



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



**Audit of the  
Office of Justice Programs  
Cooperative Agreement  
Awarded to the  
RAND Corporation  
Santa Monica, California**

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
COOPERATIVE AGREEMENT AWARDED TO THE  
RAND CORPORATION  
SANTA MONICA, CALIFORNIA**

**EXECUTIVE SUMMARY**

The U.S. Department of Justice Office of the Inspector General completed an audit of a cooperative agreement awarded by the Office of Justice Programs (OJP), Bureau of Justice Statistics (BJS) to the RAND Corporation (RAND) located in Santa Monica, California. RAND was awarded \$4,900,498 under Award Number 2012-VF-GX-K025 to design and implement the National Census of Victim Service Providers (NCVSP) and to solicit input from victim service providers, including counseling centers, domestic violence shelters, rape crisis centers, child advocacy and human trafficking groups, and other victim service providers. The goal of the NCVSP is to provide OJP, policymakers, and the research community with a national profile of what services are being provided to victims, who is being served, emerging trends, and what gaps in services and service delivery may exist. OJP also intends to use the information to demonstrate the need for adequate resource allocation and to enhance victim service organizations' ability to focus requests for funding. As of February 2017, RAND had drawn down \$2,395,744 of the total award.

The objective of this audit was to determine whether costs claimed under the cooperative agreement were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and to determine whether the awardee demonstrated adequate progress towards achieving program goals and objectives.

As a result of our audit testing, we concluded that RAND generally managed the cooperative agreement in accordance with award requirements and demonstrated progress towards achieving the cooperative agreement's stated goals and objectives. Specifically, we found that all tested expenditures were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the awards. Additionally, we did not identify significant concerns in our review of RAND's progress reports, compliance with special conditions, budget management and controls, drawdowns, and financial reporting.

Regarding RAND's progress on the project, we noted that the initial cooperative agreement was to be completed by September 2014, but was ultimately extended to September 2017. BJS approved two extensions and three supplements to ensure that RAND completed additional tasks required for designing and implementing the census. These additional tasks included analyzing and refining data from multiple databases to identify a universe of organizations to survey, coordinating with expert researchers and service provider representatives regarding survey design, and expanding the survey design to include victim service providers from all 50 states and the District of Columbia. RAND also designed,

implemented, and completed a pilot study of the questionnaire and used the results to further refine the final survey instrument. In October 2016, RAND distributed the final NCVSP to 21,000 victim service providers to assess the types of services being provided to victims of crime. As of March 2017, RAND had received nearly 11,000 responses and anticipated completing data collection by approximately mid-2017. RAND plans to complete its analysis on the data and submit a full report to BJS on the NCVSP results in September 2017. Additionally, RAND will provide BJS with the National Survey of Victim Service Providers, which will be used by BJS on future surveys of specific victim service providers.

RAND's analysis of the census data and its follow-up survey design is important for the Department of Justice's management of multiple grant programs intended to enhance crime victim services. The NCVSP supports the OJP Office for Victims of Crime's Vision 21 effort to transform the victim services field by using research to identify challenges, what works, and best practices to improve services.

The importance of RAND's project results are amplified because OJP's Victims of Crime Act Victim Assistance Formula program funding more than quadrupled from fiscal year 2014 to fiscal year 2015. As a result of the program's increase, over \$4 billion was distributed to states through the program in fiscal years 2015 and 2016 for distribution to thousands of victim service providers. The enhanced data expected from RAND's census results are intended to help inform OJP's allocation and management of billions of Crime Victims Fund grant funds; therefore, it is important to ensure that RAND completes this project in a timely manner.

Our report makes one recommendation regarding the timely completion of the award project. We discuss our results in further detail in the body of the report. Appendix 1 details our audit objective, scope, and methodology. In addition, we requested written responses to our draft report from RAND and OJP. We received those responses and they are found in Appendices 2 and 3, respectively. Our analysis of those responses and the summary of actions necessary to close the recommendation are found in Appendix 4.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
COOPERATIVE AGREEMENT AWARDED TO THE  
RAND CORPORATION  
SANTA MONICA, CALIFORNIA**

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**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
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The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of a cooperative agreement awarded by the Office of Justice Programs (OJP) Bureau of Justice Statistics (BJS) to the RAND Corporation (RAND) located in Santa Monica, California. RAND was awarded a cooperative agreement totaling \$4,900,498, as shown in Table 1. As of February 2017, RAND had drawn down \$2,395,744 of the total funds awarded.

**Table 1  
Cooperative Agreement and Supplemental Awards  
to the RAND Corporation**

<b>Award Number</b>	<b>Award Date</b>	<b>Award Start Date</b>	<b>Award End Date <sup>a</sup></b>	<b>Award Amount</b>	<b>Drawdown Amount <sup>b</sup></b>
2012-VF-GX-K025 (Initial Award)	09/12/12	10/01/12	09/30/17	\$1,999,588	\$1,999,588
2012-VF-GX-K025 (Supplemental Award 1)	09/18/13	10/01/12	09/30/17	\$192,235	\$192,235
2012-VF-GX-K025 (Supplemental Award 2)	09/23/15	10/01/12	09/30/17	\$300,000	\$203,921
2012-VF-GX-K025 (Supplemental Award 3)	09/13/16	10/01/12	09/30/17	\$2,408,675	0
<b>Total</b>				<b>\$4,900,498</b>	<b>\$2,395,744</b>

<sup>a</sup> The original award end date was September 30, 2014. OJP provided two time extensions and three supplemental awards for the new end date of September 30, 2017.

<sup>b</sup> The drawdown amounts for each award were as of February 2017.

Source: OJP

Our audit focused on, but was not limited to, the award period beginning on October 1, 2012, through June 30, 2016, encompassing the initial award and the first two supplemental awards. RAND received the third supplemental award on September 13, 2016, which extended the award period to September 30, 2017, and this was not included in our specific testing.

The BJS' funding through its cooperative agreement with RAND was for the development and implementation of a National Census of Victim Service Providers (NCVSP) by soliciting input from victim service providers, including counseling centers, domestic violence shelters, rape crisis centers, child advocacy and human trafficking groups, and other victim service providers. The goal of RAND's NCVSP was to provide OJP, policymakers, and the research community with information about the organizational resources required to provide services to victims of

crime; services being provided to the victims; characteristics of the victims; victim service providers' access and use of technology, availability of staff, and funding. The intent of the NCVSP is to identify a national profile of how victim services are being provided, the types of services available, areas of need, and emerging trends. OJP intends to use the information to gain a deeper understanding of gaps in services and service delivery methods, obtain data to better demonstrate the need for adequate resource allocation, and enhance victim service organizations' ability to focus requests for funding.

## **RAND Corporation**

RAND is headquartered in Santa Monica, California, and has locations throughout the United States as well as in Europe and Australia. According to RAND, it is a non-profit, non-partisan research organization that develops solutions to public policy challenges to help make communities throughout the world safer, more secure, healthier, and more prosperous.

## **OIG Audit Approach**

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

We tested RAND's compliance with what we consider to be the most important conditions of the cooperative agreement. Unless otherwise stated in our report, the criteria we audited against are contained in the OJP Financial Guide, award documents, Code of Federal Regulations, Office of Management and Budget Circulars, and RAND's financial management policies and procedures.

Our report makes one recommendation. We discussed the results of our audit with RAND officials and included their comments in the report, as applicable. Appendix 1 contains additional information on this audit's objective, scope, and methodology. In addition, we requested written responses to our draft report from RAND and OJP. We received those responses and they are found in Appendices 2 and 3, respectively. Our analysis of those responses and the summary of actions necessary to close the recommendation are found in Appendix 4.

## **Program Performance and Accomplishments**

In order to determine whether RAND demonstrated adequate progress towards achieving its program goals and objectives, we: (1) reviewed required performance reports, award solicitation, and award documentation; (2) interviewed RAND officials; and (3) analyzed supporting documentation. Finally, we reviewed

RAND's compliance with the special conditions identified in the award documentation.

### *Program Goals, Objectives, and Accomplishments*

The BJS' total funding to RAND was for the design, development, and implementation of the NCVSP. To fund this work, the BJS provided RAND with an initial award and three supplemental awards.

The initial award in 2012 from BJS to RAND was for building research and statistical data on victim service providers. Specifically, the award was for the design and field test of a survey to victim service providers to determine what services were being provided to victims of crime. The results of the field test survey were intended to be used by BJS for future surveys on victim service providers.

Prior to designing and field testing the survey, RAND was required to identify a universe of victim service providers that would be surveyed. This process included combining databases supplied by the National Center for Victims of Crime, the DOJ's Office for Victims of Crime, and the DOJ's Office on Violence Against Women to create a universe of known victim service providers. RAND and BJS hosted meetings with expert researchers and a Project Input Committee (PIC) comprised of representatives from organizations that provide victims services to discuss survey design and implementation. During this award period, RAND also developed conceptual maps breaking down the various types of victim service providers, victims served, and the services provided.

While RAND made progress in creating its universe of victim service providers, it was not completed by the end of the initial award period. RAND encountered several challenges in compiling the victim service provider universe. For example, duplicate and outdated entries had to be purged from the universe. Additionally, RAND had to enhance the universe to include additional attributes such as type of service provider mission, funding sources, size, staffing level, relation to other governmental agencies, and geographic location. Further, the survey instrument went through several iterations in an attempt to design a questionnaire applicable to different types of service providers.

In 2013, the BJS awarded Supplemental Award 1 to RAND to build upon the work already underway. RAND's key tasks to be completed included expanding from a sample survey to a more comprehensive census of victim service providers from all 50 states and the District of Columbia. Additionally, RAND was to begin the pilot study on a sample of victim service providers, prepare outreach materials, and submit required Office of Management and Budget material in preparation for the census.

During this award period, RAND continued expanding its universe of victim service providers. However, the universe required review and analysis to ensure accuracy. RAND also conducted interviews with selected victim service providers to

test the survey instrument. The feedback from the interviewed victim service providers resulted in modifications being made to the survey instrument that shortened the length of time to complete it from 50-60 minutes to 20-30 minutes. RAND also implemented its pilot study with 409 victim service providers. In addition, during this period RAND prepared outreach materials including an invitation letter, reminder postcards, telephone scripts, and web and paper versions of the survey instrument to be sent to selected victim service providers for the forthcoming pilot study.

In 2015, the BJS awarded Supplemental Award 2 to RAND to continue the work already underway and to focus on administering follow-up procedures to victim service providers that did not complete the pilot study questionnaire. RAND also tracked and maintained pilot study data including the number of contacts, mode and time of questionnaire completion, and overall response rates.

During this time, RAND continued to refine the universe of victim service providers in preparation for the full implementation of the census. RAND implemented follow-up procedures with non-responsive victim service providers for the field test of the questionnaire, and collected pre-census implementation information. RAND also received authorization from the Office of Management and Budget, as required, to conduct its full census. Additionally, RAND also began preparing the pilot study report to be submitted to BJS.

In 2016, the BJS awarded Supplemental Award 3 to RAND to implement the NCVSP, and to develop a follow-up survey, the National Survey of Victim Service Providers, for BJS's future use. In October 2016, RAND distributed census questionnaires to its refined final universe of approximately 21,000 victim service providers. As of March 2017, RAND had received nearly 11,000 responses. RAND anticipates that data collection will be completed by approximately mid-2017. At such time, RAND will begin post-census analysis on the data it collected. Once the results have been compiled and analyzed, a full report on the NCVSP will be submitted to BJS by September 2017.

We asked BJS officials about the timeliness of completing the project's milestones. BJS officials explained that a census of all victim service providers had not been undertaken before. The enormity of the project required additional time to fully identify victim service providers and to determine what geographical locations were served and what services were provided to victims of crime. This was a necessary but time consuming step in the development of an accurate victim service provider sampling universe. The victim service provider data also had to be refined by removing duplicate entries and updating contact information. Finally, a determination to expand the project from a sample survey to a nationwide census had been made. These tasks added substantial time to the project.

RAND's analysis of the census data and its follow-up survey design will be important for the DOJ's management of multiple grant programs intended to enhance crime victim services. The NCVSP supports the OJP Office for Victims of Crime's Vision 21 effort to transform the victim services field by using research to



identify challenges, what works, and best practices to improve services. The importance of RAND's project results are amplified because OJP's Victims of Crime Act Victim Assistance Formula program funding more than quadrupled from fiscal year (FY) 2014 through FY 2015. As a result of the program's increase, over \$4 billion was distributed to states through the program in FYs 2015 and 2016 for distribution to thousands of victim service providers. The enhanced data expected from RAND's census results are intended to help inform OJP's allocation and management of billions of Crime Victims Fund grant funds, and it is important to ensure that RAND meets its September 2017 deadline. Therefore, we recommend that OJP ensure that RAND submits the final NCVSP report and its follow-up survey to BJS within a timely manner. If additional time is needed beyond its current projected completion date of September 30, 2017, OJP should evaluate the timeliness of the project and determine the impact that further delays will have on its implementation of other OJP initiatives.

### *Required Performance Reports*

According to the OJP Financial Guide, RAND was required to ensure that valid and auditable source documentation was available to support all data collected for each performance measure specified in the award solicitation. In order to verify the information in RAND's progress reports, we judgmentally selected nine accomplishments from the progress reports we reviewed. We then traced each reported accomplishment to supporting documentation furnished by RAND. Based on our review, we determined that the accomplishments we selected and tested were adequately supported by appropriate supporting documentation.

### *Compliance with Special Conditions*

Special conditions are the terms and conditions that are included with a cooperative agreement. We evaluated the special conditions for the cooperative agreement that we audited, including the supplemental awards, and selected a judgmental sample of the requirements that were significant to the performance under the cooperative agreement and that were not addressed in another section of this report. Specifically, we reviewed compliance with five special conditions related to the non-disclosure of methodological information, RAND's requirement to provide OJP with performance related data, pay rates for consultants, the replacement of key personnel, and compensation to RAND employees. Through our audit, we did not identify any instances of RAND violating these additional special conditions.

## **Award Financial Management**

According to the OJP Financial Guide, all award recipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess RAND's financial management of the awards covered by this audit, we reviewed RAND's Single Audit Report for 2015 to identify internal control weaknesses and significant non-compliance issues related to federal awards. We also conducted interviews

with RAND's financial staff and reviewed RAND's financial processes, internal controls and accounting records pertaining to the Crime Victim Fund award to determine whether RAND adequately safeguarded the award funds we audited. Finally, we performed testing in the areas that were relevant for the management of this award, as discussed throughout this report. Based on our review, we did not identify any concerns related to RAND's financial management of OJP's awards.

### *Single Audit*

The Single Audit Act of 1984, as amended, requires for non-federal entities that expend federal financial assistance above a certain threshold to receive an annual audit of their financial statements and federal expenditures. For fiscal years beginning prior to December 26, 2014, non-federal entities that expended \$500,000 or more in federal awards during the entity's fiscal year were required to have a single audit performed. New guidance, effective December 2014, raised the federal expenditure threshold to \$750,000 for fiscal years beginning on or after December 26, 2014.<sup>1</sup>

RAND's fiscal year begins on October 1 and ends on September 30. Therefore, we reviewed RAND's accounting records for the latest complete fiscal year within our testing period, October 1, 2014 – September 30, 2015. We obtained and reviewed RAND's 2015 Single Audit and noted that RAND did not adequately obtain information from its sub-recipients to support its monitoring process, and it did not document the results of its sub-recipient monitoring. This finding was limited to funding provided by the Department of Health and Human Services. The Single Audit also noted that RAND's risk assessment of sampled sub-awards was not formally documented and it had not developed a monitoring plan for awards considered to be at a "higher risk" of non-compliance. This finding applied to funding from the DOJ, Department of Labor, and Department of Health and Human Services. We did not find the same condition in our audit because RAND had, in response to its Single Audit, expanded its procedures for monitoring sub-grantees, and in documenting its risk assessments. Additionally, the BJS conducted an Enhanced Programmatic Desk Review, and found no issues with RAND's monitoring of sub-grantees and concluded that the organization was well equipped to handle a large award and monitor multiple sub-grantees.

### **Award Expenditures**

As of February 2017, RAND had expended \$2,553,778 (52 percent) of total award funds. RAND's approved award budgets included indirect costs, sub-grants, personnel expenditures including fringe benefits, travel expenses, and other costs. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we selected and tested a judgmental sample of 40 non-personnel expenditure transactions totaling \$34,649. We examined supporting documentation and accounting records for each of the

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<sup>1</sup> The current guidance is located at 2 C.F.R. 200 "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (referred to as "the Uniform Guidance"). The single audit-specific requirements are located in subpart F.

non-personnel award expenditure transactions that we sampled and tested. Additionally, we judgmentally selected two non-consecutive payroll periods in order to test salary and fringe benefit expenses. For these expenditures, we examined payroll reports, timesheets, and other supporting documentation. The following sections describe the results of our testing.

#### *Non-Personnel Costs*

According to the OJP Financial Guide, allowable costs are those costs identified in the relevant OMB circulars and in the award program's authorizing legislation. To be allowable under federal awards, costs must be reasonable, allocable, and necessary for the project.

As noted previously, we judgmentally selected 40 non-personnel transactions totaling \$34,649 and reviewed these expenditures to determine if costs charged to the awards were accurate, adequately supported, allowable, and allocable. Based on our review, we found that all non-personnel sampled transactions were accurately recorded, adequately supported, allowable, and properly allocated to the cooperative agreement.

#### *Personnel Costs*

According to the OJP Financial Guide, charges made to federal awards for salaries, wages, and fringe benefits will be based on payroll records approved by a responsible official(s) and in accordance with the generally accepted practice of the organization.

We obtained a list of employees paid using award funds. We compared this list of personnel working on award-related activities to the approved positions in the BJS-approved award budget. We also compared the salaries paid with salaries paid in that area of the country for similar positions. We determined that the positions funded by the cooperative agreement were in the approved budget and the salaries paid were reasonable.

Additionally, as we indicated above, we selected a judgmental sample of two non-consecutive pay periods, which included salary and fringe benefit expenditures. In total, we tested \$13,908 in salary expenses and \$6,791 in fringe benefits for these two periods. As a result of our testing, we found that the salary expenses and associated fringe benefits were generally computed correctly, properly authorized, accurately recorded, and reasonable.

#### *Indirect Costs*

According to the OJP Financial Guide, indirect costs are costs of an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. Indirect costs were included in the budget for the cooperative agreement and its

three supplements. The categories of indirect costs charged to the award included corporate overhead, unit overhead, and facilities overhead.

We reviewed the indirect costs in the amount of \$400,518 charged to the cooperative agreement for FYs 2013 through 2016. We determined that the indirect costs charged to the awards were based on rates approved by RAND's cognizant agency, the Defense Contract Management Agency, and within budgeted amounts. Further, we did not identify any concerns related to the application of indirect costs in federal spending. Therefore, we make no recommendations concerning indirect costs.

#### *Sub-Grantee Expenditures and Monitoring*

RAND had three approved sub-grantees for the cooperative agreement. The three sub-grantees included the National Center for Victims of Crime, National Opinion Research Center, and Police Executive Research Forum. We selected and tested a judgmental sample of three payments made to RAND's sub-grantees totaling \$133,488, representing 7 percent of total award expenditures. We determined that the expenditures were fully supported and authorized.

We also found that OJP approved the sole source justifications for each of the sub-grantees. Additionally, for each sub-grantee, RAND submitted to OJP background information on the services to be provided and confirmed that Single Audits had been performed. RAND monitored the sub-grantees' compliance with award requirements and made an effort to ensure that expenses as well as personnel costs were properly supported.

RAND's oversight of the sub-grantees' financial management systems included an annual questionnaire requesting copies of the sub-grantees' compliance audits, as well as a series of questions concerning financial controls. Additionally, the sub-grantees' invoices were reviewed by the RAND official responsible for the award project and RAND's sub-grantee administrator to ensure accuracy and compliance, as well as evidence of progress being made towards the project objectives.

#### **Budget Management and Control**

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

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

## Drawdowns

According to the OJP Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency.

As of February 2017, RAND drew down a total of \$2,395,744. A RAND official stated that RAND drew down funds on a reimbursement basis. To assess whether RAND managed award receipts in accordance with federal requirements, we compared the total amount of the drawdowns to the total expenditures in the accounting records. We determined that RAND requested drawdowns on a reimbursement basis and that the drawdown total was less than expenditures.

## Federal Financial Reports

According to the OJP Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether RAND submitted accurate Federal Financial Reports (FFRs), we compared four reports to RAND's accounting records for the award under audit. Although we noted some differences between the FFRs and the accounting records, these variances were due to subsequent updates and adjustments RAND made to its accounting records after the end of the FFR reporting periods. Based on our testing, we determined that quarterly and cumulative expenditures as noted on the FFRs matched RAND's accounting records at the time the FFRs were prepared.

**Table 2**  
**Accuracy of Rand's Federal Financial Reports**  
**Award 2012-VF-GX-K025**

Report No.	Reporting Period	Expenditures Reported on FFR	Award-Related Expenditures per the General Ledger <sup>a</sup>	Difference Between FFRs and Accounting Records <sup>a</sup>
11	04/01/15-06/30/15	\$66,954	\$59,675	\$7,279
12	07/01/15-09/30/15	\$116,140	\$123,420	(\$7,280)
13	10/01/15-12/31/15	\$198,445	\$196,861	\$1,584
14	01/01/16-03/31/16	\$97,647	\$99,231	(\$1,584)
<b>Total</b>		<b>\$479,186</b>	<b>\$479,186</b>	<b>0</b>

<sup>a</sup> Differences are the result of rounding.

Source: OIG analysis of OJP data and RAND's accounting records.

## **Conclusion**

As a result of our audit testing, we conclude that RAND generally managed the cooperative agreement appropriately and demonstrated progress towards achieving the award's stated goals and objectives. We did not identify significant issues regarding RAND's submission of FFRs, sub-recipient monitoring, or its management of the award budget. We found that all tested expenditures were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the awards. Additionally, we reviewed progress reports, compliance with special conditions, budget management and controls, drawdowns and FFRs, and noted no issues. Our report makes one recommendation regarding the timely completion of the award project.

## **Recommendation**

1. We recommend that OJP ensure that RAND submits the final NCVSP report and its follow-up survey, the National Survey of Victim Service Providers, to BJS within a timely manner. If additional time is needed beyond its current projected completion date of September 30, 2017, OJP should evaluate the timeliness of the project and determine the impact that further delays will have on other OJP initiatives.

### OBJECTIVE, SCOPE, AND METHODOLOGY

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

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

This was an audit of the OJP BJS cooperative agreement, award number 2012-VF-GX-K025, awarded to RAND. The award totaled \$4,900,498 and it included three supplemental awards. As of February 2017, RAND had drawn down \$2,395,744 in award funds. Our audit focused on, but was not limited to, the award period beginning on October 1, 2012, through June 30, 2016. RAND received the third Supplemental Award on September 13, 2016, which extended the award period to September 30, 2017.

To accomplish our objectives, we tested compliance with what we considered to be the most important conditions of the cooperative agreement. We performed sample-based audit testing for award 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 cooperative agreement reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The OJP Financial Guide and the award documents contain the primary criteria we applied during the audit.

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

**RAND CORPORATION  
RESPONSE TO THE DRAFT AUDIT REPORT**



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May 18, 2017

David J. Gaschke  
Regional Audit Manager  
San Francisco Regional Audit Office  
Office of the Inspector General  
U.S. Department of Justice  
90 7<sup>th</sup> Street, Suite 3-100  
San Francisco, CA 94103

Subject: The RAND Corporation Response to OIG Draft Audit Report, Cooperative Agreement Number 2012-VF-GX-K025

Dear Mr. Gaschke:

RAND concurs with the DOJ OIG's draft report recommendation. Specifically, RAND will submit the final NCVSP report and its follow-up survey, the National Survey of Victim Service Providers, to BJS by September 30, 2017. If additional time is needed RAND will notify OJP in advance.

From all of us involved at RAND we appreciate everyone's time and energy to put the report together and conduct the review. We found the report to be well written and value the professionalism shown throughout the process.

Sincerely,

Dennis Flieder  
Director, Contract & Grant Services

Cc: Ms. Linda Taylor, CPA, Lead Auditor, Audit and Review Division

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OBJECTIVE ANALYSIS. EFFECTIVE SOLUTIONS.



**OFFICE OF JUSTICE PROGRAMS  
RESPONSE TO THE DRAFT AUDIT REPORT**



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

MAY 30 2017

MEMORANDUM TO: David J. Gaschke  
Regional Audit Manager  
San Francisco Regional Audit Office  
Office of the Inspector General

FROM: Ralph E. Martin  
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Cooperative Agreement Awarded to the Rand Corporation, Santa Monica, California*

This memorandum is in reference to your correspondence, dated May 2, 2017, transmitting the above-referenced draft audit report for the RAND Corporation (RAND). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **one** recommendation and **no** questioned costs. The following is the Office of Justice Programs' (OJP) analysis of the draft audit report recommendation. For ease of review, the recommendation directed to OJP is restated in bold and is followed by our response.

- 1. We recommend that OJP ensure that RAND submits the final National Census of Victim Service Providers report and its follow-up survey, the National Survey of Victim Service Providers, to OJP's Bureau of Justice Statistics (BJS) within a timely manner. If additional time is needed beyond its current projected completion date of September 30, 2017, OJP should evaluate the timeliness of the project and determine the impact that further delays will have on other OJP initiatives.**

OJP agrees with this recommendation. We will coordinate with RAND to ensure that all planned objectives for cooperative agreement number 2012-VF-GX-K025 are completed in a timely manner; and the final National Census of Victim Service Providers report and its follow-up survey, the National Survey of Victim Service Providers, are submitted by September 30, 2017.

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

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**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 RAND and OJP. The responses from RAND and OJP are incorporated in Appendices 2 and 3, respectively, of this final report. Both OJP and RAND concurred with our recommendation and discussed the actions necessary to address the recommendation. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

**Recommendation for OJP:**

- 1. We recommend that OJP ensure that RAND submits the final NCVSP report and its follow-up survey, the National Survey of Victim Service Providers, to BJS within a timely manner. If additional time is needed beyond its current projected completion date of September 30, 2017, OJP should evaluate the timeliness of the project and determine the impact that further delays will have on other OJP initiatives.**

Resolved. In their responses, both OJP and RAND concurred with the recommendation and stated they will work together to ensure the NCVSP report and follow-up survey, the National Survey of Victim Service Providers, will be submitted to BJS by the projected completion date of September 30, 2017. In the event that RAND cannot submit its NCVSP report and follow-up survey by this deadline, RAND has stated it will notify OJP in advance.

This recommendation can be closed when we receive documentation that RAND has timely submitted the final NCVSP report and the follow-up survey. If RAND requests an extension, we will also need to receive OJP's evaluation of the project timeliness and an analysis on the impact that further delays will have on other OJP initiatives.

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