

Recovery Act Oversight Plan



May 29, 2009

Introduction

The American Recovery and Reinvestment Act of 2009 (Recovery Act), which provides \$787 billion in funding intended to provide a stimulus to the economy, includes \$4 billion in Department of Justice (DOJ or Department) grant funding to enhance state, local, and tribal law enforcement, to combat violence against women, and to fight Internet crimes against children. In addition, the DOJ Office of the Inspector General (OIG) received \$2 million to conduct oversight of DOJ's Recovery Act activities.

This document describes the OIG's plan for overseeing DOJ's management of Recovery Act funds. In addition, a summary presentation of the OIG's Recovery Act Oversight Plan is available in excel format at <http://www.usdoj.gov/oig/recoveryAct.htm>.

The OIG's Recovery Act goals are tied to the Office of Management and Budget's accountability objectives for the Recovery Act. Specifically, the OIG will seek to assess the extent to which:

- funds are awarded and distributed in a prompt, fair, and reasonable manner;
- the recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner;
- funds are used for authorized purposes and potential for fraud, waste, error, and abuse are mitigated;
- projects funded under the Recovery Act avoid unnecessary delays and cost overruns; and
- program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

We approach this Recovery Act oversight through the coordinated efforts of our auditors, investigators, and inspectors. Our multidisciplinary effort is providing guidance and advice to granting agencies; training grant managers on fraud risks; proactively reaching out to state and local agencies receiving Recovery Act funding from DOJ; performing audits and evaluations; assessing risk; and preparing for any necessary investigative activity.

The following table summarizes the Department's Recovery Act funding.

RECOVERY ACT-FUNDED PROGRAMS

| Appropriations Title | Departmental Component | Total Funding | Allocation to Component Programs and Purpose |
|--|---|--------------------------------|--|
| State and Local Law Enforcement Assistance, Recovery Act | Office of Justice Programs (OJP) | \$2.765 billion | \$2 billion – Edward Byrne Memorial Justice Assistance Grant (JAG) Program funding for a broad range of activities to prevent and control crime and improve the criminal justice system. |
| | | | \$225 million – Edward Byrne Competitive Grant Program funding to help communities address targeted needs. |
| | | | \$225 million – Grant funding for construction/renovation of correctional facilities on tribal lands. |
| | | | \$125 million – Grant funding for rural law enforcement activities related to preventing and combating drug-related crime. |
| | | | \$40 million – Grant funding for law enforcement activities along the southern border and in high-intensity drug trafficking areas. |
| | | | \$50 million – Grant funding for initiatives related to Internet crimes against children. |
| | | | \$100 million – Grant funding for victim compensation and assistance. |
| Community Oriented Policing Services, Recovery Act | Office of Community Oriented Policing Services (COPS) | \$1 billion | \$1 billion – Grant funding for the COPS Hiring Recovery Program (CHRP) to hire and rehire additional career law enforcement officers. |
| Violence Against Women Prevention and Prosecution, Recovery Act | Office on Violence Against Women (OVW) | \$225 million | \$175 million – Grant funding to support the work of state, local, and tribal governments and domestic violence and sexual assault coalitions. |
| | | | \$50 million – Transitional Housing Assistance Grant Program funding to provide victims of crimes against women with transitional housing services and to move such individuals into permanent housing. |
| Salaries and Expenses, Office of Justice Programs, Recovery Act | OJP | \$10 million | \$10 million – Pass-through funding for ATF. (See next row.) |
| Salaries and Expenses, Recovery Act | Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) | (Funding received through OJP) | \$10 million – Funding to support Project Gunrunner for the Southwest Border Initiative to reduce cross-border drug and weapons trafficking and violence on the border. |
| Office of the Inspector General, Recovery Act | Office of the Inspector General (OIG) | \$2 million | \$2 million – Funding for oversight activities and functions related to Recovery Act funding. |
| Totals | Five Components | \$4.002 billion | (\$3.990 billion or 99.7 percent is for grants) |

Source: U.S. Department of Justice Draft Agency Plan for Management of Recovery Act Funds

OIG Guidance and Advice to Granting Agencies

As the Recovery Act moved toward enactment, the OIG surveyed experienced OIG staff in all its Divisions and reviewed prior reports to identify known grants management issues. Based on this effort, we developed and widely distributed, both within the Department and to other agencies, a document titled “Improving the Grants Management Process.” This document provides recommendations and examples of best practices for the grant management process that DOJ OIG auditors and investigators have identified from our previous grant oversight work.

Upon enactment of the Recovery Act, teams of senior OIG managers met with officials from the Office of Justice Programs (OJP), the Office of Community Oriented Policing Services (COPS), and the Office on Violence Against Women (OVW) to discuss our oversight plans and offer our assistance to these granting components in their implementation of the new programs. Each of the granting agencies has requested, and we have provided, advice and assistance in various grant program management areas. We anticipate continuing this process throughout the existence of the Recovery Act programs.

Training Federal, State, and Local Staff on Fraud Risks

Working in cooperation with the Department’s grant-making agencies, the OIG Investigations Division established an aggressive schedule for providing training to grant officials. This training is focused on raising awareness of the specific fraud, waste, and misuse risks related to Recovery Act and other grant funding. The emphasis is on the prevention or early detection of issues to better ensure that all funds are used as effectively and efficiently as possible. Between April 1, 2009, and May 15, 2009, the OIG provided training to 518 individuals in 11 separate sessions. We are making similar training available to state and local grant officials. Our training efforts will continue throughout the Recovery Act programs.

Outreach to State and Local Agencies

OIG field offices have developed and are implementing plans to conduct outreach meetings in 31 states with representatives of state Recovery Act administering and oversight agencies. States not receiving an in-person meeting will be contacted via telephone. During each meeting, OIG representatives from our Investigations and Audit Divisions explain our role in all DOJ programs, including those funded by the Recovery Act. The OIG representatives provide an overview of the state’s DOJ Recovery Act funding, and discuss our intentions to audit or investigate allegations of mismanagement, fraud, waste, and abuse in programs funded by DOJ grants. In addition, OIG staff offer fraud awareness training for state and local grant officials. The OIG is developing a plan for similar outreach meetings with select

local recipients of Recovery Act funds. After completion of the initial round of outreach activities, follow-up meetings will be conducted as necessary throughout the Recovery Act programs.

Audits and Evaluations

The OIG is also auditing the Department's management of Recovery Act funding for the:

- Edward Byrne Memorial Justice Assistance Formula and Discretionary Grant Programs,
- Grants for Victims Compensation and Assistance,
- COPS Hiring Recovery Program, and
- Violence Against Women Prevention and Prosecution Programs.

Our audits are designed to determine if the Department granting agency is properly managing Recovery Act funds in accordance with the Act, OMB guidelines, and sound management practices.

The OIG is also evaluating the Bureau of Alcohol, Tobacco, Firearms and Explosives' (ATF) Project Gunrunner, which seeks to reduce cross-border drug and weapons trafficking and violence on the Southwest border. The objective of the evaluation is to determine whether the Project is planned and implemented effectively to reduce firearms trafficking into Mexico and related violence. As part of this evaluation, the OIG will examine ATF's use of the \$10 million it received in Recovery Act funds for Project Gunrunner.

Assessing Risk

The OIG's Recovery Act risk assessment process is evolving as the funded programs are implemented. Our risk assessment began with the previously discussed survey of experienced OIG staff and review of prior OIG reports to identify known grants management issues. Our audits and evaluations of Recovery Act programs at the Departmental level are assessing the risk associated with grants management. As Recovery Act data becomes increasingly available, we will assess that data for indicators of risk. We also are assessing Single Audit Act audit reports for indicators of risk to DOJ grant funds. In addition, our Audit and Investigations Divisions are meeting regularly with DOJ grant administrators to obtain information relevant to our risk assessments of individual DOJ grantees. We also are developing methods to assess third-party data sources for indicators of risk to DOJ grantees.

Internal Training on Investigating Grant Fraud under the Recovery Act

The OIG's Investigations Division has identified ten special agents from field offices across the country, in addition to our Washington, D.C.-based Fraud Detection Office, to receive special training on grant fraud issues specifically related to Recovery Act funding. This training is scheduled for June 2009 and will include topics such as specific fraud risks in DOJ Recovery Act funding, assessing allegations, investigative planning, and coordinating appropriate remedies such as administrative actions, civil, and criminal penalties.

OIG Recovery Act Plan Overview

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| OIG Name: | U. S. Department of Justice, Office of the Inspector General |
| OIG Broad Recovery Act Goals: | The OIG's Recovery Act goals are tied to OMB's accountability objectives for the Recovery Act. We will seek to assess the extent to which: (1) funds are awarded and distributed in a prompt, fair, and reasonable manner; (2) the recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner; (3) funds are used for authorized purposes and potential for fraud, waste, error, and abuse are mitigated; (4) projects funded under the Act avoid unnecessary delays and cost overruns; and (5) program goals are achieved, including specific program outcomes and improved results on broader economic indicators. |
| OIG Broad Outreach Recovery Act Goals: | For DOJ granting agencies, our Recovery Act outreach goals are: (1) to keep Departmental leaders apprised of our approach to Recovery Act oversight efforts; (2) provide extensive grant fraud awareness training sessions to DOJ grant managers and others; and (3) provide interim results, where appropriate, of audit, investigation, and inspection efforts. For state and local grant administering agencies, our Recovery Act outreach goals are to: (1) conduct in-person briefings in approximately 30 State Administering Agencies to explain the OIG's Recovery Act role and oversight assistance activities; (2) conduct telephone briefings with all other State Administering Agencies; (3) conduct in-person and telephone briefings with large local administering agencies; and (4) provide grant fraud awareness training to state and local agencies as requested. |
| OIG Recovery Act Risk Assessment Process: | The OIG's Recovery Act risk assessment process is evolving as the funded programs are implemented. At the start of the programs, we surveyed experienced OIG staff and reviewed prior reports to identify and summarize known grants management issues. Based on this effort, we developed and widely distributed a document titled Improving the Grants Management Process. We are currently conducting four audits and an evaluation of Recovery Act programs at the Departmental level to assess the risk associated with grants management. As Recovery Act data becomes increasingly available, we will assess that data for indicators of risk. We maintain a process to assess Single Audit Act audit reports for indicators of risk to DOJ grant funds. We are developing methods to assess |
| OIG Recovery Act Funds: | \$2,000,000 |
| Expiration Date of OIG Recovery Act Funds: | 2013 |
| FY 2009 OIG Non-Recovery Act Funds: | \$75,681,000 |
| Number of OIG Planned Recovery Act Hires: | 3 FTEs supported by multi-year Recovery Act funds and 17 FTEs from annual appropriations. |
| OIG Recovery Act Funds to be Allocated to Contracts: | None |
| Purpose of Recovery Act Contracts: | Not Applicable |
| Types of Recovery Act Contracts Awarded to Date: | Not Applicable |
| Link to OIG FY 2009 Recovery Act Work Plan: | Coming soon. |

OIG FY 2009 Recovery Act Work Plan

| Agency | Program Area | Agency Recovery Act Funds Associated w/Program Area | Type of Review (Administrative / Financial, Eligibility, Performance, Other) | Entity Performing Review (OIG Staff, Contractor, Other) | Project Title | Background | Objective | Expected Quarter in Which Work will Start | Expected Quarter in which Final Report will be Issued | Expected Number of Reports |
|---|--|---|--|---|---|--|--|---|---|----------------------------|
| DOJ/Office of Justice Programs | Edward Byrne Memorial Justice Assistance Grant Formula Program | \$2,225,000,000 | Administrative, Eligibility, and Performance | OIG Staff | Audit of the Recovery Act Edward Byrne Memorial Justice Assistance Formula and Discretionary Grant Programs | The Edward Byrne Memorial Justice Assistance Grant Program is the primary provider of federal criminal justice funding to state and local jurisdictions. Program funds support all components of the criminal justice system, from multijurisdictional drug and gang task forces to crime prevention and domestic violence programs, courts, corrections, treatment, and justice information sharing initiatives. Funded projects may address crime through the provision of services directly to individuals and/or communities and by improving the effectiveness and efficiency of criminal justice systems, processes, and procedures. | To determine if OJP is properly managing Recovery Act funds in accordance with the Act, OMB guidelines, and sound management practices. | Began in Quarter 2, 2009 | To Be Determined | To Be Determined |
| DOJ/Office of Community Oriented Policing Services | COPS Hiring Recovery Program | 1,000,000,000 | Administrative, Eligibility, and Performance | OIG Staff | Audit of the COPS Hiring Recovery Program | The COPS Hiring Recovery Program is a competitive grant program that provides funding directly to law enforcement agencies having primary law enforcement authority to create and preserve jobs and to increase their community policing capacity and crime-prevention efforts. | To determine if COPS is properly managing Recovery Act funds in accordance with the Act, OMB guidelines, and sound management practices. | Began in Quarter 2, 2009 | To Be Determined | To Be Determined |
| DOJ/Office on Violence Against Women | Violence Against Women Prevention and Prosecution Programs | 225,000,000 | Administrative, Eligibility, and Performance | OIG Staff | Audit of the Violence Against Women Prevention and Prosecution Programs | The Recovery Act provides: \$140 million for the Services*Training*Officers*Prosecutors Formula Grant Program; \$8.75 million for State Sexual Assault and Domestic Violence Coalitions; \$43 million for the Transitional Housing Assistance Program; \$20.8 million for the Tribal Governments Grant Program; \$2.8 million for the Tribal Sexual Assault and Domestic Violence Coalitions to end violence against American Indian and Alaska Native women; and \$10 million for training and technical assistance. | To determine if OVW is properly managing Recovery Act funds in accordance with the Act, OMB guidelines, and sound management practices. | Began in Quarter 2, 2009 | To Be Determined | To Be Determined |
| DOJ/Office of Justice Programs | Grants for Victims Compensation and Assistance | \$100,000,000 | Administrative, Eligibility, and Performance | OIG Staff | Audit of the Recovery Act Grants for Victims Compensation and Assistance | \$47.5 million in Recovery Act–Victims of Crime Act (VOCA) Victim Compensation Formula Grants will be distributed among eligible state agencies that administer VOCA-funded crime victim compensation programs to support the provision of crucial financial assistance to victims of crime. An additional \$47.5 million in Recovery Act–VOCA Victim Assistance Formula Grants will be distributed among state agencies that administer VOCA-funded crime victim assistance programs to support the provision of services to victims of crime. The remaining \$5 million will be directed to make awards under the Recovery Act–National Field-Generated Training, Technical Assistance and Demonstration Projects. | To determine if OJP is properly managing Recovery Act funds in accordance with the Act, OMB guidelines, and sound management practices. | Began in Quarter 2, 2009 | To Be Determined | To Be Determined |
| DOJ/Bureau of Alcohol, Firearms, Tobacco and Explosives | Project Gunrunner | 10,000,000 | Administrative and Performance | OIG Staff | ATF's Project Gunrunner | Project Gunrunner's objectives are to: (1) Investigate those individuals responsible for the illicit firearms trafficking along the U.S./Mexican border; (2) Coordinate with U.S. and Mexican law enforcement along the border; (3) Train U.S. and Mexican law enforcement officials on how to identify firearms traffickers and provide outreach education to U.S. industry operations; and (4) trace all firearms to identify firearms traffickers, trafficking trends, patterns, and networks. | To determine whether the ATF's Project Gunrunner initiative is planned and implemented effectively to reduce firearms trafficking into Mexico and related violence along the Southwest border. | Quarter 3, 2009 | Quarter 1, 2010 | 2 |