



OFFICE OF THE INSPECTOR GENERAL

U.S. Department of Justice

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DOJ OIG Releases Report on the Office of Justice Programs' Corrective Actions to Address Dollar-Related Audit Recommendations

Department of Justice (DOJ) Inspector General Michael E. Horowitz announced today the release of a report examining the Office of Justice Programs' (OJP) corrective actions to address approximately \$45.5 million in dollar-related recommendations made in 61 Office of the Inspector General (OIG) grant audit reports closed during fiscal years 2015 through 2017.

DOJ components must establish audit follow-up and resolution systems to ensure that corrective actions for OIG audit recommendations are adequately and timely completed. While the OIG found that OJP employed a credible audit follow-up process to address the dollar-related recommendations, there are areas where OJP could strengthen its audit resolution processes, including:

- **Establish time limits for grant recipients to provide requested supporting documentation for previously unsupported costs.** For 24 of the 61 audits, the grant recipient provided documentation to support questioned costs after the OIG report was issued. As a result, OJP accepted approximately \$8 million in previously unsupported costs. However, one audit took 16 years to close, and the remaining 23 audits took an average of 3.3 years to close. Although a number of factors can affect the timely submission of adequate supporting documentation, the length of the delays identified increase the risk that the validity and reliability of the documentation may be compromised. In addition, such delays impose a burden on both OJP and OIG staff in monitoring a grant recipient's progress to implement corrective actions.
- **Evaluate the risks posed by the proportion of unallowable questioned costs OJP retroactively approves.** For 27 of the 61 audits, OJP granted retroactive approvals totaling approximately \$7.1 million. Although we found no evidence that OJP granted retroactive approvals without adequate documentation, the frequency of these approvals raises concerns that grant recipients face no penalty for non-compliance with grant rules. In our view, this situation may increase the risk that grant recipients will use grant funds for unallowable or questionable expenses rather than obtaining prior approval from OJP.

Table 2 in today's report shows a full accounting of the \$45.5 million in dollar-related recommendations. In addition to the approximately \$8 million in previously unsupported costs

and approximately \$7.1 million in unallowable questioned costs, saved or recovered/returned costs totaled approximately \$9.3 million.

Today's report makes three recommendations to assist OJP's periodic assessment of its decisions on OIG dollar-related recommendations and determine enhancements to its financial enforcement and grant management practices. OJP agreed with all three recommendations.

Report: Today's report is available on the OIG's website under "Recent Reports" and at the following link: <https://oig.justice.gov/reports/2020/a20043.pdf>.

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