



**OFFICE OF JUSTICE PROGRAMS
NATIONAL INSTITUTE OF JUSTICE
COOPERATIVE AGREEMENTS AND GRANTS AWARDED
TO THE
NATIONAL FORENSIC SCIENCE TECHNOLOGY CENTER
LARGO, FLORIDA**

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

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EXECUTIVE SUMMARY

The Office of the Inspector General, Audit Division has completed an audit of cooperative agreement numbers 2000-RC-CX-K001 and 2006-MU-BX-K002, and grant number 2004-DN-BX-0079 awarded by the Office of Justice Programs (OJP) through its National Institute of Justice (NIJ) to the National Forensic Science Technology Center (NFSTC).¹ The NFSTC was established by the American Society of Crime Laboratory Directors in 1995 to provide services to forensic laboratories. Beginning in April 2000, the cooperative agreements were awarded to expand the range and scope of services the NFSTC could offer to forensic laboratories. As of 2008, services include audits and training opportunities offered to the forensic community.

NIJ funding for the NFSTC totaled approximately \$44.7 million in seven cooperative agreements that were awarded between April 2000 and December 2007.² Of this total, \$20.9 million was from congressional earmarks specifically for the NFSTC. The NIJ provided another \$13.3 million to the NFSTC in non-competitive awards, with the remaining \$10.5 million provided in competitive awards made in 2007.

We tested compliance with essential grant conditions pertaining to accomplishments, reporting, fund drawdowns, budget management and control, and expenditures. In addition, we tested the accounting records to determine if costs claimed under the awards were allowable, supported, reasonable, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the cooperative agreements.

¹ The NIJ awarded cooperative agreements instead of grants for two of these awards. Cooperative agreements are used when substantial collaboration is anticipated between the grantor and the grantee. Cooperative agreements are subject to the same rules as grants, and we used "cooperative agreements" to refer to the agreements and the grant throughout this report.

² Of this \$44.7 million, \$1,346,086 was funding from the Bureau of Justice Assistance, which is another OJP office. However, internal decisions by OJP resulted in the management of the awards by the NIJ.

We found the NFSTC generally complied with the agreement objectives we tested. However, we found weaknesses in the NFSTC's reporting on performance objectives, supporting drawdowns, and accounting for expenditures. We also identified \$252,336 in questioned costs.³ The specific findings follow.

- The NFSTC did not report its progress on four of its objectives.
- The NFSTC did not maintain adequately detailed documentation to support its drawdowns.
- The NFSTC did not account for expenditures by individual agreement through December 2007, as required by the OJP Financial Guide. In January 2008, NFSTC implemented a new accounting system that should account for expenditures by individual agreement.
- The NFSTC drew down \$229,229 in unallowable indirect expenses for which it did not have an approved indirect cost rate. This is part of a shift of \$744,395 from one cooperative agreement to another.
- The NFSTC charged \$11,348 in unsupported expenses to the cooperative agreements.
- The NFSTC charged \$364 in unallowable direct expenses to the cooperative agreements.
- The NFSTC charged \$11,395 in unreasonable expenses to the cooperative agreements.

These concerns are discussed in detail in the Findings and Recommendations section of the report. Our audit objectives, scope, and methodology appear in Appendix I.

³ The Inspector General Act of 1978, as amended, contains our reporting requirements for questioned costs and funds put to better use. However, not all findings are dollar-related. See Appendix II for a breakdown of our dollar-related findings and for a definition of questioned costs.