



Audit of the National Institute of Justice
Artificial Intelligence Research and Development
to Support Community Supervision Services
Cooperative Agreement Awarded to Purdue University,
West Lafayette, Indiana



AUDIT DIVISION

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Redactions were made to the full version of the report for privacy reasons. The redactions are contained in Appendix 3, the grantee's response.



EXECUTIVE SUMMARY

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Objectives

The Office of Justice Programs (OJP), National Institute of Justice (NIJ) awarded Purdue University (Purdue), a cooperative agreement for a technology research and development project totaling \$1,999,778. The objective of this audit was to determine if Purdue and its subrecipients met selected terms and conditions of the NIJ cooperative agreement and achieved programmatic goals and objectives.

Results in Brief

We found that neither NIJ nor Purdue implemented effective procedures or controls to ensure adequate and appropriate cooperative agreement administration and oversight. As a result, Purdue expended \$1,908,515, or 95 percent of the cooperative agreement funding, but did not fully complete award activities and accomplish the project goals due to non-compliance with NIJ requirements for human research subjects. Further, during the award, 8 of 35 research participants—criminal justice offenders on parole—absconded from parole, but neither Purdue nor NIJ were aware of all these incidents, and neither accounted for certain risks associated with providing federally purchased smartphones and smartwatches to individuals involved in the criminal justice system.

Recommendations

Our report contains 11 recommendations. Purdue and OJP provided responses to our draft audit report which can be found in Appendices 3 and 4, respectively. Our analysis of those responses can be found in Appendix 5.

Audit Results

The objective of the NIJ award was to develop an Artificial Intelligence (AI) intervention system to support offenders' reentry into their communities and reduce recidivism. The intended framework for the AI intervention system included providing parolees with smartphones and smartwatches that

would identify and reward positive activities; alert the users and research program specialists of risky behaviors; and provide researchers with data for further analysis. The information obtained through these devices could be used to inform the officer of the best approach for supervising the individual and provide services to the parolee. To achieve this objective, Purdue established three goals that involved developing, deploying, and testing the AI intervention system. The project period was January 2020 through December 2023.

Program Performance and Compliance

We found that Purdue developed an AI intervention system but was unable to fully deploy and analyze the efficacy and utility of the system and fulfill the intent of the award. In addition, Purdue and its subrecipients did not comply with certain NIJ requirements surrounding the use of human subjects. While NIJ identified non-compliance concerns and issued two stop-work orders, NIJ did not effectively execute its responsibility for substantial involvement in award activity to ensure project success, as specified in the award conditions. In addition, the research protocols developed by Purdue and one of its subrecipients—and approved by NIJ—did not adequately address numerous risks associated with providing DOJ-funded smartphones and smartwatches to individuals in the criminal justice system. During the award, Purdue and NIJ were also unaware that parolees who were research participants absconded from correctional supervision, and their federally purchased devices were not recovered, raising safety and security concerns.

Subrecipient Monitoring and Award Expenditures

We found that Purdue's oversight of its subrecipients was insufficient to ensure adherence to internal and external requirements and procedures, as well as restrictions put in place during NIJ's stop-work orders. We also identified \$86,036 in net questioned costs associated with disallowed work and unused supplies, which we believe NIJ should have been aware of during its oversight of the award. Finally, OJP should put to better use \$91,263 in unused funding.

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Introduction

In Fiscal Year (FY) 2019, the Office of Justice Programs (OJP) National Institute of Justice (NIJ) solicited proposals for innovative, investigator-initiated technology research and development projects that apply advances in Artificial Intelligence (AI) to promote the successful reentry of offenders under community supervision. In September 2019, NIJ awarded Purdue University (Purdue) in West Lafayette, Indiana, a cooperative agreement totaling \$1,999,778 under NIJ's AI Research and Development to Support Community Supervision program, as shown in Table 1. The goals of the cooperative agreement were to: (1) develop a novel AI-based system to support offender reentry; (2) deploy that system with a local correctional center; and (3) analyze the use and impact of the system and revise the system based on that analysis.¹ The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of this cooperative agreement awarded to Purdue.

Table 1

Audited Cooperative Agreement Awarded to Purdue

Award Number	Program Office	Award Date	Project Period Start Date	Project Period End Date	Award Amount
2019-75-CX-K001	NIJ	09/12/2019	01/01/2020	12/31/2023	\$1,999,778

Source: DOJ's JustGrants System

For this award, NIJ elected to enter into a cooperative agreement rather than a grant based on its ongoing responsibility to assist and coordinate projects that deal with research and technology development. A cooperative agreement is a type of project under which “substantial involvement” between the federal awarding agency and the recipient during project performance is considered necessary or desirable to achieve successful project implementation.² According to NIJ, cooperative agreements enable NIJ to take full advantage of the expertise of NIJ scientists and support innovative research. Guidance on NIJ's website states that:

For cooperative agreements, substantial involvement is expected between NIJ and the award recipient. The grantee is required to work with the assigned NIJ grant manager, who is NIJ's authorized representative responsible for ensuring the successful management of the

¹ Offenders in Purdue's study were individuals serving criminal sentences under correctional supervision in the community; we refer to them as parolees throughout the report.

² 31 U.S.C. § 6305 states that each executive agency shall use a cooperative agreement as the legal instrument reflecting a relationship between the federal government and a state or local government or other recipient whenever— (1) the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the state or local government or other recipient to accomplish a public purpose of support or stimulation authorized by federal statute, rather than acquisition by purchase, lease, or barter of property or services for the direct benefit or use of the federal government; and (2) substantial involvement is expected between the executive agency and the state or local government or other recipient when carrying out the activity contemplated in the agreement. Cooperative agreements must also adhere to requirements in 2 C.F.R. § 200, which outlines implementation and expenditure requirements for federal financial assistance.

award. Additionally, an NIJ scientist will be assigned to work collaboratively with the awardee's investigators on substantive issues related to the award—providing assistance, guidance, coordination, and participation in project activities to ensure its success.³

NIJ's online guidance for awardees recognizes that substantial involvement is a "relative rather than an absolute concept," and states that the extent of NIJ's involvement "depends on the circumstances." However, the guidance also says, "Generally stated, under cooperative agreement awards, responsibility for the day-to-day conduct of the funded project rests with the recipient in implementing the funded and approved proposal and budget, and the award terms and conditions. Responsibility for oversight and redirection of the project, if necessary, rests with NIJ." Further, the award special conditions stipulate that NIJ: (1) will provide input and redirection to the program as needed, (2) will actively monitor the project, and (3) has responsibility for general oversight.

The Awardee

The NIJ cooperative agreement project involved a researcher-practitioner partnership between Purdue University (Purdue) and the Tippecanoe County Community Corrections (TCCC) in central Indiana.⁴ Purdue was founded in 1869 and has enrollment of over 102,000 students studying across its global programs. Faculty in Purdue's Polytechnic Institute were responsible for overseeing the award. To accomplish the goals of this award, Purdue subawarded funds to the following three entities to manage specific aspects of the project; Table 2 provides a summary of these subawarded funds.

1. Florida State University (FSU): Purdue subawarded \$683,312 to FSU, located in Tallahassee, Florida, to assist in the development of an AI system for smartphones and smartwatches that would be used by parolees to help prevent or reduce recidivism. Purdue also tasked FSU with overseeing the areas of the research project that involved human subjects, which included managing the deployment of the AI software application and smartphones and smartwatches with parolees at the TCCC and analyzing the use and impact of the tool. FSU faculty were responsible for executing these tasks.
2. University of Alabama – Huntsville (UAH): Purdue subawarded \$550,000 to UAH, located in Huntsville, Alabama, to assist with developing visualization, and the data analytics and intelligence system within the AI-system. UAH faculty were responsible for executing these tasks.
3. Justice System Partners (JSP): JSP, located in Salem, Oregon, is a non-profit organization that partners with community organizations by combining research, technical assistance, and evidence-informed strategies on various justice-related topics, such as recidivism, automated court reminder systems, and community supervision. In December 2022, Purdue partnered with JSP when a faculty member from FSU who oversaw the human subject aspects of the project went on a leave of absence and

³ NIJ, "[Comparing Grants and Cooperative Agreements](https://nij.ojp.gov/funding/comparing-grants-and-cooperative-agreements)," June 11, 2014, <https://nij.ojp.gov/funding/comparing-grants-and-cooperative-agreements> (accessed November 13, 2025).

⁴ The TCCC provides community-based alternatives to incarceration for felony offenders referred by circuit, juvenile, superior, and county courts. The TCCC was identified by Purdue as a consultant on the award and TCCC provided the researchers access to parolees for research recruitment. The TCCC was not a subrecipient and did not participate in the development of the application or the planned parolee research.

joined JSP. As a result, Purdue reallocated \$69,662 from FSU’s subaward to JSP to sustain ongoing work associated with managing the deployment of the AI software application and smartphones and smartwatches with TCCC parolees, as well as analyzing the use and impact of the tool.

Table 2

Subawards by Purdue

Subaward Number	Subgrantee	Original Subaward Date	Final Subaward Amount ^a	Subaward Amount Spent	Remaining Balance ^b
19200263-012	FSU	04/09/2020	\$683,312	\$682,775	\$538
19200263-013	UAH	05/08/2020	\$550,000	\$548,926	\$1,074
19200263-027	JSP	12/02/2022	\$69,662	\$66,767	\$2,895
Totals			\$1,302,974	\$1,298,468	\$4,507

^a During the cooperative agreement period, FSU had two amendments and UAH had one amendment that altered their subaward totals. The figures in this table represent the final total amounts that were awarded to subrecipients.

^b Differences in the amounts in the remaining balance column are due to rounding.

Source: Purdue subaward documentation

OIG Audit Approach

In August 2023, the NIJ award manager notified the OIG of certain concerns regarding this award. As a result, we initiated an audit of this cooperative agreement with the objective of determining if Purdue and its subrecipients met selected terms and conditions of the NIJ cooperative agreement and achieved programmatic goals and objectives. To accomplish this objective, we assessed program performance, subrecipient monitoring, and cooperative agreement expenditures; and we tested compliance with what we considered to be the most important conditions of the cooperative agreement. Our work included interviews with NIJ, Purdue, and subrecipient personnel, as well as reviews of policies and procedures, financial records, and other supporting documents. The DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); and the award documents contain the primary criteria we applied during the audit.⁵

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. Appendix 2 contains the Schedule of Dollar-Related Findings.

⁵ The DOJ Grants Financial Guide applies to grants and cooperative agreements.







Audit Results




Program Performance and Compliance with NIJ Requirements

The primary objective of NIJ’s cooperative agreement with Purdue was the development and implementation of an AI intervention system that could be used by officers, offenders, and practitioners to support offenders in their reentry into their communities by offering services that have been shown to reduce recidivism and, in turn, reduce officers’ workload. According to Purdue, the goal of the AI intervention system was to provide officers with early warning information on risky parolee activity in addition to supporting offenders with means and mechanisms to reduce these activities. The framework that Purdue intended for the AI intervention system included providing parolees with smartphones and smartwatches that would identify and reward positive activities, such as exercise; alert the users and research program specialists of risky behaviors, such as substance abuse or proximity to risky locations; and provide researchers with data for further analysis. According to the project narrative, the information obtained through these devices could be used to identify specific risks and needs of each parolee, which would not only inform the officer of the best approach for supervising the individual but would also provide opportunities to deploy AI-based intervention services to the parolee to help them solve problems and reduce stress. To achieve the primary cooperative agreement objective and assess the effectiveness of this project, Purdue developed three primary goals and identified project milestones related to the development, deployment, and analysis of results; these goals and associated milestones were all reviewed and approved by NIJ. Purdue also identified that once it finalized its research, it would disseminate the AI intervention system findings. These goals, including their status, are depicted in the following table.

Table 3

Status of Planned Award Goals

Purdue Research Activity Goals	Year 1 2020	Year 2 2021	Year 3 2022	Year 4 2023
1. Design and develop the AI system (Purdue, FSU, UAH)				
2. Deploy system at TCCC and collect parolee data (Purdue, FSU, JSP)				
3. Analyze data related to intervention and outcomes (Purdue, FSU, JSP)				
4. Finalize project and disseminate findings (Purdue, FSU, UAH)				

 Completed	 Partially completed	 Not initiated
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Source: OIG analysis of NIJ award documentation and Purdue award activities

Purdue's Award Execution and NIJ's Oversight

As depicted in Table 3, Purdue only fully accomplished the first goal of the project, which entailed designing and developing the AI intervention system. During the audit, Purdue provided us a demonstration of the AI intervention system, which included the functionality of digital dashboards that were established to track parolee data, such as location, task completion, and schedules.⁶ We also confirmed that Purdue and its subrecipients presented the AI intervention system at multiple conferences, made the AI system available on Purdue's research repository website, and drafted manuscripts to submit to additional conferences and academic journals related to the development of the AI intervention system.

While Purdue was able to develop an AI intervention system, it was unable to fully deploy the system to the intended number of parolees or test the system's functionality to understand how the parolees used the system, which reduced the utility and efficacy of the cooperative agreement's purpose to evaluate whether the AI intervention system could reduce recidivism. As the prime recipient, Purdue was responsible for overseeing the project and the pursuit of the goals of the award. Moreover, given that this was a cooperative agreement, NIJ was expected to be a substantially involved and vested partner in the research effort by coordinating with Purdue to ensure successful project implementation. As discussed below, we found that neither Purdue nor NIJ implemented effective procedures or controls to ensure adequate, appropriate cooperative agreement administration and oversight.

Federal regulations require that projects using federal funds for research involving human subjects are reviewed and approved by an Institutional Review Board (IRB) prior to the expenditure of federal funds for that research.⁷ In conjunction with these regulations, NIJ also requires that NIJ's Human Subjects Protection Officer (HSPO) review and approve IRB documentation—as well as a properly executed Privacy Certificate—prior to an awardee obligating, expending, or drawing down federal funds for research activities involving human subjects.⁸ For this cooperative agreement, Purdue relied almost entirely on its subrecipients, FSU and JSP, to ensure compliance with terms and conditions related to human subject research while deploying and evaluating the AI intervention system. However, the project was not compliant with certain requirements surrounding the use of human subjects, which resulted in the issuance of the following two stop-work orders from NIJ that delayed the project and eventually caused Purdue to abandon the human subject portion of the award.

⁶ In assessing this objective, the OIG only verified that an AI-based application was completed. We did not assess the effectiveness of the application itself.

⁷ 28 C.F.R. Part 46 requires that research conducted or supported by a federal agency that involves human subjects must be approved by IRBs, which are groups that review ethical and safety considerations for research involving human subjects.

⁸ 28 C.F.R. Part 22 requires NIJ research applicants to submit a Privacy Certificate describing the research project and assuring the agency that individual data collected is protected and limited, participants are informed that their data is only for research or statistical purposes, and adequate precautions will be taken to ensure data security.

AUGUST 2022 STOP-WORK ORDER

In June 2022, Purdue, in coordination with FSU, obtained IRB approval for its research project with an original design that included 250 randomly selected study participants (125 in a control group and 125 in an intervention/test group) who would participate in the research over a 2 to 7-month period. However, when the AI intervention system was ready for deployment in July 2022, FSU initiated contact with TCCC parolees to begin the recruitment process but had not obtained the required approval from the NIJ HSPO. This placed Purdue in non-compliance with the award's special conditions. The NIJ award manager discovered this deficiency in August 2022 when they reviewed Purdue's progress report; the grant manager then issued a stop-work order. In January 2023, NIJ lifted the stop-work order after the NIJ's HSPO approved a corrective action plan submitted by FSU.

AUGUST 2023 STOP-WORK ORDER

Following resolution of the initial stop-work order, recruitment efforts at the TCCC resumed, but the study had unanticipated lower intake numbers. As a result, in March 2023, Purdue expanded the eligibility requirements for parolees and submitted the update to the FSU IRB for approval, which Purdue communicated to OJP in its subsequent July 2023 progress report. According to NIJ, the eligibility expansion included day-reporting parolees from TCCC, a population of offenders who were specifically excluded in the project protocols that were previously approved by NIJ and the IRB. Purdue did not submit this update to the NIJ award manager for review and approval prior to submission to the IRB, which was required per NIJ guidance. In addition, the NIJ award manager found certain subrecipient-related discrepancies conveyed through the July 2023 progress report. As a result, NIJ issued a second stop-work order and offered Purdue the option of correcting the deficiencies through coordination with and approval from NIJ and reporting the adverse event to the IRB for review and corrective action. However, in recognition of very limited remaining funding and very limited time remaining on the award, the NIJ award manager also provided Purdue the option of discontinuing the project and finalizing the results that excluded any human subjects research associated with the deficiencies. In September 2023, Purdue elected to abandon the human subjects portion of the project and not utilize any data collected from the 61 of the 250 planned participants (35 who received treatment and 26 who were in the control group) enrolled in the study.

According to Purdue's response to the NIJ award manager regarding the August 2023 stop-work order, Purdue and FSU believed that the eligibility expansion to include day-reporting parolees—offenders who are on release but do not have to wear a location monitoring device—was a minor change. However, as cited in the DOJ Financial Guide, any change to the scope of a project necessitates that an awardee submit a Grant Award Modification (GAM) for approval. Moreover, according to the NIJ award manager, changing the approved criteria for participant inclusion/exclusion in the research study constituted a change in scope and required a GAM, as well as NIJ HSPO review and approval of the IRB modification. Therefore, Purdue had a responsibility to inform NIJ of its intent to expand the eligibility requirements prior to doing so, regardless of whether they believed it was a minor change. In addition, despite NIJ's direction that no work related to human subjects was allowed during the stop-work orders, Purdue did not ensure that its subrecipients adhered to these provisions, as we found that one subrecipient, JSP, who was to work specifically on human subject work, charged time during the second stop-work order.

Moreover, although the NIJ award manager identified and took action related to significant circumstances impacting the study, this identification was reliant on the reactive process of reviewing the awardee's routine progress reports every 6 months. According to the award manager, for cooperative agreements NIJ has suggested that award managers attend monthly meetings with the awardees, but there is no formal requirement for this control. As such, the award manager was unaware if monthly meetings occurred because they opted not to participate in any meetings because they believed that obtaining and reviewing

written progress reports was the best method to provide oversight. Indeed, through their review of the progress reports, the NIJ award manager issued the aforementioned stop-work orders and also referred the award to OJP's Office of the Chief Financial Officer (OCFO) for further review.⁹ In addition, as previously mentioned, in August 2023 the NIJ award manager notified the OIG of certain concerns regarding this cooperative agreement.

To assist with its oversight responsibilities, NIJ also assigns an NIJ scientist to its cooperative agreements to work collaboratively with the awardee's investigators on substantive issues related to the award — providing assistance, guidance, and coordination in project activities to help ensure success. We found that the assigned NIJ scientist's involvement on the audited award to Purdue occurred primarily during the planning phase of the project and minimally throughout the implementation of the project. According to both the NIJ award manager and scientist assigned to the Purdue award, NIJ had not developed or implemented any policies, procedures, or guidelines on how to fulfill the substantial involvement requirement for cooperative agreements, aside from suggesting that award managers and scientists could attend monthly meetings with awardees. These officials stated that they generally do not employ additional techniques or take further action when overseeing cooperative agreements rather than grants. Given NIJ's oversight and redirection responsibilities for the cooperative agreement memorialized in the award special conditions and the significant challenges that Purdue experienced, NIJ should have intervened and redirected the project earlier to prevent the non-compliance that occurred and to help ensure more productive outcomes for the \$1.9 million that Purdue expended. By not employing additional oversight mechanisms for the Purdue award, to include participation in monthly meetings with Purdue, NIJ missed the opportunity to assist the researchers with recruitment difficulties, help prevent the non-compliance issues, and fulfill NIJ's redirection responsibilities. As a result, we recommend that OJP evaluate NIJ's process for overseeing cooperative agreements, including the outcomes and lessons learned from this award, and develop and implement formalized guidance or a framework for NIJ award managers and scientists to follow for meeting its responsibility to have substantial involvement in cooperative agreements.

In addition, in September 2023, the then NIJ Director voiced concern in internal NIJ correspondence that NIJ invested a considerable amount of funding towards the project, yet the project was unable to report on important experiences and perceptions of the research participants. The NIJ award manager also expressed similar concerns and stated these concerns contributed to the decision to refer the award for additional oversight and review. In turn, NIJ science staff involved with the award co-authored an article stating that the project focused on the development of the technology rather than an evaluation of the application's effectiveness in improving the successful integration of clients into the community, and asserting that NIJ's investment in this technology potentially represents a major step forward in corrections. One of these staff members believed that the deployment and evaluation of the usefulness of the AI intervention system were ancillary goals that could be conducted in the future. However, this assessment does not account for the NIJ-approved project plan and outcomes that justified the approximately \$2 million award.

According to the award terms, Purdue was supposed to submit to NIJ a final report that included detailed information about how award funds were used for each purpose area. The final report that Purdue

⁹ In September 2023, OJP's OCFO conducted an enhanced financial monitoring review of awards to Purdue. In November 2023, OCFO issued Purdue a report that included five recommendations to address identified concerns with reimbursed costs, training, and subrecipient monitoring associated with the cooperative agreement we audited. Purdue responded to the recommendations, and OCFO closed the report in March 2025.

submitted did not contain this information. When we spoke with NIJ officials about the requirement for and expected content of this report, they told us that this is a standard special condition included in all NIJ awards, but NIJ does not require its award recipients to provide the funding breakdown information because NIJ generally relies instead on information provided in the Federal Financial Reports and Progress Reports to evaluate accomplishments achieved with award funding.

Given that Purdue and its subrecipients expended 95 percent of the award without completing the project and fully achieving the goals, we are concerned that NIJ has not ensured that the totality of costs claimed for this award were ordinary and necessary for the proper and efficient performance of the award, as specified in 2 C.F.R. 200, the Uniform Grant Guidance.¹⁰ Moreover, because NIJ did not require Purdue to submit within the final report the detailed information about how award funds were used for each purpose area, we could not evaluate and determine the reasonableness of Purdue spending 95 percent of the agreement funds without fully completing all the goals. Therefore, we recommend that OJP: request Purdue to provide a breakdown of how funds were used for each performance area, as specified in the award special condition, including those funds expended on the human subjects work that was terminated; and following the submission of that report, assess the reasonability of the \$1.9 million spent by Purdue and its subrecipients on the goals that were not completed. We also recommend that OJP evaluate NIJ's implementation of the special condition requirement to ensure that awardees provide appropriately detailed information about how award funds were used by purpose area to allow NIJ to monitor award accomplishments and assess the reasonability of how funds were used to support award outcomes. In addition, as indicated above and in Recommendation 1 below, OJP should incorporate the outcomes and lessons learned from this assessment to help address our recommendation about developing and implementing formalized guidance or a framework for substantial involvement in cooperative agreements.

Further, although the award period of the cooperative agreement we audited has ended, Purdue has other awards with OJP and Purdue is responsible for having proper internal controls to sufficiently manage those awards. Therefore, we recommend that OJP ensure Purdue develops and implements appropriate internal controls to submit GAMs, as required, and verify compliance with award requirements that are assigned to and executed by subrecipients.

Addressing Risks in Participant Parolee Use of Smartphones and Watches

According to the award documentation, parolees involved in the project research would receive a smartphone and smartwatch, generally costing about \$400 for each set of devices, and an associated paid service plan, in order to use the AI intervention system and participate in the study. While studying the benefits of using these devices and technology to support criminal justice services was part of the research project, providing these devices to individuals who are involved in the criminal justice system also comes with challenges and risks associated with misuse of the devices and privacy concerns. The protocols that Purdue and FSU developed and NIJ approved for the human subject participants excluded parolees categorized as sex offenders because they are not allowed to have smart devices per TCCC policy, but the protocols did not place limitations on the functionality of the devices, such as restricting which applications could be added, and did not specifically address managing the potential misuse of the smartphones and smartwatches by non-sex offender parolees. Instead, Purdue guidance and the protocols addressed provisions to monitor data to ensure the safety of subjects (parolees) that required research investigators of

¹⁰ 2 C.F.R. § 200.404.

the study to regularly review any adverse events and to inform the appropriate institutional review board committees of any adverse events and/or any unanticipated problems involving risks to subjects. However, we found that these protocols were not followed appropriately by Purdue and FSU.

Specifically, based on information provided by the TCCC, between March 2023 and August 2023, 8 of the 35 parolees who were recruited to participate in the study and were provided with cooperative agreement-funded smart phones and smart watches absconded from supervised release with the funded equipment. Further, we found that proper notification to all vested parties did not always occur and, as a result, the incidents were not reviewed and the devices were not recovered. Although documentation provided by the TCCC indicated that these incidents were reported to an FSU staff member, FSU officials we interviewed stated that they were only informed about one of the individuals who absconded.¹¹ Similarly, Purdue officials told us that they were only aware of one individual who had absconded and discontinued service to that individual's devices immediately. We also confirmed that NIJ was not alerted to any of the absconsions.

We believe that parolees absconding from TCCC supervision with federally funded smartphones and smartwatches is an adverse event because of the risk associated with parolees using the device to aid in absconding, the impact such an event would likely have on the study, and the loss of the federally funded smartphones and smartwatches that were never recovered. NIJ's HSPO agreed that absconsions would be considered adverse events. However, the FSU Principal Investigator and an FSU IRB official stated that no adverse events were reported to the IRB and that there was only a prior discussion about the one reported individual who absconded. The FSU IRB official told us that according to IRB protocols, absconsions were not required to be reported. We believe this explanation conflicts with the federal requirement for institutions engaged in research to have procedures for ensuring prompt reporting to the IRB, the appropriate institutional officials, and the department or agency head of any unanticipated problems involving risks to subjects or others or any serious or continuing noncompliance with requirements.¹² Further, this does not align with a stated requirement in the study protocols that the principal investigator and the IRB will review all adverse events and that participant withdrawals must be tracked and reported to the IRB.

Given the nature of this award, we believe it was FSU's responsibility to inform Purdue of these adverse events to ensure that necessary protocols were followed and that these events were evaluated for safety and other significant risks. Further, as the prime recipient, Purdue had a responsibility to coordinate with FSU more effectively to ensure that it was aware of potential adverse events, especially when federally purchased smartphones and smartwatches were involved, and to report the incidents to NIJ. In fact, NIJ's HSPO told us that they were concerned that the unreported loss of the smartphones and smartwatches was in violation of the NIJ Privacy Certificate.

Similar to our conclusions with NIJ's oversight related to the incomplete accomplishments of the cooperative agreement, we believe that NIJ's failure to effectively execute its responsibility to ensure that it was substantially involved in the project diminished its awareness of research activities and adverse events, including the project modifications and absconsions. When we asked an NIJ official for guidance on the type

¹¹ These FSU officials also told us that the FSU staff who worked with the TCCC may have been aware of each of the absconsions, but that individual had separated from FSU.

¹² 28 C.F.R. § 46.103.

of events that should be reported to NIJ, we were told that awardees are required to report any problems or challenges with their project in the semi-annual progress reports.

Our concern is that situations such as parolee absconsions and the associated loss of federally funded smartphones and smartwatches—as well as significant challenges affecting the research project design that occurred under this project—represent immediate risks, and such risks necessitate NIJ’s proactive oversight and involvement. In addition, NIJ officials told us that research associated with using technology in the criminal justice system will likely continue in future awards. Given the concerns associated with the oversight and protocols developed for this project, we believe that NIJ needs to more effectively address and develop controls to mitigate the myriad risks and challenges of providing DOJ-funded technology to individuals in the criminal justice system, especially if any of the research pertains to individuals who are incarcerated and the technology can be surreptitiously introduced to a secure facility or if the technology can be used to aid criminal activity.¹³ For that reason, we recommend that OJP develop and distribute policies and procedures that incorporate controls to identify, report, and mitigate risks and challenges associated with DOJ-funded research that includes providing technology to offenders at various stages of the criminal justice process.

Performance Reports

According to the DOJ Grants Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation or award. We found that Purdue submitted eight performance reports to NIJ. These reports provided information associated with the development of the AI intervention system, as well as metrics related to parolee recruitment and initial deployment efforts.

We verified that the reported information associated with the development of the AI system was supported by research products issued by Purdue and its subrecipients, as well as our observation of a demonstration of the system’s functions and utility. However, when we attempted to verify the information related to the recruitment of and deployment to human subjects and participant completion status contained in the two most recent reports, Purdue officials sent us the same tables used in its performance reports and could not provide documentation to support the metrics. These officials stated that they believed a JSP staff member should have maintained this information because the JSP staff member established a shared drive for documentation associated with the award, but Purdue lost access to the drive when a staffing change occurred at JSP. FSU and JSP officials told us that they did not retain any documentation to support the information in the performance reports.

As the prime recipient, Purdue should have either maintained all documentation or ensured that its subrecipients maintained the documentation to support the information that was presented to NIJ in its performance reports. As mentioned previously, although the award period of the cooperative agreement we audited has ended, Purdue has other awards with OJP. As a result, we recommend that OJP ensure

¹³ The OIG has conducted reviews related to risks of contraband, including cell phones, in federal correctional facilities. U.S. Department of Justice (DOJ) Office of the Inspector General (OIG), [Review of the Federal Bureau of Prisons' Contraband Interdiction Efforts](#), Evaluation and Inspections Report 16-05 (June 2016), oig.justice.gov/reports/review-federal-bureau-prisons-contraband-interdiction-efforts; and [Audit of the Department of Justice's Efforts to Protect Federal Bureau of Prisons Facilities Against Threats Posed by Unmanned Aircraft Systems](#), Audit Report 20-104 (September 2020), oig.justice.gov/reports/audit-department-justices-efforts-protect-federal-bureau-prisons-facilities-against-threats.

Purdue develops and implements policies and procedures related to requirements to maintain documentation in support of performance achievements and metrics contained in federal award performance reporting.

Subrecipient Monitoring and Cooperative Agreement Expenditures

According to the DOJ Grants Financial Guide, the purpose of subrecipient monitoring is to ensure that subrecipients: (1) use federal funds for authorized purposes; (2) comply with the federal program and the requirements, laws, and regulations of the cooperative agreement; and (3) achieve subaward performance goals. Given Purdue's reliance on three subrecipients (FSU, UAH, and JSP) to help execute this award, Purdue was responsible for implementing adequate subrecipient monitoring procedures. In addition, Purdue and its subrecipients were required to establish and maintain financial records to accurately account for the federal funds awarded to them, as stated by the DOJ Grants Financial Guide. We found deficiencies with Purdue's execution of subrecipient monitoring procedures and certain areas of non-compliance associated with financial requirements, which are described below.

Subrecipient Monitoring

At the time of the award, Purdue had formal guidelines for subrecipient monitoring that detailed roles and responsibilities, risk assessment protocols, pre- and post-award procedures, and documentation requirements. Although these guidelines provided direction for financial oversight, we found that Purdue officials did not fully execute these guidelines on the audited cooperative agreement. In addition, we found deficiencies in Purdue's non-financial subrecipient monitoring, and as discussed below, we concluded that Purdue needs to develop and implement stronger controls and guidance for overseeing subrecipients.

According to Purdue's guidelines, Principal Investigators (PI) are responsible for appropriately monitoring each subrecipient's performance and costs. However, we found that the PI did not provide sufficient oversight of the subrecipients. For example, the PI did not ensure that the subrecipients complied with certain federal requirements related to studies involving human subjects and did not ensure that the subrecipients achieved subaward performance goals. As such, Purdue was not able to fully deploy the smartphones and smartwatches at the TCCC to the intended number of parolees or test the system's functionality to understand how the parolees used the system, and therefore, was not able to study the effectiveness of the tool at promoting successful reentry of offenders, which were two of the award's goals. According to Purdue officials, an official from FSU, who later moved to JSP, was responsible for overseeing the human subject activities, and Purdue had minimal direct contact with this individual after the issuance of the second stop-work order and did not obtain documentation related to this individual's work. We believe that Purdue's over-reliance on its subrecipients to complete this work without oversight was ineffective, and by taking a more active oversight role earlier in the project, Purdue might have avoided the stop-work orders issued by NIJ.

In addition, we found that Purdue did not follow its procedures for monitoring subrecipients that are deemed high risk. Specifically, during the award, Purdue conducted a risk assessment on each of its subrecipients and determined that JSP was high risk because Purdue had never worked with JSP. Based on this high-risk designation, Purdue's procedures required detailed accounting and support of JSP's expenses to be submitted with each invoice. During the award period, JSP submitted 8 invoices totaling \$66,767, which included expenses outside of JSP's approved budget categories and were not always accompanied with full

supporting documentation, as required. Nevertheless, Purdue paid these expenses, which is indicative of insufficient monitoring.

We also found that Purdue allowed an organization that was not affiliated with the award to present project timelines, outcomes, and procedures pertaining to this project at an NIJ conference in May 2023. While this organization was approved by FSU's IRB to conduct research related to the award, the organization did not have a subrecipient agreement or contract with Purdue. In August 2023, when NIJ issued Purdue the second stop-work order, NIJ noted concerns with this organization's involvement in the award because it was not an approved subrecipient. Although Purdue confirmed that it did not reimburse this organization with any award funds, an entity that did not go through Purdue's vetting process or obtain NIJ approval should not have been allowed to represent the federally funded project. Moreover, according to the NIJ HSPO, NIJ was concerned that if this unapproved organization had access to cooperative agreement-related data, including participants' personally identifiable information, it would be an adverse event that should have been reported to NIJ. We could not confirm the level of access this organization had during the award period because the participant data was not maintained following the second stop-work order.

We believe that Purdue needs to have stronger subrecipient monitoring policies and procedures to ensure proper oversight of subrecipient funding, program performance and information, and compliance with federal requirements. Although the award period is over, Purdue has other awards with OJP. Therefore, based on our finding in connection with this award that Purdue's subrecipient monitoring was insufficient, we recommend that for Purdue's other awards, OJP ensure Purdue develops and implements comprehensive policies and procedures to ensure appropriate subrecipient oversight, including defined PI roles and responsibilities.

Cooperative Agreement Expenditures

Purdue's approved budget for the award included personnel, fringe benefits, sub-awards, travel, equipment, supplies, other, and indirect costs totaling \$1,999,778. As of February 2026, Purdue had drawn down \$1,908,515, or 95 percent of awarded funds. To determine whether costs charged to the award were allowable and supported, we tested a judgmental sample of 30 transactions totaling \$732,332, which included a review of the associated accounting records and supporting documentation. In picking our sample, we used a risk-based approach that included selecting subrecipient expenditures specifically around the time of the stop-work orders previously discussed in this report. Based on this testing, we identified multiple issues, which are discussed in the subsequent paragraphs.

When NIJ issued the two stop-work orders, they identified work conducted during August 2022 through December 2022 and from March 2023 through August 2023 as unallowable due to the non-compliance issues. During these periods, NIJ specifically directed Purdue that no work was to be done associated with the human subjects aspect of the project and work conducted during those times should not be charged to the award. However, we found that JSP submitted six invoices totaling \$49,398 for work occurring during these periods, and Purdue reimbursed JSP the full amount requested. Based upon documentation provided, the \$49,398 included costs for an individual who managed human subject data, an individual who supervised the field-based team, and a contractor who worked directly with the parolees in the study, all of which indicate work associated with human subject aspects of the project. Although Purdue officials told us that the \$49,398 billed was not associated with human subject work, they only provided a statement of work from the subrecipient agreement to support their position. Therefore, we consider the \$49,398 to be

unallowable due to the stop-work orders. As a result, we recommend that OJP remedy the \$49,398 in unallowable questioned costs related to conducting human subject work during periods where such work was not allowed.

In addition, we found that JSP charged its subaward for travel, consultant, and supply costs that were not approved categories in JSP's agreement with Purdue. Although JSP had flagged these expenses as not being in the original approved budget and, thus, submitted a budget revision prior to Purdue's approval of the relevant invoices, Purdue reimbursed JSP for these costs despite never having approved the requested budget revision. Because these expenses were not authorized costs according to the agreement, we consider the \$12,454 charged to the award—as well as \$1,246 in associated indirect costs—to be unallowable. Therefore, we recommend that OJP remedy the \$13,700 in unallowable questioned costs related to unapproved subrecipient budget categories.¹⁴

According to the DOJ Grants Financial Guide, as well as the Uniform Grant Guidance, funding recipients must compensate the grant-making component for its share of residual inventory of unused supplies if the residual inventory of unused supplies exceeds \$5,000 upon completion of the funding and the supplies are not needed for any other federally sponsored program or project. Purdue used some of the audited NIJ cooperative agreement funds to purchase smartwatches and smartphones. Because Purdue did not recruit the intended number of participants, Purdue had excess inventory of 128 smartwatches and 52 smartphones, which, according to Purdue, were purchased for \$33,667. As of February 2026, Purdue still had the excess inventory and had not consulted with NIJ about what to do with the remaining smartwatches and smartphones. We recommend that OJP remedy the \$33,667 in unallowable questioned costs associated with the excess inventory.

As mentioned previously, cooperative agreements require substantial involvement by NIJ to ensure that awardees are executing research projects appropriately. We are concerned that the financial management issues we identified pertaining to the \$49,398 in questioned costs related to funds expended during stop-work orders and \$33,667 in questioned costs related to excess inventory were not identified by NIJ during its oversight of the award. Therefore, as previously mentioned, we recommend that OJP evaluate NIJ's process for overseeing cooperative agreements, including the outcomes and lessons learned from this award, and develop and implement formalized guidance or a framework for NIJ award managers and scientists to follow for meeting its responsibility to have substantial involvement in cooperative agreements.

As of February 2026, we found that the award had a remaining balance of \$91,263. Because the award period ended December 31, 2023, and Purdue informed us that it has no more award-related expenditures to claim for reimbursement, we identified the \$91,263 as funds to be put to better use. Therefore, we recommend that OJP remedy \$91,263 in funds to be put to better use.

¹⁴ Of the \$13,700 in unallowable costs, \$10,729 was also part of the \$49,398 we questioned related to JSP being reimbursed for human subject work during periods where such work was not allowed. Appendix 2 takes into consideration these duplicate questioned costs.

Conclusion and Recommendations

We found that neither Purdue nor NIJ implemented effective procedures or controls to ensure adequate, appropriate cooperative agreement administration and oversight. As a result, Purdue expended \$1,908,515, or 95 percent, of the cooperative agreement funding but did not fully accomplish the project goals due to non-compliance with NIJ requirements for human research subjects and other award deficiencies. NIJ did not employ additional oversight mechanisms for the Purdue award, as was expected for this cooperative agreement and specified in the award conditions. In particular, NIJ did not provide the substantial involvement necessary to ensure project success, such as assisting the researchers with recruitment difficulties, helping prevent the non-compliance issues, and fulfilling its responsibilities to redirect federally funded projects experiencing challenges in execution. We also found that project participants—criminal justice offenders on parole—absconded from parole with federally purchased smartphones and smartwatches, but neither Purdue nor NIJ were aware of all these incidents, in part because of inadequate guidance and procedures for identifying and reporting adverse events that require proper handling. In addition, we identified lack of support for Purdue’s performance reports; \$86,036 in net questioned costs associated with unallowable work related to human subjects, subrecipient spending, and supply purchases; and \$91,263 in funds to better use. We provide 11 recommendations to OJP to address these deficiencies.

We recommend that OJP:

1. Evaluate NIJ’s process for overseeing cooperative agreements, including the outcomes and lessons learned from this award, and develop and implement formalized guidance or a framework for NIJ award managers and scientists to follow for meeting its responsibility to have substantial involvement in cooperative agreements.
2. Request Purdue to provide a breakdown of how funds were used for each performance area, as specified in the award special condition, including those funds expended on the human subjects work that was terminated; and, following the submission of that report, assess the reasonability of the \$1.9 million spent by Purdue and its subrecipients on the goals that were not completed.
3. Evaluate NIJ’s implementation of the special condition requirement to ensure that awardees provide appropriately detailed information about how award funds were used by purpose area to allow NIJ to monitor award accomplishments and assess the reasonability of how funds were used to support award outcomes.
4. Develop and distribute policies and procedures that incorporate controls to identify, report, and mitigate risks and challenges associated with DOJ-funded research that includes providing technology to offenders at various stages of the criminal justice process.
5. Ensure Purdue develops and implements appropriate internal controls to submit Grant Award Modifications, as required, and verify compliance with award requirements that are assigned to and executed by subrecipients.

6. Ensure Purdue develops and implements policies and procedures related to requirements to maintain documentation in support of performance achievements and metrics contained in federal award performance reporting.
7. Ensure Purdue develops and implements comprehensive policies and procedures to ensure appropriate subrecipient oversight, including defined Principal Investigators roles and responsibilities.
8. Remedy the \$49,398 in unallowable questioned costs related to conducting human subject work during periods where such work was not allowed.
9. Remedy the \$13,700 in unallowable questioned costs related to unapproved subrecipient budget categories.
10. Remedy the \$33,667 in unallowable questioned costs associated with the excess inventory.
11. Remedy \$91,263 in funds to be put to better use.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to determine if Purdue University (Purdue) and its subrecipients met selected terms and conditions of the Office of Justice Programs (OJP) National Institute of Justice (NIJ) cooperative agreement and achieved programmatic goals and objectives. To accomplish the objective, we assessed program performance, subrecipient monitoring, and financial management.

Scope and Methodology

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

This was an audit of NIJ award number 2019-75-CX-K001 awarded to Purdue under the Artificial Intelligence (AI) Research and Development to Support Community Supervision program. As of February 2026, Purdue had drawn down \$1,908,515 of the total \$1,999,778 cooperative agreement funds awarded. Our audit concentrated on, but was not limited to, the period of January 2020 through December 2023. 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.

To accomplish our objective, we tested compliance with what we considered to be the most important conditions of the cooperative agreement. Our work included interviews with NIJ, Purdue, and subrecipient personnel, as well as reviews of policies and procedures, financial records, and other supporting documents. We performed sample-based audit testing for cooperative agreement expenditures. In this effort, we employed a judgmental sampling design to obtain exposure to numerous facets of the cooperative agreement reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected.

During our audit, we obtained information from the Department of Justice's (DOJ) JustGrants system, as well as Purdue'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.

We discussed our audit results with Purdue and NIJ officials throughout the audit and at formal exit conferences.

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 Purdue to provide assurance on its internal control structure as

a whole. Purdue's management is responsible for the establishment and maintenance of internal controls in accordance with the DOJ Grants Financial Guide; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; and OJP's Application Guidelines. Because we do not express an opinion on Purdue's internal control structure as a whole, we offer this statement solely for the information and use of Purdue and OJP.¹⁵

In planning and performing our audit, we identified internal control components and underlying internal control principles as significant to the audit objective. Our review of internal controls covered Purdue's established policies and procedures pertaining to aspects of program performance, subrecipient monitoring, and financial management. Specifically, we examined internal controls related to direct and subrecipient expenditure approval and operational controls. We also examined Purdue's written policies and procedures and assessed compliance with these, as well as compliance with federally required internal controls. 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.

¹⁵ 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

Description	Amount	Page
Questioned Costs:¹⁶		
Unallowable JSP Human Subject Subrecipient Work	\$49,398	12
Unbudgeted JSP Subrecipient Expenditures	\$13,700	13
Unused Supplies	<u>\$33,667</u>	13
Unallowable Costs	\$96,765	
<i>Gross Questioned Costs</i>		
	\$96,765	
Less Duplicate Questioned Costs ¹⁷	<u>(\$10,729)</u>	
Net Questioned Costs	\$86,036	
Funds to be Put to Better Use:¹⁸		
Unspent Cooperative Agreement Funds	<u>\$91,263</u>	13
Total Funds to be Put to Better Use	\$91,263	
TOTAL DOLLAR-RELATED FINDINGS	<u>\$177,299</u>	

¹⁶ **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.

¹⁷ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amount, which includes \$10,729 in travel and contractor expenditures that were not approved budget categories and were also incurred during periods of time where no work was to be done associated with the human subjects aspect of the project.

¹⁸ **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: Purdue University Response to the Draft Audit Report



SPONSORED PROGRAM SERVICES

March 20, 2026

Todd A. Anderson
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
500 West Madison Street, Suite 1121
Chicago, IL 60661

Dear Mr. Anderson,

We have received the updated draft audit report (dated February 26, 2026) on the Audit of the National Institute of Justice Artificial Intelligence Research and Development to Support Community Supervision Services Grant Awarded to Purdue University, West Lafayette, Indiana. We have reviewed the updated report, and Purdue's response is provided below.

This response is organized to address (1) the Audit Results section and (2) the Conclusions and Recommendations section, items 5–11. Recommendations 1–4 are directed to the Office of Justice Programs (OJP); accordingly, Purdue is not providing a response to recommendations 1–4. A certified copy of the Management Representation Letter is attached. Purdue's responses are highlighted in gold font.

Response to Audit Results

Audit Result: Purdue's Award Execution and NIJ's Oversight — Purdue Response

(Page 4 – Paragraph 1)

Executive Summary

Purdue successfully developed and piloted a fully operational technology solution in accordance with the approved project design and NIJ requirements, completing all technical milestones and delivering a functional system within the TCCC environment. Consistent with NIJ direction, Purdue executed an orderly and compliant closeout, including required data security, final reporting, and archival activities, and made all materials available to TCCC for potential post-study adoption.

Purdue University acted in accordance with NIJ award guidance and all applicable requirements throughout the period under review. The audit observations largely reflect NIJ-directed project design and implementation constraints and the application of NIJ processes and guidance. Purdue remains confident that its internal controls are sound, well-documented, and consistently applied.

Purdue Response to OIG Finding

Purdue respectfully disagrees with this finding. Purdue worked at the direction of NIJ throughout award performance, submitted required reports, and implemented the project consistent with NIJ's guidance and direction as the system was deployed, implemented, and operationally tested within Tippecanoe County Community Corrections (TCCC) under NIJ-imposed constraints that limited the number of parolees who could be enrolled, while still allowing the project to evaluate system functionality and feasibility as approved.

Deployment Scope and Project Design

The funded proposal anticipated a substantial emphasis on technology development, with the first 24 months of the 48-month project dedicated to system design and build activities (Appendix A - Refer to the previously provided

appendix document. Available upon request.), and the approved budget allocating at least 50 percent of project resources to development efforts (Appendix C - Refer to the previously provided appendix document. Available upon request.). Consistent with this plan, early project milestones focused on building the AI-SMS system by multidisciplinary teams across Purdue, Florida State University (FSU), and the University of Alabama Huntsville (UAH). Purdue successfully completed all technical milestones, delivering a fully operational and highly functional technology that was seamlessly piloted within the TCCC environment.

NIJ-Mandated Deployment Constraints During the Research Phase

Changes to the deployment deliverable were mandated by the NIJ Research Ethics and NIJ Human Subjects Offices. Purdue was not permitted to deploy the technology on TCCC systems or allow access to the system dashboard by non-research personnel during the research phase. Accordingly, the technology was deployed and piloted on a dedicated research laptop located within TCCC, consistent with NIJ and IRB requirements, and justice-involved individuals were managed by a member of the research team who was also a fully trained case manager. This modified deployment approach was documented in the IRB protocol approved by the NIJ Human Subjects Officer (Appendix A - Refer to the previously provided appendix document. Available upon request.).

Stop-Work Order and Privacy Certificate Context

During the research phase, the project was engaged in data collection to evaluate system feasibility when NIJ issued a stop-work order. This matter reflected differing interpretations regarding whether an approved modification to inclusion criteria required a revised Federal Privacy Certificate. The FSU IRB characterized the modification as minor and, consistent with DOJ/NIJ policies, determined that it did not affect the security or privacy of human subject information or the project's established privacy and security controls. Purdue sought clarification regarding the applicability of the Federal Privacy Certificate requirements; however, no guidance was provided indicating how the inclusion-criteria modification triggered the need for a revised certificate (Appendix B - Refer to the previously provided appendix document. Available upon request.).

Technology Completion, Closeout, and Exit Plan

At the conclusion of the study, Purdue made all software, manuals, and technical specifications available to TCCC for potential post-study operational adoption and offered implementation support; however, TCCC indicated that it lacked the equipment and resources to independently deploy the technology following the research phase. Purdue followed NIJ's authorized exit plan, and when a subsequent stop-work order was issued due to scope and subaward considerations, NIJ provided Purdue the option to discontinue the human subjects component and focus on finalizing the technological deliverables. Purdue formally selected this option (Option 2) and completed all required closeout activities in accordance with NIJ direction.

Audit Result: Addressing Risks in Participant Parolee Use of Smartphones and Watches — Purdue Response (Pages 8–10)

Purdue respectfully disagrees with this finding. Purdue coordinated closely with NIJ and operated under NIJ- and IRB-approved protocols, submitting required progress reports and implementing device controls consistent with NIJ guidance. as it does not fully reflect the device security controls implemented or the research protocols approved by NIJ and the Institutional Review Boards (IRBs). These controls were designed to prevent data spillage and mitigate privacy risks associated with the use of smartphones and smartwatches by study participants.

Prior to distribution, each smartphone was configured with a secure management profile that restricted device functionality, allowed Purdue to remotely install or remove the study application, and enabled full remote data wiping if the device was connected to the internet. Any attempt to remove the profile triggered an automatic factory reset, deleting all data on the device. Study data were stored exclusively on a Purdue-owned secure server and were not retained on participant devices.

Purdue acted promptly upon notification of the single absconson incident of which it was aware by immediately discontinuing service to the associated devices and remotely wiping all study data. Following the conclusion of the

project, Purdue also blocked access to the server hosting study data, ensuring that no application data remained accessible. As a result, even if a device was lost, stolen, or sold, no personal or study-related information could be accessed.

The study operated under an IRB reliance agreement in which Florida State University (FSU) served as the primary IRB of record. The FSU Principal Investigator and IRB determined that absconsions were an anticipated risk that had been discussed with TCCC and were not reportable as unanticipated adverse events under the approved protocol. Based on this determination, no adverse event report was submitted to the IRB, and Purdue did not submit a separate report to its own IRB or to NIJ.

The OIG audit team was provided information regarding the security and privacy controls implemented for the devices and technology during audit interviews. In addition, the NIJ- and IRB-approved research protocol explicitly allowed participants to retain the smartphones and smartwatches at the conclusion of study participation. Accordingly, the loss of devices associated with participants who absconded was an anticipated risk of the study design and was not an unexpected or unallowable cost.

Audit Result: Performance Reports — Purdue Response (Pages 8–9)

Purdue respectfully disagrees with this finding. Purdue worked with the guidance of NIJ during award performance, submitted required progress reports, and prepared performance reporting consistent with sponsor guidance (including direction regarding the appropriate level of detail and protection of personally identifiable information), as the performance reports contained appropriate support at the time they were submitted. Purdue submitted eight progress reports; however, the human subject's component of the project did not commence until the January 1–June 30, 2023 reporting period. Accordingly, the June 2023 report was the first to include detailed information on deployment, recruitment, and participant completion.

Consistent with the approved IRB protocol, which was also approved by the NIJ Human Subjects Officer, all human subject data were maintained by the Florida State University Principal Investigator (FSU PI) in FSU's secure REDCap infrastructure. These data were fully available at the time the June 2023 progress report was submitted. NIJ did not request supporting documentation for participant metrics at any point during the grant period, and Purdue was instructed by NIJ not to include personally identifiable information for justice-involved individuals in its performance reports.

When it was determined that Purdue would not continue human subjects data collection, and in accordance with the IRB protocol and the approved Federal Privacy Certificate (Appendix D - Refer to the previously provided appendix document. Available upon request.), the FSU PI deleted the human subject data in fall 2023. The final progress report submitted on December 31, 2023, contained the same aggregate information previously reported, and again, no request for supporting documentation was made by NIJ.

The IRB protocol accepted by NIJ prohibited Purdue from accessing human subject-level data, and FSU maintained sole custody of this information. As a result, when the OIG requested supporting documentation after the end of the grant, the data were no longer available, having been deleted in accordance with IRB and NIJ-approved privacy and security requirements.

Subrecipient Monitoring and Cooperative Agreement Expenditures

Purdue Response to Subrecipient Monitoring

Purdue University disagrees with the finding that its internal controls for subrecipient monitoring are inadequate. Purdue maintains documented and robust subrecipient monitoring controls developed using Federal Demonstration Partnership (FDP) templates and implemented in compliance with 2 CFR 200.

Purdue is committed to continuous improvement in subrecipient monitoring practices. In support of this commitment, Purdue conducted an internal compliance review to assess and strengthen subrecipient oversight processes, including agreement management, defined roles and responsibilities, mitigation strategies for higher-risk subrecipients, and subrecipient invoice review and approval procedures. This internal compliance review was conducted in phases between

June 2024 and January 2026. In addition, Purdue's Internal Audit Office is conducting a subrecipient monitoring audit during 2025–2026 to further evaluate controls, confirm compliance with federal requirements, and identify opportunities for enhancement.

Purdue has established documented subrecipient monitoring guides and procedures. As noted by the OIG, two issues were identified with the high-risk subrecipient Justice Systems Partners (JSP): (1) missing receipts for certain consulting expenditures and (2) expenditures charged outside of approved budget categories. Due to JSP's high-risk designation, Purdue required JSP to submit invoices with detailed supporting documentation. Of the eight JSP invoices reviewed by the OIG, four lacked receipts for consulting expenses, although supporting documentation was provided for travel and other supply costs.

Purdue acknowledges that JSP incurred certain expenditures outside of approved budget categories. Upon identifying this issue, Purdue's Post Award staff promptly consulted with the Senior Grants Management Specialist in NIJ's Office of Grants Management. NIJ advised that a Grant Adjustment Notice was not required because the change involved a sub-budget and that approval responsibility rested with Purdue, noting that approval should have been obtained prior to the expenditures. JSP subsequently provided justification for the expenses, which were approved by the Purdue Principal Investigator. All subsequent invoices followed standard subrecipient invoice review procedures. Purdue determined that \$5,582.94 in direct costs and \$558.29 in F&A (totaling \$6,141.23) were incurred prior to approval and authorized these costs consistent with NIJ guidance.

(Subrecipient Presentation: Page 12 – Paragraph 2)

In connection with the OIG's observations regarding JSP activities and conference participation, Purdue provides the following clarification regarding the Principal Investigator's employment status and IRB coverage. Purdue University acknowledges that the Principal Investigator (PI) from Justice Systems Partners (JSP) was transitioning to [REDACTED], effective July 1, 2023, as documented in Appendix E (Refer to the previously provided appendix document. Available upon request). As confirmed by a letter from JSP, [REDACTED] remained employed by JSP through July 1, 2023. During this transition period, she maintained a courtesy appointment at Florida State University (FSU) and therefore remained covered under FSU's IRB protocols. At the time of the conference presentation referenced in the audit, [REDACTED] was still employed by JSP, and there was no indication that she was representing [REDACTED] in any other capacity.

[REDACTED] subsequently established a formal IRB reliance agreement with the FSU IRB. In addition, Purdue's business office submitted the required documentation to add [REDACTED] as a new subcontract in April 2023, well in advance of the issuance of the second stop-work order.

The previously outstanding financial monitoring recommendation has been cleared and closed by the Department of Justice Office of the Chief Financial Officer (OCFO) following Purdue's submission of additional invoices, general ledgers, and supporting documentation.

Subrecipient Monitoring Summary

In summary, Purdue University maintains that its internal controls for subrecipient monitoring are robust and compliant with federal regulations. Purdue is committed to continuous improvement and has conducted an internal compliance review to further strengthen these controls. This internal compliance review was conducted in phases between June 2024 and January 2026. In addition, Purdue's Internal Audit Office is conducting a subrecipient monitoring audit during 2025–2026 to evaluate controls, confirm compliance, and identify opportunities for enhancement.

Purdue Response to Cooperative Agreement Expenditures

(JSP Expenditures: Page 13 – Paragraph 2)

Purdue disagrees that the JSP invoices submitted during the stop-work periods included costs associated with human subjects activities. As documented in the approved subrecipient agreement, the JSP Principal Investigator (PI) had multiple authorized responsibilities that were unrelated to human subjects research, including project coordination, technical consultation, and administrative support functions. The costs charged by JSP during the relevant periods corresponded to these non-human-subjects activities, which were allowable under the scope of the subaward.

JSP has confirmed that it did not charge or pay any personnel or contractor costs for human subjects work during the life

of the project. Purdue's review of the invoices and supporting documentation determined that the expenditures in question were attributable to permitted activities that continued outside the human subject's component of the study, consistent with the approved subrecipient agreement.

Justice Systems Partners (JSP)

<p>AI Enabled Community Supervision for Criminal Justice Services</p> <p>Co-PI: [REDACTED]</p> <hr/> <p>SCOPE OF WORK</p> <p>[REDACTED], PhD</p> <p>Dr. [REDACTED] will serve as a co-principal investigator for the study. Dr. [REDACTED] will be in charge of the requirements for the AI-SMS (the intervention) working with the AI-SMS team. This requires determining the needs of all the major players using the AI-SMS. Working with Dr. [REDACTED] and others on the IM-SMS team, she will help in the design of the system from a functional point of view. Dr. [REDACTED] will also be in charge of the IDA effort which will first focus on designing the Deployment of the intervention. Next the actual deployment will take place and Dr. [REDACTED] will work with Dr. [REDACTED] to ensure that deployment activities are done as needed and adjustments are made as required. She will also work to ensure that the data needed for subsequent assessment are done properly. Dr. [REDACTED] will direct the assessment effort. Additionally, she will be in charge of designing and assessing the role of the practitioners during deployment and overseeing human subjects activities.</p> <p>The team members will have regular meetings with the other members of the project team to continuously monitor and adapt to requirements and needs as the project progresses</p>
--

Response to Conclusions and Recommendations (Items 5–11)

Purdue Response to Recommendations 5–11 (Recommendations 1–4 are directed to OJP)

5. Ensure Purdue develops and implements appropriate internal controls to submit Grant Award Modifications, as required, and verify compliance with award requirements that are assigned to and executed by subrecipients.

Purdue University respectfully disagrees that appropriate internal controls are lacking. Purdue has established, documented processes to ensure timely submission of Grant Award Modifications. These controls are publicly documented on the SPS website, including the [Prior Approval Website](#), [Prior Approval Activity Guidance](#), [detailed instructions for requesting external approvals](#), and the required [external prior approval request template](#), which together define institutional responsibilities and oversight expectations for PIs and central administration. Purdue applies these controls consistently to cooperative agreements and will continue to reinforce compliance through training, monitoring, and continuous improvement.

6. Ensure Purdue develops and implements policies and procedures related to requirements to maintain documentation in support of performance achievements and metrics contained in federal award performance reporting.

Purdue University respectfully disagrees that additional institutional policies and procedures are needed. Purdue maintains documentation supporting performance achievements and metrics in accordance with award terms, 2 CFR 200 record retention requirements, and established University practices.

Purdue researchers are required to complete the Responsible Conduct of Research (RCR) training as specifically described in our [Standard on Responsible Conduct of Research \(S-20\)](#). The training includes two components: a) an online component and b) a Field-Specific (FS) component.

The online component of RCR training is completed by taking the CITI Program Responsible Conduct of Research (RCR) curriculum, which includes the *Data Management (RCR-Basic)* module (ID 20896), and provides foundational training in responsible data practices. This training introduces principles of research data stewardship, including general expectations for maintaining and retaining research records. The CITI RCR Data Management module addresses research record retention within the broader context of:

- Data acquisition and management
- Record-keeping practices
- Data stewardship and responsible handling of research information.

This content establishes baseline expectations for maintaining accurate, complete, and accessible research records consistent with norms of responsible conduct.

For the second component, FS RCR training, Purdue researchers are required to participate in workshops, group and departmental discussions, case study discussions, etc.

The Office of Research offers workshops and a GRAD 612 course at Purdue that satisfy the FS component training requirement a summary of the key learning outcomes are summarized below:

Effective data management and record keeping are foundational to the integrity, credibility, and legal defensibility of research activities. Research data—whether tangible or intangible, preliminary or final, published or unpublished—must be systematically documented, securely stored, and properly retained throughout the research lifecycle. Accepted standards emphasize complete, contemporaneous records, clear documentation of methods and results, and safeguards against alteration or loss.

Principal Investigators serve as stewards of research data, with responsibility for accurate collection, recording, storage, retention, and appropriate disposition. However, ownership of research data resides with the institution, reflecting its obligations for regulatory compliance, contractual accountability, and long-term data stewardship. Data management plans play a central role in addressing data creation, processing, analysis, preservation, sharing, and reuse, while also accounting for metadata, repositories, file formats, and long-term curation.

Robust record keeping is essential to meet federal audit requirements, resolve allegations of research misconduct, protect intellectual property, and support patent claims. Legal and ethical considerations—including human subjects protections, export controls, HIPAA, proprietary data, and public access laws—may impose additional requirements on data access, sharing, and retention. Collectively, these practices ensure research transparency, institutional compliance, and the enduring value of research outputs.

7. Ensure Purdue develops and implements comprehensive policies and procedures to ensure appropriate subrecipient oversight, including defined Principal Investigators roles and responsibilities.

Purdue University disputes the claim that it failed to monitor its subrecipients and maintains that our internal controls for subrecipient monitoring are robust and compliant with federal regulations. The [Subrecipient Monitoring](#) website has recently been fully reviewed and updated. This website includes two documents related to Roles and Responsibilities including a matrix and a detailed listing.

Purdue University is committed to continuous improvement and RQA recently conducted an internal compliance review to enhance these controls further. Recommendations from this review include recommendations related to agreements, internal Subcontract team processes and procedures, mitigation strategy updates and subrecipient invoice processing adjustments. Additionally, Purdue's Internal Audit Office is currently working on a subrecipient monitoring audit for 2026 to ensure full compliance and identify enhancements proactively.

8. Remedy the \$49,398 in unallowable questioned costs related to conducting human subject work during periods where such work was not allowed.

Purdue disagrees that JSP invoiced Purdue for human subject's aspects of the project. The budget justification clearly defines other activities that JSP personnel were involved in, not related to human subjects. Purdue notes that this award has also been subject to a separate OCFO financial monitoring review in which certain JSP subrecipient costs were initially questioned. Purdue maintains standard internal controls for subrecipient monitoring (including invoice review and supporting documentation requirements) and uses a consistent audit-response package to address subrecipient monitoring questioned costs; using these established processes, Purdue worked with OCFO to provide additional support and obtain clearance and closure of the initially questioned JSP subrecipient costs. It is our hope that OJP will take this into account as they work with Purdue to finalize the closeout of this audit.

Justice Systems Partners (JSP)

<p align="center">AI Enabled Community Supervision for Criminal Justice Services</p> <p align="center">Co-PI: [REDACTED]</p> <hr/> <p align="center">SCOPE OF WORK</p> <p>[REDACTED], PhD</p> <p>Dr. [REDACTED] will serve as a co-principal investigator for the study. Dr. [REDACTED] will be in charge of the requirements for the AI-SMS (the intervention) working with the AI-SMS team. This requires determining the needs of all the major players using the AI-SMS. Working with Dr. [REDACTED] and others on the IM-SMS team, she will help in the design of the system from a functional point of view. Dr. [REDACTED] will also be in charge of the IDA effort which will first focus on designing the Deployment of the intervention. Next the actual deployment will take place and Dr. [REDACTED] will work with Dr. [REDACTED] to ensure that deployment activities are done as needed and adjustments are made as required. She will also work to ensure that the data needed for subsequent assessment are done properly. Dr. [REDACTED] will direct the assessment effort. Additionally, she will be in charge of designing and assessing the role of the practitioners during deployment and overseeing human subjects activities.</p> <p>The team members will have regular meetings with the other members of the project team to continuously monitor and adapt to requirements and needs as the project progresses</p>

9. **Remedy the \$13,700 in unallowable questioned costs related to unapproved subrecipient budget categories.**

As noted above, only a portion of these expenditures were made before the appropriate re-budget occurred. Purdue agrees that \$5,582.94 in direct costs and \$558.29 in F&A (total \$6,141.23) were expended by JSP before proper approval was obtained. However, Purdue maintains standard internal controls for subrecipient monitoring (including invoice review and supporting-documentation requirements) and uses a consistent audit-response package to address subrecipient monitoring questioned costs; using these established processes, Purdue worked with OCFO to provide additional support and obtain clearance and closure of the initially questioned JSP subrecipient costs. It is our hope that OJP will take this into account as they work with Purdue to finalize the closeout of this audit.

10. **Remedy the \$33,667 in unallowable questioned costs associated with the excess inventory.**

As noted above, Purdue University respectfully disagrees that there are unallowable questioned costs related to excess inventory. We will work with OJP to determine the outcome of the excess inventory (80 smartwatches and 22 smartphones).

11. **Remedy \$91,263 in funds to be put to better use.**

These funds were never drawn down by Purdue University and are available for re-use by OJP.

Thank you for your consideration of our audit response. We appreciate the opportunity to address the findings and recommendations outlined in the updated audit report. As reflected throughout this response, the observations identified primarily implicate NIJ's internal processes and guidance applicable to the administration of this cooperative agreement, rather than deficiencies in Purdue's execution of award responsibilities. Purdue remains confident that its internal processes and controls are sound, well-documented, and consistently applied, and we remain committed to continued collaboration with the Department of Justice and NIJ to strengthen oversight and achieve our shared goals.

Sincerely,

Ken Sandel



Associate Vice President, Sponsored Program Services
Senior Intellectual Property Officer
Purdue University

APPENDIX 4: The Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

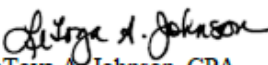
Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, DC 20531

April 7, 2026

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

FROM: 
LeToya A. Johnson, CPA
Acting Deputy Director
Audit and Review Division

Digitally signed by LETOYA JOHNSON
Date: 2026.04.08 09:41:02 -04'00'

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, National Institute of Justice, Artificial Intelligence Research and Development to Support Community Supervision Services Grant Awarded to Purdue University, West Lafayette, Indiana*

This memorandum is in reference to your correspondence, dated February 27, 2026, transmitting the above-referenced draft audit report for Purdue University (Purdue). We consider the subject report resolved and request written acceptance of this action from your office.

The draft audit report contains 11 recommendations and \$86,036¹ in net questioned costs, and \$91,263 in Funds to be Put to Better Use. 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 evaluate NIJ's process for overseeing cooperative agreements, including lessons learned from this award, and develop and implement formalized guidance or a framework for NIJ award managers and scientists to follow for meeting its responsibility to have substantial involvement in cooperative agreements.**

OJP agrees with this recommendation. The National Institute of Justice (NIJ) will develop written guidance or a framework for NIJ award managers and scientists to ensure adequate oversight and substantial involvement for cooperative agreements.

¹ Some costs were questioned for more than one reason. Net questioned costs exclude the duplicate amounts.

- 2. We recommend that OJP request Purdue to provide a breakdown of how funds were used for each performance area, as specified in the award special condition, including those funds expended on the human subjects work that was terminated; and, following the submission of that report, assess the reasonability of the \$1.9 million spent by Purdue and its subrecipients on the goals that were not completed.**

OJP agrees with this recommendation. We will coordinate with Purdue to obtain a report that details how funds were used for each performance area, as specified in the award special condition, including funds expended on the human subjects work that was terminated. In addition, NIJ will assess the reasonability of the \$1.9 million spent by Purdue and its subrecipients on the goals that were not completed.

- 3. We recommend that OJP evaluate NIJ's implementation of the special condition requirement to ensure that awardees provide appropriately detailed information about how award funds were used by purpose area to allow NIJ to monitor award accomplishments and assess the reasonability of how funds were used to support award outcomes.**

OJP agrees with this recommendation. We will coordinate with NIJ to obtain documentation to support how NIJ will monitor to ensure that awardees provide appropriately detailed information about how award funds were used by purpose area to allow NIJ to monitor award accomplishments and assess the reasonability of how funds were used to support award outcomes.

- 4. We recommend that OJP develop and distribute policies and procedures that incorporate controls to identify, report, and mitigate risks and challenges associated with DOJ-funded research that includes providing technology to offenders at various stages of the criminal justice process.**

OJP agrees with this recommendation. We will work with NIJ to ensure that appropriate policies and procedures are implemented to identify, report, and mitigate risks and challenges associated with future DOJ-funded research that includes providing technology to offenders at various stages of the criminal justice process.

- 5. We recommend that OJP work with Purdue to ensure Purdue develops and implements appropriate internal controls to submit Grant Award Modifications, as required, and verify compliance with award requirements that are assigned to and executed by subrecipients.**

OJP agrees with the recommendation. We will coordinate with Purdue to obtain documentation to support that appropriate internal controls are in place for submitting Grant Award Modifications, as required, and verifying compliance with award requirements that are assigned to and executed by subrecipients.

6. **We recommend that OJP work with Purdue to ensure Purdue develops and implements policies and procedures related to requirements to maintain documentation in support of performance achievements and metrics contained in federal award performance reporting.**

OJP agrees with the recommendation. We will coordinate with Purdue to obtain written policies and procedures for ensuring that Purdue maintains supporting documentation of performance achievements and metrics contained in federal award performance reporting.

7. **We recommend that OJP work with Purdue to ensure Purdue develops and implements comprehensive policies and procedures to ensure appropriate subrecipient oversight, including defined Principal Investigators roles and responsibilities.**

OJP agrees with the recommendation. We will coordinate with Purdue to obtain comprehensive written policies and procedures for ensuring appropriate subrecipient oversight, including defined Principal Investigators' roles and responsibilities.

8. **We recommend that OJP work with Purdue to remedy the \$49,398 in unallowable questioned costs related to conducting human subject work during periods where such work was not allowed.**

OJP agrees with this recommendation. We will coordinate with Purdue to remedy the \$49,398 in unallowable questioned costs related to human subject work charged to Cooperative Agreement Number 2019-75-CX-K001.

9. **We recommend that OJP work with Purdue to remedy the \$13,700 in unallowable questioned costs related to unapproved subrecipient budget categories.**

OJP agrees with this recommendation. We will coordinate with Purdue to remedy the \$13,700 in unallowable questioned costs related to unapproved subrecipient budget categories charged to Cooperative Agreement Number 2019-75-CX-K001.

10. **We recommend that OJP work with Purdue to remedy the \$33,667 in unallowable questioned costs associated with the excess inventory.**

OJP agrees with this recommendation. We will coordinate with Purdue to remedy the \$33,667 in unallowable questioned costs related to excess inventory charged to Cooperative Agreement Number 2019-75-CX-K001.

11. **We recommend that OJP work with Purdue to remedy the remedy \$91,263 in funds to be put to better use.**

OJP agrees with this recommendation. We will coordinate with Purdue to remedy the \$91,263 in in funds to be put to better use.

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) 353-5744.

cc: Maureen A. Henneberg
Deputy Assistant Attorney General
Office of Justice Programs

Jennifer Scherer
Acting Director
National Institute of Justice

Faith Baker
Office Director, Office of Grants Management
National Institute of Justice

Charlene Hunter
Program Analyst
National Institute of Justice

Nathanial Kenser
Deputy General Counsel

Phillip Merkle
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Rachel Johnson
Chief Financial Officer
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Christal McNeil-Wright
Associate Chief Financial Officer
Grants Financial Management Division
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Joanne M. Suttington
Associate Chief Financial Officer
Finance, Accounting, and Analysis Division
Office of the Chief Financial Officer

Aida Brumme
Manager, Evaluation and Oversight Branch
Grants Financial Management Division
Office of the Chief Financial Officer

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

Jorge L. Sosa
Director Office of Operations – Audit Division
Office of the Inspector General

OJP Executive Secretariat
Control Number OCOM001988

APPENDIX 5: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and Purdue University (Purdue). Purdue's response is incorporated in Appendix 3, and OJP's response is incorporated in Appendix 4 of this final report. In response to our draft audit report, OJP agreed with all 11 of our recommendations, and as a result, the status of the audit report is resolved. Regarding the seven recommendations for which Purdue provided a response, Purdue disagreed with five recommendations and did not state if it agreed or disagreed with two recommendations. Purdue also provided additional statements related to the report's contents, which we discuss below and incorporate within our analysis of the responses to the recommendations, as applicable. The following provides the OIG analysis of the responses and summary of actions necessary to close the report.

OIG Analysis of Selected Comments in Purdue's Response to the Report

In addition to its responses to specific recommendations, Purdue also included several statements concerning its award execution and NIJ oversight that merit comment.

First, Purdue stated that it successfully developed and piloted a fully operational technology solution in accordance with the approved project design and NIJ requirements, completing all technical milestones and delivering a functional system. According to Purdue, the funded proposal anticipated a substantial emphasis on technology development, with the first 24 months of the 48-month project dedicated to system design and build activities and the approved budget allocating at least 50 percent of project resources to development efforts. Our report notes that Purdue did in fact develop an AI intervention system. However, we found that after spending 95 percent of the award, the technology had not been fully implemented and tested for effectiveness to understand how the parolees used the system, which reduced the utility and efficacy of the cooperative agreement's purpose to evaluate whether the AI intervention system could reduce recidivism. We also found that Purdue did not complete other award goals; namely, it only partially completed its goal to deploy the system at the Tippecanoe County Community Corrections (TCCC) and collect parolee data, did not initiate or complete its goal to analyze data related to intervention and outcomes, and only partially completed its goal to finalize the project and disseminate findings.

Second, in response to our findings addressing risks associated with the participant parolee use of smartphones and watches, Purdue noted that the study operated under NIJ and Institutional Review Board (IRB) approved protocols and stated that these protocols included controls designed to prevent data spillage and mitigate privacy risks associated with the use of smartphones and smartwatches by study participants. Purdue also stated that it followed the IRB reliance agreement in which Florida State University (FSU) served as the primary IRB of record, and that the FSU IRB determined that absconsions were not reportable as unanticipated adverse events under the approved protocol. As discussed in the report, given the risk that parolees could use the device to aid in absconding, the impact such an event would likely have on the study, and the loss of federally funded smartphones and smartwatches that were never recovered, these should have been considered adverse events. NIJ's Human Subjects Protection Officer (HSPO) agreed that absconsions would be considered adverse events. Additionally, the protocols and reliance agreement that were in place with FSU, which was Purdue's subrecipient, were inadequate and lacked the necessary

controls to ensure prompt reporting of any unanticipated problems involving risks to subjects or others that were not associated with data spillage and privacy concerns.

OJP's and Purdue's responses to specific recommendations are discussed below.

Recommendations for OJP:

- 1. Evaluate the National Institute of Justice's (NIJ) process for overseeing cooperative agreements, including the outcomes and lessons learned from this award, and develop and implement formalized guidance or a framework for NIJ award managers and scientists to follow for meeting its responsibility to have substantial involvement in cooperative agreements.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that NIJ will develop written guidance or a framework for NIJ award managers and scientists to ensure adequate oversight and substantial involvement for cooperative agreements.

Purdue stated that this recommendation was directed to OJP and did not provide a response.

This recommendation can be closed when we receive evidence that OJP evaluated NIJ's process for overseeing cooperative agreements, including the outcomes and lessons learned from this award, and developed and implemented formalized guidance or a framework for NIJ award managers and scientists to follow for meeting its responsibility to have substantial involvement in cooperative agreements.

- 2. Request Purdue to provide a breakdown of how funds were used for each performance area, as specified in the award special condition, including those funds expended on the human subjects work that was terminated; and, following the submission of that report, assess the reasonability of the \$1.9 million spent by Purdue and its subrecipients on the goals that were not completed.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Purdue to obtain a report that details how funds were used for each performance area, as specified in the award special condition, including funds expended on the human subjects work that was terminated. In addition, OJP stated that NIJ will assess the reasonability of the \$1.9 million spent by Purdue and its subrecipients on the goals that were not completed.

Purdue stated that this recommendation was directed to OJP and did not provide a response.

This recommendation can be closed when we receive evidence that OJP reviewed Purdue's provided breakdown of how funds were used for each performance area, as specified in the award special condition, including those funds expended on the human subjects work that was terminated; and, following the submission of that information, assessed the reasonability of the \$1.9 million spent by Purdue and its subrecipients on the goals that were not completed.

- 3. Evaluate NIJ's implementation of the special condition requirement to ensure that awardees provide appropriately detailed information about how award funds were used by purpose area to allow NIJ to monitor award accomplishments and assess the reasonability of how funds were used to support award outcomes.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with NIJ to obtain documentation to support how NIJ will monitor to ensure that awardees provide appropriately detailed information about how award funds were used by purpose area to allow NIJ to monitor award accomplishments and assess the reasonability of how funds were used to support award outcomes.

Purdue stated that this recommendation was directed to OJP and did not provide a response.

This recommendation can be closed when we receive evidence that OJP completed its coordination with NIJ to obtain documentation related to its efforts to ensure awardees provide information on how award funds were spent by purpose area and that NIJ is able to monitor award accomplishments and assess reasonability of fund spending in future awards.

- 4. Develop and distribute policies and procedures that incorporate controls to identify, report, and mitigate risks and challenges associated with DOJ-funded research that includes providing technology to offenders at various stages of the criminal justice process.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will work with NIJ to ensure that appropriate policies and procedures are implemented to identify, report, and mitigate risks and challenges associated with future DOJ-funded research that includes providing technology to offenders at various stages of the criminal justice process.

Purdue stated that this recommendation was directed to OJP and did not provide a response.

This recommendation can be closed when we receive evidence that OJP implemented policies and procedures that incorporate controls to identify, report, and mitigate risks and challenges associated with research awards involving technology provided to offenders within the criminal justice system.

- 5. Ensure Purdue develops and implements appropriate internal controls to submit Grant Award Modifications (GAM), as required, and verify compliance with award requirements that are assigned to and executed by subrecipients.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Purdue to obtain documentation to support that appropriate internal controls are in place for submitting GAMs, as required, and verifying compliance with award requirements that are assigned to and executed by subrecipients.

Purdue disagreed with this recommendation. In its response, Purdue stated that it has established documented processes to ensure timely submission of GAMs. Purdue also provided links to its website where policies, guidance, and templates in these areas exist. Based on our review of this information, we found that while we had reviewed many of the policies during our audit fieldwork, some of these policies contained revisions that were made after we reviewed them. Purdue also noted in its response other actions it has taken or is taking to improve its oversight of subrecipients. Purdue stated that it conducted an internal compliance review to assess and strengthen subrecipient oversight processes, including agreement management, defined roles and responsibilities, mitigation strategies for higher risk subrecipients, and subrecipient invoice review and approval procedures, but did not provide the results of this review. It also stated that its Internal Audit Office is conducting a subrecipient monitoring audit to further evaluate controls, confirm compliance with federal requirements, and identify opportunities for enhancement. The OIG will work with OJP to consider, as appropriate, any revisions to Purdue's policies, guidance, and templates associated with subrecipient oversight.

This recommendation can be closed when we receive evidence from OJP that Purdue has developed and implemented appropriate internal controls to submit GAMs and verified compliance with award requirements that are assigned to and executed by subrecipients.

6. Ensure Purdue develops and implements policies and procedures related to requirements to maintain documentation in support of performance achievements and metrics contained in federal award performance reporting.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Purdue to obtain written policies and procedures for ensuring that Purdue maintains supporting documentation of performance achievements and metrics contained in federal award performance reporting.

Purdue disagreed with this recommendation. In its response, Purdue stated that it maintains documentation supporting performance achievements and metrics in accordance with award terms, 2 C.F.R. § 200 record retention requirements, and established Purdue practices. According to Purdue's response, once it was determined that Purdue would not be continuing with human subject data collection, its subrecipient deleted the human subject data to comply with the IRB protocol and approved Federal Privacy Certificate. While we acknowledge the need to comply with the IRB protocol, Federal Privacy Certificate, and other guidance from the granting agency, grantees also need to comply with grant record retention requirements, including documentation to support metrics included in performance reporting.

This recommendation can be closed when we receive evidence that Purdue has developed and implemented policies and procedures related to requirements to maintain documentation in support of performance achievements and metrics contained in federal award performance reporting.

7. Ensure Purdue develops and implements comprehensive policies and procedures to ensure appropriate subrecipient oversight, including defined Principal Investigators roles and responsibilities.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Purdue to obtain comprehensive written policies and procedures for ensuring appropriate subrecipient oversight, including defined Principal Investigators' roles and responsibilities.

Purdue disagreed with this recommendation. In its response, Purdue asserted that its internal controls for subrecipient monitoring are robust and compliant with federal regulations. Nevertheless, Purdue stated it is committed to continuous improvement and completed an internal compliance review to enhance its controls further and initiated a subrecipient monitoring audit to ensure full compliance and identify enhancements proactively. Further, Purdue stated that it has reviewed and updated its subrecipient monitoring documentation related to roles and responsibility.

Although Purdue disagreed with this recommendation, based on its response, it has taken preliminary steps to improve its subrecipient oversight. We will continue to evaluate these actions in coordination with OJP to ensure that the enhancements to its policies and procedures account for the risks and deficiencies identified in our audit.

This recommendation can be closed when we receive evidence that Purdue has developed and implemented comprehensive policies and procedures for subrecipient oversight addressing defined PI roles and responsibilities.

8. Remedy the \$49,398 in unallowable questioned costs related to conducting human subject work during periods where such work was not allowed.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Purdue to remedy the \$49,398 in unallowable questioned costs related to human subject work charged to Cooperative Agreement Number 2019-75-CX-K001.

Purdue disagreed with this recommendation and stated in its response that the budget justification clearly defined other activities in which Justice System Partners (JSP) personnel were involved besides human subject work. Purdue provided a screenshot showing the scope of work for one of the three individuals whose salary was included in the questioned costs and pointed out that this one individual had many tasks unrelated to human subject activities.

As noted in our report, the \$49,398 included salary costs of three individuals, and Purdue was unable to provide documentation to support its claim that these costs were not associated with human subject activities. During the audit, we reviewed the same information provided in Purdue's response to the draft report and asked for additional documentation showing a breakdown of the activities and time worked because the provided documentation only showed the scope of work (or job description), not the actual activities completed by the individuals. As a result, we could not determine how much of the \$49,398, if any, was associated with activities other than human subject

work activity. Therefore, we questioned the entire amount. As stated in Purdue's response, these costs were reviewed by OJP's Office of the Chief Financial Officer (OCFO); we will continue to coordinate with OJP on reviewing the sufficiency of documentation for closure of this recommendation.

This recommendation can be closed when we receive evidence that OJP has remedied the \$49,398 in unallowable questioned costs related to conducting human subject work during periods where such work was not allowed.

9. Remedy the \$13,700 in unallowable questioned costs related to unapproved subrecipient budget categories.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Purdue to remedy the \$13,700 in unallowable questioned costs related to unapproved subrecipient budget categories charged to Cooperative Agreement Number 2019-75-CX-K001.

Purdue did not state if it agreed or disagreed with the recommendation. However, Purdue acknowledged that one of its subrecipients had expenses outside of the approved budget categories but stated that only a portion of these costs were made before the "re-budget," generally referred to as a budget modification, occurred. Purdue stated that it believes a total of \$5,583 in direct costs and \$558 in indirect costs (out of the \$13,700 questioned in this recommendation) were expended by JSP before proper approval was obtained. Purdue also stated that it previously worked with OJP's OCFO to provide additional support on this matter.

We reviewed the documentation provided by Purdue with its response to the draft report but did not find any evidence supporting Purdue's statements that it had approved the subrecipient's budget modification request. As stated in Purdue's response, these costs were reviewed by the OCFO, and we will continue to coordinate with OJP on reviewing the sufficiency of documentation for closure of this recommendation.

This recommendation can be closed when we receive evidence that OJP has remedied the \$13,700 in unallowable questioned costs related to unapproved subrecipient budget categories.

10. Remedy the \$33,667 in unallowable questioned costs associated with the excess inventory.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Purdue to remedy the \$33,667 in unallowable questioned costs related to excess inventory charges to Cooperative Agreement Number 2019-75-CX-K001.

Purdue disagreed with the recommendation but stated it would work with OJP to address the excess inventory. As outlined in our report, federal guidelines require grant recipients to reimburse the grant-making component for residual inventory exceeding \$5,000 if the items are not needed for other federally funded programs. Because some smartwatches and smartphones purchased for the study were unused, with a total value exceeding \$5,000, Purdue must adhere to these guidelines.

Additionally, a discrepancy exists between Purdue's response, which reported 80 smartwatches and 22 smartphones as excess inventory, and our audit findings, which identified 128 smartwatches and 52 smartphones based on Purdue's inventory records. OJP should work with Purdue to resolve these discrepancies.

This recommendation can be closed when we receive evidence that OJP has remedied the \$33,667 in questioned costs associated with excess inventory.

11. Remedy \$91,263 in funds to be put to better use.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with Purdue to remedy the \$91,263 in funds to be put to better use.

Purdue did not state whether it agreed or disagreed with our recommendation and stated that it did not draw down the remaining \$91,263.

This recommendation can be closed when we receive evidence that OJP remedied the \$91,263 in funds to be put to better use.