantee via telephone that the report was late and request that the report be submitted along with an explanation for late submission. For grantees not reporting by the 21st of each reporting month, COPS planned to follow its existing guidelines for handling non-compliance situations. Under these guidelines, the issue would be submitted to the COPS Grant Monitoring staff for follow-up action. Information on late report submission would also be incorporated into the risk assessment process associated with COPS' monitoring strategy, which determines the grantees requiring on-site grant monitoring.

We believe that the policies and procedures in place should help remediate systemic or chronic reporting problems.

COPS' ability to use the reported information as a tool for assessing compliance with the terms and conditions of award agreements, assessing risk, and determining when to release remaining funds

COPS does not plan to use the recipient reports as its primary tool for assessing compliance with terms and conditions of award agreements, assessing risk, and determining when to release grant funding. Instead, COPS intends to rely on its separate quarterly progress reporting system to monitor CHRP grantees. COPS plans to have its Grants Monitoring Division follow up on any indications from the Recovery Act recipient reports of grantee noncompliance with grant terms and conditions. However, COPS

officials told us they believe this is unlikely to occur given the specific nature of the data requested in the Recovery Act recipient reports.

Conclusions on COPS' data quality initiative process and procedures

COPS' data quality process and procedures appear to be thorough and sufficient to help ensure that material omissions and significant errors are avoided. However, we are concerned that should a significant number of grantees misinterpret the reporting instructions or have technical problems, COPS may not be able to complete the review of all 1,046 CHRP grant recipients within the 8-day review period. As with the other DOJ granting agencies, further improvement to the COPS procedures may be necessary based on experience during the initial reporting period.

Conclusion

In summary, our review found that the JMD, OJP, OVW, and COPS had made significant efforts to develop comprehensive processes for ensuring that Recovery Act funding recipients report complete and accurate data to the FederalReporting.gov website. The policies and procedures established by JMD and the DOJ granting agencies should help avoid material omissions and significant errors in recipient reports. The actual effectiveness of these processes will not be certain until after all planned activities are completed for the first reporting period. However, the JMD and granting agencies appropriately anticipate refining the processes so that improved reporting can be accomplished for subsequent periods.

Attachment

Office of Justice Programs Recovery Act Programs Funded	Amount
BJA Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	\$1,236,123,123
BJA Recovery Act – Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to Units of Local Government	\$752,876,877
BJA Recovery Act – Edward Byrne Memorial Competitive Grant Program	\$125,250,000
BJA Recovery Act – State and Local Law Enforcement Assistance Program: Combating Criminal Narcotics Activity Stemming from the Southern Border of the United States Competitive Grant Program	\$29,700,000
BJA Recovery Act – Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	\$123,750,000
BJA Recovery Act – Correctional Facilities on Tribal Lands	\$225,000,000
BJS Recovery Act – Tribal Crime Data Collection, Analysis, and Estimation Project	\$1,000,000
OJJDP Recovery Act – National Youth Mentoring Programs and Local Youth Mentoring Initiative	\$97,500,000
OJJDP Recovery Act – ICAC Task Force Training and Technical Assistance Grants	\$5,100,000
OJJDP Recovery Act – Internet Crimes Against Children Research Grants	\$2,000,000
OJJDP Recovery Act – Internet Crimes Against Children Task Force Program (ICAC)	\$41,500,000
OJJDP Recovery Act – National Internet Crimes Against Children Data System (NIDS)	\$900,000
OVC Recovery Act – National Field-Generated Training, Technical Assistance and Demonstration Projects (NFG)	\$5,000,000
OVC Recovery Act – State Victim Compensation Formula Grant Program	\$47,500,000
OVC Recovery Act – VOCA Crime Victim Assistance Discretionary Grant Program	\$47,500,000
NIJ Recovery Act-Law Enforcement Technology Research and Development	\$10,000,000
NIJ Recovery Act- Evaluation of Internet Child Safety Materials Used by ICAC Task Forces in School and Community Settings	\$500,000
NIJ Recovery Act: Research and Evaluation of Recovery Act State and Local Law Enforcement Assistance	\$3,800,000
Total Funding	\$2,755,000,000

Source: Office of Justice Programs