



Audit of the Office of Justice Programs
Bureau of Justice Assistance
Second Chance Act Grant Awarded to the
Center for Self-Sufficiency, Inc.,
Milwaukee, Wisconsin



AUDIT DIVISION

25-097

SEPTEMBER 2025



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Bureau of Justice Assistance Second Chance Act Grant Awarded to the Center for Self-Sufficiency, Inc., Milwaukee, Wisconsin

Objectives

The U.S. Department of Justice (DOJ) Office of Justice Programs (OJP) awarded the Center for Self-Sufficiency, Inc. (CFSS), in Milwaukee, Wisconsin, one grant totaling \$749,998 under the Bureau of Justice Assistance's (BJA) Second Chance Act Reentry Program solicitation. The objectives of this audit were to determine whether the grantee demonstrated adequate progress towards achieving program goals and objectives; and to determine whether costs claimed under the grant were allowable, supported, and in accordance with certain laws, regulations, guidelines, and terms and conditions of the award.

Results in Brief

CFSS was unable to provide adequate documentation to support the accomplishment of grant goals and whether the costs charged to the grant were allowable and supported. As a result, we questioned as unsupported the total of \$748,998 in reimbursed costs and recommended the remaining \$1,000 in funds not drawn down be put to better use.

Recommendations

Our report contains three recommendations for OJP to remedy the \$749,998 in total dollar-related findings and to apply appropriate measures to confirm the adequacy of CFSS's accounting and internal control systems prior to making future awards. We requested a response to our draft report from CFSS and OJP. OJP's response can be found in Appendix 3. CFSS did not provide a response. Our analysis of OJP's response can be found in Appendix 4.

Audit Results

The purpose of the grant we audited was to provide reentry services and programs to further the DOJ's mission to reduce recidivism and combat violence by facilitating the successful reintegration of individuals returning from incarceration. The grant period of performance was from October 1, 2021, through September 30, 2024, which included a no cost extension approved by BJA to adjust the end date to September 30, 2025. As of August 2025, CFSS drew down \$748,998 for the grant we reviewed.

CFSS Operations and the Unlocking Networks Program

In May 2025, the Office of the Inspector General (OIG) initiated an audit of CFSS to review grant-related performance and financial activities. CFSS did not provide us with the necessary documentation to demonstrate its grant program performance and to support that costs charged to the grant were allowable, supported, and in compliance with grant terms and conditions.

In July 2025, CFSS informed us that its Board of Directors voted to dissolve the organization by September 30, 2025. Because CFSS did not provide evidence supporting its grant activities, grant expenditures, and its compliance with various grant requirements, we questioned the total amount drawn down (\$748,998) as unsupported. We also consider the remaining \$1,000 in remaining grant funds not drawn down as funds to be put to better use.

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) conducted an audit of a \$749,998 grant awarded by the Office of Justice Programs (OJP) Bureau of Justice Assistance (BJA) under the Fiscal Year (FY) 2021 Second Chance Act Community-Based Adult Reentry Program (Program) to the Center for Self-Sufficiency, Inc. (CFSS), in Milwaukee, Wisconsin. According to OJP's JustGrants system, CFSS was awarded Grant Number 15BJA-21-GG-02859-SCAX on December 3, 2021, with a project start date of October 1, 2021, and an end date of September 30, 2024.¹ In April 2025, CFSS made its final drawdown resulting in a total reimbursement of \$748,998 in grant expenditures.

The Second Chance Reauthorization Act of 2018 provides grant funds for the strategic planning and implementation of adult and juvenile offender reentry projects. Under this solicitation, BJA sought applicants to further the DOJ's mission by reducing recidivism and combating violence by implementing or expanding on reentry programs that demonstrated strong partnerships with corrections, parole, probation, and other reentry service providers to develop comprehensive case management plans that directly address criminogenic risks and needs and successfully reintegrated individuals.

The Grantee

CFSS is a nonprofit service delivery organization, which was incorporated in 2005. The organization's mission is to provide a foundation for people to actualize their hope and motivation to access a good life. Through this grant, CFSS proposed to deliver a comprehensive adult reentry program, titled *Unlocking Networks*, to 150 men ages 18 and up in the Milwaukee, Wisconsin, area following their release from correctional facilities.

OIG Audit Approach

The objectives of this audit were to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives and to determine whether costs claimed under the grant were allowable, supported, and in accordance with certain laws, regulations, guidelines, and terms and conditions of the grant. To accomplish these objectives, we assessed program performance and accomplishments and grant financial management. We evaluated compliance with what we considered to be the most important conditions of the grant. We initiated this audit in May 2025. Despite multiple requests, CFSS did not provide us with the necessary performance and financial documentation to demonstrate compliance. In addition, in July 2025, CFSS began the process of dissolution. Given the lack of responsiveness to our previous requests for documentation and after becoming aware of CFSS's possible dissolution, we made formal notification to CFSS to provide us with necessary documentation no later than July 30, 2025. CFSS did not provide any additional information. The Audit Results section of this report details our work with CFSS. Appendix 1 contains additional information on this audit's objectives, scope, and methodology. Appendix 2 contains the dollar-related findings.

¹ BJA granted CFSS a 1-year, no-cost extension for the grant, resulting in an end date of September 30, 2025.

Audit Results

CFSS Operations and the *Unlocking Networks* Program

Program Performance and Accomplishments

To evaluate CFSS's performance related to program goals and objectives and determine whether CFSS demonstrated adequate progress towards achieving the grant's goals and objectives, we reviewed required performance reports, the grant solicitation, the grant award narrative, CFSS's policies and procedures, and its case management system. We also requested but did not receive numerous records and documents to help support the actions taken by CFSS in carrying out the grant, such as the *Unlocking Networks* program's curricula and records of individuals receiving instruction throughout the duration of the grant.

We determined that: (1) CFSS had documented policies and procedures related to performance tracking and reporting, (2) CFSS's mandatory progress reports were submitted to BJA on time, (3) CFSS's reports included key performance metrics in formats that could be used for data-driven analysis in accordance with the grant solicitation's parameters, and (4) CFSS's case management system was capable of maintaining records to support its programmatic accomplishments. Specifically, CFSS's performance reports listed accomplishments, such as the development of policies and serving incarcerated and previously incarcerated persons. However, the CFSS performance reports often indicated various challenges or problems, which were rarely resolved, addressed, or explained.

According to 2 C.F.R. § 200.303, entities receiving federal financial assistance must establish and maintain effective internal controls over the federal award. While CFSS's performance-related policies appeared adequate to enable CFSS to complete the conditions of the solicitation, CFSS did not have effective internal controls in place to ensure it retained program performance supporting documentation. Specifically, CFSS did not provide its agreement with a third-party data analyst or any evaluation of the work performed. In addition, CFSS did not provide supporting documentation for the total number of persons served as reflected in CFSS's performance reports. As a result, we were unable to verify the extent to which CFSS's program was implemented or its efficacy in achieving the grant's stated goals and objectives.

Grant Financial Management

According to the DOJ Grants Financial Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess CFSS's financial management of the audited grant and determine if CFSS's grant expenditures were allowable and supported, we conducted interviews with financial staff, as well as reviewed policy and procedures, CFSS's annual audit reports, and available financial records.

While we determined that a majority of CFSS's policies aligned with important conditions of the laws, regulations, guidelines, and terms and conditions applicable to the award, we found critical issues with CFSS's grant financial management. For instance, CFSS was unable to produce evidence to support grant expenditures as required by 2 C.F.R. § 200.302(b), which states that "the financial management system of each non-Federal entity must provide for the following...accurate, current, and complete disclosure of the financial results of each Federal award...." Although CFSS provided a general ledger, we found that the general ledger represented CFSS's total financial activities without consistently identifying those transactions

that were specific to the award under audit. For most of the timeframe under audit, all of CFSS's financial activity, including activity funded by other sources, was commingled in the ledger. As a result, CFSS did not provide support that its grant expenditures were in line with the approved grant award budget, and we were unable to verify if CFSS's grant drawdowns totaling \$748,998 were appropriate and whether the costs claimed were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant.

Additionally, non-federal entities that receive federal financial assistance are required to comply with the Single Audit Act of 1984, as amended.² Under the Single Audit Act, single audit reports are to be submitted within 9 months of the fiscal year end. We found that CFSS's most recent single audit submission was in April 2024 when it submitted its single audit report for the period that ended on December 31, 2020, which far exceeded the mandated deadline. In addition, as of May 2025, CFSS was still working to complete its single audit reports for its 2021, 2022, and 2023 fiscal years.

Based upon our review of available documentation, we concluded that CFSS did not demonstrate compliance with either 2 C.F.R. § 200 or the Single Audit Act of 1984, as amended, and did not demonstrate adequate grant financial management sufficient to safeguard federal funding. Therefore, we question the total amount drawn down, which was \$748,998, as unsupported, and identify the remaining \$1,000 of the grant award that had not been drawn down as funds to be put to better use. We recommend that OJP remedy the \$748,998 in unsupported costs and put to better use the remaining \$1,000 in grant funds awarded to CFSS. Additionally, due to the concerns stated above, we recommend that OJP apply appropriate measures to confirm the adequacy of CFSS's accounting and internal control systems prior to making future awards to CFSS to ensure federal funds are safeguarded.

² The Single Audit Act requires recipients of federal funding above a certain threshold to receive an annual audit of their financial statements and federal expenditures. The audit is referred to as "single" because it includes all federal financial assistance that the entity has received and expended. Under the Uniform Guidance, such entities that expend \$1,000,000 or more in federal funds within the entity's fiscal year must have a single audit performed annually covering all federal funds expended that year. Prior to October 1, 2024, the threshold for single audit requirements was \$750,000.

Conclusion and Recommendations

Because CFSS did not provide adequate documentation to support its program performance and grant expenditures, we found that CFSS could not demonstrate compliance with certain grant requirements represented in BJA's solicitation and that its costs claimed were allowable, supported, and in accordance with laws, regulations, and guidelines. As a result, we questioned the entire amount of grant funds drawn down as unsupported and believe the remaining unspent grant funds should be put to better use. Further, OJP should ensure appropriate controls are in place prior to making any future awards to CFSS. We provide three recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Remedy the \$748,998 in unsupported costs.
2. Put to better use the remaining \$1,000 in grant funds awarded to CFSS.
3. Apply appropriate measures to confirm the adequacy of CFSS's accounting and internal control systems prior to making future awards to CFSS to ensure federal funds are safeguarded.

APPENDIX 1: Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives and to determine whether costs claimed under the grant were allowable, supported, and in accordance with certain laws, regulations, guidelines, and terms and conditions of the grant. To accomplish these objectives, we sought to assess program performance and accomplishments and 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 objectives. However, despite multiple requests for performance and financial documentation, CFSS did not provide us with the requested information. Moreover, on July 2, 2025, the President of the Center for Self-Sufficiency, Inc. (CFSS), alerted the audit team that CFSS was running out of funds, was furloughing its entire staff, and was considering the dissolution of the entity. Because of previous delays in receiving requested documentation and the uncertainty of CFSS's operations, we issued a warning letter on July 10, 2025, requiring all remaining supporting documentation be provided for the audit by July 30, 2025. In response to this letter, the CFSS President provided a written response stating that she would continue to work on providing documentation as her time allowed. Subsequently, the Board of Directors voted to dissolve CFSS by September 30, 2025, and allowed the CFSS President to work limited hours until the dissolution process was complete. We did not receive any further documentation from CFSS. As such, we were unable to obtain all necessary evidence to conduct detailed testing of performance statistics or grant expenditures.

This was an audit of the Bureau of Justice Assistance's (BJA) grant awarded to CFSS under the Second Chance Act Reentry Program, and as of August 2025, CFSS had drawn down \$748,998 of the total grant funds awarded. Our audit concentrated on, but was not limited to, the period of October 2021 through August 2025.

To accomplish our objectives, we spoke with CFSS personnel, physically observed CFSS's case management and accounting system on site, and reviewed CFSS's policies and procedures. We also tested, to the extent possible, compliance with what we consider to be the most important conditions of CFSS's activities related to the audited grant. The DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from the DOJ JustGrants system and CFSS's accounting system. We did not test the reliability of those systems as a whole and were unable to perform testing of performance statistics and grant expenditures to verify the reliability of the reported information.

We discussed our audit results with CFSS officials throughout the audit. We also provided CFSS and OJP officials with a draft of our report and allowed those officials an opportunity to respond.

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 CFSS to provide assurance on its internal control structure as a whole. CFSS management is responsible for the establishment and maintenance of internal controls in accordance with OMB Circular A-123. Because we do not express an opinion on the CFSS's internal control structure as a whole and because CFSS has begun the dissolution process, we offer this statement solely for the information and use of OJP.³

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 objectives of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

³ 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> | <u>Grant No.</u> | <u>Amount</u> | <u>Page</u> |
|---|------------------------|-------------------------|-------------|
| Questioned Costs:⁴ | | | |
| Unsupported Drawdowns | 15BJA-21-GG-02859-SCAX | <u>\$748,998</u> | 3 |
| Total Unsupported Costs | | <u>\$748,998</u> | |
| Funds to be Put to Better Use:⁵ | | | |
| Remaining Grant Funds Not Drawn Down | 15BJA-21-GG-02859-SCAX | <u>\$1,000</u> | 3 |
| Total Funds to be Put to Better Use | | <u>\$1,000</u> | |
| TOTAL DOLLAR-RELATED FINDINGS | | <u>\$749,998</u> | |

⁴ **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.

⁵ **Funds to be Put to Better Use** are future funds that could be used more efficiently if management took actions to implement and complete audit recommendations.

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

Washington, D.C. 20531

September 19, 2025

MEMORANDUM TO: Todd A. Anderson
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General

FROM: Iyauta I. Green  Digitally signed by Iyauta Iyeesha Green
Date: 2025.09.19 13:22:36 -04'00'
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Bureau of Justice Assistance Second Chance Act Grant Awarded to the Center for Self-Sufficiency, Inc., Milwaukee, Wisconsin*

This memorandum is in reference to your correspondence, dated September 5, 2025, transmitting the above-referenced draft audit report for the Center for Self-Sufficiency, Inc. (CFSS). We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **three** recommendations and **\$749,998** in 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 remedy the \$748,998 in unsupported costs.

OJP agrees with the recommendation. Accordingly, we will review the \$748,998 in unsupported questioned costs that were charged to the Fiscal Year 2021 Second Chance Act Comprehensive Community-Based Adult Reentry Program Grant Number 15PBJA-21-GG-02859-SCAX, and will work with CFSS to remedy the costs, as appropriate.

2. We recommend that OJP put to better use the remaining \$1,000 in grant funds awarded to CFSS.

OJP agrees with the recommendation. Accordingly, we will review the remaining \$1,000 in funds that were awarded under the Fiscal Year 2021 Second Chance Act Comprehensive Community-Based Adult Reentry Program Grant Number 15PBJA-21-GG-02859-SCAX, and will deobligate the remaining funds, as appropriate.

3. **We recommend that OJP apply appropriate measures to confirm the adequacy of CFSS's accounting and internal control systems prior to making future awards to CFSS to ensure federal funds are safeguarded.**

OJP agrees with the recommendation. Accordingly, we will coordinate with CFSS to obtain a copy of its written policies and procedures, developed and implemented, to confirm adequate accounting and internal control systems prior to making future awards to CFSS, to ensure federal funds are safeguarded.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact me on (202) 820-6807.

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Control Number OCOM001681

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

The U.S. Department of Justice Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and the Center for Self-Sufficiency, Inc. (CFSS). OJP's response is incorporated in Appendix 3 of this final report. CFSS did not provide a response. OJP agreed with our recommendations; and as a result, the status of the audit report is resolved. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP:

1. Remedy the \$748,998 in unsupported costs.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$748,998 in unsupported questioned costs that were charged to the grant and will work with CFSS to remedy the costs, as appropriate.

This recommendation can be closed when we receive evidence that OJP has remedied the \$748,998 in unsupported costs.

2. Put to better use the remaining \$1,000 in grant funds awarded to CFSS.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the remaining \$1,000 in funds that were awarded under the grant and will deobligate the remaining funds, as appropriate.

This recommendation can be closed when we receive evidence that OJP has put to better use the remaining \$1,000 in grant funds awarded to CFSS.

3. Apply appropriate measures to confirm the adequacy of CFSS's accounting and internal control systems prior to making future awards to CFSS to ensure federal funds are safeguarded.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with CFSS to obtain a copy of its written policies and procedures, developed and implemented, to confirm adequate accounting and internal control systems prior to making future awards to CFSS to ensure federal funds are safeguarded.

This recommendation can be closed when we receive evidence that OJP has applied appropriate measures to confirm the adequacy of CFSS's accounting and internal control systems prior to making future awards to CFSS to ensure federal funds are safeguarded.