

**THE OFFICE ON VIOLENCE AGAINST WOMEN'S  
RECOVERY ACT GRANT SELECTION PROCESS**

U.S. Department of Justice  
Office of the Inspector General  
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# THE OFFICE ON VIOLENCE AGAINST WOMEN'S RECOVERY ACT GRANT SELECTION PROCESS

## EXECUTIVE SUMMARY

The Department of Justice's (DOJ) Office on Violence Against Women (OVW) administers formula, block, and discretionary grant programs dedicated to reducing and prosecuting crimes against women.<sup>1</sup> The American Reinvestment and Recovery Act (Recovery Act) provided a total of \$225 million to six OVW grant programs.

The OVW received an average appropriation of over \$380 million each fiscal year (FY) from 2006 to 2008. Between the \$225 million the OVW received via the Recovery Act, combined with the \$387 million appropriation the OVW received for its FY 2009 programs, the OVW received a total of \$612 million in funding during FY 2009, which was nearly 60 percent more funding than it had received in recent fiscal years.

As of March 2010, the OVW has awarded 279 Recovery Act grants totaling over \$215 million, which constitutes over 99 percent of the Recovery Act funds it has planned to use for grant awards.

### OIG Audit Approach

As part of the Department of Justice Office of the Inspector General's (OIG) ongoing Recovery Act oversight initiative, we conducted this audit to review how the OVW administered, assessed, and awarded Recovery Act grants.<sup>2</sup> The scope of our audit included OVW Recovery Act award-making activities that began in February 2009.

To accomplish our objective, we analyzed grant decision and procedural documents. Our analysis examined internal scoring sheets used by OVW peer reviewers and staff to allocate points and rank each proposal. We also discussed award procedures and grant selection results with over 20 OVW officials, employees, and contractors. We performed our review both

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<sup>1</sup> The OVW makes formula and block grants to entities using legislative requirements that generally dictate who may receive an award and the amount of each award. Although the OVW must follow various DOJ and program-level guidelines in making discretionary grants, discretionary grant programs usually provide the OVW with much more latitude in determining who should receive an award.

<sup>2</sup> U.S. Department of Justice Office of the Inspector General, *Recovery Act Oversight Plan – Updated* (October 2009).

at OVW offices in Washington, D.C., and at the headquarters of its logistical contractor, Lockheed Martin Aspen Systems Corporation (Lockheed Martin) in Rockville, Maryland.

Appendix I includes additional details on this audit's objective, scope, and methodology.

## **Results In Brief**

The Recovery Act provided the OVW with 60 percent more funding than it had received in prior years. This increase potentially presented a challenge to OVW, requiring it to announce, review, and select both FY 2009 and Recovery Act programs during the same period of time. Our audit concluded that the OVW complied with Recovery Act and grant program requirements in awarding the Recovery Act funds. In particular, the OVW quickly announced award opportunities and provided applicants sufficient time to apply for awards, and used a grant selection process that was generally transparent and objective. However, the audit identified various procedural shortcomings with how the OVW handled some of its grant applications.

Our audit described how after the Recovery Act was enacted, OVW officials developed a spending plan that detailed how it anticipated using Recovery Act funds. According to the spending plan, the OVW was to use about \$216 million in Recovery Act funds to award grants under six programs. As shown in the following table, the OVW also reserved or "set aside" \$8.6 million to pay for projected costs associated with evaluating grant proposals, training grant recipients, and providing technical assistance to supported projects.

## OVW RECOVERY ACT GRANT PROGRAMS

OVW Program and Description	Amount of Recovery Act Funding (\$)
<b>Services, Training, Officers, and Prosecutors (STOP).</b> These formula grants support community-level criminal justice and victim services that address violent crimes against women and strengthen law enforcement and prosecution strategies.	140,376,000
<b>Transitional Housing Assistance (Transitional Housing).</b> These discretionary grants help provide public and private transitional housing services that focus on moving victims of domestic violence, dating violence, sexual assault, and stalking into permanent housing.	43,000,000
<b>State Sexual Assault Coalitions.</b> These block grants provide each state sexual assault coalition with funding to support and offer training to rape crisis centers.	4,375,000
<b>State Domestic Violence Coalitions.</b> These block grants support statewide domestic violence coalition efforts that assist battered women's shelters and other domestic violence victim service providers.	4,375,000
<b>Tribal Domestic Violence and Sexual Assault Coalitions (Tribal Coalitions).</b> These discretionary grants assist tribal coalition initiatives to end violence against Indian and Alaska Native women.	2,873,750
<b>Tribal Governments.</b> These discretionary grants serve to decrease and respond to violent crimes committed against Indian and Alaska Native women.	21,386,640
<b>Training, Technical Assistance, and Other Support.</b> The OVW reserved Recovery Act funds to pay for anticipated costs associated with instructing grantees how to account for federal funds properly and overseeing the performance of various projects.	8,613,610
<b>TOTAL OVW RECOVERY ACT PROGRAM FUNDING</b>	<b>\$ 225,000,000</b>

Source: OVW

The OVW spending plan complied with Recovery Act and programmatic requirements. We found that the OVW announced Recovery Act funding activities expeditiously and provided an adequate amount of time for organizations to apply for awards. By March 2010, the OVW awarded 279 Recovery Act grants worth over \$215 million.

Yet, although the OVW generally used a transparent and fair process to select Recovery Act recipients, our audit identified various weaknesses in how the OVW handled some discretionary grant applications. An important part of OVW's multiple-step discretionary award process involves a peer review where individual program experts independently evaluate and score applications. Once peer reviewers finish assessing applications and tabulating scores, the OVW uses the scores to rank applications by program. While peer review scores are not the only factor in deciding which organizations should receive an award, OVW staff consulted these rankings

to identify which proposals peer reviewers determined to be the most worthwhile.

Our audit revealed that in tabulating individual application scores, OVW peer reviewers added points incorrectly. A significant number of miscalculations occurred while assessing applications for the Tribal Governments program. In that program, OVW staff incorrectly calculated peer review scores for at least 39 out of 76 applications. The miscalculations resulted in some Tribal Governments proposals being ranked above other proposals that we determined should have received higher peer review scores. Because most of the award decisions aligned with peer review scores, we determined that the miscalculations that led to incorrect scores negatively affected the chances of at least two Tribal Governments proposals from receiving funds.<sup>3</sup>

Based on our interviews with OVW managers and staff members, we determined that the miscalculations that affected the award decision-making process were caused by human error in adding points. Nevertheless, since such miscalculations affect discretionary award decisions, the OVW needs to institute better internal controls to check for errors in calculating scores and verify the score accuracy before ranking proposals based on peer review results.

Our audit also revealed a weakness in how peer reviewers were screened for conflicts of interest before evaluating and scoring applications. In at least 23 instances, peer reviewers signed and dated conflict of interest forms before the date they were assigned specific applications to review. While our audit did not identify specific instances where peer reviewers had a conflict of interest, we believe that OVW needs to strengthen its conflict of interest procedures to ensure that peer reviewers review assigned applications for potential conflicts of interest before evaluating and scoring applications.

The OVW should also improve how it maintains award decision documents so that it has an adequate record of the reasons for selecting the grantees that it did. For example, the OVW misplaced important award decision documents, including 10 peer review scoring sheets, which should be maintained to substantiate why an applicant did or did not receive recommendations for discretionary awards.

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<sup>3</sup> These two applicants later received non-Recovery Act awards for the same or similar programs proposed under the Recovery Act program.

The recommendation memorandum for one OVW program, Tribal Governments, did not detail why some higher-scoring applicants did not receive award recommendations. As a result, the OVW did not meet a specific DOJ grant-making guideline that was established in May 2008 to ensure awarding agencies sufficiently document reasons for award decisions.

Finally, while the OVW has awarded over \$215 million in program grants, about \$1.2 million, or less than 1 percent of its Recovery Act funds, has not yet been awarded. OVW officials told us that they are developing a plan to ensure that these remaining Recovery Act funds will be used for allowable programmatic and Recovery Act purposes.

Our audit provides the OVW with five recommendations that we believe will enhance the transparency and fairness of its grant selection process. The remaining sections of this executive summary discuss our audit findings in more detail.

### **Preliminary OVW Recovery Act Activities**

The Recovery Act provided the OVW with \$175 million for violence against women prevention and prosecution programs authorized by the Violence Against Women Act (VAWA) and \$50 million for its Transitional Housing Assistance (Transitional Housing) program, which provides grants to organizations that help domestic violence and sexual assault victims find short-term housing solutions away from their abusers. The authorizing statutes governing both VAWA and Transitional Housing dictate how the OVW must allocate its funds between various grant programs and limit how much funding the OVW can use for training and technical assistance instead of grants. We determined that the OVW complied with program allocation requirements in drafting its spending plan and set aside an allowable amount of Recovery Act funds – about \$8.6 million – to train grantees and provide the OVW with technical assistance.

The OVW posted program solicitations in March 2009 that announced the availability of Recovery Act funds for grants. We determined that each solicitation properly outlined applicant eligibility, program purpose areas, and application requirements while providing applicants an average of 23 days to apply for funds.

The OVW received a total of 819 applications for grant assistance. Included in this figure were 565 applications for Transitional Housing program assistance, which was more than double the number of applicants the OVW received for its FY 2009 Transitional Housing program. Based on the number of organizations that submitted applications for Recovery Act

awards, we concluded that the OVW provided a reasonable amount of time for applicants to apply for Recovery Act awards.

## **Selecting Recovery Act Grant Recipients**

The OVW used different methods to review applications depending on whether the applications were for formula, block, or discretionary grants. For the STOP formula and its state and territory coalition block grants, authorizing legislation designated both who the award recipients could be and how the OVW should determine the amount of each award. Before finalizing block and formula awards, the OVW needed to review each application for completeness and ensure that the applicant was eligible to receive a grant.

The OVW employed a multi-step process to select recipients for its three discretionary Recovery Act grant programs. Discretionary Transitional Housing grants supported organizations that help provide short-term housing solutions to victims of domestic and sexual violence. Two additional discretionary grant programs, Tribal Governments and Tribal Domestic Violence and Sexual Assault Coalitions (Tribal Coalitions), provided awards to help Indian and Alaska Native women who are victims of violent crimes. Unlike the formula and block grant programs, the OVW had to review and evaluate proposals for these discretionary programs before it decided which organizations should receive a grant.

An important part of the OVW discretionary grant selection process was the peer review. Both OVW employees and hired contractors served as peer reviewers for Recovery Act grant applications.<sup>4</sup> Peer reviewers independently evaluated specific elements of assigned grant proposals and used OVW-provided scoring sheets to compute a peer review score for each proposal. Peer reviewers then met in panels comprised of two or three peer reviewers to discuss the results of their review and compute a panel score for each application.

However, because a peer review panel does not evaluate the merits of all applications, peer review results are just one of the criteria that OVW award decision makers use to select discretionary grant recipients. Once peer reviewers scored individual applications, the OVW ranked the scores and considered program award requirements, such as geographic disparity, to recommend specific applicants for awards. OVW program staff then

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<sup>4</sup> The OVW used contracted peer reviewers to assess applications for Recovery Act Transitional Housing program grants and OVW staff peer reviewed proposals for Tribal Governments and Tribal Coalitions.

compiled a memorandum for the acting OVW Director's approval. According to OVW officials, the award recommendation portion of the peer review process for the first time in recent years involved using a risk assessment tool to identify whether an applicant was at risk for fraud and should not receive a grant award.

Although the OVW generally conducted a transparent and fair process to select Recovery Act recipients, our audit identified some weaknesses with regard to how the OVW handled certain applications for discretionary awards. The following sections summarize our findings and recommendations.

### *Peer Review Conflict of Interest Procedures*

Before formally evaluating and scoring applications, the OVW asked its contracted peer reviewers to review the applications assigned to them and identify whether they had a potential conflict of interest. An OVW contractor provided peer reviewers with a form listing various examples of potential conflicts of interest, including whether a peer reviewer was a prior employee of an applicant. Peer reviewers were asked to either submit the form certifying that he or she did not have a conflict of interest or notify the contractor of any potential conflict so that the peer reviewer could be reassigned to another peer review panel.

Although we did not identify conflicts of interest between contracted peer reviewers and the applications they reviewed, our review of 148 conflict of interest forms identified 23 forms that peer reviewers signed and dated before they received their assigned application packets. Therefore, we believe some peer reviewers attested that they were free from conflicts of interest even though they did not yet know the specific applicants and the proposals they were to evaluate. The OVW needs to ensure that its peer reviewers follow the procedures that it establishes to ensure peer reviewers are impartial and fair. Therefore, we recommend that the OVW require that its peer reviewers carefully review assigned applications for potential conflicts of interest and ensure that they sign conflict of interest forms after being assigned applications for review but before they actually begin evaluating and scoring proposals.

## *Peer Review Score Miscalculations*

Grant proposal peer review scores are comprised of points allocated to specific application elements. For example, peer reviewers could allocate up to 8 points to applications that had clear goals and objectives and 7 points to applications that proposed feasible activities that would be completed by the end of the grant's timeframe. Peer reviewers used scoring sheets to keep track of the points assigned to each application element and calculate subtotal scores for each section. After peer reviewers finished scoring applications, panels comprised of two or three peer reviewers convened to compare notes and discuss individual peer review results.

We examined individual scoring sheets to ascertain whether peer reviewers calculated application scores correctly and found that OVW staff did not add the element and subtotal points correctly. Out of 77 applications for Tribal awards, our review identified 43 proposals that received incorrect scores due to calculation errors.

The following example shows how multiple mistakes in adding scoring sheet points caused a proposal to receive an incorrect final score. For one Tribal Governments application, a peer reviewer allocated a total of 26 points to different elements of the project narrative subsection. To obtain the subsection total, peer reviewers had to add manually the points for each project narrative element. For this application, the peer reviewer incorrectly added the points for each element and recorded a section subtotal of 28 points instead of 26 points.

Peer reviewers then used a separate summary sheet to add subsection subtotal scores to calculate the individual final score for each application. The peer reviewer carried over the incorrect 28-point subtotal for the project narrative section to the summary sheet and also incorrectly summed the subtotals from the different sections on the summary sheet. Applying incorrect subtotal scores, the application should have received a 79-point total. Instead, the application received a total of 80 points. Therefore, the dual miscalculations led to this application receiving a peer review score of 80 points instead of the correct 77 points.

Because the OVW considered score rankings to select which applicants receive discretionary grants, we believe that the scoring errors affected the chances of at least 5 out of the 87 applicants considered to receive Tribal Governments awards. Of these five applications, miscalculations

erroneously raised the rankings of three applications over two others that actually received higher scores.<sup>5</sup>

During our review, we discussed specific miscalculations with OVW officials who administered the scoring process. Based on these discussions and the evidence provided by the scoring sheets, we believe that human error in adding element and subtotal points caused these scoring discrepancies. Even slight miscalculations of an application's final score may enhance or impair the chance an applicant has to receive a recommendation for an OVW award. It is therefore critical that the OVW ensure that its application reviewers consistently compute scores it subsequently ranks to make award recommendations. Because miscalculations and other scoring errors diminished the value and objectivity of the process the OVW used to make discretionary award decisions, we recommend that the OVW institute better internal controls that will check for scoring errors and verify the accuracy of future final peer review scores.

#### *Maintaining Application Materials and Documenting Award Decisions*

When we were conducting our audit, we determined that OVW staff lost portions of 10 Tribal Governments scoring sheets used by peer reviewers and staff to assign scores to applications. As a result, we could not verify whether OVW staff correctly computed peer review scores for these applications. Because peer review scoring sheets play an integral part of award selection process, we recommend that the OVW implement procedures to ensure that its staff members maintain copies of these documents.

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<sup>5</sup> The two applications that were negatively affected by miscalculations subsequently received FY 2009 awards for the same or similar activities they proposed to perform with Recovery Act funds.

Once OVW staff finished evaluating applications, they compiled a memorandum for each program to the acting OVW Director to recommend proposals that should receive Recovery Act awards. DOJ guidelines dated May 2008 and issued by the Associate Attorney General require that when lower-scoring applications receive awards over higher-scoring applications, the OVW must document the reasons why the higher-scoring applicants were not selected in the award recommendation memorandum. However, the award recommendation memorandum compiled for the Tribal Governments program did not comply with this requirement because it did not provide justifications documenting why six higher-scoring applicants were not recommended to receive a Recovery Act award.

OVW staff members told us that they excluded five of the six higher-scoring applicants because of negative risk assessment results and the remaining applicant was excluded because program requirements preclude too many awards from going to the same state or territory. We concluded that the OVW had adequate reasons for not providing awards to these applicants, but it should have documented these reasons as required by DOJ rules. We recommend that the OVW in the future should ensure that it details why it does not recommend higher-scoring applicants in award recommendation memoranda.

#### *Unawarded Recovery Act Funds*

Of the \$225 million provided by the Recovery Act, the OVW allocated \$216 million for awards under six grant programs. The OVW has awarded over \$215 million in program grants, which has left over \$1.2 million, or less than 1 percent of Recovery Act funds, not yet awarded.

## UNAWARDED RECOVERY ACT FUNDS BY OVW PROGRAM

Program Name	Recovery Act Funds Made Available For Grants (\$)	Funds Available for Grants (\$)
STOP	140,376,000	630,072
Transitional Housing	43,000,000	348,684
State Sexual Assault Coalitions	4,375,000	156,250
State Domestic Violence Coalitions	4,375,000	78,125
Tribal Coalitions	2,873,750	228
Tribal Governments	21,386,640	63,388
<b>TOTALS</b>	<b>\$ 216,386,390</b>	<b>\$ 1,276,747</b>

Sources: OVW spending plans and OIG analysis of grant award amounts as of March 2010

Considering that each OVW Recovery Act grant program still has unawarded funds, we spoke to OVW officials who told us that they are developing a plan to ensure that the OVW will use the more than \$1.2 million in remaining Recovery Act funds for allowable programmatic and Recovery Act purposes.

### Conclusion and Recommendations

The OVW administered six grant programs with the \$225 million it received in Recovery Act funds. We found that the OVW complied with tested Recovery Act and grant program requirements in budgeting funds for its Recovery Act grant programs.

We determined that the OVW Recovery Act grant selection process was generally expeditious, transparent, and objective. However, the audit identified various procedural shortcomings with how the OVW handled some of its grant applications. Once peer reviewers finished evaluating proposals, we determined that the OVW incorrectly calculated the scores of several applications. For example, the scores for 39 out of 76, or about half of the Tribal Governments applications, were calculated incorrectly. Because the OVW considers peer review scores while finalizing award decisions, incorrectly calculated scores affect the chances of whether an application receives funding. The OVW needs to ensure that peer review scores are accurate before ranking and selecting applications.

Additionally, the OVW needs to ensure that it always provides justifications on its award recommendation memoranda whenever lower-scoring applications receive awards instead of higher-scoring ones. The OVW did not document its reasons for funding lower-ranking applications over six higher-ranking applications. Although OVW was subsequently able to provide reasonable justifications as to why the higher-ranking applications were not funded the OVW must ensure that it properly documents its award-making decisions. The OVW also was not able to provide all the documentation related to the peer review scores of 10 Tribal Governments applications. Without these documents, it was not possible for us to determine whether the OVW computed peer review scores accurately.

Our audit made five recommendations for the OVW to improve its grant selection process.

# THE OFFICE ON VIOLENCE AGAINST WOMEN'S RECOVERY ACT GRANT SELECTION PROCESS

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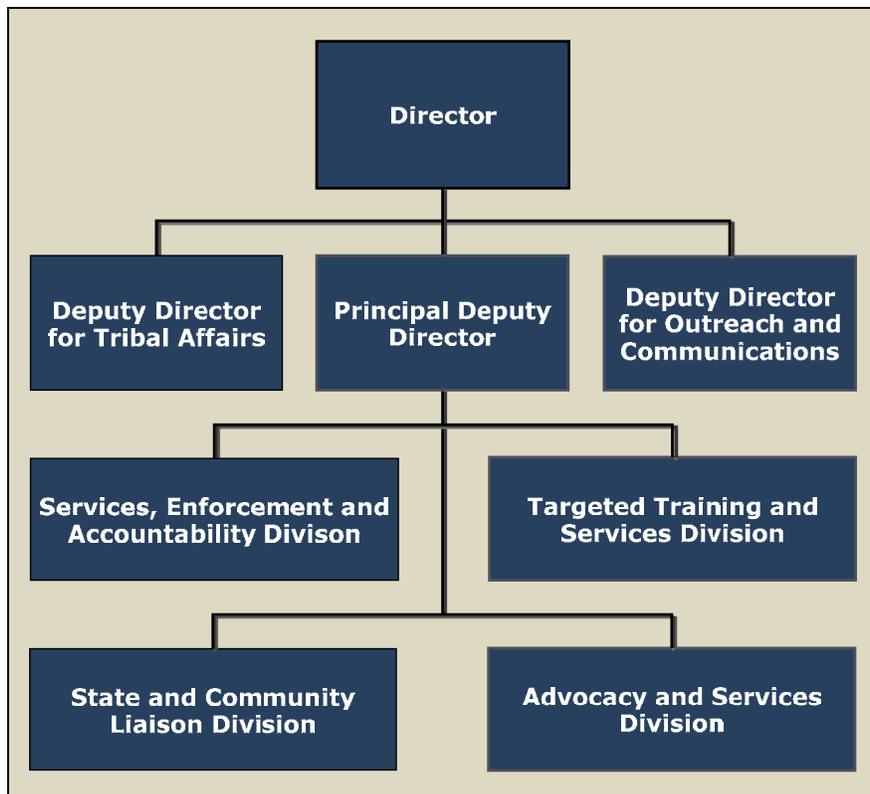
## INTRODUCTION

The American Recovery and Reinvestment Act of 2009 (Recovery Act), enacted on February 17, 2009, provides approximately \$4 billion to the Department of Justice (DOJ) in grant funding to be used to enhance state, local, and tribal law enforcement efforts. Of these funds, the Office on Violence Against Women (OVW) received \$225 million for grant programs aimed at reducing and prosecuting violent crimes against women.

### Office on Violence Against Women

The OVW administers programs dedicated to reducing and prosecuting crimes against women. It is led by a presidentially appointed Director who maintains the authority to approve grants.<sup>6</sup> As shown in Exhibit 1, the OVW has four program divisions and a Tribal Affairs Unit.

#### EXHIBIT 1: OVW GRANT PROGRAM ADMINISTRATION



Source: OVW

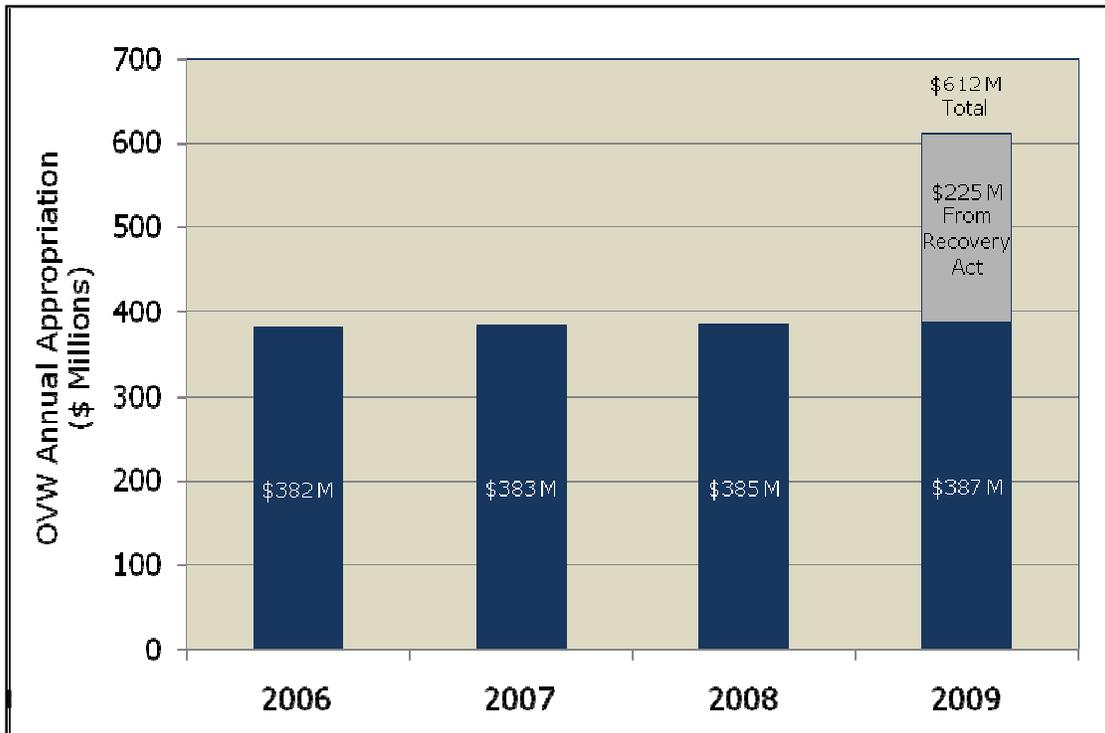
During fiscal year (FY) 2009, the OVW had 65 full-time employees, including 34 program specialists who were responsible for tracking the

<sup>6</sup> 42 U.S.C. §3796gg (2009)

financial activity and project performance of its grants. To gauge grant performance and ensure proper use of awarded funds, program specialists review progress and financial reports, provide technical training and assistance to grant recipients, and conduct on-site visits and desk reviews.

The OVW received an average appropriation of over \$380 million each FY from 2006 to 2008. The \$225 million the OVW received via the Recovery Act combined with the \$387 million appropriated to the OVW for FY 2009 programs meant that the OVW received a total of \$612 million in funding during FY 2009. This figure represents a nearly 60 percent increase in funding over prior fiscal years. Exhibit 2 shows the increase in award funding the OVW received in FY 2009.

**EXHIBIT 2: OVW ANNUAL APPROPRIATIONS  
FYs 2006 TO 2009**



Source: OVW appropriations, FYs 2006 to 2009

The increase in FY 2009 funding also led to an increase in the number of grants the OVW awarded for FY 2009. From FYs 2006 to 2008, the OVW awarded an average of about 640 grants each year. In FY 2009, the OVW finalized 980 total awards, 701 of which were awarded with FY 2009 appropriated funds. By March 2010, the OVW awarded 279 grants totaling over \$215 million in Recovery Act funds.<sup>7</sup>

## **OIG Audit Objective and Approach**

The Department of Justice Office of the Inspector General (OIG) conducted this audit to review how the OVW administered, assessed, and awarded Recovery Act grants. These grants were awarded in six violence against women prevention and prosecution programs. We performed this audit as part of ongoing OIG Recovery Act oversight to ensure that DOJ components and award recipients use and account for Recovery Act funds properly.<sup>8</sup> Exhibit 3 lists the six OVW grant programs supported by Recovery Act funds.

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<sup>7</sup> The 279-grant figure includes only the awards the OVW has made under its Recovery Act grant programs. It does not include actual or anticipated contracts or cooperative agreements that the OVW may still award with remaining Recovery Act funds. In addition, this figure does not include two Tribal awards that the OVW is in the process of finalizing.

<sup>8</sup> U.S. Department of Justice Office of the Inspector General, *Recovery Act Oversight Plan – Updated* (October 2009).

### EXHIBIT 3: OVW RECOVERY ACT GRANT PROGRAMS

OVW Recovery Act Grant Program	Grant Program Purpose
<b>Services, Training, Officers, and Prosecutors (STOP)</b>	These formula grants support community-level criminal justice and victim service efforts that address violent crimes against women and to strengthen pertinent law enforcement and prosecution strategies. This program is administered by OVW's State and Community Liaison Division.
<b>Transitional Housing Assistance (Transitional Housing)</b>	These discretionary grants help provide public and private transitional housing services that focus on moving victims of domestic violence, dating violence, sexual assault, and stalking into permanent housing. The OVW's Advocacy and Services Division manages this grant program.
<b>State Sexual Assault Coalitions</b>	These block grants provide designated coalitions with funding to support victims of sexual assault. This program is administered by OVW's State and Community Liaison Division.
<b>State Domestic Violence Coalitions</b>	These block grants support designated coalitions to assist victims of domestic violence. This program is administered by OVW's State and Community Liaison Division.
<b>Tribal Domestic Violence and Sexual Assault Coalitions (Tribal Coalitions)</b>	OVW's Tribal Affairs Unit administers these discretionary grants to assist tribal coalition initiatives working to end violence against Indian and Alaska Native women.
<b>Tribal Governments</b>	This program, managed by the OVW Tribal Affairs Unit, awards discretionary grants that serve to decrease and respond to violent crimes committed against Indian and Alaska Native women.

Source: OVW

To accomplish our audit objective, we interviewed over 20 OVW officials and employees regarding grant program announcements and selection activities that the OVW began conducting in February 2009. Our review included discussions with those charged with overseeing and making decisions on OVW award procedures.<sup>9</sup>

The Findings and Recommendations section of this report details the results of our audit and is presented in two parts. The first part assesses how the OVW applied grant program statutory requirements and developed a spending plan for its Recovery Act funds. The second part assesses the process the OVW used to evaluate grant applications and select Recovery Act award recipients.

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<sup>9</sup> Appendix I presents additional details regarding the objective, scope, and methodology of this report.

## **FINDINGS AND RECOMMENDATIONS**

### **I. BUDGETING FOR AND ANNOUNCING OVW RECOVERY ACT GRANT PROGRAMS**

The OVW complied with Recovery Act and other applicable grant program requirements in budgeting funds for its Recovery Act grant programs and quickly announced Recovery Act award opportunities. The OVW also met specific requirements that limit the percentage of appropriated grant funds it may set aside to pay for anticipated training, technical assistance, and other related costs.

The OVW worked quickly to make available Recovery Act grants to support a broad range of initiatives to assist victims of domestic violence and sexual assault. After it received notice of its Recovery Act funds, the OVW developed a spending plan and announced award opportunities. The following sections detail how the OVW: (1) developed a spending plan that specified how it would use Recovery Act funds, (2) allocated a portion of its Recovery Act funds to support grant-recipient training and technical assistance, and (3) announced award opportunities to various organizations and groups addressing violence against women.

#### **Developing a Spending Plan**

The Recovery Act specifically provided \$175 million to the OVW for violence against women prevention and prosecution programs authorized by the Violence Against Women Act (VAWA) and \$50 million to its Transitional Housing program. The VAWA includes requirements that the OVW must follow when allocating appropriated funds among many of its grant programs. For example, certain tribal programs must receive a specific percentage or “set-aside” of total VAWA program funding. Because many VAWA programs have such statutory set asides, the OVW developed a spending plan in February 2009 outlining how it would distribute Recovery Act VAWA funds, as shown by Exhibit 4.

**EXHIBIT 4: OVW RECOVERY ACT SPENDING PLAN**

<b>OVW Recovery Act Grant Program</b>	<b>Statutory Set-Aside</b>	<b>Allocated Amount of Recovery Act Funds (\$)</b>
<b>STOP</b>	n/a	145,626,000
<b>Transitional Housing</b>	n/a	45,000,000*
<b>State Sexual Assault Coalitions</b>	State and territory sexual assault coalitions should receive 2.5 percent of funds appropriated for VAWA prevention and prosecution programs.	4,375,000
<b>State Domestic Violence Coalitions</b>	State and territory domestic violence coalitions should receive 2.5 percent of funds appropriated for VAWA prevention and prosecution programs.	4,375,000
<b>Tribal Coalitions</b>	Tribal coalitions should receive about 2 percent of funds appropriated for VAWA prevention and prosecution program.	3,124,000
<b>Tribal Governments</b>	Tribal governments should receive about 10 percent of funds appropriated for VAWA prevention and prosecution and Transitional Housing programs.	22,500,000
<b>TOTAL OVW RECOVERY ACT PROGRAM FUNDING</b>		<b>\$ 225,000,000</b>

Source: OVW

Note: Although the Recovery Act provided \$50 million for OVW's Transitional Housing program, authorizing legislation requires the OVW to provide 10 percent of Transitional Housing funds to Tribal Governments. As a result, the OVW allocated \$5 million of the Recovery Act Transitional Housing appropriation to its Tribal Governments program.

We determined that OVW's Recovery Act spending plan complied with applicable program set-aside requirements.

## Reserving Recovery Act Funds for Training and Technical Assistance

OVW grant program authorizing statutes allow the OVW to use certain percentages of appropriated funds to provide training and technical assistance to applicants and oversee the progress of grant projects.<sup>10</sup> As shown by Exhibit 5, the OVW reserved approximately \$8.6 million (4 percent) of its \$225 million in Recovery Act funding for training and technical assistance purposes, while making over \$216 million (96 percent) of its total Recovery Act funding available to grant recipients.

### EXHIBIT 5: OVW RECOVERY ACT FUNDS AVAILABLE FOR AWARDS AND TRAINING, TECHNICAL ASSISTANCE, AND OTHER PURPOSES

Program Name	Spending Plan (\$)	Available For Program Awards (\$)	Reserved for Training, Technical Assistance, and Other Purposes (\$)
STOP	145,626,000	140,376,000	5,250,000
Transitional Housing Assistance	45,000,000	43,000,000	2,000,000
State Sexual Assault Coalitions	4,375,000	4,375,000	n/a
State Domestic Violence Coalitions	4,375,000	4,375,000	n/a
Tribal Coalitions	3,124,000	2,873,750	250,250
Tribal Governments	22,500,000	21,386,640	1,113,360
<b>TOTALS</b>	<b>\$ 225,000,000</b>	<b>\$ 216,386,390</b>	<b>\$ 8,613,610</b>

Source: OIG analysis of the OVW spend plan and other financial-related documents

We determined that the amount that the OVW reserved for training, technical assistance, and other purposes, in each of its six programs was within the percentage of funds that the authorizing legislation for each program allowed to be reserved for these purposes.

### Announcing Recovery Act Grant Opportunities

The OVW develops and posts solicitations to announce grant programs to potentially interested parties. In addition to providing public notice that funds are available for specific initiatives, solicitations also instruct potential applicants how to apply for awards and the methodology by which the OVW

<sup>10</sup> For the purposes of this report, training and technical assistance costs also include expenses and payments associated with providing application evaluation assistance, guidance to grantees on project development, new grantee orientation, and general oversight of funded project activities.

will evaluate and select proposals for awards. The OVW Recovery Act program solicitations generally contained the elements outlined in Exhibit 6.

## EXHIBIT 6: ELEMENTS OF OVW RECOVERY ACT SOLICITATIONS

1. **Program Overview.** Describes the mission and objectives of the announced program.
2. **Registration Requirements.** Details how an organization may register and obtain a program application.
3. **Application Deadline.** Documents the specific date and time by which the OVW must receive applications.
4. **Eligibility Requirements.** Details what types of organizations, such as state and local governments, corporations, or non-profit entities, are eligible to apply for program funding.
5. **Faith-based and Other Community Organizations Clause.** Documents that eligible faith-based and community organizations can submit proposals under the solicitation.
6. **Program-Specific Information.** Describes various program-based requirements and objectives. Also details specific Recovery Act requirements and restrictions such as how to track of Recovery Act funds properly.
7. **Performance Measures.** Informs applicants how program performance will be evaluated and measured.
8. **How to Apply.** Instructs applicants how to submit their applications for consideration by the OVW.
9. **What an Application Must Include.** Lists the various documents that must be submitted with a proposal.
10. **Selection Criteria.** Details how the OVW will select awards from the proposals received.
11. **Review Process.** Details how the OVW will review proposals received under the solicitation.
12. **Recovery Act Reporting Requirements.** Notifies applicants that they must comply with Recovery Act reporting requirements, such as posting quarterly activity reports on [FederalReporting.gov](http://FederalReporting.gov).

Source: OIG review of OVW Recovery Act solicitations

The OVW official who drafted the OVW's Recovery Act program solicitations told us that she used the DOJ template approved by the Office of the Associate Attorney General to develop these solicitations. We reviewed the finalized solicitations and found that they met specific OVW grant program and Recovery Act requirements.

The OVW made Recovery Act solicitations available on both its website and in the Office of Justice Programs' Grants Management System (GMS) between March 6, 2009, and March 13, 2009, or respectively 17 and 24 days after the Recovery Act was signed into law.<sup>11</sup>

As shown by Exhibit 7, the OVW solicitations provided applicants between 18 and 27 days to develop and submit grant proposals.

**EXHIBIT 7: OVW RECOVERY ACT SOLICITATIONS AND DEADLINES**

<b>Program Name</b>	<b>Date Solicitation Posted on GMS</b>	<b>Application Deadline</b>	<b>Number of Days to Apply</b>
STOP	3/6/2009	3/24/2009	18
Transitional Housing	3/12/2009	4/8/2009	27
State Domestic Violence Coalitions*	3/6/2009	3/24/2009	18
State Sexual Assault Coalitions*	3/6/2009	3/24/2009	18
Tribal Coalitions	3/13/2009	4/8/2009	26
Tribal Governments	3/13/2009	4/9/2009	27
<b>AVERAGE DAYS TO APPLY FOR OVW RECOVERY ACT PROGRAMS</b>			<b>23 DAYS</b>

Source: OIG analysis of OVW solicitations

Note: The OVW announced applications for state and territory domestic violence coalitions and state and territory sexual assault coalitions under the same solicitation.

The OVW also sought out other ways to make its Recovery Act funding opportunities known to potential applicants. Specific OVW program divisions sent a series of "e-mail blasts" announcing funding opportunities and encouraging organizations to apply for awards. The organizations that received these e-mails included not only prior applicants, but also any individual or group that registered on the OVW's website. During the application timeframe, the OVW also conducted 9 teleconferences that each lasted 2 hours and had about 50 participants, to discuss how to apply for awards and grant program requirements.

The OVW received 819 applications across its 6 Recovery Act grant programs. To assess the OVW's solicitation efforts, we compared the number of applications the OVW received for Recovery Act programs to the number it received for equivalent FY 2009 grant opportunities. We found that most Recovery Act programs received about the same number of applications as their respective FY 2009 programs, except for Transitional Housing and Tribal Governments that received more. Many programs received the same number of applications because the universe of potential

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<sup>11</sup> The DOJ Office of Justice Programs administers the GMS used by the OVW to support the award application, approval, tracking, and closeout functions.

applicants for these programs was statutorily limited to states, territories, federally recognized tribes, or other pre-designated recipients. However, the Transitional Housing program – which, unlike the other OVW Recovery Act programs, was open to a broad range of applicants, including non-profit organizations – received 565 applications. This figure constitutes almost 300 more applications than the number received by the OVW just a few months earlier for FY 2009 Transitional Housing awards. According to OVW officials, this figure is also the largest number of applications ever received under a single Transitional Housing solicitation.

In our opinion, the substantial increase in the number of applications received for the Recovery Act Transitional Housing program demonstrates that the OVW effectively announced the availability of Recovery Act funds under this grant program. We also believe that this shows that the OVW provided a reasonable amount of time for applicants to apply for its Recovery Act awards.

## II. ASSESSING PROPOSALS AND RECOMMENDING RECOVERY ACT GRANTS

We determined that the OVW Recovery Act grant selection process was generally transparent and objective. However, our audit identified various procedural weaknesses that the OVW needs to improve in the future. First, the peer reviewers for OVW Tribal program applications miscalculated many scores, which we determined changed the peer review rankings that the OVW considered while making award recommendations. The miscalculations may have affected the chances that some applicants had to receive a Tribal Governments Recovery Act award. Second, the OVW did not always ensure that contracted peer reviewers assessed applications for conflicts of interest before evaluating and scoring grant proposals. Third, the OVW misplaced copies of peer review scoring sheets, which are important records of why certain award decisions were made.

After the application deadlines, the OVW divisions charged with administering Recovery Act programs began reviewing grant applications. Each division used a different process to review applications depending on whether the program provided formula and block or discretionary grants. Because formula and block grants are noncompetitive awards provided only to statutorily authorized recipients, such as states and territories, the OVW does not need to employ rigorous assessment procedures to evaluate applications and exclude ineligible or unworthy applicants. Discretionary grants, however, are awarded competitively to applicants whose proposals have been peer reviewed and deemed most capable to meet program objectives.<sup>12</sup> As shown by Exhibit 8, three OVW Recovery Act grant programs were discretionary programs and three others were formula and block programs.

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<sup>12</sup> A comprehensive peer review subjects a grant application to the scrutiny of a panel of impartial subject-matter experts. When conducting peer reviews for particular grant programs, reviewers evaluate a subset of proposals and discuss the attributes of these proposals with a panel of other reviewers. Scores are typically then computed and ranked according to specified grant solicitation requirements.

## EXHIBIT 8: OVW RECOVERY ACT PROGRAMS

Type of Grant Program	Grant Program Name
Discretionary	Transitional Housing Assistance Tribal Governments Tribal Coalitions
Formula and Block	STOP Program State Domestic Violence Coalitions* State Sexual Assault Coalitions*

Source: OIG analysis of OVW award program requirements

Note: The OVW awards grants to designated domestic violence and sexual assault coalitions through a single announcement because some states designate one coalition as both its domestic violence and sexual assault coalition.

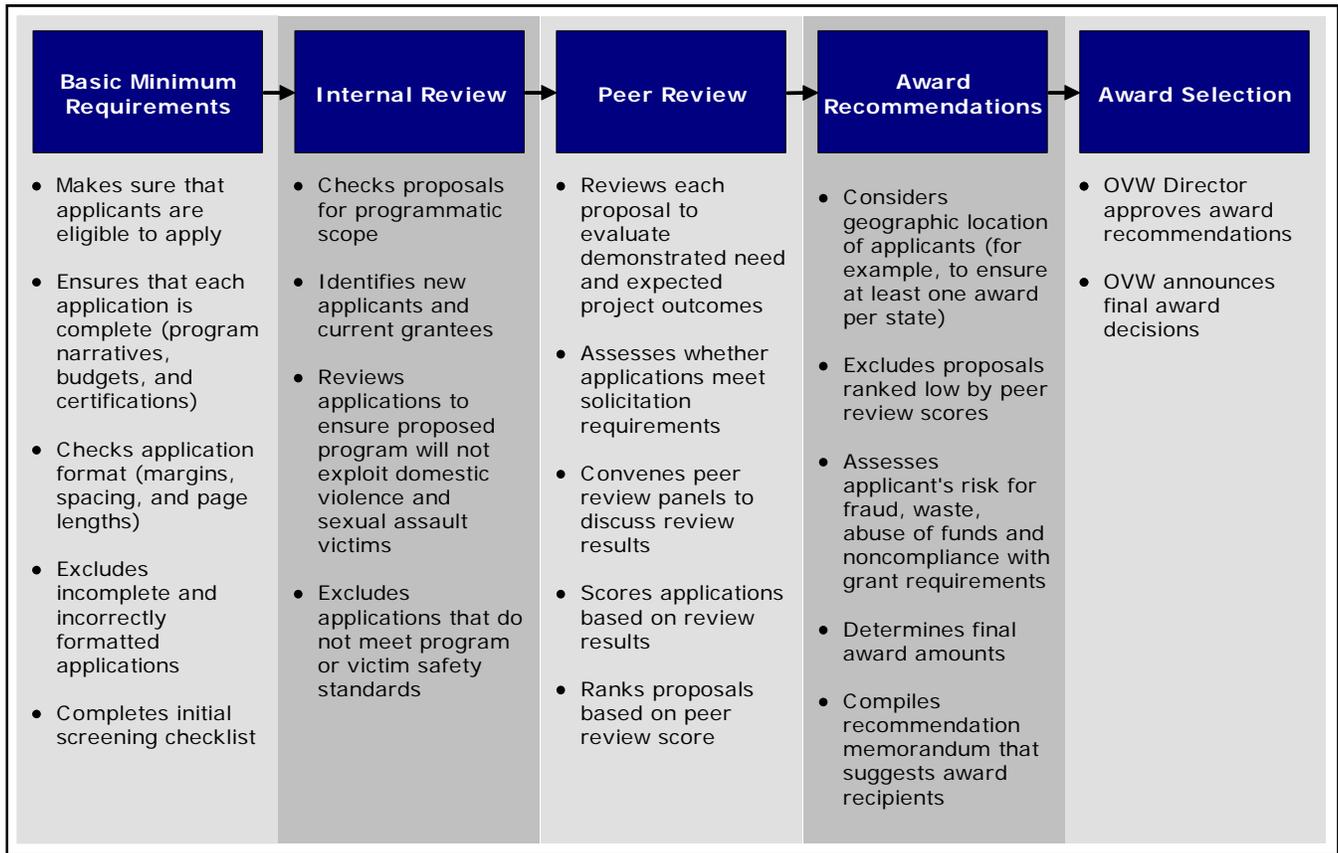
Because the procedures used to select recipients for discretionary programs were distinct from those employed to select formula and block awards recipients, we detail the OVW's selection procedures in two sections. The first section presents our assessment of how the OVW selected recipients for their respective discretionary award programs. The second section describes how the OVW chose recipients for its formula and block programs.

### Selecting Discretionary Award Recipients

Because the recipients and amounts of discretionary grants are not usually outlined by authorizing statutes, agencies that administer these types of grants should establish and follow an application review process that evaluates proposals fairly and identifies only the most worthy applicants and projects for awards.

Exhibit 9 presents an overview of the five-step process the OVW used to evaluate applications for its Recovery Act discretionary grant programs.

## EXHIBIT 9: OVERVIEW OF THE OVW DISCRETIONARY GRANT SELECTION PROCESS



Source: OIG analysis of the OVW discretionary award selection procedures

The OVW's discretionary award selection process generally begins with a screen of applications for basic minimum requirements. Once the OVW ensures that an application meets these basic minimum requirements, OVW employees can then perform what they refer to as an "internal review." Internal reviews check applications to ensure that they are relevant to the program scope and do not include inappropriate or unallowable activities, such as lobbying or fundraising.<sup>13</sup>

<sup>13</sup> According to OVW procedural guidelines, internal reviews are usually performed on applications before they are peer reviewed. However, we found that OVW staff performed internal reviews on Recovery Act Transitional Housing applications after they were peer reviewed. OVW staff told us that they did not have sufficient time to complete internal reviews before the peer review had been scheduled to begin. Although we note this inconsistency, there was no change in the results of scoring or application selection due to this procedural deviation.

A critical part of the OVW's discretionary award selection process is the peer review. For its Recovery Act discretionary awards, the OVW used both its own employees and contractors to serve as peer reviewers, or subject matter experts, to review each application independently. Peer reviewers assess and score each application using program specific criteria. To conduct a peer review, the OVW assigns each peer reviewer to a panel with one or two other peer reviewers, who discuss the results of their review and come to a consensus about the merits of each application.

When the OVW hired external contractors to serve as peer reviewers, the OVW instructed them to first review the applications for conflicts of interest and sign a form certifying that they did not have a conflict of interest with the applicant prior to conducting the evaluation.

After the panels finish calculating peer review scores, the OVW ranks each application by final averaged score. During FY 2009, the OVW began developing and using a risk assessment tool to determine whether applicants appeared to present a high, moderate, or low risk of misusing Recovery Act funds. According to the new policy, OVW staff was to perform risk assessments on all applications that received peer review scores high enough to warrant award consideration. If the risk assessment deemed an application to be "high risk," the application was forwarded to a supervisor for concurrence before it could be removed from consideration for an award.

Based largely on the rankings of peer review scores and individual applicant risk assessments, OVW staff compiled award recommendation memoranda for the approval of the acting OVW Director listing the applications the staff believed merited Recovery Act funding. Under DOJ guidelines issued in May 2008, award recommendation memoranda must document the reasons for recommending awards to applicants whose proposals do not receive the highest peer review scores.<sup>14</sup>

After the OVW Director approved award recommendation memoranda, the OVW began working with the Office of Justice Programs' Office of the Chief Financial Officer to review grant budgets and obligate funds for the awards.

The following sections detail our assessment of how the OVW selected award recipients for its three Recovery Act discretionary programs: (1) Transitional Housing Assistance (Transitional Housing), (2) Tribal Governments, and (3) Tribal Domestic Violence and Sexual Assault Coalitions (Tribal Coalitions).

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<sup>14</sup> A copy of this memorandum is provided at Appendix III.

## *Transitional Housing Program*

Transitional Housing grants support organizations that assist victims of domestic and sexual violence that require short-term housing or related support services. The OVW received 565 applications for Recovery Act Transitional Housing grants. Complete applications included a project narrative, a budget, and letters stating that the applicant agreed to comply with certain program requirements. The OVW created a checklist for its reviewers to use in verifying application completeness. Applicants eligible to receive Transitional Housing awards include non-profit or non-governmental victim services groups.

### Screening for Basic Minimum Requirements

OVW staff members used a basic minimum requirements checklist to ensure that each application included all required elements before it would be assessed for funding. OVW staff members also used this checklist to assess whether applicants were eligible to receive Transitional Housing funds. Out of the 565 applications received by the Transitional Housing deadline, OVW program staff determined that 38 applications were incomplete and that 20 applicants were not eligible to receive Transitional Housing funds. Therefore, by applying a basic minimum requirements checklist, the OVW excluded 58 applications from further consideration for awards. We reviewed the OVW's use of this checklist and found it appropriately applied Transitional Housing requirements and guidelines.

### Conducting External Peer Reviews

The OVW contracted with Lockheed Martin Aspen Systems (Lockheed Martin) to coordinate the peer review of its Transitional Housing applications with external subject matter experts. The OVW spent over \$630,000 in Recovery Act funds it had reserved for training and technical assistance to pay for peer reviewer lodging, travel, and meeting rental space. The OVW instructed Lockheed Martin to assign peer review panels comprised of three experts to evaluate and score each application. Lockheed Martin then assigned each peer review panel about 10 applications to review. Peer reviewers received an honorarium of \$100 for each application they evaluated and scored.

OVW staff convened an orientation session with contracted peer reviewers to discuss the role of peer review in the application selection process, specific Transitional Housing requirements, and how each peer reviewer should evaluate and score the applications assigned to them. After

this meeting, peer reviewers received copies of applications to evaluate and score.

*Identifying Conflicts of Interest.* The OVW provided peer reviewers with a form describing potential conflicts of interest in the peer review process. The form provided examples of various issues peer reviewers should consider in determining whether they have a conflict of interest, such as whether the peer reviewer was a former employee of an applicant or worked with anyone that also worked with an applicant.

OVW and Lockheed Martin officials stated that they told peer reviewers to consider the issues outlined on the form and review their assigned applications to ascertain whether they may have a conflict of interest. If a peer reviewer identified a potential conflict of interest at that time, the peer reviewer was instructed to bring the potential conflict of interest immediately to the attention of OVW program staff, and the peer reviewer would subsequently be reassigned another application to review. If a peer reviewer did not identify a potential conflict of interest, the OVW asked that the peer reviewer sign and date the conflict of interest form to attest that the peer reviewer was free from conflicts of interest and therefore able to impartially evaluate and score their assigned applications.

Lockheed Martin provided us copies of the 148 conflict of interest forms it received from the external peer reviewers. We reviewed each document to ensure that each peer reviewer attested that he or she was free from conflicts of interest. We also reviewed the dates each form was signed and compared the date of the form to the date peer reviewers were assigned specific applications to review.<sup>15</sup> This comparison identified 23 instances where peer reviewers attested that they were free from conflicts of interest before the OVW assigned peer reviewers specific applications. Because some peer reviewers signed conflict of interest forms before they were scheduled to receive assigned application packets, we believe that these peer reviewers attested that they did not have conflicts of interest without even knowing the applicants whose proposals they were reviewing.

We note that our review did not reveal instances where peer reviewers had conflicts of interest with applications they were charged to evaluate and score. We recommend that the OVW adjust its peer review process to require that peer reviewers carefully review assigned applications for potential conflicts of interest before they begin evaluating and scoring proposals.

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<sup>15</sup> We selected this time because peer reviewers must first know what applications they are reviewing to ascertain their conflict of interest.

Scoring Applications. Peer reviewers scored applications on a 110-point basis. To score applications, peer reviewers used standardized forms that allocated a certain number of points to each application element. For example, a peer reviewer could allocate up to 75 points to an application with a project narrative that adequately described: (1) the purpose of the project, (2) what the project would accomplish, (3) who would perform specific project functions, (4) the economic recovery provided by the project, and (5) whether the project would be sustainable after receiving OVW Recovery Act funds. Peer reviewers could also allocate up to 15 points based on budgetary details and up to 20 points to applicants that provided all the letters and memoranda necessary to demonstrate adequate compliance with Transitional Housing requirements.

Once peer reviewers individually finished evaluating and scoring applications, peer reviewers met for consensus meetings to discuss the preliminary results of their individual reviews. These consensus meetings were important because they provided peer reviewers with an opportunity to discuss their scoring rationales and adjust their scores if, during their individual review, a peer reviewer missed something. An associate staff member hired by Lockheed Martin attended each peer review panel consensus meeting and documented the issues discussed and decisions made. The OVW subsequently used the comment summaries and ranked scores to help make final recommendation decisions.

#### Performing OVW Internal Reviews

OVW staff members conducted an internal review of applications that received the highest average peer review score to ensure that high scoring proposals were within the scope of the Transitional Housing program.<sup>16</sup> OVW staff checked the applications to: (1) ensure that proposals met statutory funding requirements, (2) highlight programs that would assist states and territories exhibiting the highest unemployment rates, and (3) assess whether the amount requested by the applicant was reasonable considering the amount of funding the OVW had available for the program-at-large.

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<sup>16</sup> OVW staff traditionally performed the internal review after the basic minimum requirements review but before the peer review. However, OVW officials told us that because of the large number of applications received for the Recovery Act Transitional Housing Program, coupled with the accelerated timeframe between application receipt and peer review, it was decided that OVW staff should conduct the internal review after the peer review.

During this internal review, OVW staff members also reassessed each applicant's eligibility and ensured applications met the purpose and scope of the solicitation requirements. In addition, OVW staff members double-checked applications to ensure that Recovery Act funds would not be used to support projects that had already been approved to receive FY 2009 funding.

### Conducting Risk Assessments for Transitional Housing Applicants

As discussed previously, the OVW developed and applied a risk assessment tool to evaluate the potential risk specific Transitional Housing applicants had for misusing Recovery Act funds. This was the first time, at least in recent years, that such a tool was used by OVW program specialists, and we view it as a positive step towards improving grant management oversight. This section discusses how OVW staff performed the risk assessments on Recovery Act Transitional Housing applications.

OVW program specialists first determined whether the applicant received OVW awards in the past. The OVW's risk assessment tool assessed prior performance on awards to determine whether an applicant should be disqualified from receiving Recovery Act funds. According to the risk assessment form, an applicant could be disqualified if it: (1) did not resolve audit findings, (2) did not submit a Single Audit on time, or (3) was rated as a high-risk grantee by the Office of Justice Programs. In addition, the tool assigned risk "values" to other performance attributes such as timeliness and accuracy of financial status reports and progress reports.

We reviewed how program specialists completed and applied a sample of risk assessment forms and found that the OVW used risk assessment results to eliminate some applicants from consideration for receiving Transitional Housing Recovery Act awards.

### Preparing and Approving the Award Recommendation Memorandum

The acting OVW Director approved an award recommendation memorandum dated June 2, 2009 that detailed the process OVW staff used to select 91 awards. Along with this memorandum, the OVW also provided its Acting Director with a binder containing various award documents such as a list of the highest-scoring applicants by state, reasons why the OVW excluded various applicants for funding consideration, and a copy of the solicitation that listed project requirements. We reviewed the approved award memorandum with its attachments to ensure that the documents complied with applicable DOJ award-making guidelines. We determined that the award recommendation memorandum generally complied with these DOJ guidelines.

Once finalized, the 91 Recovery Act Transitional Housing awards totaled \$42,651,316, which left \$348,684 in unawarded Transitional Housing Recovery Act funds. OVW officials told us that they are developing plans that will ensure that the remaining money will be used to further the objectives of the Transitional Housing program and the Recovery Act. We therefore recommend that the OVW continue developing its plan that will use \$348,684 in unawarded Recovery Act funds appropriately.

### *Tribal Governments and Tribal Coalitions Programs*

The OVW administered two discretionary Recovery Act grant programs focused on preventing domestic and sexual violence in Indian tribal communities and helping victims of such crimes. The Tribal Governments program is intended to enhance the ability of Indian and Alaska Native tribes to respond to violent crimes against women, while the Tribal Coalitions program focuses on supporting Indian and Alaska Native coalitions established to combat domestic violence or sexual assault. The OVW made \$21,386,640 in Recovery Act funds available for Tribal Governments grants and \$2,873,750 available for Tribal Coalitions grants.

### Screening for Basic Minimum Requirements

The OVW received 91 Tribal Governments applications and 20 applications for the Tribal Coalitions program. OVW staff members checked each of these applications for basic minimum requirements, including whether the application was complete and the applicant was eligible to receive funding.<sup>17</sup> OVW program specialists were instructed to remove any application from consideration that was substantially incomplete or submitted by organizations that were not eligible to receive awards. Exhibit 10 lists the number of applications excluded for each of the two Tribal programs based on the results of the screening for basic minimum requirements.

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<sup>17</sup> Only federally recognized Indian and Alaska Native governments, their authorized designees, or certain tribal consortiums could receive OVW Recovery Act Tribal Government Program awards, while only incorporated tribal coalitions that addressed domestic violence or sexual assault against American Indian and Alaska Native women could receive OVW Recovery Act Tribal Coalition Program grants.

**EXHIBIT 10: BASIC MINIMUM REQUIREMENTS REVIEW RESULTS FOR TRIBAL PROGRAM APPLICATIONS**

<b>Program Name</b>	<b>Number of Applications Received</b>	<b>Number of Applications Excluded For Not Meeting Basic Minimum Requirements</b>	<b>Number of Applications Forwarded to Peer Review</b>
Tribal Governments	91	15	76
Tribal Coalitions	20	9	11
<b>TOTAL</b>	<b>111</b>	<b>24</b>	<b>87</b>

Source: OIG analysis of OVW award documents

The 87 applications that passed the basic minimum requirements checks were then internally peer reviewed by OVW employees.

Performing Peer Reviews and Internal Reviews

The OVW used its own staff members to conduct peer reviews on applications received for its two Recovery Act Tribal discretionary programs. Because the two programs had unique requirements, the OVW convened a separate series of peer reviews for each program. Because OVW personnel performed both the peer review step and the internal review step, OVW personnel performed both steps on each application concurrently. As a result, this section presents an overview and our assessment of the peer review and internal review steps performed by OVW staff on Tribal Governments and Tribal Coalitions applications.

To help peer reviewers score applications consistently, the OVW provided them with template scoring sheets to use in scoring the applications each was assigned to evaluate. These scoring sheets allocated point values to various application elements. For example, if a Tribal Governments application included a complete project narrative that detailed all program requirements, the peer reviewer could allocate up to 75 points for just the project narrative. Peer reviewers rated Tribal Governments applications on a 110-point scale and Tribal Coalitions applications on an 80-point scale.

Once a peer reviewer finished assigning points to an application, the peer reviewer conducted an internal review to assess whether the application contained certain project information and double-check that the proposed project did not involve precluded activities, such as lobbying, or otherwise might compromise victim safety and anonymity. Similar to the peer review step, the staff member used the OVW scoring sheet to complete the internal review. Unlike the peer review scoring sheet, which added points to an application's score, the internal review scoring sheet deducted points for application deficiencies.

After completing both sets of scoring sheets, OVW staff members convened peer review panels to discuss the results of their independent review of applications, ascertain the merits of each application, and determine each application's final score. These meetings were important because they provided OVW staff members who served as peer reviewers an opportunity to compare notes and ensure that each reviewer understood critical elements of each rated proposal. After the meetings, peer reviewers averaged their individual scores and submitted the final average score for each application to the OVW officials who were supervising the peer reviews. OVW officials then ranked the applications by the final average score for each program.

We reviewed copies of all scoring sheets maintained by the OVW and used by its employee peer reviewers to evaluate Tribal Governments and Tribal Coalitions applications to determine whether OVW employees consistently and accurately calculated peer review and internal review scores.<sup>18</sup>

Our review found that OVW peer reviewers incorrectly calculated the final average peer review scores of 43 out of the 77 applications we were able to test for these two programs. In addition, the OVW could not locate complete copies of scoring sheets and other evaluation documents for another 10 Tribal Governments applications. Below, we detail our specific findings regarding peer and internal review scoring errors and the issue of the OVW not being able to locate all peer and internal review scoring documents.

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<sup>18</sup> Because a preliminary review of OVW scoring sheets found several miscalculations in computing peer review scores, we expanded our testing to encompass all 87 tribal program applications forwarded to peer review. We performed our score analysis by recalculating the point values and subtotals OVW peer reviewers provided on each scoring sheet. Our review did not re-evaluate or otherwise assign scores to the applications.

*Miscalculated Individual Application Scores.* OVW scoring sheets contained several tables that peer reviewers used to assign and deduct points for each section of the application. Each section was comprised of various elements, and the scoring sheets assigned each of these elements a point value. For example, peer reviewers were able to allocate up to 8 points to applications that had clear goals and objectives and 7 points to applications that proposed activities that realistically could be completed within the project's proposed timeframe. The peer reviewer then manually subtotaled the points awarded to each element section-by-section. Once all the elements were assessed, peer reviewers then added section subtotal scores together on a separate point summary page to compute the final individual score for each application.

To determine whether peer reviewers computed the final individual scores of applications correctly, we reviewed the point values peer reviewers assigned to individual elements of Tribal Governments and Tribal Coalitions scoring tables. We used individual point values to recalculate section subtotals and final individual scores of these applications. Our review identified 43 applications – 39 for Tribal Governments and 4 for Tribal Coalitions – where individual OVW peer reviewers miscalculated section subtotals, individual final scores, and in some cases, both section subtotals and individual final scores.

For example, a peer reviewer for one Tribal Governments application allocated a total of 26 points to different elements of the project narrative subsection on the scoring sheet used to evaluate applications. However, to obtain the subsection total, peer reviewers had to add the points for each project narrative element manually. For this application, the peer reviewer incorrectly added the points for each element and recorded a section subtotal of 28 points instead of 26 points.

Peer reviewers then used a separate summary sheet to add subsection scores to calculate the individual final score for each application. The peer reviewer carried over the incorrect 28-point subtotal for the project narrative section to the summary sheet and then incorrectly summed the subtotals from the different sections in calculating the final score. However, this peer reviewer made a second calculation error in summing the subtotals from the different sections. Therefore, the dual miscalculations led to this application receiving a peer review score of 80 points instead of the correct 77 points.

Overall, our review of subtotal scores found that miscalculations resulted in individual applications both gaining and losing points, which ended up raising the final scores of some grant proposals and lowering the final scores of others. Because OVW staff considered peer review score rankings in ranking the list of applicants that should receive an award recommendation, miscalculated peer review scores could affect the award recommendations for the OVW Director's final approval.

To determine whether such point summation errors affected application rankings, we used the original point values to recalculate the correct score for each application. We then re-ranked the recalculated scores for both Tribal programs. Once we compared the corrected scores to the original OVW rankings, we identified instances where miscalculated scores changed the peer review rankings that OVW staff considered to make award recommendations. As shown in Exhibit 11, three applications received erroneously inflated peer review scores, which ranked them above two other applications that should have actually been ranked higher.

**EXHIBIT 11: EFFECTS OF OVW PEER REVIEW SCORE MISCALCULATIONS ON TRIBAL GOVERNMENTS APPLICATION RANKINGS**

<b>Applicant Name and State</b>	<b>OVW Calculated Score (Out of 110)</b>	<b>Recommended for Award (Yes/No)</b>	<b>OIG Re-Calculated Score (Out of 110)</b>	<b>OIG-Assessed Effect of Miscalculation</b>
Big Valley Band of Pomo Indians, California	79	Yes	73	Applicant's score miscalculated by six points, which led it to receive a much higher ranking than it might have otherwise received. This may have been a deciding factor for the applicant to receive an award.
Squaxin Island Tribe, Washington	79	Yes	78	Applicant's score miscalculated by 1 point, which placed the applicant above 78 points, which was the lowest score received by a recommended application.
Swinomish Indian Tribal Community, Washington	78	Yes	73	Applicant's score miscalculated by five points. The corrected score made it the lowest-scoring application that received a recommendation for funding.
Coeur d'Alene Tribe, Idaho	78	No	78	Although the OVW did not miscalculate this applicant's score, if the OVW did not miscalculate other applicant's scores above, this applicant's score may have been ranked high enough to receive a recommendation for funding.
Kalispel Tribe of Indians, Washington	77	No	77.5	Applicant's score was miscalculated by 0.5 points. If the OVW did not miscalculate this and other applicant scores, this applicant's score may have been ranked high enough to receive a recommendation for funding.

Source: OIG analysis of OVW Tribal Governments peer review scoring sheets

Note: We assessed the effect of miscalculated scores by using the OVW-calculated score for applications that we could not recalculate because the OVW could not provide us copies of necessary supporting documents.

We found that OVW staff recommended that the three applications that incorrectly received higher peer review scores receive Tribal Governments awards, but did not recommend Recovery awards for applications that mistakenly received lower-rankings.<sup>19</sup>

However, because peer review scores are just one factor that OVW staff considers in making award recommendations, we cannot say with certainty that these applications did not receive an award solely due to these score miscalculations. Yet, because these miscalculations changed the rankings of applications, these miscalculations may have caused the OVW to decide not to recommend a Tribal Governments Recovery Act award to the Coeur d'Alene Tribe and the Kalispel Tribe of Indians.

Our testing found that OVW staff also miscalculated the final peer review score for 4 out of 11 Tribal Coalitions applications. However, unlike the miscalculations that occurred for Tribal Governments, we found that the Tribal Coalitions miscalculations did not affect whether specific applicants received award recommendations since all Tribal Coalitions applicants that met basic minimum requirements and other program criteria ultimately received a Recovery Act award.

We discussed several examples of point summation errors with OVW officials who had administered the scoring process. Based on these discussions and the evidence provided by the scoring sheets, we believe that human error was the cause of incorrect score calculations. We believe it is critical that the OVW ensures that its application reviewers consistently compute scores it subsequently ranks to make award recommendations. Because miscalculations and other errors affect discretionary award decisions, we recommend that the OVW institute better internal controls that will check for scoring errors and verify the accuracy of future final peer review scores.

*Missing Peer Review Scoring Sheets.* In addition, the OVW was not able to locate all scoring documents pertaining to 10 out of 76 Tribal Governments applications it had forwarded to its employees for review. As a result, we were not able to validate OVW peer review score calculations for these 10 applications.

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<sup>19</sup> OVW officials told us that all Tribal Government applicants who applied for both Recovery Act and FY 2009 funding received at least a Recovery Act or an FY 2009 award. We confirmed that both the Coeur d'Alene Tribal Community and Kalispel Tribe of Indians received FY 2009 Tribal Government awards and these awards were for the same or similar activities proposed by their Recovery Act applications.

According to OVW officials, the scoring sheets for these applications were lost sometime after award decisions were made. Without maintaining copies of complete award scoring sheets for all applications that it peer reviewed, the OVW cannot demonstrate that its discretionary award process treated every application consistently and objectively. Additionally, according to federal regulation, federal agencies must preserve all documents related to critical agency functions and decisions.<sup>20</sup> Because peer review scores play an integral part in the OVW award decision-making process, we recommend that the OVW implement procedures to ensure that it maintains copies of all peer review scoring sheets used to evaluate and score discretionary grant applications.

### Conducting Risk Assessments for Tribal Program Applicants

The OVW completed risk assessments for applicants that received high scores and used these assessments to eliminate several applicants from consideration for funding. The OVW found that some of these applicants had not submitted required Single Audit reports under OMB Circular A-133. At least two other applicants did not receive award consideration for other reasons.<sup>21</sup>

### Preparing and Approving Award Recommendation Memoranda

On May 18, 2009, the acting OVW Director approved two award recommendation memoranda, one for each Recovery Act Tribal program, which detailed the procedures OVW employees used to select which entities should receive OVW awards. Along with each memorandum, the OVW also provided its Acting Director with a binder containing various award documents, including a list of the highest-scoring awards by state, reasons why the OVW excluded some applicants from consideration for funding, and a copy of the solicitation listing award elements and project requirements.

We reviewed both award memoranda and information included in the attached binders to ensure that the documents complied with applicable DOJ award-making guidelines. We found that the Tribal Coalitions award recommendation memorandum and attachments complied with internal DOJ guidelines that require justifications for selecting lower-scoring applicants for awards over higher-scoring applicants. However, the award recommendation memorandum prepared for Tribal Governments did not

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<sup>20</sup> 44 U.S.C. § 3101 (2008)

<sup>21</sup> The OVW rejected one applicant because it was on the Office of Justice Programs' high-risk list and non-responsive in addressing grant audit issues. Another applicant was rejected because it was delinquent in paying back federal debts.

include justifications for why six applicants that received higher scores than other recommended applicants did not receive a recommendation for funding.

OVW officials told us they excluded five of the six high-scoring applicants from receiving award recommendations because of risk assessment results. The OVW officials said the one remaining applicant did not receive an award recommendation because it was located in the same state as two other higher-scoring recipients and the OVW strived to provide awards to tribes in different states and territories. Although the OVW offered justifiable reasons for not recommending these applicants for awards, DOJ policy requires that the OVW document these reasons in its award decision material. We therefore recommend that the OVW ensure that future award recommendation memoranda include written justifications stating why higher scoring applications were not selected for awards.

As of March 2010 the OVW finalized 45 Recovery Act Tribal programs awards totaling \$23,458,112. The OVW was also in the process of finalizing two additional awards worth \$738,662. The OVW has allocated \$24,260,390 to Tribal program grants, but has not yet awarded \$63,616 in Recovery Act funds to address violence against women on Tribal lands. OVW officials told us that they are developing a plan that will ensure that it uses the remaining monies to further the objectives of the Tribal programs and the purposes of the Recovery Act. We therefore recommend that the OVW continue developing this plan to use the \$63,616 in unawarded Recovery Act funds.

### **Selecting Formula and Block Award Recipients**

The OVW's process for awarding Recovery Act formula and block grants is dictated by the legislation authorizing the program and by annual appropriations. Because the program authorizing legislation designates both the recipients and amounts of each formula or block award, the OVW generally has no discretionary authority over whether to make an award. Therefore, once the OVW received word of its Recovery Act appropriation, the OVW notified eligible grant formula and block recipients of their potential award.

However, the OVW required that eligible entities first submit an application for funds to receive an award. The following sections detail our review of the OVW's process used to select and finalize Recovery Act awards for its STOP and State Domestic Violence and Sexual Assault Coalitions programs.

## STOP Program

Over \$140 million in Recovery Act funds was allocated to OVW STOP grants for developing and improving state and local law enforcement and prosecution strategies for violent crimes against women. Only states and territories may be the prime recipients of STOP funds, but other entities within each state, such as local court systems, police departments, and non-profit service groups, can be sub-recipients of STOP grants.

### Formula Calculations and Award Announcements

Each state and territory is entitled to STOP funds based on the number of people within its jurisdiction in proportion to the overall population of the United States.<sup>22</sup> The OVW used the formula outlined in the STOP program's authorizing legislation to determine the amount of each state or territory's award.<sup>23</sup> As shown by Exhibit 12, this formula provided that each state or territory receive a base award of \$600,000 and additional funds based on the ratio of each state or territory's population to the population of the United States.

### **EXHIBIT 12: RECOVERY ACT STOP PROGRAM FORMULA**

$$\text{Award Amount} = \$600,000 + \left( A - \$33,600,000 \right) \left( \frac{(P - Y)}{Z} \right)$$

Formula Legend:

**A – Amount of Funds Authorized for the STOP Program**  
**P – State or territory population**  
**Y – Number of registered members of American Indian tribes**  
**Z – Estimated population of the United States**

Source: OIG analysis of STOP award formula, as provided in 42 U.S.C. § 3796gg (2006)

Note: The \$33.6 million figure in the formula is the base award amount (\$600,000) provided to each of the 56 states and territories (\$600,000\*56).

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<sup>22</sup> The STOP Program authorizing statute calculates the population of each state and territory by first subtracting the number of persons registered to American Indian tribes within each jurisdiction from the total population of that jurisdiction.

<sup>23</sup> See 42 U.S.C. § 3796gg (2006)

The OVW announced the amount of Recovery Act funds each state and territory was eligible to receive under the STOP program in March 2009. OVW officials told us they applied the STOP formula shown above with the most up-to-date U.S. Census Bureau data available to determine the amount each state and territory was eligible to receive.

As shown by Exhibit 13, the amount the OVW allocated to each state or territory ranged from American Samoa's \$622,658 to California's \$13,298,809.

### **EXHIBIT 13: OVW RECOVERY ACT STOP PROGRAM AWARD ALLOCATIONS**

State or Territory	Amount (\$)	State or Territory	Amount (\$)
Alabama	2,220,871	New Hampshire	1,058,641
Alaska	803,624	New Jersey	3,624,711
Arizona	2,767,911	New Mexico	1,228,450
Arkansas	1,589,942	New York	7,374,913
California	13,298,809	North Carolina	3,784,210
Colorado	2,306,619	North Dakota	812,159
Connecticut	1,819,310	Ohio	4,604,597
Delaware	903,933	Oklahoma	1,773,156
District of Columbia	806,053	Oregon	1,906,545
Florida	6,976,652	Pennsylvania	4,942,096
Georgia	3,973,732	Rhode Island	965,065
Hawaii	1,047,877	South Carolina	2,159,535
Idaho	1,125,019	South Dakota	857,968
Illinois	5,094,365	Tennessee	2,765,332
Indiana	2,821,938	Texas	9,042,754
Iowa	1,645,347	Utah	1,544,099
Kansas	1,569,660	Vermont	816,288
Kentucky	2,088,443	Virginia	3,305,800
Louisiana	2,132,194	Washington	2,852,125
Maine	1,057,447	West Virginia	1,232,720
Maryland	2,562,236	Wisconsin	2,548,507
Massachusetts	2,864,277	Wyoming	781,663
Michigan	4,074,946	Puerto Rico	1,978,993
Minnesota	2,403,272	Virgin Islands	638,390
Mississippi	1,622,147	Guam	661,510
Missouri	2,655,994	American Samoa	622,658
Montana	916,955	N. Mariana Islands	630,273
		<b>RECOVERY ACT STOP PROGRAM TOTAL</b>	<b>\$ 140,376,000</b>

Source: OVW

To assess whether the OVW accurately applied the STOP formula and allocated the correct amount of Recovery Act funds to each state and territory, we independently calculated each state and territory's STOP award using the most recent population data available from the U.S. Census Bureau.<sup>24</sup> We compared the result of our calculations to OVW's calculations and found that the OVW accurately calculated Recovery Act STOP awards.

### Collecting and Reviewing STOP Applications

Each state and territory had to submit an application before receiving a STOP program award allocation. Program guidelines require that STOP applications include a narrative describing how the state or territory will account for and use award funds; attestation letters from various government officials, such as prosecutors, law enforcement officers, and court personnel; and required certifications. Applications also detailed how many jobs the state or territory predicted its Recovery Act STOP award would preserve or create.

The OVW received 55 applications for its Recovery Act STOP program and made 55 awards totaling \$139,745,928. Every state and territory submitted an application for Recovery Act STOP program funds except the Commonwealth of the Northern Mariana Islands (Northern Mariana Islands). At our request, the OVW followed-up with representatives of the Northern Mariana Islands and found that they chose not to apply for Recovery Act STOP program awards because the Northern Mariana Islands received sufficient federal funding to support its ongoing violence against women programs.

Because the Northern Mariana Islands chose not to receive a Recovery Act STOP award, over \$630,000 in Recovery Act funds that the OVW reserved for this grant remain unawarded. OVW officials told us that they are working on a plan to ensure that it uses these funds to further STOP program and Recovery Act purposes.

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<sup>24</sup> The most recent population data available from the U.S. Census Bureau during the allocation period were the 2008 estimates of each state or territory's population and the 2007 estimates of each state or territory's tribal population.

## *State Domestic Violence and Sexual Assault Coalition Block Programs*

The Recovery Act provided \$8,750,000 to two OVW block programs aimed at funding state and territory-level coalitions that support and coordinate domestic violence and sexual assault services. Under these block programs, each state and territory that has designated organizations that serve as a domestic violence coalition and a sexual assault coalition should receive block awards. In some cases, the same organization may serve as both the domestic violence and sexual assault coalition for a state or territory. Under the Recovery Act, each designated domestic violence or sexual assault coalition was eligible to receive a block grant of \$78,125. In cases where an organization was dually designated as a state or territory's domestic violence and sexual assault coalition, that organization was eligible for a block grant of \$156,250.

The OVW announced the Recovery Act state coalition block grant funding opportunities on March 6, 2009, and required eligible applicants to submit completed applications for block grants by March 24, 2009. The OVW accepted hard copy and electronic applications from coalitions. The OVW received 88 applications for block grants and therefore made 88 awards to state and territory domestic violence and sexual assault coalitions. The OVW awarded a total of \$8,515,625 to coalitions under these programs.<sup>25</sup>

Because OVW allocated \$156,250 in block grants to each state and territory, if a state or territory did not have a designated coalition that was active, the Recovery Act funds allocated to that state or territory were not awarded. Exhibit 14 details the three instances where we found a state or territory did not have a designated or active domestic violence or sexual assault coalition.

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<sup>25</sup> The OVW awarded \$2,578,125 to domestic violence coalitions, \$2,656,250 to sexual assault coalitions, and \$3,281,250 to organizations that served as both a domestic violence and the sexual assault coalition for a state or territory.

**EXHIBIT 14: UNAWARDED OVW STATE COALITION BLOCK GRANTS**

<b>Coalition Name</b>	<b>Reason Application Was Not Submitted</b>	<b>Amount of Block Grant Not Awarded (\$)</b>
Ohio Sexual Assault Coalition	The entity was defunct during application period.	78,125
American Samoa Domestic Violence Coalition	The territory did not have a designated domestic violence coalition.	78,125
Northern Mariana Islands Domestic Violence Coalition	The territory did not have a designated domestic violence coalition.	78,125
<b>TOTAL</b>		<b>\$ 234,375</b>

Source: OIG analysis of block grant recipients by state and territory

The state domestic violence and sexual assault coalition program’s authorizing statute requires the OVW to allocate block awards to the coalitions for each state or territory, regardless of whether the state or territory designates or is able to maintain an eligible coalition. Consequently, the OVW reserved but was unable to award \$234,375 in Recovery Act funds to state or territory coalitions that were either defunct or otherwise unable to receive program funds. OVW officials told us that they are working on a plan to use these remaining funds for allowable program-related purposes. We therefore recommend that the OVW continue developing a plan to use the \$234,375 in remaining Recovery Act funds.

## Recommendations

We recommend that the OVW:

1. Adjust its peer review process to require that peer reviewers carefully review assigned applications for potential conflicts of interest after they received their assignment of applications to review but before they actually begin evaluating and scoring proposals.
2. Institute better internal controls that will check for scoring errors and verify the accuracy of future final peer review scores.
3. Implement procedures to ensure that it maintains copies of all documents used to evaluate and score discretionary grant applications.
4. Ensure that future award recommendation memoranda include written justifications stating why higher scoring applications were not selected for awards.
5. Finalize plans to ensure that the \$1,276,747 in Recovery Act funds that remain unawarded across six OVW programs will be used for program-related purposes.

## **STATEMENT ON COMPLIANCE WITH LAWS AND REGULATIONS**

As required by the *Government Auditing Standards*, we tested, as appropriate given our audit scope and objectives, selected records, procedures, and practices, to obtain reasonable assurance that the management of the Office on Violence Against Women (OVW) complied with federal laws and regulations, for which noncompliance, in our judgment, could have a material effect on the results of our audit. OVW managers are responsible for ensuring compliance with federal laws, regulations, and applicable Department of Justice guidelines relevant to its grant selection procedures. In planning our audit, we identified the following laws, regulations, and requirements that concerned the operations of the OVW and that were significant within the context of the audit objectives:

- American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, § 1512(c);
- Violence Against Women Act of 1994, as amended, 42 U.S.C. § 3796gg et seq. and § 13975 et seq.;
- Preserving documents regarding functional areas, 44 U.S.C. § 3101.

Our audit included examining, on a test basis, OVW's compliance with the aforementioned laws, regulations, and requirements that could have a material effect on its operations, through interviewing auditee personnel, assessing internal control procedures, and examining copies of actual procedural practices and award decision documents. As noted in the Findings and Recommendations section of this report, we found that the OVW did not fully comply with the Department of Justice policy regarding the proper documentation of discretionary award recommendations and decisions for its Recovery Act Tribal Governments program.

## STATEMENT ON INTERNAL CONTROLS

As required by the *Government Auditing Standards*, we tested, as appropriate, internal controls significant within the context of our audit objectives. A deficiency in an internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to timely prevent or detect: (1) impairments to the effectiveness and efficiency of operations, (2) misstatements in financial or performance information, or (3) violations of laws and regulations. Our evaluation of internal controls employed by the Office on Violence Against Women (OVW) was *not* made to provide assurance on its internal control structure as a whole (emphasis added). OVW management is responsible for the establishment and maintenance of internal controls.

As noted in the Findings and Recommendations section of this report, we identified deficiencies with regard to OVW internal controls involving scoring individual peer review scores for applications. These deficiencies were significant within the context of the audit objectives and based upon the audit work performed that we believe adversely affect the ability of the OVW to guarantee that its grant selection process objectively and fairly assesses applicants for award programs. The Findings and Recommendations section of this report contains the specific details regarding these internal control deficiencies and our recommendations for corrective action.

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

## **ACRONYMS**

BPA	Blanket Purchase Agreement
DOJ	Department of Justice
GMS	Grants Management System
OIG	Department of Justice Office of the Inspector General
OMB	Office of Management and Budget
OVW	Office on Violence Against Women
STOP	Services, Training, Officers, and Prosecutors
VAWA	Violence Against Women Act

## OBJECTIVE, SCOPE, AND METHODOLOGY

### Objective

The Department of Justice Office of the Inspector General (OIG) conducted this audit to review how the Office on Violence Against Women (OVW) administered, assessed, and awarded Recovery Act grants for violence against women prevention and prosecution programs. The purpose of our review was to assess whether the grant selection procedures used by the OVW treated grant applications fairly and objectively. The audit was performed as part of the ongoing OIG Recovery Act oversight initiative being performed to ensure that DOJ components and award recipients use and account for Recovery Act funds properly.<sup>26</sup>

### 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 objective. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objective.

Because we performed this audit at the same time the OVW administered its Recovery Act programs and made award decisions, we occasionally provided OVW personnel with technical advice and non-audit services under generally accepted government auditing standards 3.26 and 3.27. The following lists the instances where the OIG provided this information.

- On March 13, 2009, we offered the OVW advice on handling proposals for both FY 2009 and Recovery Act Transitional Housing Assistance Program awards;
- On June 3, 2009, we provided the OVW a management advisory memorandum asking that it consider coordinating aspects of its Transitional Housing Assistance program with other federal housing grant programs;

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<sup>26</sup> U.S. Department of Justice Office of the Inspector General, *Recovery Act Oversight Plan – Updated* (October 2009).

- On August 27, 2009, we offered the OVW our insights regarding best practices for grant monitoring plans based on our knowledge of grant performance issues and prior grant audit reports;
- On October 21, 2009, we participated in an OVW employee quarterly report data assurance training session and asked questions regarding how OVW would check for specific Recovery Act reporting requirements;
- On October 28, 2009, we provided the OVW with a management advisory memorandum that asked it to confirm that the Commonwealth of the Northern Mariana Islands was not requesting a formula award; and
- On January 25, 2010, we provided the OVW with a list of Recovery Act award recipients that we determined had not reported quarterly activity to [FederalReporting.gov](http://FederalReporting.gov) to assist it in its efforts to ensure that all recipients post quarterly reports.

The technical advice we offered the OVW did not involve performing management functions or making management decisions. We further did not: (1) include in our audit an assessment of any technical advice we provided the OVW, or (2) provide the OVW with technical advice that we believe was significant or material to the subject matter of this audit. Because the technical advice we provided was purely advisory and not intended to be used as the primary basis for any OVW management decision, the technical advice does not impair our independence under generally accepted government auditing standard 3.22.

Our audit generally encompassed OVW Recovery Act activities that began in February 2009. To accomplish our audit objective, we conducted fieldwork and interviewed OVW employees and contractors in Washington, D.C. and Rockville, Maryland. Our review included discussions with those charged with overseeing OVW award procedures, including the acting OVW Director and OVW Deputy and Associate Directors. Since our review focused on the process the OVW used to solicit, assess, and award grants, we did not evaluate or seek to evaluate the individual merits of the programs or projects that ultimately received OVW Recovery Act awards. Instead, through interviews and analysis of official award making documents, we did attempt to acquire an understanding of the rationale for OVW awards decisions.

We obtained what we believe to be necessary and sufficient documentation to achieve our audit objective. Throughout the audit, we

relied on computer-generated data to obtain necessary information about grant proposals and awards from the Office of Justice Programs' Grants Management System (GMS) used by the OVW to track grant awards. For example, we used GMS data to compile the total final award amounts by Recovery Act program. Although we did not assess the reliability of the Grants Management System data, we do not believe the reliability of such data adversely affects our findings or recommendations. We also relied on electronically derived information from Recovery.gov and FederalReporting.gov websites to conduct our analysis of Recovery Act quarterly reporting.

To compute the peer review score of each discretionary application, OVW staff tallied scores awarded by peer reviewers for each application element. To test the accuracy of peer review score calculations, we selected a judgmental sample of scoring sheets and evaluated the internal controls OVW used to calculate final peer review scores. The judgmental sample included testing a number of applications we believe necessary to support our conclusions regarding the accuracy of peer review scores tabulations. Our judgmental sample revealed a significant number of incorrect scores for Tribal Governments and Tribal Coalitions applications. As a result, we expanded our testing of scoring sheets and tested all score calculations for these two programs.

We identified relevant internal policies and manuals pertaining to OVW's grant-making process, including the OVW 2009 Peer Review Guidelines and 2009 Grant Monitoring Manual. We also reviewed peer review scoring sheets, grant applications, award files, risk assessment forms, and applicable OVW directives and correspondence.

In addition, we reviewed task orders issued by the OVW under its OVW blanket purchase agreement with Lockheed Martin Aspen Systems Corporation (Lockheed Martin). The task order requested that Lockheed Martin coordinate, conduct, and provide other logistical support for OVW's peer review performed for its Recovery Act Transitional Housing Assistance program. We reviewed and analyzed this task order to assess how OVW conducted and oversaw the external peer review process.

**SCHEDULE OF DOLLAR-RELATED FINDINGS**

<b><u>Dollar-Related Finding</u></b>	<b><u>Amount (\$)</u></b>	<b><u>Page Number</u></b>
<u>Funds To Be Put To A Better Use:</u> <sup>27</sup>		
Allocated but unawarded Transitional Housing program funds	348,684	19
Allocated but unawarded Tribal Governments and Tribal Coalitions programs funds	63,616	27
Allocated but unawarded STOP program funds	630,072	30
Allocated but unawarded domestic violence and sexual assault coalition block grant funds	234,375	32
<b>TOTAL DOLLAR-RELATED FINDINGS:</b>	<b><u>1,276,747</u></b>	

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<sup>27</sup> *Funds to be put to a better use* are monies that could be used more efficiently if management took actions to implement and complete audit recommendations.

## ASSOCIATE ATTORNEY GENERAL AWARD DOCUMENTATION POLICY



U. S. Department of Justice

Office of the Associate Attorney General

The Associate Attorney General

Washington, D.C. 20530

May 28, 2008

MEMORANDUM TO: Mr. Jeffrey L. Sedgwick  
Acting Assistant Attorney General, Office of Justice Programs

Ms. Cynthia Dyer  
Director, Office on Violence Against Women

Mr. Carl R. Peed  
Director, COPS Office

FROM: Mr. Kevin J. O'Connor *KJO*  
Associate Attorney General

SUBJECT: Documentation of Discretionary Award Recommendations and  
Decisions

It is critical that, in the process of determining which organizations will receive grant dollars, those decisions be clearly documented for the record so as to avoid any misconceptions or misrepresentations in the future.

As a result, beginning in fiscal year 2008, all discretionary funding recommendations and decisions should be documented as described below. These requirements represent a minimum standard; components may choose to add others as they establish or refine their grant policies. It is an internal component decision as to how to implement the requirements of this memo.

All final approved award recommendation memoranda for grant programs undergoing external or internal peer reviews must include the following:

- A list of applications received to include the lowest scoring application to be funded and every application scoring higher, regardless of whether it was funded. This list may be divided into categories and subcategories if they were published in the solicitation.
- A brief explanation as to why an application on the above list was not funded.

All discretionary recommendations made absent a peer review process must be documented and clearly explain the choices made, the reasons for the choices, and the policy

considerations on which the decisions were based. An otherwise uninformed reader should be able to understand the process used and the final decisions made.

All final award decisions must be documented as required by this memorandum, including any changes made as a result of discussions between those recommending grants and the decision maker. Such changes in the final approved award decision memorandum must reflect who made the decision to vary from a recommendation memo and his or her reasons for it.

cc: Director, Bureau of Justice Assistance  
Administrator, Office of Juvenile Justice and Delinquency Prevention  
Director, Office for Victims of Crime  
Director, Bureau of Justice Statistics  
Director, National Institute of Justice  
Director, SMART Office  
Director, Community Capacity Development Office

OVW RESPONSE TO THE DRAFT REPORT



U.S. Department of Justice

Office on Violence Against Women

Washington, D.C. 20530

June 23, 2010

MEMORANDUM TO: David M. Shereen  
Regional Audit Manager  
Denver Regional Audit Office

FROM: Susan B. Carbon   
Director  
Office on Violence Against Women

SUBJECT: The Office on Violence Against Women's Recovery Act Grant  
Selection Process

This memorandum is in response to your correspondence dated June 11, 2010 transmitting the above draft audit report for the Office on Violence Against Women (OVW). We consider the subject report resolved and request written acceptance of this action from your office.

The report contains **five** recommendations. The OVW agrees with the recommendations and is committed to working to address each item and bring them to a close as quickly as possible. The following is an analysis of the audit recommendations:

- 1) This recommendation can be closed when OVW provides evidence that policies and procedures have been updated to ensure that peer reviewers carefully review assigned applications for potential conflicts of interest and considers any conflicts when evaluating and scoring grant proposals.
- 2) This recommendation can be closed when OVW provides evidence that internal controls have been updated to review scoring errors and verify the accuracy of future final peer review scores.
- 3) This recommendation can be closed when OVW provides evidence that procedures have been implemented to ensure that OVW maintains adequate copies of documentation used to evaluate and score discretionary grant applications.
- 4) This recommendation can be closed when OVW provides evidence that future award recommendation memorandum include written justifications stating why higher scoring applications were not selected for awards.

- 5) This recommendation can be closed when OVW provides evidence that plans have been finalized to ensure that the \$1,276,747 in Recovery Act funds, that remain unawarded for six OVW programs, will be used for program-related purposes only. OVW will forward a report showing funds are obligated.

We appreciate the opportunity to review and comment on the draft report. We will continue to work on addressing the recommendations. If you have any questions or require additional information, please contact Rodney Samuels of my staff at (202) 514-9820.

cc: Richard P. Theis  
Assistant Director  
Audit Liaison Group  
Justice Management Division

Kotora Padgett  
Accounting Officer  
Office on Violence Against Women

**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 OVW. The OVW's response is incorporated in Appendix IV of this final report. The following provides the summary of actions necessary to close each of the recommendations in the report.

1. **Resolved.** The OVW concurred with our recommendation to adjust its peer review process to require that peer reviewers review assigned applications for potential conflicts of interest after they receive their application assignments but before they actually begin evaluating and scoring proposals. This recommendation can be closed when the OVW provides us with evidence that it has adjusted its peer review process to require that peer reviewers review assigned applications for potential conflicts of interest after they receive their application assignments but before they actually begin evaluating and scoring proposals.
2. **Resolved.** The OVW concurred with our recommendation to implement better internal controls that will check for scoring errors and verify the accuracy of future final peer review scores. This recommendation can be closed when the OVW provides us with evidence that the internal controls have been updated to identify and correct peer review scoring tabulation errors.
3. **Resolved.** The OVW concurred with our recommendation to implement procedures to ensure that it maintains copies of all documents used to evaluate and score discretionary grant applications. This recommendation can be closed when the OVW provides evidence that the procedures used to archive relevant grant-making documents have been updated to ensure the documents are maintained properly.

4. **Resolved.** The OVW concurred with our recommendation to ensure that future award recommendation memoranda include written justifications stating why higher scoring applications were not selected for awards. This recommendation can be closed when the OVW: (1) provides a copy of any internal instruction to program staff stating that award justifications need to be included in the recommendation memoranda, and (2) evidences that discretionary grant program recommendation memoranda now comply with the policy.
  
5. **Resolved.** The OVW concurred with our recommendation and has agreed to finalize plans to ensure that the \$1,276,747 in Recovery Act funds that remain unawarded across six OVW programs will be used for program-related purposes. This recommendation can be closed when the OVW provides us with a plan to use the remaining Recovery Act funds, including a timeline to ensure that the funds are obligated before September 30, 2010.