



Audit of the Office of Justice Programs Victim
Assistance Funds Subawarded by the
Kentucky Justice and Public Safety Cabinet to the
Ion Center for Violence Prevention,
Covington, Kentucky



AUDIT DIVISION

23-074

MAY 2023



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Kentucky Justice and Public Safety Cabinet to the Ion Center for Violence Prevention, Covington, Kentucky

Background

The U.S. Department of Justice (DOJ), Office of Justice Programs (OJP) provided funds to the Kentucky Justice and Public Safety Cabinet (Kentucky JPSC) to make subawards to support victim assistance programs in the state of Kentucky. The Kentucky JPSC awarded \$1,222,415 in crime victim assistance funds to the Ion Center for Violence Prevention (Ion Center) under a subaward starting October 1, 2021, through September 30, 2022. The purpose of the Ion Center's subaward was to provide services to victims of sexual assault and domestic violence, including counseling services, hospital accompaniment, law enforcement and court advocacy services, and emergency shelters. As of October 2022, the Kentucky JPSC reimbursed the Ion Center a total of \$1,189,158 for this subaward.

Audit Objective

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

Summary of Audit Results

Based on our testing, we concluded that the Ion Center used VOCA funds appropriately to provide services to victims of sexual assault and domestic violence and generally accounted for the funds in compliance with award requirements, terms, and conditions. However, we found that the Kentucky JPSC approved the Ion Center to use some of the funds for prevention education services, which is unallowable. We also found that the Ion Center lacked formal guidance to aid in meeting its responsibilities related to reporting requirements.

Program Services

We found no indications that the Ion Center was not providing services to victims of sexual assault and domestic violence. However, we did find that the Kentucky JPSC approved the Ion Center to use funding for prevention education services, which are not an allowable activity to be funded by the VOCA subaward. As such, we questioned \$263,250 in unallowable costs related to the Ion Center's prevention education services.

Policies and Procedures

While we determined that the Ion Center generally implemented adequate programmatic and financial management controls, the Ion Center lacked written policies and procedures regarding required performance and financial reporting.

Recommendations

Our report contains four recommendations to OJP and the Kentucky JPSC to assist the Ion Center in improving its award management and administration. We provided our draft audit report to the Ion Center, the Kentucky JPSC, and OJP, and their responses can be found in Appendices 3, 4, and 5, respectively. Our analysis of those responses can be found in Appendix 6.

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Introduction

The Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of victim assistance funds received by the Ion Center for Violence Prevention (Ion Center), which is located in Covington, Kentucky. The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) provided this funding to the Kentucky Justice and Public Safety Cabinet (Kentucky JPSC), which serves as the state administering agency (SAA) for Kentucky and makes subawards to direct service providers. As a direct service provider, the Ion Center received a subaward from the Kentucky JPSC totaling \$1,222,415. These funds originated from Kentucky JPSC’s 2019-V2-GX-0028 federal grant, as shown in Table 1.

Table 1

Audited Subaward to the Ion Center from the Kentucky JPSC

Kentucky JPSC Subaward Identifier	OJP Prime Award Number	Project Start Date	Project End Date	Subaward Amount
VOCA-2021-Women's Cr-00097	2019-V2-GX-0028	10/01/2021	09/30/2022	\$1,222,415

Source: JustGrants and the Kentucky JPSC

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 According to OJP’s program guidelines, victim assistance services eligible to receive VOCA support must: (1) respond to the emotional and physical needs of crime victims, (2) assist victims of crime to stabilize their lives after a victimization, (3) assist victims to understand and participate in the criminal justice system, or (4) provide victims of crime with a measure of safety and security. Direct service providers receiving VOCA victim assistance subawards 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 Ion Center for Violence Prevention

The Ion Center, founded in 1976, is a non-profit organization whose mission is to serve people of all identities within the Northern Kentucky, Buffalo Trace, and Greater Cincinnati areas who have been impacted by domestic violence and sexual assault and to reduce the number of people who have been hurt by such acts. According to its subaward application, the Ion Center provides counseling and crisis intervention sessions, safe shelter for victims of domestic violence and sexual assault at its two residential shelters, law enforcement and court advocacy, and a 24-hour hotline for victims of sexual assault and domestic violence. Additionally, the Ion Center provides follow-up services for survivors of sexual assault and domestic violence, such as financial literacy, mental health therapy, and safety planning. Lastly, the

¹ The VOCA Victim Assistance Formula Grant Program is funded under 34 U.S.C. § 20101. Federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments support the CVF. The total amount of funds that the OVC may distribute each year depends upon the amount of CVF deposits made during the preceding years and limits set by Congress.

Ion Center works in the community through middle school, high school, and college educational programs to build skills and knowledge to prevent sexual assault and domestic violence. For example, the Ion Center participates in a nationwide program that helps participants understand how individuals target victims, how to assess a high-risk situation, and how to select safe behaviors to prevent sexual violence.

OIG Audit Approach

The objective of this audit was to review how the Ion Center used the VOCA funds received through a subaward from the Kentucky JPSC to assist crime victims and assess whether the Ion Center 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 Kentucky JPSC officials regarding the Ion Center's history of delivering crime victim services, accomplishments, and compliance with SAA award requirements.²

We tested compliance with what we considered to be the most important conditions of the subaward. The DOJ Grants Financial Guide; VOCA Guidelines and Final Rule; Kentucky JPSC guidance; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the OVC and SAA award documents contain the primary criteria we applied during this audit.

The results of our analysis are discussed in detail in the following sections of this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology. Appendix 2 presents the audit's Schedule of Dollar-Related Findings.

² As an SAA, the Kentucky JPSC is responsible for monitoring the performance of, providing technical assistance to, collecting data from, and processing victim assistance reimbursements requested by the Ion Center. As such, we considered the results of our audit of victim assistance grants awarded to the Kentucky JPSC in performing this separate review. See U.S. Department of Justice Office of the Inspector General, [Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Kentucky Justice and Public Safety Cabinet, Frankfort, Kentucky](https://oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-grants-awarded-kentucky-justice-and-public), Audit Report 21-118 (September 2021), <https://oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-grants-awarded-kentucky-justice-and-public>.

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. The Ion Center received its VOCA funding from the Kentucky JPSC to provide rape crisis, domestic violence, and crime prevention services in a 13-county area within Northern Kentucky. We obtained an understanding of the Ion Center's standard operating procedures in relation to the subaward-funded services. We also compared the subaward solicitation, project application, and subaward agreement against available evidence of accomplishments to determine whether the Ion Center demonstrated adequate efforts to provide the services for which it was funded. Overall, there were no indications that the Ion Center was not providing these services to victims of crime. However, as described in detail below, it also was awarded and used VOCA funding to provide certain services that are unallowable under the current VOCA Guidelines.

Program Implementation

According to the DOJ Grants Financial Guide (Guide), recipients of federal awards should maintain a well-designed and tested system of internal controls. The Guide further defines internal controls as a process designed to provide reasonable assurance regarding the achievement of objectives in: (1) the effectiveness and efficiency of operations, (2) reliability of reporting for internal and external use, and (3) compliance with applicable laws and regulations.

To obtain an understanding of its operating procedures, including internal controls, in relation to the audited victim services, we reviewed the Ion Center's written policies and procedures that govern the VOCA-funded programs. We also conducted interviews with the Ion Center's Chief Financial Officer, Chief Operations Officer, and multiple staff members who provide direct victim services. These individuals informed us of their program operational procedures, which include counseling, intervention, and shelter services. Based upon the interviews conducted and policies reviewed, we did not identify any areas of noncompliance. We found that the Ion Center had adequate internal controls in place to appropriately deliver services to victims of sexual assault and domestic violence.

As a subrecipient of VOCA funds, the Ion Center is required to file quarterly programmatic reports to the Kentucky JPSC, as well as Performance Measurement Tool (PMT) reports to the OVC detailing information on victims served, such as the number of specific services that were provided, total volunteer hours, and collaboration with other agencies. We asked the Ion Center for written policies related to the completion and validation of these reports. An Ion Center official stated that although there are no written policies related to performance reporting, a specific process is followed, which involves only one person who prepares the performance reports. We believe that to ensure the information provided within these reports is accurate and consistent, as well as the continuity of producing the performance reports when there is a possibility of staff turnover, the Ion Center should have formalized policies or procedures outlining the quarterly reporting process and that this process should involve at least two individuals to reduce the chance of reporting inconsistent or inaccurate information. Therefore, we recommend that OJP and the Kentucky JPSC ensure that the Ion Center establishes written policies or procedures specific to the performance reporting of VOCA-funded services and distributes this guidance to relevant personnel.

Program Services

According to goals submitted with its subaward application, the Ion Center was to provide services to victims of domestic violence and sexual assault, including counseling sessions, referrals to collaborate with other victim service partner organizations, and emergency shelter, as well as to conduct community awareness training and education. We reviewed a sample of 10 victim case files, interviewed program staff, and visited Ion Center facilities to verify that these services were provided. Based upon our review and observations, the Ion Center provided the aforementioned services to victims of domestic violence and sexual assault.

We also found that the Ion Center's subaward from the Kentucky JPSC provided for prevention education services to middle school, high school, and college-aged students, as well as community leaders and businesses. During the subaward period, the Ion Center used \$263,250 in VOCA funding to pay the salaries and fringe benefit costs for Public Education Specialists and a Director of Public Education and Community Engagement.³ These individuals implemented a bystander intervention program for domestic violence and sexual assault and provided training on this program at middle schools, high schools, colleges, and local community organizations. The purpose of this work, as stated in the Ion Center's subaward application, is to teach people to be active bystanders—incorporating moments of prevention in their daily lives and resulting in safer communities. The Ion Center's subaward application further categorized this type of service as primary prevention, which is defined as intervention before a crime occurs.⁴

According to OVC guidance published on its website, primary prevention is not an allowable use of VOCA funds. We spoke with Kentucky JPSC officials who stated that they approved these costs in the Ion Center's subaward application because they considered the effort to be public awareness, which is allowable under the current VOCA Guidelines. While public awareness is an allowable use of VOCA funds according to the VOCA Guidelines, the VOCA Guidelines further specify that public awareness and education presentations are allowable when "designed to inform crime victims of specific rights and services and provide them with (or refer them to) services and assistance." We noted that the Ion Center's prevention education services focused on bystander training, or training for individuals who have not been victimized.

We further discussed this matter with the Ion Center officials who stated that the prevention education services teach individuals how to intervene at the moment of a crisis, help individuals understand whether they have been victimized, and connect victims of abuse to the Ion Center services, which constitute secondary and tertiary prevention services. According to OVC guidance published on its website, secondary and tertiary prevention services are allowable uses of VOCA funds. While the Ion Center's efforts in this area may include secondary and tertiary prevention services, the Ion Center identified the overall program as primary prevention. Because the VOCA Guidelines define allowable public awareness presentations as those informing actual crime victims, we believe the Ion Center's prevention education services do not fit the

³ Due to staff turnover, at any one time during the subaward period the Ion Center had five or six staff working on prevention-related activities. The Ion Center also had subaward expenditures related to shared office costs for these individuals, such as rent and telephones. However, we were unable to determine with precision or certainty the amount of those costs specifically related to prevention education services. Based upon the total amounts expended on shared office costs, we concluded that the shared office costs associated with prevention education services are nominal.

⁴ According to OVC guidance, other forms of prevention activities can be categorized as secondary prevention, which includes intervention early in health and other impacts from violence and injury, or tertiary prevention, which is working with people already impacted and affected by violence.

definition of allowable public awareness activities. Therefore, we consider the costs incurred by the Ion Center for these services to be unallowable. As a result, we recommend that OJP and Kentucky JPSC remedy \$263,250 in unallowable personnel costs related to the Ion Center's prevention education services.

We also presented this information to OVC officials who stated that the guidance is not clear in this area. For instance, these OVC officials noted that prevention programs are not mentioned in the federal VOCA statute. These OVC officials further acknowledged that the OVC should provide guidance to the SAAs that receive VOCA funds regarding whether these types of costs are allowable. While the OVC made us aware that it is preparing guidance on this matter, the OVC had not issued guidance on the allowability of prevention-related programs as of the publication of this report.

We believe there may be other VOCA SAAs and subrecipients with a similar interpretation of the allowability for using VOCA funds for prevention activities; and therefore, it is imperative that proper guidance be issued to ensure adherence to the federal VOCA statute. As such, we recommend that OJP issue guidance to SAAs nationwide on the allowability of using VOCA funds for prevention education services.

Financial Management

According to the 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 the Ion Center's Chief Financial Officer, examined policies and procedures, reviewed award documents, and performed expenditure testing to determine whether the Ion Center adequately accounted for the subaward funds we audited. Overall, we determined that the Ion Center appropriately designed controls for its finance management related to the subaward and properly accounted for and documented the award expenditures we reviewed. Additionally, we reviewed the most recent Single Audit report and found that the report did not contain any findings.

Fiscal Policies and Procedures

To test fiscal policies and procedures, we reviewed the Ion Center's policies related to subaward fiscal oversight, spoke with officials regarding financial procedures, and verified the execution of activities in accordance with the financial procedures. We found that the Ion Center's policies, procedures, and systems allow it to account for federal funds and track expenditures. However, we also found that there were no written policies in place for its required financial reporting of VOCA funds.

The Ion Center requests reimbursement of VOCA funds through financial reports submitted monthly to the Kentucky JPSC. We asked the Ion Center for written policies related to this financial reporting, and an Ion Center official stated that the Ion Center does not have any such written policies. Similar to the aforementioned finding related to performance reporting policies, we were told that one individual assembles the monthly financial reports based upon information gathered from the payroll and accounting systems. While this individual stated that the financial reports are provided to the Board of Directors for review prior to submission to the Kentucky JPSC, there does not appear to be anyone else involved in preparing the reports. Based upon our expenditure testing, which is discussed in the following section, we did not identify any instances of financial inaccuracies. However, we believe that best practices for the proper accounting of VOCA-funded expenses include formalized policies or procedures outlining the process of compiling the financial reports, and that this process should involve multiple people with specific

roles and responsibilities. We believe that such formal, written policies or procedures promote effectiveness and efficiency of operations, reliability of reporting, and compliance with federal award requirements. Therefore, we recommend that OJP and the Kentucky JPSC ensure that the Ion Center establishes written policies or procedures specific to the financial reporting of VOCA-funded expenses and distributes this guidance to relevant personnel.

Subaward Expenditures

Subrecipients request payment from the Kentucky JPSC through an electronic grants management system. For the subaward we audited, the Ion Center's approved budget primarily included personnel expenditures (about 95 percent of the total subaward) but also included rent, utilities, and travel costs. As of October 2022, we found that the Kentucky JPSC reimbursed the Ion Center a total of \$1,189,158 in VOCA victim assistance funds for these costs.⁵

We judgmentally sampled transactions for 2 non-consecutive pay periods that included all employees paid with subaward funds, totaling \$181,248 in salary and associated fringe benefit costs. We tested these expenditures to determine whether they were accurate, allowable, supported, and in accordance with VOCA program requirements. We did not identify any issues related to these personnel expenditures (other than the questioned costs related to prevention education services identified earlier in this report). We also reviewed a sample of 20 non-personnel transactions, totaling \$6,323, to determine whether the costs charged to the projects and paid with VOCA funds were accurate, allowable, supported, and in accordance with the VOCA program requirements. We did not identify any concerns with these transactions.

⁵ Following guidance from the VOCA Fix to Sustain the Crime Victims Fund Act of 2021, the Kentucky JPSC allowed its subrecipients to waive the requirement to provide matching funds from non-federal sources. Therefore, we did not perform testing in this area except for verifying that the waiver was provided and in place for the life of this subaward.

Conclusion and Recommendations

As a result of our audit testing, we concluded that the Ion Center generally achieved the subaward's stated goals and objectives by providing multiple services to victims of sexual assault and domestic violence and accounted for the VOCA funds in compliance with select award requirements, terms, and conditions. However, we found that the Ion Center was awarded and reimbursed \$263,250 for personnel costs associated with prevention education services, which is an unallowable use of VOCA funds according to the VOCA Guidelines and OVC guidance; and therefore, we question these costs as unallowable. We also found that the Ion Center lacked written policies and procedures for financial and performance reporting. In total, we provide four recommendations to address these deficiencies and remedy \$263,250 in dollar-related findings.

We recommend that OJP and the Kentucky JPSC:

1. Ensure that the Ion Center establishes written policies or procedures specific to the performance reporting of VOCA-funded services and distributes this guidance to relevant personnel.
2. Remedy \$263,250 in unallowable personnel costs related to the Ion Center's prevention education services.
3. Ensure that the Ion Center establishes written policies or procedures specific to the financial reporting of VOCA-funded expenses and distributes this guidance to relevant personnel.

We recommend that OJP:

4. Issue guidance to SAAs nationwide on the allowability of using VOCA funds for prevention education services.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit is to review how the Ion Center used Victims of Crime Act (VOCA) funds received through a subaward from the Kentucky Justice and Public Safety Cabinet (Kentucky JPSC) to assist crime victims and assess whether it accounted for VOCA funds in compliance with select award requirements, terms, and conditions. To accomplish this objective, we assessed program performance and accomplishments and grant financial management.

Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This was an audit of one subaward to the Ion Center. This subaward, totaling \$1,222,415, was funded by the Kentucky JPSC from primary VOCA grant 2019-V2-GX-0028 awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of October 2022, the Ion Center had received, through reimbursement from the Kentucky JPSC, \$1,189,158 in subaward funds.

Our audit concentrated on, but was not limited to, October 2021 through September 2022. 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; and the OVC and Kentucky JPSC award documents constitute 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 the Ion Center's activities related to the audited subaward. Our work included conducting interviews with the Ion Center's officials and staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for grant expenditures and victim services. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the subaward 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, the Ion Center's financial records, as well as data from the Kentucky JPSC specific to the management of VOCA 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 the Ion Center to provide assurance on its internal control

structure as a whole. The Ion Center 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 Ion Center's internal control structure as a whole, we offer this statement solely for the information and use of the Ion Center, Kentucky JPSC, and OJP.⁶

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

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 Award Number	Kentucky JPSC Subaward Identifier	Amount	Page
Questioned Costs:⁷				
Unallowable Personnel Costs	2019-V2-GX-0028	VOCA-2021-Women's Cr-00097	\$263,250	4
TOTAL DOLLAR-RELATED FINDINGS			\$263,250	

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: The Ion Center Response to the Draft Report⁸



March 27, 2023

Mr. Todd A. Anderson
Acting Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General

Dear Mr. Anderson:

Ion Center for Violence Prevention appreciates OIG's thorough review of our VOCA Sub-Award Number VOCA-2021-Women's CR-00097, as well as positive efforts to obtain as much information as possible to fully evaluate our programming. While we are concerned with the recommendations that are out of our control, yet directly impact our work, we hope this can be part of a larger catalyst for change that will support numerous programs around the county.

Please find our responses to the recommendations below:

OJP and the Kentucky JPSC:

1. Ensure that the Ion Center establishes written policies or procedures specific to the performance reporting of VOCA-funded services and distributes this guidance to relevant personnel.
 - a. ***Ion Center concurs with the recommendation and will be utilizing a Standard Operating Procedure form (Attachment 1) to remedy this. Implementation will be by 5/31/2023. Ion Center had already identified a need during our 2023-2025 Strategic Plan to develop standard operating procedures for our practices including all program performance reporting.***
2. Remedy \$263,250 in unallowable personnel costs related to the Ion Center's prevention education services.
 - a. ***Ion Center does not concur the \$236,250 in personnel costs were unallowable. Ion Center was approved to utilize the national strategy by Kentucky JPSC. The national strategy does label the program as primary prevention however it is our experience in implementing the program for over 10 years approximately 80% of the program focuses on secondary and tertiary prevention. Attachment 2 outlines the work of the Ion Center prevention team, highlighting secondary and tertiary prevention interventions, which are allowable with VOCA funds. Data collection and victim engagement strongly supports the activities provided by our prevention team.***
3. Ensure that the Ion Center establishes written policies or procedures specific to the financial reporting of VOCA-funded expenses and distributes this guidance to relevant personnel.
 - a. ***Ion Center concurs with the recommendation and will be utilizing a Standard Operating Procedure form (Attachment 1) to remedy this. Implementation will***

⁸ The Ion Center's response also included attachments for our review. These attachments are not included in this report due to their technical nature.



be by 5/31/2023. Ion Center had already identified a need during our 2023-2025 Strategic Plan to develop standard operating procedures for our practices including financial reporting and billing.

Recommend that OJP:

4. Issue guidance to SAAs nationwide on the allowability of using VOCA funds for prevention education services.
 - a. ***No Ion Center response requested.***

Respectfully,

A handwritten signature in black ink, appearing to read "Christy Burch", with a long horizontal flourish extending to the right.

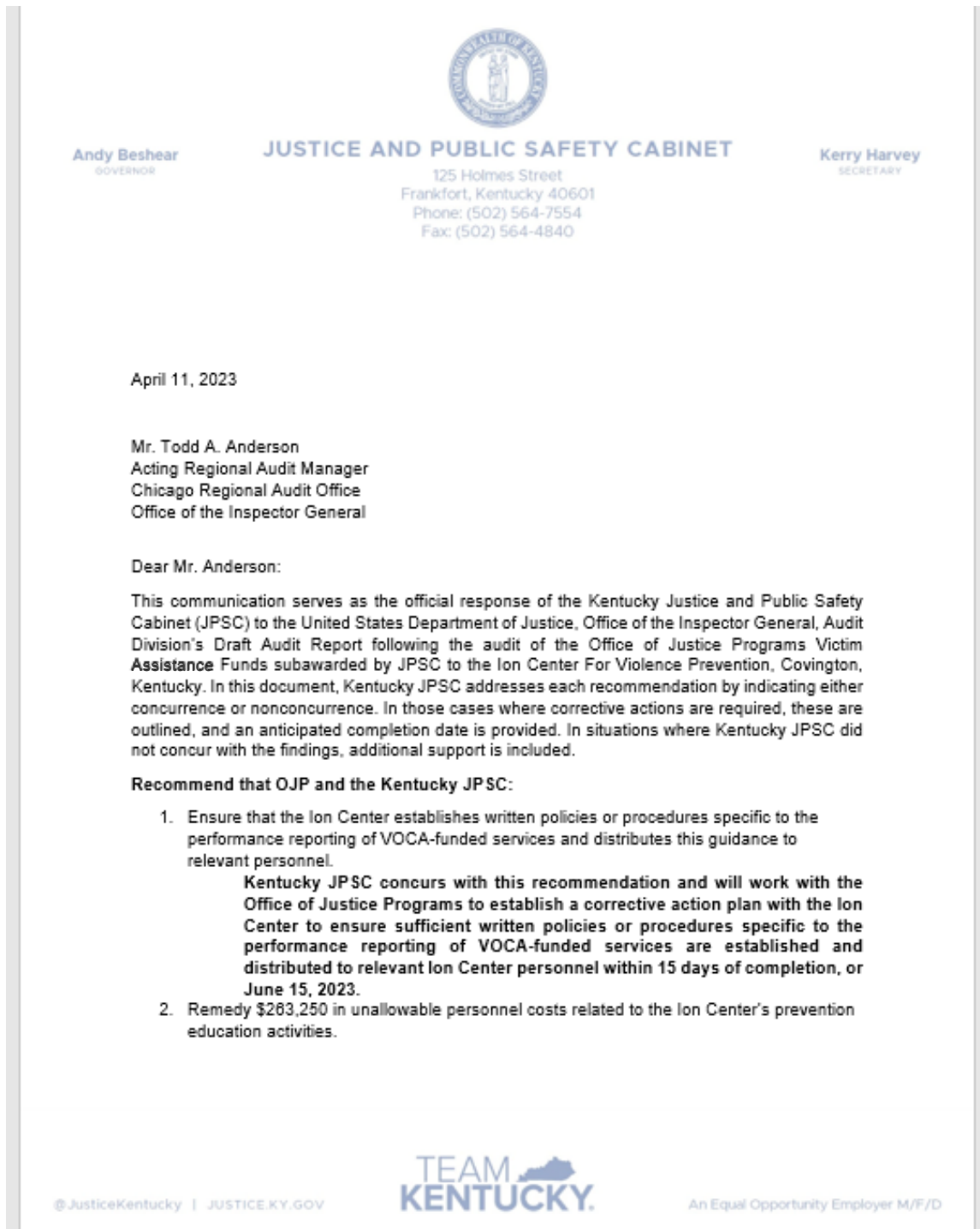
Christy Burch
Chief Executive Officer

cc: Linda J. Taylor
Lead Auditor
Audit Coordination Branch, Audit and Review Division
Office of Audit, Assessment, and Management
Office of Justice Programs

Kerry Harvey
Secretary
Kentucky Justice and Public Safety Cabinet

Angie Lawrence
Director
Grants Management Division
Kentucky Justice and Public Safety Cabinet

APPENDIX 4: The Kentucky Justice and Public Safety Cabinet Response to the Draft Report⁹



⁹ In its response, the Kentucky JPSC refers to Attachment 2 from the Ion Center's response to the draft report. As previously stated, we did not include the Ion Center's attachments with our final report.

The Kentucky JPSC does not concur with the assessment that The Ion Center's prevention education activities were unallowable. Kentucky JPSC made the subaward to the Ion Center on October 1, 2021. At that time, no guidance regarding the unallowability of activities classified as "primary prevention activities" had been published by OJP. The online OJP resource "[VOCApedia](#)" clearly indicates that the first official response to the question "May prevention activities be supported with VOCA funding?" was published on May 6, 2022. Moreover, Ion's activities are not among the expressly unallowable costs included in 28 C.F.R. 94.122. Therefore, prior to May 6, 2022, all prevention activities should be considered allowable.

Additionally, the unallowable "primary prevention activities" cited in VOCApedia are related to funding police officers to prevent crime. Here, however, the prevention education activities in question were educational outreach services provided to members of the community who are likely to be, or already are, impacted and effected by violence in their community. Also of note, the following is cited in a separate VOCApedia entry on Training, "*If the presentation is designed to identify crime victims and provide information and referrals to victims about services and their rights, it may be allowable. The driving question is whether the presentation is raising public awareness and education "designed to inform crime victims of specific rights and services and provide them with (or refer them to) services and assistance."*

Ion Center provided examples of all three prevention activities supported by Green Dot in Attachment 2. These activities fall within the guidance outlined in VOCApedia. While the education modality used by the Ion Center is designed for use as a prevention strategy through bystander intervention training, the Ion Center utilizes their prevention activities to meet the goal of public awareness through education, as well as creation of opportunities to reach underserved populations in their community, and identify victims of crime. Contact through this program reaches individuals who might otherwise be unaware of crime victim assistance services available to them, or who would not otherwise encounter a victim service provider. It also intends to help the community accurately identify crime victims, including self-identification of victimization. Public awareness campaigns and educational presentations are both established in guidance as allowable costs.

OIG has recommended in the draft audit that OVC issue guidance to SAAs nationwide on the allowability of using VOCA funds for prevention education services. It stated, *"We also presented this information to OVC officials who stated that the guidance is not clear in this area. For instance, these OVC officials noted that prevention programs are not mentioned in the federal VOCA statute. These OVC officials further acknowledged that the OVC should provide guidance to the SAAs that receive VOCA funds regarding whether these types of costs are allowable. While the OVC made us aware that it is preparing guidance on this matter, the OVC had not issued guidance on the allowability of prevention-related programs as of the publication of this report"*.

Kentucky JPSC would like to respectfully request that it be granted a retroactive waiver for the award year examined, and until such a time as OVC officially issues guidance to SAAs on the allowability of using VOCA funds for prevention related programs, due to the unclear guidance cited by OVC in the draft audit, and the conflicting guidance currently available through the VOCApedia.

3. Ensure that the Ion Center establishes written policies or procedures specific to the financial reporting of VOCA-funded expenses and distributes this guidance to relevant personnel.

Kentucky JPSC concurs with this recommendation and will work with the Office of Justice Programs to establish a correction action plan with the Ion Center to ensure sufficient written policies or procedures specific to the financial reporting of VOCA-funded expenses are established and distributed to relevant Ion Center personnel within 15 days of completion, or June 15, 2023.

Recommend that OJP:

4. Issue guidance to SAAs nationwide on the allowability of using VOCA funds for prevention education activities.

No Kentucky JPSC response requested. Please see request for waiver until formal issuance of guidance within response #2.

Respectfully,

Angie D. Lawrence

Angie D. Lawrence
Director
Grants Management Division

c: Kerry Harvey, Secretary
Christy Burch, Ion Center
Linda Taylor, USDOJ

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



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

May 2, 2023

MEMORANDUM TO: Todd A. Anderson
Acting Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General

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

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Funds, Sub-Awarded by the Kentucky Justice and Public Safety Cabinet to the Ion Center for Violence Prevention, Covington, Kentucky*

This memorandum is in reference to your correspondence, dated March 17, 2023, transmitting the above-referenced draft audit report for the Ion Center for Violence Prevention (Ion Center). The Ion Center received sub-award funds from the Kentucky Justice and Public Safety Cabinet (Kentucky JPSC), under the Office of Justice Programs' (OJP), Office for Victims of Crime (OVC), Victims of Crime Act (VOCA), Victim Assistance Formula Grant Program, Grant Number 2019-V2-GX-0028. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains four recommendations and \$263,250 in questioned costs. The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

1. **We recommend that OJP and the Kentucky JPSC ensure that the Ion Center establishes written policies or procedures specific to the performance reporting of VOCA-funded services and distributes this guidance to relevant personnel.**

OJP agrees with this recommendation. In its response, dated April 11, 2023, Kentucky JPSC stated that it will work with the Ion Center to ensure that sufficient written policies and procedures, specific to the performance reporting of VOCA-funded services, are established and distributed to relevant Ion Center personnel within 15 days of completion, or by June 15, 2023.

Accordingly, we will coordinate with Kentucky JPSC to obtain: 1) a copy of written policies and procedures, developed and implemented by the Ion Center, to ensure that the reporting of performance data related to VOCA-funded services is accurate, and the supporting documentation is maintained for future auditing purposes; and 2) evidence that the procedures have been properly distributed to relevant staff.

- 2. We recommend that OJP and the Kentucky JPSC remedy \$263,250 in unallowable personnel costs related to the Ion Center’s prevention education services.**

OJP agrees with this recommendation. In its response, dated April 11, 2023, Kentucky JPSC stated that they do not concur the Ion Center’s prevention education activities were unallowable. Kentucky JPSC stated that, on October 1, 2021, at the time of the subaward to the Ion Center, no guidance regarding the allowability of activities, classified as “primary prevention activities,” had been published by OJP; and that the “VOCAPedia,” an online resource available on OVC’s website, indicated that the first official response to the question – “may prevention activities be supported with VOCA funding?” – was published on May 6, 2022. In addition, Kentucky JPSC stated that all prevention activities should be considered allowable, because the Ion Center’s activities were not among the unallowable costs included in 28 C.F.R. 94.122.

Kentucky JPSC recently provided additional information of the Ion Center’s Green Dot Program to OJP. Also, Kentucky JPSC stated the Ion Center had characterized the project activities in a way that led the OIG to conclude that it conflicts with the existing OVC guidance, published on May 6, 2022. While the Green Dot Program is generally characterized as comprising primary prevention activities, OVC stated that it actually appears to encompass a blended approach to primary, secondary, and tertiary prevention, connecting victims with services, and public awareness and outreach to victims, that focuses on training people (largely in school settings) to provide bystander intervention and peer-to-peer information sharing that would be beneficial for victims of crime.

Accordingly, we will review the \$263,250 in questioned costs, related to unallowable personnel costs that were charged Grant Numbers 2019-V2-GX-0028, and will work with Kentucky JPSC to remedy, as appropriate.

- 3. We recommend that OJP and the Kentucky JPSC ensure that the Ion Center establishes written policies or procedures specific to the financial reporting of VOCA-funded expenses and distributes this guidance to relevant personnel.**

OJP agrees with this recommendation. In its response, dated April 11, 2023, Kentucky JPSC stated that it will work with the Ion Center to ensure that sufficient written policies and procedures, specific to the financial reporting of VOCA-funded expenses, are established and distributed to relevant Ion Center personnel within 15 days of completion, or by June 15, 2023.

Accordingly, we will coordinate with Kentucky JPSC to obtain: 1) a copy of written policies and procedures, developed and implemented by the Ion Center, to ensure that financial reporting of VOCA-funded services is accurate, and the supporting documentation is maintained for future auditing purposes; and 2) evidence that the procedures have been properly distributed to relevant staff.

4. **We recommend that OJP issue guidance to SAAs nationwide on the allowability of using VOCA funds for prevention education services.**

OJP agrees with this recommendation. State Administering Agencies (SAAs) have broad latitude in deciding what projects to fund, and implementation of the Ion Center's Green Dot Program, or similar programs, may vary depending on location. To that end, OVC will issuance clarifying guidance to the SAAs on the allowability of using VOCA funds for prevention-related programs.

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

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

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP), the Kentucky Justice and Public Safety Cabinet (Kentucky JPSC), and the Ion Center for Violence Prevention (Ion Center). OJP's response is incorporated in Appendix 5, the Kentucky JPSC's response is incorporated in Appendix 4, and the Ion Center'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. Three of the four recommendations pertained to the Kentucky JPSC and the Ion Center, for which both concurred with two recommendations and did not concur with one recommendation.¹⁰ The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP and the Kentucky JPSC:

- 1. Ensure that the Ion Center establishes written policies or procedures specific to the performance reporting of VOCA-funded services and distributes this guidance to relevant personnel.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Kentucky JPSC to obtain a copy of written policies and procedures specific to the performance reporting of VOCA-funded services, and evidence that the policies and procedures were distributed to relevant Ion Center personnel.

The Kentucky JPSC concurred with our recommendation and stated in its response that it will work with OJP to establish a corrective action plan with the Ion Center to ensure sufficient written policies or procedures are established and distributed.

The Ion Center concurred with the recommendation. In its response, the Ion Center stated that it plans to implement a new policy by May 31, 2023.

This recommendation can be closed when we receive evidence that the Ion Center established written policies or procedures specific to the performance reporting of VOCA-funded services and distributed this guidance to relevant personnel.

- 2. Remedy \$263,250 in unallowable personnel costs related to the Ion Center's prevention education services.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that while the activity in question is generally characterized as comprising of primary prevention services, the Office for

¹⁰ The Kentucky JPSC and Ion Center did not comment on our last recommendation because it was directed solely to OJP.

Victims of Crime (OVC) stated that the Ion Center's work in this area appears to encompass a blended approach to primary, secondary, and tertiary prevention that connects victims with services, provides public awareness and outreach to victims, and focuses on training people to provide bystander intervention and peer-to-peer information sharing that would be beneficial for victims of crime. OJP also stated that it will review the \$263,250 in questioned costs related to unallowable personnel costs and will work with the Kentucky JPSC to remedy the costs.

The Kentucky JPSC did not concur with our recommendation and stated in its response that, at the time it made its subaward to the Ion Center, OJP had not published guidance regarding the unallowability of activities pertaining to primary prevention. Further, the Kentucky JPSC stated that the Ion Center's activities are not among the expressly unallowable costs outlined in VOCA legislation. The Kentucky JPSC stated that OJP guidance on unallowable prevention activities related to funding police officers to prevent crime and that the Ion Center's prevention education activities in question were educational outreach services provided to members of the community who are likely to be, or already are, impacted and affected by violence in their community. The Kentucky JPSC requested that it be granted a retroactive waiver for such costs.

The Ion Center also did not concur with the recommendation. In its response, the Ion Center stated the Kentucky JPSC approved it to use funds for the national strategy. In addition, the Ion Center stated that while the national strategy labels the program as primary prevention, approximately 80 percent of the program focuses on secondary and tertiary prevention. Further, the Ion Center provided documentation as evidence of the secondary and tertiary prevention work its team performs.

We reviewed the supporting documentation included within the Ion Center's response to the draft report and acknowledge that the Ion Center's program has aspects of secondary and tertiary prevention. However, as noted in our report, while the Ion Center's efforts in this area may have included secondary and tertiary prevention services, the Ion Center identified the overall program as primary prevention during the subaward period. Additionally, in its response to the draft report, the Kentucky JPSC stated that the OVC did not provide guidance on the allowability of prevention activities until May 2022. While the OVC did not update its website until May 2022, the VOCA Guidelines Final Rule, published in July 2016, discusses using VOCA funds for public awareness when informing actual crime victims of their rights and services. As a result, and as stated in our report, we believe the Ion Center's prevention education services did not fit the definition of allowable public awareness activities at the time of the subaward because the Ion Center's prevention education services focused on bystander training, or training for individuals who have not been victimized. Additionally, as addressed in Recommendation Number 4, we believe that the OVC should issue updated guidance related to prevention education services.

This recommendation can be closed when we receive evidence that OJP has remedied the \$263,250 in unallowable questioned costs related to the Ion Center's prevention education services.

3. Ensure that the Ion Center establishes written policies or procedures specific to the financial reporting of VOCA-funded expenses and distributes this guidance to relevant personnel.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Kentucky JPSC to obtain a copy of written policies and procedures specific to the financial reporting of VOCA-funded expenses, and evidence that the policies and procedures were distributed to relevant Ion Center personnel.

The Kentucky JPSC concurred with our recommendation and stated in its response that it will work with OJP to establish a corrective action plan with the Ion Center to ensure sufficient written policies or procedures are established and distributed.

The Ion Center concurred with our recommendation. In its response, the Ion Center stated that it plans to implement a new policy by May 31, 2023.

This recommendation can be closed when we receive evidence that the Ion Center established written policies or procedures specific to the financial reporting of VOCA-funded expenses and distributed this guidance to relevant personnel.

Recommendation for OJP:

4. Issue guidance to state administering agencies (SAA) nationwide on the allowability of using VOCA funds for prevention education services.

Resolved. OJP agreed with our recommendation. OJP stated in its response that the OVC will issue to SAAs clarifying guidance.

This recommendation can be closed when we receive evidence that OJP issued to SAAs guidance on the allowability of using VOCA funds for prevention education services.