



Audit of the Office of Justice Programs Victim  
Compensation Grants Awarded to the Oklahoma  
District Attorneys Council,  
Oklahoma City, Oklahoma



AUDIT DIVISION

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**SEPTEMBER 2020**

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# Executive Summary

*Audit of the Office of Justice Programs Victim Compensation Grants Awarded to the Oklahoma District Attorneys Council, Oklahoma City, Oklahoma*

## Objective

The objective of the audit was to evaluate how the Oklahoma District Attorneys Council (DAC) designed and implemented its crime victim compensation program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, and (3) grant financial management.

## Results in Brief

As a result of our audit, we concluded that the Oklahoma DAC used its victim compensation grant funding to provide financial support for crime victims. We did not identify significant concerns with the compliance of program performance reports, drawdown procedures, or the financial reports. However, we identified issues with grant expenditures, administrative procedures, state certification, and other special conditions. The Oklahoma DAC took action during the audit to address some of the deficiencies we found, which we discuss in the report. We also identified errors in the certification form, resulting in \$282,000 under-awarding of compensation funding to Oklahoma in fiscal years (FYs) 2016 through 2019. We also identified \$14,494 in questioned costs.

## Recommendations

Our report contains four recommendations to the Office of Justice Programs (OJP) to assist the Oklahoma DAC in improving its grant management and remedy questioned costs. We requested a response to our draft audit report from the Oklahoma DAC and OJP, which can be found in Appendices 3 and 4, respectively. Our analysis of those responses is included in Appendix 5.

## Audit Results

The U.S. Department of Justice Office of the Inspector General completed an audit of four Victims of Crime Act victim compensation formula grants awarded by the OJP, Office for Victims of Crime (OVC) to the Oklahoma DAC in Oklahoma City, Oklahoma. The OVC awarded these formula grants, totaling \$6,539,000, from FY 2016 through 2019, from the Crime Victims Fund to provide financial support through the payment of compensation benefits to crime victims throughout Oklahoma. As of August 2020, the Oklahoma DAC drew down a cumulative amount of \$3,324,936 for all of the grants we reviewed.

**Planning and Execution** - We found that the Oklahoma DAC incorrectly calculated the amounts it reported on its annual state certification forms. As a result, the Oklahoma DAC ultimately received \$282,000 less funding than what could have been awarded for FYs 2016 through 2019. Furthermore, we found that the Oklahoma DAC had not retained supporting documents, for the period of time required by DOJ Grants Financial Guide.

### **Program Requirements and Performance**

**Reporting** - We found the Oklahoma DAC performance report submissions to OVW were supported by auditable source documentation and were generally accurate. However, the Oklahoma DAC did not comply with the special condition that information on race, sex, national origin, age, and disability be collected and maintained on a voluntary basis. Specifically, we found that gender and age were listed as required information necessary to process an application and not voluntary.

**Grant Financial Management** - The Oklahoma DAC generally implemented adequate controls over claim expenditures. However, we identified seven claims that included \$13,337 in unsupported costs and one claim that included \$1,157 in unallowable costs. In addition, we identified that one employee's timesheets lacked the signature of the appropriate supervisor or approving official.

**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
VICTIM COMPENSATION GRANTS AWARDED TO THE  
OKLAHOMA DISTRICT ATTORNEYS COUNCIL,  
OKLAHOMA CITY, OKLAHOMA**

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**AUDIT OF THE OFFICE OF JUSTICE PROGRAMS  
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OKLAHOMA DISTRICT ATTORNEYS COUNCIL,  
OKLAHOMA CITY, OKLAHOMA**

**INTRODUCTION**

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of four victim compensation formula grants awarded by the Office of Justice Programs (OJP), Office for Victims of Crime (OVC) to the Oklahoma District Attorneys Council (DAC) in Oklahoma City, Oklahoma. The OVC awards victim compensation grants annually from the Crime Victims Fund (CVF) to state administering agencies. As shown in Table 1, from fiscal years (FYs) 2016 to 2019, these OVC grants totaled \$6,539,000.

**Table 1  
Audited Grants  
Fiscal Years 2014 – 2018**

<b>Award Number</b>	<b>Award Date</b>	<b>Award Period Start Date</b>	<b>Award Period End Date</b>	<b>Award Amount</b>
2016-VC-GX-0004	08/22/2016	10/01/2015	09/30/2019	\$1,522,000
2017-VC-GX-0001	09/28/2017	10/01/2016	09/30/2020	1,988,000
2018-V1-GX-0001	08/09/2018	10/01/2017	09/30/2021	1,917,000
2019-V1-GX-0005	09/13/2019	10/01/2018	09/30/2022	1,112,000
<b>Total:</b>				<b>\$6,539,000</b>

Note: Grant funds are available for the fiscal year of the award plus 3 additional fiscal years.

Source: OJP

Established by the Victims of Crime Act (VOCA) of 1984, the CVF is used to support crime victims through DOJ programs and state and local victim services.<sup>1</sup> The CVF is supported entirely by federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments. The OVC annually distributes proceeds from the CVF to states and territories. VOCA victim compensation formula grant funds are available each year to states and territories for distribution to eligible recipients.

The primary purpose of the victim compensation grant program is to compensate victims and survivors of criminal violence for: (1) medical expenses attributable to a physical injury resulting from a compensable crime, including expenses for mental health counseling and care; (2) loss of wages attributable to a

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<sup>1</sup> The VOCA victim compensation formula program is funded under 34 U.S.C. § 20102.

physical injury resulting from a compensable crime; and (3) funeral expenses attributable to a death resulting from a compensable crime.<sup>2</sup>

## **The Grantee**

As the Oklahoma state administering agency, the Oklahoma DAC is responsible for administering the VOCA victim compensation program. The program mission is focused on compassionately delivering services by offering information, resources, and financial assistance to crime victims and the organizations who serve them. The Oklahoma DAC compensates and assists those persons who become victims of criminal acts and who suffer physical or psychological injury or death through its program, which is funded through fines and penalty assessments paid by the state and federal offenders.

## **OIG Audit Approach**

The objective of the audit was to evaluate how the Oklahoma DAC designed and implemented its crime victim compensation program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, and (3) grant financial management.

We tested compliance with what we considered the most important conditions of the grants. Unless otherwise stated in our report, we applied the authorizing VOCA legislation, the VOCA compensation program guidelines (VOCA Guidelines), and the DOJ Grants Financial Guide as our primary criteria. We also reviewed relevant Oklahoma legislature, and DAC policies and procedures, such as Oklahoma Victims Compensation Act, Oklahoma Crime Victims Compensation Board Program Manual, and Oklahoma Administrative Code, and interviewed Oklahoma DAC personnel to determine how they administered the VOCA funds. We further obtained and reviewed Oklahoma DAC records reflecting grant activity.<sup>3</sup>

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<sup>2</sup> This program defines criminal violence to include drunk driving and domestic violence.

<sup>3</sup> Appendix 1 contains additional information on the audit's objective, scope, and methodology, as well as further detail on the criteria we applied for our audit. Appendix 2 presents a schedule of our dollar-related findings.

# AUDIT RESULTS

## Grant Program Planning and Execution

The main purpose of the VOCA victim compensation grants is to enhance state victim compensation payments to eligible crime victims. As part of our audit, we assessed the Oklahoma DAC's overall process for making victim compensation payments. We assessed the Oklahoma DAC's policies and procedures for providing compensation payments to victims, as well as the accuracy of the state certification forms.

Overall, we determined that the Oklahoma DAC's implementation of its victim compensation program was appropriate and in compliance with the VOCA Guidelines. We found the Oklahoma DAC complied with federal grant requirements and established an adequate program to compensate victims and survivors of criminal violence. However, we identified issues with the Oklahoma DAC's accuracy of its annual state certification forms.

### *Program Implementation*

State administering agencies receive VOCA victim compensation grants to compensate victims directly for expenses incurred from criminal victimization. As the state administering agency for Oklahoma, the Oklahoma DAC was responsible for the victim compensation program, including meeting all financial and programmatic requirements. When paying claims for victims, the Oklahoma DAC operated under the Oklahoma Victims Compensation Act, Oklahoma Crime Victims Compensation Board Program Manual, and Oklahoma Administrative Code, which conveyed the state-specific policies for the victim compensation program. In assessing the Oklahoma DAC's implementation of its victim compensation program, we analyzed policies and procedures governing the decision-making process for individual compensation claims, as well as efforts the Oklahoma DAC had made to bring awareness to victims eligible for compensation program benefits.

Based on our review, we found that Oklahoma DAC had established a process for the intake, review, and payment or denial of individual compensation claims. We also found that the Oklahoma DAC had adequate separation of duties between the employees who reviewed the claims and the employee who authorized payment. Finally, we determined that the Oklahoma Crime Victim Compensation Board Program Manual was consistent with VOCA Guidelines.

To enhance its state program and bring public awareness of available victim compensation benefits, we found that the Oklahoma DAC handed out informational brochures, provided training to victim advocates, and performed presentations on the victim compensation program to advocacy programs and police departments throughout the State of Oklahoma. Furthermore, the Oklahoma DAC's website contains the crime victim compensation eligibility requirements, compensation benefits that can be awarded, and instructions for applying online. In our judgment, the Oklahoma DAC enhanced public awareness of victim compensation benefits for crime victims in a variety of ways, and we encourage the Oklahoma

DAC to continue exploring initiatives to increase public awareness of its crime victim compensation program.

### *Annual State Certification*

State administering agencies must submit an annual Crime Victim Compensation State Certification Form, which provides the OVC the necessary information to determine the grant award amount. The certification form must include all sources of revenue to the crime victim compensation program during the federal fiscal year, as well as the total of all compensation claims paid out to, or on behalf of, victims from all funding sources. The OVC allocates VOCA victim compensation formula grant funds to each state by calculating 60 percent of the eligible compensation claims paid out to victims during the fiscal year 2 years prior.<sup>4</sup> The accuracy of the information provided in the certification form is critical to OJP's correct calculation of the victim compensation award amounts granted to each state.

We assessed the Oklahoma DAC's controls for preparing the annual certification forms submitted to the OVC for FYs 2014 through 2018, which is used to calculate the award amounts granted in FYs 2016 through 2020.<sup>5</sup> Our review focused on the accuracy of the annual state certification forms, including total funds paid, payouts made with VOCA funds, subrogation recoveries, restitution recoveries, and recovery costs. Using official accounting records provided by the Oklahoma DAC, we attempted to reconcile the amounts reported. As shown in Table 2 and discussed in the following sections of this report, we determined that the Oklahoma DAC did not correctly calculate the amounts reported on its annual state certification forms. Specifically, we identified issues with the restitution recoveries, recovery costs, total funds paid, and subrogation costs. Given that the award cycle relies upon the recorded fiscal activity from 2 years prior, the net effect of these discrepancies resulted in the Oklahoma DAC receiving \$282,000 less in funding than what it could have been awarded. Our findings are discussed in greater detail in the following section of the report.

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<sup>4</sup> The eligible payout amount for award consideration is determined after deducting payments made with VOCA funds, subrogation and restitution recoveries, refunds, amounts awarded for property loss, and other reimbursements.

<sup>5</sup> The OJP's Office of the Chief Financial Officer, Budget Execution Division calculates the allocations for VOCA eligible crime victim compensation programs and OVC makes the grant awards.

**Table 2**  
**Comparison of Oklahoma Annual State Certification Forms and the OIGs**  
**Recalculation of Formula Awards**

<b>State-Certified Eligible Amounts</b>					
	<b>FY 2014 Form</b>	<b>FY 2015 Form</b>	<b>FY 2016 Form</b>	<b>FY 2017 Form</b>	<b>FY 2018 Form</b>
OK Certification Form	\$2,537,481	\$3,314,109	\$3,194,279	\$1,852,740	\$3,173,747
OIG Calculations	\$2,666,976	\$3,395,613	\$3,280,201	\$2,026,872	\$3,173,747
Difference	(\$129,495)	(\$81,504)	(\$85,922)	(\$174,132)	\$0
<b>VOCA Victim Compensation Formula Grant Award Amounts</b>					
	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>Total</b>
OIG Calculation of Award Amount	\$1,600,000	\$2,037,000	\$1,968,000	\$1,216,000	
Award Amount	\$1,522,000	\$1,988,000	\$1,917,000	\$1,112,000	
Under awarded Difference	<b>\$78,000</b>	<b>\$49,000</b>	<b>\$51,000</b>	<b>\$104,000</b>	<b>\$282,000</b>

Note: Grant funds are available for the fiscal year of the award plus 3 additional fiscal years.

Source: OJP

### Restitution Recoveries

According to the VOCA Guidelines, "Restitution is payment made by the offender to the victim who was injured in the crime, to the legal guardian of a vulnerable adult or child victim, or to beneficiaries of the victim of homicide. Restitution does not refer to the general collection of fines, fees, and other penalties from offenders that provide basic revenue for a compensation program and are not attributable to reimbursement of payouts on a specific claim." The certification form instructions require States to enter amounts of restitution recovered by the program, including reimbursements recovered for sexual assault examinations, as well as compensation claims. During our review, we determined the Oklahoma DAC overstated restitution recoveries for FYs 2014 through 2017 state certification forms because the Oklahoma DAC included general restitution recoveries instead of only submitting the restitution recoveries attributable to reimbursement of payouts on a specific claim. Therefore, the Oklahoma DAC overstated the restitution recoveries by \$630,226 on the FYs 2014 through 2017 state certification forms.<sup>6</sup> The overstatement of restitution recoveries reduced the eligible payout amount for award consideration, and ultimately the Oklahoma DAC received less VOCA grant funding than what could have been awarded in FYs 2016 through 2019.

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<sup>6</sup> The \$630,225 of overstated restitution recoveries could be larger, but this is the amount the Oklahoma DAC could support. We did not determine the exact amount due to the extensive work and time needed to verify all the restitution recoveries. Furthermore, the overstatement of restitution recoveries results in a decrease in the eligible amount for award consideration and does not result in funds to be reimbursed to OJP.

### Recovery Costs

The State Certification Form Instructions also state that a state may claim as a credit a limited percentage of those salaries incurred by the state compensation program which are specifically attributable to securing recoveries for crime victim claims. For a state program to qualify for this credit, the state must verify that its staff dedicates at least 75 percent of their time to activities that are directly related to the recovery of crime victim restitution, subrogation, and refunds. The Oklahoma DAC included \$174,530 in recovery costs of salaries for the time employees spent on recovering funds for the program in the FYs 2014 through 2016 state certification forms, even though we found that the Oklahoma DAC staff did not dedicate 75 percent of their time to activities directly related to the recovery of crime victim restitution, subrogation, and refunds. As a result, the Oklahoma DAC overstated its recovery costs, and the inclusion of the recovery costs increased the total eligible amounts for award consideration for FYs 2016 through 2018 grants, which reduced the underpayment resulting from the restitution costs discussed above.

### Total Funds Paid/Subrogation recoveries

Finally, we found other amounts from the form that were incorrectly reported. Specifically, the Oklahoma DAC underreported the Total Funds Paid in both FYs 2014 and 2015 state certification forms by \$9,065 and \$50 respectively. In addition, the Oklahoma DAC overreported the Subrogation recoveries in both the FYs 2015 and 2017 state certification forms by \$1,950 and \$4,293, respectively. The Oklahoma DAC acknowledged these variances in the state certifications forms when providing the support for the state certifications forms.

As stated previously, we found that the net effect of these discrepancies resulted in the Oklahoma DAC receiving \$282,000 less in funding than what it could have been awarded. According to VOCA Guidelines, if a state under certifies amounts paid to crime victims, OVC and the Office of the Comptroller, OJP, will not supplement payments to the state to correct the state's error since this would require recalculating allocations to every state VOCA compensation and assistance program and cause disruption in administration of these programs.

During our fieldwork we discussed these discrepancies with the Oklahoma DAC officials, who acknowledged the discrepancies in the state certifications forms and provided updates to their policies and procedures for completing the state certification forms moving forward. As a result, we are not making any recommendations related to the Annual State Certification.

### Record Retention

According to the DOJ Grants Financial Guide, all financial records, supporting documents, statistical records, and all other records pertinent to the award should be retained for a period of 3 years from the date of submission of the final expenditure report. However, during our state certification form analysis, we found that the Oklahoma DAC destroyed the supporting documents for the FYs 2014 and

2015 restitution and subrogation deposits. We determine that these records were within the retention period and should not have been destroyed until 3 years from the date of final expenditure report of June 2019. The Oklahoma DAC stated that they did maintain the pertinent subrogation deposit information electronically and there is no other pertinent information that is in the paper record that is not captured in the database. However, the information saved electronically is not a scan of the supporting documents, but a spreadsheet. The supporting documentation not maintained by the Oklahoma DAC includes documents such as copies of the depository forms/details, vouchers, or checks. Therefore, we recommend that OJP ensure the Oklahoma DAC develops and implements policies and procedures that ensure they adhere to documentation retention requirements.

### **Program Requirements and Performance Reporting**

To determine whether the Oklahoma DAC distributed VOCA victim compensation program funds to compensate victims of crime, we reviewed the Oklahoma DAC performance measures and documents that the Oklahoma DAC used to track goals and objectives. We further examined OVC solicitations and award documents and verified the Oklahoma DAC compliance with special conditions governing recipient award activity.

Based on our overall assessment in the areas of program requirements and performance reporting, we believe that the Oklahoma DAC did not comply with one of the special conditions we tested.

#### *Annual Performance Reports*

Each state administering agency must annually report to the OVC on activity funded by any VOCA awards active during the federal fiscal year. The reports are submitted through OJP's Grants Management System (GMS). As of FY 2016, the OVC also began requiring states to submit quarterly performance data through the web-based Performance Measurement Tool (PMT). After the end of the fiscal year, the state administering agency is required to produce the Annual State Performance Report and upload it to GMS.

For the victim compensation grants, the states must report the number of victims for whom an application was made; the number of victims whose victimization is the basis for the application; victim demographics; the number of applications that were received, approved, denied, and closed; and total compensation paid by service type. Table 3 shows a summary of the Oklahoma DAC's annual reports.

**Table 3**  
**Summary from the Oklahoma DAC**  
**Victim Compensation Program Annual Performance Report**

Performance Categories	FY 2016	FY 2017	FY 2018	FY 2019
Number of Victims Compensated <sup>a</sup>	3,866	3,569	3,418	3,837
Number of Applications Received	1,553	1,517	1,583	1,676
Number of Applications Approved	1,729	1,272	888	1,176
Number of Applications Denied/Closed	618	695	716	784
Total Amount of Claims Paid	\$4,714,284	\$5,572,738	\$6,658,477	\$5,835,896

<sup>a</sup> Multiple claims can be paid to a single victim. These totals count each payment as a different claim.

Source: The Oklahoma DAC Annual State Performance Reports for FYs 2016 through 2019.

In our judgment accurate statistics are a vital tool for OVC to use to better manage the victim compensation program. As a result, we assessed whether the Oklahoma DAC’s annual performance data reported to the OVC fairly reflected the performance figures of the victim compensation program activities by comparing the data reported in the progress reports to supporting documentation. To this end, we selected one quarter from the FYs 2018 and 2019 yearly performance reports and tested metrics from every applicable category. Based on our review of that documentation, we were generally able to reconcile the state’s information to the totals the state reported to the OVC.

*Compliance with Special Conditions*

The special conditions of a federal grant award establish specific requirements for grant recipients. In its grant application documents, the Oklahoma DAC certified it would comply with these special conditions. We reviewed the special conditions for each VOCA victim compensation program grants and identified special conditions that we deemed significant to grant performance which are not otherwise addressed in another section of this report. We tested Oklahoma’s compliance with three special conditions and found that the Oklahoma DAC was not in compliance with one special condition tested. The special conditions we tested required that:

1. The recipient ensures that at least one key grantee official attends the annual VOCA National training conference.
2. Both the point of contact and all financial points of contact for this award have successfully completed the OJP Financial Management trainings.
3. The information on race, sex, national origin, age, and disability of recipients of compensation will be collected and maintained, where such information is voluntary furnished by those receiving compensation.

We found that the Oklahoma DAC was not in compliance with the third special condition. To ensure compliance with this special condition, we reviewed the Oklahoma DAC online application process. Based on our review, we found that gender and age was listed as required information necessary to process an application and therefore, was not furnished voluntarily. We discussed this with the Oklahoma DAC officials, and they have since updated the online application making all information voluntary. Therefore, the Oklahoma DAC is now in compliance with this special condition. As a result, we make no recommendation related to *Compliance with Special Conditions*.

## **Grant Financial Management**

Award recipients must establish an adequate accounting system and maintain financial records that accurately account for awarded funds. To assess the adequacy of the Oklahoma DAC's financial management of the VOCA victim compensation grants, we examined expenditures charged to the grants, subsequent drawdown requests, and resulting financial reports. To further evaluate the Oklahoma DAC's financial management of the VOCA victim compensation grants, we also reviewed the Single Audit Reports for FYs 2015 to 2018. These Single Audit Reports did not identify significant deficiencies or material weaknesses specific to the victim compensation program. We also interviewed the Oklahoma DAC personnel who were responsible for financial aspects of the grants, reviewed the Oklahoma DAC written policies and procedures, inspected award documents, and reviewed financial records.

As discussed below, in our overall assessment of grant financial management, we determined that the Oklahoma DAC generally implemented adequate controls over claim payments and administrative expenditures associated with managing the victim compensation program. However, we identified unsupported and unallowable expenditures charged to the grants, and timesheets that lacked the appropriate approval signatures.

### *Grant Expenditures*

State administering agency VOCA compensation expenses fall into two overarching categories: (1) compensation claim payments – which constitute the vast majority of total expenses, and (2) administrative expenses – which are allowed up to 5 percent of each award. To determine whether costs charged to the awards were allowable, supported, and properly allocated in compliance with award requirements, we tested a sample of transactions from each of these categories by reviewing accounting records and verifying support for select transactions.

#### Victim Compensation Claim Expenditures

Victims of crime in the state of Oklahoma submit claims for reimbursement of expenses incurred as a result of victimization, such as medical and funeral costs or loss of wages. The Oklahoma DAC staff adjudicate these claims for eligibility and make payments from the VOCA victim compensation grants and state funding.

To evaluate the Oklahoma DAC’s financial controls over VOCA victim compensation grant expenditures, we reviewed victim compensation claims to determine whether the payments were accurate, allowable, timely, and in accordance with the policies of the VOCA Guidelines and the Oklahoma Victims Compensation Act, Oklahoma Crime Victims Compensation Board Program Manual, and Oklahoma Administrative Code. We judgmentally selected 150 claims that totaled \$1,194,862 from the audited awards. These claims included costs for funeral services, lost wages, ambulance services, medical services, dental, and mental health counseling.

Based on our testing, we determined that the Oklahoma DAC expenditures were generally allowable, supported by adequate documentation, and approved in accordance with state policies and VOCA Guidelines. However, of the 150 claims reviewed, we identified 8 claims that included unsupported or unallowable costs. Table 4 provides the details of the 8 claims where we identified unsupported or unallowable costs.

**Table 4**  
**Summary of Claims with Questioned Costs**

	<b>Claim #</b>	<b>Date Paid</b>	<b>Expense Type</b>	<b>Issue Description</b>	<b>Unsupported</b>	<b>Unallowable</b>
1	072716-877	04/24/18	Lost Wages	Unsupported	\$7,187	-
2	010517-17	04/24/18	Medical	Miscalculated	\$380	-
3	061217-690	09/13/18	Prescription	Unsupported	\$530	-
4	050918-595	10/25/18	Lost Wages	Exceeded Max Allowed	\$384	-
5	052318-645	10/25/18	Medical	Unsupported	\$2,487	-
6	050317-534	12/20/18	Medical	Unsupported	\$1,155	-
7	120318-1521	09/09/19	Counseling	Unsupported	\$1,214	-
8	080818-966	10/11/19	Medical	Duplicate Payment	-	\$1,157
	<b>Total</b>				<b>\$13,337</b>	<b>\$1,157</b>

Source: OIG Analysis.

We question the costs associated with these 8 claims as unsupported or unallowable, and therefore recommend OJP remedy \$13,337 in unsupported and \$1,157 in unallowable expenditures charged to the VOCA victim compensation program grants. Furthermore, while the Oklahoma DAC should look for ways to strengthen the implementation of their policies and procedures to require personnel who evaluate claims to do so in full accordance with the Oklahoma Crime Victims Compensation Board Program Manual and VOCA Guidelines, we found the procedures to be adequate.

Administrative Expenditures

The state administering agency may retain up to 5 percent of each grant to pay for administering its crime victim compensation program. However, such costs must derive from efforts to improve program effectiveness and service to crime victims, including claims processing, staff development and training, and public outreach.

For the compensation grant program, we tested the Oklahoma DAC’s compliance with the 5 percent limit on the administrative category of expenses and found that the Oklahoma DAC complied with or is positioned to comply with the 5 percent administrative expenditure limitations. In addition to testing the Oklahoma DAC’s compliance with the 5 percent administrative allowance, we also performed a detailed review of a sample of these administrative expenditures. We judgmentally selected 30 expenditures, totaling \$55,444. Based on our testing, we found that the administrative expenditures charged by the Oklahoma DAC were allowable. According to an Oklahoma DAC official, the payroll process requires a signature before the payroll is processed for payment. However, we found that all the timesheets for a key employee lacked the signature of the appropriate supervisor or approving official. Therefore, we recommend that OJP ensure the Oklahoma DAC adheres to its process requiring that all employee timesheets are reviewed and approved by the appropriate personnel prior to payment.

*Drawdowns*

Award recipients should request funds based upon immediate disbursement or reimbursement needs, and the grantee should time drawdown requests to ensure that the federal cash on hand is the minimum needed for reimbursements or disbursements made immediately or within 10 days. To assess whether the Oklahoma DAC managed grant receipts in accordance with these federal requirements, we compared the total amount reimbursed to the total expenditures in the Oklahoma DAC’s accounting system and accompanying financial records.

For the VOCA victim compensation awards, we found that the Oklahoma DAC calculated its drawdown funding requests to reimburse the state for compensation claims paid on behalf of the victim or to the victim, and the 5 percent administrative costs. Although our testing only went through January 2020, Table 5 shows the total amount drawn down for each grant as of August 2020, the date of the most recent drawdown during our field work.

**Table 5**  
**Amount Drawn Down for Each Grant as of August 2020**

<b>Award Number</b>	<b>Total Award</b>	<b>Award Period End Date</b>	<b>Amount Drawn Down</b>	<b>Amount Remaining</b>
2016-VC-GX-0004	\$1,522,000	9/30/2019	\$1,522,000	\$0
2017-VC-GX-0001	\$1,988,000	9/30/2020	\$1,789,683	\$198,317
2018-V1-GX-0001	\$1,917,000	9/30/2021	\$13,253	\$1,903,747
2019-V1-GX-0005	\$1,112,000	9/30/2022	\$0	\$1,112,000
<b>Total:</b>	<b>\$6,539,000</b>		<b>\$3,324,936</b>	<b>\$3,214,064</b>

Source: OJP

During this audit, we did not identify significant deficiencies related to the recipient's process for developing drawdown requests.

*Financial Reporting*

According to the DOJ Grants Financial Guide, recipients shall report the actual expenditures and unliquidated obligations incurred for the reporting period on each financial report as well as cumulative expenditures. To determine whether the Oklahoma DAC submitted accurate Federal Financial Reports, we compared to the Oklahoma DAC's accounting records for each grant. We determined that the quarterly and cumulative expenditures for the reports reviewed matched the Oklahoma DAC's accounting records.

## **CONCLUSION AND RECOMMENDATIONS**

Based on the results of the audit, we concluded that the Oklahoma DAC utilized its funding to enhance its crime victim compensation program. However, we identified issues needing corrective action or improvement related to the Oklahoma DAC management of its program.

Specifically, we found that the Oklahoma DAC did not correctly calculate the amounts it reported on its annual state certification forms, which resulted in the Oklahoma DAC receiving \$282,000 less in victim compensation funding it was eligible to receive. During our annual state certification analysis, we also found that the Oklahoma DAC destroyed supporting documents for its FYs 2014 and 2015 restitution and subrogation deposits even though these documents were within the record retention requirement period. Further, we found that the Oklahoma DAC was not in compliance with one of the three special conditions we tested. Specifically, the Oklahoma DAC online application required applicants to provide age and gender information when the information should only be voluntarily provided. Of the 150 expenditures tested, we found 7 expenditures totaling \$13,337 lacked sufficient supporting documentation and 1 expenditure totaling \$1,157 included an unallowable double payment. Finally, we found that the timesheets for one of the Oklahoma DAC employees were not reviewed and approved by appropriate personnel before being processed for payment. As a result, we provide four recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Ensure the Oklahoma DAC develops and implements policies and procedures that ensure they adhere to documentation retention requirements.
2. Remedy \$13,337 in unsupported expenditures charged to the VOCA victim compensation program grants.
3. Remedy \$1,157 in unallowable expenditures charged to the VOCA victim compensation program grants.
4. Ensure the Oklahoma DAC adheres to its process requiring that all employee timesheets are reviewed and approved by the appropriate personnel prior to payment.

**OBJECTIVE, SCOPE, AND METHODOLOGY**

**Objective**

The objective of the audit was to evaluate how the Oklahoma District Attorneys Council (DAC) designed and implemented its crime victim compensation program. To accomplish this objective, we assessed performance in the following areas of grant management: (1) grant program planning and execution, (2) program requirements and performance reporting, and (3) grant financial management.

**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 findings and conclusions based on our audit objective.

This was an audit of Victims of Crime Act (VOCA) victim compensation formula grants 2016-VC-GX-0004, 2017-VC-GX-0001, 2018-V1-GX-0001, and 2019-V1-GX-0005 from the Crime Victims Fund (CVF) awarded to the Oklahoma DAC. The Office of Justice Programs (OJP), Office for Victims of Crime (OVC) awarded these grants totaling \$6,539,000 to the Oklahoma DAC, which serves as the state administering agency. Our audit concentrated on, but was not limited to, the period of October 1, 2015, the project start date for VOCA compensation grant number 2016-VC-GX-0004, through August 2020. As of August 2020, the Oklahoma DAC had drawn down a total of \$3,324,936 from the four audited grants.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the Oklahoma DAC's activities related to the audited grants. We performed sample-based audit testing for grant expenditures, which includes administrative and claim compensation costs, and progress reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The authorizing VOCA legislation, the VOCA compensation program guidelines, the DOJ Grants Financial Guide, state compensation criteria, and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System as well as the Oklahoma DAC accounting system specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole; therefore, any findings identified involving information from those systems was verified with documents from other sources.

## Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objectives. We did not evaluate the internal controls of the Oklahoma DAC to provide assurance on its internal control structure as a whole. The Oklahoma DAC management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. § 200. Because we do not express an opinion on the Oklahoma DAC's internal control structure as a whole, we offer this statement solely for the information and use of the Oklahoma DAC and OJP.<sup>7</sup>

In planning and performing our audit, we identified the following internal control components and underlying internal control principles as significant to the audit objective:

<b>Internal Control Components &amp; Principles Significant to the Audit Objectives</b>	
<b>Control Activity Principles</b>	
	Management should design control activities to achieve objectives and respond to risks.
	Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
	Management should implement control activities through policies.
<b>Information &amp; Communication Principles</b>	
	Management should use quality information to achieve the entity's objectives.

We assessed the design, implementation, and/or operating effectiveness of these internal controls implemented at the time of our audit and identified deficiencies that we believe could affect the Oklahoma DAC's ability to facilitate reporting of accurate state financial and performance information. The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to aspects of these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

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<sup>7</sup> This restriction is not intended to limit the distribution of this report, which is a matter of public record.

## APPENDIX 2

### SCHEDULE OF DOLLAR-RELATED FINDINGS

<u>Description</u>	VOCA Grant Year		<u>Amount</u>	<u>Page</u>
	<u>2016</u>	<u>2017</u>		
<b>Questioned Costs:<sup>8</sup></b>				
Unsupported Claims Costs	\$10,968	\$2,369	\$13,337	10
Unallowable Claim Costs	-	\$1,157	\$1,157	10
<b>Total Questioned Costs</b>	<b>\$10,968</b>	<b>\$3,526</b>	<b>\$14,494</b>	

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<sup>8</sup> **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

**OKLAHOMA DISTRICT ATTORNEYS COUNCIL  
RESPONSE TO THE DRAFT AUDIT REPORT**

TRENT H. BAGGETT  
Executive Coordinator

KATHRYN B. BREWER  
Assistant Executive Coordinator



STATE OF OKLAHOMA

**DISTRICT ATTORNEYS COUNCIL**

421 NW 13<sup>th</sup> Street, Suite 290 • Oklahoma City, Oklahoma 73103

EXECUTIVE 405-264-5000 FAX 405-264-5099	FINANCE 405-264-5004 405-264-5099	GRANTS 405-264-5008 405-264-5099	VICTIMS 405-264-5006 405-264-5097	IT 405-264-5002 405-264-5099	TRAINING 405-264-5000 405-264-5099	UVED 405-264-5010 405-264-5099
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September 16, 2020

David M. Sheeren  
Regional Audit Manager  
Denver Regional Audit Office  
Office of the Inspector General  
U.S. Department of Justice  
1120 Lincoln Street, Suite 1500  
Denver, CO 80203

VIA: Electronic Mail at: [David.M.Sheeren@usdoj.gov](mailto:David.M.Sheeren@usdoj.gov) with copy to: [Linda.Taylor2@usdoj.gov](mailto:Linda.Taylor2@usdoj.gov)

Dear Mr. Sheeren,

The Oklahoma District Attorneys Council appreciates the opportunity to respond to the Draft Audit Report received by our office on September 10, 2020. The Draft Audit Report covers the Office of Justice Programs (OJP) Victims of Crime Act Victim Compensation Formula Grant Program for Federal Fiscal Years 2016 through 2019. The purpose of this letter is to provide a formal response to the recommendations contained in the Draft Audit Report.

The Draft Audit Report contains four recommendations:

**Recommendation #1** – Ensure the Oklahoma DAC develops and implements policies and procedures that ensure they adhere to documentation retention requirements.

**Response #1** – The Oklahoma DAC concurs with this recommendation and has immediately implemented the process of scanning and storing all scanned deposit records to the Oklahoma DAC computer network prior to those records being destroyed, as required in 2 C.F.R. § 200.333.

**Recommendation #2** - Remedy \$13,337 in unsupported expenditures charged to the VOCA victim compensation program grants.

Page 1 of 2

**Recommendation #2** - Remedy \$13,337 in unsupported expenditures charged to the VOCA victim compensation program grants.

**Response #2** – The Oklahoma DAC concurs with this recommendation and is currently working to secure documents that will remedy the \$13,337 in unsupported expenditures charged to the VOCA victim compensation program grant. The Oklahoma DAC anticipates this recommendation will be remedied on or before March 31, 2021.

**Recommendation #3** - Remedy \$1,157 in unallowable expenditures charged to the VOCA victim compensation program grants.

**Response #3** – The Oklahoma DAC concurs with this recommendation and is currently working to remedy the \$1,157 overpayment on a victims compensation claim. The Oklahoma DAC anticipates this recommendation will be remedied on or before March 31, 2021.

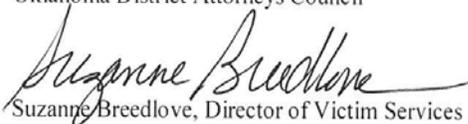
**Recommendation #4** - Ensure the Oklahoma DAC adheres to its process requiring that all employee timesheets are reviewed and approved by the appropriate personnel prior to payment.

**Response #4** – The Oklahoma DAC concurs with the recommendation and has implemented the process of having the timesheet of the Executive Coordinator reviewed and signed by the Administrative Assistant or the Assistant Executive Coordinator, effective September 30, 2020.

Sincerely,



Trent Baggett, Executive Coordinator  
Oklahoma District Attorneys Council



Suzanne Breedlove, Director of Victim Services  
Oklahoma District Attorneys Council  
Oklahoma Crime Victim Compensation Board

**OFFICE OF JUSTICE PROGRAMS RESPONSE  
TO THE DRAFT AUDIT REPORT**



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

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Washington, D.C. 20531

September 23, 2020

MEMORANDUM TO: David M. Sheeren  
Regional Audit Manager  
Denver Regional Audit Office  
Office of the Inspector General

FROM: Ralph E. Martin  
Director *Ralph E. Martin*

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Victim Compensation Grants Awarded to the Oklahoma District Attorneys Council, Oklahoma City, Oklahoma*

This memorandum is in reference to your correspondence, dated September 10, 2020, transmitting the above-referenced draft audit report for the Oklahoma District Attorneys Council (Oklahoma DAC). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains four recommendations and **\$14,494** in questioned costs. The following is Office of Justice Programs' (OJP) analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by our response.

1. **We recommend that OJP ensure the Oklahoma DAC develops and implements policies and procedures that ensure they adhere to documentation retention requirements.**

OJP agrees with this recommendation. We will coordinate with Oklahoma DAC to obtain a copy of written policies and procedures, developed and implemented, to ensure that they adhere to documentation retention requirements, in accordance with the Department of Justice Grants Financial Guide.

2. **We recommend that OJP remedy \$13,337 in unsupported expenditures charged to the VOCA victim compensation program grants.**

OJP agrees with this recommendation. We will review the \$13,337 in questioned costs, related to unsupported expenditures charged to its Victims of Crime Act (VOCA), Victim Compensation Program grants, and will work with Oklahoma DAC to remedy, as appropriate.

**3. We recommend that OJP remedy \$1,157 in unallowable expenditures charged to the VOCA victim compensation program grants.**

OJP agrees with this recommendation. We will review the \$1,157 in questioned costs, related to unallowable expenditures charged to its VOCA Victim Compensation Program grants, and will work with Oklahoma DAC to remedy, as appropriate.

**4. We recommend that OJP ensure the Oklahoma DAC adheres to its process requiring that all employee timesheets are reviewed and approved by the appropriate personnel prior to payment.**

OJP agrees with this recommendation. We will coordinate with Oklahoma DAC to obtain a copy of written policies and procedures, developed and implemented, to ensure that it adheres to its process requiring that all employee timesheets are reviewed and approved by the appropriate personnel, prior to payment.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

cc: Katharine T. Sullivan  
Principal Deputy Assistant Attorney General

Maureen A. Henneberg  
Deputy Assistant Attorney General  
for Operations and Management

LeToya A. Johnson  
Senior Advisor  
Office of the Assistant Attorney General

Jeffery A. Haley  
Deputy Director, Audit and Review Division  
Office of Audit, Assessment, and Management

Jessica E. Hart  
Director  
Office for Victims of Crime

Bill Woolf  
Senior Advisor  
Office for Victims of Crime

Katherine Darke-Schmitt  
Deputy Director  
Office for Victims of Crime

cc: Kathrina S. Peterson  
Acting Deputy Director  
Office for Victims of Crime

James Simonson  
Associate Director for Operations  
Office for Victims of Crime

Joel Hall  
Associate Director, State Victim Resource Division  
Office for Victims of Crime

Ramesa Pitts  
Grants Management Specialist  
Office for Victims of Crime

Charlotte Grzebien  
Deputy General Counsel

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Leigh A. Benda  
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Grants Financial Management Division  
Office of the Chief Financial Officer

Joanne M. Suttington  
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Finance, Accounting, and Analysis Division  
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Aida Brumme  
Manager, Evaluation and Oversight Branch  
Grants Financial Management Division  
Office of the Chief Financial Officer

Louise Duhamel  
Acting Assistant Director, Audit Liaison Group  
Internal Review and Evaluation Office  
Justice Management Division

cc: OJP Executive Secretariat  
Control Number IT20200921140059

**OFFICE OF THE INSPECTOR GENERAL ANALYSIS AND  
SUMMARY OF ACTIONS NECESSARY TO CLOSE THE REPORT**

The Office of the Inspector General (OIG) provided a draft of this audit report to the Oklahoma District Attorneys Council (DAC) and the Office of Justice Programs (OJP) for review and official comment. Oklahoma DAC stated in its response, found in Appendix 3 of this final report, that it concurred with our recommendations. OJP's response is included in Appendix 4, in which it agrees with the recommendations. As a result, the audit report is resolved. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

**Recommendation for OJP**

- 1. Ensure the Oklahoma DAC develops and implements policies and procedures that ensure they adhere to documentation retention requirements.**

Resolved. OJP agreed with this recommendation. OJP stated in its response that it will coordinate with Oklahoma DAC to obtain a copy of written policies and procedures, developed and implemented, to ensure that they adhere to documentation retention requirements, in accordance with the Department of Justice Grants Financial Guide.

The Oklahoma DAC concurred with our recommendation and stated in its response that it has immediately implemented the process of scanning and storing all scanned deposit records to the computer network prior to the records being destroyed, as required.

This recommendation can be closed when we receive evidence that OJP has coordinated with Oklahoma DAC to obtain a copy of its written policies and procedures to ensure Oklahoma DAC has implemented requirements for documentation retention.

- 2. Remedy \$13,337 in unsupported expenditures charged to the VOCA victim compensation program grants.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$13,337 in questioned costs, related to unsupported expenditures charged to its Victims of Crime Act (VOCA), Victim Compensation Program grants, and will work with Oklahoma DAC to remedy, as appropriate.

The Oklahoma DAC concurred with our recommendation and stated in its response that it will remedy the \$13,337 in unsupported expenditures and anticipates this to be done on or before March 31, 2021.

This recommendation can be closed when we receive evidence that OJP has reviewed and remedied the questioned costs.

**3. Remedy \$1,157 in unallowable expenditures charged to the VOCA victim compensation program grants.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$1,157 in questioned costs related to unallowable expenditures charged to its VOCA Victim Compensation Program grants, and it will work with Oklahoma DAC to remedy, as appropriate.

The Oklahoma DAC concurred with our recommendation and stated in its response that it is currently working to remedy the \$1,157 overpayment on a victim compensation claim and anticipates this to be done on or before March 31, 2021.

This recommendation can be closed when we receive evidence that OJP has reviewed and remedied the questioned cost.

**4. Ensure the Oklahoma DAC adheres to its process requiring that all employee timesheets are reviewed and approved by the appropriate personnel prior to payment.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Oklahoma DAC to obtain a copy of written policies and procedures, developed and implemented, to ensure that it adheres to its process requiring that all employee timesheets are reviewed and approved by the appropriate personnel, prior to payment.

The Oklahoma DAC concurred with our recommendation and stated in its response that it has implemented the process, effective September 30, 2020, of having the timesheet reviewed and signed by an appropriate approving official.

This recommendation can be closed when we receive evidence that Oklahoma DAC is adhering to its process of requiring the employee's timesheets to be reviewed and approved by the appropriate personnel prior to payment.