



FOR IMMEDIATE RELEASE
June 9, 2020

DOJ OIG Releases Interim Report on the Office of Justice Programs' Administration of CARES Act Funding

Department of Justice (DOJ) Inspector General Michael E. Horowitz announced today the release of an interim report examining the Office of Justice Programs' (OJP) administration of Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding. The DOJ Office of the Inspector General (OIG) is conducting its oversight of CARES Act funding in several phases, and this report covers OJP's actions during the Coronavirus Emergency Supplemental Funding (CESF) solicitation's open period from March 30 to May 29, 2020.

Generally, OJP has distributed CESF funding quickly and in accordance with CARES Act requirements. We identified two areas of concern specific to the CESF program which, if addressed in a proactive manner, may mitigate the potentiality of fraud or wasteful spending in the long term. Specifically:

- **Awards to Areas with Limited Coronavirus Impact.** As required by the CARES Act, OJP distributes CESF awards based on the fiscal year 2019 Justice Assistant Grant (JAG) program formula allocations. JAG formula allocations, and therefore CESF award allocations, are computed based on FBI violent crime data and U.S. Census Bureau population estimates, not COVID case data. Therefore, as a result of the statutory requirement regarding the allocation of funding, some local awards have gone to areas with few reported positive COVID 19 test results. In and of itself, this is not an indicator that the funding will be used for unallowable purposes, as funds can be used to prepare for or prevent an outbreak. However, OJP's CESF monitoring strategy may benefit if oversight protocols consider factors such as recipients who are in areas with few positive COVID-19 test results or deaths.
- **Fraud Schemes Targeting CARES Act Funds.** The DOJ OIG and others have identified multiple fraud schemes specifically targeting funding made available through the CARES Act, some of which could directly impact OJP's CESF award recipients. OJP has publicly posted an advisory warning of scams targeting OJP's Office for Victims of Crime awards, but has not distributed similar guidance for the CESF. In our judgment, the CESF program is also vulnerable to such scams, and OJP should consider providing regular updates of known fraud schemes to its CESF community.

This report contains no recommendations to OJP. We shared information on the areas of risk discussed above, and OJP agreed that our work provided useful monitoring strategies to mitigate the potential for fraud, waste, and abuse in the CESF program.

Report: Today's report is available on the OIG's website under "Recent Reports" and at the following link: <https://oig.justice.gov/reports/2020/20-079.pdf>

###