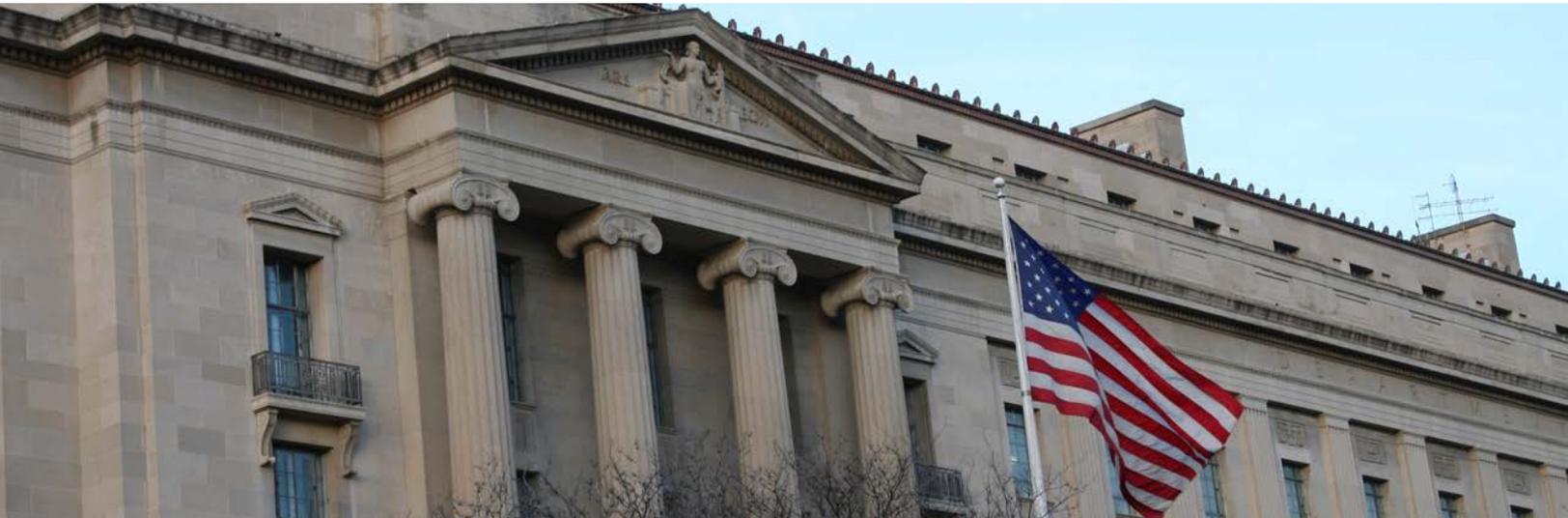




Office of the Inspector General
U.S. Department of Justice

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



**Audit of the Office of Community
Oriented Policing Services Tribal
Resource Grant Program Awards to the
Choctaw Nation of Oklahoma, Durant,
Oklahoma**

REDACTED FOR PUBLIC RELEASE

Redactions were made to the full version of this report for privacy reasons. The redactions are contained only in Appendix 3, the Choctaw Nation of Oklahoma's response, and are of individuals' names.

Audit Division GR-60-19-013

September 2019



Executive Summary

Audit of the Office of Community Oriented Policing Services Tribal Resource Grant Program Awards to the Choctaw Nation of Oklahoma, Durant, Oklahoma

Objectives

The Office of Community Oriented Policing Services (COPS Office) awarded the Choctaw Nation of Oklahoma (CNO) five grants totaling \$3,089,835 for the COPS Office Tribal Resources Grant Program (TRGP). 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, we concluded that the CNO demonstrated adequate progress towards achieving the awards' stated goals and objectives, except for one goal related to the purchase of communication equipment needed to fill critical gaps in its communication systems under Grant Number 2014-HE-WX-0044 that was not completed. We did not identify significant concerns regarding the CNO's retention plan, budget management and control, and federal financial reports. However, we identified noncompliance with essential award conditions related to application statistics, grant financial management, drawdowns, and use of funds. Specifically, we determined that the CNO did not accurately report statistics in the grant applications, adequately document competition for small purchases, accurately account for property, and charged unallowable and unsupported personnel, equipment, supply, and travel costs to the awards. Further, we determined that drawdown procedures could be improved. As a result of these deficiencies, we identified \$41,063 in unallowable costs and \$60,643 in unsupported costs. After issuing the draft report, the CNO provided sufficient documentation to support \$49,140 in previously unsupported costs. Therefore, our final report questions \$11,503 in unsupported costs.

Recommendations

Our report contains 13 recommendations to the COPS Office. We requested a response to our draft audit report from the COPS Office and the CNO, which can be found in Appendices 4 and 3, respectively. Our analysis of those responses is included in Appendix 5.

Audit Results

The purposes of the five COPS Office TRGP grants we reviewed were to fund one sworn officer position for 3 years and retain this position for 1 year; and to fund the purchase of vehicles, equipment, technology, and travel and training costs. The project period for the grants was from September 2013 through August 2020. The CNO drew down a cumulative amount of \$2,297,273 as of July 2019 for all of the grants we reviewed.

Program Goals and Accomplishments – The audit concluded that the CNO demonstrated adequate achievement of the award's stated goal and objectives under Grant Numbers 2013-HH-WX-0016 and 2013-HE-WX-0038. For example, the program coordinated with strategic planning, acquired vehicles and uniforms, and implemented or enhanced community policing strategies. Additionally, the CNO demonstrated and adequate progress towards achieving the grants' stated goals and objectives under Grant Numbers 2014-HE-WX-0044, 2015-HE-WX-0049, and 2016-HE-WX-0040, except for one of the five milestones for Grant Number 2014-HE-WX-0044.

Application Statistics – We found that 18 of the 48 application statistics we tested were materially inaccurate. Although the COPS Office stated that the misstatements would not have impacted the awarding of these grants, inaccurate application data may affect future award decisions.

Grant Financial Management – We found that the CNO did not document that it was performing a price analysis for all small purchase transactions. We also found inaccuracies and incomplete information in accountable property records under the grants.

Grant Expenditures – We found that the CNO charged \$41,063 in unallowable personnel and fringe, equipment, and travel costs to the awards; and did not adequately document \$11,503 in equipment, supply, and travel cost transactions.

**AUDIT OF THE OFFICE OF COMMUNITY ORIENTED POLICING
SERVICES TRIBAL RESOURCE GRANT PROGRAM AWARDS TO
THE CHOCTAW NATION OF OKLAHOMA,
DURANT, OKLAHOMA**

TABLE OF CONTENTS

INTRODUCTION 1

 The Grantee 2

 OIG Audit Approach 2

AUDIT RESULTS..... 3

 Program Performance and Accomplishments 3

 Program Goals and Objectives 3

 Required Performance Reports 4

 Retention Plan 5

 Application Statistics 5

 Grant Financial Management 8

 Competition 8

 Accountable Property 9

 Grant Expenditures 11

 Personnel and Fringe Costs 11

 Equipment and Technology Costs 12

 Supply Costs 13

 Travel and Training Costs 13

 Budget Management and Control 14

 Non-Supplanting Requirement 14

 Drawdowns 17

 Federal Financial Reports 18

CONCLUSION AND RECOMMENDATIONS 19

APPENDIX 1: OBJECTIVES, SCOPE, AND METHODOLOGY	21
APPENDIX 2: SCHEDULE OF DOLLAR-RELATED FINDINGS.....	23
APPENDIX 3: CHOCTAW NATION OF OKLAHOMA RESPONSE TO THE DRAFT AUDIT REPORT	24
APPENDIX 4: OFFICE OF COMMUNITY ORIENTED POLICING SERVICES RESPONSE TO THE DRAFT AUDIT REPORT	29
APPENDIX 5: OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT	36

AUDIT OF THE OFFICE OF COMMUNITY ORIENTED POLICING SERVICES TRIBAL RESOURCE GRANT PROGRAM AWARDS 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 five grants awarded by the Office of Community Oriented Policing Services (COPS Office), under the Tribal Resource Grant Program (TRGP), to the Choctaw Nation of Oklahoma (CNO) in Durant, Oklahoma. The grants totaled \$3,089,835, as shown in Table 1.

Table 1

COPS Office Grants Awarded to Choctaw Nation of Oklahoma

Award Number	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2013-HH-WX-0016	10/1/2013	9/1/2013	8/31/2018	\$ 147,501 ^a
2013-HE-WX-0038	10/1/2013	9/1/2013	8/31/2017	\$ 406,624
2014-HE-WX-0044	10/1/2014	9/1/2014	8/31/2020	\$ 895,068
2015-HE-WX-0049	10/1/2015	9/1/2015	8/31/2019	\$ 664,709
2016-HE-WX-0040	10/1/2016	9/1/2016	2/29/2020	\$ 975,933
			Total:	\$3,089,835

^a As of May 2019, \$7,288 was deobligated under Grant Number 2013-HH-WX-0016 when the award was officially closed.

Source: COPS Office

The COPS Office TRGP provided funding to proactively address the most serious needs of tribal law enforcement agencies by increasing their community policing capacity. The grants were awarded 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 Specifically, the grants in Table 1 were funded through CTAS Purpose Area 1, Public Safety and Community Policing, that supported the Choctaw Nation Department of Public Safety (CNDPS). Grant Number 2013-HH-WX-0016 supported the hiring of one entry-level law enforcement officer for 3 years beginning September 2013, and to be retained for 1 year with local funding following the conclusion of DOJ grant funding. Grant Numbers 2013-HE-WX-0038, 2014-HE-WX-0044, 2015-HE-WX-0049, and 2016-HE-WX-0040 supported the purchase of vehicles, equipment, supplies, and travel and training costs.

¹ CTAS purpose areas encompass the following DOJ components: the COPS Office; Office of Justice Programs (OJP), Bureau of Justice Assistance; Office on Violence Against Women (OVW); OJP, Office for Victims of Crime; and OJP, Office of Juvenile Justice and Delinquency Prevention.

The Grantee

The CNO is a federally recognized Indian Tribe with a tribal jurisdictional area. The CNO is defined as an extremely rural territory spanning 10,613 square miles and roughly 10.5 counties in southeastern Oklahoma, which encompasses about 15 percent of the state's total area. The CNO's service area includes Atoka, Choctaw, Haskell, Latimer, LeFlore, McCurtain, Pittsburg, and Pushmataha counties; the majority of Bryan and Coal counties; and a portion of Hughes County. Overall, the CNO service area roughly includes the full and partial areas of 11 counties. The CNO is the second largest tribal service area in the contiguous United States and is home to 52,351 Native Americans, accounting for as much as 50 percent of the population in some communities, 41,616 of which are reported as Choctaw by the Choctaw Tribal Membership Office. The remaining Native American population in the CNO service area consists of members from as many as 29 different tribes.

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.² To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, federal financial reports, and the retention plan.³

We tested compliance with what we consider to be the most important conditions of the grants. The 2013, 2014, 2015, and 2016 COPS Office TRGP Award Owner's Manuals (Award Owner's Manual) 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.

² This audit was performed in conjunction with the audits of the OJP and OVW grants awarded to the CNO. See [Audit of the Office of Justice Programs Comprehensive Tribal Victim Assistance Program Cooperative Agreements Awarded to the Choctaw Nation of Oklahoma, Durant, Oklahoma](#), Audit Report GR-60-19-009 (August 2019) and [Audit of the Office on Violence Against Women Grants Awarded to the Choctaw Nation of Oklahoma, Durant, Oklahoma](#), Audit Report GR-60-19-008 (August 2019). 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 COPS Office grants awarded to the CNO.

³ The assessment of the retention plan only applied to the one COPS Office TRGP Hiring Grant, Grant Number 2013-HH-WX-0016.

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports, grant solicitations, and grant documentation; and interviewed CNO officials to determine whether the CNO demonstrated adequate progress towards achieving program goals and objectives or, for ended grants, demonstrated adequate achievement of the program goals and objectives. We also reviewed the progress reports for community policing efforts to determine if the required reports were accurate. Finally, we assessed the CNO's retention plan under Grant Number 2013-HH-WX-0016.

Program Goals and Objectives

For ended awards, Grant Numbers 2013-HH-WX-0016 and 2013-HE-WX-0038, we verified that all goals and objectives were achieved. For on-going awards, Grant Numbers 2014-HE-WX-0044, 2015-HE-WX-0049, and 2016-HE-WX-0040, we verified a judgmental sample of five timeline milestones from each grant to be completed before October 2018, which were related to the programs' goals and objectives. As of October 2018, CNO officials stated that the programs were on track to accomplish grant goals and objectives, as only a few items remained to be purchased under the awards.

Generally, the objectives of Grant Numbers 2013-HH-WX-0016, 2013-HE-WX-0038, and 2014-HE-WX-0044 were to: (1) proactively address the most serious CNO law enforcement, safety, and justice needs by engaging in coordinated strategic planning for CNO departments; (2) increase the capacity of CNO law enforcement to prevent, solve, and control crime through the acquisition of vehicles and uniforms; and (3) implement or enhance community policing strategies.

For the ended awards, Grant Numbers 2013-HH-WX-0016 and 2013-HE-WX-0038, we found no indications that the CNO did not adequately achieve the stated goal and objectives.

For the on-going award, Grant Number 2014-HE-WX-0044, the COPS Office approved three no-cost extensions that revised the end date from August 31, 2017 to August 31, 2020. We found that the CNO had not achieved one of the five milestones we tested as it had not yet purchased \$250,000 in communication equipment including repeaters, networking, and radio equipment to be attached to towers. According to the program narrative, this equipment was needed to fill critical gaps in CNO's communication systems. As of October 2018, CNO officials stated that they had not yet purchased this equipment because they do not want to pay for a monthly fee for the towers. In July 2019, the CNO stated that it acquired one of three quotes for the purchase, almost 5 years into the grant program. With about 1 year remaining to purchase the communication system, we are concerned that the CNO will not complete this milestone. Therefore, we recommend that the COPS Office coordinate with the CNO to ensure it completes the goals and

objectives as defined in the program narrative under Grant Number 2014-HE-WX-0044 before the grant ends.

According to the program narrative, the objectives of Grant Number 2015-HE-WX-0049 were to: (1) increase the patrol fleet with the addition of outfitted patrol vehicles; (2) increase the safety of tribal officers by providing medical bags, protective weather gear, and other basic equipment needs; (3) increase the safety of tribal officers and the community by providing defense tactics and firearm training equipment; and (4) implement a mass notification system. We did not identify any material exceptions regarding the five timeline milestones we verified.

According to the program narrative, the goals of Grant Number 2016-HE-WX-0040 were to: (1) increase officer capacity to effectively respond to and prevent crime through the purchase of outfitted patrol vehicles; (2) ensure that all 36 officers have adequate equipment to respond to public safety needs; and (3) ensure that officers have the required equipment to attend trainings. We did not identify any material exceptions regarding the five timeline milestones we verified. Also, the COPS Office approved a no-cost extension for Grant Number 2016-HE-WX-0040 that revised the end date to February 29, 2020.

Required Performance Reports

According to the Award Owner's Manual, community policing activities to be initiated or enhanced by an agency were identified and described in the grant application. All equipment, technology, training, and/or sworn officer positions awarded under TRGP awards must be linked to the implementation or enhancement of community policing. The quarterly programmatic progress report is used to track the agency's progress towards implementing community policing strategies and to collect data to gauge the effectiveness of increasing the agency's community policing capacity through COPS Office funding. These quarterly programmatic progress reports describe project activities during the reporting period.

In order to verify the information in the quarterly programmatic progress reports, we selected a sample of 32 performance measures related to community policing from the 8 most recent reports submitted. We then traced the items to supporting documentation maintained by the CNO. We identified one inaccurate assertion for the purchase of vehicles and equipment under Grant Number 2016-HE-WX-0040. CNO officials reported that the purchase of vehicles and equipment under the 2016 grant contributed to their community policing plan in the October 1, 2016 through December 31, 2016 progress report, but there were no expenditures for equipment or vehicles under this grant until April 2017. Although we note this one inaccurate statement, we generally did not identify any material instances where the accomplishments described in the required reports did not match the supporting documentation.

Retention Plan

The 2013 COPS Office TRGP Hiring Grant had a retention requirement to ensure that the increased officer staffing level would continue with local funds for a minimum of 12 months after federal funding ended. We reviewed the CNO's retention plan and, according to the grant program narrative, the CNO would use dedicated tribal funding to retain one grant-hired officer for a minimum of 12 months after the expiration of the grant. With 3 years to prepare for the additional salary, CNO officials stated that they would have time to coordinate with the Chief of the Choctaw Nation and the Tribal Council to locate funding for integration of this officer in its annual budget.

The proposed funding source to retain the officer was Jones Academy, a tribal school in the CNO service area. As this funding source was used intermittently from June 2013 through April 2015, and CNO officials had time to locate funding for this officer position, we determined that the funding source was viable in light of economic conditions. Additionally, we reviewed the fiscal year (FY) 2018 budget for the number of sworn law enforcement officer positions and determined that the COPS Office TRGP officer was included under Jones Academy, and their retention period began July 2018.

Based on our review, there were no indications that the CNDPS would not adequately retain the officer position for 12 months following the end of the grant funded period.

Application Statistics

According to the CTAS Competitive Grant Announcement, only one Budget Detail Workbook must be completed and submitted per application and must be included to meet basic minimum requirements.⁴ As part of the Budget Detail Workbook, the DOJ developed a Demographic Form that is designed to capture the unique characteristics of each tribe in order to provide a detailed description of each tribe's strengths and challenges. Specifically, this form contains sections regarding the tribe's current enrollment, location population base, actual population served as the primary law enforcement entity, geographic area, property and violent crime statistics, sworn officer strength, telecommunications and technology, and facilities and services. These application statistics are used by the COPS Office in scoring the Demographic Form, and the resulting points are added to the applicants' peer review scores.

We tested 12 application statistics from each of the CNO's 2013, 2014, 2015, and 2016 CTAS Demographic Forms totaling 48 assertions. We determined that all of the application statistics were complete. However, we found discrepancies in tribal enrollment, actual population served, crime statistics, and others. Table 2 details the material differences in the submitted application statistics and the required data.

⁴ For CTAS applicants, the DOJ has developed a Budget Detail Workbook that includes a Demographic Form, Budget Detail Worksheets, and Budget Narratives into a single document.

Table 2
CNO Demographic Form Discrepancies
FYs 2013 through 2016

Statistic	Application Statistic	Verified Value	Over (Under) Statement
2013 CTAS Application			
Tribe's current enrollment	208,000	170,300 ^a	37,700
Local population base	256,958	231,579	25,379
Actual population served by the primary law enforcement entity (Actual population served)	80,000	47,649 ^b	32,351
Number of full-time sworn officer positions	36	32	4
2014 CTAS Application			
Actual population served	80,000	47,649 ^b	32,351
2015 CTAS Application			
Robbery	0	3	(3)
Aggravated Assault	0	2	(2)
Burglary	31	22	9
Larceny	305	353	(48)
Motor Vehicle Theft	5	20	(15)
Actual population served	232,113	47,649 ^b	184,464
2016 CTAS Application			
Forcible Rape	41	0	41
Robbery	35	1	34
Aggravated Assault	409	31	378
Burglary	1,735	6	1,729
Larceny	3,878	268	3,610
Motor Vehicle Theft	366	18	348
Actual population served	232,409	47,649 ^b	184,760

^a CNO enrollment data is as of January 2014.

^b BIA data on Native American population in the CNO Statistical Area as of 2010.

Source: CNO, BIA, FBI Uniform Crime Reporting (UCR), and U.S. Census.

According to the Award Owner's Manual, the TRGP was created under a Congressional appropriation specifically designated for tribal law enforcement agencies to improve public safety in Indian communities. This grant funding was intended to benefit the communities within the grantee's primary law enforcement jurisdiction. Furthermore, primary law enforcement authority is the agency that is the first responder to calls for service, and has ultimate and final responsibility for the prevention, detection, and/or investigation of violations of criminal laws within its jurisdiction. As a result, the grantee must use the TRGP grant funding to benefit its own population exclusively.

CNDPS officials stated that its primary jurisdiction, which is estimated around 100 to 200 square miles, is on tribal trust or restricted land where only the Federal Bureau of Investigation, Bureau of Indian Affairs (BIA), and Tribal Police have jurisdiction. Additionally, the CNO crosses jurisdictions to assist local law enforcement agencies. CNO grant writers stated that because Choctaw Nation is cross-deputized within the 10.5-county CNO Tribal Service Area, it is realistic to plan for the ability to be the first responders. Therefore, CNO grant writers used aggregate statistics from all 11 counties in 8 instances.

Although the OIG agrees that the Tribal officers may be the first responders to incidents in the 10.5 county region of the CNO Tribal Service Area, the CNO would not have ultimate and final responsibility for the prevention, detection, and investigation of violations of criminal laws within the entire 11-county region in all situations. Therefore, we determined that primary jurisdiction is limited to tribal trust or restricted land and the Native American population in the CNO Tribal Service Area.

Population Statistics

Due to the CNO including aggregate statistics from all 11 counties, we found that CNO officials overstated the *Actual population served by the primary law enforcement entity* by over 380 percent in the 2015 and 2016 CTAS workbooks. Additionally, CNO officials overstated this same statistic by 68 percent in the 2013 and 2014 CTAS workbooks due to an estimation error. Furthermore, in the 2013 CTAS workbook, we found that the CNO overstated the local population base by 11 percent, as the CNO reported the population of all 11 counties of the 10.5-county CNO Tribal Service Area.

For the CNO's current enrollment in the 2013 CTAS workbook, CNO officials stated that they inadvertently reported total Choctaw Nation Certificate of Degree of Indian Blood (CDIB) holders instead of living Choctaw Tribal Members. Thereby, the CNO overstated tribal enrollment by 22 percent.

Crime Statistics

Due to the CNO including aggregate statistics from all 11 counties, the CNO overstated 6 statistics in the 2016 CTAS workbook. As a result, the CNO overstated total crime statistics by over 1,800 percent in the 2016 CTAS workbook. For the 2015 CTAS workbook, we determined that the CNO reported 2013 UCR statistics rather than the most recent available data, the 2014 UCR statistics. As a result, five application statistics were inaccurate.

Sworn Officers

According to the 2013 CTAS workbook, the CNO was to report the actual number of sworn officer positions employed by the tribe as of the date of the application, and not include funded but vacant positions or unpaid positions. As of March 2013, the CNO had 32 sworn officer positions filled, and the CNO budgeted 32 officers for that year. However, the CNO erroneously reported 36 officers.

Overall, we found that 18 of the 48 application statistics we tested were materially inaccurate. The COPS Office stated that the misstatements in the workbooks would not have impacted the awarding of the grants as the grant application scores would have exceeded the award cut-off point even if no points were awarded for the Demographic Form. However, because the COPS Office uses the application data as a basis for awarding grants, we believe that it is necessary that the CNO ensure it only submit accurate data to the DOJ in the CTAS workbooks. Additionally, inaccurate application data may have an effect on future

award decisions. Therefore, we recommend that the COPS Office coordinate with the CNO to develop and implement procedures to ensure the CNO compiles and submits accurate demographic data for future award opportunities.

Grant Financial Management

According to the Award Owner's Manual, 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 the CNO adequately safeguards the grant funds we audited. We also reviewed the CNO's Single Audit Reports for FY 2013 through FY 2017 to identify issues related to federal awards, but we did not find significant deficiencies or material weaknesses related to grant administration. Finally, we performed testing in the areas that were relevant for the management of these grants, as discussed throughout this report.

Based on our review, we identified additional weaknesses in the CNO grant financial management related to documenting competition and accountable property. Additional concerns related to maintaining source documentation are discussed in more detail in the "Travel and Training Costs" section of this report.

Competition

According to the Award Owner's Manual, recipients are required to procure funded items through open and free competition when feasible. For the purchase of equipment, technology, or services under a COPS Office award, recipients must use their own documented procurement procedures that reflect applicable state and local laws and regulations, as long as those requirements conform to the federal procurement requirements. As the CNO did not have official procurement policies and procedures until March 2017, it was required to follow federal procurement requirements for purchases before March 2017. According to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Administrative Requirements); small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold.⁵ If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

However, we identified nine instances where the CNO did not obtain any quotes for small purchase transactions and did not document a price analysis. Competition is an important control for government expenditures at all levels and helps ensure that taxpayer dollars are expended in the most efficient and economical way possible. By not documenting quotes or a price analysis, the CNO did not ensure that it obtained the best possible price for the supplies and

⁵ The Simplified Acquisition Threshold is currently set at \$150,000, and was set at \$100,000 for grants awarded before December 26, 2014.

equipment purchased under the awards. As a result, we recommend that the COPS Office coordinate with the CNO to ensure compliance with small purchase procedures.

Furthermore, according to the CNO's internal procurement procedures for federal awards updated on March 23, 2017, all procurement in excess of \$25,000 will be supported by a written contract. Where it is impractical to prepare a contract, a written finding to this effect will be prepared to document the transaction. We identified four instances under Grant Number 2016-HE-WX-0040 where the CNO did not document a contract or a written finding that a contract was impractical for purchases over \$25,000 after March 2017. By not documenting this, the CNO did not maintain its determination of administrative actions regarding the monitoring of contract performance. Therefore, we recommend the COPS Office ensure the CNO follow its local procedures for all procurement in excess of \$25,000 to be supported by a written contract or a written finding if a contract is impractical.

Accountable Property

The Award Owner's Manual requires grant recipients to maintain property records of grant-funded equipment, and a control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. According to the Uniform Administrative Requirements; property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

Under the four COPS Office TRGP Equipment and Training grants, the CNO was approved for \$2,589,507 in equipment such as vehicles, nighttime optical thermal imaging cameras, computers and laptops, training pistols, communication repeaters, and a mass notification system; and \$251,407 in supplies such as basic uniforms, outerwear, bulletproof vests, boots, shotguns, Tasers, digital cameras, audiovisual recording systems, radios, and GPS equipment. To determine whether the CNO maintained adequate property records and used its grant-funded equipment for grant-related purposes, we selected a judgmental sample of 30 vehicles and 100 other equipment and supply items totaling \$1,563,944. Table 3 details the results of our accountable property testing.

Table 3

Summary of Accountable Property Testing as of April 2019

Item	Number Items Sampled	Serial Number Listed	Physically Verified	Verified Location
Grant Number 2013-HE-WX-0038				
Vehicles	6	6	6	2
Tasers	38	38	33	29
Audiovisual Recording System	1	0	1	1
Desktop Computer	1	0	1	0
Grant Number 2014-HE-WX-0044				
Vehicles	8	8	8	5
Shotguns	11	11	11	5
Forensic Extraction Tool	1	0	1	1
Grant Number 2015-HE-WX-0049				
Vehicles	8	8	8	6
Binoculars	5	0	5	5
Laptop Computers	21	1	21	20
Simunition Pistols	10	0	10	10
Thermal Monocular	2	2	2	2
Grant Number 2016-HE-WX-0040				
Vehicles	8	8	8	1
Simunition Pistols	10	10	10	10
TOTALS:	130	92	125	97

Source: CNO

Regarding the 30 vehicles, we found that all were shown in inventory, physically verified, and used as shown in the grants. However, we found that 16 of the 30 vehicles were not in the location identified in the asset listing. In general, the asset listing broadly identified vehicles as located in Durant, Oklahoma except for two vehicles that were accurately listed in other cities.

Regarding the 100 other equipment and supply items, we were unable to verify 5 items from the asset listing. All five items were Tasers that had been returned to the manufacturer but the asset listing had not been updated. We also found that 17 of the 100 other equipment and supply items were not in the location identified in the asset listing; and 38 of the 100 other equipment and supply records did not list the serial number.

Additionally, through our review of accountable property, we found that the CNO asset listing did not indicate the condition of the property and, from our review of Tasers, it did not contain detailed disposition data including the date of disposal and/or sale price of the property.

Based on our review, we determined that CNO's management of accountable property can be improved. Therefore, we recommend that the COPS office coordinate with the CNO to update inventory records regarding item serial numbers, locations, and item disposition. Also, we recommend that the COPS Office coordinate with the CNO to track the condition of property and any ultimate disposition data, including the date of disposal.

Grant Expenditures

For Grant Number 2013-HH-WX-0016, the COPS Office TRGP Hiring Grant, the CNO's approved budget included salaries and fringe benefits. For Grant Numbers 2013-HE-WX-0038, 2014-HE-WX-0044, 2015-HE-WX-0049, and 2016-HE-WX-0040; the COPS Office TRGP Equipment and Training Grants; the CNO's approved budgets included equipment, technology, and travel and training costs. Additionally, Grant Numbers 2013-HE-WX-0038 and 2014-HE-WX-0044 included supply 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. For the COPS Office TRGP Hiring Grant, we judgmentally selected nine non-consecutive pay periods totaling \$17,828 in personnel and fringe costs. For the four COPS Office TRGP Equipment and Training Grants, we tested a judgmental sample of transactions shown in Table 4 below.

Table 4

Sample of Grant Expenditures for Grant Numbers 2013-HE-WX-0038, 2014-HE-WX-0044, 2015-HE-WX-0049, and 2016-HE-WX-0040⁶

Award Number	Expenses as of August 2018	Initial Sample	Expanded Sample	Total Sample	Total Dollars Sampled	Percent of Dollars Sampled
2013-HE-WX-0038	\$ 406,624	30	7	37	\$ 312,031	77%
2014-HE-WX-0044	\$ 532,011	30	39	69	\$ 360,316	68%
2015-HE-WX-0049	\$ 635,811	30	0	30	\$ 471,531	74%
2016-HE-WX-0040	\$ 582,081	30	14	44	\$ 494,567	85%
Total:	\$2,156,527	120	60	180	\$1,638,446	76%

Source: CNO

We reviewed documentation, accounting records, and performed verification testing related to grant expenditures. Based on our testing, we identified \$41,063 in unallowable costs and \$60,643 in unsupported costs under the five awards related to personnel and fringe, equipment, technology, supply, and travel and training costs. The following sections describe the results of that testing.

Personnel and Fringe Costs

According to the Award Owner's Manual, an agency may only be reimbursed for the approved cost categories and amounts that are documented within the Financial Clearance Memorandum (FCM). In addition, an agency may not use TRGP funds for any costs that are not identified as allowable in the FCM. Furthermore, grant funding must be limited to paying an agency's entry level salary and fringe benefits; any costs higher than entry-level must be paid by that agency with local funds.

Through our testing, we identified three instances of unallowable annual holiday bonus that was not included in the approved FCM totaling \$1,930 in holiday

⁶ Differences in the totals of this table are due to rounding. The sum of individual numbers prior to rounding may differ from the sum of the individual numbers after rounding.

bonuses and \$152 in associated fringe. COPS Office officials stated that the annual holiday bonus was unallowable as it was not an approved cost category in the FCM. Additionally, we identified three instances where the pay rate exceeded the rate established in the FCM totaling \$141 in unallowable costs. Therefore, we recommend the COPS Office remedy \$2,223 in unallowable personnel and associated fringe under Grant Number 2013-HH-WX-0016.

Equipment and Technology Costs

According to the Award Owner's Manual, project funding was for approved costs to meet the most serious needs of law enforcement in tribal communities. The allowable costs for which an agency's award has been approved are limited to those listed in the FCM, which specifies the exact items that an agency is allowed to fund and the overall amount approved for each budget request category. An agency may not use TRGP grant funds for any costs that are not identified as allowable in the FCM.

Regarding police vehicles, allowable items included police cars, basic vehicle accessory packages, and special conveyances such as sport utility vehicles, bicycles, motorcycles, snowmobiles, and all-terrain vehicles. The items must be those specifically applied for and approved by the COPS Office. For Grant Number 2016-HE-WX-0040, the grant budget and approved FCM stipulated that the CNO would purchase eight vehicles with radio equipment and accessory packages for \$55,000 each. However, the CNO spent \$80,100 in DOJ funds for one vehicle reserved for the Drug Abuse Resistance Education (DARE) program, with radio equipment and accessory package. Specifically, the accessory package was more than three times the average of the other seven vehicles. This included a lift kit; new non-standard shocks, wheels, and tires; a non-standard speaker, subwoofer, and amplifier system; new bumpers and floor mats; a special car wrap for the DARE program; emergency lights and sound bars; and additional lights and light bars. In all, the CNO spent \$37,133 of DOJ funds on the accessory package for the DARE vehicle. We determined that the extra accessories did not conform to essential needs of law enforcement and did not qualify as a basic vehicle accessory package. Therefore, we determined the \$37,133 in equipment costs were unallowable. We recommend the COPS Office remedy \$37,133 in unallowable equipment costs under Grant Number 2016-HE-WX-0040.

According to the Uniform Administrative Requirements, if small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. We identified seven instances, or \$51,375 in grant expenditures, that qualified as small purchases but were not accompanied by any quotes or price analysis.

Subsequent to the issuance of the draft report, the CNO provided additional documentation, which we determined supported \$46,650 of the previously unsupported costs. After receiving the COPS Office official response to the draft report, we confirmed with the COPS Office that it agreed that \$46,650 of the previously unsupported costs were now supported and remedied. As a result, we consider these costs totaling \$46,650 to be remedied. Therefore, we recommend

the COPS Office remedy the remaining \$4,725 of the \$51,375 in unsupported equipment costs, specifically \$2,700 under Grant Number 2013-HE-WX-0038; \$1,100 under Grant Number 2014-HE-WX-0044; and the remaining \$925 of the \$47,575 under Grant Number 2015-HE-WX-0049.

Supply Costs

According to the Uniform Administrative Requirements, if small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. We identified two instances, or \$5,147 in grant expenditures, that qualified as small purchases but were not accompanied by any quotes or price analysis. Therefore, we recommend the COPS Office remedy \$5,147 in unsupported supply costs under Grant Number 2013-HE-WX-0038.

Travel and Training Costs

According to the Award Owner's Manual, the tribal agency should keep timely and accurate records of all travel expenses. Additionally, the FCM specifies the exact items that the agency is allowed and the overall amount approved for each budget request category, including training.

For Grant Number 2013-HE-WX-0038, we identified nine transactions or \$1,632 in unallowable travel expenditures related to a 4-day trip in February 2014. The agenda provided only supported 2 days of the trip for an Office for Victims of Crime FY 2013 CTAS Orientation, specifically for Purpose Areas 6 and 7. As stated previously, the COPS Office TRGP grants were awarded under CTAS Purpose Area 1, and the 2013 COPS Office TRGP program narrative stated that the program would be involved with strategic planning associated with CTAS Purpose Area 2, as funded by the Bureau of Justice Assistance. As the training was not related to CTAS Purpose Areas 1 or 2, we determined this portion of travel was not within the scope of the FCM, budget, or the goals and objectives. Therefore, the travel costs associated with these 2 days were unallowable.

According to the Award Owner's Manual, in the absence of an acceptable written policy regarding travel costs, allowable rates and amounts established by the U.S. General Services Administration (GSA) for the relevant geographic area will apply. We obtained CNO's travel procedures dated March 2017, and we confirmed with CNO management that the CNO had only unofficial procedures before March 2017. Therefore, we determined that travel costs before March 2017 would be required to follow GSA rates for reimbursement under the grants. We identified one night of lodging in December 2016 that exceeded the GSA rate, resulting in \$75 in unallowable costs under Grant Number 2016-HE-WX-0040.

We identified \$1,707 in unallowable travel as the purpose of travel was not within the scope of the grant program and for lodging that exceeded the GSA rate before CNO policy was adopted in March 2017. Therefore, we recommend the COPS Office remedy \$1,707 in unallowable travel costs, specifically \$1,632 under Grant Number 2013-HE-WX-0038 and \$75 under Grant Number 2016-HE-WX-0040.

Under Grant Number 2013-HE-WX-0038, we identified 12 transactions or \$4,121 that were not supported with a travel authorization, voucher, or both. According to the CNO's travel procedures dated in March 2017, travel must be documented with a Travel Authorization Form and Travel Voucher (Reimbursement) Form. As these 12 transactions were not supported by a travel authorization, voucher, or both, we determined that the \$4,121 in travel costs were unsupported. Additionally, \$3,263 of these transactions related to the 4-day trip in February 2014 of which 2 days were previously questioned as unallowable. For this trip, in addition to missing the travel authorization and vouchers, we were not provided a justification for the remaining days of travel.

In all, we identified \$4,121 in unsupported travel under Grant Number 2013-HE-WX-0038 related to missing Travel Authorizations and Travel Vouchers.

Subsequent to the issuance of the draft report, the CNO provided additional documentation, which we determined supported \$2,490 of the previously unsupported costs. After receiving the COPS Office official response to the draft report, we confirmed with the COPS Office that it agreed that \$2,490 of the previously unsupported costs were now supported and remedied. As a result, we consider these costs totaling \$2,490 to be remedied. Therefore, we recommend the COPS Office remedy the remaining \$1,631 of the \$4,121 in unsupported travel costs under Grant Number 2013-HE-WX-0038.

Budget Management and Control

According to the Uniform Administrative Requirements, grantees or subgrantees shall obtain prior approval of the awarding agency for cumulative transfers among direct cost categories which exceed or are expected to exceed 10 percent of the current total approved budget, whenever the awarding agency's share exceeds \$100,000.⁷

We compared grant expenditures to the approved budgets to determine whether the CNO transferred funds among budget categories in excess of 10 percent for Grant Numbers 2013-HH-WX-0016, 2013-HE-WX-0044, and 2014-HE-WX-0044. We determined that the cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

Non-Supplanting Requirement

The COPS Office TRGP Grants had non-supplanting requirements. The award's special conditions stated that the grant recipient must use COPS Office TRGP Grant funds to supplement, and not supplant, state, local, or BIA funds that

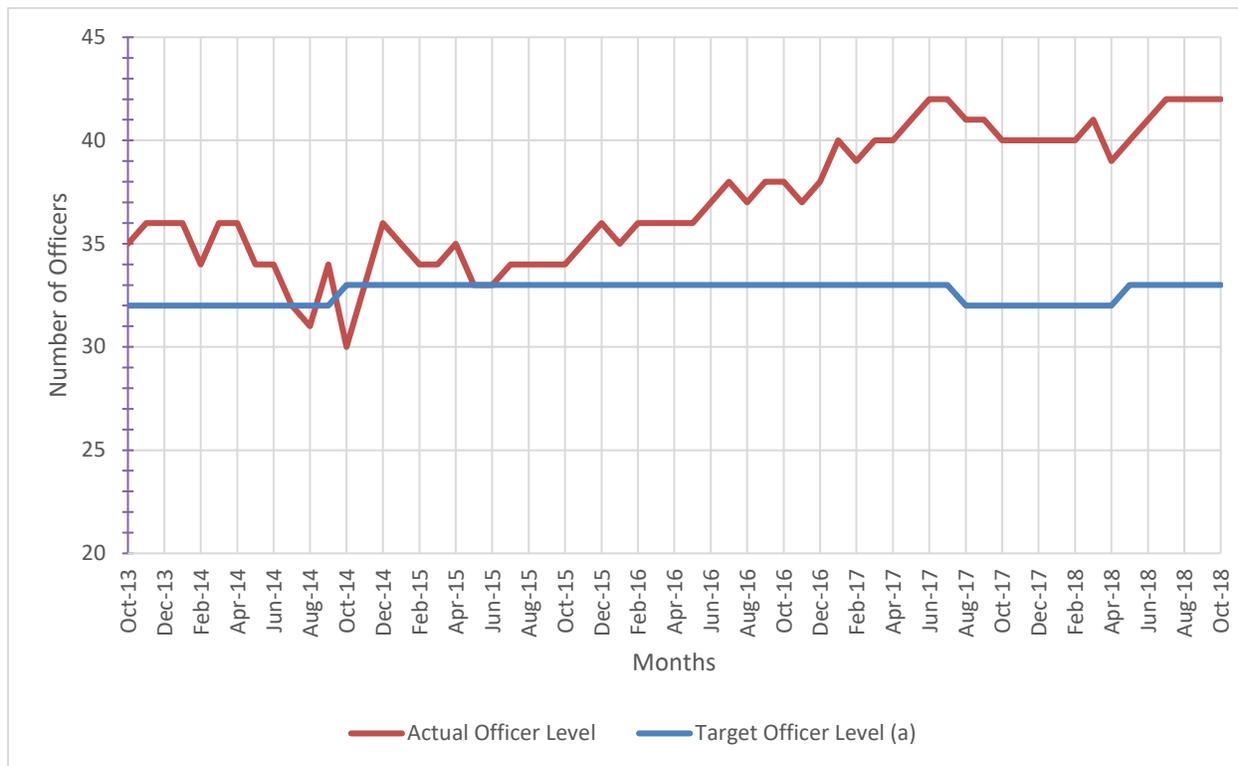
⁷ The Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (28 CFR Part 66) was superseded by the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) effective December 26, 2014.

were already committed or otherwise would have been committed for grant purposes during the grant period.

Regarding Grant Number 2013-HH-WX-0016, the Award Owner's Manual stated that, in order to meet the non-supplanting grant condition, the grantee must ensure that: (1) each individual employed under the COPS Office TRGP Hiring Grant is newly hired on or after the grant award start date; (2) to maintain the total of funded officer positions, the grantee must continue to hire new locally-funded officers as if the grantee had not received the grant; and (3) must timely fill vacancies for locally-funded positions and COPS Office TRGP Hiring Grant-funded positions. Further, the Award Owner's Manual states that any officer hired not only brings the grantee's force to a number over and above the number of funded positions on the date of its CTAS application, including funded but vacant positions, but over and above the number of locally-funded officer positions during the grant award period. Failure to hire the required number of officers is a potential indicator of supplanting.

We assessed the CNO's on-board officer strength to determine if it increased its sworn officer strength by the one officer position funded with the COPS Office TRGP Hiring Grant. The CNO reported 36 officers in its 2013 CTAS workbook, which we used as the baseline figure to compute the target officer level. However, CNO officials indicated that they budgeted 32 officer positions at that time. Figure 1 compares the target officer level to the actual officer level at the CNDPS from October 2013, the month that Grant Number 2012-HH-WX-0016 was awarded, through October 2018.

Figure 1
Target Officer Level vs. Actual Officer Level
From October 2013 through October 2018



(a) The target officer level includes a baseline of 36 sworn officers plus any dedicated COPS Office funded officer positions in the period. This target officer level also accounts for the COPS Office retention requirement that ensures the increased officer staffing level continues with local funds for a minimum of 12 months after federal funding ends. For Grant Number 2013-HH-WX-0016, the retention period began July 2018. Additionally, the target officer level has been reduced by 10 percent to account for vacancy rates.

Source: COPS Office and the CNO

Our analysis shows that the CNO did not meet the target officer level for 2 of the 61 months we reviewed, August and October 2014. For August 2014, we found that one officer ceased employment the month prior. However, as there were no drawdowns in the period, we do not have associated questioned costs. For October 2014, we found that two officers ceased employment the month prior and three officers had gaps in employment that month, but resumed employment in later months. We determined that, if the three officers had been employed in October 2014, the CNO would have met the target level.

We determined that, although the CNO did not maintain the number of locally-funded officer positions for two months we reviewed, it did timely fill vacancies for both locally-funded and COPS Office TRGP Hiring Grant-funded positions. As a result, we do not offer a recommendation.

Additionally, according to the Award Owner's Manual, COPS Office TRGP Equipment and Training recipients may not use award funds to pay for any item or cost funded under the award if that item or cost was otherwise budgeted with state, local, or BIA funds, or committed to the recipient's budget. We compared the total CNDPS budget to the expenditures under the COPS Office TRGP grants for FYs 2013 through 2018, and found no indications of supplanting under the four COPS Office TRGP Equipment and Training grants.

Drawdowns

According to the Award Owner's Manual, a grant recipient is required to establish and maintain accounting systems and financial records to accurately account for the funds awarded and disbursed. Additionally, a recipient may receive funds through electronic transfer up to 10 days in advance based upon immediate cash disbursement needs, and the recipient should time its request for payment to ensure that federal cash on hand is the minimum needed. There should be no excess federal award funds on hand, except for advances not exceeding 10 days.

According to CNO financial procedures, drawdowns are to be performed once a week or when necessary for reimbursement of operational funds for the upcoming week. Each drawdown request is to be 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, and the deposit of funds is verified by accounting staff. 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. As of August 2018, the CNO had drawn down \$2,288,183 under the awards.

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 and reviewed drawdowns to ensure funds were expended within 10 days. As shown in Table 5, we found that the total drawdowns matched expenditures.

Table 5

Total Drawdowns Compared to Expenditures as of August 2018⁸

Award Number	Program Office	Award Amount	Total Drawdowns	Total Expenditures	Drawdowns Less Expenditures
2013-HH-WX-0016 ^a	COPS	\$ 147,501	\$ 131,655	\$ 140,213	\$ (8,558) ^a
2013-HE-WX-0038	COPS	\$ 406,624	\$ 406,624	\$ 406,624	\$ 0
2014-HE-WX-0044	COPS	\$ 895,068	\$ 532,011	\$ 532,011	\$ 0
2015-HE-WX-0049	COPS	\$ 664,709	\$ 635,812	\$ 635,811	\$ 0
2016-HE-WX-0040	COPS	\$ 975,933	\$ 582,081	\$ 582,081	\$ 0
	Total:	\$3,089,835	\$2,288,183	\$2,296,740	\$(8,558)

^a The CNO made its last drawdown of \$8,558 under Grant Number 2013-HH-WX-0016 on October 26, 2018 resulting in \$140,213 total cumulative drawdowns. Therefore, total drawdowns matched total expenditures for Grant Number 2013-HH-WX-0016 as of October 2018.

Sources: COPS Office and the CNO

For Grant Number 2013-HE-WX-0038, we found two drawdowns that resulted in excess funds for over 10 days. This occurred because the CNO misapplied a drawdown in the CNO accounting system and the error was not detected and corrected for over 19 months. Additionally, Grant Number 2013-HH-WX-0016 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 further improved. Therefore, we recommend that the COPS Office 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 Award Owner’s Manual, recipients are required to submit quarterly FFRs that reflect the actual cumulative federal expenditures incurred during the funding period, and the remaining unobligated balance of federal funds. To determine whether the CNO submitted accurate FFRs, we compared the four most recent reports to the CNO’s accounting records for each grant.

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

⁸ Differences in the totals of this table are due to rounding. The sum of individual numbers prior to rounding may differ from the sum of the individual numbers after rounding.

CONCLUSION AND RECOMMENDATIONS

As a result of our audit testing, we concluded that the CNO demonstrated adequate achievement of the grants stated goals and objectives under Grant Numbers 2013-HH-WX-0016 and 2013-HE-WX-0038, and adequate progress towards achieving the grants' stated goals and objectives under Grant Numbers 2014-HE-WX-0044, 2015-HE-WX-0049, and 2016-HE-WX-0040 except for one goal related to the purchase of communication equipment needed to fill critical gaps in its communication systems under Grant Number 2014-HE-WX-0044 that the CNO has 1 year to complete. Additionally, we did not identify significant issues regarding the CNO's retention plan, budget management and control, and federal financial reports. However, we identified noncompliance with essential award conditions related to application statistics, grant financial management, drawdowns, and use of funds. Specifically, we determined that the CNO did not accurately report statistics in the grant applications, adequately document competition for small purchases, accurately account for property, and charged unallowable and unsupported personnel, equipment, supply, and travel costs to the awards. Further, we determined that drawdown procedures could be improved. As a result of these deficiencies, we identified \$52,566 in questioned costs. We provide 13 recommendations to the COPS Office to address these deficiencies.⁹

We recommend that the COPS Office:

1. Coordinate with the CNO to ensure it completes the goals and objectives as defined in the program narrative under Grant Number 2014-HE-WX-0044 before the grant ends.
2. Coordinate with the CNO to develop and implement procedures to ensure the CNO compiles and submits accurate demographic data for future award opportunities.
3. Coordinate with the CNO to ensure compliance with small purchase procedures.
4. Ensure the CNO follow its local procedures for all procurement in excess of \$25,000 to be supported by a written contract or a written finding if a contract is impractical.
5. Coordinate with the CNO to update inventory records regarding item serial numbers, locations, and item disposition.
6. Coordinate with the CNO to track the condition of property and any ultimate disposition data, including the date of disposal.

⁹ 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 made 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.

7. Remedy \$2,223 in unallowable personnel and associated fringe under Grant Number 2013-HH-WX-0016.
8. Remedy \$37,133 in unallowable equipment costs under Grant Number 2016-HE-WX-0040.
9. Remedy the remaining \$4,725 of the \$51,375 in unsupported equipment costs, specifically:
 - a. \$2,700 under Grant Number 2013-HE-WX-0038;
 - b. \$1,100 under Grant Number 2014-HE-WX-0044; and
 - c. \$925 of the \$47,575 under Grant Number 2015-HE-WX-0049.¹⁰
10. Remedy \$5,147 in unsupported supply costs under Grant Number 2013-HE-WX-0038.
11. Remedy \$1,707 in unallowable travel costs, specifically:
 - a. \$1,632 under Grant Number 2013-HE-WX-0038; and
 - b. \$75 under Grant Number 2016-HE-WX-0040.
12. Remedy the remaining \$1,631 of the \$4,121 in unsupported travel costs under Grant Number 2013-HE-WX-0038.¹¹
13. Coordinate with the CNO to establish a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

¹⁰ As discussed previously, the CNO provided additional documentation supporting \$46,650 of previously unsupported questioned costs under Grant Number 2015-HE-WX-0049.

¹¹ As discussed previously, the CNO provided additional documentation supporting \$2,490 of previously unsupported questioned costs under Grant Number 2013-HE-WX-0038.

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, federal financial reports, and the retention plan.¹²

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 objectives.

This audit of the Office of Community Oriented Policing Services (COPS Office) grants awarded to the Choctaw Nation of Oklahoma (CNO) was done in conjunction with the audits of Office of Justice Programs and Office on Violence Against Women 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 COPS Office grants awarded to the CNO under the COPS Office Tribal Resource Grant Program (TRGP).

The COPS Office awarded \$147,501 under Grant Number 2013-HH-WX-0016; \$406,624 under Grant Number 2013-HE-WX-0038; \$895,068 under Grant Number 2014-HE-WX-0044; \$664,709 under Grant Number 2015-HE-WX-0049; and \$975,933 under Grant Number 2016-HE-WX-0040. As of August 2018, the CNO had drawn down \$2,288,183 of the total grant funds awarded. Our audit concentrated on, but was not limited to September 1, 2013, the award date for Grant Numbers 2013-HH-WX-0016 and 2013-HE-WX-0038, through August 21, 2019, the last day of our audit work. Grant Number 2013-HE-WX-0038 was fully expended and closed out in February 2018; and Grant Number 2013-HH-WX-0016 was closed out in May 2019, of which \$7,288 was deobligated.

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

¹² The assessment of the retention plan only applied to the one COPS Office TRGP Hiring Grant, Grant Number 2013-HH-WX-0016.

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 2013, 2014, 2015, and 2016 COPS Office TRGP Award Owner's Manuals and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from the COPS Office data 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 this system as a whole, therefore any findings identified involving information from this system was verified with documentation from other sources.

APPENDIX 2

SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	<u>Amount</u>	<u>Page</u>
Questioned Costs:		
Personnel and Fringe Costs	\$2,223	12
Unallowable Equipment Costs	37,133	12
Unallowable Travel Costs	<u>1,707</u>	13
Unallowable Costs	\$41,063	
Equipment Costs with no quotes or price analysis	\$51,375	12
Supply Costs with no quotes or price analysis	5,147	13
Travel Costs without travel authorization, voucher, or both	<u>4,121</u>	14
Unsupported Costs	\$60,643	
<i>Gross Questioned Costs</i> ¹³	<i>\$101,706</i>	
Less Remedied Unsupported Costs ¹⁴	<u>(49,140)</u>	
Net Questioned Costs	<u>\$52,566</u>	
TOTAL DOLLAR-RELATED FINDINGS	<u>\$52,566</u>	

¹³ **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.

¹⁴ Prior to the issuance of the final report, the CNO provided additional documentation supporting \$49,140 of the previously unsupported costs.

**CHOCTAW NATION OF OKLAHOMA
RESPONSE TO THE DRAFT AUDIT REPORT¹⁵**



Choctaw Nation of Oklahoma

Finance

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Gary Batton
Chief

Jack Austin, Jr.
Assistant Chief

September 10, 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: 2013-HH-WX-0016, 2013-HE-WX-0038, 2014-HE-WX-0044, 2015-HE-WX-0049, 2016-HE-WX-0040

Mr. Sheeren:

Please see below, responses to the draft report for the grants above awarded under the Community Oriented Policing Services:

- 1. Coordinate with the CNO to ensure it completes the goals and objectives as defined in the program narrative under Grant 2014-HE-WX-0044 before the grant ends.**

Choctaw Nation concurs to coordinate with the COPS office to complete the goals and objectives under Grant 2014-HE-WX-0044. An extension was received to complete phase 2 of the communication system. We have received one complete quote and have sent the request back out for bid for a second time to try to get three quotes. Choctaw Nation will continue to update the COPS office of progress in objective completion.

- 2. Coordinate with the CNO to develop and implement procedures to ensure the CNO complies and submits accurate demographic data for future award opportunities.**

Response from [REDACTED], Director of Grant Development

In reference to the audit result related to five inaccurate crime statistics from the 2015 application, the CNO maintains that the proper source was consulted for the aggregate data reported. At the time of preparation and submission of the 2015 COPS proposal (February, 2015), the 2013 Uniform Crime Report was the most current report available from the Oklahoma State Bureau of Investigations. While state law mandates the submission and reporting of crimes, there is no stated frequency included in the statutes (74 OK Stat. § 74-150.10C, 74 OK Stat. § 74-150.10D). Reporting may not be published for a full six months after the end of the prior calendar year.

¹⁵ Attachments referenced in the grantee's response were not included in this final report.

The Choctaw Nation does concur that grant funding should be used to serve the exclusive population of the Tribal jurisdiction. Grant Development team procedures will be modified to obtain the most accurate data for future opportunities from the Project Director and Tribal Police, using the Motorola Solutions/Spillman (MS/S) system. Data in the MS/S system is maintained by the Project Director and Tribal Police and is continuously updated, ensuring the accuracy for use in demographic and other data requests. Grant Development team members will maintain contact with the Project Director and Tribal Police throughout the grant writing procedure, requesting data as needed. This contact will allow the Project Director to retrieve the most accurate and pertinent data needed from the MS/S system for use by the Grant Development team in the writing process.

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

Choctaw Nation concurs and will coordinate with the COPS Office to ensure compliance with small purchase procedures. The Director of Purchasing and the newly hired Manager of Post Award will coordinate efforts to train employees and monitor grant funded small purchases for compliance with Federal Regulation.

Please see attached files for Draft Policy, Procedure and Desk Process updates for your review and approval.

- COPS OIG Draft Response #3
- COPS OIG Draft Response #3.1
- COPS OIG Draft Response #3.2

4. Ensure the CNO follow its local procedures for all procurement in excess of \$25,000 to be supported by a written contract or a written finding if a contract is impractical.

Choctaw Nation concurs and has updated the Policy, Procedure and Desk Process to eliminate the \$25,000 to be supported by a written contract clause. Please see files for Response #3.

5. Coordinate with the CNO to update inventory records regarding item serial numbers, locations and item disposition.

Response by [REDACTED] Senior Accounting Manager, Fixed Assets

The Program Department and Fixed Asset Department have coordinated to create two new forms (attached OIG Draft Response #5 New Property and #5.1 Property Assigned). These forms will be completed by the Program Department and submitted to the Fixed Asset Department when the following takes place: 1. New property is received and placed in service, 2. When property is assigned to an Associate, and 3. When the property is returned by the Associate to the program department. These forms are in addition to the existing Fixed Asset policy forms and are not meant to substitute said forms.

Existing Fixed Asset policy forms are attached. The file FA Proc 2A-Asset Transfer Form #5.2, was recently updated to combine several transfer forms into one user friendly transfer form.

The file FA Proc 2 B-Disposal Form-Master #5.3, is currently under the process to be updated. The Fixed Asset Department conducts annual inventories of all CN locations. The records are reconciled between the blind physical inventory and the Accounting system and a final report is sent to the Program Department.

The Accounting system tracks the following details: Asset number, Serial Number, Asset Description, Cost of the Asset, Net Book Value of the Asset, Date Acquired, Date Placed into Service, the PO# associated with purchase, The status of asset (Active Cap or Non-cap asset), Responsible Department, Original Purchase Company, Building Physical Address, Room# (if applicable), Vendor Asset Purchased From, State Asset resides in, and if it is New or Used.

- 6. Coordinate with the CNO to track the condition of property and any ultimate disposition data, including the date of disposal.**

Response from [REDACTED] Senior Accounting Manager, Fixed Assets

The Fixed Asset Department is currently reviewing the policy disposal form for updates needed. The FA Department tracks the following details in relation to disposal of assets: Reason for Disposal, GL the Asset is listed under, TAG#/Asset# of Asset, Asset Description, VIN#/Serial of asset to be disposed, Date of Acquisition, Original Cost, Accumulated Depreciation, Net Book Value, Proceeds from Sale/Scrap Value (if applicable), Book (Gain) Loss, and Type of Disposition. (All of these are listed on the current disposal form attached).

- 7. Remedy \$2,223 in unallowable personnel and associated fringe under Grant Number 2013-HH-WX-0016.**

Choctaw Nation was monitored by DOJ in August 2017, the personnel and associated fringe under grant 2013-HH-WX-0016 was included in the requested expenditure listing. There were no recommendations from DOJ on unallowed costs for personnel and fringe. Choctaw Nation will coordinate with COPS to remedy \$2,223 in COPS deemed unallowable by OIG Office.

- 8. Remedy \$37,133 in unallowable equipment cost under Grant Number 2016-HE-WX-0040.**

Choctaw Nation will coordinate with the COPS Office to remedy \$37,133 in unallowable cost under Grant Number 2016-HE-WX-0040.

Response from [REDACTED], Executive Director of Public Safety:

In reference to the \$37,133 cost under Grant Number 2016-HE-WX-0040, this was for the departments Community Policing/DARE Vehicle. This vehicle is used for the sole purpose of community interaction and the officer operating it has a fulltime community policing job function.

As the vehicle was being outfitted with the police accessory package, several vendors asked to donate items either for free or at a significant reduction in price to help support the departments community policing program. The lift kit was donated at no charge, this in turn required larger shocks, rims and tires of which we received at a discounted rate. The bumpers were also from a vendor who offered them for a discounted rate. The radio and speaker upgrades were purchased for the benefit of the kids who go through our Drug Abuse Resistance Education course. It was our goal to try and make the vehicle appealing to the young kids to help keep them interested and engaged in the program. The vehicle also has several more lights than a regular patrol car to again catch the attention of the children we are trying to engage with.

All of the items you mentioned were purchased for the vehicle to make it stand out to the public, and especially the youth. This vehicle helps draw in the public and start conversations that leads to relationships that are critical for our department to gain the trust of the community. If these items are found to be unallowable, then we apologize as it was our mission to use the tools provide by this grant to build a stronger community policing program. It was never our intent to use the funding improperly

9. Remedy \$51,375 in unsupported equipment costs, specifically:

a. \$2,700 under Grant Number 2013-HE-WX-0038

Please see attached file COPS OIG Draft Response 9a for source documentation for your review and remedy of recommendation 9a.

b. \$1,100 under Grant Number 2014-HE-WX-0044; and

Choctaw Nation concurs.

c. \$47,575 under Grant Number 2015-HE-WX-0049

Please see attached file COPS OIG Draft Response 9c for source documentation for your review and remedy of recommendation 9c.

10. Remedy \$5,147 in unsupported supply costs under Grant Number 2013-HE-WX-0038.

Choctaw Nation concurs and will coordinate with COPS to remedy \$5,147 under Grant Number 2013-HE-WX-0038.

11. Remedy \$1,707 in unallowable travel costs, specifically:

a. \$1,632 under Grant Number 2013-HE-WX-0038; and

b. \$75 under Grant Number 2016-HE-WX-0040

Choctaw Nation concurs and will coordinate with COPS to remedy \$1,707 under Grant Number 2013-HE-WX-0038.

12. Remedy \$4,121 in unsupported travel costs under Grant Number 2013-HE-WX-0038.

Please see attached file OIG COPS Draft Response #12 for source documentation for your review and remedy of recommendation #12.

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

Choctaw Nation concurs and has implemented new procedures to ensure reconciliation of grant fund balances immediately after requesting funds. Please see attached for your review and approval 3 files for COPS Response #13.

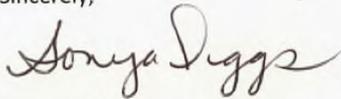
COPS OIG Draft Response #13

COPS OIG Draft Response #13.1

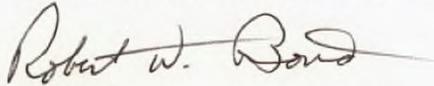
COPS OIG Draft Response #13.2

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

Sincerely,



Sonya K. Diggs
Senior Director of Accounting, Grant Services



Robert Bond
Executive Officer Finance

**OFFICE OF COMMUNITY ORIENTED POLICING SERVICES
RESPONSE TO THE DRAFT AUDIT REPORT**



U.S. DEPARTMENT OF JUSTICE
OFFICE OF COMMUNITY ORIENTED POLICING SERVICES
Grant Operations Directorate/Grant Monitoring Division
145 N Street, N.E., Washington, DC 20530

COPS

MEMORANDUM

To: David M. Sheeren
Denver Regional Audit Manager
Office of the Inspector General

From: Melonie V. Shine 
Management Analyst

Date: September 19, 2019

Subject: Response to the Draft Audit Report for the Choctaw Nation of Oklahoma

This memorandum is in response to your August 27, 2019 draft audit report on COPS TRGP-HIRE Grant #2013HHWX0016, TRGP-E/T Grant #2013HEWX0038, TRGP-E/T Grant #2014HEWX0044, TRGP-E/T Grant #2015HEWX0049 and TRGP-E/T Grant #2016HEWX0040 awarded to the Choctaw Nation of Oklahoma (Choctaw Nation). For ease of review, each audit recommendation is stated in bold and underlined, followed by a response from COPS concerning the recommendation.

Recommendation 1 - Coordinate with the CNO to ensure it completes the goals and objectives as defined in the program narrative under Grant Number 2014-HE-WX-0044 before the grant ends.

The COPS Office concurs that the grantee should complete the goals and objectives as defined in the program narrative before the grant ends.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will coordinate with the Choctaw Nation to determine if a grant modification is required to ensure that the goals and objectives are met as defined in the program narrative before the grant ends.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 1.

ADVANCING PUBLIC SAFETY THROUGH COMMUNITY POLICING



David M. Shereen
Denver Regional Audit Manager
Office of the Inspector General
September 19, 2019
Page 2

Recommendation 2 - Coordinate with the CNO to develop and implement procedures to ensure the CNO compiles and submits accurate demographic data for future award opportunities.

The COPS Office concurs that the grantee should develop and implement procedures to ensure that accurate demographic data is compiled and submitted for future award opportunities.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will coordinate with the Choctaw Nation to develop and implement appropriate procedures to ensure that accurate demographic data is compiled and submitted for future award opportunities.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 2.

Recommendation 3 - Coordinate with the CNO to ensure compliance with small purchase procedures.

The COPS Office concurs that the grantee should comply with the small purchase procedures.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will coordinate with the Office on Violence Against Women (OVW) to ensure that the Choctaw Nation is in compliance with small purchase procedures.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 3.

David M. Shereen
Denver Regional Audit Manager
Office of the Inspector General
September 19, 2019
Page 3

Recommendation 4 - Ensure the CNO follow its local procedures for all procurement in excess of \$25,000 to be supported by a written contract or a written finding if a contract is impractical.

The COPS Office concurs that the grantee should comply with its local procedures for all procurement in excess of \$25,000 to be supported by a written contract or a written finding if a contract is impractical.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will coordinate with the Choctaw Nation to ensure that it follows local procedures for all procurement in excess of \$25,000 to be supported by a written contract or a written finding if a contract is impractical.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 4.

Recommendation 5 - Coordinate with the CNO to update inventory records regarding item serial numbers, locations, and item disposition.

The COPS Office concurs that the grantee should update the inventory records regarding item serial numbers, locations, and item disposition.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will coordinate with the Choctaw Nation to ensure that the inventory records are updated to include item serial numbers, locations, and item disposition.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 5.

David M. Shereen
Denver Regional Audit Manager
Office of the Inspector General
September 19, 2019
Page 4

Recommendation 6 - Coordinate with the CNO to track the condition of property and any ultimate disposition data, including the date of disposal.

The COPS Office concurs that the grantee should track the condition of property and any ultimate disposition data, including the date of disposal.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will coordinate with the Choctaw Nation to ensure that it tracks the condition of property and any ultimate disposition data, including the date of disposal.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 6.

Recommendation 7 - Remedy \$2,223 in unallowable personnel and associated fringe under Grant Number 2013-HH-WX-0016.

The COPS Office concurs that questioned costs were identified by the OIG for this recommendation and that the grantee has not yet taken action to remedy the questioned costs.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will send a Proposed Notice of Noncompliance to allow the Choctaw Nation to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 7.

Recommendation 8 - Remedy \$37,133 in unallowable equipment costs under Grant Number 2016-HE-WX-0040.

The COPS Office concurs that questioned costs were identified by the OIG for this recommendation and that the grantee has not yet taken action to remedy the questioned costs.

David M. Shereen
Denver Regional Audit Manager
Office of the Inspector General
September 19, 2019
Page 5

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will send a Proposed Notice of Noncompliance to allow the Choctaw Nation to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 8.

Recommendation 9 - Remedy \$51,375 in unsupported equipment costs, specifically:

- a. \$2,700 under Grant Number 2013-HE-WX-0038;**
- b. \$1,100 under Grant Number 2014-HE-WX-0044; and**
- c. \$47,575 under Grant Number 2015-HE-WX-0049.**

The COPS Office concurs that questioned costs were identified by the OIG for this recommendation and that the grantee has not yet taken action to remedy the questioned costs.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will send a Proposed Notice of Noncompliance to allow the Choctaw Nation to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 9.

Recommendation 10 - Remedy \$5,147 in unsupported supply costs under Grant Number 2013-HE-WX-0038.

The COPS Office concurs that questioned costs were identified by the OIG for this recommendation and that the grantee has not yet taken action to remedy the questioned costs.

David M. Shereen
Denver Regional Audit Manager
Office of the Inspector General
September 19, 2019
Page 6

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will send a Proposed Notice of Noncompliance to allow the Choctaw Nation to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 10.

Recommendation 11 - Remedy \$1,707 in unallowable travel costs, specifically:

- a. \$1,632 under Grant Number 2013-HE-WX-0038; and**
- b. \$75 under Grant Number 2016-HE-WX-0040.**

The COPS Office concurs that questioned costs were identified by the OIG for this recommendation and that the grantee has not yet taken action to remedy the questioned costs.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will send a Proposed Notice of Noncompliance to allow the Choctaw Nation to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 11.

Recommendation 12 - Remedy \$4,121 in unsupported travel costs under Grant Number 2013-HE-WX-0038.

The COPS Office concurs that questioned costs were identified by the OIG for this recommendation and that the grantee has not yet taken action to remedy the questioned costs.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will send a Proposed Notice of Noncompliance

David M. Shereen
Denver Regional Audit Manager
Office of the Inspector General
September 19, 2019
Page 7

to allow the Choctaw Nation to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 12.

Recommendation 13 - Coordinate with the CNO to establish a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

The COPS Office concurs that the grantee should verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

Planned Action

Upon issuance of the final audit report, if the grantee has not taken any corrective action to remedy the recommendation, the COPS Office will coordinate with OVW to ensure that the Choctaw Nation establishes a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

Request

Based on the planned action, the COPS Office requests resolution of Recommendation 13.

The COPS Office considers Recommendations 1 through 13 resolved, based on the planned actions shown above. In addition, COPS requests written acceptance of the determination from your office.

The COPS Office would like to thank you for the opportunity to review and respond to the draft audit report. If you have any questions, please contact me at 202-616-8124 or via e-mail: melonie.shine@usdoj.gov.

cc: George Gibmeyer
Supervisor
Grant Monitoring Division

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 the Office of Community Oriented Policing Services (COPS Office) for review and official comment. The CNO's response is incorporated in Appendix 3, and the COPS Office's response is incorporated in Appendix 4 of this final report. In response to our draft report, the COPS Office concurred with our recommendations and, as a result, the status of the audit report is resolved. In its response, the CNO concurred with six recommendations, concurred in part with two recommendations, and neither agreed nor disagreed with five recommendations. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

Recommendations for the COPS Office:

- 1. Coordinate with the CNO to ensure it completes the goals and objectives as defined in the program narrative under Grant Number 2014-HE-WX-0044 before the grant ends.**

Resolved. The COPS Office concurred with our recommendation and stated in its response that it will coordinate with the CNO to determine if a grant modification is required to ensure that the goals and objectives are met as defined in the program narrative before the grant ends.

The CNO concurred with our recommendation to complete the goals and objectives under Grant Number 2014-HE-WX-0044. The CNO stated in its response that it received one quote for completing phase 2 of the communication system and is in the process of obtaining three more quotes. The CNO also stated that it will continue to update the COPS Office on its progress in completing the objective.

This recommendation can be closed when we receive documentation that the COPS Office coordinated with the CNO to ensure it completes the goals and objectives as defined in the program narrative under Grant Number 2014-HE-WX-0044 before the grant ends.

- 2. Coordinate with the CNO to develop and implement procedures to ensure the CNO compiles and submits accurate demographic data for future award opportunities.**

Resolved. The COPS Office concurred with our recommendation and stated in its response that it will coordinate with the CNO to develop and implement appropriate procedures to ensure that accurate demographic data is compiled and submitted for future award opportunities.

The CNO concurred in part with our recommendation that grant funding should be used to serve the exclusive population of the Tribal jurisdiction. However, it stated in its response that it used the proper source for crime statistics in the 2015 application, which was submitted in February 2015, by pulling data from the 2013 Uniform Crime Report (UCR). Additionally, the CNO stated that the UCR may not be published for a full 6 months after the end of the prior calendar year. Furthermore, the CNO stated that the Grant Development team procedures will be modified to obtain the most accurate data for future opportunities from the Project Director and Tribal Police to ensure the accuracy of demographic data and other data requests.

The OIG maintains that accurate application data are necessary for the CTAS Workbooks, as the COPS Office uses the application data as a basis for awarding grants. Additionally, the Demographic Form does not require the use of UCR data, as it states that the tribal entity use the most recent available data using UCR crime definitions.

As stated in the report, the CNO reported 2013 UCR data in its 2015 application that resulted in the underreporting of crimes by 15 percent. Such inaccurate application data may have an effect on future award decisions.

This recommendation can be closed when we receive documentation that the COPS Office coordinated with the CNO to develop and implement procedures to ensure the CNO compiles and submits accurate demographic data for future award opportunities.

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

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

The CNO concurred with our recommendation and stated in its response that it will coordinate with the COPS Office to ensure compliance with small purchase procedures. Additionally, the CNO provided draft policy, procedure, and desk process updates for review and approval.

We reviewed the draft policy, procedure, and desk process. However, we determined that the policy could be improved as it states that micro purchases do not require documentation of costs, and the section regarding conflict of interest and accepting gifts should be more clear.

This recommendation can be closed when we receive documentation demonstrating that the COPS Office coordinated with the CNO to ensure compliance with small purchase procedures, and when we receive documentation that the COPS Office has reviewed and approved the draft policy, procedure, and desk process.

4. Ensure the CNO follow its local procedures for all procurement in excess of \$25,000 to be supported by a written contract or a written finding if a contract is impractical.

Resolved. The COPS Office concurred with our recommendation and stated in its response that the CNO should comply with its local procedures for all procurement in excess of \$25,000 to be supported by a written contract or a written finding if a contract is impractical.

The CNO concurred with our recommendation and stated in its response that it updated the draft policy, procedure, and desk process to eliminate the clause that procurement in excess of \$25,000 would be supported by a written contract.

This recommendation can be closed when we receive documentation demonstrating that the COPS Office coordinated with the CNO to ensure it follow its local procedures for all procurement in excess of \$25,000 to be supported by a written contract or a written finding if a contract is impractical, or when we receive documentation that the COPS Office has reviewed and approved the updated policy, procedure, and desk process.

5. Coordinate with the CNO to update inventory records regarding item serial numbers, locations, and item disposition.

Resolved. The COPS Office concurred with our recommendation and stated in its response that it will coordinate with the CNO to ensure that the inventory records are updated to include item serial numbers, locations, and item disposition.

The CNO did not state whether it concurred with our recommendation. The CNO stated that the Program Department and Fixed Asset Department have coordinated to create two new forms that were attached with the CNO's response to the draft audit report. The forms will be completed by the Program Department and submitted to the Fixed Asset Department to account for new property that is received and placed in service, assigned to an Associate, and returned by the Associate to the program department. These forms are in addition to existing Fixed Asset policy forms and the Disposal form, which is currently being updated. Furthermore, the CNO official explained that the Fixed Asset Department conducts annual inventories of all CNO locations and that the CNO reconciles the records between the blind physical inventory and the accounting system.

However, the CNO did not provide updated inventory records for the accountable property purchased under the COPS Office equipment and training grants, and we were unable to verify that the inventory records had been updated.

This recommendation can be closed when we receive documentation that the CNO has updated its inventory records regarding item serial numbers, locations, and item disposition.

6. Coordinate with the CNO to track the condition of property and any ultimate disposition data, including the date of disposal.

Resolved. The COPS Office concurred with our recommendation and stated in its response that it will coordinate with the CNO to ensure that the CNO tracks the condition of property and any ultimate disposition data, including the date of disposal.

The CNO did not state whether it concurred with our recommendation. The CNO stated that the Fixed Asset Department is currently reviewing the policy disposal form for updates needed. Additionally, the CNO stated that the Fixed Asset Department tracks the disposal of fixed assets with the following detail: Reason for Disposal, General Ledger the Asset is listed under, TAG Number and Asset Number, Asset Description, Vehicle Identification Number or Serial Number, Date of Acquisition, Original Cost, Accumulated Depreciation, Net Book Value, Proceeds from Sale/Scrap Value, Book Gain or Loss, and Type of Disposition.

The OIG was not provided documentation of this detail for the disposed items under the awards during the audit or in the response to the draft audit report. Regarding our review of Tasers, the asset listing did not contain detailed disposition data including the date of disposal and/or sale price of the property.

This recommendation can be closed when we receive documentation that the CNO has updated its inventory records to track the condition of property and any ultimate disposition data, including the date of disposal.

7. Remedy \$2,223 in unallowable personnel and associated fringe under Grant Number 2013-HH-WX-0016.

Resolved. The COPS Office concurred with our recommendation and stated in its response that it will send a Proposed Notice of Noncompliance to allow the CNO to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

The CNO did not state whether it concurred with our recommendation. The CNO stated that it was monitored by the DOJ in August 2017, which included the request of personnel and associated fringe expenditures under Grant Number 2013-HH-WX-0016. The CNO stated that there were no recommendations from this review on unallowable costs for personnel and fringe under this award. However, the CNO stated that it will coordinate with the COPS Office to remedy \$2,233 deemed unallowable by the OIG.

The OIG reviewed this Financial Monitoring Site Visit Report conducted in August 2017 as part of its audit work. However, this site visit consisted of a

limited scope review of the CNO's accounting system and internal control procedures related to the receipt and disbursement of federal funds. As such, the limited scope review did not go into the detail of an OIG audit.

As stated in the body of the report, COPS Office officials stated that the annual holiday bonus was unallowable as it was not an approved cost category in the Financial Clearance Memorandum (FCM). Additionally, the OIG identified unallowable personnel costs that were over the entry-level rate as established in the FCM.

This recommendation can be closed when we receive documentation that the COPS Office remedied \$2,223 in unallowable personnel and associated fringe under Grant Number 2013-HH-WX-0016.

8. Remedy \$37,133 in unallowable equipment costs under Grant Number 2016-HE-WX-0040.

Resolved. The COPS Office concurred with our recommendation and stated in its response that it will send a Proposed Notice of Noncompliance to allow the CNO to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

The CNO did not state whether it concurred with our recommendation, but stated that it will coordinate with the COPS Office to remedy \$37,133 in unallowable cost under Grant Number 2016-HE-WX-0040.

Additionally, the Executive Director of Public Safety stated that the \$37,133 cost was for the Community Policing/Drug Abuse Resistance Education (DARE) Vehicle, which is solely used for community interaction. Additionally, the Executive Director stated that several vendors asked to donate items at no or significantly reduced costs to support the Public Safety Department's community policing program. Donated items included a lift kit. Reduced price items included larger shocks, rims, tires, and bumpers. The radio, speaker upgrades, and lights were purchased to benefit the children who go through the DARE course and to catch their attention. The Executive Director stated that if the items are found to be unallowable, they apologize as it was the CNDPS's mission to use the tools provided by the grant to build a stronger community policing program. The Executive Director stated that it was never the CNDPS's intent to use the funding improperly.

As stated in the body of the report, the COPS Office grant allowed for basic vehicle accessory packages. The items must be those specifically applied for and approved by the COPS Office, which would be in the FCM. Although the vehicle's sole purpose was for community policing, the extra accessories did not qualify as a basic vehicle accessory package, were not in the FCM, and were unallowable.

This recommendation can be closed when we receive documentation that the COPS Office remedied \$37,133 in unallowable equipment costs under Grant Number 2016-HE-WX-0040.

- 9. Remedy the remaining \$4,725 of the \$51,375 in unsupported equipment costs, specifically:**
- a. \$2,700 under Grant Number 2013-HE-WX-0038;**
 - b. \$1,100 under Grant Number 2014-HE-WX-0044; and**
 - c. \$925 of the \$47,575 under Grant Number 2015-HE-WX-0049.**

Resolved. The COPS Office concurred with our recommendation and stated in its response that it will send a Proposed Notice of Noncompliance to allow the CNO to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

The CNO concurred with subpart *b* of our recommendation, and referred to attached documentation for subparts *a* and *c*.

For subpart *a*, we reviewed the additional documentation for a small purchase in 2014 that included an invoice, Purchase Order, and a sole-source memorandum from the vendor that was not contemporaneous to the purchase, dated December 2018. As the small purchase was not supported with multiple quotes, state contract, or a sole source memorandum that was contemporaneous to the purchase, the \$2,700 under Grant Number 2013-HE-WX-0038 remains unsupported.

For subpart *c*, we reviewed the additional documentation that included invoices, Requisition Forms, Purchase Orders, and multiple quotes that were obtained for small purchases. We determined that it was sufficient to support \$46,650 under Grant Number 2015-HE-WX-0049 of the previously unsupported costs. After receiving the COPS Office's official response to the draft report, we confirmed with the COPS Office that it agreed that \$46,650 of the previously unsupported costs are now supported and remedied.

However, no additional documentation was provided for one transaction. Therefore, \$925 under Grant Number 2015-HE-WX-0049 remains unsupported.

This recommendation can be closed when we receive documentation that the COPS Office remedied the \$4,725 in unsupported equipment costs, specifically: \$2,700 under Grant Number 2013-HE-WX-0038; \$1,100 under Grant Number 2014-HE-WX-0044; and \$925 under Grant Number 2015-HE-WX-0049.

10. Remedy \$5,147 in unsupported supply costs under Grant Number 2013-HE-WX-0038.

Resolved. The COPS Office concurred with our recommendation and stated in its response that it will send a Proposed Notice of Noncompliance to allow the CNO to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

The CNO concurred with our recommendation and stated in its response that it will coordinate with the COPS Office to remedy \$5,147 in unsupported supply costs under Grant Number 2013-HE-WX-0038.

This recommendation can be closed when we receive documentation that the COPS Office remedied \$5,147 in unsupported supply costs under Grant Number 2013-HE-WX-0038.

11. Remedy \$1,707 in unallowable travel costs, specifically:

a. \$1,632 under Grant Number 2013-HE-WX-0038; and

b. \$75 under Grant Number 2016-HE-WX-0040.

Resolved. The COPS Office concurred with our recommendation and stated in its response that it will send a Proposed Notice of Noncompliance to allow the CNO to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

The CNO concurred with our recommendation and stated in its response that it will coordinate with the COPS Office to remedy \$1,707 in unallowable travel costs under the grants.

This recommendation can be closed when we receive documentation that the COPS Office remedied \$1,707 in unallowable travel costs.

12. Remedy the remaining \$1,631 of the \$4,121 in unsupported travel costs under Grant Number 2013-HE-WX-0038.

Resolved. The COPS Office concurred with our recommendation and stated in its response that it will send a Proposed Notice of Noncompliance to allow the CNO to provide additional supporting documentation to demonstrate compliance or to repay the grant funds.

The CNO did not state whether it concurred with our recommendation. In its response, the CNO referred to additional documentation to support the questioned costs.

We reviewed the additional source documentation that included travel authorizations and vouchers and determined that it was sufficient to support \$2,490 under Grant Number 2013-HE-WX-0038 of the previously unsupported costs. After receiving the COPS Office's official response to the

draft report, we confirmed with the COPS Office that it agreed that \$2,490 of the previously unsupported costs are now supported and remedied.

However, some documentation did not fully support the reason for travel. Therefore, \$1,631 under Grant Number 2013-HE-WX-0038 remains unsupported.

This recommendation can be closed when we receive documentation that the COPS Office remedied the remaining \$1,631 in unsupported travel costs under Grant Number 2013-HE-WX-0038.

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

Closed. The COPS Office concurred with our recommendation and stated in its response that it will coordinate with the OVW to ensure that the CNO establishes a process to verify that employees have reconciled remaining grant fund balances immediately after requesting funds.

The CNO concurred with our recommendation and stated in its response that it has implemented new procedures to ensure reconciliation of grant fund balances immediately after requesting funds. Additionally, the CNO attached these procedures with their response for review and approval.

We reviewed the updated procedures and determined that it was adequate as the reconciliation between funding source and CNO accounting ledger is to occur during the payment request process. After receiving the COPS Office official response to the draft report, we confirmed with the COPS Office that it agreed the new procedures adequately addressed the immediate reconciliation of drawdowns. As a result, this recommendation is now closed.



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U.S. DEPARTMENT OF JUSTICE OFFICE OF THE INSPECTOR GENERAL

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