



DEPARTMENT OF JUSTICE | OFFICE OF THE INSPECTOR GENERAL

FOR IMMEDIATE RELEASE

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DOJ OIG Releases Second 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. This second interim report provides updates related to OJP's grant activity and includes the DOJ Office of the Inspector General's (OIG) analysis of recipient drawdowns, expenditures, and program activities. This second report also includes the results of an OIG survey distributed to the entire Coronavirus Emergency Supplemental Funding (CESF) recipient community between August 26, 2020, and September 4, 2020.

As described in today's report, we found that, as of August 22, 2020, OJP had awarded 99.7 percent of the \$850 million received under the CARES Act. We noted that recipient spending during the first full reporting period (ending June 30, 2020) represented only 9 percent of the total amount available but that spending appeared to increase significantly as of early September. We reviewed a sample of these grants and determined that most recipient spending we reviewed appeared allowable under the terms and conditions of the grant. However, we also noted the following areas of concern:

- We identified two instances in which policies and procedures for high risk grant recipients were not adhered to, either by the recipient or by OJP. We informed OJP of the issue, and OJP acted quickly to increase supervisory review to ensure that, in the future, all requirements are met.
- We identified one instance in which an unallowable donation was paid to a not-for-profit entity. Again, we notified OJP of the expenditure and the potential for additional unallowable spending. OJP informed the CESF recipient community that the expenditure was unallowable and worked with the entity who paid the lobbying fee to remedy the issue.
- Approximately 10 percent of grant recipients indicated through our survey that they faced difficulties in administering their awards. These recipients frequently cited the inability to locate and purchase supplies and equipment, and local challenges such as receiving necessary approvals from state or local governing bodies, as challenges in implementing their grants.

Oversight of CESF funds must remain a priority for OJP and the OIG, especially considering the extent to which CARES Act funding provided through the CESF overlaps with CARES Act funding provided by other federal agencies.

We shared with OJP information on the areas of risk discussed above, and OJP agreed that our work provided useful information on CESF recipient drawdowns, expenditures, and program activities, which will be used by the Bureau of Justice Assistance in carrying out its oversight of the CESF Program. This interim report contains no recommendations to OJP.

Report: Today's report is available on the OIG's website at the following link:
<https://oig.justice.gov/reports/interim-report-ii-review-office-justice-programs-administration-cares-act-funding>.

Related Report: On July 9, 2020, the OIG released its first interim report on OJP's administration of CARES Act funding. That report generally covered activity through the CESF solicitation's initial open period (March 30, 2020 through May 29, 2020).

Interactive Timeline: To view an interactive timeline of Department of Justice CARES Act Spending and Office of the Inspector General Oversight, visit the following link: <https://oig.justice.gov/coronavirus>.

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