



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

OVERSIGHT ★ INTEGRITY ★ GUIDANCE



Management Advisory Memorandum of Concerns Identified in the Office of Justice Programs Regional Information Sharing Systems Grants



October 31, 2019

MANAGEMENT ADVISORY MEMORANDUM FOR:

KATHARINE T. SULLIVAN
PRINCIPAL DEPUTY ASSISTANT ATTORNEY GENERAL
OFFICE OF JUSTICE PROGRAMS

A handwritten signature in blue ink, reading "Michael E. Horowitz", is positioned below the name of the Principal Deputy Assistant Attorney General.

FROM: MICHAEL E. HOROWITZ
INSPECTOR GENERAL

SUBJECT: Notification of Concerns Identified in the Office of Justice
Programs Regional Information Sharing Systems Grants

The purpose of this memorandum is to advise you of concerns involving the Office of Justice Programs (OJP) Regional Information Sharing Systems (RISS) program grants that we identified during our audit of RISS grants awarded to the Rocky Mountain Information Network (RMIN).¹ These concerns expand beyond RMIN to include other RISS grants. Therefore, this memorandum provides notification of our concerns that we believe require OJP's immediate attention.

The purpose of OJP's RISS grant program is to assist local, state, federal, and tribal criminal justice partners by providing adaptive solutions and services that facilitate information sharing, support criminal investigations, and promote officer safety. The RISS program grants fully fund six regional RISS Centers: (1) Middle Atlantic-Great Lakes Organized Crime Law Enforcement Network (MAGLOCLLEN), (2) Mid-States Organized Crime Information Center (MOCIC), (3) New England State Police Information Network (NESPIN), (4) Regional Organized Crime Information Center (ROCIC), (5) Western States Information Network (WSIN), and (6) RMIN.

During our audit of OJP RISS Grant Numbers 2015-RS-CX-0003 and 2018-RS-CX-0002 awarded to RMIN, we identified four transactions totaling

¹ We began this audit in May 2019 and issued the final audit report in September 2019. Audit of the Office of Justice Programs Grants awarded to the Rocky Mountain Information Network, [Audit Report GR-60-19-014](#).

\$4,000 for professional dues paid to the RISS Directors Association (RDA) that we determined were unallowable under grant rules and that lacked sufficient support. While reviewing the documentation related to the RDA expenditures, we noted that documentation included an email from the RMIN Executive Director instructing the RMIN Comptroller to pay the dues to the RDA. When we asked about the purpose of the RDA, we were instructed by RMIN staff to discuss the issue with the RMIN Executive Director.

According to RMIN's Executive Director, the RDA is a separate, non-profit corporation that the RISS Directors established in 2000. The RMIN Executive Director stated that the purpose of the RDA is to provide the RISS Directors with a platform to address RISS-wide issues, share best practices, discuss strategy and upcoming initiatives, and foster relationships and coordination among the RISS Directors and RISS Centers. The RMIN Executive Director also stated that the six regional RISS Center Executive Directors agreed to provide \$1,000 annually in dues to fund the RDA. Based on this explanation, we determined the RDA is an unbudgeted subrecipient. However, RMIN did not receive OJP approval to use a subrecipient.

The annual dues paid by the six RISS Centers are the RDA's only source of funding. As a result, the RDA is funded solely through RISS grant funds. All six RISS Center Executive Directors are members of the RDA's board, which is managed by the Institute for Intergovernmental Research (IIR).²

We requested a copy of the RDA's general ledger for the period included in the scope of our audit of RMIN, which covered fiscal year (FY) 2015 through May 2019. We received the RDA check register and found that during this time the RDA received \$24,000 in RISS funds from the 6 RISS Centers. We also found that the RDA had expended \$16,017 of these RISS funds. Moreover, we noted that the RDA's check register included a number of expenditures that are generally not allowable under federal awards, including gifts for retiring Executive Directors, trinkets, and payments totaling \$9,986 to an organization that, according to its public website, provides congressional updates, as well as lobbying services.

Based on our analysis of the RDA expenditures, as well as statements made by the RMIN Executive Director, it appears that the RDA makes expenditures using RISS grant funds that are not allowed under the RISS program. It should also be noted that the RDA dues paid by the six RISS Centers are unallowable because the RISS Centers did not receive OJP approval to use a subrecipient or include the RDA dues in their award budgets.

² IIR is a non-profit corporation that receives OJP Justice Information Sharing Training and Technical Assistance Program grants to manage the RISS Technology Support Centers RISS awards.

Assuming that the RISS Centers have been providing \$1,000 annually since the RDA was established in FY 2000, the unallowable expenditures using RISS funds could be in excess of \$100,000.

Therefore, we recommend that OJP conduct an examination of the total amount of RISS funding provided to the RDA by the six RISS Centers since its inception, as well as an examination of how the RISS funds provided to the RDA were used since it was established. OJP should also consider requiring the RISS Centers to stop funding the RDA.

We requested a response to the draft advisory memorandum from OJP, which can be found in Attachment 1. Our analysis of that response is included in Attachment 2.

If you have any questions or would like to discuss the information in the memorandum, please contact me at (202) 514-3435, or Jason R. Malmstrom, Assistant Inspector General for Audit, at (202) 616-4633.

Attachments

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**OFFICE OF JUSTICE PROGRAMS' RESPONSE TO THE DRAFT
MEMORANDUM**



U.S. Department of Justice

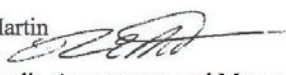
Office of Justice Programs


Washington, D.C. 20531

OCT 24 2019

MEMORANDUM TO: Michael E. Horowitz
Inspector General
United States Department of Justice

THROUGH: Jason R. Malmstrom
Assistant Inspector General for Audit
Office of the Inspector General
United States Department of Justice

FROM: Ralph E. Martin
Director 
Office of Audit, Assessment, and Management

Tracey Trautman
Acting Director 
Bureau of Justice Assistance

SUBJECT: Response to the Office of the Inspector General's Draft
Management Advisory Memorandum, *Notification of Concerns
Identified in the Office of Justice Programs Regional
Information Sharing Systems Grants*

This memorandum provides a response to the Office of the Inspector General's (OIG) October 4, 2019, draft Management Advisory Memorandum entitled, *Notification of Concerns Identified in the Office of Justice Programs Regional Information Sharing Systems Grants*. The Office of Justice Programs (OJP) appreciates the opportunity to review and comment on the draft Management Advisory Memorandum.

The Regional Information Sharing Systems (RISS) Program, administered by OJP's Bureau of Justice Assistance (BJA), is a nationwide initiative composed of six regionally-based centers that provide critical operational support to state, local, tribal, territorial, and Federal law enforcement agencies. The RISS Centers provide assistance in addressing terrorism, drug trafficking, organized criminal activity, criminal gangs, violent crime, human trafficking, deconfliction, and other regional crime priorities.

The purpose of the RISS Program is to enhance the ability of public safety enforcement entities to identify, target, and disable criminal conspiracies and activities spanning jurisdictional, state, and sometimes international boundaries. The six regionally-based RISS Centers provide direct resources and support to officers and law enforcement agencies, to assist in the reduction of violent crime, the identification of terrorist activities, and the enhancement of officer safety.

During the audit of one of the RISS Centers, the Rocky Mountain Information Network (RMIN), the OIG identified four transactions, totaling \$4,000 for professional dues paid to the RISS Directors Association (RDA), that the OIG determined were unallowable under grant rules. The RMIN's Executive Director told the OIG that the purpose of the RDA is to provide the RISS Directors with a platform to address RISS-wide issues, share best practices, discuss strategy and upcoming initiatives, and foster relationships and coordination among the RISS Directors and RISS Centers.

The draft Management Advisory Memorandum directed one recommendation to OJP. For ease of review, the recommendation directed to OJP is summarized below and followed by OJP's response.

1. **We recommend that OJP conduct an examination of the total amount of RISS funding provided to the RDA by the six RISS Centers since its inception, as well as an examination of how the RISS funds provided to the RDA were used since it was established. OJP should also consider requiring the RISS Centers to stop funding the RDA.**

The Office of Justice Programs agrees with this recommendation. OJP will conduct an examination of all RISS awards to determine the total amount of RISS funding provided to the RDA by the six RISS Centers since its inception, as well as an examination of how the RISS funds provided to the RDA were used since it was established. This examination will be limited to all open RISS awards, and those RISS expired awards that are within the three-year record retention period, as specified by 2 CFR § 200.333, and in accordance with the Department of Justice Grants Financial Guide. The RISS Centers will also be notified that an exception to the record retention policy, in accordance with 2 CFR § 200.333(a), will be in place until this matter is officially closed by the OIG. Further, based on the examination, OJP will take the appropriate follow-up actions, which may include requiring the RISS Centers to stop funding the RDA, and returning funds for any unallowable costs to OJP.

Thank you for the opportunity to respond to this draft Management Advisory Memorandum, and for your continued collaboration to improve the administration of OJP grant programs. If you have any questions regarding this response, please contact Jeffery Haley, Deputy Director, Audit and Review Division, Office of Audit, Assessment, and Management, at (202) 616-2936.

cc: Katharine T. Sullivan
Principal Deputy Assistant Attorney General

cc: Maureen A. Henneberg
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OJP Executive Secretariat
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**OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS
NECESSARY TO CLOSE THE RECOMMENDATION**

The OIG provided a draft of this advisory memorandum to OJP. OJP's response is incorporated in Attachment 1 of this final memorandum. OJP agreed with our recommendation and stated the actions it will implement in response to our concerns. As a result, the status of the recommendation is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the recommendation.

Recommendation for OJP:

- 1. Conduct an examination of the total amount of RISS funding provided to the RDA by the six RISS Centers since its inception, as well as an examination of how the RISS funds provided to the RDA were used since it was established. OJP should also consider requiring the RISS Centers to stop funding the RDA.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will conduct an examination of all RISS awards to determine the total amount of RISS funding provided to the RDA by the six RISS Centers, as well as an examination of how the RISS funds provided to the RDA were used. OJP stated that its examination will be limited to all open RISS awards, and those RISS expired awards that are within the 3-year record retention period. Based on its examination, OJP stated that it will take the appropriate follow-up actions, which may include requiring the RISS Centers to stop funding the RDA, and returning funds for any unallowable costs to OJP.

This recommendation can be closed when we receive documentation showing that: (1) OJP has completed its examination of the RISS awards, identified the total amount of RISS funding provided to the RDA, and determined how the RISS funds provided to the RDA were used; and (2) based on the results of its examination, OJP had taken appropriate follow-up actions.



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