



A REVIEW OF THE SELECTION PROCESS FOR THE COPS HIRING RECOVERY PROGRAM

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EXECUTIVE SUMMARY

The American Recovery and Reinvestment Act of 2009 (Recovery Act), enacted on February 17, 2009, provides approximately \$4 billion to the Department of Justice (Department) in grant funding to be used to enhance state, local, and tribal law enforcement efforts. Of these funds, \$1 billion was provided to the Office of Community Oriented Policing Services (COPS) to award as grants to state, local, and tribal governments to hire or retain police officers.

To distribute the Recovery Act money, COPS established the COPS Hiring Recovery Program (CHRP), a grant program for the hiring, rehiring, and retention of career law enforcement officers. COPS created CHRP to provide 100 percent of the funding for approved entry-level salaries and benefits (for 3 years) for newly-hired, full-time sworn officer positions, for rehired officers who had been laid off, or for officers who were scheduled to be laid off on a future date. COPS received 7,272 applications requesting funding for approximately 39,000 officer positions. On July 28, 2009, COPS announced its selection of 1,046 law enforcement agencies as recipients of the \$1 billion CHRP funding to hire, rehire, and retain 4,699 officers.

OIG Audit Approach

The Department of Justice Office of the Inspector General (OIG) is performing reviews of the Department's overall implementation of the Recovery Act. This audit examines COPS' implementation of CHRP. Other audits are reviewing programs funded by the Recovery Act for grants from the Office of Justice Programs (OJP) and the Office on Violence Against Women. The OIG also is reviewing the Bureau of Alcohol, Tobacco, Firearms, and Explosives' use of Recovery Act funds.¹

The objectives of this audit were to evaluate COPS' design and implementation of the CHRP grant program, including whether legal and administrative requirements established by the Recovery Act, as well as guidance issued on the Recovery Act's implementation, were satisfied. The

¹ The OIG Recovery Act reports can be found on the Internet at www.justice.gov/oig/RecoveryAct.htm.

scope of this audit covered the period from CHRP's creation in February 2009 through December 2009. Our audit also examined issues relating to COPS grant management activities and CHRP that were reported to COPS in 2009, during the creation of CHRP.²

Our audit work was performed at COPS headquarters in Washington, D.C., and included interviews of the COPS officials responsible for the creation and implementation of the CHRP program. We also collected and reviewed documentation and data from COPS regarding CHRP, and from the 7,272 submitted applications from those agencies that applied for CHRP funding. Appendix I contains a more detailed description of our audit objectives, scope, and methodology.

OIG Results in Brief

We found that COPS issued the \$1 billion in grant funds for the COPS Hiring Recovery Program in a timely, transparent, and merit-based manner, and generally met the requirements established in the Recovery Act. COPS received a total of 7,272 applications for the grant funds and granted funding to 1,046, or about 14 percent of the applicants.

As we detail in this report, however, in our examination of the implementation of the CHRP program we identified inaccuracies in some of the formulas that COPS used to score and rank grant applications. These inaccuracies resulted in the allocation of grants to 45 agencies that should not have received grants, while another 34 agencies that should have received grants did not. In addition, we identified six grantees that, because of the inaccuracies in the formulas used by COPS, received more officer positions than they should have, and six grantees that received fewer officer positions than they should have.

In response to our findings, COPS has agreed to remedy these inaccuracies by applying the corrected scoring formulas to the CHRP application list and incorporate additional steps to its grantee selection process for FY 2010 grants to ensure those applicants and grantees that were negatively affected by the inaccurate formulas are awarded appropriate FY 2010 funds.

Additionally, we found that the validation process COPS used to ensure the accuracy of the crime data submitted by applicants was inadequate. As

² This report is one of a series of reports that we will issue during our ongoing review of the Department's management and oversight of Recovery Act funds allocated to COPS' CHRP program.

a result, we found that some agencies may have received grant funds based on inaccurate applications. However, we were unable to determine the number of applications that included inaccurate data. We did not disagree with COPS' decision that it would not retroactively determine which of the awarded grants contained inaccurate information in the grant application because it was not practical. COPS officials agreed with our concerns regarding the applicant data, and COPS intends to correct the issue in future grant awards.

This report makes seven recommendations to COPS to improve the grant award process, including to implement a remedy for those applicants and grantees negatively affected by the inaccurate formulas, to improve COPS' evaluation and management of applicant data, and to address concerns related to CHRP administration. Our report also recommends that COPS increase coordination with OJP to improve information sharing and avoid duplication of grant programs, improve grantee evaluation and training, ensure that grantees comply with officer retention requirements, and ensure that CHRP recipients implement programs in a timely manner and in accordance with program terms and conditions.

The remaining sections of this Executive Summary provide a further discussion of our audit findings.

Development of the COPS Hiring Recovery Program

COPS developed the COPS Hiring Recovery Program to distribute \$1 billion in Recovery Act grant funding to state, local, and tribal law enforcement agencies to hire, rehire, and retain police officers. We found that COPS took steps in the development of the CHRP program to meet the requirements of the Recovery Act. We also found that COPS developed a scoring framework that sought to balance the objectives of the Recovery Act, which include job creation, assisting those most impacted by the recession, and stabilizing state and local government budgets, with objectives related to COPS' authorizing statutes related to allocating equal funding to both small and large jurisdictions, as well as ensuring that each state or territory receives the funding dictated by law.

To enable CHRP funding to be distributed widely, COPS developed a methodology to establish the maximum number of officers any grantee could be awarded. This capping methodology limited the number of funded officer positions for each grantee to 5 percent of the agency's actual sworn force or 50 officers, whichever was less. We reviewed COPS' methodology and did not find errors in its application.

COPS was required to ensure CHRP complied with two major requirements contained in COPS' authorizing statutes. The first required that at least 0.5 percent of program funding, or \$5 million in the case of CHRP, be allocated to each state or territory with eligible applicants.³ The second required that CHRP program funding be evenly split between grantees serving populations greater than 150,000 and grantees serving populations of 150,000 or less.⁴ We reviewed the listing of CHRP award recipients and determined COPS met both of these requirements.

To select CHRP grantees, COPS developed a methodology that scored and ranked each applicant based on data related to their fiscal and economic conditions, rates of crime, and community policing activities. In general, the applicants experiencing more fiscal and economic distress, higher crime rates and that had more established community policing plans received higher scores and were more likely to receive a grant.

We reviewed how COPS translated the data provided by the CHRP applicants in each of these categories into the scores of the applicants. We determined that there were technical inaccuracies with some of the formulas COPS used that resulted in inaccurate scores for some applicants. For example, the CHRP program was intended to provide grants based on economic need, but the formulas used in the scoring methodology did not allocate points for some economic categories as COPS had anticipated. As a result, some agencies that reported data indicating a higher need did not receive grants.⁵

Based on a recalculation of the scoring and ranking performed by COPS after we brought these inaccuracies to its attention, we determined that the inaccuracies in the selection process resulted in the misallocation of grant funds. Specifically, 45 grantees received grants when they should not have, representing \$14,647,267 in CHRP funding (1.46 percent of all awards). In addition, six grantees received funding for too many officer positions. At the same time, 34 applicants that should have scored higher, but did not because of the inaccuracies, were denied grants, representing about 3.25 percent of the 1,046 CHRP award recipients. In addition, six grantees received fewer officer positions than they should have as a result of

³ 42 U.S.C. § 3796 dd(f) (2008) applies to the amount of funding received collectively by all the grantees from a particular state or territory, not individual grantees.

⁴ 42 U.S.C. § 3793 (a)11(B) (2008).

⁵ See Appendix II for a full discussion on the formulaic inaccuracies.

these formulaic inaccuracies. The lists of the agencies affected by the inaccuracies and the recalculated formulas are included in Appendix III.

In response to our audit, COPS corrected the formulaic inaccuracies in its scoring methodology that we identified, which should prevent similar inaccuracies from occurring for future awards. However, because CHRP awards were already made by the time the inaccuracies were identified, we believe COPS should implement a remedy for the 34 applicants that should have been awarded CHRP grants, but were not, and for the 6 grantees that were provided fewer officer positions because of the inaccurate formulas.

In its response to this finding, COPS has proposed to remedy the negatively affected applicants and grantees with FY 2010 grants.

Specifically, COPS stated that it will apply the corrected scoring formulas to the CHRP application list and incorporate additional steps to its grantee selection process for FY 2010 grants to ensure those applicants and grantees that were negatively affected by the inaccurate formulas are awarded appropriate FY 2010 funds.⁶ We believe this is a reasonable approach, given the effects of COPS' original inaccurate formulas.

In addition to the inaccuracies with the scoring of applicants, we identified shortcomings in the procedures COPS used to identify whether applicants had overstated their crime statistics in CHRP applications. Rather than using crime rates to identify potentially overstated crime data, COPS only used the actual number of crimes. Because COPS did not identify and verify applications that possibly overstated statistics, we believe it is likely there were agencies that received CHRP awards based on inflated statistics, over other agencies that were denied funding. Unlike the fiscal scoring formulas, it was not practical for us or COPS to correct for all the possible overstatements, and to identify a revised list of grantees. However, COPS agreed with our analysis and told us that new methods for identifying overstated data would be developed in the future.

Follow-up of OIG Concerns Previously Reported to COPS

In addition, we reviewed various issues that had come to our attention during our audit work and were related to previous advice provided to COPS.⁷ In the previous work, we noted several issues related to meeting Recovery Act objectives and improving coordination with the Office of Justice

⁶ COPS was appropriated \$298 million for its FY 2010 COPS Hiring Program.

⁷ Our previous advice was provided in the following: (1) Improving COPS Grant Awarding, Monitoring, and Program Evaluation Processes FYs 2005 through 2008, June 2009 and (2) Improving COPS Management of Recovery Act Funds for CHRP, June 2009.

Programs (OJP) on various grant administration issues. Specifically, we encouraged COPS to engage in more information sharing with OJP, to identify and work with grantees at greater risk of failing to meet officer retention requirements, to ensure award recipients implement CHRP programs in a timely manner, to consider providing its OJP partners with remote access to the COPS Management System for oversight and monitoring, and to make grantee training mandatory with accompanying testing requirements. Based on our review of the steps taken by COPS regarding these issues, as discussed below, we recommend that further actions be taken.

Conclusion and Recommendations

In developing the CHRP grant program, COPS generally met the requirements established in the Recovery Act and related guidance issued by the President and the Office of Management and Budget (OMB). However, we identified inaccuracies in the scoring process that affected whether grants were awarded, and the size of grants awarded to some applicants. In total, because of the inaccuracies 34 agencies that should have received grants did not, and 6 grantees received fewer officer positions than they should have. At the same time, 45 grantees should not have received grants and 6 grantees received too many officer positions.

In response to our finding, COPS intends to remedy these inaccuracies by ensuring those agencies that were negatively affected will be provided funding from the FY 2010 Hiring Program. We believe this is a reasonable approach, given the effects of COPS' original inaccurate formulas.

In addition, we identified shortcomings in the procedures COPS used to identify inflated crime statistics in CHRP applications. Because COPS did not identify and correct these overstated statistics, we believe it is likely that some agencies' scores were inflated, and as a result they may have been awarded grants based on inflated statistics over other agencies that were denied funding. However, we could not define the number of recipients whose scores were inflated. COPS agreed with our analysis and told us that new methods for identifying overstated data would be developed in the future.

Finally, we noted issues related to COPS' adherence to Recovery Act objectives and to improving coordination with the Office of Justice Programs (OJP) on various grant administration issues. We continue to recommend that COPS engage in more information sharing with OJP; identify and work with grantees at greater risk of failing to meet officer retention requirements; ensure timely implementation of CHRP grants; provide to OJP

additional grants management documentation for oversight and monitoring, such as remote access to the COPS Management System; and encourage CHRP grantees to participate in grant management training.

Our report contains seven recommendations to COPS, including recommendations to remedy the effects of the inaccuracies in the scoring of CHRP applicants, to improve COPS grantee selection processes, and to improve coordination with the Office of Justice Programs relating to oversight of DOJ grantees.

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INTRODUCTION

The Department of Justice (DOJ) Office of Community Oriented Policing Services (COPS), established with the passage of the 1994 Crime Bill, is responsible for advancing community policing as a strategy to improve public safety.⁸ According to COPS, since the passage of the Crime Bill it has awarded over \$12 billion in grants to state, local, tribal, and other organizations to hire police officers, acquire law enforcement-related communication technology, produce training materials for law enforcement agencies, and fund other related initiatives. Although the amount of funding for grants to hire police officers was significantly reduced after fiscal year (FY) 2002, hiring grants represent more than 67 percent - \$7.6 billion - of the all grants awarded by COPS through FY 2008.

In February 2009, Congress enacted the American Recovery and Reinvestment Act of 2009 (Recovery Act) to provide a \$787 billion stimulus to the economy. One of the goals of the Recovery Act is to preserve and create jobs. The Department received \$4 billion of Recovery Act funds to enhance state, local, and tribal law enforcement efforts, of which \$1 billion went to COPS for a grant program to hire and retain career law enforcement officers.

Soon after the enactment of the Recovery Act, COPS began collecting applications for grant funding. Between March 16, 2009, and April 14, 2009, COPS collected applications from more than 7,000 law enforcement agencies from around the country and U.S. territories. These agencies requested about 39,000 officer positions totaling more than \$8.3 billion, or more than 8 times the available Recovery Act funding. On July 28, 2009, COPS announced the selection of the 1,046 grantees (approximately 14 percent of the total applicants), funding 4,699 officer positions.

Prior Reports

In the fall of 2008, prior to the passage of the Recovery Act, the OIG initiated a performance audit of COPS. That audit was designed to examine COPS' overall grant-making processes, including detailed testing of COPS awards and monitoring efforts for FYs 2005 through 2008. However, in light of the significant amount of COPS' Recovery Act funds and the shift in focus on the COPS programs that would be funded, the OIG shifted the focus of its audit to Recovery Act issues.

⁸ The Violent Crime Control and Law Enforcement Act of 1994, Pub. L. No. 103-322 (1994).

In June 2009, we issued a report memorandum that summarized our work on the COPS program prior to the enactment of the Recovery Act and provided COPS with feedback concerning COPS' grant administration practices.

Also in June 2009, before COPS completed its grantee selection process for CHRP, we provided COPS with a memorandum that outlined our concerns related to its use of Recovery Act funds. Specifically, the memorandum provided an overview of our concerns relating to the vetting of grantees, timely implementation of the CHRP, the overall transparency of CHRP, potential duplication with other DOJ grant programs, and ensuring grantees were able to retain officers after federal funding ended.

FINDING AND RECOMMENDATIONS

We determined that in developing the CHRP grant program, COPS generally met the requirements established in the Recovery Act and its related guidance issued by the President and the Office of Management and Budget (OMB). COPS also met its statutory requirements related to minimum allocations to states and territories and the distribution of funding based on the size of a recipient's population. In selecting CHRP grantees, COPS developed a methodology that scored and ranked applicants based on data related to fiscal and economic conditions, rates of crime, and community policing activities. We determined that there were inaccuracies with some of the formulas COPS used to translate the data provided by the grantees into scores for some applicants. These inaccurate scores resulted in the allocation of grants to 45 agencies that should not have received grants, while another 34 agencies that should have received grants did not. In addition, we identified six grantees that received more officer positions than they should have, and six grantees that received fewer officer positions than they should have. We also identified shortcomings in the validation procedures COPS used to ensure the data in applications was correct, and we concluded that it was likely that agencies that used inaccurate data in their applications had inflated scores which could have resulted in them receiving CHRP awards while other agencies were denied funding. Finally, despite our prior recommendations regarding COPS' grant administration, we continue to have concerns related to COPS' efforts to share information on potential grantees with other Department components.

Recovery Act

The three purposes listed in Section 3 of the Recovery Act that we believe are most relevant to CHRP are: (1) to preserve and create jobs and promote economic recovery, (2) to assist those most impacted by the recession, and (3) to stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.⁹

⁹ Pub.L. No. 111-5, Section 3(a)1, 2, and 5. (2009). The remaining two purposes listed in Section 3 of the Recovery Act are to: (1) provide investments needed to increase economic efficiency by spurring technological advances in science and health; and (2) invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits.

The Recovery Act directed COPS to implement a \$1 billion grant program to fund the hiring and rehiring of law enforcement officers.¹⁰ In response, COPS developed the CHRP, which permitted grantees to use funding to hire new officers and re-hire officers previously laid off. In addition to funding new hires and rehires, COPS designed CHRP to permit the use of funds to retain officers scheduled to be laid off.

The following table reflects the distribution of the types of officers funded from CHRP grants as of December 2009.

Distribution of the Types of Officers Funded from CHRP Grants

Type of Officer	Number of Officers	Percentage of Total CHRP-Funded Officers
New hires	3,688	78%
Rehires	145	3%
Scheduled Layoffs	866	18%
Total	4,699	100% ^a

a) Total off due to rounding.

Source: COPS as of December 29, 2009

Hiring new officers addresses the purposes of the Recovery Act. In addition, rehiring previously laid-off officers and continuing the employment of existing officers scheduled to be laid off also addresses the purpose of the Recovery Act to preserve jobs. However, we initially had concerns that COPS was exceeding its authority because the underlying COPS statute only allows for hiring and rehiring officers and forbids the substitution of local funds with COPS grants, also known as supplanting.

We discussed this issue with COPS officials, who noted that the statute does not define what a rehired officer is, nor does it require a minimum time period that an officer must be separated from the grantee to be considered a rehired officer. They also stated that COPS has significant discretion in terms of implementing its programs and considers positions “scheduled for layoff” as eligible rehires, provided the grantee is able to document that the officer would have been laid off without the COPS grant. COPS officials stated that using this definition of a rehire is more efficient, because using a

¹⁰ For an additional amount for “Community Oriented Policing Services”, for grants under section 1701 of title I of the 1968 Omnibus Crime Control and Safe Streets Act (42 U.S.C. § 3796dd) for hiring and rehiring of additional career law enforcement officers under part Q of such title, notwithstanding subsection (i) of such section, \$1,000,000,000.

grant award to keep an officer scheduled to be laid off avoids the time and paperwork associated with laying off an officer 1 day, just to rehire that officer the next day.

We also reviewed the special conditions in the CHRP application regarding the use of CHRP grants to pay for officers scheduled to be laid off. These conditions required CHRP applicants to certify that their agency had and would maintain documentation showing the date of the scheduled layoff and that the scheduled layoff would occur for fiscal reasons unrelated to the availability or receipt of CHRP grant funds.¹¹ Applicants were also required to certify that their agencies would use their own funds to continue funding these officers until the scheduled date of the layoff and would use CHRP funds to rehire these officers only on or after the scheduled date of the layoff.

Although we remain concerned about the potential for supplanting local funding with CHRP funding, we do not object to COPS using CHRP grants to fund officers scheduled to be laid off, for the reasons provided by COPS and because of the inclusion of the certifications contained in the CHRP application. We also note that 78 percent of the CHRP funding went for the hiring of new officers.

After the CHRP grants were awarded in July 2009, some grantees that have experienced an adverse change in their local fiscal and economic condition have requested to modify their original CHRP award to reallocate funding to the category of rehiring officers that have been laid off since their application was submitted. This category also included rehiring officers who were officially laid off after the CHRP application was submitted or any officers who were scheduled for layoff that the grantee seeks to prevent with CHRP funding.

¹¹ According to COPS, documentation that may be used to prove that scheduled layoffs are occurring for local economic reasons that are unrelated to the availability of CHRP grant funds may include, but is not limited to, council or departmental meeting minutes, memoranda, notices, or orders discussing the layoffs; notices provided to the individual officers regarding the dates of the layoffs; and/or budget documents ordering departmental and/or jurisdiction-wide budget cuts. These records must be maintained with an agency's CHRP grant records during the grant period and for 3 years following the official closeout of the CHRP grant in the event of an audit, monitoring, or other evaluation of grant compliance.

As of December 29, 2009, a COPS official told us that it approved 29 of the 33 modification requests to move funding from the new hire category to the scheduled layoff category, for a total of 130 officer positions.¹²

Memorandum from the President

On March 20, 2009, the President issued a memorandum to the heads of executive departments and agencies regarding the spending of Recovery Act funds.¹³ This memorandum covered the following three topics: (1) awarding grants using merit-based decision-making, (2) avoiding imprudent projects, and (3) ensuring transparency of registered lobbyist communications.

We determined COPS generally complied with the President's directive to use transparent, merit-based selection criteria to guide its available discretion as the basis for awarding CHRP grants. In addition to data on local economic conditions and the fiscal health of applicants already mentioned, the criteria COPS used included crime-related statistics and information regarding each agency's community policing practices and plans.

The President's directive required that "no considerations contained in oral or written communications from any person or entity concerning particular projects, applications, or applicants for funding shall supersede or supplant consideration by executive departments and agencies of such projects, applications, or applicants for funding pursuant to applicable merit-based criteria."

Prior to announcing the grant recipients, COPS staff met with officials representing at least 33 local and state law enforcement agencies regarding CHRP grant funding and also held individual meetings with some applicants. In addition, COPS staff participated in conference calls and workshops sponsored or attended by members of Congress. Thus, COPS had more contact with those grantees that attended the information sessions and meetings than those that did not. However, after reviewing the COPS selection process, we concluded that COPS objectively selected the CHRP

¹² Three requests were withdrawn because the grantees determined they would be able to maintain funding for existing officers and wanted to stay in the new hire category. One request was denied because the agency was not able to document that the one officer it was seeking to move to the rehire category had been laid off or had been scheduled for layoff.

¹³ Executive Memorandum for Heads of Executive Departments and Agencies: Ensuring Responsible Spending of Recovery Act Funds, March 20, 2009.

award recipients and that communication with applicants beyond the information contained in grant applications did not affect COPS' decision-making process.

COPS decided not to make public its methodology for scoring and ranking all of the data contained in the CHRP application because it was considering using the same methodologies in the future. Although this reduced the transparency of COPS decision making, COPS provided us with complete access to these methodologies. We discuss our review of the entire scoring and ranking process and other issues related to transparency later in this report.

We also determined that COPS established eligibility standards for CHRP applicants and completed COPS routine vetting procedures on all applicants. We believe COPS reduced the risk that CHRP grants would fund imprudent projects by not considering applications from certain types of applicants, such as start-up law enforcement agencies, agencies without primary law enforcement authority, and agencies without legislation that authorized sworn officers with full arrest authority and full police powers.

COPS also completed its normal vetting procedures on all CHRP applicants. These vetting procedures included contacting Department of Justice (Department or DOJ) offices for any information they had indicating that awarding a grant to a particular agency may be inadvisable.¹⁴ This topic is also discussed later in this report.

Finally, the President's directive was intended to promote transparency in the communications between agencies and federally registered lobbyists.¹⁵ On April 13, 2009, the DOJ Assistant Attorney General for Administration issued a memorandum to the Acting COPS Director and the heads of other Department components administering Recovery Act funds that expanded on the guidance contained in the President's memorandum and included frequently asked questions and a sample lobbyist contact disclosure form. The memorandum outlined the actions DOJ components were required to take whenever receiving or participating in oral or written communication with federally registered lobbyists.

¹⁴ These Department offices include the U.S. Attorneys' Offices, the Civil Rights Division, the OIG Investigations Division, the OJP Office of Civil Rights, the DOJ Public Integrity Section, and the Criminal Division.

¹⁵ OMB Memorandum M-09-16, Interim Guidance Regarding Communications with Registered Lobbyists About Recovery Act Funds dated April 7, 2009, provided further clarification concerning communications with lobbyists.

Instructions from COPS' General Counsel to all COPS staff on April 27, 2009, included a copy of the memorandum from the Assistant Attorney General and detailed instructions to COPS staff that they could not communicate with registered lobbyists about a specific project, application, or applicant. These instructions noted to COPS staff that communications with lobbyists could only address specific projects in writing and any such communications must be noted publicly on the COPS website. Additionally, if a federally registered lobbyist sought to discuss a specific project, COPS staff must stop communication, inform the lobbyist of the requirements, and refer the lobbyist to COPS' External Affairs Division.¹⁶

Finally, because COPS believed the members of its Executive Management Team were the most likely staff to be contacted by lobbyists, the COPS General Counsel emphasized the importance of complying with these new policies in a separate instruction specifically for the team.¹⁷

We reviewed the Department's registered lobbyist contact disclosure form and found that COPS staff reported three contacts with registered lobbyists prior to the announcement of CHRP grant recipients. Two of these contacts involved members of COPS' Executive Management Team while the third contact was made with Response Center staff. COPS also reported a fourth contact with a lobbyist after the CHRP grant awards were announced on July 28, 2009. According to COPS, the issues discussed with lobbyists prior to the announcement of CHRP grantees were general in nature. In addition, we determined during our review that the grantee selection process was data-driven, and we found no evidence that these types of contacts influenced the selection decisions by COPS officials. Based on our review we did not identify concerns with COPS' contact with registered lobbyists.

¹⁶ COPS also issued specific guidance for staff working in the COPS Office Response Center. The Response Center served as the initial contact point and clearinghouse for those seeking general information on COPS grants, training, and publications. Because the Response Center was designed to provide general and logistical information and refer questions regarding specific grants to the appropriate COPS divisions, COPS considered it unlikely that Response Center staff would engage in any prohibited communication with federally registered lobbyists. Although COPS considered it unlikely that the Response Center would field calls from lobbyists, Response Center staff were provided additional guidance from the COPS General Counsel on identifying lobbyists, documenting the contact, and referring the contact to the COPS External Affairs Division.

¹⁷ The COPS Executive Management Team includes the COPS Office Director (or Acting Director, when appropriate), Chief of Staff, Deputy Director for Operations, Deputy Director for Support, Deputy Director for Management, and General Counsel.

Guidance from the Office of Management and Budget

In addition to the Recovery Act purposes and requirements set out in the President's memorandum, COPS was required to adhere to government-wide guidelines established by the Office of Management and Budget (OMB).¹⁸ These guidelines provided specific steps for all federal agencies to implement, or prepare to implement, in order to effectively manage activities under the Recovery Act. We reviewed COPS' compliance with the requirements in these guidelines that we considered the most relevant to administering CHRP grants, including: (1) ensuring funds are awarded and distributed in a prompt, fair, and reasonable manner, (2) engaging in aggressive outreach to potential applicants, including posting grant announcements to Grants.gov and its own website in a timely manner, and (3) ensuring recipients and uses of all funds are transparent to the public.¹⁹

We concluded that COPS awarded CHRP funding in a prompt and reasonable manner given the large number of applicants and large volume of data considered under a relatively short period of time. Specifically, COPS developed and implemented an objective, data-driven methodology for scoring and ranking 7,203 applicants, and announced the decisions to CHRP grantees within 6 months after the Recovery Act was enacted.²⁰ We also believe the CHRP grantee selection methodology and funding allocation rules established by COPS were generally fair to applicants, with the exception of the problems related to the applicant scoring and ranking issue that affected a relatively small percentage of CHRP funding. These issues are detailed later in this report.

¹⁸ These guidelines were issued initially on February 18, 2009, in memorandum M-09-10 Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009 and subsequently updated on April 3, 2009, with memorandum M-09-15 Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009.

¹⁹ Grants.gov is managed by the U.S. Department of Health and Human Services and is the federal government's central storehouse for information on grant programs and provides access to approximately \$500 billion in annual awards. Due to concerns over the capacity of Grants.gov, on March 9, 2009, OMB issued memorandum M-09-14 Recovery Act Implementation – Improving Grants.gov and Other Critical Systems. This memorandum instructed agencies to identify alternative methods for accepting grant applications to reduce demand on Grants.gov's limited resources during the expected peak period for Recovery Act award applications.

²⁰ COPS scored all but 69 of the 7,272 CHRP applications it received, or 7,203 applications. In this report we detail the reasons why 71 agencies were not considered for funding, including 2 agencies that were scored but that either withdrew their applications or were vetted off during the scoring process.

To enhance the timely awarding of grants, the OMB guidance required agencies to engage in outreach to potential applicants to begin application planning activities, including the process for Central Contractor Registration (CCR) and obtaining a Dun and Bradstreet Data Universal Numbering System (DUNS) number.²¹ Agencies were also required to post funding opportunity announcements to Grants.gov within 20 days of the enactment of the Recovery Act, with a link to the full announcement on the COPS website within 30 days of enactment.

COPS posted an outreach letter to its website on February 17, 2009, which included general CHRP information and encouraged potential applicants to check that their CCR and DUNS information was current in order to ensure that they could complete their applications in a timely manner.

The Recovery Act was enacted on February 17, 2009, and required COPS to post announcements on Grants.gov within 20 days, or by March 9, 2009. COPS' announcements were posted on March 16, 2009, or 7 days late. COPS began accepting CHRP applications through its website on March 16, or 3 days prior to the deadline of 30 days following enactment of the Recovery Act. According to a COPS official, the reason for the late posting was a result of issues COPS had in transmitting information to Grants.gov. Based on the significant number of applications submitted for the CHRP grants, we believe that the slight delay in posting of the CHRP announcement did not have a negative impact on the program and that the outreach efforts by COPS were reasonable.

We next reviewed information on CHRP recipients and the uses of CHRP funding that COPS made public immediately following the announcement of CHRP grant awards to determine whether COPS met the transparency requirements of the OMB guidance. COPS developed a CHRP Announcement Toolkit providing details on how the application was created and general information on the selection process. COPS posted the Toolkit to its website along with applicant rankings by state, state summaries, frequently asked questions (FAQs), and an interactive map for the public to view CHRP funding data by state. Based on our review, we concluded that COPS satisfied the transparency requirements that we examined.

²¹ Data Universal Numbering System numbers are unique nine-digit identification numbers Dun and Bradstreet assigns to commercial and government entities. It is a tool of the federal government to track how federal money is distributed.

State Minimum Share Requirement

One of the most important aspects of the Recovery Act is the requirement for agencies use merit-based decision-making when selecting recipients. COPS was also required to satisfy a requirement to ensure that agencies from each state and territory that submitted applications received at least 0.5 percent of grant program funding. For CHRP, this meant that a grantee or group of grantees from each state or territory would collectively receive at least \$5 million unless a lesser amount was requested.²²

We found that for COPS to ensure that grantees from each state and territory collectively received the minimum amount of CHRP funding, some lower-ranked applicants from states under the required minimum received grants, while other higher-ranked applicants from states exceeding the minimum did not receive grants.²³ COPS efforts to meet the state minimum share requirement affected approximately \$77 million, or nearly 8 percent of total CHRP funding. Of the 54 states and territories from which agencies applied, applicants from 25 states with higher-ranked applicants did not receive funding while lower-ranked applicants from another 25 states received funding as a result of meeting this requirement. In all, to meet the state minimum requirement, 200 applicants were funded for a total of 420 officers, while another 113 higher ranked applicants did not receive awards for 394 officers.

As shown in the following table, we found that without the state minimum requirement four states and one territory would not have received CHRP funding.

²² The statutory requirement states that unless all applications submitted by any state have been funded, each state shall receive not less than 0.5 percent of the total amount appropriated. 42 U.S.C. § 3796dd(f) (2008).

²³ Later in this report we detail the merit-based applicant ranking methodology.

**States and Territories Receiving CHRP Funding
Only Due to the State Minimum Requirement**

State or Territory	Applicants	Officers	Amount of Funding Received
1. Hawaii	1	21	\$ 5,197,353
2. Wyoming	23	27	\$ 5,150,327
3. South Dakota	17	30	\$ 5,103,052
4. Maine	18	30	\$ 5,098,572
5. Northern Mariana Islands	1	9	\$ 519,048
Total	60	117	\$ 21,068,352

Source: OIG analysis of COPS data

In addition to these 4 states and 1 territory that received all of their CHRP funding as a result of the state minimum rule listed in the table above, applicants from another 20 states received between \$216,000 and \$4.9 million to ensure they received at least \$5 million.

To ensure that each state received the mandatory minimum share of at least \$5 million, COPS was required to reduce funding from agencies in other states that would have been selected using the merit-based selection process. The following table shows the six states that did not receive the most CHRP funding as a result of the minimum share requirement.

**Top Six States Not Receiving Potential CHRP Funding
Resulting From State Minimum Requirements**

State	Applicants	Officers	Amount of Potential Funding Reduced
1. Tennessee	5	67	\$ 10,796,778
2. California	10	30	\$ 9,752,445
3. North Carolina	6	47	\$ 7,082,374
4. Massachusetts	5	30	\$ 6,763,328
5. Florida	8	32	\$ 5,778,596
6. New Jersey	4	21	\$ 5,193,261
Total	38	227	\$ 45,366,782

Source: OIG analysis of COPS data

In addition to these six states, applicants from another two states did not receive between \$120,000 and \$4.3 million to ensure the state minimum requirement was met.

Funding Allocation Requirement Based on Population Size

A second major requirement contained in the COPS statute required that grant funding be equally distributed between agencies that have primary law enforcement jurisdiction over populations of greater than 150,000 and those that have populations of 150,000 or less.²⁴ In effect, this requirement created two separate grant programs, one for large agencies that serve populations over 150,000 and another for small agencies serving populations below 150,000.

We reviewed the grants COPS awarded to agencies according to their size, either large or small, and determined COPS properly allocated CHRP funding allocation according to the size of the grantees. The following table summarizes CHRP grants based on size of populations served.

Number and Value of CHRP Grants by Size of Population Served

Grants by size of population served	Number of Grantees	Value of Grants
Grants for Agencies serving small populations	961	\$499,857,510
Grants for Agencies serving large populations	85	\$500,097,924
Total	1,046²⁵	\$999,955,434²⁶

Source: COPS

Applicant Eligibility

COPS established eligibility requirements for CHRP funding based on the characteristics of the law enforcement agencies that were expected to apply. Using these eligibility standards, COPS estimated the number of potentially eligible applicants at approximately 15,000, or about twice the number of jurisdictions that applied for CHRP grants (7,272). The following table summarizes the CHRP eligibility worksheet COPS posted on its internet

²⁴ 42 U.S.C. § 3793(a)(11)(b) (2008).

²⁵ According to COPS, 13 of the original 1,046 announced CHRP recipients have officially declined to accept their CHRP grant as of January 2010. The total amount of these awards is approximately \$5.5 million. Because one of these agencies, Windsor, Vermont, brought Vermont's cumulative grant total under \$5 million, COPS awarded one additional grant to Randolph, Vermont for \$136,033. No decision on how to use the remaining funds was made as of January 2010.

²⁶ As of July 28, 2009, \$44,566 of the \$1 billion in CHRP funding remained unobligated because it was an insufficient amount to fund an entire grant. No decision on how to use the funds was made as of January 2010.

website to allow agencies to determine whether they should submit an application for a CHRP grant.

CHRP Eligibility Worksheet

Eligibility Worksheet Question	Eligibility Defined
Is your law enforcement agency a start-up agency?	<i>Start-up agencies are not eligible for funding under this program. If you select YES, the system will prevent you from completing the rest of the grant application.</i>
Is your agency applying for this grant as part of a consortium of agencies?	<i>Agencies applying for funds as a consortium are not eligible for funding under this program. However, agencies within that consortium are encouraged to apply individually. If you select YES, the system will prevent you from completing the rest of the grant application.</i>
Is your agency a Tribal law enforcement agency?	<i>Only Federally Recognized Tribes are eligible to apply for funding under this grant program. If you select NO, the system will prevent you from completing the rest of the grant application.</i>
Is your agency applying for funds under this grant to contract for law enforcement services?	<i>Only Federally Recognized Tribes that either have their own established law enforcement agency or plan to use the grant funds to pay for contract services with the BIA are eligible to apply for funding under this grant program. If you select NO, the system will prevent you from completing the rest of the grant application.</i>
Does the law enforcement agency have primary law enforcement authority for the population served?	<i>Only agencies that have primary law enforcement authority are eligible to apply for funding under this grant program. An agency with primary law enforcement authority is defined as the first responder to calls for service, and has ultimate and final responsibility for the prevention, detection, and/or investigation of crime within its jurisdiction. If you select NO, the system will prevent you from completing the rest of the grant application.</i>
Is your law enforcement agency a type other than a local, state, or tribal agency (e.g., Transit, School, University/College, Public Housing, Natural Resources, Parks, etc.)?	<i>Agencies that do not have legislation that authorizes sworn law enforcement officers with full arrest authority and full police powers are not eligible for funding under this grant program. If you select NO, the system will prevent you from completing the rest of the grant application.</i>
Has your agency planned to retain all position(s) awarded under this grant program for at least 12 months following the conclusion of 36 months of grant funding?	<i>Agencies that do not plan to retain all position(s) awarded under CHRP for at least 12 months are not eligible for funding under this grant program. If you select NO, the system will prevent you from completing the rest of the grant application.</i>

Source: COPS

Although COPS designed the CHRP online application system to prevent ineligible applicants from applying, COPS determined that 42 agencies incorrectly completed the eligibility worksheet and submitted applications. As part of the procedures used to ensure accurate data was submitted by applicants, COPS identified and removed the 42 agencies from consideration. The following table summarizes the reasons why these agencies were deemed ineligible.

Ineligible CHRP Applicants

Reasons Why Applicants Were Ineligible	Number of Applicants
Not Primary Law Enforcement – Attorney Offices	10
Not Primary Law Enforcement - Motor Vehicle Agencies	2
Not Primary Law Enforcement – Task Forces	3
Start-Up Agencies	3
Not Primary Law Enforcement – Various Agency Types	24
Total	42

Source: COPS

Application Content and Scoring

Since the CHRP grantee selection process was objective and data-driven, we considered the most critical elements of the process to have been: (1) the type of information COPS collected in the application, and (2) how this information was scored to identify those agencies that would receive funding.

As described earlier in this report, COPS balanced the statutory requirements of the Recovery Act relating to economic priorities with crime and community policing related priorities contained in its authorizing legislation. This balance, reflected in the three sections of the CHRP application, is presented in the following table.

Related Statute, Priority, Data, and Scoring

Related Statute	Recovery Act Priorities	COPS Related Statute and Historical Mission
Priority	Economic	Crime and Community Policing
Examples of Application Data Considered in the Development of Scores	Changes in fiscal health of the agency over FYs 2007, 2008, and 2009, such as unemployment and poverty rates, recent layoffs and furloughs	For Crime: FY 2008 data for major types of crime For Community Policing: Responses to multiple choice questions regarding community policing plans and strategies
Percent of Overall Score	50%	50%

Source: COPS

According to COPS, its program development staff consulted with experts in the fields of policing, criminology, and public finance to develop the individual application questions that attempted to measure the relative fiscal health of law enforcement agencies and their local governments, as well as the levels of crime and community policing activities within their jurisdictions. Generally speaking, the CHRP scoring process was designed to favor applicants in poorer economic areas with high rates of crime and more developed community policing plans.

In our view, while the data COPS collected to score applicants in the areas of crime and community policing appears fairly straightforward, evaluating an applicant's fiscal health is more complex. The CHRP application included a variety of fiscal health questions to permit COPS to obtain a more complete view of the fiscal distress being experienced by applicants through objective and verifiable indicators that all agencies, from rural communities to large cities, could report. However, we identified problems in some of the formulas COPS used to calculate these indicators. As detailed below, these problems resulted in the erroneous allocation of approximately \$14.8 million of CHRP grants.

Officer Capping Policy

COPS initially anticipated the \$1 billion in grant program funds would pay for the full salary and benefits of approximately 5,500 law enforcement officers for 3 years.²⁷ However, COPS initially did not place a limit on the

²⁷ The actual number of officers funded was 4,699 or approximately 15 percent less than the 5,500 COPS initially expected. COPS officials told us this was caused by fringe benefit costs that were much higher than they anticipated.

number of officers any one agency could request for funding in the CHRP application because it was uncertain of how much interest the law enforcement community would have in this grant program. However, the response from law enforcement agencies was larger than expected, with 7,272 agencies requesting \$8.3 billion in grants to fund approximately 40,000 officers, or more than 7 times the 5,500 officers COPS originally estimated.

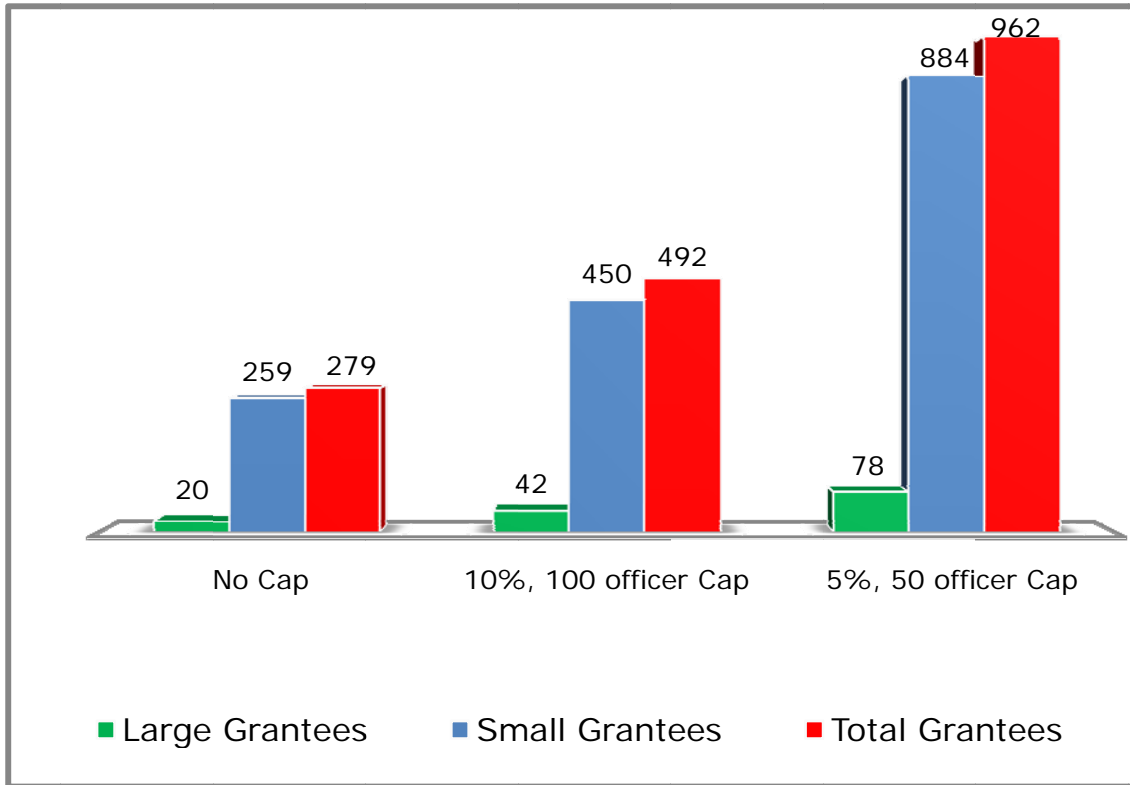
COPS recognized that without a limit or “cap” on the number of the officers that any one grantee could receive funding for, less than 300 agencies could share the entire \$1 billion of CHRP funding. COPS concluded that “the breadth of needs across the country would be best served by a capping system that would limit the size of awards and, thus, distribute officers to more jurisdictions.”²⁸

After a preliminary ranking of applicants was conducted, COPS considered different possible capping methodologies to gauge the effect various caps would have on the number of grantees. Of these methodologies, COPS considered options using a combination of caps that limited the number of grant-funded officers equal to a certain percentage of an agency’s existing force, while also limiting the number of officers using an absolute number. For example a 10 percent cap on an agency with an existing force of 100 officers would restrict the number of grant funded officers to 10, while adding an absolute number of grant funded officers limitation would further cap the number of officers, such as limiting funding to 10 officers per requesting agency. As discussed earlier in this report, COPS was also required to evenly split the CHRP funding among grantees serving large and small populations. As a result, a combination of the capping methodologies was examined, using both a percent and an absolute number cap.

The following chart presents COPS’ estimates for the impact on the number of grantees resulting from three scenarios: (1) no cap, (2) a cap of 10 percent of the existing force with a maximum of 100 officers, (3) a cap of 5 percent of the existing force with a maximum of 50 officers.

²⁸ Timothy J. Quinn, Acting Director, Office of Community Oriented Policing Services (COPS), memorandum to Attorney General, COPS Hiring Recovery Program Application Policies, June 3, 2009.

Estimated Impact (Number of Officers Funded) of CHRP Officer Capping Scenarios



Source: COPS

As the chart shows, COPS estimated that the 5 percent of existing sworn force and 50 officer cap would result in doubling the total number of grantees compared to the same number resulting from a 10 percent of existing sworn force and 100 officer cap. The 5 percent of existing sworn force and 50 officer cap would also provide three times the number of total grantees compared to no cap at all, while ensuring that CHRP funding was evenly split between agencies serving small and large populations. As a result, COPS chose this formula to broaden the distribution of funds.²⁹ According to COPS, this cap ensured the maximum number of agencies would be funded without reducing any particular agency's award to a level that would no longer make the funding a meaningful increase to force strength.

We assessed the effects of using this cap and found that 697 of the 1,046 grantees – approximately 67 percent - had their requests for officers

²⁹ COPS consulted with and received approval from the Associate Attorney General and the Deputy Attorney General to use this capping methodology.

reduced by at least one officer. In total, these agencies' requests were reduced by 6,814 officers. Of those affected by the cap, 75 percent, or 533 grantees, had their requests reduced by at least 5 officers. Although the majority of agencies were affected by the cap, just 15 grantees combined to account for nearly 40 percent of all officers reduced. The following table includes information on those grantees.

CHRP Grantees with the Largest Reductions in the Number of Officers Awarded as a Result of the Cap

City, State	Positions Requested	Actual Sworn Force	5% Cap	50 Officer Cap	Officers Awarded	Officers Requested But Not Awarded
Los Angeles, CA	450	9,867	493	50	50	400
Chicago, IL	400	13,128	656	50	50	350
Memphis, TN ³⁰	300	2,100	105	50	37	263
San Francisco, CA	268	2,376	119	50	50	218
Guam	200	289	14	50	14	186
Caguas, PR	176	169	8	50	8	168
Atlanta, GA	200	1,649	82	50	50	150
Philadelphia, PA	200	6,827	341	50	50	150
Honolulu, HI ³¹	150	2,112	106	50	21	129
Toledo, OH	150	628	31	50	31	119
Cincinnati, OH	157	1,115	56	50	50	107
Columbus, OH	151	1,894	95	50	50	101
Charlotte-Mecklenburg, NC	150	1,672	84	50	50	100
Dallas, TX	150	3,474	174	50	50	100
Washington, DC	150	4,050	203	50	50	100
Total	3,252				611	2,641

Source: COPS

The table above also includes 12 of the 24 grantees with sworn forces greater than 1,000 officers for whom the 50 officer cap reduced the maximum number of officers they could be awarded to less than 5 percent, potentially an insignificant percentage increase in officers. Specifically, for

³⁰ As part of the July 2009 CHRP award announcement, the Memphis Police Department received fewer officers than its 50-officer cap because it was not funded for some officers as a result of the state minimum requirement.

³¹ The Honolulu Police Department received 21 officers only as a result of the state minimum requirement. The fewest possible number of officers necessary to meet the state minimum requirement was 21, so neither cap was applied.

the 5 grantees that have sworn forces of approximately 3,000 or more officers – Los Angeles; Chicago; Philadelphia; Washington, D.C.; and Dallas – the percentage increase in their sworn forces as a result of their CHRP grants ranged between 0.38 and 1.44 percent.

COPS' officer capping policy resulted in a small number of larger agencies receiving only marginal increases in their sworn officer forces. However, the capping policy also increased the total amount of officers and applicants that were funded.

Scoring Equations

Earlier in this report we reviewed the type of information COPS collected, evaluated, and scored in order to select the CHRP grantees. We concluded that the design of the CHRP application and the data collected to evaluate an applicant's condition related to fiscal condition, crime, and community policing plans were reasonable. However, we also noted that there were problems in some of the formulas COPS used to calculate some of the fiscal health indicators of applicants. As described earlier, 50 of the 100 points used to grade CHRP applicants were based on the applicants' individual economic and fiscal conditions. In general, applicants in the worst economic and fiscal situations were to receive more points relative to other applicants.

The 50 points for economic and fiscal conditions were based on applicant responses to 12 questions. The number of points applicants received for most of these questions were based on how their responses compared to the responses from other applicants. For example, the CHRP applicants provided COPS with the percentage of families living in poverty in their jurisdictions, and COPS ranked the applicants according to these poverty rates from lowest to highest. COPS then pro-rated points among the applicants according to this ranking.

In the previous example, COPS pro-rated points among applicants by ranking the data provided by the applicants. However, for four questions the rankings were based on values calculated by COPS using two or more pieces of data provided by the applicants.³² For example, to rank and score changes to applicants' budgets, COPS calculated scores that measured the

³² The data used for the calculations were: (1) the law enforcement agency's total operating budget for the current and previous 2 fiscal years, (2) the total jurisdictional operating budget for the current and previous 2 fiscal years, (3) the total jurisdictional locally generated revenues for the current and previous 2 fiscal years, and (4) the total jurisdictional general fund balance for the current and previous 2 fiscal years.

rate of change in applicant budgets using budget values for FYs 2007, 2008, and 2009 provided by the applicants.

However, when we reviewed the formulas COPS used to calculate the rates of change, we found that the formulas contained two inaccuracies, which prevented COPS from accurately assessing the economic condition for CHRP applicants.³³ Because economic conditions were the prime factor for ranking applicants, the impact on applicants and grantees that were negatively affected by the inaccuracies lessened the likelihood of awards to these applicants, which was inconsistent with the objectives of the program.

The first inaccuracy in the formulas was that decreases from one year to the next year were effectively capped at 100 percent, while there were no limits to increases. As a result, these formulas had the effect of creating two different scales, one for measuring increases and another for measuring decreases. The second inaccuracy occurred when COPS addressed situations where applicant data used in some formulas required dividing by zero. To address this issue, COPS established protocols providing the same score for all applicants under similar situations. We determined that the inaccuracies with the formulas affected the scoring of four questions that examined the fiscal health of applicants, thereby causing COPS to inaccurately assess applicants' economic condition.

We also determined it was likely that if the formulas were corrected and the affected questions rescored, the results of the applicant rankings would change, with some applicants receiving higher scores and other applicants receiving lower scores to the point where some grant recipients should not have received grants based on their scores.

We discussed these issues with COPS officials, who generally agreed with our analysis and informed us they would correct the inaccurate formulas before using them again in the future. They asserted that they believed the impact on the CHRP selection process was insignificant. However, we asked COPS to run a corrected formula, rescore the 4 questions for all 7,203 applicants, and create a revised list of grantees.

In response, COPS rescored the CHRP applicants using revised formulas that corrected the inaccuracies we identified. The following table summarizes the agencies affected by the inaccurate formulas, as identified through the rescoring.

³³ Appendix II provides a technical description of these inaccuracies.

**Effects of Inaccurate Scoring Formulas
on CHRP Applicants and Grantees³⁴**

Number of Agencies Affected	Number of Officers	Amount of Funds	Notes
40 AGENCIES NEGATIVELY AFFECTED:			
34 Applicants	68	\$ 12,586,237	These applicants did not receive CHRP grants, but should have. Most served small populations.
6 Grantees ³⁵	20	\$ 3,523,790	These agencies received CHRP grants, but received fewer positions than they should have. Most agencies were denied 1-2 officers. One large agency was denied 13 officers.
TOTALS	88	\$ 16,110,027	
51 AGENCIES POSITIVELY AFFECTED:			
45 Grantees	74	\$ 14,647,267	These grantees received CHRP grants, but should not have. Most served small populations
6 Grantees	8	\$ 1,773,373	These agencies received CHRP grants, but received more positions than they should have. These agencies received an additional 1-2 officers.
TOTALS	82	\$16,420,640	

Source: OIG Analysis of COPS data

The complete lists of grantees affected by the rescoring are included in this report as Appendix III.

While the effect on the number of CHRP grants awarded in July 2009 was relatively small, both in the number of grants and the funding affected in comparison to the total funding awarding by COPS, it nevertheless had an impact on those applicants who should have received grants but did not, and

³⁴ The numbers and dollar amounts of positively and negatively affected applicants and grantees do not equate due to differences in officer salaries between jurisdictions.

³⁵ This does not include one grantee that according to COPS was awarded a grant after another grantee withdrew.

on those grantees who received fewer officer positions than they should have. We therefore recommended that COPS provide a remedy for those grantees negatively affected by the inaccurate scoring.

In its response to our finding, COPS has proposed to remedy the negatively affected applicants and grantees by applying the revised scoring formulas to the CHRP application list and incorporating additional steps into its grantee selection process for its \$298 million COPS Hiring Program (CHP) in FY 2010. COPS intends to select grantees for the FY 2010 program from the existing pool of agencies that applied for, but did not receive, CHRP funding.³⁶ COPS plans to ask these agencies to update their applications and it will score them again according to the CHRP methodology, including the corrections to the inaccurate formulas we identified in this audit. If the unfunded and underfunded CHRP agencies are not selected for FY 2010 grants based on their scores, COPS will intervene to ensure these agencies are provided funding.

We believe this is a reasonable approach, given the effects of COPS' original inaccurate formulas, and we plan to monitor how it is implemented.

Data Cleaning

The scores COPS assigned to the data agencies submitted in their applications served as the basis for selecting CHRP grantees. Therefore, the validity of the data submitted by CHRP applicants was critical to the grantee selection process. The CHRP application required applicants to provide information on 164 data elements, with specific data elements that covered the 3 aspects of an agency's scores – economic condition, crime, and community policing strategies implemented. COPS used 32 data elements from the CHRP application to assign 50 percent of an agency's overall score related to fiscal health and 21 data elements related to crime and community policing to calculate the remaining 50 percent of the score.³⁷

Having received 7,272 CHRP applications, it was necessary for COPS to manage over 350,000 data elements that were scored in addition to general application information. In our opinion, COPS faced a significant challenge in ensuring in a timely manner that the submitted data was free from errors that could affect the selection of grantees. For most of the data elements

³⁶ According to COPS, there are 15 agencies that received a CHRP grant but are still eligible to receive a FY 2010 hiring grant because their awards were limited by the application of the state minimum or population split requirements.

³⁷ See Appendix V for the CHRP application attachment that was used to collect this data.

used to score CHRP applicants, such as agency budget information and layoffs, the agency itself was the only source of the data. Verifying all of this data would have required contacting each of the 7,272 applicants for supporting documentation. We do not consider this to have been a practical option given the time constraints and COPS staffing resources.

Rather than attempting to validate data from all or a sample of applicants, COPS developed a set of outlier queries, or searches of the application data against baselines, to identify information that exceeded certain parameters in the fiscal health and crime areas, as well as some general information, such as population. When these outlier queries identified potentially flawed data, COPS staff followed up directly with applicants.

According to COPS, the initial round of the CHRP data cleaning process included reviewing 39 of the 164 data fields of the CHRP application for all 7,272 agencies that applied, or 283,608 individual data values. From this review, COPS identified 2,864 data values in 1,709 applications that fell outside the outlier queries related to each field and were flagged for review. In two additional rounds of data cleaning, COPS identified another 2,942 data values that were examined, but these were generally unrelated to agency scores.

We reviewed the outlier queries COPS used for the general information and fiscal health data and found them to be reasonable. However, we found a weakness in the outlier queries COPS used to assess the crime data submitted by applicants. Specifically, because the crime data outlier queries were based on the number of crimes rather than rates of crime within a jurisdiction's population, it was possible that inaccurately high crime data could be submitted by applicants without being flagged for follow-up by COPS' outlier queries. This information could have inflated an applicant's scoring and ranking by COPS. The following table shows the outlier queries COPS used to flag potentially flawed data.

CHRP Outlier Queries for Crime Data

Crime Category	Applicants with Population Served of < 150,000	Applicants with Population Served of > 150,000
Criminal Homicide	> 100	> 500
Forcible Rape	> 150	> 1,000
Robbery	> 1,000	> 15,000
Aggravated Assault	> 2,000	> 20,000
Burglary	> 3,000	> 30,000
Larceny	> 6,500	> 100,000
Motor Vehicle Theft	> 2,500	> 25,000

Source: COPS

When we reviewed the crime rates of the CHRP grant recipient applications, we identified several grantees serving relatively small populations that included unusually high crime rates, but were still under the threshold of the outlier queries for those particular crimes. A few examples are a town with a population of 426 that reported 43 homicides during 2008, a village with a population of 1,500 that reported it had 557 larcenies committed in 2008, and a university that reported it had 478 burglaries committed in a population of 2,500 in 2008.

When we discussed this with COPS officials, they told us that they were aware of the weakness of using the outlier queries that relied on the number of crimes rather than crime rates when they completed the CHRP data cleaning. They said they did not base the crime data outlier queries on rates due to the exceedingly short time-frame demanded by the CHRP timeline and the capabilities of the COPS Information Technology (IT) staff in creating other queries. In addition, COPS told us that although the CHRP applicants provided crime data as reported to the Federal Bureau of Investigation (FBI) for the 2008 Uniform Crime Report (UCR), COPS was not able to use the FBI data to verify information submitted by applicants for two reasons. First, the FBI did not issue the full 2008 UCR publicly until after COPS completed its data cleaning, and second, many CHRP applicants were not required to report to the FBI for the UCR.

To gauge the extent of the potential problems caused by using outlier queries for crime statistics based on the actual number of crimes rather than crime rates, we asked COPS about the crime figures of 29 CHRP grant recipients that we judgmentally selected from the 1,046 grant recipients. We asked COPS to tell us what, if any, verification they had done prior to awarding these 29 agencies a CHRP grant, and to give us COPS' assessment

of the potential impact any overstatement of the number of crimes would have had on their scores and chances of being awarded a grant. COPS reviewed the crime data of the 29 agencies and used the 2008 UCR data, where available, to verify the data submitted by the applicants. The following table summarizes COPS' evaluation of the 29 CHRP grantees.

COPS' Evaluation of Crime Data from 29 CHRP Grantees

Number of Agencies	Description of the Categories COPS Created to Group Agencies	Potential Effect on Score According to COPS
9	Two verified pre-award, six verified with UCR for this review, and one is summer resort so population is misleading	None
5	Compared to UCR data for this review	Minimal
7	No UCR data available	Minimal
3	Compared to UCR for this review, seven of seven crime categories overstated	Significant
5	No UCR data available, seven of seven crime categories overstated	Significant
Total 29		

Source: COPS

As the table indicates, the COPS pre-award data cleaning identified and confirmed with the agency the crime data submitted by 2 of the 29 agencies we judgmentally selected. Thirteen of these 29 agencies did not report for the UCR in 2008, so there was no data for comparison in this review. In addition, COPS identified 8 of the 29 agencies as submitting crime data that was possibly overstated to the point it was likely to have had a significant change in their overall score had there been additional data cleaning checks on the crime data. COPS also identified another 12 agencies whose crime data in 1 or 2 of the 7 categories was likely incorrect but with only a minimal effect on its overall score - 5 to 10 percent. For the remaining nine agencies, COPS determined there was no effect.

Because our evaluation of the flawed fiscal scoring formulas demonstrated that very small changes in applicant scores resulted in changes to the group of agencies that received awards, we do not believe

that 5 to 10 percent changes are minimal. Although COPS identified 8 grantees whose scores were potentially overstated due to inflated crime data, and we believe that the scores of another 12 of the 29 grantees had the potential to affect the selection of those agencies that received awards, we recognize it would be time consuming and impractical to apply a revised data cleaning protocol to identify and correct every applicant with inflated crime data and re-score all 7,203 applications. However, COPS agreed that the outlier queries it used for CHRP could have been better designed and more improved queries for crime data, based on rates per population, will be used in the future. In addition, because 5 of the 29 grantees we asked COPS to review were law enforcement agencies for educational institutions, COPS told us it plans to develop separate queries to ensure that these types of agencies are actually reporting crime on campus and not crime in the surrounding jurisdiction.

We agree with the improvements COPS plans to make to its crime data cleaning procedures and believe this should enhance the integrity of grantee selection in future grant programs.

Data Integrity

COPS developed a web-based system to receive CHRP applications that was made available to agencies from March 16, 2009, to April 14, 2009. The information for all 7,272 CHRP applications was managed in a computer-based database, and COPS continually updated the information based on the results of its data cleaning and other reviews.

COPS provided us with the initial and final versions of this database. The initial version reflected the CHRP application data before COPS made any changes, and the final version reflected the applicant data that was used for scoring and the grantee selection process. In total, we determined COPS made 2,588 changes to scored data fields related to 979 CHRP applicants based upon its data cleaning and other reviews.

Because changes made by COPS to the data submitted by applicants could significantly affect their scores and chances of obtaining a grant, we sought to determine whether COPS was justified and correct in making changes to the initial version of the database. We began this process by selecting a relatively small sample of 30 changes between the initial and final versions of the database. We then asked COPS to provide documentation or system information to support these changes. Because COPS had no single system to track the justifications for every change, COPS provided us with various types of support, including information on

phone conversations, e-mails from the applicant, and other information from the COPS grantee database.

We found that all 30 changes COPS made to the CHRP applicant database were justified and correct, and we determined more extensive testing was not warranted. However, although we did not identify any unsupported changes to the database, we are concerned that COPS does not have a system to track and justify changes to applicant data to enhance internal control and enhance transparency.

COPS officials agreed with our concerns and indicated that it was working to complete a system that would both actively monitor the information being entered into an application and limit applicant inputs to prevent inaccurate data from being entered into an application. Additionally, this would dramatically reduce the number of changes required by COPS. We agree with COPS' intention to prevent or deter applicants from submitting faulty data and cut down on the number of changes required from COPS; however, we still believe COPS should have in place a system to track its changes to applicant data.

Vetting CHRP Grantees

COPS' vetting procedures are intended to help COPS identify and avoid granting funds to agencies that may place grant funding at risk or have other negative effects on COPS' operations. In the advice we issued to COPS in June 2009, we asked COPS to consider making changes to these procedures to improve its ability to identify high-risk grantees.

The COPS Legal Division has grantee vetting responsibilities, which include circulating lists of potential grantees to U.S. Attorneys' Offices, the Department of Justice (DOJ) Civil Rights Division, Criminal Division, and Public Integrity Section, as well as the OIG Investigations Division, and the Office of Justice Programs (OJP) Office of Civil Rights. These offices are asked for any reasons it would be inappropriate or inadvisable for COPS to award a grant to an agency on the list. In May 2009, prior to scoring the CHRP applications, COPS circulated the listing of all 7,272 CHRP applicants to these vetting offices.

In response, these offices informed COPS of concerns related to a total of 20 CHRP applicants. We reviewed this feedback and determined COPS took this information into consideration when selecting and awarding CHRP grants. Specifically, COPS excluded from consideration 8 of those 20 CHRP applicants, and of the remaining 12 applicants that were scored only 4 received grants.

In the report and memorandum we issued in June 2009, we also advised COPS that the offices reviewing the vetting lists may benefit from having a more detailed understanding of COPS' expectations regarding the office's screening of grant applicants. In its response, COPS stated that it would provide reviewers with Frequently Asked Questions (FAQs) during the process pertaining to vetting instructions on its website. Although the CHRP vetting was completed before our report was issued, we reviewed these FAQs and found they addressed our concerns.

Also in our June memorandum, we advised COPS that we believed it was missing out on potentially important information regarding applicants and grantees at other DOJ grant making components. In its response, COPS stated that it had begun exchanging information on high risk grantees and were reviewing OJP's information as part of the CHRP vetting process.

We determined that COPS reviewed the OJP high-risk grantee list from March 2009 for its CHRP vetting process. This list included 27 CHRP applicants. None of the CHRP applicants on the OJP list were excluded from consideration, nor were the awardees given special conditions regarding the use of CHRP funds. We further determined that COPS later awarded CHRP grants to 9 of the 135 agencies on the OJP high-risk list.

We also determined that during the CHRP grantee selection period, there were 27 agencies on the COPS "bar list." Of these 27 agencies, 5 former COPS grantees applied for CHRP funding. The majority of these grantees were placed on the bar list as part of an agreement to resolve and close longstanding audit findings identified through OIG grant audits. We determined none of the agencies on the COPS bar list were provided CHRP funding.

COPS told us that it did not exclude the agencies on the OJP high-risk list from consideration or attach conditions to their grants because the information from OJP was not entirely helpful. COPS officials stated that it was initially unable to determine why agencies were assigned to the OJP high-risk list and what the appropriate response from COPS might entail. COPS also told us that OJP later clarified that most of the grantees on the OJP high-risk list were placed there because they have audit reports that have been open for more than one year or were the subject of a previous OIG investigation where corrective action is needed to prevent future occurrences of mismanagement of grant funds.

OJP shared with COPS a set of 14 high-risk special conditions that it uses for OJP high-risk grantees. When we reviewed the OJP high-risk special conditions with COPS, we found that there were some conditions used by

OJP that have no COPS equivalent. COPS told us it typically will not provide funding to agencies it considers high risk, so the use of high-risk special conditions was unnecessary. However, we believe that there should be a consistent methodology for identifying and taking action on high-risk applicants and grantees among the agencies within the Department.

When we discussed the issue of the high-risk list with COPS at the conclusion of our audit, COPS officials told us they had taken additional steps to coordinate with OJP, including the development of a system that integrates the COPS and OJP approaches to identifying high-risk grantees. We recommend that COPS continue to work with OJP to develop a consistent methodology for identifying and acting on high-risk applicants and grantees.

COPS vetting procedures also include circulating the list of potential grantees among the various COPS divisions, including the Grants Administration Division and Grants Monitoring Division. For CHRP, this internal vetting identified eight agencies that should not receive grants or only receive grants with special conditions attached. We also determined COPS used the CHRP application to exclude one agency for consideration for CHRP funding because that agency was delinquent on its federal debt.³⁸

In addition, we also noted that 12 agencies withdrew their applications from consideration before COPS announced the grantees that were selected. Many of these agencies withdrew their applications based on concerns related to their ability to retain their officers for one year beyond the end of the grant as required.³⁹ The following table summarizes the reasons why agencies were excluded from consideration for CHRP funds.

³⁸ Federal debt issues are self-disclosed by applicants on the SF-424 – Application for Federal Assistance. COPS told us this agency correctly answered “yes” to question 20 of this form, which, according to the COPS Legal Division, requires COPS by law to exclude the applicant from consideration.

³⁹ See Appendix IV for listing of CHRP applicants that withdrew their applications.

**Summary of Agencies Excluded From
CHRP Consideration due to
Vetting Procedures or Other Reasons**

Reason for Exclusion	Number of Agencies
Vetting Process (External / COPS Legal)	8
OJP High-Risk List	0
Vetting Process (Internal and COPS Bar List)	8
Federal Debt	1
Withdrawals	12
Totals	29

Source: OIG analysis of COPS data

Finally, as stated in our June 2009 memorandum to COPS, we believe that grantee compliance could be improved by collecting from grantees more information specific to how funds will be managed and by requiring high-risk grantees to demonstrate that they understand key grant-related responsibilities. We noted COPS may benefit from collecting more information on a grantee’s accounting system before making its award decisions, thereby enhancing opportunities to identify high-risk grantees. In response to our report COPS did not comment on these specific topics. We continue to emphasize the benefit of collecting more information that will help identify high-risk grantees.

Potential Overlap with Other Recovery Act Programs

In our June 2009 memorandum to COPS, we identified the potential overlap between COPS’ CHRP and two grant programs administered by the Bureau of Justice Assistance (BJA) within the Office of Justice Programs (OJP) - the Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Program and the Edward Byrne Competitive Grant Program. To ensure COPS’ decisions regarding grantee selection were appropriate and reasonable considering similar funding already provided to these grantees, we suggested that COPS should coordinate closely with BJA on grantee selection decisions. COPS agreed with our suggestion and stated that it had been working with OJP and BJA regarding the CHRP objectives, funding methodology, and rollout plans.

In addition, COPS told us that it provided BJA with a list of the CHRP grantees so that BJA would be aware of any agencies receiving grants under CHRP. We subsequently followed up with BJA to understand how it used the list of grantees provided by COPS. BJA told us that it used the list of 1,046

CHRP grantees to identify 9 agencies applying for BJA grants as well. After considering the CHRP funding already provided to these nine agencies, BJA told us it determined the requests from eight of these agencies were reasonable. However, BJA told us it did work with the remaining agency to reduce that agency's BJA request in light of the CHRP funding already provided.

We believe COPS' continued work with OJP and BJA over the life of the CHRP grants and future awarding decisions could improve grant management and result in more informed award decisions.

Ensuring Compliance with Retention Requirement

As we described earlier in this report, COPS designed the CHRP grantee selection process to provide grants to agencies facing the more severe economic circumstances. COPS also required CHRP grantees to demonstrate an increase in the number of sworn officer positions serving the community by retaining grant-funded officers for at least 12 months beyond the end of the CHRP grant.

In our June 2009 memorandum to COPS, we expressed concerns that some grantees receiving funding could be at a greater risk of failing to meet their retention requirements due to their poor fiscal condition. We encouraged COPS to increase the identification of those potential grantees that are at the greatest risk of noncompliance with retention requirements, such as entities that do not have a substantive retention plan, or whose retention plan relies on funding sources that may not fully support the cost of retained officers. We also advised that COPS closely monitor the economic situation of high-risk grantees throughout the life of the grant and be prepared to periodically assist with guidance on program implementation, conduct site visits, or take other appropriate action should it become apparent that recipients will not be able to meet the retention requirement.

In its response to our memorandum, COPS described its review of the information submitted by CHRP applicants and the information COPS was providing to these agencies on the retention issue. COPS also described how annual progress reports would solicit agencies to self-report problems in the retention issue.

In addition, COPS officials described for us its exemption policy regarding the retention requirement. This policy allows severely fiscally-distressed grantees to request waivers of the retention requirement and under the policy COPS can grant these waivers when necessary.

Although we agree that the actions COPS outlined are important, we believe COPS can enhance compliance with the retention requirement by concentrating on certain agencies using data provided in the CHRP application. For example, six agencies that were awarded CHRP grants indicated in their applications that they were either bankrupt or in receivership.⁴⁰ We believe COPS should consider using this fiscal information to identify grantees that are at a greater risk of failing to meet their retention requirements. COPS should then ensure the retention plans of those grantees are revisited and closely monitored during the life of the grants to provide COPS and the grantees time to develop options for avoiding noncompliance.

Ensuring Timely Implementation of Programs

In our June 2009 memorandum, we concluded that the amount of time COPS planned for the process of selecting CHRP grantees was reasonable given the large numbers of applicants, the large amount of information collected from each applicant, and the related technical challenges. By announcing the CHRP award recipients by the end of July 2009 – or just 5 months following enactment of the Recovery Act – COPS met its timeline and we continue to believe this to be timely award implementation.

In the June 2009 memorandum we also informed COPS of our concerns related to timeliness on the part of CHRP grantees. We outlined the many factors that can delay the hiring of police officers at the local or state level, including recruiting, training, and other budgetary issues. Due to these concerns and the need for timely grant expenditures to meet the economic goals of the Recovery Act, we suggested that COPS consider changing its policies so that it no longer routinely approves grant extensions, or extensions of time to complete a recipient's grant objectives, for CHRP grantees and that it alert CHRP grantees to this change in policy.

In response, COPS described the information included in the CHRP grant owner's manual that reminds grantees that grant extensions will only be granted with reasonable justifications. COPS officials also stated that COPS was planning to use its web-based training system, CHRP eLearn Center, to distribute documents that could help grantees avoid common delays in hiring officers.

Finally, COPS told us it would evaluate overall grantee progress in filling CHRP officer positions and consider revising its extension policy.

⁴⁰ A law enforcement agency is in receivership when a court or higher legislative authority, such as a state, determines that another entity must be given custodial responsibilities of the agency.

When we followed up with COPS for this report, COPS officials stated that no changes were made to the extension policy yet, but reducing the use of “automatic” extensions was being considered, if determined appropriate. Additionally, COPS stated that requiring more detailed written justifications for any extension granted were also being considered, with the merits of each request reviewed to ensure that the needs of the community are balanced against the purposes of the Recovery Act.

COPS officials also told us that the COPS Finance staff will evaluate quarterly financial status reports received from grantees and perform regular analyses of the drawdown data to ensure that grantees are expending grant funds on a timely basis.

Allowing OJP Remote Access to Grant Documentation

In our June 2009 report, we suggested that COPS allow OJP remote access to COPS’ grantee information database for monitoring. As we described in that report, most of the data COPS maintains regarding its grantees, including CHRP award recipients, is maintained in a database called the COPS Management System (CMS). Although CMS is primarily accessed by COPS staff located in COPS headquarters and it is not a web based system, it is possible to access CMS remotely.

When we first suggested that the Office of Justice Programs’ Office of Audit, Assessment, and Management (OAAM) and Office of the Chief Financial Officer (OCFO) should have remote access to CMS because of their oversight and monitoring responsibilities for COPS grantees, COPS stated that off-site access to the COPS Management System is only possible by using a COPS-issued laptop and a secure remote connection.⁴¹ Further, COPS officials stated that responses were made to OJP’s requests for information by providing customized hardcopy reports in a timely manner.

OAAM and OCFO officials told us that they would prefer remote access to CMS as this would be of greater assistance in carrying out monitoring and program assessment responsibilities. Because we strongly believe that oversight agencies should have direct, instant, and complete access to grant information, which is not provided using the current system that relies on hard copies of documents, we continue to encourage COPS to consider providing its OJP partners with the necessary access to CMS remotely.

⁴¹ OJP’s OAAM and OCFO also have responsibilities related to COPS grantee monitoring and often require information from the COPS Management System. OCFO completes financial related site visits and compliance reviews. OAAM provides leadership and oversight for OJP and COPS program monitoring efforts.

Ensuring Transparency of Funding

In our June 2009 memorandum, we brought to COPS' attention the aspects of transparency we believed were most significant to the CHRP grant program. One aspect was the importance of informing all CHRP applicants why their application was either funded or not funded. Although not specifically required by the Recovery Act, we believe this type of information should be disclosed to the public whenever possible.

Subsequent to this memorandum and following the announcement of the CHRP award recipients on July 28, 2009, COPS made available to the public a significant amount of information regarding the selection of the CHRP grantees. Specifically, COPS created the CHRP Announcement Toolkit, a webpage on its internet site dedicated to providing additional information on how the CHRP application was created, reviewed, and how the final awardees were selected. COPS also included the final award list; CHRP applicant rankings by state; state summary sheets that included the number of agencies that applied and were awarded, dollars requested and awarded, and a list of agencies awarded; frequently asked questions; and the methods used to develop and evaluate CHRP applications.

We reviewed the information COPS made public regarding CHRP following the announcement of the award recipients and determined it was accurate and useful. However, COPS chose not to disclose key elements of the CHRP grantee selection methodology such as the number of points assigned to the data submitted in the applications. COPS told us this type of detailed information was not made public because part or all of the methodology may be used again in the future, and it may be possible for some future applicants to gain an unfair advantage by misusing this information.

Based on our review of the documents described, we believe that COPS took reasonable actions and met its responsibilities related to the aspects of transparency we raised in our memorandum.

Grantee Training

In our June 2009 report, we expressed our belief that many COPS grantees who failed to comply with administrative requirements did so either because they misinterpreted grant requirements or were never aware of them. As a means to improve grantees' understanding and compliance with terms and conditions of the CHRP award, we advised COPS to consider developing recurring and mandatory training programs for all grantees, but especially those who could be considered high risk of non-compliance for

certain requirements. We also suggested to COPS that it consider using Internet-based methods to deliver this training in a cost effective manner.

COPS generally agreed with our suggestions regarding training and told us in June 2009 that it was establishing a CHRP “eLearn Center” to deliver both grants management training and community policing training to grantee agencies. The eLearn Center is an Internet based training tool for COPS grantees, developed in partnership with the Virginia Center for Policing Innovation, which offers online courses that guide agencies through the details of managing their grants from the time they accept an award to final grant close-out. Additional eLearn Center features include guides that show grantees how to request grant funding, maintain financial records, and meet the other terms and conditions of the CHRP grants.

In early December 2009, COPS activated the eLearn Center and invited all CHRP grantees to visit the website. We found the materials on the website to be well organized and comprehensive. However, because visiting the website and taking the courses is completely voluntary, we are concerned that some grantees that would benefit most from these materials will choose not to do so.

COPS informed us that it is considering the possibility of using the eLearn Center, after an initial evaluation, for either mandatory training or specific training tailored to high-risk grantees.

Based on our review of the eLearn Center, we believe COPS has made significant improvements to its grantee training capability. We also continue to encourage COPS to consider making grantee participation mandatory and requiring grantees to demonstrate their understanding of the material through testing.

Conclusion

We found that COPS issued \$1 billion in CHRP grant funds in a timely and transparent manner. COPS received 7,272 applications for grant funds and granted funding to 1,046 recipients.

We concluded that, in general, COPS relied on merit-based decision making to select CHRP grantees in a manner consistent with the other significant requirements established for the Recovery Act. COPS also met the major allocation requirements related to COPS grants for hiring police officers.

However, we identified inaccuracies in some formulas that COPS used to award the CHRP grants. These inaccuracies resulted in 34 applicants that did not receive grants but should have, 6 grantees that received fewer officer positions than they should have, 45 grantees that should not have received grants, and 6 grantees that received more officer positions than they should have.

In addition, from our analysis of COPS validation and management of data submitted by applicants for Recovery Act funding, we identified two areas for improvement. The first relates to potentially overstated data that may have affected the selection of Recovery Act recipients. The second involves a weak system for tracking changes to data and ensuring data integrity.

Finally, we reviewed concerns we previously brought to COPS attention regarding grant administration in general and Recovery Act grants specifically. These issues relate to information sharing with OJP, grantee evaluation and training, and meeting other requirements related to the Recovery Act. Although COPS has addressed some of these concerns, we believe there are still areas in need of improvement.

Recommendations

We recommend that COPS:

1. Implement a remedy for agencies that were negatively affected by the inaccurate formulas used in developing the scores and ranks of CHRP applicants.
2. Replace the outlier queries for future grant programs to better identify potentially inaccurate data submitted by grant applicants.
3. Develop and implement a system to track significant changes made during the application process to applicant information.
4. Work with OJP to avoid duplication of future grant funding.
5. Provide OJP additional access to grant management documentation, such as through direct access of CMS.

6. Consult with OJP to develop a consistent methodology for identifying and managing high-risk grant applicants and awardees.
7. Encourage CHRP grantees to participate in grant management training and consider evaluating grantees' understanding of the material through testing.

STATEMENT ON INTERNAL CONTROLS

In planning and performing our audit of the COPS Hiring and Recovery Program, we considered the COPS' internal controls for the purpose of determining our audit procedures. This evaluation was not made for the purpose of providing assurance on the internal control structure as a whole. However, we noted certain matters that we consider to be reportable conditions under the *Government Auditing Standards*.

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the COPS' ability to manage CHRP.

As discussed in the Findings and Recommendations section of this report, we have concerns related to how well COPS tracked changes to the data it collected from applicants during the scoring and ranking process. To address this deficiency we recommended that COPS develop and implement a system to more efficiently track changes to data sets when a significant number of changes are necessary as was the case with the CHRP applicant data.

Because we are not expressing an opinion on the COPS' internal control structure as a whole, this statement is intended solely for the information and use of the COPS in administering CHRP. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

STATEMENT ON COMPLIANCE WITH LAWS AND REGULATIONS

This audit evaluated COPS management of the CHRP grant program through the grantee selection period. In connection with the audit, as required by the *Government Auditing Standards*, we reviewed management processes and records to obtain reasonable assurance that COPS' compliance with laws and regulations that, if not complied with, in our judgment, could have a material effect on COPS operations. Compliance with laws and regulations applicable to the COPS management of CHRP is the responsibility of COPS management.

Our audit included examining, on a test basis, evidence about laws and regulations. The specific laws and regulations against which we conducted our tests are contained in the relevant portions of:

- Pub.L No. 111-5, The American Recovery and Reinvestment Act of 2009
- 42 U.S.C. § 3793(a)(11)(b) (2008)
- 42 U.S.C. § 3796 dd(f) (2008)
- Executive Memorandum for Heads of Executive Departments and Agencies: Ensuring Responsible Spending of Recovery Act Funds, March 20, 2009
- OMB Memorandum M-09-16, Interim Guidance Regarding Communications with Registered Lobbyists About Recovery Act Funds
- OMB Memorandum M-09-10, Initial Implementing Guidance for the American Recovery and Reinvestment Act of 2009
- OMB Memorandum M-09-15, Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009.

Except for the instances of non-compliance identified in our audit, we did not identify any areas where COPS was not in compliance with the laws and regulations referred to above. With respect to activities that were not tested, nothing came to our attention that caused us to believe that COPS management was not in compliance with the laws and regulations cited above.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to: (1) evaluate COPS compliance with relevant statutes and executive directives in its design and implementation of CHRP, (2) evaluate the reasonableness of criteria COPS established for CHRP, (3) review technical aspects of the CHRP grantee selection process, and (4) follow up on previous OIG concerns reported to COPS.

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.

We conducted work at the COPS' headquarters in Washington, D.C. Generally speaking, the scope of this audit covered the entire CHRP grantee selection period beginning with the enactment of the Recovery Act on February 17, 2009, through December 2009.

To perform our audit, we interviewed COPS officials and analyzed documents and data from both COPS and CHRP applicants. Where appropriate we compared results of actions taken by COPS with applicable statutes and executive directives. As described in the report, we completed limited testing of the integrity of the data COPS used to select grantees. We also reviewed the original and revised scoring and ranking processes used to select CHRP grantees.

To complete our analysis of previously identified concerns related to matters of grantee administration common to COPS and OJP, we obtained information from OJP officials directly as necessary.

TECHNICAL REVIEW OF FORMULAS USED IN THE GRANTEE SELECTION METHODOLOGY

Our technical review of the formulas COPS used to calculate the measures of average rates of change for the scoring of some applicants identified two inaccuracies. To illustrate these inaccuracies, the formulas used by COPS to measure applicant fiscal health are presented through numeric examples below. Our illustration only includes the formula COPS used for the jurisdictional balance indicator metric. However, because COPS used similar formulas for the other indicator metrics, the inaccuracies present in the jurisdictional balance indicator metric are identical to the other formulas for the other indicator metrics.

The formulas for the jurisdictional balance indicator COPS used computed the percentage rate of change from FY 2007 to FY 2008 and the percentage rate of change from FY 2008 to FY 2009 and then took the average percentage rate of change. The rate of change from FY 2007 to FY 2008 is named Change1 and of the rate of change from the FY 2008 to FY 2009 is named Change2. Therefore, the formulas COPS used were as follows:

$$\text{Change1} = \frac{\text{FY08 Jurisdictional Balance} - \text{FY07 Jurisdictional Balance}}{\text{FY07 Jurisdictional Balance}} * 100$$

$$\text{Change2} = \frac{\text{FY09 Jurisdictional Balance} - \text{FY08 Jurisdictional Balance}}{\text{FY08 Jurisdictional Balance}} * 100$$

$$\text{Average Change} = (\text{Change 1} + \text{Change 2}) / 2$$

The first inaccuracy in these formulas was that, when the jurisdictional balance is decreased from one year to the next, the rate of decrease is never less than -100% as the denominator is always larger than the difference. On the other hand, when the jurisdictional balance has increased from one year to the next, the rate of increase can go to any high value without limit, as the denominator could be less than the difference. This shows that the metric measuring any decrease was on one scale while the metric measuring any increase was on a different scale. Therefore, the average change was an inaccurate measure of the indicator. We illustrate this point in the following example:

For two applicants, Applicant A and Applicant B, assume the three fiscal year's 2007, 2008, and 2009 jurisdictional balance data is given as in Table 1.

Table 1: Jurisdictional Balance of two Applicants in FYs 2007, 2008, and 2009

Applicant	FY 2007	FY 2008	FY 2009
Applicant A	100	96	92
Applicant B	100	2	10

Using COPS' formulas as described above, jurisdictional balance change 1, change 2, and average change computations are provided in Table 2.

Table 2: FY 2007 to FY 2009 Rate of Change of Jurisdictional Balance

Percentage Rate of Change			
Applicant	Change 1	Change 2	Average Rate of Change
Applicant A	$(96-100)/100=-4\%$	$(92-96)/96 = -4.2\%$	$(-4\%+(-4.2\%))/2= -4.1\%$
Applicant B	$(2-100)/100=-98\%$	$(10-2)/2=400\%$	$(-98\%+400\%)/2= +151\%$

The calculations show that Applicant A has an average rate of change measure of -4.1% while Applicant B has an average rate of change measure of +151%, indicating that Applicant A is in poorer fiscal condition than Applicant B. Consequently, the COPS algorithm gives Applicant A a higher score than Applicant B. However, the jurisdictional balance of Applicant B was reduced from 100 to 10 while that of Applicant A reduced from 100 to 92 and the fiscal condition of Applicant B was worse than Applicant A. Therefore the formula COPS used to measure the indicator of fiscal condition was not accurate.

The second inaccuracy associated with these formulas was that the rate of change value was sometimes unavailable because the formula required division by zero, which resulted in an undefined value. This flaw is illustrated in a numerical example in the Table 3 below.

Table 3: Jurisdictional Balance of two Applicants in FYs 2007, 2008, and 2009

Applicant	FY 2007	FY 2008	FY 2009
Applicant A	0	0	10
Applicant B	0	0	1,000,000

COPS' formulas cannot be used to calculate rates of change as the denominator in these cases was zero. To mitigate this computational difficulty, COPS inaccurately applied protocols using the same rates of change for all such cases with the same score. As can be seen in Table 3, the jurisdictional balance indicator of fiscal condition of Applicant A was much worse than that of Applicant B, as Applicant A has improved from 0 to 10 as opposed to Applicant B's change from 0 to 1,000,000. We believe it was inappropriate to use these protocols because they did not capture the desired measurements accurately.

AGENCIES AFFECTED BY CHRP RESCORING

**Grantees That Would Not Have Been Funded CHRP Grants
(45 Recipients)**

	Agency	Officers	Award Amount
1	Macon County Sheriff's Department, AL	1	\$ 114,573
2	Colorado River Indian Tribes, AZ	1	\$ 150,624
3	Pittsburg Police Department, CA	2	\$ 758,096
4	Willows Police Department, CA	1	\$ 255,843
5	Dinuba Police Department, CA	2	\$ 543,842
6	Sutter Creek Police Department, CA	1	\$ 238,884
7	Clovis Police Department, CA	5	\$ 1,526,465
8	West Sacramento Police Department, CA	3	\$ 973,356
9	Siskiyou County Sheriff's Department, CA	3	\$ 615,156
10	Colorado Springs Police Department, CO	2	\$ 418,560
11	Black Hawk Police Department, CO	1	\$ 262,308
12	Hollywood Police Department, FL	4	\$ 1,132,096
13	Winter Garden Police Department, FL	3	\$ 571,362
14	Dunnellon Police Department, FL	1	\$ 144,043
15	Adairsville Police Department, GA	1	\$ 156,726
16	City of Villa Rica, GA	2	\$ 321,516
17	Clearwater County Sheriff's Office, ID	1	\$ 144,170
18	Riverdale, Village of, IL	2	\$ 515,532
19	City of LaPorte, IN	2	\$ 382,154
20	Edwardsville Police Department, KS	1	\$ 187,574
21	City of Hyden, KY	1	\$ 108,363
22	Hopkins Police Department, MI	1	\$ 111,747
23	Sugar Creek Police Department, MO	1	\$ 158,847
24	Livingston Police Department, MT	1	\$ 172,548
25	Richmond County Sheriff's Department, NC	3	\$ 383,778
26	Town of Red Springs, NC	1	\$ 136,356
27	Town of Madison, NC	1	\$ 137,840
28	Lincoln Police Department, NE	4	\$ 679,136

29	Franklin Police Department, NH	1	\$ 180,095
30	Wakefield Police Department, NH	1	\$ 188,003
31	Reno-Sparks Indian Colony, NV	1	\$ 176,254
32	Russells Point Police Department, OH	1	\$ 130,428
33	Newton Falls Police Department, OH	1	\$ 195,090
34	New Boston Police Department, OH	1	\$ 154,490
35	Wilkinsburg Police Department, PA	1	\$ 210,795
36	Bluffton Police Department, SC	2	\$ 361,464
37	Aiken Department of Public Safety, SC	4	\$ 568,280
38	Town of McBee, SC	1	\$ 137,686
39	Simpsonville Police Department, SC	2	\$ 252,294
40	City of Martin, SD	1	\$ 140,262
41	Normangee Police Department, TX	1	\$ 137,816
42	Roma Police Department, TX	1	\$ 114,733
43	Ceredo Police Department, WV	1	\$ 126,861
44	White Hall Police Department, WV	1	\$ 122,424
45	Cameron Police Department, WV	1	\$ 148,797

**Grantees That Would Have Received Less CHRP Funding
(6 Recipients)**

	Agency	Officers	Award Amount
1	Boise Police Department, ID	2	\$ 503,270
2	Gulfport Police Department, MS	1	\$ 156,257
3	Tulsa Police Department, OK	2	\$ 389,494
4	Oregon City Police Department, OR	1	\$ 288,299
5	Providence Police Department, RI	1	\$ 271,524
6	Norfolk Police Department, VA	1	\$ 164,529

**Agencies That Should Have Been Funded CHRP Grants
(34 Applicants)**

	Agency	Officers	Award Amount⁴²
1	Petersburg Police Department, AK	1	\$ 249,364
2	Casa Grande Police Department, AZ	4	\$ 1,006,404
3	Trinity County Sheriff's Department, CA	1	\$ 253,465
4	Red Bluff Police Department, CA	1	\$ 261,087
5	Northglenn Police Department, CO	3	\$ 645,339
6	Thornton Police Department, CO	1	\$ 223,669
7	Bushnell Public Safety, FL	1	\$ 158,603
8	Hampton Police Department, GA	1	\$ 146,892
9	Athens Clarke County Police Department, GA	11	\$ 1,486,617
10	Meridian Police Department, ID	4	\$ 725,932
11	Springfield Police Department, IL	7	\$ 1,451,058
12	Harlan Police Department, KY	1	\$ 128,625
13	Saugus Police Department, MA	3	\$ 537,945
14	Fruitland Police Department, MD	1	\$ 203,670
15	Tawas Police Authority, MI	1	\$ 187,442
16	Lansing Township Police Department, MI	1	\$ 225,804
17	City of Saint Clair, MO	1	\$ 163,446
18	Duck Hill Police Department, MS	1	\$ 111,404
19	Cut Bank Police Department, MT	1	\$ 134,865
20	Grand Island Police Department, NE	3	\$ 576,528
21	Boardman Township, OH	2	\$ 524,246
22	Chillicothe Police Department, OH	2	\$ 446,722
23	Del City Police Department, OK	2	\$ 351,232
24	McLoud Police Department, OK	1	\$ 99,937
25	Borough of West Hazleton, PA	1	\$ 176,912
26	City of Groton, SD	1	\$ 142,788
27	Lenoir Police Department, TN	1	\$ 212,266

⁴² This award amount is taken from information submitted by the applicant and the actual amount to be awarded may increase or decrease based on COPS' final review of the applicant's grant request.

28	Covington Police Department, TN	2	\$ 353,544
29	Waller Police Department, TX	1	\$ 178,572
30	San Juan Police Department, TX	2	\$ 282,108
31	Vidor Police Department, TX	1	\$ 186,689
32	Glade Spring Police Department, VA	1	\$ 107,869
33	Moses Lake Police Department, WA	2	\$ 453,864
34	Gillett Police Department, WI	1	\$ 191,329

**Grantees That Should Have Received More CHRP Funding
(6 Recipients)**

	Agency	Officers	Award Amount⁴²
1	Wichita Police Department, KS	1	\$ 204,597
2	Canton Police Department, MS	1	\$ 123,393
3	Concord Police Department, NH	2	\$ 415,088
4	Nye County Sheriff's Department, NV	1	\$ 216,539
5	Memphis Police Department, TN	13	\$ 2,229,357
6	Morgantown Police Department, WV	2	\$ 334,816

AGENCIES THAT WITHDREW FROM CHRP

	Agency
1	City of Plainview, AR
2	Delaware Department of Natural Resources and Environmental Control
3	City of Jacksonville Beach, FL
4	Lee County Sheriff's Office, FL
5	Florida Department of Law Enforcement, FL
6	Winter Haven PD, FL
7	Middle Georgia College, GA
8	Christian County Sheriff's Office, IL
9	Village of Waterman, IL
10	Menifee County Sheriff's Department, KY
11	Cheyenne and Arapahoe Tribes, OK
12	High Point, NC

OMB Number:
1103-0098
Expiration
Date:
09/30/2009

COPS Hiring Recovery Program (CHRP) Application

COPS Application Attachment to SF-424

The COPS Hiring Recovery Program (CHRP) is a competitive grant program that provides funding directly to law enforcement agencies having primary law enforcement authority to create and preserve jobs and to increase their community policing capacity and crime-prevention efforts. CHRP funding is available to hire full-time career law enforcement officers. There is no local matching requirement, but grant funding will be based on your agency’s current entry-level salaries and benefits for sworn officer positions. Any additional costs for higher salaries and benefits for positions hired under the CHRP grant must be paid for by the grantee agency.

In preparing your agency’s grant application, please be advised that grantees are prohibited from reducing state, local, or tribal funding for sworn officer positions *as a direct result of* applying for and/or receiving this CHRP grant. Instead, this program is intended to supplement the amount of state, local, or tribal funding that your agency would otherwise be able to budget for sworn officer positions.

In addition, at the conclusion of federal funding, grantees must retain all sworn officer positions awarded under the CHRP grant. The retained CHRP-funded positions should be added to your agency’s law enforcement budget with state and/or local funds, over and above the number of locally-funded sworn officer positions that would have existed in the absence of the grant.

To the extent possible, all data should come from a publicly verifiable source, and documentation may be requested by the COPS Office. This information will be used to evaluate your jurisdiction’s need for federal assistance to address its public safety needs and to preserve and create jobs.

SECTION 1: EXECUTIVE INFORMATION

Note: Listing individuals without ultimate programmatic and financial authority for the grant could delay the review of your application, or remove your application from consideration.

A. Applicant ORI Number: _____

B. Applicant DUNS Number: _____ *A Data Universal Numbering System (DUNS) number is required. A DUNS number is a unique nine-digit sequence recognized as the universal standard for identifying and keeping track of entities receiving federal funds. For more*

information about how to obtain a DUNS number, please refer to the How to Apply section of the COPS Application Guide.

C. Central Contractor Registration (CCR) *All applicants are required to maintain current registrations in the Central Contractor Registration (CCR) database. The CCR database is the repository for standard information about federal financial assistance applicants, recipients, and sub-recipients. For more information about how to register with the CCR, please refer to the How to Apply section of the COPS Application Guide. Please note that applicants must update or renew their CCR at least once per year to maintain an active status.*

Does your agency have an active registration with the Central Contractor Registry? Yes No

If no, will your agency agree to have an active registration with the Central Contractor Registry before any COPS grant funding is awarded? Yes No

D. GNIS ID: _____

Please enter your Geographic Names Information System (GNIS) Identification Number. This is a unique ID assigned to all geographic entities by the U.S. Geological Survey. To look up your GNIS Feature ID, please go to the website: <http://geonames.usgs.gov/domestic/index.html>. For more information about how to obtain a GNIS number, please refer to the How to Apply section of the CHRP Application Guide.

E. Law Enforcement Executive/Program Official Information:

or equivalent).

Title:

First Name: MI: Last Name: Suffix:

Agency Name:

Street Address

1:

Street Address

2:

City: State: Zip Code:

Telephone: Fax:

E-mail:

***For Law Enforcement Agencies:** Enter the law enforcement executive's name and contact information. This is the highest ranking law enforcement official within your jurisdiction (e.g., Chief of Police, Sheriff,*

Type of Agency:

F. Government Executive/Financial Official Information:

***For Government Agencies:** Enter the government executive's name and contact information. This is the highest ranking official within your jurisdiction (e.g., Mayor, City Administrator, Tribal Chairman, or equivalent).*

Title: First Name: MI: Last Name: Suffix: Agency Name: Street Address 1: Street
Address 2: City: _____ State: _____ Zip Code: Telephone: Fax: E-
mail:

Type of Government Entity:

SECTION 2: GENERAL AGENCY INFORMATION

A. General Applicant Information

1. Cognizant Federal Agency: _____

Enter your jurisdiction's Cognizant Federal Agency. A Cognizant Federal Agency, generally, is the federal agency from which your jurisdiction receives the most federal funding. Your Cognizant Federal Agency also may have been previously designated by the Office of Management and Budget

2. Fiscal Year: __/__/__ to __/__/__ (mo/day/yr)

Enter your jurisdiction's fiscal year.

3. Jurisdictional population as of the 2000 U.S. Census:

† Check here if the jurisdictional population is not represented by U.S. Census figures (e.g., colleges, special agencies, school police departments, etc.). (If checked, skip Question 4 and go to Question 5)

4. Enter the total jurisdictional population as of the 2007 Census Estimate. The Census Estimate can be looked up in the American FactFinder at <http://FactFinder.census.gov>.

5. If the jurisdictional population is not represented by U.S. Census figures, please indicate the size of the population in 2007:

Please indicate the source of this estimate: _____

(Question 5 is N/A unless the checkbox in #3 above is checked)

6. Do officers have primary law enforcement authority for this entire jurisdictional population? [An agency with primary law enforcement authority is defined as the first responder to calls for service, and has ultimate and final responsibility for the prevention, detection, and/or investigation of crime within its jurisdiction.]

YES ____ NO ____

(If yes, skip to section B below)

a) If NO, what is the actual population for which your department has primary law enforcement authority? For example, your service population may be the 2007 Census Estimate minus the population of the incorporated towns and cities that have their own police departments within your geographic boundaries. _____

B. Law Enforcement Agency Information

1. Enter the Current Fiscal Year Budgeted Sworn Force Strength:

Full-time: _____ Part-time: _____

The budgeted number of sworn officer positions is the number of sworn positions your agency has funded within its budget, including state, Bureau of Indian Affairs, and locally-funded vacancies. Do

not include unfunded vacancies or unpaid/reserve officers.

2. Enter the Actual Sworn Force Strength as of the Date of This Application:

Full-time: _____ Part-time: _____

The actual number of sworn officer positions is the actual number of sworn positions employed by your agency as of the date of this application. Do not include funded but currently vacant positions or unpaid positions.

SECTION 3: CHRP PROGRAM REQUEST

Your agency may apply for COPS funds to use on or after the official grant award start date to hire new, additional officer positions (including filling existing unfunded vacancies) or rehire officers who have already been laid off, or are currently scheduled to be laid off on a future date, as a result of state, local or tribal budget reductions. Please base your application request on your agency's current anticipated needs for funding in these primary categories. Please also be mindful of the initial three-year grant period and your agency's ability to fill and retain the officer positions awarded, while following your agency's established hiring policies and procedures.

As described in detail in the CHRP Application Guide, it is imperative that applicants understand that the COPS statute nonsupplanting requirement mandates that CHRP funds may be used only to supplement (increase) a grantee's law enforcement budget for sworn officer positions and may not supplant (replace) state, local, or tribal funds that a grantee otherwise would have spent on officer positions if it had not received a CHRP award. This means that if your agency plans to:

(a) Hire new officer positions (including filling existing officer vacancies that are no longer funded in your agency's budget): It must hire these additional positions on or after the official grant award start date, above its current budgeted (funded) level of sworn officer positions, and otherwise comply with the nonsupplanting requirement as described in detail in the CHRP Application Guide and Grant Owner's Manual;

(b) Rehire officers who have already been laid off (at the time of application) as a result of state, local, or tribal budget cuts: It must rehire the officers on or after the official grant award start date, maintain documentation showing the date(s) that the positions were laid off and rehired, and otherwise comply with the nonsupplanting requirement as described in detail in the CHRP Application Guide and Grant Owner's Manual;

(c) Rehire officers who are (at the time of application) currently scheduled to be laid off on a future date as a result of state, local, or tribal budget cuts: It must continue to fund the officers with its own funds from the grant award start date until the date of the scheduled lay-off (for example, if the CHRP award start date is September 1 and the lay-off is scheduled for November 1, then the CHRP funds may not be used to fund the officers until November 1, the date of the scheduled layoff), identify the number and date(s) of the scheduled lay-off(s) in this application [see below], maintain documentation showing the date(s) and reason(s) for the lay-off, and otherwise comply with the nonsupplanting

requirement as described in detail in the CHRP Application Guide and Grant Owner's Manual. [Please note that as long as your agency can document the date that the lay-off(s) would occur if the CHRP funds were not available, it may transfer the officers to the CHRP funding on or immediately after the date of the lay-off without formally completing the administrative steps associated with a lay-off for each individual officer.]

Documentation that may be used to prove that scheduled lay-offs are occurring for local economic reasons that are unrelated to the availability of CHRP grant funds may include (but are not limited to) council or departmental meeting minutes, memoranda, notices, or orders discussing the lay-offs; notices provided to the individual officers regarding the date(s) of the layoffs; and/or budget documents ordering departmental and/or jurisdiction-wide budget cuts. These records must be maintained with your agency's CHRP grant records during the grant period and for three years following the official closeout of the CHRP grant in the event of an audit, monitoring, or other evaluation of your grant compliance. The following tips are designed to help comply with the program and financial requirements associated with the administration of your grant. <http://www.cops.usdoj.gov/Default.asp?Item=2116>

When completing the questions below, please base your responses on your agency's current (at the time of application) needs for funding in the three hiring categories (new hires, rehires of previously laid off officers, and rehiring officers who are scheduled to be laid off on a specific future date). CHRP grant awards will be made for officer positions requested in each of these three categories and recipients of CHRP awards are required to use awarded funds for the specific categories awarded.

During the review of your agency's application, if the COPS Office reduces the number of positions you requested in the application, the COPS Office may contact you to obtain a new number of officer positions requested in each category.

How many CHRP sworn officer positions is your agency requesting (total)? _____

How many of the positions will be:

(a) To hire new, additional officer positions (including to fill existing vacancies that are no longer funded in your agency's budget)? _____

(b) To rehire officers who have already been laid off (at the time of application) as a result of state, local, or tribal budget reductions? _____

(c) To rehire officers who are (at the time of application) currently scheduled to be laid off on a specific future date as a result of state, local, or tribal budget reductions?

(# Positions) _____ Date of the scheduled lay-off for these officers

If your agency has planned multiple future lay-off dates, please use the additional space below:

(# Positions) _____ Date of the scheduled lay-off for these officers

(# Positions) _____ Date of the scheduled lay-off for these officers

Special Reminder for Rehired Officers:

The CHRP program awards funding based on your agency's *entry-level* salary and benefits package. Any additional (higher than entry-level) salary and benefits expenses for rehired officers must be paid by your agency.

Certification Regarding Scheduled Lay-Offs:

If your agency plans to use CHRP funds to rehire officers who are currently scheduled to be laid off on a future date (under category c above), please certify (by checking the appropriate boxes) to the following:

Certification:

† My agency has and will maintain documentation showing the date(s) of the scheduled lay-off(s) and demonstrating that the scheduled lay-off(s) is/are occurring for fiscal reasons that are unrelated to the availability or receipt of CHRP grant funds (as described above).

† My agency will use its own funds to continue funding these officers until the scheduled date(s) of the lay-off(s) and will use CHRP funds to rehire these officers only on or after the scheduled date of the lay-off(s).

† My agency recognizes that the CHRP program provides funding based on our entry-level salary and benefits package and that any additional costs for rehired officers beyond entry-level are our responsibility to pay with other sources of funding.

If an applicant receives an award, and after receiving the awards needs to change the hiring categories, it must request a post-award grant modification to change the categories of hiring and receive prior approval before spending CHRP funding by calling the COPS Office Response Center at 1-800-4216770.

The American Recovery and Reinvestment Act (Recovery Act) requires grantees to report their financial and programmatic progress within 10 days after the end of each calendar quarter. The Recovery Act reporting requirements are in addition to quarterly financial status report and quarterly programmatic progress report requirements. The COPS Office plans to request information from grantees consistent with Section 1512 of the Recovery Act, including collecting information on the number of new jobs created and the number of jobs preserved using CHRP funding. Awarded agencies will be required to submit information in a timely manner as a condition of the award. The COPS Office is then required to post data from grantee reports to Recovery.gov. Please be advised that the submission of programmatic and financial reports on a timely basis is a significant condition of the CHRP grant and a violation of the grant requirement may result in termination of grant funding or other remedies.

In order to aid in compliance with the reporting requirements, awarded agencies should be prepared to track and report CHRP funding separately from other funding sources (including other COPS and federal grants) to ensure accurate financial and programmatic reporting on a timely basis. Your agency should ensure that you have financial internal controls in place to monitor the use of CHRP funding and ensure that its use is consistent with grant terms and conditions. Good practices in this area would include written accounting practices, an accounting system that tracks all drawdowns and grant expenditures, and the ability to track when each CHRP position funded is filled or vacant (including if the position was for a new hire or a re-hire).

SECTION 4: NEED FOR FEDERAL ASSISTANCE

1) Enter your law enforcement agency's total operating budget for the current AND previous two fiscal years. CURRENT FISCAL YEAR (2009) \$ _____ PREVIOUS FISCAL YEAR (2008) \$ _____

PREVIOUS FISCAL YEAR (2007) \$ _____ 2) Enter the total jurisdictional (city, county, state, tribal) operating budget for the current AND previous two fiscal years.

CURRENT FISCAL YEAR (2009) \$ _____

PREVIOUS FISCAL YEAR (2008) \$ _____

PREVIOUS FISCAL YEAR (2007) \$ _____

3) Enter the total jurisdictional (city, county, state, tribal) locally generated revenues for the current AND previous two fiscal years. *Locally generated revenues may include locally generated property taxes, sales taxes and other taxes and revenue sources (for example, transportation taxes, transient lodging taxes, licensing fees, other non-property taxes and franchise taxes).*

CURRENT FISCAL YEAR (2009) \$ _____

PREVIOUS FISCAL YEAR (2008) \$ _____

PREVIOUS FISCAL YEAR (2007) \$ _____

4) Enter the total jurisdictional (city, county, state, tribal) general fund balance for the current and previous two fiscal years.

CURRENT FISCAL YEAR (2009) \$ _____

PREVIOUS FISCAL YEAR (2008) \$ _____

PREVIOUS FISCAL YEAR (2007) \$ _____

5) Since January 1, 2008, what percentages of the following employees in your jurisdiction (city, county, state, tribal) have been reduced through lay-offs:

Civilian Law Enforcement Agency Personnel _____%

Sworn Law Enforcement Agency Personnel _____%

Other Government Agency Personnel _____%

6) Since January 1, 2008, what percentages of the following employees in your jurisdiction (city, county, state, tribal) have been reduced through furloughs that have lasted or are scheduled to last a minimum of forty hours over the course of a fiscal year:

Civilian Law Enforcement Agency Personnel _____%

Sworn Law Enforcement Agency Personnel _____%

Other Government Agency Personnel _____%

7) Since January 1, 2008 what percentages of the following employees in your jurisdiction (city, county, state, tribal) have been reduced due to official policies that limit your jurisdiction's ability to fill vacancies (i.e., hiring freezes):

Civilian Law Enforcement Agency Personnel _____%

Sworn Law Enforcement Agency Personnel _____%

Other Government Agency Personnel _____%

8) The U.S. Census Bureau American Community Survey (ACS) provides multi-year poverty rate estimates for communities. For jurisdictions with a Census population greater than 20,000, please go to the U.S. Census Bureau's American FactFinder (<http://FactFinder.census.gov>) to determine the percent of families in poverty in your jurisdiction based on the 2005-2007 ACS. For jurisdictions below 20,000 in population or not represented in the U.S. Census, please select the nearest best match for your jurisdiction (for example, the county in which your jurisdiction is located). Please see the CHRP Application Guide for additional information and help in using the American FactFinder.

Percent of families in poverty _____%

9) The Bureau of Labor Statistic's' Local Area Unemployment Statistics (LAUS) program provides monthly estimates of unemployment for communities. Please go to the Bureau of Labor Statistics' LAUS website: (www.bls.gov/lau/data.htm) to find detailed instructions for looking up your local area's unemployment rate. As with the previous question, it may be necessary to select the nearest best match to your jurisdiction (for example, a city of fewer than 25,000 people may report their county level rate). Please see the CHRP Application Guide for additional information and help in using the LAUS data.

Percentage unemployed for January 2009 _____%

Percentage unemployed for January 2008 _____ %

10) Indicate your jurisdiction's estimated residential property foreclosure rate for calendar year 2008. This rate should be calculated as the total number of new default and auction foreclosure filings and new bank-owned foreclosures (REOs) in 2008 divided by the total number of residential households.

_____ %

_____ Check here if the information necessary to calculate this rate is unavailable.

11) Indicate if your jurisdiction has experienced any of the following events since January 1, 2008:

_____ Military base closure or realignment.

_____ A declaration of natural or other major disaster or emergency has been made pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act. (42 U.S.C. 5121 et seq.)

_____ A declaration as an economically or financially distressed area by the state in which the applicant is located.

_____Downgrading of the applicant's bond rating by a major rating agency. _____Has filed for or been declared bankrupt by a court of law. _____Has been placed in receivership or its functional equivalent by the state or federal government.

System Note: They can select multiple items above.

12) Indicate if, since January 1, 2008, your jurisdiction has experienced an unplanned, non-recurring, capital outlay or unanticipated loss of revenue that has had a significant negative impact on your jurisdiction's fiscal health.

Yes_____ No_____

12a) If YES, please express the cost of this event as a percentage of your total current operating budget _____% and please describe the event (please limit to 350 characters):

13) Using UCR crime definitions enter the actual number of incidents reported to your jurisdiction in calendar year 2008 for the following crime types:

Criminal Homicide: _____ Forcible Rape: _____ Robbery:
_____ Aggravated Assault: _____ Burglary: _____
Larceny (except motor vehicle theft): _____ Motor Vehicle Theft:

*Note: If your agency currently reports to NIBRS, or does not report crime incident totals at all, please ensure that your data is converted to UCR Summary Data style. Please see the CHRP Application Guide or the FBI's UCR Handbook (www.fbi.gov/ucr/handbook/ucrhandbook04.pdf) for more information.

SECTION 5: LAW ENFORCEMENT & COMMUNITY POLICING STRATEGY

Proposed Community Policing Plan

COPS grants must be used to initiate or enhance community policing activities. Please complete the following questions to describe the types of community policing activities that will result from CHRP funding. You may find more detailed information about community policing at the COPS Office web site <http://www.cops.usdoj.gov/Default.asp?Item=36>.

Community Partnerships

Community partnerships are on-going collaborative relationships between the law enforcement agency and the individuals and organizations they serve to both develop solutions to problems and increase trust in the police.

My agency:

- P1) Regularly distributes relevant crime and disorder information to community members. a) does not currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant
- P2) Routinely seeks input from the community to identify and prioritize neighborhood problems (e.g., through regularly scheduled community meetings, annual community surveys, etc.). a) does not currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant
- P3) Regularly collaborates with other local government agencies that deliver public services. a) does not currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant
- P4) Regularly collaborates with non-profit organizations and/or community groups. a) does not currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant
- P5) Regularly collaborates with local businesses. a) does not currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant
- P6) Regularly collaborates with informal neighborhood groups and resident associations. a) does not

currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant

Problem Solving

Problem solving is an analytical process for systematically 1) identifying and prioritizing problems, 2) analyzing problems, 3) responding to problems, and 4) evaluating problem solving initiatives.

Problem solving involves an agency-wide commitment to go beyond traditional police responses to crime to proactively address a multitude of problems that adversely affect quality of life.

My agency:

PS1) Routinely incorporates problem-solving principles into patrol work.

a) does not currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant

PS2) Identifies and prioritizes crime and disorder problems through the routine examination of patterns and trends involving repeat victims, offenders, and locations. a) does not currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant

PS3) Routinely explores the underlying factors and conditions that contribute to crime and disorder problems. a) does not currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant

PS4) Systematically tailors responses to crime and disorder problems to address their underlying conditions. a) does not currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant

PS5) Regularly conducts assessments to determine the effectiveness of responses to crime and disorder problems. a) does not currently do, and has no plans to implement under this grant b) does not currently do, and plans to initiate under this grant c) currently does, and plans to continue doing under this grant d) currently does, and plans to expand/enhance under this grant

Organizational Transformation

Organizational transformation is the alignment of organizational management, structure, personnel and information systems to support community partnerships and proactive problem-solving efforts.

My agency:

OC1) Incorporates community policing principles into the agency's mission statement and strategic plan.

- a) does not currently do, and has no plans to implement under this grant
- b) does not currently do, and plans to initiate under this grant
- c) currently does, and plans to continue doing under this grant
- d) currently does, and plans to expand/enhance under this grant

OC2) Practices community policing as an agency-wide effort involving all staff (i.e. not solely housed in a specialized unit).

- a) does not currently do, and has no plans to implement under this grant
- b) does not currently do, and plans to initiate under this grant
- c) currently does, and plans to continue doing under this grant
- d) currently does, and plans to expand/enhance under this grant

OC3) Incorporates problem-solving and partnership activities into personnel performance evaluations.

- a) does not currently do, and has no plans to implement under this grant
- b) does not currently do, and plans to initiate under this grant
- c) currently does, and plans to continue doing under this grant
- d) currently does, and plans to expand/enhance under this grant

Community Policing Plan Narrative (please limit to 2,000 characters)

Please describe your agency's implementation plan for this program (if awarded), with specific reference to each of the following elements of community policing: (a) community partnerships and support, including consultation with community groups, private agencies, and/or other public agencies; (b) related governmental and community initiatives that complement your agency's proposed use of CHRP funding; and (c) organizational transformation – how your agency will use these funds, if awarded, to reorient its mission to community policing or enhance its involvement in and commitment to community policing. This narrative will not be scored for selection purposes but serves, along with the previous questions, as your agency's community policing plan. Your organization may be audited or monitored to ensure that it is initiating or enhancing community policing in accordance with this plan. The COPS Office may also use this information to understand the needs of the field, and potentially provide for training, technical assistance, problem solving and community policing implementation tools.

If your organization receives this CHRP grant funding, these responses will be considered as your organization's community policing plan. We understand that your community policing needs may change during the life of your CHRP grant (if awarded), and minor changes to this plan may be made without prior approval of the COPS Office. We also recognize that this plan may incorporate a broad range of possible community policing strategies and activities, and that your agency may implement particular community policing strategies from the plan on an as-needed basis throughout the life of the grant. If your agency's community policing plan changes significantly, however, you must submit those changes in writing to the COPS Office for approval. Changes are "significant" if

they deviate from the range of possible community policing activities identified and approved in this original community policing plan submitted with your application.

CP1) To what extent is there community support in your jurisdiction for implementing the proposed grant activities? a) Minimal support b) Moderate support c) High level of support

CP2) If awarded, to what extent will the grant activities impact the other components of the criminal justice system in your jurisdiction? a) Potentially increased burden b) No change in burden c) Potentially decreased burden

SECTION 6: CONTINUATION OF PROJECT AFTER FEDERAL FUNDING ENDS

Applicants must plan to retain all sworn officer positions awarded under the CHRP grant for a minimum of 12 months at the conclusion of 36 months of federal funding for each position. The retained CHRP-funded positions should be added to your agency's law enforcement budget with state and/or local funds at the end of grant funding, over and above the number of locally-funded sworn officer positions that would have existed in the absence of the grant. At the time of grant application, applicants must affirm that they plan to retain the positions and identify the planned source(s) of retention funding. We understand that your agency's source(s) of retention funding may change during the life of the grant. Your agency should maintain proper documentation of any changes in the event of an audit, monitoring

or other evaluation of your grant compliance. Please refer to the frequently asked questions on retention which can be found here <http://www.cops.usdoj.gov/Default.asp?Item=2115>.

Has your agency planned to retain all additional sworn officer positions under this grant for a minimum of 12 months at the conclusion of 36 months of federal funding for each position? YES
___ NO ___

(If YES, move on to next question) (If NO, : "Agencies that do not plan to retain all the positions awarded under this grant are ineligible to receive CHRP funding")

Please identify the source(s) of funding that your agency plans to utilize to cover the costs of retention from the drop-down box listed below:

-General funds -Raise bond/tax issue -Asset forfeiture funds -Private sources/donations -Fundraising efforts -Other (Please provide a brief description of the source(s) of funding not to exceed 75 words.)

THE OFFICE OF COMMUNITY ORIENTED POLICING SERVICES'
RESPONSE TO THE DRAFT REPORT



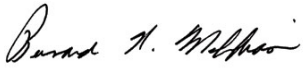
U.S. Department of Justice

Office of Community Oriented Policing Services (COPS)

MEMORANDUM

VIA ELECTRONIC and U.S. MAIL

To: Raymond J. Beaudet
Assistant Inspector General for Audit
Office of the Inspector General

From: Bernard K. Melekian
Director 
Office of Community Oriented Policing Services (COPS)

Date: May 7, 2010

Subject: Draft Audit Report on the Selection Process for the COPS Hiring Recovery Program

This memorandum is in response to the Office of the Inspector General's (OIG) above-referenced draft audit report dated April 23, 2010. The COPS Office thanks the OIG for the opportunity to respond to the auditors' recommendations.

As stated in the report, on February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (Recovery Act) of 2009, P.L. 111-5. This act provided \$1 billion to the Department of Justice Office of Community Oriented Policing Services (COPS) to make grants directly to state, local, and tribal law enforcement agencies to hire and/or rehire career law enforcement officers in an effort to create and preserve jobs and increase their community policing capacity and crime prevention efforts.

On July 28, 2009, just five months later, the COPS Office made 1,046 awards to hire or rehire 4,699 law enforcement officer positions. Within those five months, COPS:

- Developed a new open competitive solicitation – the COPS Hiring Recovery Program (CHRP) – for all local, state, and federally recognized tribal law enforcement agencies, which fully incorporated the new requirements of the Recovery Act.
- Built a new on-line application system which not only provided the COPS Office with real-time data, but also allowed COPS to make up-to-the-minute reports available to interested parties within the Department of Justice.
- Received and responded to an unprecedented number of inquiries – 17,626 telephone calls, 489 voicemail messages, and 4,300 e-mail messages – from the public.
- Received, processed, data cleaned, and evaluated applications from 7,272 law enforcement agencies requesting more than 39,000 officer positions, full funding of which would have required \$8.3 billion.
- Contacted more than 1,700 agencies to validate their data, and in total reviewed over 275,000 individual data points. This data verification process, though time consuming, was crucial to ensuring that all applicants were properly evaluated based on accurate and reliable economic, crime, and community policing data.

The new application for CHRP funds was created to meet the requirements of the statutory mission of the Office – to advance the practice of community policing as an effective strategy in communities’ efforts to improve public safety – as well as the clear intent of the Recovery Act. The Act required that CHRP funds be allocated:

- To preserve and create jobs and promote economic recovery;
- To assist those most impacted by the recession; and
- To stabilize state and local government budgets, in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

In an effort to respond to these Recovery Act goals, the COPS Office consulted with experts in the fields of policing, criminology, and public finance to develop the appropriate questions. Applicants were asked to submit information on such factors as reported crimes for the previous calendar year; planned community policing activities; changes in budgets for law enforcement agencies and local governments; and poverty, unemployment and foreclosure rates. In asking a variety of fiscal health questions, the COPS Office was able to gain a complete a view of the fiscal distress being experienced by applicants through objective and verifiable indicators that all agencies, from rural communities to large cities, could accurately report.

After applications were received and the initial data was verified, COPS moved quickly to the next phase of the review process, which included in-depth budget request reviews and evaluation of other aspects of the applications. Finally, in preparing a CHRP award list, COPS reviewed the total number of sworn positions being requested by each agency to determine how best to allocate the funds available.

COPS developed a method to score each response and an algorithm that combined those scores in a way to reflect the purposes of the Recovery Act. In this calculation, fiscal health factors accounted for 50% of the total score, while the other 50% of the score was based on a combination of the reported crime information and the planned community policing activities. In this way, COPS was able to fairly evaluate each applicant, striking an appropriate balance

between the purpose of the Recovery Act and the underlying COPS statute and historical mission of the Office.

The COPS Office instituted two different limitations on the numbers of officers available to applicants that took into account the strong demand for CHRP funds, while also keeping the awards at a meaningful level:

- All agencies were capped at no more than 5% of their current actual sworn force strength
- No agency received funding for more than 50 officers

The COPS Office concluded that these restrictions would allow funds to be awarded to a greater number of law enforcement agencies than simply giving the first-ranked applicants their full officer request, regardless of the size of that request. Without these caps, a very small number of agencies would have consumed all of the available funding. With them, almost all funded agencies received a 5% boost in their staffing levels.

We agree with the OIG's determination that there were minor technical inaccuracies with some of the formulas COPS used in our application scoring methodology, which impacted 40 agencies that either should have received grants but did not or received fewer officers than they should have, representing only 3.82% of all 1,046 CHRP award recipients (and less than 1.7% of total CHRP funding). As noted by the OIG in the draft audit report, COPS has already developed a reasonable and acceptable remedy to this anomaly, which will ensure that those agencies that did not receive the full amount of CHRP funding in FY 2009 will be provided such funding through the 2010 COPS Hiring Program (CHP). The COPS Office has notified the 40 affected agencies of the remedial action and their pending FY 2010 awards.

The extremely high demand for funding, the development of our new on-line application system, and the dramatically compressed timeline to award COPS Hiring Recovery Program grants presented challenges not previously experienced with past COPS hiring programs. Yet, the COPS Office was able to evaluate, score, and award \$1 billion in Recovery Act funds in just over five months. We are pleased that the OIG has determined, as stated within the draft audit report, that COPS administered this program "in a timely, transparent, and merit-based manner."

For ease of review, the draft audit recommendations are stated in bold and underlined, followed by the COPS Office's response to each recommendation.

Recommendation 1: Implement a remedy for agencies that were negatively affected by the inaccurate formulas used in developing the scores and ranks of CHRP applicants.

The COPS Office concurs with this recommendation.

In addition to a host of other information, applicants seeking funding from the CHRP program were asked to provide data for three years on the applicant's agency budget, jurisdictional budget, jurisdictional revenue, and jurisdictional general fund balance. These questions were scored using a formula for measuring the change over time that the OIG identified as inaccurate. After this issue was identified, the COPS Office proactively determined the scope of the inaccuracy, developed an appropriate improvement to the formula for future use, and identified the agencies negatively affected, all of which are discussed in detail in the draft audit report.

The COPS Office will be remedying the 40 agencies identified in Appendix III using available funding, including FY 2010 COPS Hiring Program funding. 34 of these agencies would have received CHRP funding, and 6 of these agencies would have received more CHRP funding (additional officer positions), if the new formula had been used. The COPS Office has notified the 40 affected agencies of the remedial action and their pending FY 2010 awards. Prior to awarding this funding, the COPS Office will verify that these agencies are in compliance with all other grant conditions and will obtain updated budget data from each agency, as it is necessary to have current and validated salary information in order to determine accurate award amounts. Consequently, the dollar amounts listed in the report appendix may change in order to ensure that the correct number of full-time officer positions is awarded for each agency. As noted on page 24 of the draft audit report, the OIG has agreed that this is a reasonable approach.

Recommendation 2: Replace the outlier queries for future grant programs to better identify potentially inaccurate data submitted by grant applicants.

The COPS Office concurs with the need to replace the outlier queries used to assess the crime data submitted by applicants.

As discussed in the draft audit report, the crime data reported by agencies in CHRP applications was scanned for outliers by using baseline numbers for large and small applicants. The COPS Office recognized at the time that rates (based on population size) would have been a preferred method for querying outliers. However, due to the complexity of the necessary queries, the decision was made to use the baseline numbers method. Starting with FY 2010, revisions to the COPS Standard Application and improvements to the query process will allow the COPS Office to more accurately identify outliers based on rates.

On page 27 of the report, the OIG interprets from the COPS Office's evaluation of the crime data that 12 agencies had (or potentially had) errors in only one or two crime categories, each of which was potentially worth a 5% change in the total score, and which the COPS Office described as "minimal." The OIG goes on to state that "...we do not agree with COPS' conclusion that 5 to 10 percent changes should routinely be considered minimal." The COPS Office concurs that a 5 to 10 percent change should not routinely be considered minimal, and never claimed it as such. It should be noted that the description of "minimal" impact for those 12 agencies in the COPS Office evaluation of the crime data was only in comparison to the eight agencies that had "significant" impacts due to errors (or potential errors) in all seven crime categories.

Recommendation 3: Develop and implement a system to track significant changes made during the application process to applicant information.

The COPS Office concurs that an improved process should be implemented to track significant changes made to applicant data.

It should be noted that the COPS Office did use a system to track significant changes made during the CHRP application process. As the OIG stated on page 29 of the draft audit report,

based on its sample of 30 changes made to the CHRP applicant database, all 30 were “justified and correct.” However, the COPS Office continually seeks ways to improve our data management processes, including the tracking of changes to the data.

For FY 2010, the COPS Office intends to implement enhancements for the COPS Hiring Program to improve the tracking of significant changes made during the data cleaning process. The COPS Office will move to a time-sensitive, applicant-driven data cleaning process, which will place the responsibility on applicants – not COPS staff – to change their own data within the time allotted, and which will minimize the administrative challenges and potential for error associated with having dozens of COPS staff changing, tracking, and verifying data.

Recommendation 4: Work with OJP to avoid duplication of future funding.

The COPS Office concurs that COPS and the Office of Justice Programs (OJP) should continue to work together closely to avoid duplication of future funding.

As previously documented for the OIG, COPS coordinated closely with OJP during the development and implementation of the CHRP program, and the then-Acting Director of the COPS Office briefed both the Acting Assistant Attorney General for OJP and the Acting Director of the Bureau of Justice Assistance (BJA) regarding our program objectives, funding methodology, and rollout plans. The COPS Office also provided BJA with a list of the agencies to be funded under CHRP, so that BJA would be aware of any agencies receiving funding through both programs. [The receipt of grants through one award program did not prohibit applicants from receiving other Recovery Act funds, as long as agencies were aware that grantees may not use COPS funding for the identical item or service also funded by an OJP award.]

As stated in the draft audit, continued collaboration between DOJ grant-making components could improve grant management and result in more informed award decisions. It should be noted that in each fiscal year, COPS and OJP work together in a number of ways regarding each agency’s program objectives and funding decisions. For example, each year COPS and OJP coordinate efforts to review their respective lists of Congressional “earmarks” appropriated for administration and to determine which component would be the most appropriate to administer each project. As another example, with regard to the COPS Child Sexual Predator Program, COPS has participated in meetings (led by DOJ’s Sex Offender Sentencing, Monitoring, Apprehending, Registering and Tracking (SMART) Office) with several other DOJ components so that each program could discuss their work, objectives, and respective funding programs in this area. Furthermore, all DOJ grant-making components providing funding to tribal agencies are collaborating extensively in FY 2010 through the joint Consolidated Tribal Assistance Solicitation (CTAS). [Through CTAS, DOJ is combining existing tribal government-specific competitive solicitations into one solicitation, thus requiring only one application from each tribe or tribal consortium.]

Another example of collaboration related to grant management is the establishment of the DOJ-wide Grants Management Challenges Workgroup. This workgroup, created in February 2010, is an interagency initiative established by the Office of the Associate Attorney General. Led by the Deputy Associate Attorney General and consisting of representatives from COPS, OJP, and the

Office on Violence Against Women (OVW), the workgroup meets bi-weekly to share information and develop consistent practices and procedures in a wide variety of grant administration and management areas, including monitoring guidelines, high-risk grantee criteria, and the expeditious handling of OIG grantee audits. Concerns regarding the duplication of future funding will similarly be addressed by the workgroup as the need arises.

Based on the above management action, the COPS Office requests closure of Recommendation 4.

Recommendation 5: Provide OJP additional access to grant management documentation, such as through direct access of CMS.

The COPS Office concurs that OJP should have timely access to COPS grant management documentation for appropriate monitoring purposes.

It should be noted that OJP had not raised the issue of having access to the COPS Management System (CMS) database prior to 2009, when the legacy financial systems were taken offline and Office of the Chief Financial Officer (OCFO) staff no longer had access to basic CMS data that they used for financial monitoring site visits and other types of financial compliance reviews. Since 2009, OJP has made requests for CMS data on specific pools of COPS applicants, and the data has been delivered by COPS as quickly as possible.

The majority of CMS is not web-based, meaning that it cannot be accessed outside the COPS Office building except by COPS users, who are able to access CMS via the Justice Secure Remote Access (JSRA) system. However, COPS understands OJP's need for access to what the OIG describes as direct and instant information. Given that, the COPS Office proposes the following solution:

- If OJP has a standing request for one standard and consistent set of data elements, COPS IT staff can build a customized, real-time report of the data requested and make the report available online so that OJP users can log in through the COPS website and access it whenever they choose. [A user name and account would be established for OJP in the "Account Access" feature of the COPS website, similar to the method used by grantees in accessing their grant award information online.] As an example, if OCFO develops a list of 20 data elements needed for each grantee agency for their site visits, COPS IT could create that standing report. When OCFO users logged in, they could enter the grant numbers for which they need data, and a report would be generated. [Please note, however, that the data elements would need to remain consistent for this system to work effectively, as time constraints on COPS IT staff prevent the ability to create an on-demand query system that is also available online.]
- As an additional advantage, providing established reports with data elements agreed upon in advance reduces the chance of OJP users unfamiliar with CMS attempting to run ad hoc queries and possibly misinterpreting the data results.
- There are several current grant management functions that COPS maintains online that both feed and read from the CMS database schema. These functions include both hiring and non-hiring progress reports; SF-425 quarterly financial status reports; current contact information for law enforcement and government executives; 2009 CHRP applications,

and (after September 30, 2010) all other COPS grant applications. COPS IT can create user accounts for these modules and allow OJP staff to review these reports and systems on a read-only basis.

The COPS Office will work with OJP to determine if the proposed solution will meet their needs for the type of information they wish to access, and if so, will work to implement this solution following the conclusion of FY 2010.

Recommendation 6: Consult with OJP to develop a consistent methodology for identifying and managing high-risk grant applicants and awardees.

The COPS Office concurs with this recommendation.

As stated previously in our response to Recommendation 4, the DOJ-wide Grants Management Challenges Workgroup is a newly-created (February 2010) interagency initiative established by the Office of the Associate Attorney General. This group, led by the Deputy Associate Attorney General and consisting of representatives from COPS, OJP, and OVW, meets bi-weekly to share information and develop consistent practices and procedures in a wide variety of grant administration and management areas, including monitoring guidelines, high-risk grantee criteria, and the expeditious handling of OIG grantee audits.

The workgroup has already spent extensive time developing a common definition of “high-risk” and examining the criteria used to classify a grantee agency as such; formulating procedures and protocols for maintaining and tracking a shared list of high-risk grantees (the combined high-risk list will be managed by OJP’s Office of Audit, Assessment, and Management); and creating and/or revising high-risk referral templates, notification letters, policy documents, special conditions for future awards, and other materials that will be used consistently by COPS, OJP, and OVW. This methodology is currently in the finalization process, and should be complete by July 2010.

Recommendation 7: Encourage CHRP grantees to participate in grant management training and consider evaluating grantees’ understanding of the material through testing.

The COPS Office concurs with this recommendation, and agrees with the OIG’s statement on page 37 of the draft audit report that the introduction of our online grant management training represents a significant improvement to our grantee training capability. The online training is a new, state-of-the-art, interactive course specialized for CHRP grantees and American Recovery and Reinvestment Act requirements, and among other features, it incorporates user testing as part of the training. To date, 447 of the 1,046 CHRP grantee agencies have registered for the eLearn Center course.

To continue to encourage additional CHRP grantees to participate in this training, the following actions are planned:

- The COPS Office will add information about the online grant management training to the progress report notification letter sent to all CHRP grantees each quarter.

- COPS had already planned to make courtesy outreach phone calls to all CHRP grantees by the end of July 2010 to determine if any agencies need or desire additional technical assistance with the implementation of their grants. As part of those calls, grantees will be encouraged to participate in the online grant management training.
- The COPS Grant Monitoring Division, in connection with site visits and other compliance reviews of CHRP grantees, will remind agencies of the available training opportunity.
- COPS will continue to promote the training through our website and through other routine correspondence with CHRP grantees, and will monitor participation levels to determine what additional outreach efforts may be needed.

Based on the above management action, the COPS Office requests closure of Recommendation 7.

The COPS Office thanks the Office of the Inspector General for the opportunity to review and respond to this draft audit. If you have any questions, please contact Bob Phillips, Deputy Director for Operations, at (202) 616-2876; Cynthia Bowie, Assistant Director, Audit Liaison Division, at (202) 616-3645; or Martha Viterito, Program Audit Liaison, at (202) 514-6244.

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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 the Office of Community Oriented Policing Services (COPS). The COPS response is incorporated in Appendix VI of this final report. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Analysis of COPS' Response

In response to our audit report, COPS concurred with our recommendations and discussed the actions it will implement in response to our findings. However, COPS also responded to information in our report that did not pertain to our recommendations. We provide the following reply to these statements before discussing COPS' specific responses to each of our recommendations and the actions necessary to close those recommendations.

In its response, COPS noted its agreement with our determination that there were inaccuracies with some of the formulas COPS used in the application scoring methodology. However, contrary to COPS' response, we do not state in our report, nor do we believe, that the inaccuracies were minor. First, when the rescoring and re-ranking of the applicants was performed, almost every applicant score (7,201 of the 7,203 rescored) was affected (either by an increase or decrease) due to the revised formulas. Second, by not accurately ranking agencies, the inaccuracies resulted in 34 agencies that did not receive grants and 6 agencies that did not receive all of the officer positions that they should have received.

Summary of Actions Necessary to Close Report

1. **Resolved.** COPS concurred with our recommendation to implement a remedy for agencies that were negatively affected by the inaccurate formulas used in developing the scores and ranks of CHRP applicants. COPS plans to ensure those agencies, if deemed eligible, will be provided grants from its FY 2010 Hiring Program. This recommendation can be closed when we receive documentation demonstrating that those negatively affected agencies received appropriate amounts of grant funds.
2. **Resolved.** COPS concurred with our recommendation to replace outlier queries to better identify potentially inaccurate data submitted

by grant applicants. COPS said that revisions to the COPS Standard Application and improvements to the query process will allow COPS to more accurately identify outliers based on crime rates. This recommendation can be closed when we receive documentation demonstrating that these changes have been implemented.

In addition, in responding to Recommendation 2, COPS stated that the OIG draft report misstated COPS' position regarding the effect of potential errors in one or two crime categories reported by agencies. Specifically, COPS stated that it concurs with the OIG that a 5 to 10 percent change in a total score caused by errors in reported crime data should not be considered minimal. COPS stated that its description of minimal impact for those 12 agencies in the COPS Office evaluation of the crime data was only in comparison to the eight agencies that have "significant" impacts due to errors (or potential errors) in all seven categories. We adjusted one statement in the final report to clarify that COPS believes that a 5 to 10 percent change in an applicants' total score should not be considered minimal.

3. **Resolved.** COPS concurred with our recommendation to develop and implement a system to track significant changes made during the application process to applicant information. COPS said it plans to improve its data management procedures and implement an applicant-driven data-cleaning process that is designed to minimize the need for COPS staff to change data provided by applicants. This recommendation can be closed when we receive documentation regarding the improved data management and data-cleaning processes COPS implements.
4. **Resolved.** COPS concurred with our recommendation to work with OJP to avoid duplication of future grant funding. COPS included in its response that, as noted in our report, it had coordinated with OJP during the development and implementation of the CHRP program, and that it would continue to work with OJP and the other DOJ grant-making components. COPS also included examples of its current and planned coordination efforts, particularly for "earmark" appropriations, the COPS Child Sexual Predator Program, and tribal assistance programs. While we agree that COPS has taken some steps to coordinate with OJP during the development and implementation of the CHRP program, we believe that additional coordination is needed regarding the ongoing monitoring of CHRP grantees and the implementation of programs outside of COPS that may impact CHRP grant recipients. Because CHRP is a 3-year program, COPS and OJP should also consider the potential for duplication of any new grant

programs that provide for officer personnel costs through at least FY 2012.

This recommendation can be closed when we receive documentation regarding the ongoing activities of the DOJ-wide Grant Management Challenges Workgroup that demonstrates COPS, OJP, and the other DOJ grant-making components are managing their respective grant programs to avoid duplication in future funding.

5. **Resolved.** COPS concurred with our recommendation to provide OJP with additional access to grant management documentation. COPS said it plans to provide OJP with more access to COPS Management System (CMS) data. This recommendation can be closed when we receive documentation demonstrating the implementation of these plans.
6. **Resolved.** COPS concurred with our recommendation to consult with OJP to develop a consistent methodology for identifying and managing high-risk grant applicants and awardees. COPS cited its participation in the newly created DOJ-wide Grants Management Challenges Workshop as a means to address a variety of grant administration and management areas, including high-risk grant applicants and awardees. This recommendation can be closed when we receive documentation demonstrating the methodology shared by COPS and OJP for identifying and managing high-risk grant applicants and awardees has been implemented.
7. **Resolved.** COPS concurred with our recommendation to encourage CHRP grantees to participate in grant management training and consider evaluating grantees' understanding of the material through testing. COPS said it will take a variety of actions to encourage grantees to participate in grant management training. This recommendation can be closed when we receive documentation detailing the number of grantees that have registered for COPS eLearn Center courses, course materials provided, and testing methodologies considered or implemented.