



Audit of the Office of Justice Programs Awards  
Made to the Call to Freedom, Inc.,  
Sioux Falls, South Dakota



AUDIT DIVISION

22-074

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**MAY 2022**

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# EXECUTIVE SUMMARY

## Audit of the Office of Justice Programs Awards Made to the Call to Freedom, Inc., Sioux Falls, South Dakota

### Objective

The Office of Justice Programs awarded the Call to Freedom, Inc. (Call to Freedom) three awards totaling \$1.98 million to provide services to victims of human trafficking. The objective of this audit was to determine whether the awardee demonstrated adequate progress towards achieving program goals and objectives.

### Results in Brief

We concluded that the Call to Freedom did not maintain adequate documentation related to performance or program activities. Therefore, the Call to Freedom could not demonstrate adequate progress towards achieving the awards' stated goals and objectives. Specifically, the Call to Freedom lacked supporting documentation to demonstrate trainings that were claimed as accomplishments or the development of tools to assist victims.

Additionally, we found that the Call to Freedom engaged in relationships with victims and a partner agency that potentially created the appearance of conflicts of interest and provided services to victims that were not outlined in the budget. Lastly, we found that the Call to Freedom did not comply with essential award conditions related program income. This audit did not identify significant concerns regarding the Call to Freedom's adherence to award special conditions related to training and duplication of funding.

### Recommendations

Our report contains seven recommendations for OJP. We requested a response to our draft audit report from OJP and the Call to Freedom, which can be found in Appendices 3 and 2 respectively. Our analysis of those responses is included in Appendix 4.

### Audit Results

The purpose of the three OJP awards we reviewed was to support and provide services for victims of human trafficking. The project period for the awards is from October 2018 through April 2023. As of February 28, 2022, the Call to Freedom drew down a cumulative amount of \$1.24 million for all the awards we reviewed.

#### Program Goals and Accomplishments, and Progress Report Activities

Overall, due to the lack of sufficient documentation and the COVID-19 pandemic, the Call to Freedom could not demonstrate adequate progress towards achieving the awards' stated goals and objectives or that it reported progress report activities accurately.

#### Potential Conflicts of Interest

We found that the Call to Freedom was placing human trafficking victims receiving services through the DOJ awards at a for-profit subsidiary company to produce merchandise for sale nationwide. Through this relationship, the Call to Freedom received \$21,918 in net proceeds. We believe that the Call to Freedom's financial interest in the proceeds obtained through employment placement of victims creates a potential conflict of interest that could affect the Call to Freedom's objectivity in best serving each victim according to one's particular needs. Additionally, the proceeds the Call to Freedom received was not approved by or reported to OJP and was not included in the Call to Freedom accounting records for the Federal awards.

#### Unallowable Services

The Call to Freedom stated in the award narrative that no funds from this project will be used for criminal or expungement matters. However, we found that the Call to Freedom assisted victims financially on criminal matters.

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## Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of three awards made by the Office of Justice Programs (OJP) to the Call to Freedom, Inc. (Call to Freedom) in Sioux Falls, South Dakota. The Call to Freedom was awarded three awards totaling \$1.98 million, as shown in Table 1.

**Table 1**

**Awards Made to the Call to Freedom**

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2018-VT-BX-K054 <sup>a</sup>	OVC	09/29/2018	10/01/2018	06/30/2022	\$550,000
2019-VT-BX-0100	OVC	09/30/2019	01/01/2020	12/31/2022	925,000
2020-VT-BX-0001	OVC	08/04/2020	05/01/2020	04/30/2023	\$500,000
<b>Total:</b>					<b>\$1,975,000</b>

<sup>a</sup> This award is a cooperative agreement. OJP awards cooperative agreements to states, units of local government, or private organizations at the discretion of the awarding agency. Cooperative agreements are utilized when substantial involvement is anticipated between the awarding agency and the recipient during performance of the contemplated activity.

Source: OJP Grants Management System and JustGrants

Funding through the FY 2018 Comprehensive Services for All Forms of Victims of Human Trafficking Program supports efforts to increase the capacity of communities to respond to human trafficking victims through the development of interagency partnerships, professional training, and public awareness activities. With the 2018 award, the Call to Freedom stated it would use a navigator model, which includes working with long-term Intensive Case Managers and clients, to link comprehensive services to meet individualized client needs. Once processes and practices have been established and streamlined, the Call to Freedom stated that the model would be replicated in Eastern South Dakota communities with a long-term goal of reaching across the entire state of South Dakota.

Funding through the FY 2019 Direct Services to Support Victims of Human Trafficking Program supports direct services to victims of sex trafficking and labor trafficking, as well as efforts to increase the capacity of communities to respond to human trafficking through the development of interagency partnerships, professional training, and public awareness activities over a 3-year project period. Under the 2019 award, the Call to Freedom stated it would partner with two Native American-led organizations, work cooperatively with other providers to increase awareness and identification of the human trafficking of Native Americans and youth, and build capacity for trauma-informed service provision to identified victims. The Call to Freedom also stated that it would use the 2019 funding to assist with identifying and addressing specific systemic gaps and challenges; convene multidisciplinary groups to craft sustainable solutions, while serving victims in a culturally appropriate manner; and train and educate other providers on best practices in dealing with highly traumatized youth and indigenous people.

Funding through the FY 2020 Housing Assistance Grants for Victims of Human Trafficking Program supports programs that provide 6 to 24 months of transitional housing with support services to victims of human trafficking who need housing as a result of human trafficking. The Call to Freedom stated it would use the funding to establish a statewide transitional housing program and supportive services for victims of human trafficking throughout the state.

## **The Awardee**

The Call to Freedom's website states that it provides supportive services for victims of human trafficking and sexual exploitation by creating a strong network of frontline providers who offer safe housing, mental health counseling, medical assistance, chemical dependency treatment, transportation, and other supportive services. The Call to Freedom's mission is to navigate a healthy path from victim to survivor through victim-centered, responsive services to those who have experienced sexual exploitation and human trafficking.

## **OIG Audit Approach**

The objective of this audit was to determine whether the awardee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish this objective, we assessed program performance through our review of award accomplishments and progress reports.

We tested compliance with what we consider to be the most important conditions of the awards. The DOJ Grants Financial Guide and the award documents contain the primary criteria we applied during the audit.

The results of our analysis are discussed in detail later in this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology.

# Audit Results

## Program Performance and Accomplishments

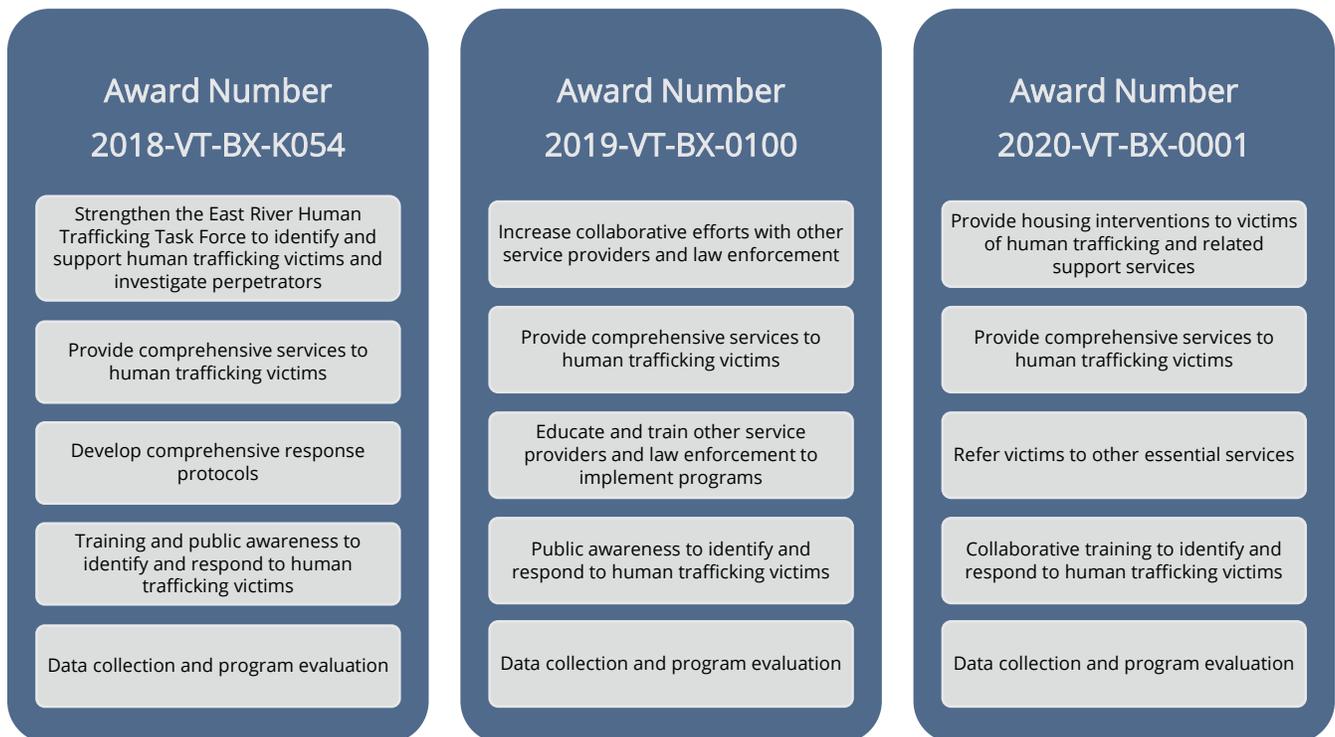
We reviewed required performance reports, interviewed Call to Freedom officials, and tested a sample of award-related accomplishments from approved award timelines to determine whether the Call to Freedom demonstrated adequate progress towards achieving the program goals and objectives. We also reviewed the Progress Reports to determine if the required reports were accurate. According to the DOJ Grants Financial Guide, grant recipients must ensure that valid and auditable source documentation is available to support all data collected for each performance measure required by the program, including those specified in the program solicitation or award. Finally, we reviewed the Call to Freedom’s compliance with the special conditions identified in the award documentation.

## Program Goals and Objectives

According to the award documentation for the 2018, 2019, and 2020 awards there were five goals for each program. For each of the on-going awards, to assess the Call to Freedom’s accomplishments related to these goals, we selected a sample of 4 activities from each of the approved award timelines, for a total sample of 12 items.

Figure 1

### Summary of Program Goals



As shown below in Table 2, for the 2018, 2019, and 2020 awards, the Call to Freedom provided documentation only supporting one of each of the award’s sampled activities. For the remaining activities, the documentation provided did not contain sufficient detail to support that the timeline activity planned had been accomplished as of January 2022.

**Table 2**

**Timeline Activity Accomplishment Analysis as of January 2022**

	Timeline Activity	Achievement Date	Documentation Description
2018 Award	Draft, approve, and implement East River Human Trafficking Task Force response protocols.	October 2020	<b>Completed:</b> The Call to Freedom provided protocols/action plan.
	Conduct at a minimum eight trainings per year to law enforcement, direct service, medical, and education professionals.	Annually	<b>Partially completed:</b> The Call to Freedom provided sufficient documentation to support five of the eight trainings in 2021. Insufficient or no documentation was provided to support trainings in 2018, 2019, or 2020. Call to Freedom officials explained that the COVID-19 pandemic made it difficult to provide trainings.
	Develop capacity to provide assistance in achieving certification from U.S. Department of Health and Human Services for foreign national victims.	February 2020	<b>Not yet completed:</b> The Call to Freedom provided email correspondence with a representative from the Trafficking Victim Assistance Program under the U.S. Committee for Refugees and Immigrants. Call to Freedom officials also explained that they have partnership with a local legal services company that provides pro-bono services to support this effort. However, the support was not adequate to demonstrate the Call to Freedom developed this capacity.
	Develop a navigator system to link individualized services.	October 2020	<b>Not completed:</b> No support provided. Call to Freedom officials explained that after starting this award, a navigator system was not realistic for South Dakota.
2019 Award	Develop a culturally sensitive assessment tool for identifying native youth trafficked victims.	January 2021	<b>Not completed:</b> No support provided. Call to Freedom officials explained that it uses a model developed by a partner organization.
	Develop a resource list of victim service providers for tribal and youth victims.	April 2020	<b>Completed:</b> The Call to Freedom provided a resource list.
	Develop tribal and youth specific training curriculums.	July 2020	<b>Not completed:</b> No support provided. Call to Freedom officials explained it uses another organization’s youth curriculum.
	Conduct at a minimum eight public awareness and education events per year.	Annually	<b>Partially completed:</b> The Call to Freedom provided sufficient documentation to support two events in 2020. No documentation was provided to support trainings in 2021. Call to Freedom officials explained that the COVID-19 pandemic and reservation closures made it difficult to provide trainings.
2020 Award	Develop a resource list of victim service providers throughout state and tribal lands.	January 2021	<b>Completed:</b> The Call to Freedom provided a list of providers.
	Conduct a minimum of ten human trafficking victim housing and supportive services trainings per year.	Annually	<b>Partially completed:</b> The Call to Freedom provided scheduling documentation for three events in 2020 and in 2021, which was not sufficient to support the training events occurred. Call to Freedom officials explained that the COVID-19 pandemic and funding delays made it difficult to provide trainings.

Develop a housing committee on the East River Human Trafficking Task Force to collaborate state-wide to further identify resources.	January 2021	<b>Partially completed:</b> The Call to Freedom provided email correspondence and calendar screenshots noting meetings, which is not sufficient to support the establishment of a housing committee. Call to Freedom's Executive Director was unaware of this objective but explained a housing navigator has been performing similar work.
Collaborate to provide a second housing summit.	July 2021	<b>Completed:</b> Call to Freedom officials provided support that a second summit was held.

Source: OJP GMS, JustGrants, and the Call to Freedom

Overall, for the accomplishments that have not been fully completed, we determined that the Call to Freedom:

- did not complete the sampled objectives because it used other organizations' materials, the original objective was not realistic, or it was unaware of the objective;
- was delayed in the accomplishment of objectives due to funding delays or the COVID-19 pandemic; or
- did not maintain adequate supporting documentation related to program performance.

Based on our analysis, the Call to Freedom could not demonstrate adequate progress towards achieving 8 of the 12 sampled award goals and objectives. We discussed activities without sufficient support with Call to Freedom officials, and they explained that they had already updated their policies and procedures based on discussions with us to address the level of detail the Call to Freedom needed to maintain. However, after reviewing the updated policies, we did not note any mention of support documentation related to program performance. We also identified additional concerns related to the lack of sufficient documentation in the Required Performance Reports section of this report.

We recommend that OJP coordinate with the Call to Freedom to establish appropriate policies and procedures to ensure program activities and accomplishments are documented and supported. Additionally, because these awards are on-going, there is time remaining to accomplish outlined accomplishments or update the outlined accomplishments to replace activities that the Call to Freedom determined were no longer applicable. Therefore, we recommend that OJP coordinate with the Call to Freedom to assess whether goals and objectives need to be revised and ensure award goals and objectives are accomplished and accurately supported.

### Required Performance Reports

To verify the information in the Call to Freedom progress reports submitted to OJP, we selected a sample of 32 performance measures from the 2 most recent progress reports submitted for each award as of August 2021. We attempted to trace the selected measures to supporting documentation maintained by the Call to Freedom. We outline the results of our review for each award in Table 3 through Table 5.

Table 3

Progress Report Testing Results for 2018 Award

July 1, 2020 - December 31, 2020			
Progress Reports Metrics Tested	Reported to OJP	Adequate Support provided	Discrepancy
 Financial Assistance	Awardee: \$986	\$4,070	\$3,084
 Mental Health and Treatment	Awardee: 16 Partner: 193	Awardee: 31 <sup>a</sup> Partner: 70 <sup>a</sup>	Awardee: (16) Partner: (193)
 Employment Assistance	Awardee: 154	Awardee: 63 <sup>a</sup>	Awardee: (154)
 Reference list and agreements with direct service providers	Developed list and agreements	Reference list and agreements	✓
 Developed protocols	1	1	✓
 Trainings to Schools/Educational Institutions	Awardee: 51	None <sup>a</sup>	Awardee: (51)
 Task Force Development	1	None	(1)
January 1, 2021 - June 30, 2021			
Progress Reports Metrics Tested	Reported to OJP	Adequate Support provided	Discrepancy
 Financial Assistance	Awardee: \$3,233	\$1,155	(\$2,078)
 Call to Freedom's Community Navigator provided outreach presentations and trainings	7	7	✓
 Client Intake	Awardee: 96 Partner: 2	Awardee: 25 <sup>a</sup> Partner: 0	Awardee: (96) Partner: (2)
 Housing/Shelter Assistance	Awardee: 23	Awardee: 9 <sup>a</sup>	Awardee: (23)

<sup>a</sup> Support provided by the Call to Freedom was TIMS data which we determined was not reliable.

Source: OJP GMS, JustGrants, and the Call to Freedom

As shown in Table 3, for 3 of the 11 selected progress report accomplishments for the 2018 award, the Call to Freedom provided adequate documentation to support the information reported in the progress report. For 2 of the 11 items, the Call to Freedom did not provide adequate support. For 4 of the 11 items, the Call to Freedom relied on entries in Office for Victims of Crime's (OVC's) Trafficking Information Management System (TIMS) to support progress report accomplishments; however, TIMS data alone is not sufficient to support progress report accomplishments.<sup>1</sup> Therefore, for these four items, we requested additional documentation, and we noted discrepancies between the support provided by the Call to Freedom and the data reported in TIMS. For the remaining two items, we noted discrepancies between the amounts reported

<sup>1</sup> OVC's Trafficking Information Management System Online is a standardized data collection and reporting system used to track required trafficking award performance measurements across multiple OVC trafficking victim services awards on a biannual basis.

on the progress reports by the Call to Freedom and the support provided. Overall, we determined that 8 of the 11 progress report items were not accurate or properly supported.

**Table 4**  
**Progress Report Testing Results for 2019 Award**

July 1, 2020 - December 31, 2020			
Progress Reports Metrics Tested	Reported to OJP	Adequate Support provided	Discrepancy
 Housing/Shelter Assistance	Awardee: 7 Partner: 400	Awardee: 9	Awardee: 2 Partner: (400)
 Protection/Safety Planning	Awardee: 7 Partner: 28	Awardee: 15	Awardee: 8 Partner: (28)
 Criminal Justice System-based Victim Advocacy	Awardee: 4 Partner: 49	Awardee: 1 Partner: 3	Awardee: (3) Partner: (46)
 Family Reunification	Awardee: 216 Partner: 13	Awardee: 7 Partner: 9	Awardee: (209) Partner: (4)
 Trainings to Mental Health/Substance Abuse Providers	20	24	4
 The Youth Navigator was trained in the US Dept. of Health and Human Services for foreign national victims, in the certification process.	Webinar training	E-mails discussing needed training	No training certificate, slides for training
January 1, 2021 - June 30, 2021			
Progress Reports Metrics Tested	Reported to OJP	Adequate Support provided	Discrepancy
 Client Intake	Awardee: 2 Partner: 132	None	Awardee: (2) Partner: (132)
 Mental Health Treatment	Awardee: 0 Partner: 11	Awardee: 0 <sup>a</sup> Partner: 0	Awardee: 0 Partner: (11)
 Collaborative events	1	None	(1)
 Housing/Shelter Advocacy	Awardee: 0 Partner: 118	Partner: 2	Awardee: ✓ Partner: (116)
 Trainings to Community Center/Coalition	18	None	(18)
 Trainings to State/Local Law Enforcement	50	None	(50)

<sup>a</sup> Support provided by the Call to Freedom was TIMS data which we determined was not reliable.

Source: OJP GMS, JustGrants, and the Call to Freedom

As shown in Table 4, for the 12 selected progress report accomplishments for the 2019 award, the Call to Freedom did not provide adequate supporting documentation for 4 items. Two items pointed to TIMS data entries, which we previously stated could not be relied on. The Call to Freedom could not provide any additional documentation for one of these two items and for the second item the supporting documentation did support what was reported on the progress report. For the remaining six items, we noted discrepancies between the amounts reported on the progress reports by the Call to Freedom and the

support provided. Overall, we determined that none of the 12 progress report items were accurate or properly supported.

**Table 5**  
**Progress Report Testing Results for 2020 Award**

July 1, 2020 - December 31, 2020			
Progress Reports Metrics Tested	Reported to OJP	Adequate Support provided	Discrepancy
 MOU Partner Efforts	1	None	(1)
 Hiring - Housing Navigator position	1	1	✓
January 1, 2021 - June 30, 2021			
Progress Reports Metrics Tested	Reported to OJP	Adequate Support provided	Discrepancy
 Personal advocacy	January-March: 1 April-June: 2	January-March: 1 <sup>a</sup> April-June: 2	January-March: (1) April-June: (2)
 Intervention with employer, creditor, landlord, or academic institution	January-March: 24 April-June: 14	January-March: 24 <sup>a</sup> April-June: 14 <sup>a</sup>	January-March: (24) April-June: (14)
 Crisis Intervention	January-March: 2 April-June: 6	January-March: 1 April-June: 0	January-March: (1) April-June: (6)
 Emergency financial assistance	January-March: 4 April-June: 12	January-March: 4 April-June: 7	January-March: ✓ April-June: (5)
 Policy and Procedure Development	1	1	✓
 Transitional Housing	January-March: 0 April-June: 24	January-March: 7 April-June: 16	January-March: 7 April-June: (8)
 Job/Vocational Training	January-March: 23 April-June: 14	January-March: 23 <sup>a</sup> April-June: 14	January-March: (23) April-June: (14)

<sup>a</sup> Support provided by the Call to Freedom was TIMS data which we determined was not reliable.

Source: OJP GMS, JustGrants, and the Call to Freedom

As shown in Table 5, for two of the nine selected progress report accomplishments for the 2020 award, the Call to Freedom provided adequate documentation to support the information reported in the progress report. For one of the nine items, the Call to Freedom did not provide adequate support. Six of the nine items pointed to TIMS data entries, which we previously stated could not be relied on. The Call to Freedom could not provide additional documentation for three of these items and for the three other items, documentation did not support what was reported on the progress report. Overall, we determined that seven of the nine progress report items were not accurate or properly supported.

Similar to our results in the Program Performance section of this report, we found that the Call to Freedom did not maintain sufficient supporting documentation to support progress report accomplishments. Therefore, as stated previously, we recommend that OJP coordinate with the Call to Freedom to establish

appropriate policies and procedures that ensures program activities and accomplishments are sufficiently documented and accurately supported.

## **Conflicts of Interest**

In conducting our audit work, we identified two employment arrangements involving the Call to Freedom and victims it served that raise concerns of a conflict of interest. One arrangement is a business relationship that the Call to Freedom has with a company where certain victims worked, and the other is victims served by the Call to Freedom being directly employed by the Call to Freedom.

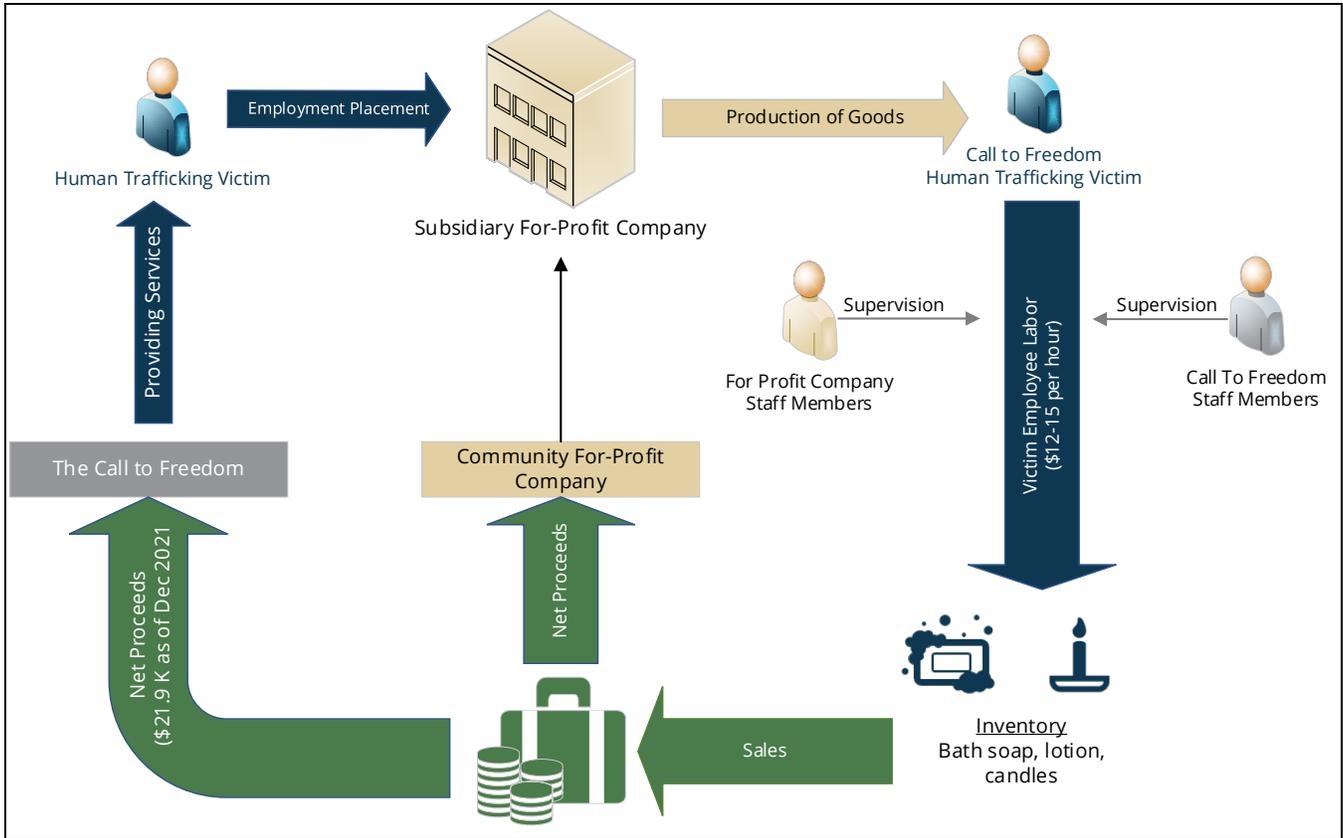
### **The Call to Freedom's Financial Relationship with Community For-Profit Entity**

According to the DOJ Grants Financial Guide, non-federal entities are required to use Federal funds in the best interest of the award program. Decisions related to these funds must be free of undisclosed personal or organizational conflicts of interest, both in fact and in appearance. In the use of award funds (direct or indirect), a recipient or subrecipient should not participate in any decisions, approval, disapproval, recommendations, investigation decisions, or any other proceeding concerning any person or organization with whom they are negotiating or who has an arrangement concerning prospective employment, has a financial interest, or for other reasons can have less than an unbiased transaction with the recipient or subrecipient. We found that the Call to Freedom's policies and procedures, including those updated as of March 2021, focused on individual conflicts of interest; however, the policy did not address organizational conflicts of interest.

Through the 2018 and 2020 awards, the Call to Freedom provides employment assistance to victims of human trafficking. Generally, the services provided include resume building, assistance obtaining professional clothing, and applying for positions. Based on the documentation provided by the Call to Freedom to support the employment assistance statistics reported in its progress reports for the 2018 and 2020 awards, the Call to Freedom provided employment opportunities to victims through a community for-profit entity for which the victims made bath bombs and other products for retail sale. According to the Call to Freedom Executive Director, the community for-profit entity approached the Call to Freedom to create a for-profit subsidiary company that would employ human trafficking victims. Call to Freedom officials explained that by developing these collaborative community partners, the Call to Freedom is able to provide meaningful employment opportunities to victims. They also stated that community businesses often want to do good in the community, and they have placed victims with several community companies. Figure 2 below, depicts the relationship between the Call to Freedom and the for-profit community partner entity.

Figure 2

Relationship between the Call to Freedom and For-Profit Community Partner Entity



Source: OIG developed based on the Call to Freedom documentation

We found that, initially, the Call to Freedom was paying a victim \$12 per hour with non-grant funds to create merchandise for sale by the subsidiary for-profit company. The Call to Freedom provided support showing that one grant-funded Call to Freedom staff member and one non-grant funded staff member regularly supervised the victim when working at the subsidiary for-profit company. This supervision generally occurred when there were scheduling conflicts with the for-profit company's staff members who were unavailable to supervise the victims. Further, we found that the Call to Freedom grant-funded staff member, in the supervisory role at the subsidiary for-profit company, filed an "Employee Incident Report" in regard to the victim's behavior while the victim was working in their capacity as an employee of the for-profit company.

Around June 2021, the Call to Freedom and the community for-profit company decided to provide health benefits to victims who worked for the for-profit subsidiary. Because providing this benefit was not possible through the Call to Freedom, the victim's employment transferred to the subsidiary for-profit company. Additionally, this same grant-funded Call to Freedom staff member assisted the subsidiary for-profit company develop its employee handbook. According to the Call to Freedom Executive Director, as of January 2022, there currently is one full-time victim employed by the for-profit subsidiary. According to

payroll documentation, this victim is paid \$15 per hour. Seasonally, the for-profit subsidiary will employ two or three additional victims served by Call to Freedom.

The for-profit subsidiary has a website to sell nationwide the products produced by victims. According to the website, there are five product lines and “every product created in our studio is lovingly made by a survivor.” On its website, the for-profit subsidiary states that for one specific product line all net proceeds are donated to the Call to Freedom. Call to Freedom officials provided documentation showing that the Call to Freedom had received \$21,918 as a result of the relationship with the community for-profit company.<sup>2</sup> According to Call to Freedom officials, they are not provided any documentation or accounting information related to the sales of the dedicated product line. Instead, throughout the year the Call to Freedom receives checks from its for-profit partner. The Call to Freedom also does not specifically explain to victims who are employed by the for-profit subsidiary that net proceeds are donated to the Call to Freedom.

By placing victims with the community for-profit entity, the Call to Freedom financially benefits from human trafficking victims it places with a for-profit company. The main goal of the nearly \$2 million in DOJ funds awarded to the Call to Freedom is to provide services to victims of human trafficking. We believe that the Call to Freedom’s financial interest in the proceeds obtained through employment placement of victims it serves creates a potential conflict of interest where the Call to Freedom is incentivized to place victims it serves with its for-profit partner. In fact or appearance, this conflict could compromise the Call to Freedom’s objectivity in best serving each victim according to one’s particular needs.

### **The Call to Freedom Directly Employs Human Trafficking Victims**

According to the DOJ Grants Financial Guide, in the use of award funds, recipients should avoid any action that may result in, or create, the appearance of losing complete independence or objectivity. In addition to placing victims with community partner companies, we found that the Call to Freedom was directly employing victims, either for painting services or for performing janitorial services at its office facilities in Sioux Falls, South Dakota. The Call to Freedom paid these victims using funds outside of the OVC awards.

In employing victims, the Call to Freedom was therefore responsible for supervising them in the scope of employment while also providing supportive victim services to the same individuals. We believe this creates a situation that compromises the relationship between the Call to Freedom and victims it serves. In fact, in one instance, due to a punctuality issue of a victim it also employed, the Call the Freedom developed an employee Corrective Action Plan that established an employer-employee agreement requiring reliable and consistent attendance that is punctual. In this situation, the Call to Freedom is both a service provider and an employer of the same person, which we believe could affect the Call to Freedom’s ability to remain objective in providing consistent services to all victims it serves.

According to the DOJ Grants Financial Guide, non-federal entities are required to disclose in writing any potential conflict of interest to the awarding agency. We found that the Call to Freedom did not disclose to OVC either its profiting relationship or its employer relationship with victims it served. We recommend that OJP coordinate with the Call to Freedom to establish appropriate working relationships with program partners, collaborators, and victims to avoid the appearance of conflicts of interest. Additionally, because

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<sup>2</sup> The Call to Freedom Executive Director stated that it receives the net proceeds for this one product line, and the proceeds from the remaining product lines is retained by the community for-profit entity.

the Call to Freedom's current policies and procedures do not address organizational conflicts of interest, we also recommend that OJP coordinate with the Call to Freedom to develop policies and procedures that ensure decisions related to award funds are free of undisclosed personal or organizational conflicts of interest, both in fact and in appearance.

### **Program Income**

According to the DOJ Grants Financial Guide, program income is gross income earned by a non-federal entity that is directly generated by a supported activity or earned as a result of the federal award during the period of performance and must be used to offset total allowable costs as well as reduce the federal award and non-federal entity contributions.

Also, as noted in the Conflicts of Interest section of the report, the Call to Freedom provided documentation showing it received \$21,918 in the total proceeds as a result of its arrangement with the community for-profit entity from January 2020 through December 2021. We saw no reference in the award documentation or in Grant Award Modification where these kinds of activities were approved by OJP. We believe the funds received as a result of these activities should be considered program income, which should be reported to OJP in the Federal Financial Reports and counted against expenditures in lieu of drawing down funds.

Also, during our review of performance documentation, we noted that the Call to Freedom had accepted \$975 in honorarium donations that potentially were received as a result of award-related efforts, such as when assisting other entities with training. This type of receipt should be applied to drawdowns and other incoming funds from the three awards.

We recommend that OJP evaluate the total program income earned between the 2018, 2019, and 2020 awards to determine if it was received as a result of award-related efforts and appropriately applied to drawdowns. Additionally, we recommend that OJP ensures the Call to Freedom develop policies and procedures to properly account for and use program income in compliance with award terms and conditions.

### **Unapproved Services**

For the 2018 award, the program narrative states that no funds from this project will be used for criminal or expungement matters. Additionally, Special Condition 34 states that award funds may be used only for the purposes in the recipient's approved application. The recipient shall not undertake any work or activities that are not described in the award application, and that use of staff, equipment, or other goods or services paid for with OJP award funds, without prior written approval from OJP. Through our review of performance documentation, we noted that the Call to Freedom provided financial assistance to victims that included payments for a jail bond and an adult interstate compact application fee. Payment for these types of expenses relate to criminal matters for which the Call to Freedom stated would not use award funds to pay. According to Call to Freedom officials, these payments were for the safety of the victims. Specifically, for the adult interstate compact application fee, the Call to Freedom worked with the state's attorneys' office to relocate the victim out of South Dakota, which required the payment of court-related fees. Call to Freedom officials explained that human trafficking victims are often forced into situations to conduct illegal activities by the trafficker. These criminal matters need to be addressed in order to provide protection services to the victims. Further, Call to Freedom officials explained that they did not discuss these payments with OJP

officials, but have updated their policies and procedures regarding expenses related to legal fees. Because expenses related to criminal matters were specifically excluded by the Call to Freedom, these expenses are not within the scope of the award.<sup>3</sup>

We believe that the Call to Freedom needs to improve its compliance with award requirements. Therefore, we recommend that OJP coordinate with the Call to Freedom to establish proper policies and procedures to ensure that award-related activities are within the scope of the award requirements.

## **Compliance with Special Conditions**

Special conditions are the terms and conditions that are included with the awards. We evaluated the special conditions for each award and selected a judgmental sample of the requirements that are significant to performance under the awards and are not addressed in another section of this report.

One of the special conditions in each of the three awards, required the Call to Freedom to have designated officials receive proper training. We reviewed training certificates for three of the four Call to Freedom officials, the remaining one being newly hired. Call to Freedom officials also explained that their newly hired staff members were in the process of completing the training. Based on this review and based on current plans for training, we determined that the Call to Freedom was in compliance with this special condition.

The other special condition in each of the three awards, relates to ensuring that any potential duplication of funding is identified and reported to OJP. During our review we did not note any instances where victims were served under multiple awards. Therefore, we did not note any instances where the Call to Freedom was not in compliance with this special condition.

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<sup>3</sup> Through our limited review of the financial information reported in the progress reports, we identified two transactions totaling \$292 in expenses related criminal matters. Due to immateriality, we did not question these costs.

## Conclusion and Recommendations

We concluded that the Call to Freedom did not maintain adequate documentation related to performance or program activities. Therefore, the Call to Freedom could not demonstrate adequate progress towards achieving the awards' stated goals and objectives. Specifically, the Call to Freedom lacked supporting documentation to demonstrate trainings that were claimed as accomplishments or the development of tools to assist victims. Additionally, we found that the Call to Freedom engaged in relationships with victims and a partner agency that potentially created the appearance of conflicts of interest and provided services to victims that was not outlined in the budget. Lastly, we found that the Call to Freedom did not comply with essential award conditions related program income. This audit did not identify significant concerns regarding the Call to Freedom's adherence to award special conditions related to training and duplication of funding. We provide seven recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Coordinate with the Call to Freedom to establish appropriate policies and procedures that ensures program activities and accomplishments are sufficiently documented and accurately supported.
2. Coordinate with the Call to Freedom to assess whether goals and objectives need to be revised and ensure award goals and objectives are accomplished and supported.
3. Coordinate with the Call to Freedom to establish appropriate working relationships with program partners, collaborators, and victims to avoid the appearance of conflicts of interest.
4. Coordinate with the Call to Freedom to develop policies and procedures that ensure decisions related to award funds are free of undisclosed personal or organizational conflicts of interest, both in fact and in appearance.
5. Evaluate the total program income earned by the Call to Freedom between the 2018, 2019, and 2020 awards to determine if it was received as a result of award related efforts and appropriately applied to drawdowns.
6. Ensure that the Call to Freedom develop policies and procedures to properly account for and use program income in compliance with award terms and conditions.
7. Coordinate with the Call to Freedom to establish proper policies and procedures to ensure that award-related activities are within the scope of the award, within award requirements, and when required properly request approval from OJP.

# **APPENDIX 1: Objective, Scope, and Methodology**

## **Objective**

The objective of this audit was to determine whether the awardee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish this objective, we assessed performance through our review of award accomplishments and progress reports.

## **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 Office of Justice Programs (OJP) awards to the Call to Freedom, Inc. (Call to Freedom) under the Comprehensive Services for All Forms of Human Trafficking, Direct Services to Support Victims of Human Trafficking, and Housing Assistance Grants for Victims of Human Trafficking programs. OJP awarded \$550,000 for Award Number 2018-VT-BX-K054, \$925,000 for Award Number 2019-VT-BX-0100, and \$500,000 for Award Number 2020-VT-BX-0001, and as of February 28, 2022, had drawn down \$1.24 million of the total award funds. Our audit concentrated on, but was not limited to September 29, 2018, the award date for Award Number 2018-VT-BX-K054, through January 2022, the last day of our audit work. As a result of the COVID-19 pandemic response, we performed our audit fieldwork exclusively in a remote manner.

To accomplish our objective, we tested compliance with what we consider to be the most important conditions of the Call to Freedom's activities related to the audited awards. We performed sample-based audit testing for progress reports and program performance. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the awards reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The DOJ Grants Financial Guide 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 and the JustGrants System as well as the Call to Freedom's 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 were verified with documentation from other sources.

## **Internal Controls**

In this audit, we performed testing of internal controls significant within the context of our audit objective. We did not evaluate the internal controls of the Call to Freedom to provide assurance on its internal control structure as a whole. The Call to Freedom's management is responsible for the establishment and maintenance of internal controls in accordance with the DOJ Grants Financial Guide. Because we do not

express an opinion on the Call to Freedom's internal control structure as a whole, we offer this statement solely for the information and use of the Call to Freedom and OJP.<sup>4</sup>

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

Internal Control Components & Principles Significant to the Audit Objectives
<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.

The internal control deficiencies we found are discussed in the Audit Results section of this report. However, because our review was limited to those internal control components and underlying principles that we found significant to the objective of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

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<sup>4</sup> This restriction is not intended to limit the distribution of this report, which is a matter of public record.

## APPENDIX 2: The Call to Freedom Response to the Draft Audit Report<sup>5</sup>



April 19, 2022

Kimberly L. Rice  
Regional Audit Manager  
Denver Regional Audit Office  
Office of the Inspector General  
U.S. Department of Justice  
1120 Lincoln St., Suite 1500  
Denver, CO 80203

Dear Ms. Rice:

I understand the objective of the Department of Justice (DOJ) Office of the Inspector General's (OIG) audit of the Office of Justice Programs (OJP) awards (Award Numbers 2018-VT-BX-K054, 2019-VT-BX-0100, and 2020-VT-BX-0001) made to Call to Freedom, Inc. (Call to Freedom) was to determine whether the awardee demonstrated adequate progress towards achieving program goals and objectives.

This letter is to confirm, *Call to Freedom's* response to the recommendations in the draft audit to the best of our knowledge and belief as of April 19, 2022

- 1. Coordinate with the Call to Freedom to establish appropriate policies and procedures that ensures program activities and accomplishments are sufficiently documented and accurately supported.**

We agree with this finding. After understanding more clearly what is considered valid and auditable documentation, Call to Freedom has trained staff and partners to implement documentation to align more closely with these requirements. Call to Freedom originally wrote up a protocol to update the documentation for internal (staff) and external (MOU partners). *See attachment 1, 2 and 3 documents for the protocols.*

#### **Table 3: Progress Report Testing Results for 2018 Award**

As stated previously, Call to Freedom has continued to update and train their staff and partners to maintain valid and auditable documentation. Call to Freedom staff has been using the Apricot system since December of 2020, which is an electronic system to maintain documentation and data. But since February of 2022, Call to Freedom has retrained staff to write progress notes along with TIMS entries to increase the amount of

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1915 E. 8th Street | Suite 100 | Sioux Falls, SD 57103 | 605-261-1880 | [calltofreedom.org](http://calltofreedom.org)

<sup>5</sup> Attachments referenced within this response are not included in this final report.

supportive documentation. We continue to update the Apricot system to maintain the most accurate documentation and data. *See attachment 1, 2 and 3 document for the protocols.*

**Table 4: Progress Report Testing Results for 2019 Award**

As stated previously, Call to Freedom has continued to update and train their staff and partners to maintain valid and auditable documentation. Call to Freedom staff has been using the Apricot system since December of 2020, which is an electronic system to maintain documentation and data. But since February of 2022, Call to Freedom has retrained staff to write progress notes along with TIMS entries to increase the amount of supportive documentation. We continue to update the Apricot system to maintain the most accurate documentation and data. *See attachment 1, 2 and 3 document for the protocols.*

**Table 5: Progress Report Testing Results for 2020 Award**

As stated previously, Call to Freedom has continue to update and train their staff and partners to maintain valid and auditable documentation. Call to Freedom staff has been using the Apricot system since December of 2020, which is an electronic system to maintain documentation and data. But since February of 2022 Call to Freedom has retrained staff to write progress notes along with TIMS entries to increase the amount of supportive documentation. We continue to update the Apricot system to maintain the most accurate documentation and data. *See attachments 1,2 and 3 documents for the protocols.*

2. **Coordinate with the Call to Freedom to assess whether goals and objectives need to be revised and ensure award goals and objectives are accomplished and supported.**

Call to Freedom staff is in process of updating FY 18, FY 19, and FY 20 objectives and program narrative to stand in compliance with grant guidelines. All three timelines will be sent over to appropriate OJP Grant Managers by Friday, May 6, 2022, for approval of changes. See more detail below for each award, tables referenced are taken from the draft report.

**Table 2: Timeline Activity Accomplished**

**2018 Award:**

Objective 1: No comment required.

Objective 2: As of February 2022, Call to Freedom developed a procedure that indicates the regulations for the required documentation. We implemented this after receiving feedback that what Call to Freedom considered supportive documentation did not

comply with the required supportive documentation requirements. See attached document attachment 1, 2 and

3 for the protocols, same as for comment 1.

Objective 3: We will continue to investigate if this attainable. If not, we will work with our OJP Grant Managers to re-write the objective to maintain compliance.

Objective 4: Due to this not being attainable in South Dakota, as previously explained, Call to Freedom will work with our OJP Grant Managers to re-write the objective to maintain compliance.

**2019 Award:**

Objective 1: Call to Freedom is in process of becoming certified to use a youth identification tool: Commercial Sexual Exploitation- Identification Tool. This tool is sensitive to all cultures. Call to Freedom will work with our OJP Grant Manager to re-write the objective to maintain compliance.

Objective 2: No comment required.

Objective 3: Call to Freedom currently uses a prevention curriculum called *READY TO STAND*. We have reached out to see if it is Native specific. Due to the curriculum being a national prevention training, it is not tailored to any specific culture yet can still be relevant to any culture. Call to Freedom will work with our OJP Grant Manager to re-write the objective to maintain compliance deemed appropriate by the OJP Grant Manager.

Objective 4: As of February 2022, Call to Freedom developed a procedure that indicates the regulations for the required documentation. We implemented this after receiving feedback that what we considered supportive documentation did not comply with the required supportive documentation requirements. *See attached document attachment 3 for the protocol, same as for comment 1.*

**2020 Award:**

Objective 1: No comment required.

Objective 2: As of February 2022, Call to Freedom developed a procedure that indicates the regulations for the required documentation. We implemented this after receiving feedback that what Call to Freedom considered supportive documentation did not comply with the required supportive documentation requirements. *See attached document attachment 1, 2 and 3 for the protocol, same as for comment 1.*

Objective 3: Call to Freedom is currently in process of re-writing this objective due to this not being attainable once starting the grant. Call to Freedom will work with our OJP Grant Manager to re-write the objective to maintain compliance if deemed appropriate by the Grant Manager.

Objective 4: No comment required.

3. **Coordinate with the Call to Freedom to establish appropriate working relationships with program partners, collaborators, and victims to avoid the appearance of conflicts of interest.**

**Figure 1: Relationship between the Call to Freedom and For-Profit Community Partner Entity**

Call to Freedom was not aware that we were not able to employ survivors even when not using grant money. Becoming aware that we are unable to employ survivors, we will no longer employ survivors for work that may cause a conflict of interest.

Call to Freedom has stepped away from the partnership with the For-Profit Community Partner indicated in the report to avoid any potential conflict of interest. We will work with OJP Grant Managers to determine appropriate policies and procedures for this partnership. Timeline to complete this objective would be June 1, 2022.

As mentioned before the for-profit company provides the supervision of their employees- Call to Freedom employees only provided job coaching just like we do with any company/organization that is open to us providing support to the clients that are employed. We cannot control when a company decides on their own to donate to the organization. For-profit companies make the decision to donate to Call to Freedom, just like any other donor chooses too.

4. **Coordinate with the Call to Freedom to develop policies and procedures that ensure decisions related to award funds are free of undisclosed personal or organizational conflicts of interest, both in fact and in appearance.**

Call To Freedom has discontinued employing victims in response to this audit to avoid the appearance of conflicts of interest. Conflict of Interest Statements are included in the established Call to Freedom Grants Management Policies and Procedures that were provided on August 13, 2021, to the OJP in response to the enhanced desk review. 4.2 Standards of Conduct contains the information on Conflict of Interest. We are in the process of updating those policies to have them approved by the Board of Directors at our next board meeting on July 28, 2022.

5. Evaluate the total program income earned by the Call to Freedom between the 2018, 2019, and 2020 awards to determine if it was received as a result of award related efforts and appropriately applied to drawdowns.

Call To Freedom does not have other program income for the federal grants. The accounting system did not have the capability to record indirect costs and in-kind entries. On June 30,2021 Call to Freedom worked with our auditors and accounting system to develop a way to record indirect costs and in-kind. Our reports no longer show program income. Q4 FFR's have been updated and no longer reflect program income in accordance with a response to the enhanced desk review follow-up.

6. Ensure that the Call to Freedom develop policies and procedures to properly account for and use program income in compliance with award terms and conditions.

Call To Freedom does not have other program income for the federal grants outside of what is drawn down from the grant award. The accounting system did not have the capability to record indirect costs and in-kind entries. On June 30,2021 Call to Freedom worked with our auditors and accounting system to develop a way to record indirect costs and in-kind. Our reports no longer show program income. Q4 FFR's have been updated and no longer reflect program income in accordance with a response to the enhanced desk review follow-up.

7. Coordinate with the Call to Freedom to establish proper policies and procedures to ensure that award-related activities are within the scope of the award, within award requirements, and when required properly request approval from OJP.

In accordance with the federal desk audit, Call to Freedom received the appropriate forms and process to request approval for changes to the award. Call to Freedom established Federal Grant Management Policies and Procedures on August 25, 2021, that were approved by the Board of Directors and provided with the enhanced desk review response. 4.9 Prior Approval from Awarding Agency will be expanded to include Approval from the OJP. We are currently in the process of updating those documents to have them approved by the Board of Directors at our next board meeting on July 28, 2022.

Sincerely,



Becky Rasmussen

Executive Director

Call to Freedom, Inc.

# APPENDIX 3: The 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

April 28, 2022

MEMORANDUM TO: Kimberly L. Rice  
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 Awards Made to the Call to Freedom, Inc., Sioux Falls, South Dakota*

This memorandum is in reference to your correspondence, dated March 30, 2022, transmitting the above-referenced draft audit report for the Call to Freedom, Inc. (Call to Freedom). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains seven recommendations and no questioned costs. The following is the 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 OJP's response.

- 1. We recommend that OJP coordinate with the Call to Freedom to establish appropriate policies and procedures that ensures program activities and accomplishments are sufficiently documented and accurately supported.**

OJP agrees with the recommendation. In its response, dated April 19, 2022, Call to Freedom provided a copy of its *State and Federal Documentation and Reporting Protocol (Internal and External)*, which it stated was written to train its staff and partners to maintain valid and auditable documentation. Call to Freedom also stated that, to increase the supporting documentation, staff have been retrained to write progress notes, along with entries in OJP's Office for Victims of Crime's (OVC) Trafficking Information Management System (TMIS). Call to Freedom further stated that, since December 2020, it started using Apricot, an electronic system to maintain documentation and data, and that it continues to update the system to maintain the most accurate documentation and data. We believe the reporting policies and procedures are adequate to address this recommendation. However, Call to Freedom did not provide a signed version of these procedures, or evidence of distribution to staff.

Accordingly, we will coordinate with Call to Freedom to obtain a signed version of its *State and Federal Documentation and Reporting Protocol (Internal and External)*, and documentation of its distribution of these procedures to staff responsible for managing Federal grant funds.

2. **We recommend that OJP coordinate with the Call to Freedom to assess whether goals and objectives need to be revised and ensure award goals and objectives are accomplished and supported.**

OJP agrees with the recommendation. In its response, dated April 19, 2022, Call to Freedom stated that it is in the process of updating the objectives and program narratives to accurately reflect program goals and accomplishments, in compliance with grant guidelines for Award Numbers 2018-VT-BX-K054, 2019-VT-BX-0100, and 2020-VT-BX-0001. Call to Freedom also stated that the updated timelines will be sent to OVC for approval by May 6, 2022.

Accordingly, we will coordinate with Call to Freedom to obtain a copy of the revised award goals, objectives, and program narratives, approved by OVC, for Award Numbers 2018-VT-BX-K054, 2019-VT-BX-0100, and 2020-VT-BX-0001. In addition, we will coordinate with Call to Freedom to ensure that the award goals and objectives are accomplished and supported.

3. **We recommend that OJP coordinate with the Call to Freedom to establish appropriate working relationships with program partners, collaborators, and victims to avoid the appearance of conflicts of interest.**

OJP agrees with the recommendation. In its response, dated April 19, 2022, Call to Freedom stated that it would no longer employ survivors for work, when using Federal grant funds, that may cause a conflict of interest. Call to Freedom also stated that, to avoid any further conflicts of interest, it has stepped away from its partnership with the for-profit community partner, which was referenced in the audit report. Call to Freedom further stated that, by June 1, 2022, it will work with OVC to determine appropriate conflicts of interest policies and procedures required for partnerships under its Federal awards.

Accordingly, we will coordinate with Call to Freedom to obtain a copy of written policies and procedures, developed and implemented, to ensure that appropriate working relationships with program partners, collaborators, and victims are established to avoid the appearance of conflicts of interest.

4. **We recommend that OJP coordinate with the Call to Freedom to develop policies and procedures that ensure decisions related to award funds are free of undisclosed personal or organizational conflicts of interest, both in fact and in appearance.**

OJP agrees with the recommendation. In its response, dated April 19, 2022, Call to Freedom stated that Conflict of Interest Statements were included in its Grants Management Policies and Procedures manual, and were provided to OJP in response to an Enhanced Programmatic Desk Review. Call to Freedom also stated that it is in the process of updating those policies and procedures, and will obtain approval by its Board of Directors at the next board meeting on July 28, 2022.

Accordingly, we will coordinate with Call to Freedom to obtain a copy of its revised policies and procedures, developed and implemented, to ensure that decisions related to Federal award funds are free of undisclosed personal or organizational conflicts of interest, both in fact and in appearance.

5. **We recommend that OJP evaluate the total program income earned by the Call to Freedom between the 2018, 2019, and 2020 awards to determine if it was received as a result of award related efforts and appropriately applied to drawdowns.**

OJP agrees with the recommendation. In its response, dated April 19, 2022, Call to Freedom stated that it did not earn program income for the Federal grants, and that it had worked with its auditors to develop a way to record indirect costs and in-kind entries in its accounting system. Call to Freedom further stated that the Federal Financial Reports (FFRs) for its OJP awards have been updated, and no longer reflect program income.

Accordingly, we will obtain documentation of Call to Freedom's review of program income earned and expended under Award Numbers 2018-VT-BX-K054, 2019-VT-BX-0100, and 2020-VT-BX-0001, to determine if it was received as a result of award-related efforts, and appropriately applied to drawdowns; and will work with Call to Freedom to remedy, as appropriate.

6. **We recommend that OJP ensure that the Call to Freedom develop policies and procedures to properly account for and use program income in compliance with award terms and conditions.**

OJP agrees with the recommendation. As we previously stated, in its response to Recommendation Number 5, dated April 19, 2022, Call to Freedom stated that it did not earn program income for the Federal grants, and that it had worked with its auditors to develop a way to record indirect costs and in-kind entries in its accounting system. Call to Freedom further stated that the FFRs for its OJP awards have been updated and no longer reflect program income. However, Call to Freedom did not state that it would develop and implement appropriate policies and procedures to properly account for and use program income, in compliance with award terms and conditions, in the future.

Accordingly, we will coordinate with Call to Freedom to obtain a copy of written policies and procedures, developed and implemented, to properly account for and use program income in compliance with award terms and conditions.

7. **We recommend that OJP coordinate with the Call to Freedom to establish proper policies and procedures to ensure that award-related activities are within the scope of the award, within award requirements, and when required properly request approval from OJP.**

OJP agrees with the recommendation. In its response, dated April 19, 2022, Call to Freedom stated that it is in the process of updating its Federal Grants Management Policies and Procedures manual, which will include appropriate procedures to ensure that award-related activities are within scope of the Federal award, within award requirements, and when required, properly request prior approval from the awarding agency. Call to Freedom also stated that the updated policies and procedures will be presented to its Board of Directors for approval at the next board meeting on July 28, 2022.

Accordingly, we will coordinate with Call to Freedom to obtain a copy of its revised policies and procedures, developed and implemented, to ensure that award-related activities are within the scope of the award, within award requirements, and when required, properly request prior approval from the Federal awarding agency.

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: 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

Katrina Rose  
Director  
Office for Victims of Crime

Katherine Darke Schmitt  
Acting Principal Deputy Director  
Office for Victims of Crime

James Simonson  
Associate Director for Operations  
Office for Victims of Crime

## **APPENDIX 4: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report**

The OIG provided a draft of this audit report to the Office of Justice Programs (OJP) and the Call to Freedom, Inc. (Call to Freedom). OJP's response is incorporated in Appendix 3 and the Call to Freedom's response is incorporated in Appendix 2 of this final report. In response to our draft audit report, OJP agreed with our recommendations, and as a result, the status of the audit report is resolved. The Call to Freedom agreed with one recommendation, and it did not state whether it agreed with six recommendations. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

### **Recommendation for OJP:**

- 1. Coordinate with the Call to Freedom to establish appropriate policies and procedures that ensures program activities and accomplishments are sufficiently documented and accurately supported.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it believes that the reporting policies and procedures were adequate to address this recommendation, but the Call to Freedom did not provide a signed version of these procedures or evidence of distribution of these procedures to Call to Freedom staff. As a result, this recommendation is resolved.

The Call to Freedom agreed with our finding and stated in its response that they have trained staff and partners to implement documentation to align more closely with grant requirements. However, as OJP noted, there was no evidence provided noting that these procedures had been approved by the Call to Freedom's Board of Directors nor evidence that these procedures had been provided to Call to Freedom staff.

This recommendation can be closed when we receive evidence that the Call to Freedom has established appropriate policies and procedures ensuring that program activities and accomplishments are sufficiently documented and accurately supported as well as evidence that these procedures have been approved by the Call to Freedom's Board of Directors and distributed to Call to Freedom staff.

- 2. Coordinate with the Call to Freedom to assess whether goals and objectives need to be revised and ensure award goals and objectives are accomplished and supported.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Call to Freedom to obtain a copy of the revised goals, objectives and program narratives, approved by the Office for Victims of Crime, for Award Numbers 2018-VT-BX-K054, 2019-VT-BX-0100, and 2020-VT-BX-0001. In addition, OJP stated it will coordinate with the Call to Freedom to ensure that the award goals and objectives are accomplished and supported. As a result, this recommendation is resolved.

The Call to Freedom neither agreed nor disagreed with our recommendation and stated in its response that its staff is in process of updating the objectives for Award Numbers 2018-VT-BX-K054, 2019-VT-BX-0100, and 2020-VT-BX-0001.

This recommendation can be closed when we receive documentation indicating that the Call to Freedom has assessed the awards' goals and objectives and any revisions have been approved by OJP.

**3. Coordinate with the Call to Freedom to establish appropriate working relationships with program partners, collaborators, and victims to avoid the appearance of conflicts of interest.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Call to Freedom to obtain a copy of written policies and procedures, developed and implemented, to ensure that appropriate working relationships with program partners, collaborators, and victims are established to avoid the appearance of conflicts of interest. As a result, this recommendation is resolved.

The Call to Freedom neither agreed nor disagreed with our recommendation and stated in its response that it was not aware that they were not able to employ survivors even when not using grant money and that they would no longer employ survivors for work because it may cause a conflict of interest. The Call to Freedom also explained that it has stepped away from the partnership with the for-profit community partner to avoid any potential conflict of interest and it will work with OJP to determine appropriate policies and procedures related to partnerships.

This recommendation can be closed when we receive documentation indicating that the Call to Freedom has established policies and procedures that support establishing appropriate working relationships with program partners, collaborators, and victims to avoid the appearance of conflicts of interest.

**4. Coordinate with the Call to Freedom to develop policies and procedures that ensure decisions related to award funds are free of undisclosed personal or organizational conflicts of interest, both in fact and in appearance.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Call to Freedom to obtain a copy of revised policies and procedures, developed and implemented, to ensure that decisions related to federal award funds are free of undisclosed personal or organizational conflicts of interest, both in fact and appearance. As a result, this recommendation is resolved.

The Call to Freedom neither agreed nor disagreed with our recommendation and stated in its response that it has discontinued employing victims in response to this audit to avoid the appearance of conflicts of interest. The Call to Freedom also explained that it had already established policies related to conflicts of interest. However, as noted in our report, these policies focused on conflicts of interest at the individual level, but did not address conflicts of interest at the organizational level.

This recommendation can be closed when we receive documentation demonstrating that the Call to Freedom has established policies and procedures addressing conflicts of interest at an organizational level.

- 5. Evaluate the total program income earned by the Call to Freedom between the 2018, 2019, and 2020 awards to determine if it was received as a result of award related efforts and appropriately applied to drawdowns.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will obtain documentation of the Call to Freedom's review of program income earned and expended under Award Numbers 2018-VT-BX-K054, 2019-VT-BX-0100, and 2020-VT-BX-0001, to determine if it was received as a result of award-related efforts, and appropriately applied to drawdowns. OJP also stated that they will work with the Call to Freedom to remedy, as appropriate. As a result, this recommendation is resolved.

The Call to Freedom neither agreed nor disagreed with our recommendation with our recommendation and stated in its response that it did not have other program income for federal grants and its accounting system did not have the capability to record indirect costs and in-kind entries. However, as noted in our report, during our review of progress report information we noted instances of Call to Freedom officials receiving honorarium donations that were potentially received as a result of award-related training efforts and \$21,918 in proceeds received by the Call to Freedom as a result of its arrangement with the for-profit community entity.

This recommendation can be closed when we receive documentation that OJP has evaluated program activities to ensure that instances of income received as a result of a grant performance, similar to the honorarium or funds from partnerships noted in the report are remedied, as appropriate.

- 6. Ensure that the Call to Freedom develop policies and procedures to properly account for and use program income in compliance with award terms and conditions.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Call to Freedom to obtain a copy of written policies and procedures, developed and implemented, to properly account for and use program income in compliance with award terms and conditions. As a result, this recommendation is resolved.

The Call to Freedom neither agreed nor disagreed with our recommendation with our recommendation and stated in its response that it did not have other program income for federal grants and their accounting system did not have the capability to record indirect costs and in-kind entries. However, as noted in our report, during our review of progress report information we noted instances of Call to Freedom officials receiving honorarium donations that were potentially received as a result of award-related training efforts and \$21,918 in proceeds received by the Call to Freedom as a result of its arrangement with the for-profit community entity.

This recommendation can be closed when we receive documentation demonstrating that the Call to Freedom has established policies and procedures to properly account for and use program income in compliance with award terms and conditions.

- 7. Coordinate with the Call to Freedom to establish proper policies and procedures to ensure that award-related activities are within the scope of the award, within award requirements, and when required properly request approval from OJP.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Call to Freedom to obtain a copy of its revised policies and procedures, developed and implemented, to ensure that award-related activities are within the scope of the award, within award requirements, and when required, properly request prior approval from the federal awarding agency. As a result, this recommendation is resolved.

The Call to Freedom neither agreed nor disagreed with our recommendation and stated in its response that it is in the process of updating its policies and procedures as a result of this recommendation.

This recommendation can be closed when we receive documentation demonstrating that the Call to Freedom has established proper policies and procedures to ensure that award-related activities are within the scope of the award, within award requirements, and when required, request approval from OJP.