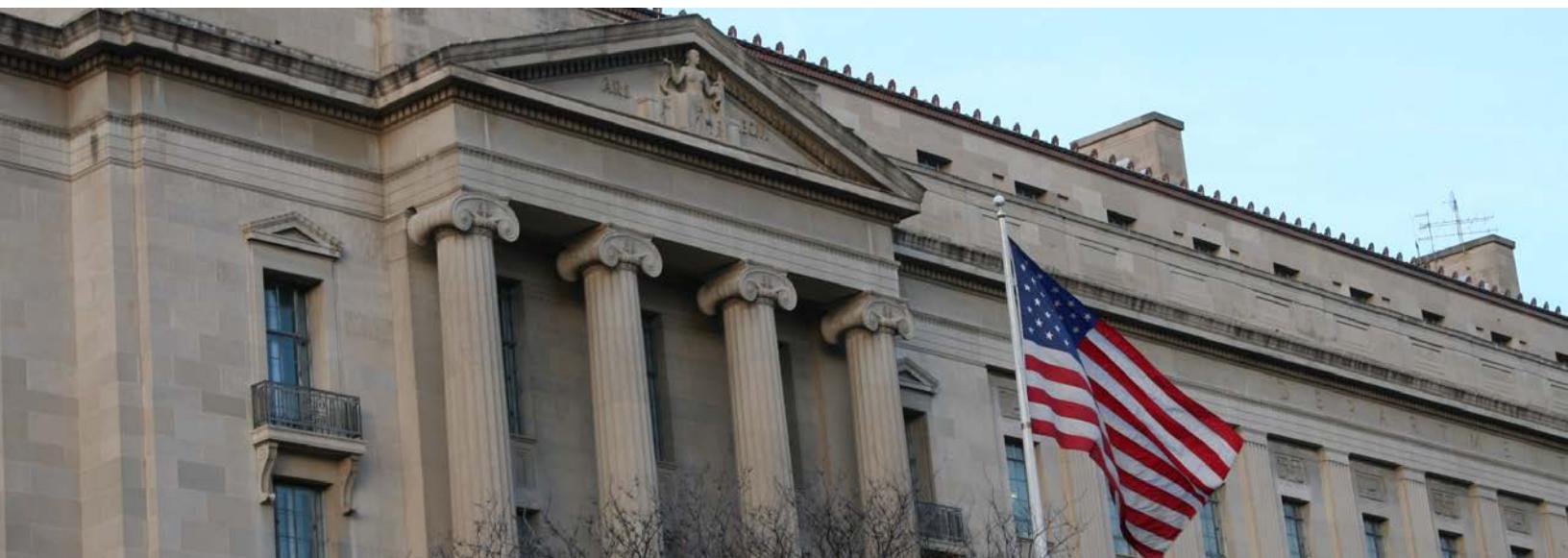




Office of the Inspector General

U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



Audit of the Office on Violence Against Women Grants Awarded to the Choctaw Nation of Oklahoma, Durant, Oklahoma



Executive Summary

Audit of the Office on Violence Against Women Grants Awarded to the Choctaw Nation of Oklahoma, Durant, Oklahoma

Objectives

The Department of Justice (DOJ) Office on Violence Against Women (OVW) awarded the Choctaw Nation of Oklahoma (CNO) five grants totaling \$3,445,405. The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

As a result of our audit testing, we concluded that the CNO could improve its administration of OVV awards to ensure it can demonstrate that grant goals and objectives are achieved or are on track to being achieved. We also found that the CNO did not adequately support or accurately report performance measurements including concerns with maintaining documentation to support victim services.

Additionally, the CNO did not comply with essential award conditions related to award special conditions and use of funds. Specifically, we found that the CNO: (1) did not comply with all special conditions; (2) charged unallowable personnel costs, travel, supplies, contract, and other direct costs to the awards; and (3) did not adequately document travel, supply, contract, and other direct cost transactions. Further, we determined that the drawdown procedures could be improved. As a result of these deficiencies, we identified \$142,765 in net unallowable costs and \$75,581 in net unsupported costs. After issuing the draft report, the CNO provided sufficient documentation to support \$36,606 of the initially questioned costs. Therefore, our final report includes \$181,740 in net questioned costs.

Recommendations

Our report contains 20 recommendations to OVV. We requested a response to our draft audit report from the CNO and OVV, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The purposes of the five OVV grants we reviewed were to provide services to victims of sexual assault, domestic violence, dating violence, and stalking. The project period for the grants was from October 2013 through September 2020. As of August 2018, the CNO had drawdown a cumulative amount of \$2,539,514 for all of the grants we reviewed.

Program Performance and Accomplishments - We identified concerns regarding the CNO ability to demonstrate progress toward completing award goals and objectives. Specifically, the CNO could not provide support that community events and Cultural Competency Training occurred and has been unable to successfully assist victims with securing permanent employment.

We also found that the CNO could not support 20 of the sampled progress report measures, either because CNO officials did not maintain documentation to fully support the metric, or because the support provided did not match what was reported.

We found that the CNO did not comply with special conditions, or specific terms and conditions of the grants, we tested related to: incurring expenditures for grant programs before the previous grants under the same program were completed and approved by OVV; sending a new project director to an OVV orientation seminar, and incurring a rental assistance payment in excess of the maximum length of stay allowed.

Grant Financial Management - We found that the CNO did not document its financial policies for employee timekeeping and supervisory approvals. We also found no indication that CNO was performing a price analysis for purchases between \$3,500 and \$150,000.

Grant Expenditures - We found that the CNO charged \$48,652 in unallowable personnel and fringe costs, travel, supplies, contract, and other direct costs to the awards; and did not adequately document \$56,000 in travel, supply, contract, and other direct cost transactions.

**AUDIT OF THE
OFFICE ON VIOLENCE AGAINST WOMEN GRANTS
AWARDED TO THE CHOCTAW NATION OF OKLAHOMA,
DURANT, OKLAHOMA**

TABLE OF CONTENTS

INTRODUCTION	1
The Grantee	2
OIG Audit Approach	3
AUDIT RESULTS.....	4
Program Performance and Accomplishments	4
Program Goals and Objectives	4
Required Performance Reports	6
Compliance with Special Conditions.....	8
Grant Financial Management	10
Grant Expenditures	11
Supply Costs	11
Other Direct Costs	12
Travel Costs.....	14
Contractors and Consultants	16
Personnel and Fringe Costs	16
Budget Management and Control	17
Drawdowns	17
Federal Financial Reports	18
CONCLUSION AND RECOMMENDATIONS.....	19
APPENDIX 1: OBJECTIVES, SCOPE, AND METHODOLOGY	22
APPENDIX 2: SCHEDULE OF DOLLAR-RELATED FINDINGS.....	24
APPENDIX 3: CHOCTAW NATION OF OKLAHOMA RESPONSE TO THE DRAFT AUDIT REPORT	25

APPENDIX 4: OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE
DRAFT AUDIT REPORT 30

APPENDIX 5: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY
OF ACTIONS NECESSARY TO CLOSE THE REPORT 35

AUDIT OF THE OFFICE ON VIOLENCE AGAINST WOMEN GRANTS AWARDED TO THE CHOCTAW NATION OF OKLAHOMA, DURANT, OKLAHOMA

INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of grants awarded by the Office on Violence Against Women (OVW) to the Choctaw Nation of Oklahoma (CNO) in Durant, Oklahoma. The CNO was awarded five grants totaling \$3,445,405, as shown in Table 1.

Table 1
Grants Awarded to the Choctaw Nation of Oklahoma

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2014-TW-AX-0051	OVW	9/22/2014	10/1/2014	9/30/2017	\$ 899,990
2017-TW-AX-0002	OVW	9/29/2017	10/1/2017	9/30/2020	\$ 897,851
2014-WR-AX-0026	OVW	8/4/2014	10/1/2014	9/30/2018	\$ 997,662
2013-WH-AX-0001	OVW	9/10/2013	10/1/2013	9/30/2016	\$ 299,946
2016-WH-AX-0020	OVW	9/21/2016	10/1/2016	9/30/2019	\$ 349,956
				Total:	\$3,445,405

Source: OJP Grant Management System (GMS)

Grant Numbers 2014-TW-AX-0051 and 2017-TW-AX-0002 were both funded through the DOJ's Coordinated Tribal Assistance Solicitation (CTAS) that allows federally-recognized tribes and tribal consortia to submit a single application for most DOJ tribal grant programs.

The CTAS provides the tribal entity the opportunity to develop a comprehensive and coordinated approach to public safety and victimization issues under nine individual purpose areas.¹ Both awards were awarded under Purpose Area 5, Violence Against Women Tribal Governments Program. Funding through this program supports efforts to decrease the incidence of violent crime against Indian women, strengthen the capacity of Indian tribes to exercise their sovereign authority to respond to violent crimes committed against Indian women, and ensure that perpetrators of violent crimes committed against Indian women are held accountable for their criminal behavior. Funding from these two awards was expected to be used to support the CNO's Project EMPOWER which assists victims of domestic violence, dating violence, sexual assault, and stalking.²

¹ CTAS purpose areas encompass the following DOJ components: Office of Community Oriented Policing Services; Office of Justice Programs (OJP), Bureau of Justice Assistance; OVW; OJP, Office for Victims of Crime; and OJP, Office of Juvenile Justice and Delinquency Prevention.

² Project EMPOWER stands for Educating, Motivating, and Providing Opportunities for [Victims] Working to Enrich and Reclaim [their lives].

Grant Number 2014-WR-AX-0026 was funded through the OVW 2014 Rural Sexual Assault, Domestic Violence, Dating Violence, and Stalking Assistance Program. Funding through this program supports efforts to: (1) identify, assess, and appropriately respond to child, youth and adult victims of domestic violence, dating violence, sexual assault and stalking in rural communities, by encouraging collaboration among domestic violence, dating violence, sexual assault, and stalking victim service providers; law enforcement agencies; prosecutors; courts; other criminal justice service providers; human and community service providers; educational institutions; and health care providers; (2) establish and expand nonprofit, nongovernmental, state, tribal, territorial, and local government victim services in rural communities to child, youth, and adult victims; and/or (3) increase the safety and well-being of women and children in rural communities by dealing directly and immediately with domestic violence, dating violence, sexual assault, and stalking occurring in rural communities; and creating and implementing strategies to increase awareness and prevent domestic violence, dating violence, sexual assault, and stalking. Funding from this award was expected to be used to support the CNO's Project SAFE which provides services to victims of sexual assault, domestic and dating violence, and stalking on college campuses and supports activities to prevent these crimes.³

Grant Numbers 2013-WH-AX-0001 and 2016-WH-AX-0020 were funded through the OVW Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence and Stalking Program. Funding through this program supports efforts to provide aid to victims of sexual assault, domestic violence, dating violence, and stalking who are homeless, or in need of transitional housing or other housing assistance, including short-term housing assistance and supportive services; and for whom emergency shelter services or other crisis intervention services are unavailable or insufficient. Funding from these two awards was expected to be used to support the CNO's Project HOUSE which provides transitional housing services to a minimum of 21 women who are homeless or in need of transitional housing or other housing assistance as a result of fleeing a situation of sexual assault, domestic violence, dating violence, and/or stalking and for whom emergency shelter services or other crisis intervention services are unavailable or insufficient.

The Grantee

The CNO is a recognized Indian Tribe by the United States Secretary of the Interior with a tribal jurisdiction area. The CNO is defined as an extremely rural territory spanning 10,613 square miles and roughly 10.5 counties in southern Oklahoma, which encompasses about 15 percent of the state's total area. The CNO's service area includes Atoka, Bryan, Choctaw, Coal, Haskell, Hughes, Latimer, LeFlore, McCurtain, Pittsburg, and Pushmataha counties. The CNO service area is home to 52,351 Native Americans, accounting for as much as 50 percent of the population in some communities, 41,616 which are reported as Choctaw by the Choctaw Tribal Membership Office. The remaining Indian population is made up of as many as 29 different tribes.

³ Project SAFE stands for Striving for an Abuse-Free Environment.

OIG Audit Approach

The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives.⁴ To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the grants. The OVW Financial Grants Management Guide, the DOJ Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.

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

⁴ This audit was done in conjunction with the audits of OJP and Office of Community Oriented Policing Services grants awarded to the CNO. We assessed DOJ funded victim assistance and law enforcement activities across multiple programs and components at the CNO, to gain a deeper understanding of DOJ grant management. This report details the results of our audit of five OVW grants awarded to the CNO.

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports, grant documentation, and interviewed CNO officials to determine whether the CNO demonstrated adequate progress towards achieving the program goals and objectives or, for the ended grants, demonstrated adequate achievement of the program goals and objectives. We also reviewed the Progress Reports, to determine if the required reports were accurate. Finally, we reviewed the CNO's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

Grant Number 2014-TW-AX-0051 – Tribal Governments Program

CNO's Project EMPOWER received Grant Number 2014-TW-AX-0051 to assist Native American victims to overcome challenges and reclaim successful lives via a holistic, victim-centered program that provides a broad range of services including transportation, individual and group counseling, legal advocacy, housing assistance, and child care services. We found that CNO did not demonstrate adequate achievement of one of the five award objectives under this award, which ended on September 30, 2017. We summarize the objective for which we had concerns below:

- *Objective 5:* For each grant year, organize and host Cultural Competency Training for victims' service providers from all elements - justice system agents, healthcare representatives, victims' advocates, and more. The CNO only provided support that Cultural Competency Training occurred for two of the three grant years.

In our judgement, because the CNO did not retain records related to the Cultural Competency Training for one grant year, we cannot verify that this objective was achieved. Therefore, we recommend that the OVW ensure the CNO implements an effective system for reliably and accurately demonstrating that objectives were achieved.

Grant Number 2017-TW-AX-0002 – Tribal Governments Program

CNO's Project EMPOWER received Grant Number 2017-TW-AX-0002, which is an ongoing program that falls under the same award program as Grant Number 2014-TW-AX-0051. The award objectives of Grant Number 2014-TW-AX-0051 are similar to the objectives under this award program. Based on our review, there is an indication that the CNO is not fully achieving Objective 5 of the grant. Specifically, CNO did not provide support that Cultural Competency Training occurred for the first grant year. Therefore, we recommend that OVW provide additional oversight and monitoring of the CNO to ensure that this objective is adequately achieved prior to the end of the grant for Grant Number 2017-TW-AX-0002.

Grant Number 2014-WR-AX-0026 – Rural Sexual Assault, Domestic Violence, and Stalking Assistance Program

CNO's Project SAFE received Grant Number 2014-WR-AX-0026 to collaborate with institutions of higher education to provide direct services to victims on college campuses; and enhance the safety of child, youth, and adult victims of domestic violence, dating violence, sexual assault, and stalking. We found that CNO did not demonstrate adequate achievement of one of the three award objectives under this award, which ended on September 30, 2018. We summarize the objective for which we had concerns below:

- *Objective #2:* By the end of the performance period, the grant program will increase the safety and well-being in rural communities by continuing to provide high school students and their parents with the Safe Dates curriculum aimed to increase awareness and prevent violence. As part of progress report testing, we reviewed support for community education events. However, only 15 out of 54 events reported during the progress report periods reviewed were adequately supported. Of the 39 community events that were not adequately supported, 2 were for SAFE Dates events.

In our judgement, because the CNO could not support that 72 percent of community education events occurred, we cannot verify whether this objective was achieved. Therefore, as previously stated, we recommend that the OVW ensure the CNO implements an effective system for reliably and accurately demonstrating that objectives were achieved.

Grant Number 2013-WH-AX-0001 – Transitional Housing Assistance for Victims of Sexual Assault, Domestic Violence, Dating Violence, and Stalking

CNO's Project HOUSE received Grant Number 2013-WH-AX-0001 to serve individuals in need of assistance as a result of fleeing a situation of sexual assault, domestic violence, dating violence, and/or stalking. Assistance will be provided by establishing a holistic, victim-centered program that provides a broad range of services to help victims overcome the lack of available resources, social and cultural challenges, and geographic isolation in this extremely rural area. This award ended on September 30, 2016. Based on our review, there were no indications that the CNO did not adequately achieve the stated goals and objectives of the grant.

Grant Number 2016-WH-AX-0020 – Transitional Housing Assistance Grants for Victims of Domestic Violence, Dating Violence, Stalking or Sexual Assault Program

CNO's Project HOUSE received Grant Number 2016-WH-AX-0020 to facilitate a coordinated response with community victim service organizations, that more effectively supports underserved Native American victims fleeing sexual assault, domestic violence, dating violence, and/or stalking. We found that CNO did not demonstrate adequate achievement of one of the four award objectives as of

October 2018. The award was scheduled to end on September 30, 2019. We summarize the objective for which we had concerns below:

- *Objective 3:* Enable victims to secure permanent employment. In an interview with the program director, she stated that she collaborates with Choctaw Nation Career Development program to provide employment services for eligible participants. At the time of the interview, there had been only one victim found to be an eligible participant for the Choctaw Nation Career Development program. However, the victim was unable to obtain a job due to challenges in finding daycare for the victim's children.

Although this project was ongoing during our review, we determined that additional oversight is necessary to ensure that the CNO meets this objective. Therefore, as previously stated, we recommend that OVW provide additional oversight and monitoring of the CNO to ensure that this objective is adequately achieved prior to the end of the grant.

Required Performance Reports

According to the OVW Financial Guide and the DOJ Grants Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. In order to verify the information in the progress reports, we selected a judgmental sample of 10 performance measures from the 2 most recent reports submitted for each grant for a total sample size of 50. We then traced the items to supporting documentation maintained by the CNO.

As shown in Table 2, we reviewed a judgmental sample of quantifiable performance measures and identified issues with the documentation provided to support the measures and the accuracy of the information reported in the progress reports.

Table 2
Summary of Progress Report Testing

Award Number	Period	Number of Performance Metrics Sampled	Number of Performance Metrics Verified ^a	Results
2013-WH-AX-0001	January 2016 through December 2016	10	8	The CNO reported inaccurate information for 2 performance measures.
2014-TW-AX-0051	January 2017 through December 2017	10	5	The CNO did not support 2 performance measures and provided inadequate support for 3 performance measures.
2014-WR-AX-0026	July 2017 through June 2018	10	5	The CNO provided inadequate support for 5 performance measures
2016-WH-AX-0020		10	9	The CNO reported inaccurate information for 1 performance measure.
2017-TW-AX-0002		10	3	The CNO did not support 1 performance measures, provided inadequate support for 4 performance measures, and reported inaccurate information for 2 performance measures.
Total:		50	30	

Sources: OJP GMS and the CNO

For Grant Number 2014-TW-AX-0051, we judgmentally selected 10 quantifiable performance measures from the 2 most recent progress reports submitted. We found that the CNO did not provide any support for 2 of the 10 performance measures related to victims that received crisis intervention services and victims that were granted final protection orders. According to the program director, the only support for these measures was recorded in notebooks that were shredded at the end of each month. In addition, 3 of the 10 measures were not adequately supported. Specifically, the CNO did not provide details to fully support measures related to the number of hotline calls and the number of services provided to children of victims. According to the program director, additional detail to support performance measures was recorded in the notebooks that were shredded at the end of each month.

For Grant Number 2017-TW-AX-0002, we judgmentally selected 10 quantifiable performance measures from the 2 most recent progress reports submitted. We found that the CNO did not provide any support for 1 of the 10 performance measures related to the number of number of hotline calls. As with Grant Number 2014-TW-AX-0051, according to the program director, additional detail to support performance measures was recorded in notebooks that were shredded at the end of each month. In addition, the CNO did not provide adequate support for 4 of the 10 measures including the number victims that received cultural advocacy services, the number of victims that received transportation, and the number of services provided to children of victims. For the performance measure related the number victims that received cultural advocacy services, the program director had requested support from the counselor. However, as of April 2019, we had not received the requested documentation. For performance measures related to the number of victims that received transportation, and the

number of services provided to children of victims, the program director stated that additional detail to support performance measures was recorded in notebooks that were shredded at the end of each month. Finally, we found inaccuracies for 2 of the 10 performance related to the number of victims that received or partially received requested grant funded services and the demographics of victims served or partially serviced.

For Grant Number 2014-WR-AX-0026, we judgmentally selected 10 quantifiable performance measures from the 2 most recent progress report reports submitted. We found that 5 of the 10 measures were not adequately supported. Specifically, the CNO did not provide documentation to fully support the number of training and education events provided by program staff or the total number of people trained at training events.

For Grant Number 2013-WH-AX-0001, we judgmentally selected 10 quantifiable performance measures from the 2 most recent progress report reports submitted. We found that 2 of the 10 measures were inaccurate. Specifically, we found that the number of months of rental assistance provided and the number of months of utilities assistance provided did not match supporting documentation.

For Grant Number 2016-WH-AX-0020, we judgmentally selected 10 quantifiable performance measures from the 2 most recent progress report reports submitted. We found that 1 of the 10 measures was inaccurate. Specifically, we found that the number of months of utilities assistance provided did not match the supporting documentation.

Overall, we determined that the CNO either could not support 20 of the sampled progress report measures, either because CNO officials did not maintain documentation to fully support the metric, or because the support provided did not match what was reported. Therefore, we recommend that the OVW coordinate with the CNO to enhance its policies and procedures to ensure that progress reports are accurate and supported.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the awards. We evaluated the special conditions for each grant and selected a judgmental sample of the requirements that are significant to performance under the grants and are not addressed in another section of this report. We evaluated one special condition for Grant Number 2014-TW-AX-0051 two special conditions for Grant Numbers 2017-TW-AX-0002, 2014-WR-AX-0026, and 2013-WH-AX-0001 and three special conditions for Grant Number 2016-WH-AX-0020.

Grant Numbers 2017-TW-AX-0002, 2014-WR-AX-0026, and 2016-WH-AX-0020 each had a special condition prohibiting the grantee from obligating, expending, and drawing down funds until all funds were expended from the grant previously awarded under the same OVW grant program. If the grantee needs to obligate, expend, or draw down funds from the award prior to completion and expiration of previous award, the grantee must submit a written request to the

Program Specialist for review and approval. If approved, a Grant Adjustment Notice (GAN) will be issued allowing the grantee to access the funds. The only funds excluded from this condition were funds for travel related expenses to attend OVW-sponsored technical assistance events. We found that the CNO was not in compliance with this special condition as it began incurring expenditures before the previous grants under the same OVW program were completed and before a GAN removing the condition was issued. Specifically, the CNO incurred \$74,033 in non-travel related expenditures under Grant Number 2017-TW-AX-0002 before the special condition was removed. In addition, the CNO incurred \$19,755 in non-travel related expenditures under Grant Number 2016-WH-AX-0020 before the special condition was removed.

We found that the CNO did not comply with a special condition in Grant Number 2014-WR-AX-0026 requiring that, in the event of a change in the project director/coordinator, the grantee must send the new project director/coordinator to OVW grantee orientation seminar at the earliest opportunity. Specifically, we found that project director for the grant did change, but the new project director did not attend an OVW grantee orientation seminar. Since this grant has ended, we do not offer a recommendation. However, we believe that the CNO's Project SAFE could benefit from increased coordination with the OVW program specialist to ensure that any new project directors are informed of grantee orientation seminars.

Grant Numbers 2013-WH-AX-0001 and 2016-WH-0020 each had a special condition requiring that funds will be used to provide transitional housing assistance for a minimum of 6 months and not more than 24 months. The grantee may waive this 24-month restriction for not more than an additional 6 month period if the participant has made a good-faith effort to acquire permanent housing and has been unable to acquire permanent housing.

We found, under Grant Number 2013-WH-AX-0001, two victims received rental assistance for longer than the 24 month period. While the CNO provided support that the 24-month restriction was waived for both victims, one victim received rental assistance for 7 months outside of 24-month restriction, which exceeded the additional 6 month period by 1 month. Therefore, the CNO did not comply with the special condition when it incurred \$300, or one month, in rental assistance payments outside of the additional 6-month period.

We recommend that OVW remedy \$94,088 in unallowable grant expenditures due to noncompliance with special conditions, specifically: \$74,033 under Grant Number 2017-TW-AX-0002; \$19,755 in unallowable grant expenditures under Grant Number 2016-WH-AX-0020; and \$300 under Grant Number 2013-WH-AX-0001. Based on our testing of special conditions, we also determined that the CNO does not have adequate policies and procedures to ensure compliance with award special conditions. Therefore, we recommend the OVW coordinate with the CNO to develop and implement policies and procedures to ensure compliance with all special conditions.

Grant Financial Management

According to the OVW Financial Guide and the DOJ Grants Financial Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess the CNO's financial management of the grants covered by this audit, we conducted interviews with financial staff, examined policy and procedures, and inspected grant documents to determine whether CNO adequately safeguards the grant funds we audited. We also performed testing in the areas that were relevant for the management of this grant, as discussed throughout this report. Finally, we reviewed the CNO's Single Audit Reports for fiscal years (FY) 2013 through 2017 to identify internal control issues related to federal awards, but we did not find significant deficiencies or material weaknesses related to grant administration.

We identified deficiencies with CNO's financial policies. The DOJ Grants Financial Guide states that charges made to federal awards for salaries, wages, and fringe benefits must be based on records that accurately reflect the work performed and comply with the established policies and practices of the organization. Additionally, charges must be supported by a system of internal controls that provides reasonable assurance that the charges are accurate, allowable and properly allocated. According to CNO officials there is no documented policy or procedure for the electronic timekeeping system that addresses how employees record time and effort and how employee time and effort, leave, and compensatory time is approved. Therefore, we recommend that the OVW coordinate with the CNO to develop policies related to how employee time and effort, leave, and compensatory time is recorded and approved.

Our review of grant expenditures identified additional weaknesses in the CNO's award financial management. According to the CNO procurement policies, small purchases represent goods and services acquired with a value between \$3,500 and \$150,000 and will have a price analysis performed. In addition, the Uniform Administrative Requirements state that if small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources. We found 19 transactions that qualified as small purchases, but were not accompanied by a price analysis, or price or rate quotations. As a result, we recommend that OVW coordinate with the CNO to ensure compliance with small purchase procedures.

Based on our review, we concluded that the CNO grant financial management related to adherence to award special conditions, the use of award funds, and accounting for and documenting award expenditures could be improved. We make additional recommendations in the other sections of this report to remedy these deficiencies.

Grant Expenditures

For Grant Numbers 2014-TW-AX-0051, 2017-TW-AX-0002, 2014-WR-AX-0026, 2013-WH-AX-0001, and 2016-WH-AX-0020, the CNO's approved budgets included personnel, fringe, travel, supplies, contractual, and other costs. Additionally, Grant Number 2014-TW-AX-0051 included equipment costs. Grant Numbers 2017-TW-AX-0002 and 2014-WR-AX-0026 also included indirect costs. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a judgmental sample of transactions in Table 3 below.⁵

Table 3
Judgmental Sample of Direct Costs

Grant Number	Initial Sample	Initial Dollars Sampled	Expanded Sample	Expanded Dollars Sampled	Total Sample	Percent of Direct Costs
2014-TW-AX-0051	50	44,217	1	\$251	\$44,468	9
2017-TW-AX-0002	25	13,607	2	576	14,183	17
2014-WR-AX-0026	50	119,469	24	8,937	128,406	26
2013-WH-AX-0001	50	23,345	14	2,085	25,430	13
2016-WH-AX-0020	25	17,993	16	2,859	20,852	14
Total	200	\$218,631	57	\$14,708	233,339	N/A

Source: The CNO

We reviewed documentation, accounting records, and performed verification testing related to grant expenditures. Based on this testing, we did not identify any material issues related to our testing of equipment and indirect costs. We identified \$124,258 in net questioned costs under the five awards related to personnel and fringe, travel, supplies, contractors and consultants, and other direct costs. Therefore, we recommend that the OVW remedy \$124,258 in net questioned costs. The following sections describe the results of that testing.

Supply Costs

We identified 45 instances or \$39,928 in unallowable supply cost transactions. Specifically, for Grant Numbers 2014-TW-AX-0051, 2017-TW-AX-0002, and 2014-WR-AX-0026, we identified 34 instances, or \$34,686 in promotional items and associated shipping, handling, and setup costs that were not in the approved budget or were not in compliance with the Uniform Administrative Requirements. According to the Uniform Administrative Requirements, unallowable advertising and public relations costs include the costs of promotional items and memorabilia, including models, gifts, and souvenirs. While the budgets for Grant Numbers 2014-TW-AX-0051 and 2014-WR-AX-0026 allowed for supplies including brochures, and posters, we found instances of expenditures for promotional items such as t-shirts, lanyards, and USB drives that were not in the approved budget. As a result, we consider the 34 supply, shipping, handling, and setup cost expenditures to be unallowable promotional items and

⁵ This table does not include personnel and fringe benefits costs. Testing specific to personnel and fringe benefits is discussed in the "Personal and Fringe Costs" section.

related costs. In addition, for Grant Numbers 2014-WR-AX-0026 and 2016-WH-AX-0020, we identified 10 instances or \$4,529 for office supplies that were not in the budget including computers, printers, and furniture. For Grant Number 2016-WH-AX-0020, we also identified one instance, or \$713 in unallowable conference costs that were not in the approved budget.⁶ According to the OVW Conference Cost Guidelines, trinkets are prohibited conference costs and include items such as hats, mugs, portfolios, t-shirts, coins, etc. Specifically, we found an instance of custom portfolios that were ordered for a half-day training.

As a result of these findings, we recommend that the OVW remedy \$39,928 in unallowable supply and associated, shipping, handling, and setup costs, specifically: \$715 under Grant Number 2014-TW-AX-0051; \$1,098 under Grant Number 2017-TW-AX-0002; \$35,858 under Grant Number 2014-WR-AX-0026; and \$2,257 under Grant Number 2016-WH-AX-0020. In addition, we recommend that the OVW coordinate with the CNO to enhance its procurement procedures to ensure federal funds are only used for allowable outreach and awareness items and services.

Additionally, for Grant Number 2014-WR-AX-0026, we identified \$40,272 in unsupported costs. Specifically, we identified 6 purchase orders covering 19 expenditures for supply costs and associated shipping and handling that qualified as small purchases, but were not accompanied by price analysis. According to the CNO procurement policies, small purchases represent goods and services acquired with a value between \$3,500 and \$150,000 and will have a price analysis performed. We found 19 instances, or \$39,552 of expenditures for supplies that qualified as small purchases, but were not accompanied by a cost or price analysis. Additionally, we identified one instance, or \$720 for postage supplies that was not supported with a purchase order or requisition form identifying that the grant program requested postage supplies. Subsequent to the issuance of the draft report, the CNO provided additional documentation supporting \$720 of the previously unsupported postage costs. After receiving OVW's official response to the draft report, we confirmed with OVW that it agreed that \$720 of the previously unsupported questioned costs are now supported and remedied. As a result, we consider these costs totaling \$720 to be to be remedied. Therefore, we recommend that the OVW remedy the remaining \$39,552 of the \$40,272 in unsupported supply costs under Grant Number 2014-WR-AX-0026.

Other Direct Costs

We identified two instances or \$597 in unallowable other direct costs. Specifically, for Grant Number 2014-WR-AX-0026, we identified \$500 related to cellular phone service charges for a CNO employee that was not found to be associated with the grant program. For Grant Number 2013-WH-AX-0001, we found one instance where utilities assistance was overpaid by \$97. Subsequent to the issuance of the draft report, the CNO provided additional documentation supporting \$25 of the previously unallowable costs. As a result, we consider \$25 of

⁶ According to OVW Conference Costs Guidelines, a conference is defined as a meeting, retreat, seminar, symposium, or training activity.

the previously unallowable costs to be allowable. Therefore, we recommend that the OVW remedy the remaining \$572 of the \$597 in unallowable other direct costs, specifically: \$500 under Grant Number 2014-WR-AX-0026 and \$72 under Grant Number 2013-WH-AX-0001.

According to the OVW Financial Guide and the DOJ Grants Financial Guide, award recipients must retain all financial records, supporting documents, statistical records, and all other records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report when the program has been closed. The retention requirement includes books of original entry, source documents, supporting accounting transactions, the general ledger, subsidiary ledgers, cancelled checks, and related documents and records.

Similarly, CNO victim assistance guidance approved by OVW stated that the program would retain all financial records, supporting documents, statistical records, and all other records for at least 3 years following notification by the grant authorizing agency that the grant has been programmatically and fiscally closed. Further, the policy states that the program will maintain the required documentation including Payment Request Forms; case log; and all monthly, quarterly, and semi-annual progress reports.

The four grants awarded to CNO's Project EMPOWER and Project HOUSE all provided support to victims through rental, utility, and transportation assistance and are part of the Choctaw Nation Victim Services (CNVS). The CNVS has an agreement with the CNO Finance Department to provide victim assistance with a minimum of financial supporting documentation to protect victim confidentiality. This agreement requires CNVS programs to only retain Direct Service Request Forms and Payment Guarantees for victim assistance. Additionally, the CNO Payment Guarantee for victim assistance contained further guidance stating that the payee is required to mail the original receipt within 30 days after the goods or services are completed or delivered, except for landlords, rent and/or security deposits and utility deposits.

Our work indicated that CNO staff under Project EMPOWER and Project HOUSE only maintained the Direct Service Request Form, Payment Guarantee, and email approval from the Project Director for utility and rental assistance. Although, these documents were relevant to victim assistance, we were unable to assess whether the documentation was valid and reliable as no invoices, receipts of payment, or rental agreements were maintained by grantee officials. Therefore, we determined that the victim assistance related to rental and utility assistance was unsupported. In all, we identified 41 instances, or \$35,219 of expenditures for utilities, fuel, or rental assistance that were not supported with adequate documentation. Subsequent to the issuance of the draft report, the CNO provided additional documentation supporting \$33,580 of the previously unsupported costs. As a result, we consider \$33,580 of the previously unsupported costs to be supported.

We also identified an additional four instances or \$881 in unsupported other direct costs. Specifically, we identified:

- Two instances or \$402 in utilities assistance where the amount charged to the grant was handwritten on the invoices rather than the invoiced amount.
- One instance or \$261 for victim assistance that was missing a receipt.
- One instance or \$218 in fuel charges that did not identify the purpose of the expenditure.

Overall, we identified unsupported costs totaling \$36,100. Subsequent to the issuance of our draft report, CNO provided additional information and documentation supporting \$33,580 of the previously unsupported costs. After receiving OVW's official response to the draft report, we confirmed with OVW that it agreed that \$33,580 of the previously unsupported questioned costs are now supported and remedied. As a result, we consider these costs totaling \$33,580 to be to be remedied. Therefore, we recommend that the OVW remedy the remaining 2,520 of the \$36,100 in unsupported other direct costs; specifically: \$1,691 under Grant Number 2014-TW-AX-0051; and \$829 under Grant Number 2017-TW-AX-0002. Additionally, we recommend that the OVW coordinate with the CNO to ensure that Project EMPOWER, Project SAFE, and Project HOUSE retain all financial records, supporting documents, statistical records, and all other records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report.

Travel Costs

The OVW Financial Grants Management Guide and the DOJ Grants Financial Guide states that travel expenses are allowable for employees who are in travel status on official business related to the award. These costs must be reasonable and in accordance with federal policy or the organization's established travel policy. However, the DOJ awarding agency reserves the right to determine the reasonableness of an organization's travel regulations.

The CNO travel policies, updated March 2017, incorporates the Uniform Administrative Requirements and Federal Travel Regulations. However, in regard to lodging, the CNO travel policies states the CNO travel department will first request a federal government lodging rate as a basis of prudence, but as an Indian Tribe, the hotel is not obligated to honor the requested rate. Management may on a case by case basis approve direct billing of hotel lodging for a traveler. In addition, the CNO travel policies states that unused tickets will be the responsibility of the CNO travel department.

For Grant Numbers 2013-WH-0001 and 2016-WH-AX-0020, we identified 23 instances or \$4,914 of travel costs for individuals that were not in the approved budget. According, to the program director, the travel costs for individuals not in the approved budget for Grant Numbers 2013-WH-AX-0001 were for Memorandum

of Understanding (MOU) partners⁷ For Grant Number 2013-WH-AX-0001, CNO officials provided copies of emails and an invitation from an OVW Training and Technical Assistance provider discussing training events that occurred in 2015. The emails and invitation state that programs are welcome to bring MOU partners to the training events. Additionally, the emails specify that individuals working with participants in the transitional housing program can attend regardless of whether they are funded under the grant. While MOU partners may have been permitted to attend these training events, we do not consider this to be evidence that the OVW approved travel expenditures for MOU partners to travel to training events. In addition, we did not receive any documents to justify OVW approval of travel for individuals that were not in the approved budget for Grant Number 2016-WH-AX-0020. Therefore, we consider these 23 expenditures to be unallowable.

We also identified an additional 14 instances or \$2,152 in unallowable travel expenditures. Specifically, we identified:

- 5 instances or \$309 in excess per diem related to unnecessary travel days or incorrectly calculated per diem rates;
- 2 instances or \$559 in lodging that exceeded GSA rates without support that the hotels refused to honor the GSA rate;
- 3 instances or \$196 in excess lodging and associated taxes related to unnecessary travel days;
- 1 instance or \$484 in airfare that was mistakenly charged to the grant;
- 2 instances or \$523 of unused airfare and associated fees; and
- 1 instance or \$81 of double counted mileage.

As a result of these findings, we recommend that the OVW remedy \$7,066 in unallowable travel costs, specifically: \$232 under Grant Number 2014-TW-AX-0051; \$479 under Grant Number 2017-TW-AX-0002; \$237 under Grant Number 2014-WR-AX-0026; \$4,641 under grant number 2013-WH-AX-0001; and \$1,476 under Grant Number 2016-WH-AX-0020.⁸ We also recommend that OVW coordinate with the CNO to enhance its travel procedures to ensure employees on official travel do not include excess travel days.

Finally, for Grant Numbers 2013-WH-AX-0001 and 2016-WH-AX-0020, we identified 7 instances or \$2,759 of travel transactions that were missing supporting documents such as travel authorizations and travel vouchers. According to the CNO travel policies, all claims for reimbursement of travel expenses should be submitted on the travel reimbursement form. In addition, the CNO travel policies state that generally, travelers must have written or electronic travel authorization and approval prior to incurring any travel expenses. As CNO officials did not provide evidence of prior approval and claims for reimbursement, we determined

⁷ According to the budget for both grants, MOU partners provide individual counseling and other services for victims. The budget allocated travel costs for MOU partners to provide compensation for victim transportation.

⁸ Here and throughout the report, difference in the total amounts are due to rounding.

that the CNO did not adequately support these 7 instances of travel expenditures resulting in \$2,759 in unsupported costs. Subsequent to the issuance of the draft report, the CNO provided additional documentation supporting \$2,281 of the previously unsupported costs. After receiving OVW's official response to the draft report, we confirmed with OVW that it agreed that \$2,281 of the previously unsupported questioned costs are now supported and remedied. As a result, we consider these costs totaling \$2,281 to be to be remedied. Therefore, we recommend that the OVW remedy the remaining \$478 of the \$2,759 in unsupported travel costs under Grant Number 2013-WH-AX-0001.⁹

Contractors and Consultants

Additionally, for Grant Number 2014-WR-AX-0026, we identified two instances or \$13,450 of contractual costs for training and instructor travel that were missing supporting documents that identified the basis for contractor prices resulting in \$13,450 in unsupported questioned costs. According to the 2014 OVW Financial Guide, procurement records and files should be maintained that include the basis for the award cost or price. A basis for award cost or price was not provided. Specifically, in one instance, the contract required that instructor travel be billed at cost. However, in the second instance, the contract included a flat fee for instructor travel without justification. The flat fee was also \$982 more than the travel incurred at cost under the first contract. Overall, we have no way of knowing if the contractual costs for training or instructor travel were reasonable. We recommend that the OVW remedy \$13,450 in unsupported contractor and consultant costs under Grant Number 2014-WR-AX-0026. In addition, we recommend the OVW coordinate with the CNO to develop policies that ensure the basis for award cost or price is adequately documented for contracts.

Personnel and Fringe Costs

For the personnel and fringe costs, we judgmentally selected three non-consecutive pay periods for Grant Numbers 2014-TW-AX-0051, 2017-TW-AX-0002, 2014-WR-AX-0026, 2013-WH-AX-0001, and 2016-WH-AX-0020 totaling \$16,832, \$14,327, \$17,270, \$5,720, \$6,675 respectively. For each grant with personnel costs, we reviewed the employees' hours, labor rates, and fringe benefits and examined payroll records, comparing budgeted and actual wages, labor hours, and fringe benefits.

For Grant Number 2014-WR-AX-0026, we identified one pay period where an employee's time and effort was not allocated between multiple activities as documented in the Personnel Activity Report. The Personnel Activity Report indicated that time was distributed evenly between two grants. However, the full amount was charged to Grant Number 2014-WR-AX-0026, thereby resulting in \$865 in unallowable personnel costs and \$220 in associated fringe costs. We

⁹ The additional support provided adequately remedied \$512 of the previously questioned costs under Grant Number 2016-WH-AX-0020.

recommend that the OVW remedy \$1,086 in unallowable personnel and associated fringe costs under Grant Number 2014-WR-AX-0026.

Budget Management and Control

According to the OVW Financial Guide and DOJ Grants Financial Guide, the recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the grant recipient must initiate a GAN for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount.

We compared grant expenditures to the approved budgets to determine whether the CNO transferred funds among budget categories in excess of 10 percent. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

Drawdowns

According to the OVW Financial Guide and DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. According to the CNO financial procedures, drawdowns occur once a week or when necessary for the reimbursement of operational funds for accounts payable payroll for the upcoming week. Additionally, the drawdown request is reviewed by accounting staff and approved by the Executive Director of Finance. After the drawdown request, the remaining grant fund balance is reconciled and verified. Additionally, the procedures state that it is the organization's policy to minimize the time elapsing between advanced funds and the expense. Therefore, federal funds advanced are only for the immediate cash needed to carry out program activity.

To assess whether the CNO managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. As of August 2018, the CNO had drawn down a total of \$2,539,514 in award funds under the five grants, as shown in Table 4.

Table 4
Total Drawdowns Compared to Expenditures as of August 2018

Grant Number	Award Amount	Total Drawdowns	Total Expenditures	Expenditures Less Drawdowns
2014-TW-AX-0051	\$899,990	\$899,675	\$899,675	\$0
2017-TW-AX-0002	897,851	166,680	185,939	19,259
2014-WR-AX-0026	997,662	952,549	977,971	25,422
2013-WH-AX-0001	299,946	299,946	299,946	0
2016-WH-AX-0020	349,956	220,664	236,339	15,675
Total	\$3,445,405	\$2,539,514	\$2,599,869	\$60,356

Source: OJP GMS and the CNO

For Grant Numbers 2014-WR-AX-0026 and 2013-WH-AX-0001, we found 12 drawdowns that resulted in excess funds for over 10 days. This occurred for 10 drawdowns under Grant Number 2013-WH-AX-0001 because the CNO misapplied a drawdown in the CNO accounting system and the error was not detected and corrected for about 7 months. Additionally, Grant Numbers 2014-WR-AX-0026 and 2013-WH-AX-0001 each had one drawdown of excess funds that occurred because the CNO accounting system did not record an earlier drawdown resulting in excess cash on hand for over 10 days. Although the CNO drawdown procedure was updated in March 2017, we determined that drawdown procedures could be improved. Therefore, we recommend that the OVW coordinate with the CNO to establish a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

Federal Financial Reports

According to the OVW Financial Guide and DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether the CNO submitted accurate FFRs, we compared the four most recent reports for Grant Numbers 2014-TW-AX-0051, 2014-WR-AX-0026, 2013-WH-AX-0001, and 2016-WH-AX-0020, and the three most recent reports for Grant Number 2017-TW-AX-0002 to the CNO's accounting records for each grant.

We determined that quarterly and cumulative expenditures for the reports reviewed matched the accounting records.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing, we concluded that the CNO could improve its administration of OVW awards to ensure it can demonstrate that grant goals and objectives are achieved and are on track to being achieved. We also found that the CNO did not adequately support or accurately report performance measurements including concerns with maintaining documentation to support victim services. Additionally, the CNO did not comply with essential award conditions related to award special conditions and use of funds. Specifically, we found that the CNO: (1) did not comply with all special conditions; (2) charged unallowable personnel costs, travel, supplies, contract, and other direct costs to the awards; and (3) did not adequately document travel, supply, contract, and other direct cost transactions. Further, we determined that the drawdown procedures could be improved. As a result of these deficiencies, we questioned \$218,346 in net questioned costs. After issuing the draft report, the CNO provided sufficient documentation to support \$36,606 of the initially questioned costs. Therefore, our final report includes \$181,740 in net questioned costs. We provide 20 recommendations to the OVW to address these deficiencies.¹⁰

We recommend that the OVW:

1. Ensure the CNO implements an effective system for reliably and accurately demonstrating that objectives were achieved for Grant Numbers 2014-TW-AX-0051 and 2014-WR-AX-0026.
2. Provide additional oversight and monitoring of the CNO to ensure that objectives are adequately achieved prior to the end of the grant for Grant Numbers 2017-TW-AX-0002 and 2016-WH-AX-0020.
3. Coordinate with the CNO to enhance its policies and procedures to ensure that progress reports are accurate and supported.
4. Remedy \$94,088 in unallowable grant expenditures due to noncompliance with special conditions, specifically:
 - a. \$74,033 under Grant Number 2017-TW-AX-0002;
 - b. \$19,755 under Grant Number 2016-WH-AX-0020; and
 - c. \$300 under Grant Number 2013-WH-AX-0001.
5. Coordinate with the CNO to develop and implement policies and procedures to ensure compliance with all special conditions.

¹⁰ Our project consisted of audits of grants awarded to the CNO by OJP, OVW, and the COPS Office, on which we completed separate audit reports. Where we identified similar issues, we make similar recommendations to these granting agencies. The OIG will provide the three agencies a list of overlapping recommendations and ensure that the agencies coordinate their resolution of the issues.

6. Coordinate with the CNO to develop policies related to how employee time and effort, leave, and compensatory time is recorded and approved.
7. Coordinate with the CNO to ensure compliance with small purchase procedures.
8. Remedy \$39,928 in unallowable supply and associated, shipping, handling, and setup costs, specifically:
 - a. \$715 under Grant Number 2014-TW-AX-0051;
 - b. \$1,098 under Grant Number 2017-TW-AX-0002;
 - c. \$35,858 under Grant Number 2014-WR-AX-0026; and
 - d. \$2,257 under Grant Number 2016-WH-AX-0020.
9. Coordinate with the CNO to enhance its procurement procedures to ensure federal funds are only used for allowable outreach and awareness items and services.
10. Remedy the remaining \$39,552 of the \$40,272 in unsupported supply costs under Grant Number 2014-WR-AX-0026.¹¹
11. Remedy the remaining \$572 of the \$597 in unallowable other direct costs, specifically:
 - a. \$500 in unallowable other direct costs under Grant Number 2014-WR-AX-0026; and
 - b. \$72 under Grant Number 2013-WH-AX-0001.¹²
12. Remedy the remaining \$2,520 of the \$36,100 in unsupported other direct costs; specifically:
 - a. \$1,691 under Grant Number 2014-TW-AX-0051 and
 - b. \$829 under Grant Number 2017-TW-AX-0002.¹³
13. Coordinate with the CNO to ensure that Project EMPOWER, Project SAFE, and Project HOUSE retain all financial records, supporting documents, statistical records, and all other records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report.
14. Remedy \$7,066 in unallowable travel costs, specifically:
 - a. \$232 under Grant Number 2014-TW-AX-0051;

¹¹ As discussed previously, the CNO provided additional documentation supporting \$720 of previously unsupported questioned costs. That amount is not included in the \$39,552.

¹² As discussed previously, the CNO provided additional documentation supporting \$25 of previously unallowable questioned costs. That amount is not included in the \$572.

¹³ As discussed previously, the CNO provided additional documentation supporting \$33,580 of previously unsupported questioned costs. That amount is not included in the \$2,520.

- b. \$479 under Grant Number 2017-TW-AX-0002;
 - c. \$237 under Grant Number 2014-WR-AX-0026;
 - d. \$4,641 under Grant Number 2013-WH-AX-0001; and
 - e. \$1,476 under Grant Number 2016-WH-AX-0020.
15. Coordinate with the CNO to enhance its travel procedures to ensure employees on official travel do not include excess travel days.
 16. Remedy the remaining \$478 of the \$2,759 in unsupported travel costs under Grant Number 2013-WH-AX-0001.¹⁴
 17. Remedy \$13,450 in unsupported contractor and consultant costs under Grant Number 2014-WR-AX-0026.
 18. Coordinate with the CNO to develop policies that ensure the basis for award cost or price is adequately documented for contracts.
 19. Remedy \$1,086 in unallowable personnel and associated fringe costs under Grant Number 2014-WR-AX-0026.
 20. Coordinate with the CNO to establish a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

¹⁴ As discussed previously, the CNO provided additional documentation supporting \$2,759 of previously unsupported questioned costs. That amount is not included in the \$478.

APPENDIX 1

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to determine whether costs claimed under the grants were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

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 objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This audit of the Office on Violence Against Women (OVW) was done in conjunction with the audits of Office of Justice Programs (OJP) and Office of Community Oriented Policing Services grants awarded to the CNO. We assessed DOJ funded victim assistance and law enforcement activities across multiple programs and components at the CNO to gain a deeper understanding of DOJ grant management. This report details the results of our audit of the five Ovw grants awarded to the Choctaw Nation of Oklahoma (CNO).

The Ovw awarded \$899,990 through Grant Number 2014-TW-AX-0051 and \$897,851 through Grant Number 2017-TW-AX-0051 under the Coordinated Tribal Assistance Solicitation (CTAS) Purpose Area 5. The Ovw also awarded \$997,662 through Grant Number 2014-WR-AX-0026 under the Ovw 2014 Rural Sexual Assault, Domestic Violence, Dating Violence, and Stalking Assistance Program. Finally, the Ovw awarded \$299,946 through Grant Number 2013-WH-AX-0001 and \$349,956 through Grant Number 2016-WH-AX-0020 under the Ovw Transitional Housing Assistance Grants for Victims of Sexual Assault, Domestic Violence, Dating Violence and Stalking Program. As of August 31, 2018, the CNO had drawn down \$2,539,514 of the total grant funds awarded. Our audit concentrated on, but was not limited to October 1, 2013, the project date for Grant Number 2013-WH-AX-0001, through May 20, 2019, the last day of our audit work. Grant Number 2014-TW-AX-0051 ended September 30, 2017; Grant Number 2014-WR-AX-0026 ended September 30, 2018; and Grant Number 2013-WH-AX-0001 ended September 30, 2016. Grant Numbers 2017-TW-AX-0002 and Grant Number 2016-WH-AX-0020 were ongoing at the time of our review.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of the CNO's activities related to the audited grants. We performed sample-based audit testing for grant expenditures including payroll and fringe benefit charges, financial reports, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The OVW Financial Guide, DOJ Grants Financial Guide, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System, as well as the CNO's accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:		
Unallowable Supply Costs	\$39,928	11-12
Unallowable Other Direct Costs	597	12
Unallowable Travel Costs	7,066	14-15
Unallowable Personnel and Associated Fringe	\$1,086	16
Noncompliance with Special Conditions	<u>94,088</u>	9
Unallowable Costs	\$142,765	
Supply Costs	\$40,272	12
Other Direct Costs	36,100	13
Travel Costs	2,759	15
Contract and Consultant Costs	<u>13,450</u>	16
Unsupported Costs	\$92,581	
<i>Total</i>	<i>\$235,346</i>	
Less Duplicate Questioned Costs ¹⁵	(17,000)	
Less Remedied Costs ¹⁶	<u>(36,606)</u>	
Net Questioned Costs¹⁷	\$181,740	

¹⁵ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which includes \$17,000 in supply costs that were both unallowable and unsupported.

¹⁶ Prior to the issuance of the final report, the CNO provided additional information and documentation supporting previously questioned costs that we identified during our audit.

¹⁷ **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

CHOCTAW NATION OF OKLAHOMA RESPONSE TO THE DRAFT AUDIT REPORT¹⁸



Choctaw Nation of Oklahoma

Finance

P.O. Box 1210 • Durant, OK 74702-1210
1 (800) 522-6170 • (580) 924-8280

Gary Batton
Chief

Jack Austin, Jr.
Assistant Chief

July 12, 2019

David M. Sheeren
Regional Audit Manager
Denver Regional Audit Office
Office of Inspector General
U.S. Department of Justice
1120 Lincoln Street, Suite 1500
Denver, CO 80203

Re: OVW 2014-TW-AX-0051, 2017-TW-AX-0002, 2014-WR-AX-0026, 2013-WH-AX-0001, 2016-WH-AX-0020

Mr. Sheeren:

Please see below, responses to the draft report for grants OVW 2014-TW-AX-0051, 2017-TW-AX-0002, 2014-WR-AX-0026, 2013-WH-AX-0001, 2016-WH-AX-0020

- 1. Ensure the CNO implements an effective system for reliably and accurately demonstrating that objectives were achieved for Grant Numbers 2014-TW-AX-0051 and 2014-WR-AX-0026.**

Choctaw Nation concurs and will work to enhance the Standard Operating Procedure (SOP) to increase data accuracy and verification of supporting documents for demonstrating that objectives were achieved. Upon completion of the SOP a copy will be forwarded to OIG and OVW within 90 days for approval and closure of recommendation.

- 2. Provide additional oversight and monitoring of the CNO to ensure that objectives are adequately achieved prior to the end of the grant for Grant Numbers 2017-TW-AX-0002 and 2016-WH_AX-0020.**

Choctaw Nation concurs and has implemented a new department within our Grants Division that will coordinate with Program staff to monitor programmatic reports and sign off prior to submission to ensure that objectives are adequately achieved. Two staff will be hired within the next 30 days for this new Post Award division and will be assigned this function.

- 3. Coordinate with the CNO to enhance its policies and procedures to ensure progress reports are accurate and supported.**

¹⁸ Attachments referenced in this response were not included in this final report.

Choctaw Nation concurs and will work to enhance the Standard Operating Procedure (SOP) to increase data accuracy and verification of supporting documents for progress reports. Choctaw Nation has implemented a new department within our Grants Division that will coordinate with Program staff to monitor programmatic reports and sign off prior to submission to ensure that objectives are adequately achieved and documented. Two staff will be hired within the next 30 days for this new Post Award division and will be assigned this function.

4. Remedy \$94,088 in unallowable grant expenditures due to noncompliance with special conditions, specifically:

- a. \$74,033 under Grant Number 2017-TW-AX-0002
- b. \$19,755 under Grant Number 2016-WH-AX-0020
- c. \$300 under Grant Number 2013-WH-AX-0001

In response to 4a, please see Attachment 1 for response 4a, the GAN dated October 17, 2017 that shows special condition #53, Restrictions on implementing Multiple Awards under same program as inactive. Choctaw Nation felt that cleared special condition #53 and allowed the obligation, expense and draw down of funds.

In response to 4b, the Choctaw Nation did not draw funds until the special condition #57 was released but concurs the obligation of expenditures was prior to that date.

In response to 4c, Choctaw Nation concurs.

5. Coordinate with the CNO to develop and implement policies and procedures to ensure compliance with all special conditions.

Choctaw Nation concurs to implement a Standard Operating Procedure (SOP) to ensure compliance with all special award conditions. The newly created Post Award division of Grants will be responsible for monitoring. Upon completion of the SOP a copy will be forwarded to OIG and OVW within 90 days for approval and closure of recommendation.

6. Coordinate with the CNO to develop policies related to how employee time and effort, leave and compensatory time is recorded and approved.

Please see attachment #2, Standard Operating Procedure (SOP) for Choctaw Nation Kronos system.

7. Coordinate with the CNO to ensure compliance with small purchase procedures.

Choctaw Nation concurs and will update policy and Standard Operating Procedure (SOP) to ensure measures are in place for compliance with small purchases. A copy will be forwarded to OIG and OVW within 90 days for review and closure of recommendation.

8. Remedy \$39,928 in unallowable supply and associated shipping, handling, and setup costs, specifically:

- a. \$715 under Grant Number 2014-TW-AX-0051
- b. \$1,098 under Grant Number 2017-TW-AX-0002
- c. \$35,858 under Grant Number 2014-WR-AX-0026
- d. \$2,257 under Grant Number 2016-WH-AX-0020

8a, Choctaw Nation does not concur, the lanyards in question were purchased for the Healing Circle group activities. The Grant Narrative states include but not limited to, items needed. The hand sanitizer was under Education Materials which states in the Narrative, poster, button, etc.

8b, Choctaw Nation concurs.

8c, Choctaw Nation will work with OVW to remedy the questioned cost.

8d, Choctaw Nation concurs on the \$713 portfolios, CN does not concur on the \$1195 and \$349 for computer and printer, the budget Narrative states office supplies (paper, pens, printer ink, etc.) needed for the general operation of the program.

9. Coordinate with the CNO to enhance its procurement procedures to ensure federal funds are only used for allowable outreach and awareness items and services.

Choctaw Nation concurs and will enhance the grant kick off meeting by updating the presentation to include a slide of allowable outreach items. Program Director, a representative from Procurement and a representative of Accounting will be present to ensure all rules and regulations are discussed and the budget and narrative are reviewed in detail. A Standard Operating Procedure will be created to document outreach and awareness items and services and a copy will be sent to OIG and OVW within 90 days for review and closure of recommendation.

10. Remedy \$40,272 in unsupported supply costs under Grant Number 2014-WR-AX-0026.

Choctaw Nation will work with OVW to remedy the \$40,272 in unsupported costs for Grant Number 2014-WR-AX-0026. The \$720.00 for postage was approved electronically through our TAP AP system by the Program Director for the stamps to be purchased and is included in Attachment 3. Choctaw Nation Procurement Director will update policy and procedures related to small purchase.

11. Remedy \$597 in unallowable other direct costs, specifically:

- a. \$500 in unallowable other direct costs under Grant Number 2014-WR-AX-0026
- b. \$97 under Grant Number 2013-WH-AX-0001

11a Choctaw Nation concurs.

11b please see attachment #4 for source documentation for \$25 of the \$97 questioned. Choctaw Nation concurs with the \$72 difference.

12. Remedy \$36,100 in unsupported other direct costs; specifically:

- a. \$15,244 under Grant Number 2014-TW-AX-0051
- b. \$2,579 under Grant Number 2017-TW-AX-0002
- c. \$9,502 under Grant Number 2013-WH-AX-0001
- d. \$8,775 under Grant Number 2016-WH-AX-0020

12a, see source documentation in attachment 5.

12b, see source documentation in attachment 6.

12c, see source documentation in attachment 7.

12d, Transaction listing did not identify the \$8,775 for Choctaw Nation to provide additional support. Support will be provided when we receive listing.

13. Coordinate with the CNO to ensure that Project Empower, Project Safe, and Project House retain all financial records, supporting documents, statistical records, and all other records pertinent to the award for a period of 3 years from the date of submission of the final report.

Choctaw Nation concurs and will develop a Standard Operating Procedure, (SOP) in coordination with Project Empower, Project Safe and Project House to enhance the requirement for retention of documents. Choctaw Nation is implementing a new division to Grants that will be a Post Award Quality, Compliance and Audit. This area will house all programmatic and financial reports as well as source documentation for the reports. Upon completion of the SOP a copy will be forwarded to OIG and OVW within 90 days for approval and closure of recommendation.

14. Remedy \$7,066 in unallowable travel costs, specifically:

- a. \$232 under Grant Number 2014-TW-AX-0051
- b. \$479 under Grant Number 2017-TW-AX-0002
- c. \$237 under Grant Number 2014-WR-AX-0026
- d. \$4,641 under Grant Number 2013-WH-AX-0001
- e. \$1,476 under Grant Number 2016-WH-AX-0020

14a, Choctaw Nation concurs.

14b, Choctaw Nation concurs.

14c, Choctaw Nation concurs.

14d, Choctaw Nation concurs.

14e, Choctaw Nation concurs.

15. Coordinate with the CNO to enhance its travel procedures to ensure employees on official travel do not include excess travel days.

Choctaw Nation concurs and will enhance travel policies and/or SOP to ensure compliance with Federal Travel Regulations. A travel auditor will be hired within the next 30 days to audit the travel for all federal dollars awarded to CNO.

16. Remedy @2,759 in unsupported travel costs, specifically:

- a. \$2,247 in unsupported travel costs under Grant Number 2013-WH-AX-0001.
 - b. \$512 of unsupported travel costs under Grant Number 2016-WH-AX-0020.
- 16a, See Source Documentation in attachment #8.
16b, See Source Documentation in attachment #9.
- 17. Remedy \$13,450 in unsupported contractor and consultant cost under Grant Number 2014-WR-AX-0026.**

In 2017, a review was done of the \$4,200 expense from DOJ with no findings. Please see attachment #10 for additional source documentation.

- 18. Coordinate with the CNO to develop policies that ensure the basis for award cost or price is adequately documented for contracts.**

Choctaw concurs and will enhance policy and procedures to ensure the basis for award cost or price is adequately documented for contracts.

- 19. Remedy \$1,086 in unallowable personnel and associated fringe cost under Grant Number 2014-WR-AX-0026.**

Choctaw Nation concurs and will enhance procedures to ensure compliance with time and effort allocation.

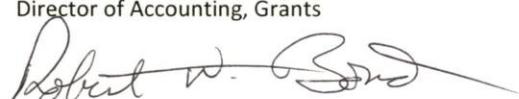
- 20. Coordinate with the CNO to establish a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.**

Choctaw Nation has implemented new procedures to ensure reconciliation of grant fund balances. See attachment #11 for new draw spreadsheet and instructions. An SOP will be sent to OIG and OVW within 90 days for review and closure of recommendation.

Please let me know if you need additional information and I look forward to working in coordination with OIG and OVW to clear all recommendations.

Sincerely,


Sonya K. Diggs
Director of Accounting, Grants


Robert Bond
Executive Officer, Finance

APPENDIX 4

OFFICE ON VIOLENCE AGAINST WOMEN RESPONSE TO THE DRAFT AUDIT REPORT



U.S. Department of Justice

Office on Violence Against Women

Washington, DC 20530

July 30, 2019

MEMORANDUM

TO: David M. Sheeren
Regional Audit Manager

FROM: Nadine M. Neufville
Deputy Director, Grants Development and Management

Donna Simmons
Associate Director, Grants Financial Management Unit

Rodney Samuels
Audit Liaison/Staff Accountant

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to the Choctaw Nation of Oklahoma (CNO), Durant, Oklahoma

This memorandum is in response to your correspondence dated June 24, 2019 transmitting the above draft audit report for the Choctaw Nation of Oklahoma (CNO). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains twenty recommendations with \$218,346 of Questioned Costs. OVV is committed to addressing and bringing the open recommendations identified by your office to a close as quickly as possible. The following is our analysis of each recommendation.

1. Ensures that CNO implements an effective system for reliably and accurately demonstrating that objectives were achieved for Grant Numbers 2014-TW-AX-0051 and 2014-WR-AX-0026.

Concur: OVV will work with CNO to ensure that they implement an effective system for reliably and accurately demonstrating that objectives were achieved for Grant Numbers 2014-TW-AX-0051 and 2014-WR-AX-0026.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to the Choctaw Nation of Oklahoma (CNO), Durant, Oklahoma

2. Provide additional oversight and monitoring of the CNO to ensure that objectives are adequately achieved prior to the end of the grant for Grant Numbers 2017-TW-AX-0002 and 2016-WH-AX-0020.

Concur: OVV will provide additional oversight and monitoring of the CNO to ensure that objectives are adequately achieved prior to the end of the grant for Grant Numbers 2017-TW-AX-0002 and 2016-WH-AX-0020.

3. Coordinate with the CNO to enhance its policies and procedures to ensure that progress reports are accurate and supported.

Concur: OVV will work with the CNO to enhance its policies and procedures to ensure that progress reports are accurate and supported.

4. Remedy \$94,088 in unallowable grant expenditures due to noncompliance with special conditions, specifically:

- a. \$74,033 under Grant Number 2017-TW-AX-0002;**
- b. \$19,755 under Grant Number 2016-WH-AX-0020.**
- c. \$300 under Grant Number 2013-WH-AX-0001.**

Concur: OVV will work with the CNO to ensure that they remedy \$94,088 in unallowable grant expenditures due to noncompliance with special conditions.

5. Coordinate with the CNO to develop and implement policies and procedures to ensure compliance with all special conditions.

Concur: OVV will coordinate with the CNO to develop and implement policies and procedures to ensure compliance with all special conditions.

6. Coordinate with the CNO to develop policies related to how employee time and effort, leave, and compensatory time is recorded and approved.

Concur: OVV will coordinate with the CNO to develop policies related to how employee time and effort, leave, and compensatory time is recorded and approved.

7. Coordinate with the CNO to ensure compliance with small purchase procedures.

Concur: OVV will coordinate with the CNO to ensure compliance with small purchase procedures.

8. Remedy \$39,928 in unallowable supply and associated, shipping, handling, and setup costs, specifically:

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to the Choctaw Nation of Oklahoma (CNO), Durant, Oklahoma

- a. \$715 under Grant Number 2014-TW-AX-0051;**
- b. \$1,098 under Grant Number 2017-TW-AX-0002;**
- c. \$35,858 under Grant Number 2014-WR-AX-0026; and**
- d. \$2,257 under Grant Number 2016-WH-AX-0020.**

Concur: OVW will work with the CNO to remedy \$39,928 in unallowable supply and associated, shipping, handling, and setup costs.

9. Coordinate with the CNO to enhance its procurement procedures to ensure federal funds are only used for allowable outreach and awareness items and services.

Concur: OVW will coordinate with CNO to enhance its procurement procedures to ensure federal funds are only used for allowable outreach and awareness items and services.

10. Remedy \$40,272 in unsupported supply costs under Grant Number 2014-WR-AX-0026.

Concur: OVW will work with the CNO to remedy \$40,272 in unsupported supply costs under Grant Number 2014-WR-AX-0026.

11. Remedy \$597 in unallowable other direct costs, specifically:

- a. \$500 in unallowable other direct costs under Grant Number 2014-WR-AX-0026; and**
- b. \$97 under Grant Number 2013-WH-AX-0001.**

Concur: OVW will work with the CNO to remedy \$597 in unallowable other direct costs.

12. Remedy \$36,100 in unsupported other direct costs; specifically:

- a. \$15,244 under Grant Number 2014-TW-AX-0051;**
- b. \$2,579 under Grant Number 2017-TW-AX-0002;**
- c. \$9,502 under Grant Number 2013-WH-AX-0001; and**
- d. \$8,775 under Grant Number 2016-WH-AX-0020.**

Concur: OVW will work with the CNO to remedy \$36,100 in unsupported other direct costs.

13. Coordinate with the CNO to ensure that Project EMPOWER, Project SAFE, and Project HOUSE retain all financial records, supporting documents, statistical records, and all other records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report.

Concur: OVW will work with the CNO to ensure that Project EMPOWER, Project SAFE, and Project HOUSE retain all financial records, supporting documents, statistical records, and

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to the Choctaw Nation of Oklahoma (CNO), Durant, Oklahoma

all other records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report.

14. Remedy \$7,066 in unallowable travel costs, specifically:

- a. \$232 under Grant Number 2014-TW-AX-0051;
- b. \$479 under Grant Number 2017-TW-AX-0002;
- c. \$237 under Grant Number 2014-WR-AX-0026;
- d. \$4,641 under Grant Number 2013-WH-AX-0001; and
- e. \$1,476 under Grant Number 2016-WH-AX-0020.

Concur: OVV will work with the CNO to remedy \$7,066 in unallowable travel costs.

15. Coordinate with the CNO to enhance its travel procedures to ensure employees on official travel do not include excess travel days.

Concur: OVV will coordinate with the CNO to enhance its travel procedures to ensure employees on official travel do not include excess travel days.

16. Remedy \$2,759 in unsupported travel costs, specifically:

- a. \$2,247 in unsupported travel costs under Grant Number 2013-WH-AX-0001; and
- b. \$512 of unsupported travel costs under Grant Number 2016-WH-AX-0020.

Concur: OVV will work with the CNO to remedy \$2,759 in unsupported travel costs.

17. Remedy \$13,450 in unsupported contractor and consultant costs under Grant Number 2014-WR-AX-0026.

Concur: OVV will work with the CNO to remedy \$13,450 in unsupported contractor and consultant costs under Grant Number 2014-WR-AX-0026.

18. Coordinate with the CNO to develop policies that ensure the basis for award cost or price is adequately documented for contracts.

Concur: OVV will coordinate with CNO to develop policies that ensure the basis for award cost or price is adequately documented for contracts.

19. Remedy \$1,086 in unallowable personnel and associated fringe costs under Grant Number 2014-WR-AX-0026.

Concur: OVV will work with the CNO to remedy \$1,086 in unallowable personnel and associated fringe costs under Grant Number 2014-WR-AX-0026.

MEMORANDUM

SUBJECT: Draft Audit Report – Audit of the Office on Violence Against Women (OVW) Grant Awarded to the Choctaw Nation of Oklahoma (CNO), Durant, Oklahoma

20. Coordinate with the CNO to establish a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

Concur: OVW will work with the CNO to establish a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

We appreciate the opportunity to review and comment on the draft report. If you have any questions or require additional information, please contact Rodney Samuels at (202) 514-9820.

cc Richard P. Theis
Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

Rebekah Jones
Program Manager
Office on Violence Against Women

Myrta Charles
Program Manager
Office on Violence Against Women

Charlotte Turpin
Program Manager
Office on Violence Against Women

APPENDIX 5

OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT

The OIG provided a draft of this audit report to the Choctaw Nation of Oklahoma (CNO) and OVW for review and official comment. The CNO's response is incorporated in Appendix 3, and OVW's response is incorporated in Appendix 4 of this final report. In response to our draft report, OVW concurred with our recommendations. In its response, the CNO concurred with 11 recommendations, partially concurred with 2 recommendations, partially concurred and partially did not concur with 1 recommendation, and did not state whether it concurred with 6 recommendations. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations:

- 1. Ensure the CNO implements an effective system for reliably and accurately demonstrating that objectives were achieved for Grant Numbers 2014-TW-AX-0051 and 2014-WR-AX-0026.**

Resolved. The OVW concurred with our recommendation and stated in its response that it will work with CNO to ensure it has implemented an effective system for reliably and accurately demonstrating that objectives were achieved for Grant Numbers 2014-TW-AX-0051 and 2014-WR-AX-0026.

The CNO concurred with our recommendation and stated in its response that it will enhance the Standard Operating Procedure (SOP) to increase data accuracy and verification of supporting documents for demonstrating that objectives were achieved.

This recommendation can be closed when we receive documentation that the CNO has enhanced its policies and procedures to increase data accuracy and verification for demonstrating that objectives were achieved.

- 2. Provide additional oversight and monitoring of the CNO to ensure that objectives are adequately achieved prior to the end of the grant for Grant Numbers 2017-TW-AX-0002 and 2016-WH-AX-0020.**

Resolved. The OVW concurred with our recommendation and stated in its response that it will provide additional oversight and monitoring of the CNO to ensure that objectives are adequately achieved prior to the end of the grant for Grant Numbers 2017-TW-AX-0002 and 2016-WH-AX-0020.

The CNO concurred with our recommendation and stated in its response that it has implemented a new department that will coordinate with program staff to monitor and sign off on programmatic reports to ensure that objectives were achieved.

This recommendation can be closed when we receive documentation that a new department has been implemented to provide additional oversight and monitoring to ensure that objectives were achieved prior to the end of the grant for Grant Numbers 2017-TW-AX-0002 and 2016-WH-AX-0020.

3. Coordinate with the CNO to enhance its policies and procedures to ensure that progress reports are accurate and supported.

Resolved. The OVW concurred with our recommendation and stated in its response that it will work with the CNO to enhance its policies and procedures to ensure that progress reports are accurate and supported.

The CNO concurred and stated in its response that it will enhance the SOP to increase data accuracy and verification of supporting documents for progress reports. In addition, it has implemented a new department that will coordinate with program staff to monitor and sign off on programmatic reports to ensure that objectives were achieved.

This recommendation can be closed when we receive documentation that the CNO has enhanced its policies and procedures to ensure that progress reports are accurate and supported.

4. Remedy \$94,088 in unallowable grant expenditures due to noncompliance with special conditions, specifically:

- a. \$74,033 under Grant Number 2017-TW-AX-0002;**
- b. \$19,755 under Grant Number 2016-WH-AX-0020; and**
- c. \$300 under Grant Number 2013-WH-AX-0001.**

Resolved. The OVW concurred with our recommendation and stated in its response that it will work with the CNO to ensure that they remedy \$94,088 in unallowable grant expenditures due to noncompliance with special conditions.

For recommendation subpart *a*, the CNO did not state whether it concurred with our recommendation. The CNO stated in its response that it believed that a GAN dated October 17, 2017 cleared the special condition, thereby allowing it to expense and draw down funds.

For recommendation subpart *b*, the CNO concurred with our recommendation and stated in its response that it did not draw down funds before the special condition was released, but did obligate expenditures before the special condition was released.

For recommendation subpart *c*, the CNO concurred with our recommendation.

We reviewed the GAN dated October 17, 2017 and found that while it did identify the special condition, the GAN that approved the removal of the

special condition was issued March 19, 2018. Therefore, \$74,033 under Grant Number 2017-TW-AX-0002 remain unallowable.

This recommendation can be closed when we receive documentation that the OVW has remedied \$74,033 in unallowable expenditures under Grant Number 2017-TW-AX-0002, \$19,755 in unallowable expenditures under Grant Number 2016-WH-AX-0020, and \$300 in unallowable under Grant Number 2013-WH-AX-0001.

5. Coordinate with the CNO to develop and implement policies and procedures to ensure compliance with all special conditions.

Resolved. The OVW concurred with our recommendation and stated in its response that it will coordinate with the CNO to develop and implement policies and procedures to ensure compliance with all special conditions.

The CNO concurred with our recommendation and stated in its response that it will implement an SOP to ensure compliance with all special award conditions. In addition, it created the Post Award division to monitor compliance with special conditions.

This recommendation can be closed when we receive documentation that the CNO has developed and implemented policies to ensure compliance with all special conditions.

6. Coordinate with the CNO to develop policies related to how employee time and effort, leave, and compensatory time is recorded and approved.

Closed. The OVW concurred with our recommendation and stated in its response that it will coordinate with the CNO to develop policies related to how employee time and effort, leave, and compensatory time is recorded and approved.

The CNO did not state whether it concurred with our recommendation, but did provide a copy of an SOP for the CNO timekeeping system.

After receiving OVW's official response to the draft report, we confirmed with OVW that it agreed that the SOP adequately addressed CNO employee timekeeping. We also reviewed the SOP and determined that it sufficiently addressed how employee time and effort, leave, and compensatory time is recorded and approved. As a result, this recommendation is now closed.

7. Coordinate with the CNO to ensure compliance with small purchase procedures.

Resolved. The OVW concurred with our recommendation and stated in its response that it will coordinate with the CNO to ensure compliance with small purchase procedures.

The CNO concurred with our recommendation and stated in its response that it will update the policy and SOP to ensure measures are in place for compliance with small purchases.

This recommendation can be closed when we receive documentation that the OVW has coordinated with the CNO to ensure compliance with small purchase procedures.

8. Remedy \$39,928 in unallowable supply and associated shipping, handling, and setup costs, specifically:

- a. \$715 under Grant Number 2014-TW-AX-0051;**
- b. \$1,098 under Grant Number 2017-TW-AX-0002;**
- c. \$35,858 under Grant Number 2014-WR-AX-0026; and**
- d. \$2,257 under Grant Number 2016-WH-AX-0020.**

Resolved. The OVW concurred with our recommendation and stated in its response that it will work with the CNO to remedy \$39,928 in unallowable supply and associated shipping, handling, and setup costs.

For recommendation subpart *a*, the CNO did not concur with our recommendation and stated in its response that the lanyards were purchased for Healing Circle activities as the narrative included the phrase "but not limited to, items needed...". In addition, the CNO stated in its response that hand sanitizer was an education material as the narrative used the term "etc." when listing examples of education materials.

For recommendation subpart *b*, the CNO concurred with our recommendation.

For recommendation subpart *c*, the CNO did not state whether it concurred with our recommendation, but stated in its response that it will work with OVW to remedy the questioned cost.

For recommendation subpart *d*, the CNO partially concurred with our recommendation. Specifically, the CNO concurred with the \$713 for portfolios that were questioned, but did not concur with the \$1,195 and \$349 that were questioned for the computer and printer, respectively. In its response, the CNO stated that the narrative used the term "etc." when listing examples of office supplies needed for the general operation of the program.

We do not agree with CNO's response for recommendation subpart *a*. The CNO budget narrative states that Healing Circle supplies are supplies for activities to be conducted as part of a group. The budget narrative identified basket-making, beadwork, quilting, and resume development as examples of group activities. We do not consider the lanyards to be a supply used for group activities. Further, the examples used in the CNO budget narrative for educational supplies include posters, buttons, and brochures. We do not consider hand sanitizer to be similar in nature to the educational items identified in the budget narrative.

In addition, we do not agree with CNO's response for recommendation subpart *d*. The examples used in the CNO budget narrative for office supplies include paper, pens, and printer ink. We do not consider a computer and printer to be similar in nature to the items identified in the budget narrative.

This recommendation can be closed when we receive documentation that the OVW has remedied \$39,928 in unallowable supply and associated shipping, handling, and setup costs, specifically \$715 under Grant Number 2014-TW-AX-0051, \$1,098 under Grant Number 2017-TW-AX-0002, \$35,858 under Grant Number 2014-WR-AX-0026, and \$2,257 under 2016-WH-AX-0020.

9. Coordinate with the CNO to enhance its procurement procedures to ensure federal funds are only used for allowable outreach and awareness items and services.

Resolved. The OVW concurred with our recommendation and stated in its response that it will coordinate with the CNO to enhance its procurement procedures to ensure federal funds are only used for allowable outreach and awareness items and services.

The CNO concurred with our recommendation and stated in its response that it will enhance the grant kick off meeting by updating the presentation to include a slide of allowable outreach items. In addition, the rules and regulations will be discussed and the budget and grant narrative will be reviewed in detail. Further, an SOP will be created to document outreach and awareness items and services.

This recommendation can be closed when we receive documentation that the CNO has enhanced its policies and procedures to ensure that federal funds are only used for allowable outreach and awareness items and services.

10. Remedy the remaining \$39,552 of the \$40,272 in unsupported supply costs under Grant Number 2014-WR-AX-0026.

Resolved. The OVW concurred with our recommendation and stated in its response that it will work with the CNO to remedy \$40,272 in unsupported supply costs under Grant Number 2014-WR-AX-0026.

The CNO did not state whether it concurred with our recommendation, but stated in its response that it will work with OVW to remedy the unsupported costs. In addition, the CNO provided additional support for the \$720 that was questioned for postage. Further the CNO stated that the Choctaw Nation Procurement Director will update policies and procedures related to small purchases.

We reviewed the additional source documentation and determined that it was sufficient to support \$720 in unsupported supply costs under Grant Number 2014-WR-AX-0026.

This recommendation can be closed when we receive documentation that the OVW has remedied \$39,552 in unsupported supply costs under Grant Number 2014-WR-AX-0026.

- 11. Remedy the remaining \$572 of the \$597 in unallowable other direct costs, specifically:**
 - a. \$500 in unallowable other direct costs under Grant Number 2014-WR-AX-0026; and**
 - b. \$72 under Grant Number 2013-WH-AX-0001.**

Resolved. The OVW concurred with our recommendation and stated in its response that it will work with the CNO to remedy \$597 in unallowable other direct costs.

For recommendation subpart *a*, the CNO concurred with our recommendation.

For recommendation subpart *b*, the CNO partially concurred with our recommendation. Specifically, the CNO stated in its response that it concurred with \$72 of the questioned costs, but provided additional supporting documentation for the remaining \$25.

We reviewed the additional source documentation and determined that it was sufficient to support that \$25 of other direct costs under Grant Number 2013-WH-AX-0001 was allowable.

This recommendation can be closed when we receive documentation that the OVW has remedied \$572 in unallowable other direct costs, specifically \$500 under Grant Number 2014-WR-AX-0026 and \$72 under Grant Number 2013-WH-AX-0001.

- 12. Remedy the remaining \$2,520 of the \$36,100 in unsupported other direct costs; specifically:**
 - a. \$1,691 under Grant Number 2014-TW-AX-0051; and**
 - b. \$829 under Grant Number 2017-TW-AX-0002.**

Resolved. The OVW concurred with our recommendation and stated that it will work with the CNO to remedy \$36,100 in unsupported other direct costs.

The CNO did not state whether it concurred with our recommendation, but provided additional supporting documentation.

We reviewed the additional source documentation and determined that it was sufficient to support \$33,580 in unsupported other direct costs, specifically \$13,553 under Grant Number 2014-TW-AX-0051, \$1,750 under Grant Number 2017-TW-AX-0051, \$9,502 under Grant Number 2013-WH-AX-0001, and \$8,775 under Grant Number 2016-WH-AX-0020.

This recommendation can be closed when we receive documentation that the OVW has remedied \$2,520 in unsupported other direct costs, specifically \$1,691 under Grant Number 2014-TW-AX-0051 and \$829 under Grant Number 2017.

13. Coordinate with the CNO to ensure that Project EMPOWER, Project SAFE, and Project HOUSE retain all financial records, supporting documents, statistical records, and all other records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report.

Resolved. The OVW concurred with our recommendation and stated in its response that it will work with the CNO to ensure that Project EMPOWER, Project SAFE, and Project HOUSE retain all financial records, supporting documents, statistical records, and all other records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report.

The CNO concurred with our recommendation and stated in its response that it will develop an SOP to enhance the requirement for retention of documents. In addition, the CNO is implementing a new division that will maintain programmatic and financial records and source documentation for the reports.

This recommendation can be closed when we received documentation that the OVW has coordinated with the CNO to ensure that Project EMPOWER, Project SAFE, and Project HOUSE retain all financial records, supporting documents, statistical records pertinent to the award for a period of 3 years from the date of submission of the final expenditure report.

14. Remedy \$7,066 in unallowable travel costs, specifically:

- a. \$232 under Grant Number 2014-TW-AX-0051;**
- b. \$479 under Grant Number 2017-TW-AX-0002;**
- c. \$237 under Grant Number 2014-WR-AX-0026;**
- d. \$4,641 under Grant Number 2013-WH-AX-0001; and**

e. \$1,476 under Grant Number 2016-WH-AX-0020.

Resolved. The OVW concurred with our recommendation and stated in its response that it will work with the CNO to remedy \$7,066 in unallowable travel costs.

The CNO concurred with our recommendation.

This recommendation can be closed when we receive documentation that the OVW has remedied \$7,066 in unallowable travel costs, specifically \$232 under Grant Number 2014-TW-AX-0051, \$479 under Grant Number 2017-TW-AX-0002, \$237 under Grant Number 2014-WR-AX-0026, and \$4,641 under 2016-WH-AX-0020.

15. Coordinate with the CNO to enhance its travel procedures to ensure employees on official travel do not include excess travel days.

Resolved. The OVW concurred with our recommendation and stated in its response that it will coordinate with the CNO to enhance its travel procedures to ensure employees on official travel do not include excess travel days.

The CNO concurred with our recommendation and stated in its response that it will enhance travel policies and/or the SOP to ensure compliance with Federal Travel Regulations. In addition, the CNO also stated in its response that a travel auditor will be hired within the next 30 days to audit the travel for all federal dollars awarded to CNO.

This recommendation can be closed when we receive documentation that the CNO has enhanced its travel procedures to ensure employees on official travel do not include excess travel days.

16. Remedy the remaining \$478 of the \$2,759 in unsupported travel costs.

Resolved. The OVW concurred with our recommendation and stated in its response that it will work with the CNO to remedy \$2,759 in unsupported travel costs.

The CNO did not state whether it concurred with our recommendation, but provided additional supporting documentation.

We reviewed the additional source documentation and determined that it was sufficient to support \$2,281 in unsupported other direct costs, specifically \$1,769 under Grant Number 2013-WH-AX-0001, and \$512 under Grant Number 2016-WH-AX-0020.

This recommendation can be closed when we receive documentation that the OVW has remedied \$478 in unsupported travel costs under Grant Number 2013-WH-AX-0001.

17. Remedy \$13,450 in unsupported contractor and consultant costs under Grant Number 2014-WR-AX-0026.

Resolved. The OVV concurred with our recommendation and stated in its response that it will work with the CNO to remedy \$13,450 in unsupported contractor and consultant costs under Grant Number 2014-WR-AX-0026.

The CNO did not state whether it concurred with our recommendation, but stated in its response that in 2017, the DOJ reviewed the \$4,200 expense and had no findings. In addition, the CNO provided additional supporting documentation.

We reviewed the additional source documentation and found that it did not contain sufficient detail to support the \$13,450 in unsupported contractor and consultant costs.

This recommendation can be closed when we receive documentation that the OVV has remedied \$13,450 in unsupported contractor and consultant costs under Grant Number 2014-WR-AX-0026.

18. Coordinate with the CNO to develop policies that ensure the basis for award cost or price is adequately documented for contracts.

Resolved. The OVV concurred with our recommendation and stated in its response that it will coordinate with the CNO to develop policies that ensure the basis for award cost or price is adequately documented for contracts.

The CNO concurred with our recommendation and stated in its response that it will enhance policy and procedures to ensure the basis for award cost or price is adequately documented for contracts.

This recommendation can be closed when we receive documentation that the CNO has developed policies that ensure the basis for award cost or price is adequately documented for contracts.

19. Remedy \$1,086 in unallowable personnel and associated fringe costs under Grant Number 2014-WR-AX-0026.

Resolved. The OVV concurred with our recommendation and stated in its recommendation that it will work with the CNO to remedy \$1,086 in unallowable personnel and associated fringe costs under Grant Number 2014-WR-AX-0026.

The CNO concurred with our recommendation and stated in its response that it will enhance procedures to ensure compliance with time and effort allocation.

This recommendation can be closed when we receive documentation that the OVV has remedied \$1,086 in unallowable personnel and associated fringe costs under Grant Number 2014-WR-AX-0026.

20. Coordinate with the CNO to establish a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

Resolved. The OVW concurred with our recommendation and stated in its response that it will work with the CNO to establish a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

The CNO did not state whether it concurred with our recommendation, but stated in its response that it has implemented new procedures to ensure reconciliation of grant fund balances. In addition, the CNO provided a copy of its new drawdown spreadsheet with instructions.

This recommendation can be closed when we receive documentation that the OVW has coordinated with the CNO to establish a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.



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