

MANAGEMENT OF THE OFFICE OF JUSTICE PROGRAMS' GRANT PROGRAMS FOR TRAFFICKING VICTIMS

U.S. Department of Justice
Office of the Inspector General
Audit Division

Audit Report 08-26
July 2008

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EXECUTIVE SUMMARY

Human trafficking is a form of modern-day slavery in which traffickers lure victims, predominantly women and children, with false promises of good jobs and better lives and then force the victims to work under brutal and inhumane conditions.

In 1998, the President directed federal agencies to combat human trafficking through a three-pronged approach to prevent trafficking, protect victims, and prosecute traffickers. In 2000, Congress enacted the Trafficking Victims Protection Act (TVPA) to combat human trafficking.

Responsibility for implementing U.S. anti-trafficking efforts domestically and abroad is shared by the Departments of Justice, State, Labor, Health and Human Services, and Homeland Security, as well as the United States Agency for International Development. Each agency's efforts focuses on one or more of the three prongs of the government's anti-trafficking strategy. As shown in the following table, the Department of Justice's (Department) efforts involve all three prongs – prevention, protection, and prosecution.

Department of Justice Efforts to Combat Human Trafficking

Prevention Efforts
Prosecutors and other Department personnel assist in training local law enforcement agencies, non-governmental organizations, and international representatives on human trafficking issues.
The National Institute of Justice's International Center supports research and exchange of information by offering grants for academic research on trafficking in persons and child exploitation.
The Office of Justice Programs' (OJP) National Criminal Justice Reference Service offers information to support research, policy, and program development worldwide on various criminal justice issues, including international trafficking.

Protection Efforts
OJP's Office for Victims of Crime (OVC) awards cooperative agreements to service providers to supply direct services to victims of trafficking.
OJP's Bureau of Justice Assistance awards grants to state and local law enforcement agencies to develop task forces that: (1) identify and rescue victims of human trafficking, and (2) collaborate with service providers to provide assistance to victims of trafficking.
The OVC offers victim support and education resources to trafficking victims and victim service providers.
The OVC maintains a resource center that victim advocates and caregivers can contact to obtain publications and tools to assist them in working with trafficking victims.
Prosecution Efforts
The Civil Rights Division's Criminal Section enforces the involuntary servitude and peonage statutes by working with the Federal Bureau of Investigation, the United States Attorneys Offices, and the Criminal Division's Child Exploitation and Obscenity Section to investigate and prosecute cases of trafficking in persons and worker exploitation.
The Civil Rights Division funds and staffs the national complaint line for reporting of trafficking crimes.

Source: Department of Justice website and the Bureau of Justice Assistance

As shown above, the Office of Justice Programs' (OJP) responsibility related to human trafficking primarily involves awarding grants to establish task forces that identify and rescue trafficking victims, and awarding cooperative agreements to service providers that provide assistance such as food, clothing, and shelter to trafficking victims. OJP's Bureau of Justice Assistance (BJA) provides grants for task forces and OJP's Office for Victims of Crime (OVC) awards the service-provider agreements.

OIG Audit Approach

The Department of Justice Office of the Inspector General (OIG) initiated this audit to: (1) assess the adequacy of OJP's design and management of the human trafficking grant programs; (2) evaluate the extent to which grantees have administered the grants in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant awards; and (3) assess the effectiveness of the grant programs in assisting trafficking victims.

This audit also examined the Department's protection efforts – specifically the OVC's program for awarding cooperative agreements to provide direct services to trafficking victims and the BJA's program for awarding grants to develop task forces to identify and rescue trafficking victims.

We performed audit work at OJP’s Office for Victims of Crime, the Bureau of Justice Assistance, the Department’s Civil Rights and Criminal Divisions, and at the OVC service providers and associated BJA task forces listed in the following table.

OJP Service Provider Grantees	BJA Task Force Grantees
Boat People S.O.S., Inc., Falls Church, Virginia	Metropolitan Police Department of the District of Columbia, Washington, D.C.
Coalition to Abolish Slavery and Trafficking, Los Angeles, California	City of Los Angeles, California
Heartland Alliance, Chicago, Illinois	Chicago, Illinois Police Department City of Milwaukee, Wisconsin
International Rescue Committee, Miami, Florida	Collier County, Florida Miami Dade County, Florida
Mosaic Family Services, Inc., Dallas, Texas	Dallas, Texas Police Department City of Fort Worth, Texas
Refugee Women’s Network, Inc., Decatur, Georgia	City of Atlanta, Georgia Cobb County, Georgia Board of Commissioners
YMCA of the Greater Houston Area, Inc., Houston, Texas	Harris County, Texas

Source: Office of the Inspector General

Appendix I describes in more detail our audit objectives, scope, and methodology.

This audit report contains three finding sections. The first finding discusses the design and management of the OJP grant programs. The second finding discusses whether grantees administered the grants in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant awards. The third finding discusses our assessment of the effectiveness of the grant programs in aiding trafficking victims.

OIG Results in Brief

OJP’s human trafficking grant programs have built significant capacities to serve victims, but have not identified and served significant numbers of victims. As initially designed, the program awarded cooperative agreements to non-profit service providers that furnished victims with services such as food, clothing, shelter, and legal assistance. OJP’s Office for Victims of Crime began awarding agreements to service providers in January 2003, and we found that service providers supplied services to fewer than 500 victims during calendar years 2003 and 2004. As part of an

expansion of the program, in FY 2005 the BJA began awarding grants to establish task forces to identify trafficking victims and refer them to service providers. The task forces identified 490 additional victims during the 6-month period ending December 2005, and the number of victims reported by the service providers as being served increased accordingly to 465 victims.

However, by the next year the number of victims reported served declined to the pre-task force levels, with 196 victims served for the 6-month period ending December 2006. In addition, the OVC's grant award process for service providers resulted in a wide disparity in the amount of funds awarded for the number of anticipated victims to be served. Further, we found that both the service providers and task forces overstated to OJP the number of victims reportedly served and identified.

We also analyzed OJP's administration of human trafficking grants and found systemic weaknesses in its grant implementation. From April 2007 to March 2008, the OIG issued five audit reports on individual OVC service provider cooperative agreements, one audit report on multiple cooperative agreements, and one audit report on a BJA task force grant. Those audits demonstrated weaknesses in the areas of the established goals and accomplishments for grantees, grant reporting, fund drawdowns, local matching funds, expenditures, indirect costs, and monitoring of subrecipients. The OVC and BJA agreed to take corrective action in response to each of our individual grant audits, but we believe that these audits show that the OVC and BJA need to take additional actions to ensure that these weaknesses are addressed by all OVC service providers and BJA task forces, not just the subjects of the individual audits we conducted.

Finally, as noted above we concluded that OJP's human trafficking grant programs have built significant capacities to serve victims, but have not been effective at identifying and serving significant numbers of alien trafficking victims. The OVC service providers were generally effective at conducting human trafficking-related outreach, training, and service activities. However, the agreements and grants awarded to service providers and task forces have not resulted in services to a significant number of victims. In addition, we found that the OVC and BJA had not established an effective system for monitoring the OVC service providers and the BJA task forces to ensure that: (1) performance data reported by the service providers and task forces is accurate, (2) the service providers and task forces are meeting performance goals, and (3) service providers can show the amount of grant funds that are used to directly assist victims of human trafficking.

At the conclusion of our audit, OJP officials provided us an update on changes to OJP's grant monitoring and assessment efforts. According to an OJP official, they created the Program Assessment Division in FY 2007 to conduct grant program assessments, create common monitoring policies, and ensure monitoring efforts are effective. In addition, at the beginning of FY 2008, OJP released the "Grant Monitoring Tool" to enhance documentation of monitoring reviews, provide improved tools and guidance for monitoring, and improve the tracking of monitoring findings and grantee corrective actions. OJP also expanded the use of the Trafficking Information Management System to accumulate and report data related to the number of trafficking victims identified and served. While we could not evaluate these actions, if fully implemented they could address some of the weaknesses we found during this audit.

In our report, we make 15 recommendations to assist OJP in improving the management of its human trafficking grants to the OVC service providers and BJA task forces.

Our report contains detailed information on the full results of our review of OJP's human trafficking grant programs. The remaining sections of the Executive Summary summarize in more detail our major audit findings.

OJP's Design and Management of Grant Programs

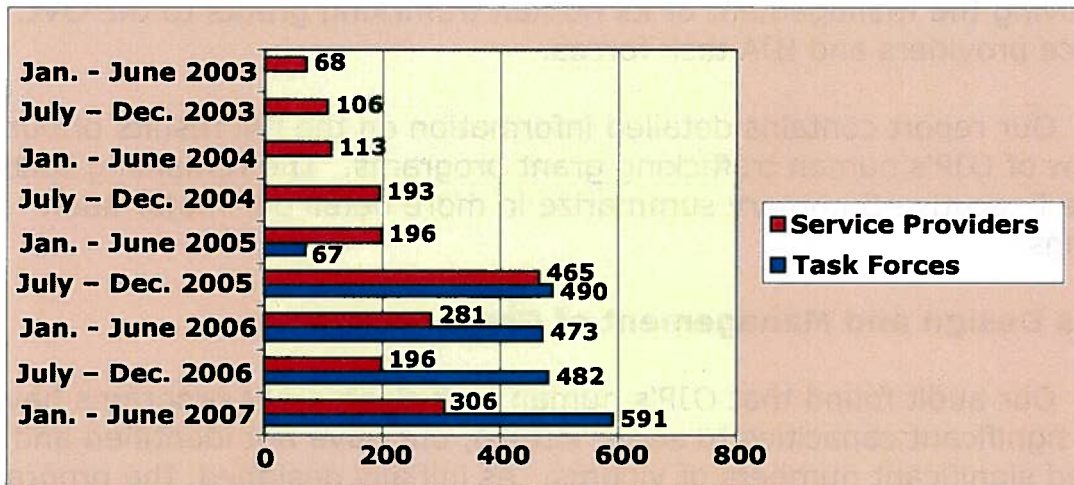
Our audit found that OJP's human trafficking grant programs have built significant capacities to serve victims, but have not identified and served significant numbers of victims. As initially designed, the program awarded cooperative agreements to non-profit service providers that furnished food, clothing, shelter, and legal assistance. OJP's Office for Victims of Crime began awarding agreements to service providers in January 2003, and the service providers reported serving a total of 480 victims during calendar years 2003 and 2004.

Because of the low number of victims assisted by the service providers, OJP determined that it needed a more comprehensive detection and investigation strategy that was linked to the rescue and recovery of human trafficking victims. In 2004, OJP assigned the BJA to reach out to local law enforcement agencies to explore opportunities for collaboration among federal, state, and local entities with the goal of improving the identification of trafficking victims. The result was the implementation of the BJA's Anti-Human Trafficking Task Force Initiative. This initiative provides grant funds to state and local law enforcement agencies to establish anti-trafficking task forces that implement victim identification and rescue

operations and refer the victims to service providers usually funded by OJP grants.

From FYs 2005 through 2007, the BJA awarded 42 grants and supplements totaling about \$19.2 million to establish anti-trafficking task forces. As shown in the following graph, the task forces appeared initially to identify significant numbers of potential trafficking victims, and this more than doubled the number of victims assisted by the service providers. However, while the task forces continued to identify potential victims, the actual number of victims served has dropped off dramatically since calendar year 2005.

**Trafficking Victims Reported as Assisted by
OVC Service Providers and Identified by BJA
Task Forces from January 2003 through June 2007**



Source: Victim data maintained by the Office for Victims of Crime and the Bureau of Justice Assistance

Even with the work of the task forces, the service providers are reaching a small fraction of the victims believed to be trafficked into the United States each year. According to the Trafficking Victims Protection Act of 2000, an estimated 50,000 victims were trafficked into the United States annually. This initial estimate has significantly decreased. The Department's July 2005 report on *U.S. Government Efforts to Combat Human Trafficking in Persons in Fiscal Year 2004*, indicates there are an estimated 14,500 to 17,500 human trafficking victims brought into the United States annually. Based on the reported data, the task force operations have not resulted in a large number of trafficking victims being served by the service providers.

Additionally, we found that the OVC's agreement award process for service providers resulted in a wide variation in the amount of funds awarded per anticipated victim to be served by each agreement. From FYs 2003 through 2007, the OVC awarded service providers 41 initial cooperative agreements and 28 supplements totaling about \$31.7 million. We analyzed 19 initial agreements and supplements awarded to 7 service providers and found a wide variation in the amount of funds awarded compared to the number of victims each agreement recipient anticipated serving. For example, one service provider received \$1,896,535 to supply services to an estimated 100 victims over the 3-year agreement period, or \$18,965 per estimated victim. Another provider received \$490,829 to service an estimated 100 victims over the 3-year agreement period, or \$4,908 per estimated victim. For the 19 agreements and supplements we tested, the amount awarded per anticipated victim ranged from a high of \$33,333 to a low of \$2,500.

We found that OVC officials generally relied on the service provider's estimates of the number of victims who would benefit but did not make an independent assessment of the reasonableness of the costs compared to the anticipated number of victims. According to an OVC official, very little was known about the nature and scope of human trafficking into the United States in 2002 when the program was being developed. The initial OVC grant solicitation was issued based on information from the State Department that estimated large numbers of trafficking victims were brought into the United States each year. The OVC official also told us that no one really knew the number of victims that would be found in a specific locale, and therefore the OVC had expected applications that covered large geographic regions. However, the official said that this did not happen and instead the OVC received applications for smaller geographic areas. As a result, grant funds awarded to service providers for victim services varied greatly, and OJP could not provide us with evidence to show that the wide variance in award amounts per victim were reasonable.

At the conclusion of the audit, an OVC official told us that the service provider budgets were reviewed in detail and were often changed, sometimes significantly, as a result of the financial reviews of the budgets. However, the OVC official indicated that the budget review did not specifically analyze the costs in relation to the victims that the grant applicant anticipated serving. The OVC official said that the OVC never awarded any grant based on the number of victims, but based the awards on the costs associated with starting the grant program, building a community-wide effort to address trafficking, and providing services to all victims identified.

Inaccurate Data Regarding Victims Assisted by Service Providers

Our audit work identified significant inaccuracies in the performance data reported by the service providers. Beginning in May 2004, the Department submitted annual reports to Congress regarding the government's actions to combat human trafficking.¹ In each report, the Department reported on the number of trafficking victims who benefited from the OVC service providers. We analyzed the data on victims served in the four annual reports submitted to Congress between FYs 2004 and 2007, and our analysis indicates that the actual number of eligible victims served was usually significantly less than reported. The following table shows:

- the victim data reported to Congress each year,
- the victim data maintained by the OVC for each year,
- the number of reported victims for which we performed tests to determine if the reported data was accurate, and
- the number of reported victims for which the service providers could furnish documentation to verify that the victims were eligible for services based on the Trafficking Victims Protection Act.

¹ U.S. Department of Justice, *Report to Congress from Attorney General John Ashcroft on U.S. Government Efforts to Combat Trafficking in Persons in Fiscal Year 2003*, (May 1, 2004).

U.S. Department of Justice, *Report to Congress from Attorney General Alberto R. Gonzales on U.S. Government Efforts to Combat Trafficking in Persons in Fiscal Year 2004*, (July 2005).

U.S. Department of Justice, *Attorney General's Annual Report to Congress on U.S. Government Efforts to Combat Trafficking in Persons Fiscal Year 2005*, (June 2006).

U.S. Department of Justice, *Attorney General's Annual Report to Congress on U.S. Government Efforts to Combat Trafficking in Persons Fiscal Year 2006*, (May 2007).

OIG Analysis of Trafficking Victims Reported as Assisted by the OVC Service Providers from January 2003 through June 2007

Calendar Year Covered by Report to Congress	Reported Number of Trafficking Victims			
	Sent To Congress	Recorded in OVC's Records	Tested by the OIG	Verified by the OIG
2003	200	174	86	34
2004	357	306	164	71
2005	692	661	256	187
2003 - 2006	1,775	1,618	684	435
2003 - June 2007	Not Yet Reported ²	1,924	685	445

Source: Annual Attorney General reports to Congress, Office of Victims of Crime data, and service provider records

As shown in the preceding table, our tests of the number of victims reported indicated that the OVC has significantly overstated the number of victims actually served in its reports to Congress.

Causes for Inaccurate Data Regarding Victims Served

To determine the causes for the Department's reporting of inaccurate data regarding victims served, we interviewed OVC and service provider officials and reviewed documentation related to victims served. We determined that the reasons for the inaccurate data included the following:

- Three service providers reported existing and new victims each reporting period, and therefore the existing victims were counted multiple times.
- Two service providers reported victims who either disappeared or were found to be ineligible by either the service provider or law enforcement after being interviewed by the service provider.
- One service provider reported victims who had been certified by the Department of Health and Human Services (HHS) as trafficking victims prior to the OVC grant award.
- Two service providers reported victims who had been certified by HHS after the OVC grant was awarded but before they came to the service provider for help.

² The next annual report to Congress is not due to be submitted until the Fall of 2008 and will cover performance data through December 2007.

- Three service providers did not maintain documentation to support some of the victims it reported as served.

Inaccurate Data Regarding Victims Identified by Task Forces

As with the service providers, we identified significant inaccuracies in the number of victims identified by the task forces. The Department's May 2007 report to Congress was the first annual report to include data on the potential trafficking victims identified by the BJA task forces. In that report, the Department stated that the BJA task forces had identified 1,513 potential trafficking victims as of December 31, 2006. We performed testing on records for 510 of the 1,513 reported victims and could verify only 157 of the 510 as being victims as defined by the Trafficking Victims Protection Act.

Subsequent to the Department's May 2007 report to Congress, the BJA task forces submitted updated performance data to the BJA for the 6-month period ending June 30, 2007. The BJA data showed that the task forces had identified 2,128 potential trafficking victims as of June 30, 2007. We performed testing on records for 620 of the 2,128 reported victims and could verify only 234 of the 620 as being victims as defined by the Trafficking Victims Protection Act.

Causes for Inaccurate Data Regarding Victims Identified by Task Forces

To determine the causes for the Department's reporting of inaccurate data regarding victims identified by the task forces, we interviewed the BJA and task force officials and reviewed documentation related to victims identified. We found the reasons for the inaccurate data included the following:

- For one task force, the BJA inadvertently recorded the cumulative amount of victims served since the beginning of the agreement in January 2003 instead of recording just the number of victims served during the 6-month period ending June 30, 2006.
- One task force under-reported the victims identified because of a lack of communication between different members of the task force.
- One task force had initially identified multiple victims in a case, but only one victim was actually found by the police department. The task force mistakenly reported the multiple victims initially identified.

Administration of Grants

From April 2007 to March 2008, the OIG issued five audit reports on individual OVC service provider cooperative agreements, one audit report on multiple cooperative agreements awarded to one service provider, and one audit report on a BJA task force grant.³ The OIG's individual audits found that the service providers and task force did not comply with the essential grant requirements in 9 of the 10 areas tested. OJP and the grantees had initiated, or agreed to initiate, corrective actions to address most of the weaknesses found in the individual audits. However, we determined that the weaknesses identified in the following seven areas were systemic and warrant additional guidance and direction by the OVC and BJA for all its human trafficking program grantees. In these audits we found the following:

- **Goals and Accomplishments** – Six of the seven grantees had not met or were not accomplishing one or more project goals.
- **Reporting** – Only one of the seven grantees had a significant problem in submitting Financial Status Reports (FSR) in a timely manner. However, three of the seven grantees submitted FSRs containing inaccurate financial data. In addition, three of the seven grantees had a significant problem in submitting program progress reports in a timely manner.
- **Fund Drawdowns** – Three of the seven grantees drew down funds too early to meet immediate needs, and one grantee did not maintain adequate accounting records to determine if the funds were drawn down appropriately.
- **Local Match** – Four of the seven grantees had significant deficiencies related to supporting the matching funds claimed against the agreements.
- **Expenditures** – Six of the seven grantees claimed expenditures totaling \$1,488,956 that, at the time of the audits, were either not authorized; not properly classified and supported; not accurately recorded; not reasonable, allocable, or allowable; not necessary to the project; or not in accordance with applicable laws, regulations, guidelines, and terms and conditions of the cooperative agreements. As of June 19, 2008, OJP and the grantees had

³ A list of the OIG audits of the service provider agreements and task force grant can be found in the table on pages 38 and 39 of this report.

completed actions to remedy only \$56,710 of the \$1,488,956 in questioned direct expenditures.

- Indirect Costs – At the time of the audits, three of the seven grantees claimed \$271,071 in unallowable or unsupported indirect costs. As of June 19, 2009, the grantees had not provided documentation to support any of the questioned indirect costs.
- Monitoring of Subrecipients – Three of the five grantees with grant subrecipients did not properly monitor the subrecipients.

These systemic deficiencies existed despite past OIG reviews of OJP grant programs that found similar grant administration deficiencies. For example, previous OIG audits have identified the following issues related to OJP grant administration:

- A significant number of grantees either did not submit required financial and progress reports or did not submit them in a timely manner.
- OJP's monitoring of grantee activities were deficient in various areas, such as not sufficiently reviewing supporting documentation for grant expenditures, not establishing performance goals for its programs, not ensuring that grantees submit performance data to demonstrate that grant monies were being used effectively and as intended, and not properly closing grants in a timely manner.
- Grant funds were not regularly awarded in a timely manner and grantees were slow to spend available monies.
- OIG audits of grants have resulted in significant dollar-related findings.

As a result of the continued deficiencies identified by the OIG audits of OJP grants, the OIG identified grant management as one of the Department's top management challenges for the past 6 years. As the OIG noted in our November 2007 top management challenges report, while it is important to efficiently award the billions of dollars in grant funds appropriated annually by Congress, it is equally important that the Department maintains proper oversight over the grantees' use of these funds to ensure accountability and to ensure that these funds are used as intended.

Effectiveness of the Grant Programs

We found that the OVC service providers were generally effective at conducting human trafficking-related outreach, training, and service activities. Similarly, the grant programs have built significant capacities to serve victims, but have not been effective at identifying and serving significant numbers of alien trafficking victims. As previously discussed, we found that performance data for the OVC service providers showed they served only 480 trafficking victims during calendar years 2003 and 2004. OJP recognized that few victims were being served and, to address the problem, awarded grants to law enforcement agencies to establish task forces to identify more victims and refer them to the service providers. While the identification of victims by the task forces initially led to an increase in the number of victims helped by the service providers, subsequent data showed that the task forces have not been effective at consistently increasing the number of victims served.

In addition, at the time of our audit, the OVC and BJA had not established an effective system for monitoring the OVC service providers and the BJA task forces to ensure that: (1) performance data reported by the service providers and task forces is accurate, (2) service providers and task forces are meeting performance goals, and (3) service providers can show the amount of grant funds used to directly assist victims of human trafficking. For example, our audit found that:

- The OVC service providers we tested overstated the number of trafficking victims serviced through June 2007 by 54 percent.
- The BJA task forces we tested overstated the number of trafficking victims identified through June 2007 by 165 percent.
- The BJA task forces inaccurately reported performance data to the BJA for three additional performance measures used by the BJA to measure program effectiveness.
- Four of the six service providers tested had not assisted the number of victims that they anticipated serving.
- Four of the seven service providers used less than 10 percent of the awarded funds to provide direct assistance to trafficking victims. Service provider officials said that much of the direct services they supply to victims are consultations, legal assistance, and other services provided by in-house staff or by outside consultants and contractors. However, the service providers were not required to

and consequently did not account for how much of the grant funds used for these purposes directly assisted victims.

Conclusion and Recommendations

In general, we found that the design and management of OJP's human trafficking grant programs were effective in building capacities to serve victims of human trafficking, but were not effective in: (1) identifying and serving significant numbers of alien trafficking victims, (2) ensuring that award amounts were consistent with the anticipated number of victims to be served, and (3) ensuring that service providers and task forces reported accurate performance data on victims identified and served.

In addition, in individual audits of 6 OVC service providers and 1 BJA task force, the OIG found that they did not comply with the essential grant requirements in 9 of the 10 areas tested. The deficiencies identified in these audits are similar to the deficiencies found repeatedly in past audits of OJP grants. While OJP and the grantees had initiated or agreed to initiate corrective action to address most of the weaknesses we found in the individual audits, we believe the weaknesses we identified were systemic and warrant additional guidance and direction from the OVC and BJA to all human trafficking grantees.

Finally, at the time of the audit the OVC and BJA had not established an effective system for monitoring the OVC service providers and the BJA task forces to ensure that: (1) service providers and task forces are meeting performance goals, and (2) service providers can show the amount of grant funds used to directly assist victims of human trafficking. However, at the conclusion of the audit, an OJP official told us that they had implemented actions to improve monitoring of the service providers and task forces. While we did not evaluate these actions, we believe that, if fully implemented, they could address some of the weaknesses we identified during this audit.

Our audit work and findings resulted in 15 recommendations to improve the management of the OVC service provider cooperative agreements and the BJA task force grants. Our recommendations include the following:

- Ensure that the BJA task forces either report only actual trafficking victims identified, or report both actual and potential victims identified.

- Ensure that the task forces and service providers can support the trafficking victims reported as identified and served.
- Develop a system to ensure that: (1) performance data reported by the service providers and task forces is accurate, (2) the service providers and task forces are meeting the performance goals, and (3) the service providers track the amount of grants funds used to assist victims of human trafficking.
- Provide additional training and oversight of service providers and task forces to help them: (1) accomplish unmet grant goals, (2) submit accurate financial reports, (3) submit timely progress reports, (4) draw down funds to meet immediate needs, (5) maintain support for matching funds, (6) claim only allowable and supported costs, (7) calculate indirect costs, and (8) monitor subrecipients.

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INTRODUCTION

Human trafficking is a form of modern-day slavery in which adults and children are bought, sold, and held against their will in sexual slavery and involuntary servitude. Human trafficking deprives people of their human rights and freedoms, increases global health risks, and fuels organized crime. Victims also suffer physical and emotional abuse, rape, threats, document theft, and death.

Background

In 1998, the President directed federal agencies to combat human trafficking through a three-pronged approach to prevent trafficking, protect victims, and prosecute traffickers. In 2000, Congress enacted the Trafficking Victims Protection Act (TVPA) to combat human trafficking. Through two reauthorization acts, one in 2003 and the other in 2005, Congress reauthorized the TVPA through fiscal year (FY) 2007. As of March 2008, congressional reauthorization beyond FY 2007 was pending.

The TVPA defines victims of "severe" forms of trafficking as those persons subject to: (1) sex trafficking in which a commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such acts is under age 18; or (2) the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion, for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery. A victim need not be physically transported from one location to another to be a human trafficking victim. The TVPA provides that an alien, who is identified as a victim of a severe form of trafficking in the United States and meets additional conditions, is eligible for special benefits and services.

The Departments of Justice, State, Labor, Health and Human Services, and Homeland Security share responsibility for implementing the U.S. government's anti-trafficking efforts domestically and abroad. Each agency focuses on one or more prongs of the three-prong approach to anti-trafficking – prevention, protection, and prosecution. As shown in the following table, the Department of Justice's (Department) responsibility addresses all three prongs.

Department of Justice Efforts to Combat Human Trafficking

Prevention Efforts
Prosecutors and other Department personnel assist in training local law enforcement agencies, non-governmental organizations, and international representatives on human trafficking issues.
The National Institute of Justice's International Center supports research and exchange of information by offering grants for academic research on trafficking in persons and child exploitation.
The Office of Justice Programs' (OJP) National Criminal Justice Reference Service offers information to support research, policy, and program development worldwide on various criminal justice issues, including international trafficking.
Protection Efforts
OJP's Office for Victims of Crime (OVC) awards cooperative agreements to service providers to supply direct services to victims of trafficking.
OJP's Bureau of Justice Assistance awards grants to state and local law enforcement agencies to develop task forces that: (1) identify and rescue victims of human trafficking, and (2) collaborate with service providers to provide assistance to victims of trafficking.
The OVC offers victim support and education resources to trafficking victims and victim service providers.
The OVC maintains a resource center that victim advocates and caregivers can contact to obtain publications and tools to assist them in working with trafficking victims.
Prosecution Efforts
The Civil Rights Division's Criminal Section enforces the involuntary servitude and peonage statutes by working with the Federal Bureau of Investigation, the United States Attorneys Offices, and the Criminal Division's Child Exploitation and Obscenity Section to investigate and prosecute cases of trafficking in persons and worker exploitation.
The Civil Rights Division funds and staffs the national complaint line for reporting of trafficking crimes.

Source: Department of Justice website and the Bureau of Justice Assistance

Our audit examined the Department's protection efforts involving the Office of Justice Programs' (OJP) Office for Victims of Crime's (OVC) awarding of cooperative agreements to provide direct services to trafficking victims and OJP's Bureau of Justice Assistance's (BJA) awarding of task force grants to identify and rescue trafficking victims.

Cooperative Agreements and Grants

In FY 2003, the OVC began awarding cooperative agreements to nongovernmental organizations to provide trafficking victims with

comprehensive or specialized services.¹ Comprehensive services are direct services provided by the grantee organization that include:

- food,
- shelter,
- case management,
- legal assistance and advocacy,
- medical services,
- mental health assessment and treatment,
- job skills training,
- transportation, and
- interpretation services.

Specialized services are services such as housing, legal assistance, or medical care that are provided over a broad geographic area.

In FY 2005, the BJA began awarding grants to state and local law enforcement agencies to develop task forces to identify and rescue victims of human trafficking. Details about the task force grants and why they were awarded are contained in Finding 1 of this report. The task forces were usually partnered with an OVC service provider and were required to refer identified trafficking victims to the OVC service provider.

The following table shows the number and dollar value of the OVC agreements and BJA grants awarded from FY 2003 through November 2007 under OJP's human trafficking program. Appendix II contains a list of the agreements and grants awarded, including the receiving organization, award number, and award amount.

¹ OJP primarily awards cooperative agreements and grants when the principal purpose of the relationship between OJP and the recipient is the transfer of money or anything of value to the eligible recipient to accomplish the public purpose of support as authorized by federal statute. OJP uses a cooperative agreement when substantial involvement is anticipated between OJP and the recipient during performance of the activity funded. When such substantial involvement is not anticipated, OJP uses a grant as the funding instrument. In this report we refer to the recipient of either a cooperative agreement or grant as a grantee.

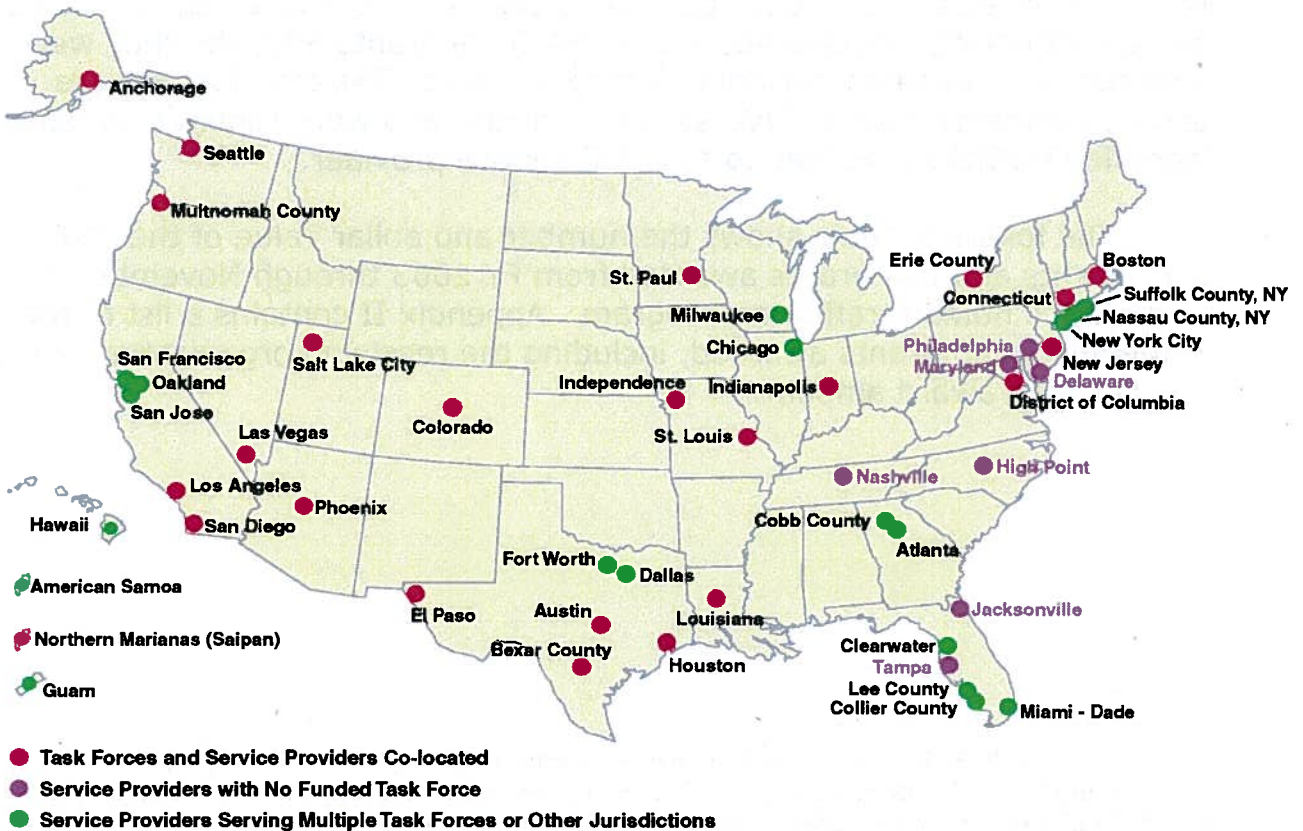
**OVC Agreements and BJA Grants for
the Human Trafficking Program Awarded
from FY 2003 through November 2007**

Type Award	Number Awarded	Amount Awarded
OVC Agreements²	41	\$31,706,668
BJA Grants	42	\$19,188,219
Total Agreements and Grants	83	\$50,894,887

Source: The Office for Victims of Crime and the Bureau of Justice Assistance

As shown in the following map, the OVC victim services agreements and the BJA task force grants are widely distributed throughout the United States and its territories.

**Geographical Distribution of OVC Service Provider Agreements and
BJA Task Force Grants Awarded from FY 2003 through FY 2007**



Source: Office for Victims of Crime

² One of the 41 agreements totaling about \$682,000 with the supplement was for training and technical assistance. The other 40 agreements were for services to trafficking victims.

Prior Audits

Several previous audits by the Department of Justice Office of the Inspector General (OIG) and the Government Accountability Office (GAO) have reported on the Department's anti-trafficking efforts. These audits are summarized below.

Office of the Inspector General

From April 2007 through March 2008, the OIG issued audit reports on five cooperative agreements awarded by the OVC to provide services to victims of human trafficking, one audit report on multiple cooperative agreements, and one audit report on a human trafficking task force grant awarded by the BJA. The seven audits identified significant deficiencies in the OVC's and BJA's oversight of the grants and the grantees' use of the funds, such as grantees: (1) not meeting project goals, (2) claiming unallowable and unsupported expenditures, (3) drawing down funds sooner than needed, and (4) not properly monitoring subrecipients. As a result of these and other deficiencies, the OIG questioned \$2,914,257 in grant expenditures and recommended \$97,686 be put to better use. Finding 2 and Appendix III of this report contain more details about the results of these audits.

Government Accountability Office

In a July 2006 report, the GAO reported on the United States' international anti-trafficking efforts by examining: (1) estimates of the extent of global trafficking, (2) the government's strategy for combating the trafficking problem abroad, and (3) the Department of State's process for evaluating foreign governments' anti-trafficking efforts.³ The GAO's findings included the following:

- The government's estimates that 600,000 to 800,000 persons are trafficked across international borders annually were questionable. The accuracy of the estimates was in doubt because of methodological weaknesses, gaps in data, and numerical discrepancies.
- While federal agencies had undertaken anti-trafficking activities, the U.S. government had not developed a coordinated strategy for

³ U.S. Government Accountability Office, *Human Trafficking: Better Data, Strategy, and Reporting Needed to Enhance U.S. Antitrafficking Efforts Abroad*, GAO-06-825 (July 18, 2006), 2-4.

combating trafficking abroad or developed a way to gauge results and target its overall assistance.

- The Department of State assesses foreign governments' compliance with minimum standards to eliminate trafficking in persons, but the explanations for ranking decisions in its annual *Trafficking in Persons Report* are incomplete, and the report is not used consistently to develop anti-trafficking programs.

The GAO recommended that the U.S. Secretary of State: (1) improve information on trafficking, (2) develop and implement a strategy that clarifies agencies' roles and responsibilities and establishes a way to gauge results abroad, and (3) clearly document the rationale and support for country rankings.

In a July 2007 report, the GAO reported on: (1) key activities federal agencies have undertaken to combat human trafficking crimes, (2) federal efforts to coordinate investigations and prosecutions of these crimes, and (3) how the BJA supported federally funded state and local human trafficking task forces.⁴ The GAO found the following:

- Since the enactment of the TVPA in 2000, federal agencies have: (1) investigated allegations of trafficking crimes, leading to 139 prosecutions; (2) provided training and implemented state and local initiatives to support investigations and prosecutions; and (3) established organizational structures, agency-level goals, plans, or strategies.
- Federal agencies have sponsored outreach and training to state and local law enforcement, nongovernmental organizations, and the general public through a toll-free complaint line, newsletters, national conferences, and model legislation.
- Some federal agencies have established special units or plans for carrying out their anti-trafficking duties.
- Federal agencies have coordinated across agencies on investigations and prosecutions of trafficking crimes on a case-by-case basis determined by individual case needs and established relationships among law enforcement officials across agencies.

⁴ U.S. Government Accountability Office, *Human Trafficking: A Strategic Framework Could Help Enhance the Interagency Collaboration Needed to Effectively Combat Trafficking Crimes*, GAO-07-915 (July 26, 2007), 3, 5-8.

However, the GAO reported that officials from the Departments of Justice and Health and Human Services have identified the need to advance and expand U.S. efforts to combat trafficking through more collaborative and proactive strategies to identify trafficking victims.

The GAO also found, with regard to the task force grants awarded by the BJA, that it had awarded grants to 42 state and local human trafficking law enforcement task forces to support U.S. efforts to investigate trafficking in persons. The GAO also noted that the BJA funded the development of a train-the-trainer curriculum and a national conference on human trafficking and took further steps to respond to task force technical assistance needs.

However, the GAO reported that task force members from the seven task forces it contacted and DOJ officials identified continued and additional assistance needs. The GAO also found that the BJA did not have a technical assistance plan for its human trafficking task force grant program. The BJA officials said they were preparing a plan to provide additional and proactive technical assistance to the task forces, but had not received the necessary approvals for the plan as of June 2007.

The GAO recommended that: (1) the Attorney General and the Secretary of Homeland Security, in conjunction with the Secretaries of Labor, State, and other agency heads, develop and implement a strategic framework to coordinate U.S. efforts to investigate and prosecute trafficking in persons; and (2) the Attorney General direct the Director of the BJA to develop and implement a plan to help focus technical assistance on areas of greatest need.

OIG Audit Objectives and Approach

The OIG initiated this audit to: (1) assess the adequacy of OJP's design and management of the human trafficking grant programs; (2) evaluate the extent to which grantees have administered the grants in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant awards; and (3) assess the effectiveness of the grant programs in assisting trafficking victims.

We performed audit work at OJP's Office for Victims of Crime and the Bureau of Justice Assistance, the Department's Civil Rights and Criminal Divisions, and at the OVC service providers and associated BJA task forces listed in the following table.

OJP Service Providers	BJA Task Force Grantees
Boat People S.O.S., Inc., Falls Church, Virginia	Metropolitan Police Department of the District of Columbia, Washington, D.C.
Coalition to Abolish Slavery and Trafficking, Los Angeles, California	City of Los Angeles, California
Heartland Alliance, Chicago, Illinois	Chicago, Illinois Police Department City of Milwaukee, Wisconsin
International Rescue Committee, Miami, Florida	Collier County, Florida Miami Dade County, Florida
Mosaic Family Services, Inc., Dallas, Texas	Dallas, Texas Police Department City of Fort Worth, Texas
Refugee Women's Network, Inc., Decatur, Georgia	City of Atlanta, Georgia Cobb County, Georgia Board of Commissioners
YMCA of the Greater Houston Area, Inc., Houston, Texas	Harris County, Texas

To answer the audit objectives, we performed multiple steps that included:

- reviewing laws, regulations, and other guidance for managing, administering, and awarding cooperative agreements and grants for human trafficking;
- interviewing OJP, OVC, BJA, and grantee officials responsible for implementing the program;
- reviewing documentation related to the OVC cooperative agreements and the BJA grants awarded from FY 2003 through June 2007;
- evaluating the accuracy of performance data reported to Congress for FYs 2003 through 2006;
- analyzing the results of OIG audits of six OVC service providers and one BJA task force issued from April 2007 through March 2008;
- analyzing OJP's and the grantees' responses to the OIG audits to determine if corrective actions had been taken or initiated for the deficiencies found;

- analyzing the agreement funds spent by seven OVC service providers to determine if the providers could account for the amount of agreement funds spent on direct assistance to victims; and
- interviewing service provider and task force officials to obtain their views on the effectiveness of OJP's human trafficking grant programs.

Appendix I contains further details on the audit objectives, scope, and methodology.

This audit report contains three finding sections. The first finding discusses the design and management of the OJP grant programs. The second finding discusses whether grantees administered the grants in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grant awards. The third finding discusses our assessment of the effectiveness of the grant programs in aiding trafficking victims.

FINDINGS AND RECOMMENDATIONS

1. DESIGN AND MANAGEMENT OF OJP'S TRAFFICKING GRANT PROGRAMS

We found that OJP's human trafficking grant programs have built significant capacities to serve trafficking victims, but have not identified and served significant numbers of victims. As initially designed, the program awarded cooperative agreements to non-profit service providers that supplied victims with services such as food, clothing, shelter, and legal assistance. OJP's Office for Victims of Crime (OVC) began awarding agreements to service providers in January 2003, and during the first 2 years assisted only 480 victims. As an expansion of the program, in FY 2005 the Bureau of Justice Assistance (BJA) began awarding grants to establish task forces intended to identify trafficking victims and refer them to service providers. The task forces identified 490 additional victims during the 6-month period ending December 2005 and the number of victims aided as reported by the service providers increased by about the same amount. However, the number of victims reportedly being served soon declined to the pre-task force levels of 196 victims for the 6-month period ending December 2006. In addition, we found that the OVC's grant award process for service providers resulted in a wide variance in the amount of funds awarded compared to the number of victims each grantee anticipated serving. Further, we found that both the service providers and task forces overstated to OJP the number of victims reportedly served and identified.

This audit first evaluated the design of the human trafficking grant programs and assessed the accuracy of performance data associated with the program. We also evaluated the processes by which awards were made to service providers and task forces operating within the program. In total, we evaluated data regarding all 41 cooperative agreements awarded by the OVC to 36 separate service providers and all 42 grants awarded by the BJA to establish human trafficking task forces.

While the period of our review covered from the inception of the awards in FY 2003 through FY 2007, not all service provider agreements and task force grants were in effect during the entire review period. Therefore, the number of service provider agreements and task force grants that we reviewed varied depending on the period covered by the audit tests performed. We also completed on-site work at 7 of the 41 OVC service

providers and 11 of the 42 BJA task forces. For some tests the on-site work involved all 7 service providers and 11 task forces visited, while other tests involved fewer service providers and task forces depending on the period covered by our tests. The results of our testing are discussed in the following sections.

Program Design

The OVC issued its first solicitation for awarding cooperative agreements to service providers in FY 2002 and began awarding service provider agreements in FY 2003. As shown in the following table, from FYs 2003 through 2007 the OVC awarded 41 agreements to 36 separate service providers. Forty of the 41 agreements were for comprehensive or specialized services to trafficking victims while 1 was for training and technical assistance.

OVC Agreements Awarded to Victim Service Providers from FYs 2003 through 2007

FY Awarded	Agreements Awarded	Separate Service Providers⁵	Amount Awarded⁶
2003	13	12	\$13,071,711
2004	10	9	\$9,366,599
2005	1	1	\$1,074,147
2006	14	12	\$7,169,468
2007	3	2	\$1,024,743
All Years	41	36	\$31,706,668

Source: Office for Victims of Crime's Grants Management System

For all awards, the OVC required service providers to submit semi-annual progress reports that included performance data on the number of trafficking victims served. The OVC maintained a summary of the performance data submitted which showed that service providers assisted 480 trafficking victims during calendar years 2003 and 2004. According to

⁵ In FY 2003, one service provider received two agreements. In FY 2004, the 10 service providers receiving agreements included 1 service provider that had received an agreement in the previous year. In FY 2006, the 14 service providers receiving agreements included 1 service provider that had received an agreement in FY 2003 and 1 service provider that had received an agreement in FY 2004. In FY 2007, the three service providers receiving agreements included one service provider that had received an agreement in FY 2003.

⁶ The amount awarded includes the amount of the initial agreement and any supplements to the initial agreements.

information included in the award documentation, service providers receiving agreements in FYs 2003 and 2004 had anticipated helping at least 821 victims during calendar years 2003 and 2004, far more than the 480 victims who were actually reported as receiving services. Moreover, the 480 victims reported as served during the 2-year period was a small fraction of the 14,500 to 17,500 victims that the government estimated were trafficked into the United States annually.⁷ This estimate is significantly lower than the estimate of 50,000 contained in the Trafficking Victims Protection Act of 2000.

Recognizing that few victims were being identified and assisted by the service providers, OJP determined that it needed a more comprehensive strategy that focused on improving detection and investigation that was linked to the rescue and recovery of human trafficking victims. Therefore, in 2004 OJP's BJA developed its Anti-Human Trafficking Task Force Initiative to identify more trafficking victims. Under this initiative, the BJA provides grant funds to state and local law enforcement agencies to establish anti-trafficking task forces. According to an OJP official, OJP did not receive additional appropriations to fund the task forces. Instead, OJP used about half the funds initially intended for the service providers to fund the task forces. The task forces were established to implement victim identification and rescue operations and refer the victims to the service providers. From FYs 2005 through 2007, the BJA awarded 42 anti-trafficking task force grants and supplements totaling about \$19.2 million.⁸

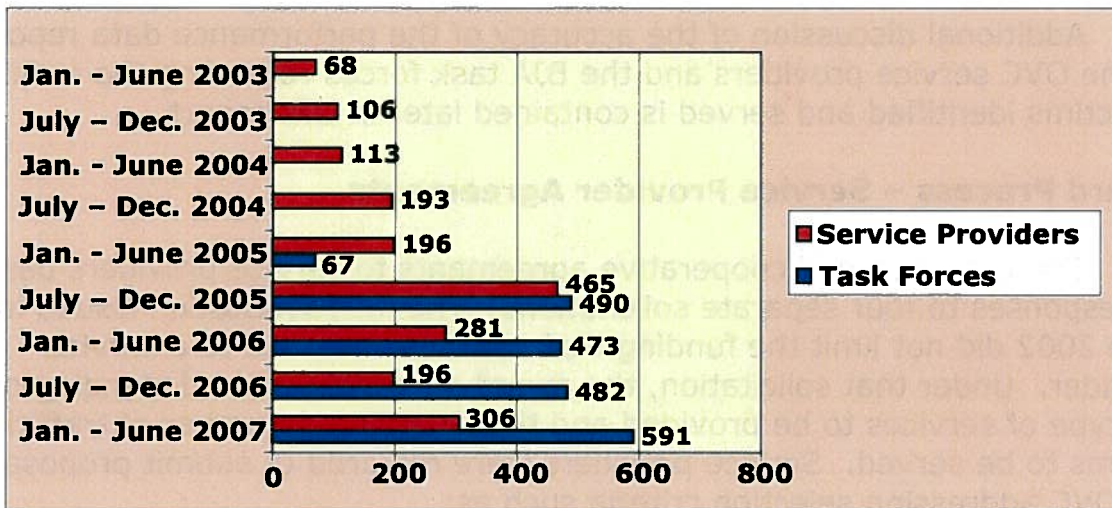
As part of the grants, the BJA required the task forces to submit semi-annual progress reports that included performance data on the number of potential trafficking victims identified, and the BJA maintained a summary of that data.

The following chart presents the total number of new victims reported as receiving benefits from service providers for semi-annual periods between January 2003 and June 2007. For the same period, the chart presents the total number of potential new victims reported as identified by the task forces.

⁷ U.S. Department of Justice, *Report to Congress from Attorney General Alberto R. Gonzales on U.S. Government Efforts to Combat Trafficking in Persons in Fiscal Year 2004* (July 2005), 5.

⁸ A supplement is when additional funds are provided under a previously awarded grant to continue services under the initial grant or to perform additional services related to the initial grant.

**Trafficking Victims Reported as Assisted by OVC
Service Providers and Identified by BJA
Task Forces from January 2003 through June 2007**



Source: Victim data maintained by the Office for Victims of Crime and the Bureau of Justice Assistance

Service providers reported identifying 68 new victims during January through June 2003. The number of new victims reported as served increased to 196 in the first half of 2005 when the task forces began operation. In the second half of 2005, the task forces identified 490 potential victims and this apparently drove a sharp increase in victims to the service providers, which reported serving 465 victims during the same period. In subsequent periods, the task forces continued reporting newly identified victims in the range of 473 to 591 per reporting period. However, the service providers reported a steep drop in the number of victims served during these same time periods. The number of victims reported as served increased for the period ending June 30, 2007, although that increase may be attributable to new agreements being awarded to 14 new service providers during FYs 2006 and 2007. At the conclusion of the audit, we discussed this concern with a BJA official. The official told us that the difference between the number of victims identified by the task forces and served by the service providers is largely attributable to the task forces reporting on potential victims identified while the service providers reporting actual victims served. We believe that the task forces should either report actual victims identified instead of potential victims, or report both the actual and potential victims identified.

Based on the reported data, we concluded that the program design associated with the task forces has not resulted in a sustained increase in the number of trafficking victims who benefit from service providers.

Additionally, our audit work identified significant inaccuracies in the performance data reported by both the service providers and the task forces.

Additional discussion of the accuracy of the performance data reported by the OVC service providers and the BJA task forces regarding the number of victims identified and served is contained later in this report.

Award Process – Service Provider Agreements

The OVC awarded cooperative agreements to service providers based on responses to four separate solicitations. The first solicitation issued in June 2002 did not limit the funding that could be awarded to a service provider. Under that solicitation, the award amounts varied depending on the type of services to be provided and the anticipated number of trafficking victims to be served. Service providers were required to submit proposals to the OVC addressing selection criteria such as:

- details about the trafficking problem to be addressed in the service provider's area,
- measurable goals and objectives for meeting the needs of trafficking victims,
- a strategy for accomplishing the goals and objectives including the types of services to be provided to victims and the number of victims for whom the services would be made available,
- the provider's capability to accomplish the project objectives,
- a plan for evaluating accomplishment of the project objectives, and
- a detailed budget of the costs to implement the project objectives.

As part of their proposed budgets, service providers were required to identify the total average projected cost of providing direct services to victims based on a calculation of the number of victims anticipated to be served, the average anticipated number and type of services to be provided, and the average anticipated number of days services would be provided.

The OVC issued the second solicitation in February 2004. This solicitation established a \$1 million limit for each agreement. An OVC official told us that the OVC established the limit so it could provide supplemental funding to an increased number of service providers. From this and all

subsequent solicitations, the OVC eliminated the requirements that service providers include the number of victims anticipated to be served and the need to identify the average projected cost of providing direct services to victims based on a calculation of the number of victims anticipated to be served. An OVC official told us that these requirements were eliminated because the OVC believed the requirement was an exercise in futility in that service providers could not control the number of victims referred to them.

In January 2005, the OVC and BJA issued a solicitation for joint concept papers for both the service provider agreements and task force grants.⁹ After the concept papers were reviewed by the OVC and BJA, selected applicants were invited to submit full proposals. The concept papers were to be submitted jointly by the law enforcement agency applying for a BJA task force grant and the service provider applying for an OVC service provider agreement. The solicitation further reduced the limit of the service provider agreements to \$500,000. According to an OVC official, the OVC reduced the agreement limit because funding was reduced by 50 percent to support the BJA task force grants.

In April 2006, the OVC and BJA issued a solicitation for both the service provider agreements and task force grants. The solicitation again reduced the limit of service provider agreements, this time to \$450,000. According to an OVC official, the OVC's goal was to provide supplemental funding to an increased number of service providers.

The following table shows the number and amount of the OVC service provider agreements and supplements awarded under each solicitation.

⁹ A concept paper is similar to a proposal that would be submitted by an applicant in response to a solicitation, except the concept paper includes a description of the estimated costs rather than a detailed budget and budget narrative.

OVC Service Provider Agreements and Supplements Awarded

Solicitation	Agreements Awarded	Supplements Awarded	Amount Awarded
June 2002	13	0	\$9,716,150
February 2004	11	1	\$5,876,826
January 2005	6	16	\$8,660,182
April 2006	9	0	\$4,049,237
2007 ¹⁰	2	11	\$3,404,273
Totals	41	28	\$31,706,668

Source: Office for Victims of Crime service provider agreement award documents

We analyzed 19 initial agreements and supplements awarded to 7 service providers and found a wide variance in the amount of funds awarded compared to the number of victims each grantee anticipated serving. As shown in the following table, the amount awarded per anticipated victim ranged from a high of \$33,333 to a low of \$2,500.

OIG Analysis of Funds Awarded to Service Providers

Service Provider	Agreement Number	Type	Term	Minimum Victims to be Served	Amount Awarded	Amount per Victim
Boat People	2003-VT-BX-K009	Initial	36 Mo.	100	\$1,896,535	\$18,965
Boat People	2007-VT-BX-K003	Initial	18 Mo.	35	\$325,000	\$9,286
Coalition Against Slavery and Trafficking	2004-VT-BX-K001	Initial	24 Mo.	30	\$1,000,000	\$33,333
Coalition Against Slavery and Trafficking	2004-VT-BX-K001	Supplement	18 Mo.	30	\$295,000	\$9,833
Coalition Against Slavery and Trafficking	2004-VT-BX-K001	Supplement	18 Mo.	30	\$340,000	\$11,333
Heartland Alliance	2003-VT-BX-K002	Initial	36 Mo.	100	\$490,829	\$4,908
Heartland Alliance	2003-VT-BX-K003	Initial	36 Mo.	90	\$673,568	\$7,484
Heartland Alliance	2003-VT-BX-K003	Supplement	33 Mo.	106	\$500,000	\$4,717

¹⁰ In FY 2007, OVC awarded 2 new agreements and 11 supplements to continue funding under prior awards. No new solicitation was issued for FY 2007.

Service Provider	Agreement Number	Type	Term	Minimum Victims to be Served	Amount Awarded	Amount per Victim
International Rescue Committee - Miami	2003-VT-BX-K011	Initial	36 Mo.	100	\$1,731,660	\$17,317
International Rescue Committee - Miami	2003-VT-BX-K011	Supplement	18 Mo.	Application Did Not Specify	\$295,000	Could Not Determine
Mosaic Family Services, Inc.	2003-VT-BX-K005	Initial	36 Mo.	180	\$799,586	\$4,442
Mosaic Family Services, Inc.	2003-VT-BX-K005	Supplement	18 Mo.	90	\$293,966	\$3,266
Mosaic Family Services, Inc.	2006-VT-BX-K016	Initial	36 Mo.	180	\$449,996	\$2,500
Mosaic Family Services, Inc.	2006-VT-BX-K016	Supplement	18 Mo.	Application Did Not Specify	\$325,000	Could Not Determine
Refugee Women's Network	2004-VT-BX-K010	Initial	18 Mo.	60	\$311,708	\$5,195
Refugee Women's Network	2004-VT-BX-K010	Supplement	18 Mo.	39	\$221,250	\$5,673
YMCA of Greater Houston	2003-VT-BX-K007	Initial	36 Mo.	150	\$529,927	\$3,533
YMCA of Greater Houston	2003-VT-BX-K007	Supplement	18 Mo.	30	\$295,000	\$9,833
YMCA of Greater Houston	2003-VT-BX-K007	Supplement	18 Mo.	30	\$325,000	\$10,833

Source: Service provider applications and Office for Victims of Crime award documents

All of the service provider agreements, except for the first Heartland Alliance agreement (2003-VT-BX-K002), were for comparable comprehensive services to victims, outreach, and training. We found that the OVC officials generally accepted the service provider's estimates of the

victims to be served and did not make an independent assessment of the reasonableness of the costs compared to the anticipated number of victims to be served. According to an OVC official, when the solicitation was being developed in 2002 the OVC knew little about the extent of the human trafficking problem in the United States. The official told us that the initial OVC solicitation was issued based on federal estimates that very large numbers of victims were being trafficked into the United States annually. The official added that no one really knew the numbers of victims who would be found in a specific locale, and therefore the OVC had expected to receive applications that covered large geographic regions. However, the official said this did not happen. As a result, the amount of money provided to service providers to assist victims varied greatly and OJP could not provide evidence to show that the wide variance in award amounts per anticipated victim was reasonable.

At the conclusion of the audit, an OVC official told us that the service provider budgets were reviewed in detail and were often changed, sometimes significantly, as a result of the financial reviews of the budgets. However, the OVC official indicated that the budget review did not specifically analyze the costs in relation to the victims that the grant applicant anticipated serving. The OVC official said that the OVC never awarded any grant based on the number of victims, but instead based the awards on the costs associated with starting the grant program, building a community-wide effort to address trafficking, and providing services to all victims identified.

Award Process – Task Force Grants

The BJA task force grants were awarded based on responses to three separate solicitations. The first solicitation was issued in August 2004 and requested proposals for task force grants only. The solicitation established a limit of \$450,000 for each task force grant and required law enforcement applicants to increase the number of “trafficking victim saves” by 15 percent each year. The solicitation defined a “trafficking victim save” as an individual recovered from a trafficking victim situation who has been identified, certified, and referred for comprehensive victim services as a result of program initiatives. The solicitation also required law enforcement applicants to provide pre-program data on the number of victims identified to establish a baseline for measuring compliance with the 15-percent annual increase requirement.

In January 2005, the OVC and BJA issued the solicitation for joint concept papers for both service provider agreements and task force grants.

The conditions of the concept paper for the task force grants were generally the same as in 2004.

As with the previous two solicitations, in April 2006 the OVC and BJA issued a solicitation for both the service provider agreements and task force grants with similar conditions. However, the 2006 solicitation also required law enforcement applicants to provide data on the number of victims identified during 2003, if available.

The following table shows the number and amount of the BJA task force grants and supplements awarded under each solicitation.

BJA Task Force Grants and Supplements Awarded

Solicitation	Grants Awarded	Supplements Awarded	Amount Awarded
August 2004	22	0	\$8,827,936
January 2005	10	0	\$4,121,729
April 2006	10	6	\$6,238,554
Totals	42	6	\$19,188,219

Source: Bureau of Justice Assistance data

We analyzed 14 initial grants and supplements awarded to 11 task forces and found that none of the 11 law enforcement applicants provided pre-grant data to establish a baseline of the number of "trafficking victim saves" for measuring compliance with the 15-percent annual increase requirement. Such baseline data generally did not exist because the task forces were not in effect prior to receiving the grants. In the absence of such baseline data, we asked a BJA official what the agency used to establish a baseline to measure compliance. The BJA official told us that the baseline used is the number of applications for "continued presence" submitted during the first full year of the grant.¹¹ The BJA official said that the agency uses the continued presence applications as the baseline because it is indicative of the victims who have been identified, certified, and referred for comprehensive services. We asked the BJA official if the agency had communicated to the task forces that it was using the number of continued presence applications submitted as the basis for measuring compliance with the "trafficking victim saves" performance measure. The BJA official said that he was not aware of any written communication to the task forces on

¹¹ The Attorney General is authorized to approve applications from aliens for "continued presence" in the United States. The continued presence approval allows aliens to remain in the United States for a period of time to assist law enforcement in the prosecution of human traffickers.

this issue. However, the official told us that the BJA has made presentations to the task forces where this issue was discussed.

To determine if the task forces were complying with the requirement to increase "trafficking victim saves" by 15 percent each year, we first determined that 32 of the 42 task force grants had been in effect for at least 2 full years and therefore would permit a comparison of the second year's performance to the first year's performance. For the other 10 task forces, we determined the following:

- The 10 task forces had been in effect for 1 year as of June 30, 2007.
- Six of the 10 task forces reported submitting no applications for continued presence during the first year of the grant. Therefore, these 6 task forces would not have a measurable goal for the second year of the grant.
- The remaining four task forces reported submitting only 1-3 applications for continued presence during the first year of the grant.

Next, for the 32 task forces that had been in effect for at least 2 full years as of June 30, 2007, we analyzed the continuing presence data reported by the task forces for the first year the grant was in effect and found the following:

- Seventeen of the 32 task forces reported submitting no applications for continued presence during the first year of the grant. Therefore, these task forces also would not have a measurable goal for the second year of the grant.
- Ten of these 17 task forces also reported submitting no continued presence applications for the second year of the grant. The remaining seven task forces reported submitting from 2-8 continued presence applications during the second year of the grant.

Finally, for the remaining 15 task forces that reported submitting continued presence applications during the first year of the grant, we analyzed the data reported for the first and second years of the grant and found that only 4 of the 15 task forces met the requirement to increase "trafficking victim saves" by 15 percent annually.

At the conclusion of the audit, we discussed with OJP officials the results of our analysis of the "trafficking victims saves" performance measure. An OJP official said that, in retrospect, this performance measure is not a reasonable assessment of the task force performance and therefore should be eliminated. As of June 2008, however, the performance measure had not been eliminated.

In summary, we found that the task force operations resulted in few continuing presence applications being submitted for trafficking victims. In addition, the majority of the task forces were not meeting the BJA's requirement to increase "trafficking victim saves" by 15 percent annually.

We asked a BJA official what actions the agency takes when it determines that the task forces are not meeting the annual requirement to increase "trafficking victim saves." The BJA official told us that beginning in 2006 the BJA started providing technical assistance through phone conversations, e-mails, or on-site visits to grantees that were having trouble identifying victims and filing continued presence applications. The BJA official said that the BJA had conducted only a limited number of site visits, and he identified four site visits. However, only two of the four site visits were conducted due to the task force having trouble identifying victims and filing continued presence applications. The other two site visits were conducted because the task force either was not meeting with the service provider as expected or believed it was only to provide training and not identify victims.

Accuracy of Performance Data

The Trafficking Victims Protection Act (TVPA) also required that the Attorney General to submit annual reports to Congress beginning in May 2004 regarding the government's actions to combat human trafficking. One activity to be reported was the number of victims receiving services under the TVPA by the Department of Justice. We analyzed the four annual reports to Congress submitted from FYs 2004 through 2007 and found that the number of victims reported as served was inaccurate in all four reports. Overall, for the seven service providers we tested, the Department overstated the number of victims served from calendar years 2003 through 2006 by 57 percent.

In addition, the latest data on victims served through June 2007 shows 54 percent more victims served than we were able to verify. An OJP official told us that this data will not be reported to Congress until the Fall of 2008. It is essential that actions are taken by the OVC to preclude inaccurate data from being reported to Congress in future reports.

This problem – the number of victims reported to Congress not matching the number reported by the OVC service providers and the number supported in the service providers' files – occurred for each report we tested, as shown below in each discussion and ensuing table.

Inaccurate Data Regarding Victims Assisted by OVC Service Providers

In May 2004 the Department reported to Congress that 200 trafficking victims were assisted by 9 OVC service providers during 2003.¹² However, as discussed in the first section of this finding on "Program Design," summary data maintained by the OVC showed the service providers assisted a total of 174 trafficking victims during 2003 (68 victims in the first semiannual period and 106 in the second period). To test the accuracy of the reported number of victims, we reviewed the victim case files maintained by the service providers and interviewed service provider officials. Our testing included assessing whether:

- the service providers maintained documentation to show that services were provided to the victims reported;
- the number of reported victims for the reporting period included only new victims instead of counting victims that had previously been reported; and
- the service providers reported only victims that were eligible to be served. Ineligible victims include those that are certified by the Department of Health and Human Services (HHS) before coming to the service provider, or that disappear before any services are provided and therefore do not cooperate with law enforcement in the prosecution of the traffickers.

As shown in the following table, we performed testing at five of the nine service providers and found that the number of victims reported was overstated by four of the five providers.

¹² U.S. Department of Justice, *Report to Congress from Attorney General John Ashcroft on U.S. Government Efforts to Combat Trafficking in Persons in Fiscal Year 2003* (May 1, 2004). Although the report was for FY 2003, the number of victims aided by OVC service providers was reported for calendar year 2003.

**OIG Analysis of Trafficking Victims Reported as Assisted
by OVC Service Providers During Calendar Year 2003**

Service Provider	Reported Number of Victims Served	
	Recorded in OVC's Records	Verified by the OIG
Boat People, S.O.S., Inc.	10	10
Heartland Alliance for Human Needs and Human Rights	26	17
International Rescue Committee - Miami	6	4
Mosaic Family Services, Inc.	40	2
YMCA of the Greater Houston Area, Inc.	4	1
Totals	86	34

Source: Office for Victims of Crime data and service provider records

In July 2005 the Department reported to Congress that 357 trafficking victims were assisted by 17 OVC service providers during 2004.¹³ However, according to the OVC summary data, the service providers assisted 306 trafficking victims during 2004. As shown in the following table, we performed testing at 7 of the 17 service providers and found that the number of victims reported was overstated for all 7 providers.

**OIG Analysis of Trafficking Victims Reported as Assisted
by OVC Service Providers During Calendar Year 2004**

Service Provider	Reported Number of Victims Served	
	Recorded in OVC's Records	Verified by the OIG
Boat People, S.O.S., Inc.	27	5
Coalition to Abolish Slavery	67	25
Heartland Alliance for Human Needs and Human Rights	15	11
International Rescue Committee - Miami	15	12
Mosaic Family Services, Inc.	25	8
Refugee Women's Network, Inc.	6	3
YMCA of the Greater Houston Area, Inc.	9	7
Totals	164	71

Source: Office for Victims of Crime data and service provider records

¹³ DOJ, *Report to Congress on U.S. Government Efforts to Combat Trafficking in Persons*. Although the report was for FY 2004, the number of victims aided by OVC service providers was reported for calendar year 2004.

In June 2006 the Department reported to Congress that 692 trafficking victims were assisted by 20 OVC service providers during 2005.¹⁴ However, according to the OVC data, service providers assisted 661 trafficking victims during 2005. As shown in the following table, we performed testing at 7 of the 20 service providers and found that the number of victims reported was overstated for 6 of the 7 providers.

**OIG Analysis of Trafficking Victims Reported as Assisted
by OVC Service Providers During Calendar Year 2005**

Service Provider	Reported Number of Victims Served	
	Recorded in OVC's Records	Verified by the OIG
Boat People, S.O.S., Inc.	60	41
Coalition to Abolish Slavery	39	21
Heartland Alliance for Human Needs and Human Rights	27	16
International Rescue Committee - Miami	20	19
Mosaic Family Services, Inc.	51	38
Refugee Women's Network, Inc.	16	16
YMCA of the Greater Houston Area, Inc.	43	36
Totals	256	187

Source: Office for Victims of Crime data and service provider records

In May 2007 the Department reported to Congress that 1,775 trafficking victims were assisted by 28 service providers from the inception of the program in 2003 through December 2006.¹⁵ However, the OVC summary data showed that service providers helped 1,618 trafficking victims from the inception of the program in 2003 through December 2006. As shown in the following table, we performed testing at 7 of the 28 service providers and found that the number of victims reported was overstated for all 7 providers.

¹⁴ U.S. Department of Justice, *Attorney General's Annual Report to Congress on U.S. Government Efforts to Combat Trafficking in Persons Fiscal Year 2005* (June 2006). Although the report was for FY 2005, the number of victims aided by OVC service providers was reported for calendar year 2005.

¹⁵ U.S. Department of Justice, *Attorney General's Annual Report to Congress on U.S. Government Efforts to Combat Trafficking in Persons Fiscal Year 2006* (May 2007). Although the report was for FY 2006, the number of victims aided by OVC service providers was reported for calendar year 2006.

OIG Analysis of Trafficking Victims Reported as Assisted by OVC Service Providers During Calendar Year 2003 through 2006

Service Provider	Number of Victims Served	
	Recorded in OVC's Records	Verified by the OIG
Boat People, S.O.S., Inc.	119	74
Coalition to Abolish Slavery	168	106 ¹⁶
Heartland Alliance for Human Needs and Human Rights	77	56
International Rescue Committee - Miami	50	44
Mosaic Family Services, Inc.	124	54
Refugee Women's Network, Inc.	35	21
YMCA of the Greater Houston Area, Inc.	111	80
Totals	684	435

Source: Office for Victims of Crime data and service provider records

Subsequent to the Department's May 2007 report to Congress, the OVC service providers submitted updated performance data to the OVC for the 6-month period ending June 30, 2007. The OVC summary data showed that the service providers assisted 1,924 trafficking victims from the inception of the program in 2003 through June 30, 2007. The OVC will combine this data with data for the subsequent 6-month period ending December 31, 2007, for inclusion in the Department's next report to Congress, which should be submitted in the Fall of 2008. We found the updated performance data was overstated for all six service providers we tested. Overall, the six service providers overstated the number of trafficking victims helped by 54 percent, as shown in the following table.

¹⁶ Of the 106 victims that we counted as verified, 41 were actually victims reported by a predecessor grantee (Little Tokyo) that works closely with the Coalition to Abolish Slavery and Trafficking (CAST). The OVC now combines the victims served by Little Tokyo and CAST. We did not attempt to verify the 41 victims reported by Little Tokyo.

**OIG Analysis of Trafficking Victims Reported as
Assisted by the OVC Service Providers from
January 2003 through June 2007**

Service Provider	Reported Number of Victims Served	
	Recorded in OVC's Records	Verified by the OIG
Boat People, S.O.S., Inc.	119	74
Coalition to Abolish Slavery and Trafficking	185	123 ¹⁷
Heartland Alliance for Human Needs and Human Rights	85	62
International Rescue Committee - Miami	56	50
Mosaic Family Services, Inc.	128	55
YMCA of the Greater Houston Area, Inc.	112	81
Totals	685	445

Source: Office for Victims of Crime data and service provider records

Causes for OVC's Inaccurate Data

Through interviews with the OVC and service provider officials and reviews of documentation related to victims served, we identified multiple causes for the inaccurate data on victims served.

OVC Verification of Reported Numbers

The OVC performs onsite monitoring visits to the OVC service providers. However, we found that the onsite monitoring visits are short in duration – usually a day or two – and usually do not include verification of the performance data reported in the progress reports. An OVC official told us that the OVC does not have the time or staffing to verify the accuracy of the performance data in the progress reports because of the large amount of data that support the progress reports. At the conclusion of our audit, an OJP official provided us an update on changes to OJP's grant monitoring and assessment efforts. According to the OJP official, these changes included:

- the creation in FY 2007 of the Program Assessment Division within the Office of Audit, Assessment, and Management to conduct grant program assessments or performance audits, create common monitoring policies, and ensure monitoring efforts are effective;

¹⁷ Of the 123 victims that we counted as verified, 41 were actually victims reported as served by a predecessor grantee (Little Tokyo) that works closely with the Coalition to Abolish Slavery and Trafficking. OVC now combines the victims served by Little Tokyo with those served by the Coalition to Abolish Slavery and Trafficking. We did not attempt to verify the 41 victims reported by Little Tokyo.

- the release in FY 2008 of the Grant Monitoring Tool that:
 - (1) captures documentation from all phases of a monitoring review;
 - (2) provides embedded tools and guidance necessary to conduct monitoring;
 - (3) requires that all on-site monitoring efforts include a review of standard, key review elements and steps;
 - (4) allows OJP officials to identify and track monitoring findings and grantee corrective actions;
 - and (5) encourages a more thorough review of grant programs against common programmatic, financial, and administrative elements; and
- the use of the Trafficking Information Management System to accumulate and report data related to the number of trafficking victims identified and served.

While we could not evaluate these recent changes, if fully implemented they could address some of the weaknesses we found during this audit.

Boat People S.O.S., Inc.

The OVC data showed that the Boat People had assisted 119 potential trafficking victims as of June 30, 2007, but we could verify that only 74 victims had been served. A Boat People official told us that the number of victims was overstated by 45 because after the victims were interviewed and reported to the OVC, they either disappeared or were found to be ineligible to receive services. An OVC official told us that it is appropriate to count victims who disappeared because they were interviewed and determined to be legitimate victims, and the fact that they disappeared does not change their status as a victim. However, we found that the victims disappeared before any services were actually provided and that by disappearing the victims were not cooperating with law enforcement to help prosecute the traffickers. Therefore, we disagree that these victims should be counted as victims served under the program.

Coalition to Abolish Slavery and Trafficking (CAST)

According to the OVC data, CAST had assisted 185 potential trafficking victims as of June 30, 2007, but we could verify that only 123 victims had been served. The overstatement of 62 victims is explained as follows:

- CAST reported 53 victims who had been reported on previous progress reports.

- CAST did not maintain any documentation to support five victims reported.
- CAST reported two victims who had been certified by the HHS before coming to CAST. CAST was only authorized to serve pre-certified victims under the OVC grant without specific authorization from the OVC to do otherwise, which CAST did not get. After victims are certified, funding for continued services should come from HHS.
- CAST reported three victims who were dependents of certified victims and should not have been reported as trafficking victims.
- CAST mistakenly did not report one victim.

Heartland Alliance

The OVC data showed that Heartland Alliance had assisted 85 potential trafficking victims as of June 30, 2007, but we could verify that only 62 victims had been served. Heartland Alliance officials told us that the number of victims was overstated by 23 because after the victims were interviewed and reported to the OVC, they either disappeared or were found to be ineligible to receive services.

International Rescue Committee (IRC) – Miami

The OVC data showed that IRC – Miami had assisted 56 potential trafficking victims as of June 30, 2007, but we could verify that only 50 victims had been served. An IRC – Miami official said the overstatement of six victims occurred because the service provider was confused on how to report the number of victims served. The official told us that the IRC continued to report five victims who had been identified and counted as new victims in prior reporting periods, and also reported a case that was not an OVC case.

Mosaic Family Services, Inc.

The OVC data indicated that Mosaic had assisted 128 potential trafficking victims as of June 30, 2007, but we could verify that only 55 victims had been served. Mosaic officials could not provide us with a list showing the 128 victims reported as served through June 30, 2007. However, in August 2007 Mosaic provided a list of 155 human trafficking victims who had been assisted since the inception of the cooperative agreement. We requested that Mosaic provide intake forms, certification

letters and/or T-visas for each identified victim.¹⁸ We reviewed documentation maintained by Mosaic and interviewed Mosaic officials and determined the following:

- Forty-eight of the 155 victims were certified by HHS as trafficking victims prior to the OVC grant award. Mosaic was only authorized to assist pre-certified victims under the OVC grant without specific authorization from the OVC to do otherwise, which Mosaic did not receive. After victims are certified by HHS, funding for continued services should come from HHS.
- Six of the 155 victims were certified by HHS after the OVC grant was awarded but before coming to Mosaic for services. Therefore, these victims also should not have been assisted using the OVC grant funds.
- Forty-six of the 155 victims had already received T-visas before coming to Mosaic for services. We asked Mosaic officials for copies of the HHS certification letters for these victims but Mosaic did not have them. We asked a Mosaic official if the 46 victims were certified before coming to Mosaic, but he did not know if they had been certified because Mosaic had not contacted HHS regarding their certification. Since these victims may also have been certified before coming to Mosaic, we believe they also should not have been assisted using the OVC grant funds until Mosaic had determined whether or not they had been certified.

Mosaic officials told us that they were not aware that grant funds were to be used only to assist pre-certified victims of human trafficking. However, that requirement was contained in the grant solicitation and Mosaic acknowledged in its grant application that the grant funds would be used to assist pre-certified victims. In addition, Mosaic officials confirmed that they did not determine if victims who received T-visa's prior to coming to Mosaic for services were pre-certified or certified. Mosaic officials told us that it was the only service provider in the local geographic area that is able

¹⁸ A T-visa is a special 3-year visa for victims of trafficking which allows them to apply for legal permanent residence status at the end of the 3-year period. However, unless they are under age 15, victims must be willing to assist in every reasonable way in the investigation and prosecution of the trafficking case to qualify for the T-visa. Intake forms are used by case workers during initial interviews with potential victims to determine if a person is a victim of human trafficking. Certification letters from HHS are issued to trafficking victims to confirm that the victims have been certified and provide the dates of certification.

to provide services to human trafficking victims, and therefore it did not turn away potential victims of trafficking.

Refugee Women's Network, Inc.

The OVC data showed that the Refugee Women's Network (RWN) had assisted 35 potential trafficking victims as of December 31, 2006, but we could verify only 21 victims. An RWN official told us that the overstatement of 14 victims occurred because RWN continued to report victims who had been identified and counted as new victims in prior reporting periods.

YMCA of the Greater Houston Area, Inc.

The OVC data showed that the YMCA had assisted 112 potential trafficking victims as of June 30, 2007, but we could verify that only 81 victims had been served. YMCA officials could not explain why they over-reported by 31 the number of identified victims in progress reports. According to a YMCA official, the program managers responsible for preparing the progress reports no longer worked at the YMCA, and supporting documentation was not maintained for the numbers reported in the progress reports. Although the YMCA provided us with a list of 110 victims, YMCA officials could not explain the difference between the 112 victims reported and the 110 victims on the list. However, we determined that the YMCA inappropriately counted 28 of the 110 victims who were certified by HHS before coming to the YMCA for services, and counted another victim who had already submitted the paperwork to HHS to become certified.

Inaccurate Data Regarding Victims Identified by BJA Task Forces

The Department did not begin reporting data on the potential trafficking victims identified by the BJA task forces until the May 2007 report to Congress. Although the BJA awarded the first task force grants in FY 2005, the Department did not include task force performance data for 2005 in the June 2006 report to Congress because most of the grantees had not received a clearance on their grant budget or completed acceptance of the award locally until the end of the second reporting period. The Department reported in May 2007 that the BJA task forces had identified 1,513 potential trafficking victims as of December 31, 2006. These potential victims were reported by 36 BJA task forces. As shown in the following table, we performed testing at 11 of the BJA task forces and found that the number of potential victims reported was overstated for 8 task forces, understated for 2 task forces, and correctly reported for the remaining task

force. The net effect of the inaccuracies was a 225-percent overstatement in the potential trafficking victims identified for the 11 task forces tested.

**OIG Analysis of Trafficking Victims Reported
as Identified by BJA Task Forces
During Calendar Years 2005 through 2006**

Task Force Grantee	Reported Number of Potential Victims Identified	
	Recorded in BJA's Records	Verified by the OIG
City of Atlanta, Georgia	216	4
Chicago, Illinois Police Department	2	5
City of Milwaukee, Wisconsin	0	0
Cobb County, Georgia Board of Commissioners	1	0
Collier County, Florida	7	15
Dallas, Texas Police Department	31	22
City of Fort Worth, Texas	3	1
Harris County, Texas	131	104
City of Los Angeles, California	49	0
Metropolitan Police Department of D.C.	51	0
Miami Dade County, Florida	19	6
Totals	510	157

Source: Bureau of Justice Assistance data and task force records

The BJA task forces submitted updated performance data to the BJA for the 6-month period ending June 30, 2007. The BJA plans to combine this data with data for the 6-month period ending December 31, 2007, for inclusion in the Department's next report to Congress that should be submitted in May or June 2008. We found the updated performance data was inaccurate for 9 of the 11 task forces we tested with the data overstated by 7 task forces and understated by 2 task forces. The net effect was a 165-percent overstatement of the number of potential trafficking victims identified as shown in the following table.

OIG Analysis of Trafficking Victims Reported as Identified by the BJA Task Forces from January 2005 through June 2007¹⁹

Task Force Grantee	Reported Number of Potential Victims Identified	
	Recorded in BJA's Records	Verified by the OIG
City of Atlanta, Georgia	216	4
Chicago, Illinois Police Department	4	10
City of Milwaukee, Wisconsin	0	0
Cobb County, Georgia Board of Commissioners	10	0
Collier County, Florida	25	25
Dallas, Texas Police Department	62	64
City of Fort Worth, Texas	5	3
Harris County, Texas	152	109
City of Los Angeles, California	62	13
Metropolitan Police Department of D.C.	62	0
Miami Dade County, Florida	22	6
Totals	620	234

Source: Bureau of Justice Assistance data and task force records

We sought to identify the causes for the Department's reporting of inaccurate data regarding victims identified. We interviewed task forces officials, obtained and reviewed documentation related to victims identified, and interviewed BJA officials. Based on this work, we identified multiple causes for the inaccurate data on victims identified.

City of Atlanta, Georgia

As of June 30, 2007, the BJA data indicated that the Atlanta Police Department (APD) had identified 216 potential trafficking victims, but we could verify that only 4 victims had been identified. According to a BJA official, the BJA data incorrectly showed 216 victims reported by the APD when it should have shown 123. The difference of 93 occurred because for the 6-month period ending June 30, 2006, the BJA recorded the number reported by the APD as 111 instead of the 18 victims actually reported by the APD for that period. The BJA official told us that the bureau inadvertently recorded in its victim tracking spreadsheet the cumulative

¹⁹ Our site work was conducted at the Atlanta task force before the June 30, 2007, performance data was accumulated and reported. Therefore, the data presented for the Atlanta task force is as of the reporting period ending December 31, 2006.

number of victims since the beginning of the agreement in January 2003 for the 6-month period ending June 30, 2006, instead of recording just the 18 victims served during the 6-month period.

After adjusting for the BJA's inadvertent recording error, the APD overstatement was reduced to 119 (123 victims reported compared to 4 verified). However, the APD did not have documentation to support the 119 victims reported. According to an APD official, a city of Atlanta official would call her at the end of each reporting period and ask for the numbers to report in the progress reports. However, the Atlanta official has since retired and the APD official could not determine how that person arrived at the number of victims identified and reported in the progress reports.

Chicago, Illinois, Police Department (CPD)

The BJA data indicated that the CPD had identified 4 potential trafficking victims as of June 30, 2007, but we verified that 10 victims had been identified. According to a CPD official, the police department under-reported the six victims identified because of a lack of communication between the CPD and other members of the task force. The CPD reported only victims that it had identified, instead of victims identified by all the members of the task force.

City of Milwaukee, Wisconsin

According to the BJA data, the Milwaukee Police Department (MPD) had not identified any potential trafficking victims as of June 30, 2007, and we verified this to be accurate. The MPD's task force grant had been in effect for 21 months as of June 30, 2007, and a task force official provided the following reasons for why the MPD had not identified any potential trafficking victims:

- The BJA only funded the MPD and did not provide funding for federal law enforcement to participate in the task force.
- Milwaukee does not have a high number of immigrants coming into the city, resulting in less likelihood that there are trafficking victims in Milwaukee. Western Wisconsin is more likely to have labor trafficking cases, but the BJA did not fund any task forces on that side of the state.
- The BJA did not provide a protocol or tactical manual for the implementation of task forces.

- Services providers do not understand that they need to contact law enforcement when they identify a victim.
- There is no clear leader in the task force.
- There is inadequate collaboration between state and federal law enforcement.

Cobb County, Georgia Board of Commissioners

The BJA data indicated that the Cobb County task force had identified 10 potential trafficking victims as of June 30, 2007, but we could not verify that any victims had been identified. According to a Cobb County task force official, none of the 10 victims identified should have been reported because the victims were identified by the service provider and not by the task force.

Collier County, Florida

The Collier County, Florida Sheriff's Office had identified 25 potential trafficking victims as of June 30, 2007, and we verified this to be accurate.

Dallas, Texas, Police Department (DPD)

As of June 30, 2007, the BJA data indicated that the DPD had identified 62 potential trafficking victims, but we verified that 64 victims had been identified. A DPD official told us that when she was preparing a list of identified victims for us, she realized that she had mistakenly under-reported the number of victims identified. The official said that she planned to contact the BJA to make corrections to the previously reported data.

City of Fort Worth, Texas

The BJA data showed that the Fort Worth Police Department (FWPD) had identified five potential trafficking victims as of June 30, 2007, but we could verify that only three victims had been identified. A FWPD official told us that the police department over-reported the number of victims because it initially had identified three victims in a case, but only one victim was found when the FWPD conducted a raid on the location. The official stated that the remaining two victims had been moved to another location prior to the raid.

Harris County, Texas

According to the BJA data, the Harris County Sheriff's Office (HCSO) had identified 152 potential trafficking victims as of June 30, 2007, but we could verify that only 109 victims had been identified. An HCSO official provided the following explanations for the overstatement of 43 victims. The official told us that the HCSO did not maintain supporting documentation for the victims identified and reported in the progress reports. The HCSO official said that he consolidated and reported the number of victims identified for each task force member, but he did not request or maintain supporting documentation for what the task force members reported. The HCSO official also said that the sheriff's department reconstructed its supporting records for what was reported on victims identified in preparation for the audit, but had not requested supporting documentation for what the other task force members reported.

City of Los Angeles, California

As of June 30, 2007, the BJA data indicated that the Los Angeles Police Department (LAPD) had identified 62 potential trafficking victims, but we could verify that only 13 victims had been identified. An LAPD official provided the following explanation for the overstatement of 49 victims. The official told us that the LAPD did not maintain supporting documentation for the victims identified and reported in the progress reports. The official said that the victims reported were identified by other task force members and those task force members did not provide supporting documents.

Metropolitan Police Department of D.C. (MPDC)

According to the BJA data, the MPDC had identified 62 potential trafficking victims as of June 30, 2007, but we could not verify that any victims had been identified. An MPDC official told us the department over-reported the 62 victims because it inappropriately reported U.S. citizens who were involved in sex trafficking and who were referred to another non-governmental organization.

Miami Dade County, Florida

The BJA data indicated that the Miami Dade Police Department (MDPD) had identified 22 potential trafficking victims as of June 30, 2007, but we verified that only 6 victims had been identified. An MDPD official told us that the overstatement occurred because the department inappropriately counted victims who were U.S. citizens.

Conclusion

We found that the OVC's service provider agreements have built significant capacities to serve victims, but have not resulted in significant numbers of trafficking victims being identified and receiving assistance. Moreover, the BJA's task force grants, designed to identify additional trafficking victims for referral to service providers, have not resulted in long-term increases in the number of trafficking victims being assisted by the OVC service providers. In addition, the number of victims reported as benefiting from the service providers and identified by the task forces was overstated. Further, the process used to award the service provider agreements resulted in a wide variance in the amount of funds awarded compared to the number of victims each grantee anticipated would be identified and served. Also, the BJA did not ensure that: (1) task force grantees established baselines to measure whether the task forces were effectively increasing the number of "trafficking victim saves" each year, and (2) the task forces actually met the "trafficking victim saves" performance measure.

Recommendations

We recommend that OJP:

1. Develop and implement procedures to ensure that the BJA task forces either report only actual trafficking victims identified, or report both actual and potential victims identified.
2. Ensure the BJA task forces either exclude domestic trafficking victims when reporting the number of victims identified under the Trafficking Victims Protection Act or separately identify the domestic and alien victims in the numbers reported.
3. Require the BJA task forces to maintain documentation to support the number of trafficking victims reported.
4. Ensure the accuracy of the number of trafficking victims reported by the task forces for inclusion in the annual reports.
5. Consider whether the "trafficking victims saves" performance measure should be eliminated. If not eliminated, establish procedures for taking prompt corrective action when task forces are not meeting the "trafficking victim saves" performance measure.

6. Ensure that the OVC service providers separately identify new victims who are assisted during the semi-annual progress reporting period.
7. Ensure the OVC service providers do not report as assisted those potential victims who either disappear or were found to be ineligible before services are provided.
8. Ensure that the OVC service providers verify whether victims who received T-visas have been certified by HHS as trafficking victims before they can receive services.
9. Ensure the OVC service providers maintain sufficient documentation to support the trafficking victims reported as assisted in the semi-annual progress reports.
10. Ensure the accuracy of the number of trafficking victims reported by the service providers for inclusion in the annual reports.
11. Establish procedures for use during the award process on future service provider agreements to determine whether the award amounts are reasonable in relation to the anticipated number of victims to be assisted.

2. ADMINISTRATION OF COOPERATIVE AGREEMENTS AND GRANTS

From April 2007 to March 2008, the OIG issued five audit reports examining individual OVC service provider cooperative agreements, one audit report on multiple cooperative agreements, and one audit report on a BJA task force grant. As a result of the audits, OJP and the grantees had initiated or agreed to initiate corrective action to address most of the weaknesses found in the individual audits. However, we believe that weaknesses identified in these audits reflect systemic issues that need to be addressed by the OVC and BJA. These weaknesses included goals and accomplishments of grants and cooperative agreements, reporting, fund drawdowns, local matching funds, expenditures, indirect costs, and monitoring of subrecipients. The OVC and BJA need to take additional actions to ensure that these systemic weaknesses are minimized by all OVC service providers and BJA task forces.

As of November 2007, the OVC had awarded 41 cooperative agreements and supplements to human trafficking service providers totaling about \$31.7 million and the BJA had awarded 42 human trafficking task force grants and supplements totaling about \$19.2 million. As shown in the following table, from April 2007 through March 2008 the OIG issued five audit reports on individual OVC service provider cooperative agreements, one audit report on multiple cooperative agreements, and one audit report on a grant awarded to a BJA human trafficking task force. A synopsis of each audit report is contained in Appendix III of this report.

**Human Trafficking Cooperative Agreements and Grants
Audited by the OIG from April 2007 to March 2008**

Service Provider or Task Force	Award Number	Award Amount	Performance Period	
			From	To
Service Provider Agreement Audits				
Boat People S.O.S., Inc. Falls Church, Virginia	2003-VT-BX-K009	\$1,896,535	01/01/03	12/31/06
Heartland Alliance for Human Needs and Human Rights Chicago, Illinois ²⁰	2003-VT-BX-K002	\$490,829	01/01/03	12/31/05
	2003-VT-BX-K003	\$1,173,568	01/01/03	9/30/08

²⁰ The audit of Heartland Alliance included award number 2002-WL-BX-0026 for \$375,000 that was awarded by OJP's Office of Violence Against Women and was not a human trafficking service provider agreement.

Service Provider or Task Force	Award Number	Award Amount	Performance Period	
			From	To
International Rescue Committee Miami, Florida	2003-VT-BX-K011	\$2,026,660	01/01/03	06/30/07
Mosaic Family Services, Inc. Dallas, Texas	2003-VT-BX-K005	\$1,093,552	01/01/03	06/30/07
Refugee Women's Network, Inc. Decatur, Georgia	2004-VT-BX-K010	\$532,958	07/01/04	6/30/07
YMCA of the Greater Houston Area Houston, Texas	2003-VT-BX-K007	\$824,927	01/01/03	06/30/07
Subtotal		\$8,039,029		
Task Force Grant Audit				
San Diego Region Anti-trafficking Task Force San Diego, California	2005-VT-BX-0001	\$448,134	12/01/04	05/31/09
Total		\$8,487,163		

Source: Office for Victims of Crime and Bureau of Justice Assistance cooperative agreement and grant files

During these audits, the OIG tested the grantees' compliance with essential award conditions pertaining to goals and accomplishments, reporting, fund drawdowns, budget management and control, program income, local matching requirements, expenditures, indirect costs, monitoring of subrecipients, and accounting and internal controls. In addition, the OIG tested the grantees' accounting records to determine if reimbursements claimed for costs under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the cooperative agreements and grants.

As discussed in the following sections, each of the audits identified significant weaknesses. As a result of these weaknesses, the OIG audits questioned \$2,914,257 in grant expenditures and recommended \$97,686 be put to better use. We reviewed the OIG audits to determine if any of the weaknesses identified were systemic. We considered weaknesses to be systemic when three or more of the OIG audits found similar weaknesses for a particular award condition area. For the 10 award condition areas tested, we determined the weaknesses were systemic for the following seven areas:

- goals and accomplishments
- reporting

- fund drawdowns
- local match
- expenditures
- indirect costs
- monitoring of subrecipients

Goals and Accomplishments

The OVC and BJA solicitations generally required that goals and objectives be addressed in funding applications, and be realistic, clearly defined, and linked to the needs of trafficking victims. The solicitations required applicants to include a statement of purpose describing expected outcomes and achievements and state the project goals in clear and measurable terms so that project staff could track the project’s progress. The applicants were also required to provide project objectives that were clearly defined, measurable, and stated as a list of quantifiable activities that would assist applicants in achieving project goals.

The OIG audits found that six of the seven grantees had not met or were not accomplishing one of more project goals.

Boat People S.O.S., Inc.

The OIG audit found that the Boat People had not met four of the six grant goals as shown in the following table.

Grant Goal	Status
Meet the needs of at least 20 clients by the end of 2003, 30 by the end of 2004, and 50 by the end of 2005	Met
Conduct a community needs assessment survey	Met
Establish a rapid response team	Not met
Create a directory of trafficking victims assistance providers	Not met
Develop an advisory board that meets bi-monthly	Not met
Conduct seminars to publicize information regarding human trafficking victims assistance	Not met

Heartland Alliance

The OIG audit found that the Heartland Alliance was working to accomplish the seven grant goals of its two human trafficking grants as shown in the following table.

Grant Goal	Status
Ensure the protection of trafficking victims' rights and promote their safety during the initial discovery phase of the trial	Working to accomplish
Assist trafficking victims to obtain appropriate legal remedies for which they are eligible	Working to accomplish
Provide integrated case management and social services	Working to accomplish
Provide health services for trafficking victims	Working to accomplish
Ensure the safety and protect the interests of child victims of trafficking	Working to accomplish
Identify new victims of trafficking	Working to accomplish
Educate law enforcement agencies, community organizations, and the immigrant community on human trafficking	Working to accomplish

International Rescue Committee – Miami

The OIG audit found that the International Rescue Committee – Miami was not accomplishing two of the five grant goals as shown in the following table.

Grant Goal	Status
Develop and implement a public education campaign that will deliver critical, accurate, and balanced information; and raise awareness at national, state, and local levels	Accomplishing
Conduct needs assessment research to explore the social, emotional, health, and other needs of victims of trafficking and enable the design of targeted program services	Accomplishing
Develop and implement a 3-year program for 100 victims of trafficking that addresses both short- and long-term social service needs	Not accomplishing
Research, design, and publish protocols on standards of care, strategies for crisis intervention, and emergency care	Accomplishing
Provide comprehensive legal case management and representation for identified victims of trafficking	Not accomplishing

Mosaic Family Services, Inc.

The OIG audit found that the Mosaic Family Services, Inc. had not met one of the four grant goals as shown in the following table.

Grant Goal	Status
Provide services for up to 180 trafficking victims for case management, housing, legal aid, psychological and medical aid, English language instruction, and employment and referral assistance by the end of the original project date of December 31, 2005	Not met
Conduct 30 outreach sessions to enlighten the general community and other governmental and non-governmental agencies about human trafficking	Met
Conduct three workshops to train service providers	Met
Conduct 450 consultations with victims and providers by phone or direct contact	Met

Refugee Women’s Network, Inc.

The OIG audit found that the Refugee Women’s Network had not met two of the five grant goals as shown in the following table.

Grant Goal	Status
Provide comprehensive culturally and linguistically appropriate direct services for a minimum of 99 pre-certified victims of trafficking during the 3-year life of the award	Not met
Support victims’ rights, provide legal advocacy, and encourage prosecution of traffickers for a minimum of 99 pre-certified victims of trafficking during the 3-year life of the award	Not met
Facilitate monthly meetings with federal and local authorities, service providers, and community agencies to develop a local collaborative network and facilitate a coordinated community response to trafficking	Met
Provide outreach to refugee and immigrant communities through a minimum of 20 outreach activities each year	Met
Organize and facilitate training each year for 500 law enforcement and other criminal justice personnel, service providers, refugee and immigrant agencies, health care providers, and community members to educate them about the rights and needs of victims of trafficking	Ongoing and will probably be met

YMCA of the Greater Houston Area, Inc.

The OIG audit found that the YMCA of Greater Houston had not met one of the four grant goals as shown in the following table.

Grant Goal	Status
Serve an average of 50 clients a year for the period January 1, 2003, through December 31, 2005	Not met
Complete a needs assessment to identify gaps in existing services and available resources	Met
Implement a model trafficking victim services site	Met
Develop a plan to sustain the project once OVC funding ends	Met

San Diego Region Anti-trafficking Task Force

The OIG audit found that the San Diego Task Force was not accomplishing one of the 12 grant goals as shown in the following table.

Grant Goal	Status
Develop a multidisciplinary Anti-Trafficking Task Force, which will include representatives from local law enforcement agencies throughout San Diego County, federal agencies, the District Attorney's Office, the U.S. Attorney's Office, and numerous local service providers	Met
Create a Focus Group comprised of representatives from the Anti-Trafficking Task Force	Met
Create a Legal Resource Group, comprised of representatives from the U.S. Attorney's Office, the District Attorney's Office, and representatives from law enforcement agencies' legal divisions to act as a resource for law enforcement to educate investigators on current legislation and new laws related to the issue	Met
Conduct specialized training related to the identification of human trafficking victims for a minimum of 200 law enforcement and 90 victim service providers per year in San Diego County	Met
Facilitate bi-monthly meetings with representatives from participating local and federal law enforcement agencies, the District Attorney's Office and the U.S. Attorney's Office to discuss open investigations, current and related cases, share investigative leads, strategies and current trends, surveillance information, trainings conducted, up-coming events, and to highlight specific case information	Met

Grant Goal	Status
Conduct one town hall meeting per year in each city represented in the Anti-Trafficking Task Force	Substantially not met
Conduct a regional meeting with human trafficking investigators from neighboring counties (Los Angeles County, Orange County, Riverside County, Imperial County, and San Bernardino County)	Met
Develop a curriculum on human trafficking and have the curriculum approved by enforcement agencies to become part of the Trainers' Bureau	Substantially met
Identify, recruit, and train a minimum of three agents or officers from local law enforcement agencies to become part of the Trainers' Bureau	Substantially met
Develop a 15-minute video on human trafficking to be shown at police briefings	Met
Develop and distribute a "Cheat Sheet" or "Quick Reference Card" for law enforcement and service providers on how to identify victims of human trafficking and resources available	Met
Develop and distribute a comprehensive training bulletin on human trafficking for law enforcement personnel	Substantially met

The reasons provided by grantees for not accomplishing some grant objectives varied. For example, officials from Tapestri, Inc., the Refugee Women's Network's subrecipient, told us that they believe they had not been successful in serving a higher number of victims for two reasons:

. . . (1) the reluctance of community involvement; immigrant and refugee community members may be reluctant to participate in outreach activities like trainings and focus groups due to fear of repercussions from community members involved in this illegal activity and due to a denial that human trafficking occurs within their community; and (2) a lack of law enforcement officers dedicated to investigate human trafficking cases.

Further, Tapestri officials said that many victims are undiscovered because of the lack of communication between local law enforcement and the Federal Bureau of Investigation (FBI) on what local law enforcement should do when it discovers cases of suspected trafficking. The lack of communication between local law enforcement and the FBI was also raised in evaluations of the program performed by a contractor for the Refugee Women's Network and Tapestri.

Another service provider, the International Rescue Committee – Miami, repeatedly identified in its progress reports that it was having difficulty meeting the goal related to serving victims. This provider planned to continue training, outreach to the public, and work more intensely with law enforcement and community organizations, to help increase the number of victims referred to it for services.

While the grantees reported program accomplishments in their semi-annual progress reports, OJP's system for monitoring the progress reports was not effective in ensuring that accomplishment shortcomings were detected and corrected. When grantees fail to accomplish the goals of the grant, the risk of not identifying and serving significant numbers of victims is increased. Therefore, we believe that OJP should develop and implement steps to identify when grantees do not accomplish their stated goals and take actions to help the grantees accomplish unmet goals, where practical.

Reporting

The OJP Financial Guide requires grantees to submit to OJP two types of reports: Financial Status Reports (FSR) and program progress reports. FSRs provide information on funds spent and the unobligated amounts remaining for the grants.²¹ The Financial Guide requires that grantees submit the FSRs within 45 days after the end of each calendar quarter. Program progress reports provide information on the status of funded activities. The Financial Guide requires that grantees submit the progress reports within 30 days after the end of each semiannual reporting period.

Financial Status Reports

The seven OIG audits found that only one of the seven grantees had a significant problem in submitting FSRs in a timely manner. However, three of the seven grantees submitted FSRs containing significantly inaccurate financial data.

Boat People S.O.S., Inc.

The Boat People did not include the grant's indirect cost on the FSRs. Therefore, the FSRs' reported costs were understated by \$61,535.

²¹ Grant funds are obligated when a valid purchase order or requisition is issued to cover the cost of purchasing an authorized item on or after the begin date of the grant and up to the last day of the grant period.

Heartland Alliance

The OIG audit found that Heartland Alliance reported to OJP that it had federal expenditures of \$490,829 for Grant Number 2003-VT-BX-K002 and its ledger showed federal expenditures of \$558,359 at the close of the grant period. Similarly, for Grant Number 2003-VT-BX-K003, the grantee reported to OJP that it had federal expenditures of \$771,036 for the period ending September 30, 2006, while the ledger as of that date showed federal expenditures of \$841,204. From these conditions, it appears the reported expenditures for the two grants were understated by \$137,698.

International Rescue Committee (IRC) – Miami

The OIG audit reported that the IRC inaccurately prepared its FSRs because the reports did not match the amounts shown in the general ledger. As of September 30, 2006, the IRC reported total outlays as \$1,142,360 on the FSR, but recorded a smaller amount of \$1,141,014 in its general ledger. This difference was immaterial. However, as of June 30, 2007, the IRC reported total federal outlays as \$1,805,894 on the FSR, but the general ledger reflected a smaller amount of \$1,653,152. Consequently, for the period ending June 30, 2007, the IRC apparently overstated expenditures by \$152,742.

OJP grant managers consider the financial data submitted by grantees as important data for managing financial aspects of the grants. When grantees submit inaccurate financial data to OJP, the risk that OJP grant managers may make financial decisions based on flawed financial data is increased. We recommend that OJP provide additional training and oversight to all grantees to ensure they submit FSRs containing accurate financial data.

Program Progress Reports

The seven OIG audits found that the following three grantees had a significant problem in submitting program progress reports in a timely manner.

- The Boat People submitted 5 of the 7 progress reports tested from 7 to 31 days late.
- The YMCA of Greater Houston submitted 3 of the 7 progress reports tested from 1 to 80 days late.

- The San Diego Task Force submitted three of the four progress reports tested from 2 to 6 months late.

When grantees do not submit timely progress reports, OJP grant managers do not have up-to-date information regarding the grant activities and the status of the objectives. We recommend that OJP strengthen its oversight of all grantees to ensure they submit progress reports in a timely manner.

Fund Drawdowns

The Financial Guide requires that grantees request funds when project costs are incurred or anticipated. Grantees should time drawdown requests to ensure that federal cash on hand is only the minimum needed to pay for actual or anticipated costs within 10 days.

Three of the seven grantees audited by the OIG drew down funds too early to meet immediate needs, and one grantee did not maintain adequate accounting records to determine if the grantee drew down funds appropriately.

Boat People S.O.S, Inc.

On March 9, 2005, and April 7, 2005, the Boat People requested drawdowns for \$71,750, and \$91,353, respectively, based on estimates due to the conversion to a new accounting system. The OIG audit found that these drawdowns exceeded the minimum 10-day requirement by \$19,569 and \$21,314, respectively. The Boat People remedied these excess drawdowns by offsetting the June 7, 2005 request by \$40,883.

On January 3, 2006, the Boat People requested a drawdown for \$79,351. The OIG audit found that the drawdown exceeded the minimum 10-day requirement by \$7,870. As of the June 30, 2006, reporting period, the Boat People had not remedied approximately \$6,900 of the \$7,870 excess.

Heartland Alliance

The OIG audit identified at least four instances where Heartland Alliance drew down more funds than it had expended.

International Rescue Committee – Miami

The OIG audit was unable to determine if the International Rescue Committee drew down funds sooner than needed to meet immediate expenditures because the grantee did not maintain sufficient records to trace the details of the reimbursement requests to the accounting records.

Mosaic Family Services, Inc.

On June 9, 2004, Mosaic Family Services, Inc. drew down \$40,000 when there was already over \$16,000 cash-on-hand. After 10 days, the grantee still had \$49,000 cash-on-hand. The grantee had over \$26,000 cash-on-hand for at least 28 consecutive days.

On July 7, 2004, Mosaic again drew down \$40,000 with over \$26,000 cash-on-hand. After 10 days, the grantee still had at least \$61,000 cash-on-hand. Mosaic had from \$8,000 to \$66,000 cash-on-hand for 85 consecutive days.

On September 11, 2006, the grantee drew down \$18,000 with over \$11,000 cash-on-hand, resulting in \$24,103 in excess funds at the end of the audit period of September 30, 2006. The grantee had over \$23,000 excess cash-on-hand for 19 consecutive days after this drawdown. It was not until October 19, 2006, 38 days after the drawdown on September 30, 2006, that the grantee wrote five checks totaling \$21,639, which reduced the excess cash-on-hand to \$2,464.

When grantees drawdown federal grant funds sooner than needed to meet immediate needs, the federal government loses the use of those funds and the interest that they earn while on deposit with the U.S. Treasury. We recommend that OJP provide additional training and oversight to all grantees to ensure they draw down only the amount of federal cash needed to pay for actual or anticipated costs within 10 days.

Budget Management and Control

The OJP Financial Guide requires that grant recipients establish and maintain accounting systems and financial records to accurately account for funds awarded and disbursed. The accounting system should assure that funds are spent in conformance with the grant terms and conditions. The Financial Guide also prohibits using funds received for one grant project to support another, and therefore requires that accounting systems and financial records reflect expenditures for each project separately. In addition, the Financial Guide requires that grantees obtain advance approval

from OJP when cumulative changes in the approved budget categories will exceed 10 percent of the total award amount or when the project scope will change.

The OIG audits found that five of the seven grantees had budget-related weaknesses. However, the weaknesses were varied and did not appear systemic.

Boat People S.O.S., Inc.

The OIG audit found that the Boat People and its subrecipient spent \$90,296 in cooperative agreement funds on expenditures that were not in the approved budget. As of June 19, 2008, actions to remedy the \$90,296 in questioned expenditures had not been completed by OJP and the grantee.

Heartland Alliance

The OIG audit found that the Heartland Alliance, without OJP approval, transferred \$82,027 between budget categories which exceeded the allowable 10-percent limit of \$37,500 by \$44,527.²² As of June 19, 2008, actions to remedy the \$44,527 in questioned budget transfers had not been completed by OJP and the grantee.

International Rescue Committee – Miami

The International Rescue Committee received an initial agreement for 3 years, a supplement to the initial agreement that extended the performance period for 18 months, and a no-cost extension that extended the performance period for 7 months. In its budget submission to OJP, the grantee substantially overestimated the number of victims that it would serve during the life of the grant. The grantee estimated that it would serve 100 victims during the 3-year grant period, but had actually served only 40 after 3 years and 9 months.

Refugee Women's Network, Inc.

The Refugee Women's Network received an agreement for 18 months and a supplement to the agreement for an additional 18 months. The grantee estimated that it would serve 99 victims during the 3-year grant period, but actually served only 21 victims during the first 32-½ months of

²² This deficiency was for award number 2002-WL-BX-0026 which was not a human trafficking service provider award as explained in footnote 20.

the grant. The grantee had not spent \$97,686 in agreement funds at the end of the initial agreement. Because the grantee's budget substantially overestimated the victims to be served, the audit determined it would not be effective to provide the grantee a no-cost extension and allow it to spend the remaining grant funds. Despite our concerns, subsequent to our issuing the draft audit report, OJP issued a May 2007 grant adjustment notice that provided the grantee a no-cost extension through December 31, 2007.

San Diego Region Anti-trafficking Task Force

The San Diego task force did not maintain an accounting system and financial records that separately accounted for grant funds received and disbursed. The San Diego County Sheriff's Department, which managed the task force finances, commingled revenues and expenditures with other grant-related revenues and expenditures without any unique accountability. The task force also requested and received reimbursement for one position that was not in the approved budget.

Because the deficiencies in this area did not indicate a systemic problem among many of the grantees tested, and because recommendations to correct these individual deficiencies had been or were being addressed by OJP, we do not make additional recommendations in this report related to these deficiencies.

Program Income

The OJP Financial Guide defines program income as income generated by an agency-funded project. Program income must be used for the purposes and under the conditions applicable to the award.

The OIG audits found that only two of the seven grantees received program income and both grantees properly used and accounted for it.

Local Matching Funds

The OJP Financial Guide requires that grantees use matching funds to support a federally funded project and that the matching funds must be in addition to, and therefore supplement, funds that would otherwise be made available for the stated program purpose. Grantees can use cash or in-kind contributions for the matching funds. Federal statute limits the federal funds for the human trafficking project to 75 percent of the total project costs. The local match requirement is 25 percent of the total costs. The Financial Guide also requires grantees to maintain records that clearly show the source, amount, and timing of all matching contributions. In addition,

grantees may be compensated for the cost of individual consultant services that are reasonable and consistent with amounts paid for similar services in the marketplace. When the rate exceeds \$450 (excluding travel and subsistence costs) for an 8-hour day, the grantees must obtain advance written approval from the awarding agency.

The seven OIG audits found that four of the seven grantees had significant deficiencies related to supporting the matching funds claimed against the agreements.

Boat People S.O.S., Inc.

The Boat People claimed \$294,575 in matching funds for pro bono attorney fees but could not provide documentation to show the pro bono work was for the human trafficking agreement. The Boat People also claimed \$57,433 in matching contributions for items that were not approved by OJP. As of June 19, 2008, actions to remedy the \$352,008 in questioned matching funds had not been completed by OJP and the grantee.

Heartland Alliance

The Heartland Alliance claimed \$70,580 in matching funds for salaries and fringe benefits but could not provide activity reports or equivalent documentation to show that personnel worked on the human trafficking project. Heartland Alliance also claimed \$63,009 in matching funds for pro bono attorney fees that exceeded the \$450 per 8-hour day limit. In addition, Heartland Alliance claimed matching funds for \$40,000 in pro bono legal services but could not provide documentation to show the pro bono work was for the human trafficking project. As of June 19, 2008, actions to remedy the \$173,589 in questioned matching funds had not been completed by OJP and the grantee.

International Rescue Committee - Miami

The OIG audit questioned \$157,940 that the International Rescue Committee claimed in matching funds for three subrecipients because the matching funds were used to match federal funds claimed that were unsupported. The audit also questioned \$5,397 that the International Rescue Committee claimed in matching funds for direct assistance to eight victims who were ineligible for the program. As of June 19, 2008, actions to remedy the \$163,337 in questioned matching funds had not been completed by OJP and the grantee.

Refugee Women's Network, Inc.

The Refugee Women's Network claimed matching funds twice for the same \$8,463 invoice for pro bono attorney fees. The Refugee Women's Network also claimed \$1,089 in matching funds for pro bono services for a victim that was served by HHS and not by the Refugee Women's Network.

When grantees fail to provide matching funds as required, the risk is increased that the grantees may not be able to continue the program after the federal funding ends. We recommend that OJP provide additional training and oversight to all grantees to ensure they maintain support for costs claimed as matching funds.

Expenditures

According to the OJP Financial Guide, allowable costs are those identified by the applicable Office of Management and Budget circulars and in the authorizing legislation for the cooperative agreements and grants. In addition, costs must be reasonable, allocable, necessary to the project, and comply with the funding statute requirements.

As shown in the following table, the OIG audits found that six of the seven grantees claimed expenditures totaling \$1,488,956 that, at the time of the audits, were either not authorized; not properly classified and supported; not accurately recorded; not reasonable, allocable, or allowable; not necessary to the project; or not in accordance with applicable laws, regulations, guidelines, and terms and conditions of the cooperative agreements.

Summary of Questioned Direct Expenditures

Service Provider	Award Number	Unallowable and Unsupported Costs Claimed
Boat People S.O.S., Inc.	2003-VT-BX-K009	\$121,625
Heartland Alliance for Human Needs and Human Rights	2003-VT-BX-K002	\$369,359
	2003-VT-BX-K003	\$602,224
International Rescue Committee – Miami	2003-VT-BX-K011	\$317,522
Mosaic Family Services, Inc.	2003-VT-BX-K005	\$41,318
Refugee Women's Network, Inc.	2004-VT-BX-K010	\$15,788
YMCA of the Greater Houston Area, Inc.	2003-VT-BX-K007	\$21,120
Total		\$1,488,956

Source: Data from Office of the Inspector General audit reports between April 2007 and March 2008 (see Appendix III)

As of June 19, 2008, actions had been completed by OJP and the grantees to remedy only \$56,710 of the \$1,488,956 in questioned direct expenditures as shown below. Actions had not been completed by OJP and the grantee to remedy the remaining \$1,432,246 in questioned direct expenditures.

Boat People S.O.S., Inc.

Subsequent to issuance of the audit report, the Boat People provided documentation to support \$1,449 of the \$121,625 in questioned direct expenditures.

Mosaic Family Services, Inc.

Subsequent to issuance of the audit report, Mosaic provided documentation to support \$40,659 of the \$41,318 in questioned direct expenditures. Mosaic reimbursed OJP the remaining \$659 in questioned direct expenditures.

YMCA of the Greater Houston Area, Inc.

Subsequent to issuance of the audit report, the YMCA provided documentation to support \$13,943 of the \$21,120 in questioned direct expenditures.

When grantees spend grant funds on unallowable items or cannot provide documentation to support grant expenditures, the risk increases that grant funds are not being used to further the purpose of the grant. We recommend that OJP provide additional training and oversight to all grantees to ensure they claim only costs that are allowable and supported.

Indirect Costs

The Financial Guide states that indirect costs are costs that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the project. The cost of operating and maintaining facilities, depreciation, and administrative salaries are examples of the types of costs that are usually treated as indirect. Indirect costs should be charged to each agreement or grant based on indirect cost rates approved by OJP.

As shown in the following table, the OIG audits found that, at the time of the audits, three of the seven grantees claimed \$271,071 in unallowable or unsupported indirect costs.

Summary of Questioned Indirect Costs

Service Provider	Award Number	Unallowable and Unsupported Costs Claimed
Boat People S.O.S., Inc.	2003-VT-BX-K009	\$152,583
Heartland Alliance for Human Needs and Human Rights	2003-VT-BX-K002	\$50,147
	2003-VT-BX-K003	\$61,498
International Rescue Committee – Miami	2003-VT-BX-K011	\$6,843
Total		\$271,071

Source: Data from Office of the Inspector General audit reports between April 2007 and March 2008 (see Appendix III)

As of June 19, 2008, actions to remedy the \$271,071 in questioned indirect costs had not been completed by OJP and the grantees.

As for direct expenditures, when grantees are reimbursed federal funds for indirect costs that are unallowable or unsupported, the risk increases that grant funds are not being used to further the purpose of the grant. We recommend that OJP provide additional training and oversight to all grantees to ensure they properly calculate and claim indirect costs.

Monitoring Subrecipients

According to the Financial Guide, the primary recipient of grant funding is responsible for monitoring any subrecipients to ensure that all fiscal and programmatic responsibilities are fulfilled.

The OIG audits found that three of the five grantees that had grant subrecipients had weaknesses in subrecipient monitoring.

Boat People S.O.S., Inc.

The OIG audit found that the Boat People implemented various subrecipient monitoring activities, although those measures were not adequate to ensure that its subrecipient properly charged costs to the agreement. The Boat People entered into a collaborative Memorandum of Understanding (MOU) with the subrecipient Ayuda. The MOU between the Boat People and Ayuda required it to submit quarterly financial reports and invoices to the Boat People for incurred expenses. The Boat People also required that Ayuda submit semi-annual program reports. The OIG audit found that Ayuda complied with conditions outlined within the MOU. However, the OIG audit found that Ayuda charged to the grant \$2,067 in unallowable costs, and could not support \$102,927 in expenditures.

Therefore, the audit recommended that the Boat People implement policies and procedures for monitoring Ayuda's financial activities.

Mosaic Family Services, Inc.

The OIG audit reviewed Mosaic's written policies and procedures for monitoring its two subrecipients and found them lacking specific instructions for monitoring and guidelines for the frequency of such monitoring. The audit found that one of the subrecipients had received brief inspections of 1 month's financial records – one in February 2004 and the other in July 2006. The second subrecipient had not been inspected since February 2004. After the auditors advised Mosaic that it needed to develop and implement specific guidelines for more frequent and comprehensive monitoring of the subrecipients, Mosaic provided the auditors with its new procedures for monitoring its subrecipients. The auditors reviewed the monitoring procedures and found them adequate.

International Rescue Committee – Miami

The OIG audit found that the International Rescue Committee had established written policies and procedures on grants management that included procedures for monitoring subrecipients. However, the grantee did not ensure that subrecipient progress reports were accurate, did not perform on-site monitoring visits to one of its three subrecipients, and did not monitor its subrecipients' compliance with single audit requirements.

When grantees fail to adequately monitor subrecipients, the risk increases that the subrecipients' performance may not further the purposes of the grant. We recommend that OJP provide additional training and oversight to all grantees to ensure they effectively monitor subrecipients.

Accounting and Internal Controls

The OJP Financial Guide requires that grantees establish and maintain accounting and internal control systems to accurately account for funds awarded to them. The accounting system should, among other things, ensure that:

- Grant receipts and expenditures are identifiable and accounted for properly;
- Grant expenditures are identifiable by approved budget categories; and

- Non-federal matching contributions are identifiable.

The OIG audits found that one of the seven grantees did not maintain an adequate accounting system and internal controls to properly account for federal grant funds.

Heartland Alliance's accounting system did not readily permit it to consolidate grant expenditures and receipts by agreement. Rather, Heartland Alliance relied on a manual process to consolidate expenditure data on a monthly basis. As a result of the deficient accounting system and lack of internal controls, the audit concluded that Heartland Alliance was unable to adequately identify and account for specific expenditures reimbursed by OJP.

Because the OIG audits did not identify systemic problems related to accounting systems and internal controls, and because a recommendation to correct this individual deficiency was being addressed by OJP, we do not make additional recommendations in this report related to this deficiency.

Grantees' and OJP's Responses and Planned Corrective Actions to Weaknesses Found During Previous Individual OIG Audits

For each of the seven individual OIG audits, we analyzed OJP's and the grantees' responses to the reports' findings and recommendations. Our analysis determined that OJP generally agreed with 77 of the 82 recommendations and provided planned corrective actions to address the deficiencies found during the individual audits. The grantees' did not always agree with the OIG's reported deficiencies but generally agreed to implement the OIG's recommendations. In the following paragraphs we present a brief summary of the grantees' and OJP's responses and planned corrective actions to the OIG audits. Appendix III contains more detailed information regarding OJP's and the grantees' responses and planned corrective actions.

Boat People S.O.S., Inc.

The OIG audit identified significant deficiencies in 8 of the 10 areas tested – goals and accomplishments, reporting, fund drawdowns, budget management and control, local matching requirements, expenditures, indirect costs, and monitoring of subrecipients. The OIG made 22 recommendations to address the deficiencies. OJP agreed with 21 of the 22 recommendations and provided planned or completed corrective actions for the 21 recommendations. OJP disagreed with the recommendation to remedy the \$2,800 in questioned dental and health insurance costs and said

that the questioned amount was for dental insurance which was allowable under the grant budget category of health insurance. In its response to the OIG audit, the Boat People objected to some of the report language that did not have a significant effect on the reported deficiencies. In most cases, the Boat People either agreed with the OIG's recommendations and provided planned or completed corrective actions to address the deficiencies, or provided additional explanations for deficiencies identified by the OIG.

Heartland Alliance

The OIG audit identified significant deficiencies in 8 of the 10 areas tested – reporting, fund drawdowns, budget management and control, local matching requirements, expenditures, indirect costs, monitoring of subrecipients, and accounting and internal controls. The OIG made 23 recommendations to address the deficiencies. OJP agreed with all 23 recommendations and provided planned or completed corrective actions for the recommendations. In its response to the OIG audit, Heartland Alliance generally agreed with the OIG's recommendations and provided planned or completed corrective actions for the recommendations. However, Heartland Alliance also provided additional comments and explanations regarding some deficiencies reported by the OIG.

International Rescue Committee – Miami

The OIG audit identified significant deficiencies in 8 of the 10 areas tested – goals and accomplishments, reporting, fund drawdowns, budget management and control, local matching requirements, expenditures, indirect costs, and monitoring of subrecipients. The OIG made 17 recommendations to address the deficiencies. OJP agreed with 15 of the 17 recommendations and provided planned or completed corrective actions for them. OJP disagreed with the recommendation regarding deobligation of funds not used for direct assistance to victims and the recommendation for the International Rescue Committee to issue a protocol for coordinating with external agencies. OJP also disagreed in part with the recommendation regarding unused housing services. In its response to the OIG audit, the International Rescue Committee disagreed with all 17 recommendations, but provided planned actions to resolve many of them.

Mosaic Family Services, Inc.

The OIG audit identified significant deficiencies in 4 of the 10 areas tested – goals and accomplishments, fund drawdowns, expenditures, and monitoring of subrecipients. The OIG made two recommendations to address the deficiencies. Both OJP and Mosaic agreed with the

recommendations and provided documentation to address the weaknesses found. The OIG closed the audit report based on the documentation provided.

Refugee Women's Network, Inc.

The OIG audit identified significant deficiencies in 4 of the 10 areas tested – goals and accomplishments, budget management and control, local matching requirements, and expenditures. The OIG made six recommendations to address the deficiencies. OJP agreed with five of the six recommendations and provided planned or completed corrective actions for the recommendations. OJP disagreed with the first recommendation to deobligate the \$97,686 that remained at the end of the initial grant period. In its response to the OIG audit, the Refugee Women's Network disagreed with the recommendations related to deobligating the remaining grant funds, remedying the \$8,463 in overcharges for salaries and fringe benefits, and establishing internal controls to safeguard federal funds. The Refugee Women's Network generally agreed with the remaining three recommendations.

YMCA of the Greater Houston Area, Inc.

The OIG audit identified significant deficiencies in 3 of the 10 areas tested – goals and accomplishments, reporting, and expenditures. The OIG made seven recommendations to address the deficiencies. OJP agreed with six of the seven recommendations and provided planned or completed corrective actions for the recommendations. OJP disagreed with the recommendation related to submitting progress reports in a timely manner. In its response to the OIG audit, the YMCA generally agreed with six of the seven OIG's recommendations and provided planned or completed corrective actions for the recommendations. However, the YMCA also disagreed with the recommendation related to submitting progress reports in a timely manner. The YMCA also provided additional comments and explanations regarding some deficiencies reported by the OIG.

San Diego Region Anti-trafficking Task Force

The OIG audit identified significant deficiencies in 3 of the 10 areas tested – goals and accomplishments, reporting, and budget management and control. The OIG made five recommendations to address the deficiencies. OJP agreed with all five recommendations and provided planned or completed corrective actions for the recommendations. In its response to the OIG audit, the San Diego Sheriff's Department generally

agreed with the OIG's recommendations and provided planned or completed corrective actions for the recommendations.

Overall Administration of Grants

The systemic grant administration deficiencies identified in the seven OIG audits of OJP human trafficking grantees are consistent with OJP's weak record of monitoring the approximately \$2-\$3 billion of grants it awards each year. The OIG has repeatedly identified these deficiencies in previous OIG reviews that raise questions about how effectively taxpayer grant funds are being spent. For example, multiple OIG reviews have found that OJP lacked adequate financial and programmatic oversight of its grant programs. In addition, we have found that OJP has yet to develop consistent mechanisms to assess the success of its grant programs. OIG audits continue to identify varied deficiencies regarding OJP's oversight of grant programs, including difficulties in meeting grant objectives, improper use of grant funds, problems in the grant closeout process, and poor measurement of grant effectiveness.

At the conclusion of our audit, an OJP official provided us an update on changes to OJP's grant monitoring and assessment efforts. According to the official, the changes included:

- the creation in FY 2007 of the Program Assessment Division within the Office of Audit, Assessment, and Management to conduct grant program assessments or performance audits, create common monitoring policies, and ensure monitoring efforts are effective;
- the release in FY 2008 of the Grant Monitoring Tool that:
 - (1) captures documentation from all phases of a monitoring review;
 - (2) provides embedded tools and guidance necessary to conduct monitoring;
 - (3) requires that all on-site monitoring efforts include a review of standard, key review elements and steps;
 - (4) allows OJP officials to identify and track monitoring findings and grantee corrective actions;
 - and (5) encourages a more thorough review of grant programs against common programmatic, financial, and administrative elements; and
- the use of the Trafficking Information Management System to accumulate and report data related to the number of trafficking victims identified and served.

While we could not evaluate these actions, if fully implemented they could address some of the weaknesses we found during this audit. The

recent OIG audits of OJP's human trafficking grants identified many of the same deficiencies as past OIG audits of OJP grants. As a result of these continued deficiencies, the OIG has identified grant management as one of the Department's top management challenges for the past 6 years. While it is important to efficiently award the billions of dollars in grant funds appropriated by Congress annually, it is equally important that the Department maintains proper oversight over the grantees' use of these funds to ensure accountability and to ensure that these funds are effective and used as intended.

Conclusion

The OIG's individual audits of the OVC service provider agreements and a BJA task force grant found that they did not comply with the essential grant requirements in 9 of the 10 areas tested. OJP and the grantees had initiated or agreed to initiate corrective action to address most of the weaknesses found in the individual audits. However, we believe that the weaknesses identified in many areas were systemic and warrant additional guidance and direction to all the OVC and BJA grantees to correct.

Recommendation

We recommend that OJP:

12. Provide additional training and oversight of service provider and task force grantees to ensure that they:
 - develop and implement steps to accomplish the unmet grant goals, where practical;
 - submit FSRs containing accurate financial data;
 - submit progress reports in a timely manner;
 - drawdown only the amount of federal cash needed to pay for actual or anticipated costs within 10 days;
 - maintain support for costs claimed as matching funds;
 - claim only costs that are allowable and supported;
 - properly calculate and claim indirect costs; and
 - effectively monitor subrecipients.

3. EFFECTIVENESS OF OJP'S GRANT PROGRAMS FOR HUMAN TRAFFICKING VICTIMS

We found that OJP's grant programs have not been effective at identifying and serving significant numbers of alien trafficking victims. As explained in Finding 2, the OVC service providers were generally effective at conducting human trafficking-related outreach, training, and service activities. However, as discussed in Finding 1, the agreements and grants awarded to the service providers and task forces have not resulted in the provision of services to a significant number of victims. In addition, the OVC and BJA have not established an effective system for monitoring the service providers and the task forces to ensure that: (1) performance data reported by the service providers and task forces is accurate, (2) the service providers and task forces are meeting performance goals, and (3) service providers can show the amount of grant funds used to directly assist victims of human trafficking. While the service provider and task force officials we interviewed generally believed the grant programs were worthwhile for helping trafficking victims, the effectiveness of the programs is not supported in the documented program results. Officials provided insight into how program effectiveness could be enhanced, such as improving communication and collaboration between the service providers, task force members, and victims.

In Finding 1, we analyzed performance data for the 41 cooperative agreements awarded by the OVC to 36 separate service providers and the 42 grants awarded by the BJA to establish task forces. While the period of our review covered from the inception of the awards in FY 2003 through FY 2007, not all service provider agreements and task force grants were in effect during the entire review period. Therefore, the number of service provider agreements and task force grants that we reviewed varied depending on the period covered by the test. The same is true for the tests we conducted as part of this finding.

In Finding 1, we presented performance data for the OVC service providers that showed they helped few victims during 2003 and 2004. OJP recognized that few victims were being served and took steps to address the problem. In FY 2005, the BJA began awarding grants to law enforcement agencies to establish task forces to identify more victims and refer them to the service providers. While the identification of victims by the task forces initially led to a significant increase in the number of victims helped by the service providers, subsequent data showed that the task forces have not been effective at creating a sustained increase in the number of victims served.

In this finding, we present additional performance data pertaining to the human trafficking program by discussing:

- how the inaccurate performance data discussed in Finding 1 contributes to the ineffectiveness of OJP's human trafficking grant programs, and
- additional performance measures tracked by the BJA for the task force grants and how the inaccuracy of that performance data contributes to the ineffectiveness of OJP's human trafficking grant programs.

In the subsequent section, we examine the amount of direct assistance actually provided to victims by the service providers.

Performance Data Reported by the OVC Service Providers and BJA Task Forces

As noted earlier, the Department's most recent human trafficking report to Congress did not accurately reflect the number of victims aided by the OVC service providers and identified by the BJA task forces as of December 31, 2006. Also, the updated performance data submitted by the service providers and the task forces for the 6-month period ending June 30, 2007, was also inaccurate. If the inaccurate performance data is not corrected before the next annual report to Congress scheduled to be submitted in the Fall of 2008, then Congress will again be presented with data that overstates the effectiveness of OJP's human trafficking grant programs.

Over the more than 4 years of the program, service providers reported assisting 1,924 trafficking victims as of June 30, 2007. However, our analysis of the data reported by 7 of the 40 service providers found that the service providers overstated the number of victims served by 54 percent.

As of June 2007, the BJA tracked performance data for the task forces and planned to include the data in the next annual report to Congress due in 2008. That data includes the number of:

- continued presence applications filed on behalf of the victims,
- law enforcement and other officials who received training in the identification of trafficking victims, and
- awareness presentations made to the public.

We interviewed officials at 11 BJA task forces and reviewed documentation maintained by them to determine if the data reported for the above performance measures was accurate. We found that most of the task forces reported inaccurate data for each of the three performance measures.

Applications for Continued Presence

Trafficking victims may be granted "continued presence" by the Attorney General, allowing them to stay in the country temporarily during an investigation or prosecution. The victims can also apply for a T-visa, a special 3-year visa for victims of trafficking, which allows them to apply for legal permanent residence status at the end of the 3-year period. Unless they are under age 15, victims must be willing to assist in every reasonable way the investigation and prosecution of the trafficking case to qualify for the T-visa.

According to a BJA official, the continued-presence performance measure includes both applications for continued presence and applications for T-visas if the T-visa application includes law enforcement endorsement that the victim has cooperated in the investigation and prosecution of the trafficker. The BJA official also told us that the number reported for the continued-presence performance measure is an indicator of how effective the human trafficking program is operating.

We found that as of June 30, 2007, the 42 BJA task forces had reported 288 applications for continued presence. The low number of continued presence applications when compared to the 2,128 potential victims who the BJA records show the task forces identified during the period suggests that only a small fraction of the victims identified subsequently cooperated with law enforcement in the investigation and prosecution of traffickers. Moreover, as shown in the following table, we analyzed the performance data reported for 11 of the 42 task forces regarding the number of continued presence applications filed on behalf of trafficking victims and found that the BJA maintained inaccurate performance data for 8 of the 11 task forces. The BJA data was overstated for seven of the task forces and understated for one task force. Overall, the BJA data was overstated by 51 percent. Consequently, the task force grants were actually less effective in identifying victims than indicated by the BJA data.

**OIG Analysis of the Continued Presence Applications
Reported by Task Forces as of June 30, 2007²³**

Task Force Grantee	Number of Applications for Continued Presence Reported as of June 30, 2007			
	Task Force Progress Reports	BJA Report	Verified by the OIG	Overstated/ (Understated)
City of Atlanta, Georgia	0	8	0	8
Chicago, Illinois Police Department	2	2	0	2
City of Milwaukee, Wisconsin	0	0	0	0
Cobb County, Georgia Board of Commissioners	2	2	0	2
Collier County, Florida	4	4	5	(1)
Dallas, Texas Police Department	1	1	1	0
City of Fort Worth, Texas	0	0	0	0
Harris County, Texas	123	123	104	19
City of Los Angeles, California	20	20	0	20
Metropolitan Police Department of D.C.	5	5	0	5
Miami Dade County, Florida	3	4	2	2
Totals	160	169	112	57

Source: Task force progress reports, Bureau of Justice Assistance summary report, Office of the Inspector General interviews with Bureau of Justice Assistance and task force officials, and Office of the Inspector General analyses of documents provided by the task forces

For 2 of the 11 task forces, the performance data maintained by the BJA was higher than reported by the task force progress reports. Both the BJA and task force officials provided the following explanations for the differences.

BJA

- A BJA official provided us with an e-mail from the Atlanta task force that indicated that it had actually submitted eight continuing presence applications even though it had erroneously reported none in the progress report for the 6-month period ending June 30, 2006.

²³ As explained in Footnote 19, the data presented for the Atlanta task force is as of reporting period ending December 31, 2006.

- The BJA data for the Miami Dade task force was overstated by one victim due to a clerical error.

Task Forces

- Officials from four task forces (Atlanta, Chicago, Los Angeles, and Harris County, Texas) told us that they did not maintain supporting documentation to verify the reported data.
- An official from the Collier County, Florida, task force told us that it mistakenly failed to include a continued presence application that had been submitted.
- An official from the Washington, D.C., task force said that it mistakenly reported continued presence applications for five victims when none were actually submitted.
- An official from the Miami Dade task force said that it inappropriately reported one continuing presence application in three different progress reports, thus counting the application three times instead of once. The official also said that the task force did not report another continued presence application.
- An official from the Cobb County, Georgia task force told us that it inappropriately reported submitting continuing presence applications for two victims whose applications were actually submitted by the local service provider.

Officials Trained to Identify Trafficking Victims

The BJA requires the task forces to report the number of law enforcement and other officials trained to identify trafficking victims. The BJA expected that, as a result of the training, more trafficking victims would be identified and referred to the service providers, thus meeting the requirements of the performance measure.

As shown in the table below, the BJA collected inaccurate performance data on the number of law enforcement and other officials who received training in identifying trafficking victims for 10 of the 11 task forces tested. The BJA data was overstated for eight task forces and understated for two. Overall, the BJA data was overstated 38 percent.

**OIG Analysis of Law Enforcement and Other Officials
Provided Victim Identification Training
Reported by Task Forces as of June 30, 2007²⁴**

Task Force Grantee	Victim Identification Training for Law Enforcement and Other Officials Reported as of June 30, 2007			
	Task Force Progress Reports	BJA Report	Verified by the OIG	Overstated/ (Understated)
City of Atlanta, Georgia	19	14	19	(5)
Chicago, Illinois Police Department	2,825	2,826	2	2,824
City of Milwaukee, Wisconsin	2,178	2,178	1	2,177
Cobb County, Georgia Board of Commissioners	1,297	1,297	584	713
Collier County, Florida	1,862	1,906	1,906	0
Dallas, Texas Police Department	315	315	227	88
City of Fort Worth, Texas	494	494	418	76
Harris County, Texas	1,535	612	3,087	(2,475)
City of Los Angeles, California	8,995	8,995	8,922	73
Metropolitan Police Department of D.C.	3,341	3,341	0	3,341
Miami Dade County, Florida	4,551	4,551	4,103	448
Totals	27,412	26,529	19,269	7,260

Source: Task force progress reports, Bureau of Justice Assistance summary report, Office of the Inspector General interviews with Bureau of Justice Assistance and task force officials, and Office of the Inspector General analyses of documents provided by the task forces

For 2 of the 11 task forces, the performance data maintained by the BJA was higher than reported in the task force progress reports. For two other task forces, the performance data maintained by the BJA was lower than reported. Both the BJA and task force officials provided the following explanation for the differences.

BJA

- The BJA data for the Atlanta task force was understated by five law enforcement or other officials because the task force reported in its progress report for the period ending December 31, 2004, that five

²⁴ As explained in Footnote 19, the data presented for the Atlanta task force is as of reporting period ending December 31, 2006.

officials were trained but the BJA did not start tracking and reporting performance data until the next progress reporting period ending June 30, 2005.

- The BJA data for the Chicago task force was overstated by one due to a mistake in counting.
- The Collier County, Florida, task force understated the training numbers because of an error in counting participants.
- The Harris County, Texas, task force progress reports indicated that 1,535 officials were trained. However, the BJA's data showed that 612 officials were trained. A BJA official told us that he could not explain the difference in the numbers. He also said that the Harris County, Texas, task force has not reported consistent numbers for this performance measure and the task force continually revises the numbers it reports.

Task Forces

- For five task forces (Chicago, Milwaukee, Dallas, Los Angeles, and Washington, D.C.), overstatements occurred because the task forces did not maintain supporting documentation to verify the reported data.
- The Forth Worth task force overstatements occurred because it: (1) did not maintain documentation to support 54 officials trained, and (2) made a counting error by reporting 440 attendees when the actual count was 418.
- An official from the Harris County, Texas, task force told us he had compiled the numbers in his head, understating them. He then reduced and reported the number of officers trained because he thought the number was too high.
- An official from the Miami Dade task force told us that it overstated the training numbers because it mistakenly did not report officers who had been trained, transposed a number when recording the number of officers trained, and reported training for fire department personnel in the wrong progress report.
- The Cobb County, Georgia task force overstated the training numbers because it counted officers believed to have received the training from the Georgia Department of Human Resources.

However, the task force had no documentation to show the training took place or how many officers received it.

Awareness Presentations Made to the Public

As part of the performance measures, the task forces are required to report the number of public awareness presentations made to the public. These presentations take many forms, such as television public service announcements, Internet-based video presentations, and presentations to groups such as the Rotary Club or other service organizations. The BJA expected that the awareness presentations would: (1) increase the public awareness of human trafficking, (2) result in the public reporting to law enforcement more potential human trafficking situations, and (3) result in the task forces referring more victims to service providers.

As shown in the following table, the BJA collected inaccurate performance data on the number of awareness presentations made to the public for 7 of the 11 task forces we tested. Five of the task forces overstated the number of presentations and two task forces understated the number of awareness presentations made. Overall, the BJA overstated the number of awareness presentations made by 191 percent.

OIG Analysis of Awareness Presentations Made to the Public Reported by Task Forces as of June 30, 2007²⁵

Task Force Grantee	Awareness Presentations Made to the Public Reported as of June 30, 2007			
	Task Force Progress Reports	BJA Report	Verified by the OIG	Overstated/ (Understated)
City of Atlanta, Georgia	1	0	1	(1)
Chicago, Illinois Police Department	2	2	3	(1)
City of Milwaukee, Wisconsin	10	10	2	8
Cobb County, Georgia Board of Commissioners	2	2	2	0
Collier County, Florida	62	63	63	0
Dallas, Texas Police Department	0	0	0	0
City of Fort Worth, Texas	8	8	8	0

²⁵ As explained in Footnote 19, the data presented for the Atlanta task force is as of reporting period ending December 31, 2006, reporting period.

Task Force Grantee	Awareness Presentations Made to the Public Reported as of June 30, 2007			
	Task Force Progress Reports	BJA Report	Verified by the OIG	Overstated/ (Understated)
Harris County, Texas	101	80	8	72
City of Los Angeles, California	15	15	6	9
Metropolitan Police Department of D.C.	36	41	0	41
Miami Dade County, Florida	0	50	0	50
Totals	237	271	93	178

Source: Task force progress reports, Bureau of Justice Assistance summary report, Office of the Inspector General interviews with Bureau of Justice Assistance and task force officials, and Office of the Inspector General analyses of documents provided by the task forces

For 3 of the 11 task forces, the performance data maintained by the BJA was higher than reported by the task forces in their progress reports. For 2 of the 11 task forces, the performance data maintained by the BJA was lower than reported by the task forces in their progress reports. Both the BJA and task force officials provided the following explanations for the differences.

BJA

- The BJA data for the Atlanta task force was understated by one presentation due to a mistake.
- A BJA official provided us with documentation to show that subsequent to the Collier County, Florida, task force's June 30, 2007, progress report, the task force notified the BJA that it had understated the number of presentations in the progress report by one. The BJA data included the additional presentation.
- A BJA official could not explain why the BJA data for the Harris County, Texas, task force was understated by 21.
- The BJA data for the Washington, D.C. task force was overstated by five because the task force provided imprecise numbers for this performance measure in two of its progress reports, and BJA staff recorded an incorrect number for this measure.

- The BJA data for the Miami Dade task force was overstated by 50 because the BJA staff mistakenly used a number reported for another performance measure when recording the data.

Task Forces

- Officials from four task forces (Milwaukee; Harris County, Texas; Los Angeles; and Washington, D.C.) said that they did not maintain supporting documentation to verify the reported data.
- An official from the Chicago task force told us that the task force understated the number of presentations made due to a mistake.
- An official from the Collier County, Florida, task force told us that the task force understated the number of presentations made because of an error in counting the number of awareness presentations made.

Achieving Performance Goals

As discussed in Finding 2, the OIG audits found that six of seven grantees had not met one or more of the grant performance goals. A goal that was most often not met was related to the number of victims aided by the service providers. The audits found that four of the six service providers tested had not aided the number of victims that they anticipated helping.

International Rescue Committee – Miami

The International Rescue Committee – Miami (IRC) had a goal to develop and implement a 3-year program from January 2003 through December 2005 for 100 victims of trafficking that addressed both short- and long-term social service needs. However, the IRC reported serving only 41 victims as of December 31, 2005, 59 percent below the 100 victims anticipated. Moreover, as of June 30, 2007, IRC reported serving only 56 victims, still 44-percent below the anticipated number. Further, as explained in Finding 1, we found that the IRC could support only 50 victims served as of June 30, 2007. The IRC continued to report five victims who had been identified and counted as new victims in prior reporting periods, and reported a case that was not overseen by the OVC.

An IRC official told us that meeting the goal was a difficult challenge, although the number of trafficked persons identified by the IRC continues to grow.

Mosaic Family Services, Inc.

Mosaic Family Services, Inc. had a goal to provide services for up to 180 trafficking victims with case management, housing, legal aid, psychological and medical aid, English language instruction, and employment and referral assistance by the end of the original project date of December 31, 2005. However, Mosaic reported serving 116 clients as of December 31, 2005, 36 percent below the 180 victims anticipated. As of June 30, 2007, Mosaic reported serving 128 victims, still 29 percent below the anticipated number of victims. As explained in Finding 1, we found that Mosaic could support only 55 victims as being helped as of June 30, 2007. Mosaic inappropriately served victims who had been certified by HHS before the OVC grant was awarded or before coming to Mosaic for services. Mosaic also served victims who had received T-visas before coming to Mosaic, but Mosaic had not contacted HHS to determine if the victims were certified.

We asked Mosaic officials to explain why they had not achieved the performance goal established in the grant application. A Mosaic official told us that the goal was only an estimate and that Mosaic served all victims who were referred to them for services. The Mosaic official also said that they have no control over the number of victims referred.

Refugee Women's Network, Inc.

The Refugee Women's Network (RWN) had a goal to provide comprehensive culturally and linguistically appropriate direct services for a minimum of 99 pre-certified victims of trafficking during the 3-year life of the award from July 2004 through June 2007. The RWN reported serving 39 victims as of June 30, 2007, 61 percent below the 99 victims anticipated. Of these 39 victims, the RWN reported 35 were served as of December 31, 2006. However, as explained in Finding 1, we found that as of December 31, 2006, the RWN inappropriately counted 14 of the 35 victims reported because it continued to report victims who had been identified and counted as new victims in prior reporting periods.

RWN's sub-grantee (Tapestri) provided the following explanation for why it had not achieved the performance goal established in its grant application.

- Tapestri officials believed they had not been successful in serving a higher number of victims because of the reluctance of community involvement. They said that immigrant and refugee community members may have been reluctant to participate in outreach

activities like training and focus groups due to the fear of repercussions from community members involved in human trafficking. Immigrant and refugee community members also may have believed that there was no human trafficking within their community. In addition, immigrant and refugee community members may have believed there was a lack of law enforcement officers in their community who were dedicated to investigating human trafficking cases.

- Tapestri officials also told us that many victims are undiscovered because of the lack of communication between local law enforcement and the FBI.

YMCA of the Greater Houston Area, Inc.

The YMCA had a goal to serve an average of 50 clients a year for the period January 1, 2003, through December 31, 2005, for a total of 150 anticipated clients. However, the YMCA reported serving 56 clients as of December 31, 2005, 63-percent below the 150 victims anticipated. As of June 30, 2007, the YMCA reported serving 112 victims, still 25-percent below the anticipated number of victims. Further, as explained in Finding 1, we found that the YMCA could support only 81 victims as eligible for support using the OVC grant funds as of June 30, 2007. The YMCA inappropriately counted victims who were certified by HHS before coming to the YMCA for services or who were in the process of being certified by HHS.

YMCA officials said the goal was only an estimate, and the YMCA initially used the grant funds to perform outreach, training, and awareness presentations because an investigative partner had not been established to refer victims to the YMCA. After the task force grant was awarded in December 2004, the number of victims referred to the YMCA increased significantly.

Direct Assistance to Victims

The OVC service provider grants furnish funding for personnel salaries and fringe benefits, travel, equipment, consultants and contracts, supplies, and other expenses. We found that service providers usually maintained documentation to show the direct assistance provided to trafficking victims such as costs for food, clothing, shelter, medical and dental care, and transportation. We analyzed the grant expenditures and victims-served data for seven OVC service providers and found that usually only a small amount

of the grant funds were used to provide direct assistance to victims.²⁶ Overall, the seven service providers used only \$922,377 of the \$8,435,891 (10.9 percent) in grant funds to provide direct assistance to victims. Four of the seven providers used less than 10 percent of the grant funds to provide direct assistance to trafficking victims as presented in the following table.

**OIG Analysis of Direct Assistance to Victims
Provided by OVC Service Providers**

Service Provider	Federal Funds Spent	Direct Assistance to Victims	Percent Direct Assistance
Boat People S.O.S., Inc.	\$1,896,535	\$127,987	6.7%
Coalition to Abolish Slavery and Trafficking	\$1,290,824	\$261,227	20.2%
Heartland Alliance	\$1,336,786	\$50,176	3.8%
International Rescue Committee – Miami	\$1,635,850	\$200,697	12.3%
Mosaic Family Services, Inc.	\$1,068,361	\$61,288	5.7%
Refugee Women’s Network, Inc.	\$470,155	\$39,368	8.4%
YMCA of the Greater Houston Area, Inc.	\$737,380	\$181,634	24.6%
Totals	\$8,435,891	\$922,377	10.9%

Source: Service provider expenditure and victim data

Officials from six of the seven service providers explained that much of the direct services they supply to victims are consultations, legal assistance, and other services provided by in-house staff or by outside consultants and contractors. However, we found that the six service providers were not required to and consequently did not account for how much of the grant funds used for these purposes directly assisted victims. The six service providers explained that much of the grant funds were used to perform community outreach and training, and not direct assistance to victims.

Service Provider and Task Force Officials’ Views on OJP’s Human Trafficking Grant Programs

During our audit work at 7 OVC service providers and 11 BJA task forces, we interviewed 22 service provider officials and 43 task force officials to obtain their views on the effectiveness of OJP’s human trafficking task force program. Overall, officials generally believed that OJP’s grant

²⁶ We analyzed expenditure data as of June 30, 2007, for five of the seven service providers. The data for the Boat People S.O.S., Inc. was as of the end of the agreement on December 31, 2006. The data for the Refugee Women’s Network, Inc. was as of the end of the agreement on December 31, 2007.

programs were worthwhile and valuable programs for helping trafficking victims. However, officials provided many comments regarding impediments to program effectiveness and how the program could be improved. The most common comments regarding impediments to program effectiveness included:

- Law enforcement had not identified and referred victims to service providers. Most of the victims are referred by sources other than law enforcement, such as calls received on hotlines; referrals from other community organizations; or tips from friends, neighbors, or associates of the victims.
- Law enforcement had not designated enough officers to investigate human trafficking cases.
- The community is reluctant to get involved because of the belief that human trafficking is not occurring within their neighborhoods.
- OJP is sending a message to law enforcement to focus only on investigating sex trafficking cases, while labor trafficking cases are ignored.
- Law enforcement at the local and federal level has not worked in a collaborative effort.
- Victims are too afraid to cooperate with law enforcement because they fear retaliation by the trafficker against family members and because some victims think that U.S. law enforcement is corrupt.
- Although domestic victims are more prevalent in the United States than foreign victims, the grants do not allow the task forces to refer domestic victims to service providers.
- The program is under-funded.

Common comments we heard regarding ways program effectiveness could be improved included the following:

- Improve communication and collaboration between the service providers, task force members, and victims.
- Increase service provider and task force staffing.

- Use a greater percentage of funding for assisting victims instead of training and outreach.
- Redirect the BJA funding from task forces that are not identifying victims to areas of the country where task forces and service providers are identifying and serving victims.
- Provide better guidance to grantees, especially on reporting requirements.
- Implement controls to prohibit people from abusing the T-visa program by pretending to be human trafficking victims.
- Provide more funding to identify and serve victims.

Conclusion

We found that OJP's grant programs have built significant capacities to serve victims, but have not been effective at identifying and serving significant numbers of alien trafficking victims. Initially, the OVC service providers served far fewer victims than anticipated. OJP recognized that few victims were being served and implemented an initiative to award grants to establish task forces to identify and refer victims to service providers. While the task forces have increased the number of potential victims identified, the task forces' work in identifying victims has not resulted in a sustained increase in the number of victims aided by the service providers. The OVC and BJA also need to improve monitoring of the OVC service providers and the BJA task forces to ensure that: (1) performance data reported by the service providers and task forces is accurate, (2) service providers and task forces are meeting the performance goals, and (3) service providers can show the amount of grant funds that are used to directly assist victims of human trafficking.

Recommendations

We recommend that OJP:

13. Establish an effective system for monitoring the OVC service providers to ensure that: (1) performance data reported by the service providers is accurate, (2) service providers are meeting the performance goals, and (3) service providers track the amount of grants funds used to assist victims of human trafficking.

14. Establish an effective system for monitoring the BJA task forces to ensure that: (1) performance data reported by the task forces is accurate, and (2) the task forces are meeting the performance goals.
15. Issue additional guidance to all task force grantees regarding best practices to:
 - maintain supporting documentation for performance measure data reported to the BJA,
 - establish a mechanism to track the data to be reported for each performance measure, and
 - verify the accuracy of performance data before submission to the BJA.

STATEMENT ON COMPLIANCE WITH LAWS AND REGULATIONS

As required by the *Government Auditing Standards*, we tested OJP's processes, controls, and records to obtain reasonable assurance that OJP complied with laws and regulations that, if not complied with, could have a material effect on OJP's ability to effectively manage its human trafficking related cooperative agreements and grants. Compliance with laws and regulations applicable to OJP's reporting of such statistics is the responsibility of OJP management. An audit includes examining, on a test basis, evidence about compliance with laws and regulations. The specific laws and regulations we reviewed included the relevant portions of:

- Trafficking Victims Protection Act of 2000, Pub. L. No. 106-368 (2000);
- Trafficking Victims Protection Reauthorization Act of 2003, Pub. L. No. 108-193 (2003);
- Trafficking Victims Protection Reauthorization Act of 2005, Pub. L. No. 109-164 (2006); and
- OJP Financial Guide.

Except for instances of non-compliance identified in the Findings and Recommendations section of this report, OJP complied with the laws and regulations cited above. With respect to those activities not tested, nothing came to our attention that caused us to believe that OJP was not in compliance with the laws and regulations cited above.

STATEMENT ON INTERNAL CONTROLS

In planning and performing our audit, we considered OJP's internal controls for the purpose of determining our auditing procedures. The evaluation was not made for the purpose of providing assurance on the internal control structure as a whole. However, as shown below, we noted certain matters that we consider reportable conditions under generally accepted government auditing standards.²⁷

Finding I

The OVC's service provider agreements have built significant capacities to serve victims, but have not resulted in significant numbers of trafficking victims being identified and provided services. Moreover, the BJA's task force grants, designed to identify additional trafficking victims for referral to service providers have not resulted in long-term increases in the number of trafficking victims being assisted. In addition, the number of victims reported as assisted by the service providers and identified by the task forces was overstated. Further, the process used to award the service provider agreements resulted in a wide disparity in the amount of funds awarded compared to the number of victims that the grantees anticipated would be identified and served. Also, the BJA did not ensure that corrective actions were taken when task forces were not meeting the requirement to increase "trafficking victim saves" by 15 percent annually.

Finding II

The OIG's individual audits of the OVC service provider agreements and a BJA task force grant found that the service providers and task force did not comply with the essential grant requirements in 9 of the 10 areas tested. The grantees and OJP agreed to take corrective actions to address most of the weaknesses found in the individual audits. However, based on our review of the individual audit results, we determined that the weaknesses found during the audits were systemic in the areas of goals and accomplishments, reporting, fund drawdowns, local match, expenditures, indirect costs, and monitoring of subrecipients. Therefore, the OVC and the BJA need to take additional actions to ensure that all the OVC and BJA grantees minimize the occurrence of these weaknesses.

²⁷ Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the ability of OJP to administer its human trafficking grant programs.

Finding III

OJP's grant programs have built significant capacities to serve victims, but have not been effective at identifying and serving significant numbers of alien trafficking victims. Initially, the OVC service providers assisted far fewer victims than anticipated. OJP recognized that few victims were being served and implemented an initiative to award grants to establish task forces to identify and refer victims to the service providers. While the task forces have increased the number of potential victims identified, the task forces' work in identifying victims has not resulted in a sustained increase in the number of victims aided by the service providers. The OVC and BJA have not established an effective system for monitoring the OVC service providers and BJA task forces to ensure that: (1) performance data reported by the service providers and task forces is accurate, (2) the service providers and task forces are meeting the performance goals, and (3) a significant portion of the funds provided to service providers are used to directly assist victims of human trafficking.

Because we are not expressing an opinion on OJP's overall internal control structure, this statement is intended solely for the information and use of OJP in managing its human trafficking grant programs.

ACRONYMS

APD	Atlanta Police Department
BJA	Bureau of Justice Assistance
BPSOS	Boat People S.O.S., Inc.
CAST	Coalition Against Slavery and Trafficking
CPD	Chicago Police Department
Department	Department of Justice
DPD	Dallas Police Department
FSR	Financial Status Report
FYPD	Fort Worth Police Department
GAO	Government Accountability Office
GAT	Grant Assessment Tool
GMT	Grant Management Tool
HCSO	Harris County (Texas) Sheriff's Office
HHS	Department of Health and Human Services
IRC	International Rescue Committee
LAPD	Los Angeles Police Department
MDPD	Miami Dade Police Department
MPD	Milwaukee Police Department
MPDC	Metropolitan Police Department of the District of Columbia
OAAM	Office of Audit, Assessment, and Management
OIG	Office of the Inspector General
OJP	Office of Justice Programs
OVC	Office for Victims of Crime
RWN	Refugee Women's Network, Inc.
TIMS	Trafficking Information Management System
TVPA	Trafficking Victims Protection Act
YMCA	Young Men's Christian Association

APPENDIX I

Audit Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to: (1) assess the adequacy of the Office of Justice Programs' (OJP) design and management of the grant programs; (2) evaluate the extent to which grantees have administered the grants in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant awards; and (3) assess the effectiveness of the grant programs for trafficking victims.

Scope and Methodology

We performed the audit in accordance with the *Government Auditing Standards* and included tests and procedures necessary to accomplish the objectives.

The audit covered human trafficking grant activities from January 2003, to April 2008. We performed audit work at OJP's Office for Victims of Crime (OVC) and the Bureau of Justice Assistance (BJA), the Department's Civil Rights and Criminal Divisions, and at the following OVC service providers and associated BJA task forces.

OVC Service Providers	BJA Task Forces
Boat People S.O.S., Inc., Falls Church, Virginia	Metropolitan Police Department of the District of Columbia, Washington, D.C.
Coalition to Abolish Slavery and Trafficking, Los Angeles, California	City of Los Angeles, California
Heartland Alliance for Human Needs and Human Rights, Chicago, Illinois	Chicago, Illinois Police Department City of Milwaukee, Wisconsin
International Rescue Committee, Miami, Florida	Collier County, Florida Miami Dade County, Florida
Mosaic Family Services, Inc., Dallas, Texas	Dallas, Texas Police Department City of Fort Worth, Texas

OVC Service Providers	BJA Task Forces
Refugee Women's Network, Inc., Decatur, Georgia	City of Atlanta, Georgia Cobb County, Georgia Board of Commissioners
YMCA of the Greater Houston Area, Inc., Houston, Texas	Harris County, Texas

Grant Program Design and Management

To assess the adequacy of OJP's design and management of the cooperative agreement and grant programs, we performed the following steps:

- We reviewed laws, regulations, guidelines, and terms and conditions OJP had in place for managing, administering, and awarding cooperative agreements and grants for human trafficking.
- We interviewed the OVC and BJA officials to determine how they implemented the human trafficking grant programs.
- We obtained and reviewed documentation related to the OVC cooperative agreements awarded to service providers and the BJA grants awarded to task forces. As part of this review, we identified the total scope of the OVC service provider agreements and task force grants awarded from FYs 2003 through 2007.
- We obtained performance data related to victims served by the OVC service providers and to victims identified by the BJA task forces from calendar year 2003 through June 2007.
- We analyzed the reported service provider and task force performance data to determine if the task forces were effective in increasing the number of victims aided by the service providers on a continuing basis.
- We obtained the Department's annual reports to Congress submitted from FYs 2004 through 2007 on the government's actions to combat human trafficking. We compared the data reported on trafficking victims aided by the service providers to data maintained by the OVC to determine if the reported numbers were accurate. We also performed further analysis at seven OVC service providers to determine if the data on victims assisted was accurately reported to the OVC by the service providers.

- We reviewed the Department's 2007 annual report to Congress and compared the data reported on trafficking victims identified by the task forces to data maintained by the BJA to determine if the reported numbers were accurate. We also performed further analysis at 11 BJA task forces to determine if the data on victims identified was accurately reported to the BJA by the task forces.
- We evaluated the OVC service provider agreements for seven service providers to determine if the agreement funds were equitably distributed.
- We evaluated the BJA task force grants for 11 task forces to determine if they provided pre-grant data to establish a baseline of the number of "trafficking victim saves" for measuring compliance with the requirement to increase "trafficking victim saves" by 15 percent annually.

Administration of Grants

To evaluate the extent to which grantees administered the cooperative agreements and grants in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant awards, we performed the following steps:

- We obtained the results of OIG audits of six OVC service providers and one BJA task force issued from April 2007 through March 2008. Details of these audits are contained in Appendix III.
- We analyzed the results of the seven audits to identify systemic deficiencies in the areas of goals and accomplishments, reporting, fund drawdowns, budget management and control, program income, local matching requirements, expenditures, indirect costs, monitoring of subrecipients, and accounting and internal controls.
- We analyzed OJP's and the grantees' responses to the OIG audits to determine if corrective actions had been taken or initiated for the deficiencies found.

Grant Program Effectiveness

To assess the effectiveness of the grant programs for trafficking victims, we performed the following steps.

- We analyzed all performance data reported by the 7 OVC service providers and 11 BJA task forces.
- We interviewed officials from the OVC, the BJA, the OVC service providers, and the BJA task forces to determine the reasons for inaccurate performance data.
- We obtained and analyzed data to determine whether the OVC service providers achieved the performance goals stated in their agreement applications.
- We analyzed the agreement funds spent by the seven OVC service providers to determine if they could account for the amount of agreement funds spent on direct assistance to victims.
- We interviewed service provider and task force officials to obtain their views on the effectiveness of OJP's human trafficking grant programs.

APPENDIX II

Trafficking Cooperative Agreements and Grants Awarded by OJP's Office for Victims of Crime and Bureau of Justice Assistance

Grantee	Award Number	Award Amount
OVC Service Provider Cooperative Agreements		
Asian Pacific Islander Legal Outreach (California)	2003-VT-BX-K006	\$1,152,230
Bilateral Safety Corridor Coalition (California)	2004-VT-BX-K006	\$1,045,000
BOAT People S.O.S., Inc. (District of Columbia)	2003-VT-BX-K009	\$1,896,535
BOAT People S.O.S., Inc. (District of Columbia)	2007-VT-BX-K003	\$325,000
Catholic Charities Archdiocese of San Antonio, Inc. (Texas)	2006-VT-BX-K013	\$450,000
City of Indianapolis/Julian Center (Indiana)	2006-VT-BX-K002	\$500,000
Civil Society (Minnesota)	2006-VT-BX-K004	\$500,000
Coalition to Abolish Slavery and Trafficking (California)	2004-VT-BX-K001	\$1,635,000
Guma' Esperansa-Karidat (Commonwealth of Northern Marianna Islands)	2006-VT-BX-K012	\$449,793
Heartland Alliance for Human Needs and Human Rights (Illinois and Neighboring Regions of the Midwest)	2003-VT-BX-K003	\$1,173,568
Heartland Alliance for Human Needs and Human Rights (Eight Midwestern States located more than 150 miles from Chicago, Illinois)	2003-VT-BX-K002	\$490,829
Hope House, Inc. (Missouri)	2006-VT-BX-K010	\$450,000
International Institute of Boston (Massachusetts)	2004-VT-BX-K009	\$1,033,109
International Institute of Buffalo, Inc. (New York)	2006-VT-BX-K015	\$449,708
International Institute of Connecticut, Inc.	2006-VT-BX-K003	\$500,000
International Institute of Metropolitan St. Louis (Missouri)	2006-VT-BX-K005	\$499,974
International Rescue Committee (Florida)	2003-VT-BX-K011	\$2,026,660
International Rescue Committee (Arizona)	2003-VT-BX-K010	\$1,480,285
International Rescue Committee (Washington)	2004-VT-BX-K007	\$1,044,999
Justice Resource Institute, Project Reach (Eastern Seaboard States and Texas)	2003-VT-BX-4004	\$628,383
Little Tokyo Service Center (California)	2003-VT-BX-K001	\$583,697
Massachusetts Mental Health Institute Trauma Center (15 East Coast States, District of Columbia, and Texas)	2003-VT-BX-K004	\$431,604
Metropolitan Battered Women's Program (Louisiana)	2007-VF-GX-K001	\$449,743
Mosaic Family Services, Inc. (Texas)	2003-VT-BX-K005	\$1,093,552
Mosaic Family Services, Inc. (Texas)	2006-VT-BX-K016	\$774,996
New York State Office of Temporary and Disability Assistance	2004-VT-BX-K008	\$500,000
Refugee Services of Texas	2006-VT-BX-K006	\$545,000
Refugee Women's Network, Inc. (Georgia)	2004-VT-BX-K010	\$532,958
Safe Horizon, Inc. (Training and Technical Assistance) (Throughout the U.S.)	2003-VT-BX-K012	\$681,595
Safe Horizon, Inc. (Comprehensive Services) (New York)	2004-VT-BX-K002	\$1,100,000
The Salvation Army Hawaiian and Pacific Island Division (Hawaii, American Samoa, Guam, Commonwealth of Northern Marianna Islands)	2006-VT-BX-K007	\$700,000

Grantee	Award Number	Award Amount
OVC Service Provider Cooperative Agreements		
The Salvation Army (Nevada)	2006-VT-BX-K014	\$449,997
The Salvation Army National Headquarters (Throughout the U.S.)	2003-VT-BX-K008	\$282,846
Salvation Army Western Territory (Alaska, California, Colorado, Idaho, Montana, Nevada, New Mexico, Texas, Utah, and Wyoming)	2005-VT-BX-K001	\$1,074,147
Tapestri, Inc. (Georgia)	2007-VT-BX-K004	\$250,000
Tides Center (Utah)	2006-VT-BX-K011	\$450,000
U.S. Conference of Catholic Bishops (Oregon)	2004-VT-BX-K004	\$667,237
U.S. Conference of Catholic Bishops, Inc. (Delaware, Maryland, New Jersey, Pennsylvania)	2004-VT-BX-K003	\$708,298
World Relief Corporation (Alabama, Arkansas, Florida, Kentucky, Louisiana, Mississippi, Oklahoma, South Carolina, North Carolina, Tennessee, Texas, Virginia, West Virginia)	2004-VT-BX-K005	\$1,099,998
World Relief Corporation (Florida)	2006-VT-BX-K008	\$450,000
YMCA of the Greater Houston Area, Inc. (Louisiana, Texas)	2003-VT-BX-K007	\$1,149,927
Total (41 Cooperative Agreements)		\$31,706,668

Grantee	Award Number	Award Amount
BJA Task Force Grants		
San Diego County (California)	2005-VT-BX-0001	\$448,134
Collier County (Florida)	2005-VT-BX-0002	\$639,378
Cobb County (Georgia) Board of Commissioners	2005-VT-BX-0003	\$300,802
Metropolitan Police Department of the District of Columbia	2005-VT-BX-0004	\$449,764
City of Atlanta (Georgia)	2005-VT-BX-0005	\$450,000
Government of Territorial and International American Samoa	2005-VT-BX-0006	\$337,500
Harris County (Texas)	2005-VT-BX-0007	\$936,681
Hawaii Department of the Attorney General	2005-VT-BX-0008	\$305,333
City of Oakland (California)	2005-VT-BX-0009	\$675,000
Phoenix Police Department (Arizona)	2005-VT-BX-0010	\$450,000
City of Boston (Massachusetts)	2005-VT-BX-0011	\$443,082
Seattle Police Department (Washington)	2005-VT-BX-0012	\$950,000
County of Suffolk (New York)	2005-VT-BX-0013	\$312,182
City of El Paso (Texas)	2005-VT-BX-0014	\$450,000
City of Los Angeles (California)	2005-VT-BX-0015	\$650,000
New Jersey Department of Law and Public Safety	2005-VT-BX-0016	\$420,502
City of Austin (Texas)	2005-VT-BX-0017	\$674,632
Nassau County (New York)	2005-VT-BX-0018	\$450,000
San Francisco City and County Police Department (California)	2005-VT-BX-0019	\$225,000
Connecticut Department of Public Safety	2005-VT-BX-0020	\$448,983
Miami Dade County (Florida)	2005-VT-BX-0021	\$450,000
City of San Jose (California)	2005-VT-BX-1155	\$225,000
City of St. Paul (Minnesota)	2005-VT-BX-1156	\$450,000
Colorado Division of Criminal Justice	2005-VT-BX-1158	\$450,000
St. Louis Metropolitan Police Department (Missouri)	2005-VT-BX-1159	\$328,959
City of Indianapolis (Indiana)	2005-VT-BX-1160	\$450,000
Chicago Police Department (Illinois)	2005-VT-BX-1161	\$450,000
County of Lee (Florida)	2005-VT-BX-1162	\$450,000
City of Milwaukee (Wisconsin)	2005-VT-BX-1163	\$192,770
New York City Police Department (New York)	2005-VT-BX-1165	\$450,000
Municipality of Anchorage (Alaska)	2005-VT-BX-1166	\$450,000
Multnomah County (Oregon)	2005-VT-BX-1167	\$450,000
Las Vegas Metro Police Department (Nevada)	2006-VT-BX-0001	\$369,572
Salt Lake City (Utah)	2006-VT-BX-0002	\$450,000
City of Fort Worth (Texas)	2006-VT-BX-0003	\$450,000
Erie County (New York)	2006-VT-BX-0004	\$450,000
Louisiana Commission on Law Enforcement	2006-VT-BX-0005	\$450,000
Bexar County Sheriff (Texas)	2006-VT-BX-0006	\$406,862
City of Clearwater (Florida)	2006-VT-BX-0007	\$450,000
City of Independence (Missouri)	2006-VT-BX-0008	\$450,000
Dallas Police Department (Texas)	2006-VT-BX-0009	\$450,000
Northern Mariana Department of Public Safety (U.S. Trust Territory)	2006-VT-BX-0017	\$448,083
Totals(42 Grants)		\$19,188,219
Combined Totals (83 Cooperative Agreements and Grants)		\$50,894,887

APPENDIX III

Department of Justice OIG Audits of Office for Victims of Crime and Bureau of Justice Assistance Human Trafficking Agreements and Grants from April 2007 through March 2008

From April 2007 through March 2008, the OIG issued seven audit reports related to OJP's human trafficking program. Five of the seven OIG audits evaluated individual cooperative agreements awarded by the OVC to provide services to victims of human trafficking. One OIG audit evaluated multiple cooperative agreements awarded to a single service provider. The remaining OIG audit evaluated a human trafficking task force grant awarded by the BJA. The OIG identified significant deficiencies during all seven audits including that grantees:

- did not meeting project goals,
- claimed unallowable and unsupported expenditures,
- drew down funds sooner than needed, and
- did not properly monitor subrecipients.

The OIG questioned \$2,914,257 in grant expenditures and recommended \$97,686 be put to better use.²⁸ The OIG's findings and recommendations for the seven audits are detailed below.

Cooperative Agreements

The OVC awards cooperative agreements to nongovernmental organizations to provide trafficking victims with comprehensive or specialized services. Comprehensive services include such basics as food, clothing, and shelter, as well as more proficient services such as legal assistance and advocacy, medical services, and jobs skills training. Specialized services are single services such as housing, legal assistance, or medical care that are provided over a broad geographic area.

²⁸ The \$2,914,257 questioned included \$375,000 that was for award number 2002-WL-BX-0026 which was not a human trafficking service provider award as explained in footnote 20.

The OIG reported on compliance with essential award conditions pertaining to goals and accomplishments, reporting, fund drawdowns, budget management and control, program income, local matching requirements, expenditures, indirect costs, monitoring of subrecipients, and accounting and internal controls.

Boat People S.O.S., Inc.

The OIG issued a July 2007 audit report on a cooperative agreement awarded to the Boat People S.O.S., Inc. (BPSOS) in Falls Church, Virginia.²⁹ The OIG also tested the accounting records to determine if reimbursements claimed for costs under the award were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the cooperative agreement.

The OIG found that the BPSOS and its subrecipient, Ayuda, charged to the agreement over \$700,000 in either unsupported or unallowable costs as shown below.

- BPSOS and Ayuda claimed \$90,296 of expenditures for items that were not approved in the final budget. These expenditures included miscellaneous expenses, advertising, software, work study stipend, emergency assistance, and office insurance.
- The BPSOS and Ayuda fringe-benefit costs contained numerous calculation errors. Because of these errors and lack of supporting documentation, the BPSOS and Ayuda could not support \$77,588 and \$36,272, respectively, of fringe benefit costs charged to the agreement.
- The BPSOS's method of allocating indirect costs to the agreement resulted in the grantee claiming \$152,583 in excess indirect costs.
- The BPSOS provided inadequate supporting documentation for local match transactions, resulting in unsupported pro bono attorney fees of \$294,575.

²⁹ U.S. Department of Justice, Office of the Inspector General, *Office for Victims of Crime Victims of Exploitation and Trafficking Assistance Grant Awarded to Boat People S.O.S., Inc., Falls Church, Virginia*, Award Number 2004-VT-BX-K009, Audit Report GR-30-07-004 (July 2007).

- The BPSOS claimed over \$57,000 in local matching funds that were not approved by OJP.

The OIG also found that BPSOS did not achieve many of the agreement objectives including, establishing a rapid response team, creating an annual directory of service providers, developing an advisory board, or conducting the agreed upon number of seminars.

Among its 22 recommendations, the OIG urged the OVC to:

- remedy the \$90,296 of unapproved BPSOS and Ayuda expenditures.
- ensure that the grantee implements adequate procedures to identify and monitor approved expenditures.
- remedy the \$152,583 questioned indirect costs.
- remedy the \$294,575 questioned pro bono legal local match.
- ensure that the grantee implements a methodology for appropriately allocating pro bono work to the grant.

OJP agreed with 21 of the 22 recommendations and provided planned or completed corrective actions for them. OJP disagreed with the recommendation to remedy the \$2,800 in questioned dental and life insurance costs and said that the questioned amount was for dental insurance which was allowable under the budget category of health insurance. In its response to the OIG audit, the Boat People objected to some of the report language that did not have a significant effect on the reported deficiencies. The Boat People either in most cases agreed with the OIG's recommendations and provided planned or completed corrective actions to address the deficiencies, or provided additional explanations for deficiencies identified by the OIG.

Heartland Alliance for Human Needs and Human Rights

The OIG issued a January 2008 audit report on multiple cooperative agreements awarded to the Heartland Alliance in Chicago, Illinois.³⁰ The OIG also tested the accounting records to determine if reimbursements claimed for costs under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the agreements.

The OIG found the following deficiencies:

- Heartland Alliance was unable to identify and account for, in total and by budget category, which expenditures received federal reimbursement.
- The grantee's control over expenditures was inadequate to ensure that expenses were allowable or properly supported. The OIG identified \$1,501,823 of federally reimbursed costs charged to the agreements that were unallowable or inadequately supported.
- Match expenditures totaling \$173,589 were unsupported or unallowable.
- Weaknesses existed in Heartland Alliance's procedures to report on agreement activity, including determining, requesting, and recording drawdowns, as well as filing timely and accurate financial status reports.

Of the 23 recommendations addressed to OJP, the OIG urged it to:

- Ensure that Heartland Alliance establish procedures so that receipts and expenditures are timely and accurately entered into the agreement accounting records, and that requests for reimbursements are based upon uncompensated expenditures to-date.

³⁰ U.S. Department of Justice, Office of the Inspector General, *Office of Justice Programs Legal Assistance for Victims Grant and Services for Human Trafficking Victims Discretionary Grants Administered by the Heartland Alliance for Human Needs and Human Rights, Chicago, Illinois, Award Numbers 2002-WL-BX-0026, 2003-VT-BX-K002, and 2003-VT-BX-K003, Audit Report GR-50-08-002 (January 2008).*

- Remedy the \$902,122 in questioned costs for the three agreements resulting from salary expenditures that lacked adequate support.³¹
- Remedy the \$174,479 in questioned costs for the three agreements resulting from fringe-benefit expenditures that lacked adequate support.
- Remedy the \$162,012 in questioned costs for two agreements resulting from direct expenditures that lacked adequate support.
- Remedy the \$63,009 in questioned costs for one agreement resulting from pro-bono expenditures in excess of the maximum daily allowable rate.

OJP agreed with all 23 recommendations and provided planned or completed corrective actions for the recommendations. In its response to the OIG audit, Heartland Alliance generally agreed with the OIG's recommendations and provided planned or completed corrective actions for them.

International Rescue Committee – Miami

The OIG issued a March 2008 audit report on a cooperative agreement awarded to the International Rescue Committee (IRC) in Miami, Florida.³² The OIG also tested the accounting records to determine if reimbursements claimed for costs under the award were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the agreement.

Among the deficiencies the OIG found the following:

- The IRC did not achieve the objectives pertaining to social services and legal services because it did not serve 100 victims as

³¹ The \$902,122 questioned included \$220,170 that was for award number 2002-WL-BX-0026 which was not a human trafficking service provider award as explained in footnote 20.

³² U.S. Department of Justice, Office of the Inspector General, *Office of Justice Programs Office for Victims of Crime Services for Trafficking Victims Discretionary Grant Program Cooperative Agreement Awarded to the International Rescue Committee, New York, New York*, Award Number 2003-VT-BX-K011, Audit Report GR-40-08-003 (March 2008).

anticipated, and did not obtain 80 T-visas as anticipated for victims of trafficking identified during the project period.

- The IRC did not maintain supporting documentation for eight of the clients enrolled to show how IRC staff determined the clients were eligible for the program. The OIG questioned \$17,536 for direct assistance costs related to these eight clients as unsupported.
- The IRC did not clearly identify the number of new clients in the program progress reports. Moreover, the IRC did not clearly identify the status of each client's legal achievement of obtaining a T-visa or other appropriate forms of immigrant relief in the progress reports.
- The IRC did not maintain sufficient records for an audit trail to trace the details of the reimbursement requests to the accounting records.
- The IRC was unable to provide supporting documentation for client housing costs. The OIG questioned \$2,300 as unsupported costs that the IRC claimed as direct costs for victim housing.
- The IRC entered into agreements with subrecipients to provide housing, medical, and legal services, for which the IRC paid them nearly the full amounts budgeted in the agreement. However, the subrecipients provided services to fewer victims than the budget was established to support. The OIG questioned \$297,686 of these direct costs as unsupported.
- The above findings related to direct costs had an effect on the accuracy of the indirect costs as reported by the IRC. The IRC staff told the OIG that they calculated the indirect costs for reimbursement by using the base of direct costs multiplied by the approved indirect cost rate. Therefore, the OIG questioned the accuracy of the calculation of the indirect costs by \$6,843 as well as unsupported costs.
- The above findings related to direct costs also had an effect on the reporting accuracy of the local matching costs. Since the OIG questioned client eligibility and costs paid to the subrecipients as unsupported, the OIG also questioned an equal portion of the related local match in the amount of \$163,337.

- The IRC did not monitor its subrecipients by conducting periodic on-site visits that included both programmatic and financial reviews, as OJP had suggested.

Among the 17 recommendations, the OIG urged OJP to:

- Ensure grantees adjust strategic plans appropriately to address their challenges in meeting objectives or deobligate funds to award to other applicants.
- Ensure that the IRC consistently maintains more comprehensive intake information in the social service case files to document the victim's eligibility at the time of enrollment.
- Ensure the IRC maintains support to trace reimbursement requests to its accounting records.
- Remedy the unsupported costs of \$297,686 related to housing, legal services, and mental health services provided by the Salvation Army, Florida Immigrant Advocacy Center, and Victim Services Center.
- Remedy the unsupported costs of \$163,337 related to local match funds.

OJP agreed with 15 of the 17 recommendations and provided planned or completed corrective actions for them. OJP disagreed with the recommendation regarding deobligation of funds not used for direct assistance to victims and the recommendation for the International Rescue Committee to issue a protocol for coordinating with external agencies. OJP also disagreed in part with the recommendation regarding unused housing services. In its response to the OIG audit, the International Rescue Committee disagreed with all 17 recommendations, but provided planned actions to resolve many of them.

Mosaic Family Services, Inc.

The OIG issued an April 2007 audit report on a cooperative agreement awarded to Mosaic Family Services, Inc., in Dallas, Texas.³³ The OIG also

³³ U.S. Department of Justice, Office of the Inspector General, *Services for Trafficking Victims Discretionary Grant Program Cooperative Agreement Awarded to Mosaic Family Services, Inc.*, Award Number 2003-VT-BX-K005, Audit Report GR-80-07-006 (April 2007).

tested the accounting records to determine if reimbursements claimed for costs under the agreement were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the agreement.

The OIG found that on multiple occasions, Mosaic drew down more funds than needed from OJP to meet current expenses. In addition, Mosaic could not support \$41,318 in agreement expenditures. Further, Mosaic performed infrequent monitoring of its two subrecipients.

The OIG recommended that the OVC:

- remedy the \$41,318 in unsupported direct costs and personnel expenses, and
- ensure Mosaic directed the Center for Survivors of Torture, a subrecipient, to develop and implement a methodology for tracking employee time spent working on the agreement.

Both OJP and Mosaic agreed with the recommendations and provided documentation to address the weaknesses found. The OIG closed the audit report based on the documentation provided.

Refugee Women's Network, Inc.

The OIG issued a July 2007 audit report on a cooperative agreement awarded to the Refugee Women's Network, Inc. (RWN), in Decatur, Georgia.³⁴ The OIG also tested the accounting records to determine if reimbursements claimed for costs under the award were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the agreement.

The OIG found that RWN and its subgrantee, Tapestri, performed required activities and were in the process of accomplishing three of the cooperative agreement goals. However, the OIG found that two goals apparently could not be met. Although RWN and Tapestri staff made efforts to perform outreach and identify victims of human trafficking, they had served only 21 potential victims, of whom only 5 had been certified as

³⁴ U.S. Department of Justice, Office of the Inspector General, *Office of Justice Programs Office for Victims of Crime Services for Trafficking Victims Discretionary Grant Program Cooperative Agreement Awarded to Refugee Women's Network, Inc., Decatur, Georgia*, Award Number 2004-VT-BX-K010, Audit Report GR-40-07-005 (July 2007).

victims of human trafficking. In addition, eight clients were found not to be victims of human trafficking. The OIG identified \$97,686 in funds to be put to better use and \$15,788 in questioned costs. The OIG also identified weaknesses in the subgrantee's accounting practice.

The OIG made six recommendations to OJP including:

- deobligate \$97,686 that remained unexpended at the end of the initial award period,
- ensure that RWN and Tapestri established controls to ensure proper compliance with local match requirements, and
- ensure that Tapestri established adequate internal controls to safeguard federal funds.

OJP disagreed with the first recommendation to deobligate the \$97,686 that remained at the end of the initial agreement period. In its response to the OIG audit, RWN disagreed with the recommendations related to deobligating the remaining agreement funds, remedying \$8,463 in overcharges for salaries and fringe benefits, and establishing internal controls to safeguard federal funds. RWN generally agreed with the remaining three recommendations.

YMCA of the Greater Houston Area, Inc.

The OIG issued an April 2007 audit report on a cooperative agreement awarded to the Young Men's Christian Association (YMCA) of the Greater Houston Area.³⁵ The OIG found that the YMCA was in compliance with the essential agreement conditions except for the areas of reporting and expenditures. The YMCA did not submit some progress reports in a timely manner. In addition, the YMCA could not support \$21,120 in costs charged to the agreement.

Among the seven recommendations, the OIG urged the OVC to:

- remedy the \$21,120 in unsupported questioned costs;

³⁵ U.S. Department of Justice, Office of the Inspector General, Services for Trafficking Victims Discretionary Grant Program Cooperative Agreement Awarded to the YMCA of the Greater Houston Area, Award Number 2003-VT-BX-K007, Audit Report GR-80-07-007 (April 2007).

- direct the YMCA to establish procedures to ensure that all expenditures charged to the program are in accordance with the program guidelines; and
- direct the YMCA to establish procedures to ensure that employee salaries and fringe benefits charged to the program are verified as correct, and ensure fringe benefits charged to the program can be isolated and identified for each individual employee whose benefits are charged to the program.

OJP agreed with six of the seven recommendations and provided planned or completed corrective actions for them. OJP disagreed with the recommendation related to submitting progress reports in a timely manner. In its response to the OIG audit, the YMCA generally agreed with six of the seven OIG's recommendations and provided planned or completed corrective actions for them. However, the YMCA also disagreed with the recommendation related to submitting progress reports in a timely manner.

Grants

The BJA began awarding grants in FY 2005 to state and local law enforcement agencies to develop task forces that identify and rescue victims of human trafficking. In the grant audit listed below, the OIG reported on compliance with essential award conditions pertaining to accomplishment of grant objectives, accounting and internal controls, grant reporting, grant drawdowns, budget management and control, local matching funds, grant expenditures, program income, and monitoring of subgrantees.

San Diego Regional Anti-Trafficking Task Force

The OIG issued a January 2008 audit report for a grant awarded to the County of San Diego, California.³⁶ The OIG also tested the accounting records to determine if reimbursements claimed for costs under the awards were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the grants.

³⁶ U.S. Department of Justice, Office of the Inspector General, *Office of Justice Programs, San Diego Region Anti-trafficking Task Force Grant Awarded to the County of San Diego, California*, Audit Report GR-90-08-001 (January 2008).

The OIG found the following deficiencies:

- The Sheriff's Department maintained an accounting system and financial records that did not always separately account for grant-related expenditures and revenue.
- The Sheriff's Department charged an unauthorized position to the grant.
- The Sheriff's Department did not always submit timely progress reports.
- The Sheriff's Department was not meeting the grant objectives laid out by OJP as it relates to investigating human trafficking cases as well as identifying and caring for victims of human trafficking.

The OIG recommended that OJP:

- Ensure that the grantee has appropriate controls in place to ensure that all grant-related transactions are properly posted under the unique grant-designated fund number to avoid commingling expenditures and revenue with those of other grants or projects.
- Ensure that the Sheriff's Department does not claim extra overtime pay resulting from charging the higher salaried sergeant position to the grant rather than the lower salaried deputy position that is included in the OJP-approved grant budget.
- Ensure that the Sheriff's Department submits the required semi-annual progress reports within the allowable timeframe.
- Ensure that the grantee applies its focus for the remainder of the grant toward fulfilling the program objectives relating to investigations of human trafficking cases as well as the identification and care of human trafficking victims.
- Ensure that the Sheriff's Department, in its semi-annual progress reports to OJP, continually and accurately reports on the number of human trafficking victims identified through task force efforts, providing sufficient detail with regard to the efforts that have been presented in identifying and properly handling the victims of such investigations.

OJP agreed with all five recommendations and provided planned or completed corrective actions for them. In its response to the OIG, the San Diego Sheriff's Department generally agreed with the OIG's recommendations and provided planned or completed corrective actions for them.

APPENDIX IV

Office of Justice Programs' Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

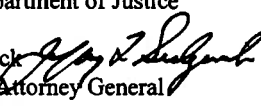
Office of the Assistant Attorney General

Washington, D.C. 20531

JUL 18 2008

MEMORANDUM TO: Glenn A. Fine
Inspector General
United States Department of Justice

THROUGH: Raymond J. Beaudet
Assistant Inspector General for Audit
Office of the Inspector General
United States Department of Justice

FROM: Jeffrey L. Sedgwick 
Acting Assistant Attorney General

SUBJECT: Response to Office of the Inspector General's Draft Audit Report,
*Management of the Office of Justice Programs' Grant Programs
for Trafficking Victims*

This memorandum provides a response to the recommendations directed to the Office of Justice Programs (OJP) included in the Office of the Inspector General's (OIG's) draft audit report entitled, *Management of the Office of Justice Programs' Grant Programs for Trafficking Victims*. The report contains 15 recommendations and no questioned costs directed to the OJP.

In general, the Office of Justice Programs agrees with the draft audit report recommendations, and is fully committed to implementing corrective actions to strengthen our administration of the human trafficking grant programs. For ease of review, the draft audit report recommendations are restated in bold and are followed by our response.

- 1. Develop and implement procedures to ensure that the BJA task forces either report only actual trafficking victims identified, or report both actual and potential victims identified.**

The Office of Justice Programs agrees with the recommendation. The OJP is in the process of revising its human trafficking performance measures for the Bureau of Justice Assistance (BJA) funded task forces and is exploring options for collecting and reporting on such measures. As such, the OJP is considering that the BJA fund task forces collect detailed incident level data rather than the current aggregate level metrics.

Additionally, by January 31, 2009, the OJP will develop and implement procedures whereby the status of all victims who have been identified by the BJA funded task forces as potential human trafficking victims in each investigation will be monitored and reported. By employing a regularly updated incident based information system, the OJP should be able to collect information on all identified potential victims as soon as an investigation is initiated and track their status throughout the investigation. Initially, all of these individuals would be recorded as potential victims but as the investigation uncovers more evidence about the status of the victim, the BJA funded task forces will update victim reports to indicate whether arrests are made or whether the victim is granted Continued Presence or a T-visa. A summary sheet for each incident will allow task forces to regularly update the status of the incident and victims to indicate whether they are a confirmed victim of trafficking, not a confirmed victim of trafficking or whether confirmation is pending. This will allow task forces to provide the most up-to-date and accurate information on the number of both potential and confirmed human trafficking victims.

- 2. Ensure the BJA task forces either exclude domestic trafficking victims when reporting the number of victims identified under the Trafficking Victims Protection Act or separately identify the domestic and alien victims in the numbers reported.**

The Office of Justice Programs agrees with the recommendation. As stated in our response to Recommendation Number 1, the OJP is in the process of revising its human trafficking performance measures and will take appropriate steps to separately identify the domestic and alien victims in the numbers reported.

Specifically, the OJP proposes to collect information on the residency status of all identified victims, categorizing them as either Foreign (Undocumented Alien, Qualified Alien), Domestic (U.S. Citizen, U.S. National, Permanent Resident), or Unknown. As previously stated, by January 31, 2009, the OJP will develop and implement procedures to ensure that the BJA task forces collect information about whether a continued presence application or T-visa application has been filed for each victim.

3. Require the BJA task forces to maintain documentation to support the number of trafficking victims reported.

The Office of Justice Programs agrees with the recommendation. The OJP plans to emphasize the importance and need to maintain documentation to support the number of victims reported at the next human trafficking conference, to be held on September 9-10, 2008, in Atlanta, Georgia. Additionally, BJA recently developed an "Immersion Program" among the funded task forces. The Immersion Program allows the three top performing task forces to provide hands on technical assistance and cross training to their peer task forces. Each of the three top performing task forces will host peer task forces, one at a time, for a week of immersion learning. One of the learning objectives that will be covered in detail in the Immersion Program will be "reporting and record keeping." In this segment, the importance and need for both accuracy in reporting and maintaining documentation to support victims reported, will be reinforced.

As stated in our response to Recommendation Numbers 1 and 2, the OJP is in the process of revising its human trafficking performance measures for the BJA funded task forces for collecting and reporting on such measures. By January 31, 2009, the OJP will develop and implement procedures whereby the status of all victims who have been identified by the BJA funded task forces as potential human trafficking victims in each investigation will be monitored and reported. Finally, to ensure that the BJA task forces maintain documentation, a unique incident number will be assigned to each new case as it is reported to OJP, and any victim information included for that case would be linked to the unique incident number. Therefore, documentation supporting the number of trafficking victims is readily available and easily accessible for auditing and verification.

4. Ensure the accuracy of the number of trafficking victims reported by the task forces for inclusion in the annual reports.

The Office of Justice Programs agrees with the recommendation. As stated in our response to Recommendation Number 3, the OJP plans to emphasize the importance and need to ensure accuracy of the number of victims reported at the next human trafficking conference, to be held on September 9-10, 2008, in Atlanta, Georgia. With the development of the "Immersion Program", the OJP believes the importance and need for both accuracy in reporting and maintaining documentation to support victims reported, will be reinforced.

To ensure the accuracy of the number of trafficking victims reported by task forces for inclusion in the annual reports, by January 31, 2009, the OJP will explore methods for implementing an ongoing system of random audits of the data provided by the task forces.

5. **Consider whether the “trafficking victims saves” performance measure should be eliminated. If not eliminated, establish procedures for taking prompt corrective action when task forces are not meeting the “trafficking victims saves” performance measure.**

The Office of Justice Programs agrees with the recommendation. The OJP is in the process of revising its human trafficking performance measures and exploring options for collecting and reporting on such measures. By January 31, 2009, the OJP will develop and implement procedures whereby the status of all victims who have been identified by the BJA funded task forces as potential human trafficking victims in each investigation will be monitored and reported.

6. **Ensure that OVC service providers separately identify new victims who are assisted during the semi-annual progress reporting period.**

The Office of Justice Programs agrees with the recommendation. By January 1, 2009, the OJP will work with the Office for Victims of Crime (OVC) Training and Technical Assistance Center (TTAC), which developed OVC’s Trafficking Information Management System (TIMS), to modify the system to make data collection clearer and more streamlined. The OJP believes that modifying the TIMS is important because most of the OVC’s grantees use this system to provide data for their semi-annual progress reports, and OVC program specialists compare the data in the semi-annual progress reports with information submitted in the TIMS to ensure consistency of the data.

7. **Ensure the OVC service providers do not report as assisted those potential victims who either disappear or were found to be ineligible before services are provided.**

The Office of Justice Programs agrees with the recommendation. By January 1, 2009, the OJP will provide additional guidance to the service providers as to the eligibility criteria for OVC-funded assistance for victims of human trafficking. The OJP believes that service providers should only count as assisted (for the purpose of reporting under cooperative agreements with OVC) those victims who actually receive some sort of OVC-funded service and who are determined, based on the information available at the time of service or intervention, to have been eligible to receive such.

8. **Ensure that the OVC service providers verify whether victims who received T-visa have been certified by HHS as trafficking victims before they can receive services.**

The Office of Justice Programs agrees with the recommendation. By January 1, 2009, the OJP will develop additional and specific guidance to the OVC service providers that specifies OJP's policy on serving certified victims and indicating that the service providers that use grant funds to serve certified victims, without prior authorization from OVC, will be required to return the funds to the OJP. Also, if allowable, OVC will require its grantees to provide the circumstances, including certification status and whether or not the U.S. Department of Health and Human Services has been contacted to verify certification status, of each new trafficking victim that the service providers report serving in their semi-annual progress reports (this is a new data reporting requirement that is not currently part of the grantees' applications). As previously stated, the OJP plans to conduct a technical assistance workshop for the OVC service providers at the next human trafficking conference, to be held on September 9-10, 2008, in Atlanta, Georgia.

9. **Ensure the OVC service providers maintain sufficient documentation to support the trafficking victims reported as assisted in the semi-annual progress reports.**

The Office of Justice Programs agrees with the recommendation. In addition to the guidance specified in our response in Recommendation Number 8, by January 1, 2009, the OJP will also develop guidance requiring OVC service providers to maintain written documentation to support all services provided to trafficking victims.

10. **Ensure the accuracy of the number of trafficking victims reported by the service providers for inclusion in the annual reports.**

The Office of Justice Programs agrees with the recommendation. The OJP is committed to ensuring that OVC service providers report data reflecting the accurate number of eligible trafficking victims assisted during a reporting period (broken down by new victims served and existing victims). At the outset, it is important to realize that some OVC service providers have served individuals who, without question, are victims of human trafficking in fact, but do not fall under the precise statutory eligibility criteria for OVC-funded services – for example, victims who are certified prior to receiving trafficking victim services. As such, to avoid confusion as to whom can be served with OVC grant funds, the OJP, the Vermont Service Center of the U.S. Department of Homeland Security and the Human Trafficking Prosecution Unit within the Civil Rights Division of U.S. Department of Justice, issued written guidance to OVC service providers in March 2008, that specifically outlines eligibility for services funded by OVC trafficking grants.

As stated in our response to Recommendation Numbers 8 and 9, by January 1, 2009, the OJP will develop additional and specific guidance to the OVC service providers that specifies OJP's policy on serving certified victims as well as requiring the OVC service providers to maintain written documentation to support all services provided to trafficking victims to ensure the accuracy of the number of trafficking victims reported by the OVC service providers for inclusion in the annual reports.

11. **Establish procedures for use during the award process on future service provider agreements to determine whether the award amounts are reasonable in relation to the anticipated numbers of victims to be assisted.**

The Office of Justice Programs agrees with the recommendation. For all OVC trafficking awards that OJP makes during fiscal year (FY) 2008 and in future years as funding is appropriated, OVC trafficking program specialists will review all contracts or sub-grants that trafficking grantees fund for services or activities to ensure that costs are reasonable and strategically sound. Additionally, a programmatic hold special condition will be added in all award documents to ensure that the review is conducted before funds are available to the grantee and OVC will also include this review requirement in future solicitations.

Human trafficking in the U.S. is a crime for which scant statistical data exists, especially in the historical context of how many victims have been identified, the dynamics of the trafficking cases, and the subsequent needs of the victims. The OJP, other Federal authorities, and local service providers cannot accurately "anticipate" the number of victims to be assisted during an 18 month or three year period in each geographic area, as there is insufficient data to ascertain where traffickers will focus their efforts. The OJP is also unaware of any tested, reliable models for estimating how and where traffickers in humans will establish or expand their efforts. Because of the episodic nature of the identification of trafficking victims (as well as the anticipated number of victims that may be identified in a single case), the OJP has elected to pursue a strategy from the inception of trafficking grant programs to focus goals and objectives on building the community capacity to assist any number of victims that are identified and to ensure that these victims are provided comprehensive services during the service period. This capacity includes the ability of the grantee and the community to provide all needed services to both male and female as well as adult and child victims of both sex and labor trafficking before certification occurs. As the OIG report indicates, the audited OVC service provider grantees have clearly met the overarching goal for the establishment and administration of this grant program.

Grantee applications have used estimated number of victims to make budget projections, but there is no "cookie cutter" approach to how any one grantee will provide services for the victims of this emerging crime. The needs of a particular victim, and the subsequent costs, can differ tremendously from one victim to the next. Some victims have no

medical needs, speak English, and may even have relatives that can help provide support. Other victims may have catastrophic medical and mental health needs, speak no English, and have no resources whatsoever. As we previously stated in Recommendation Number 6, the OJP is collecting information on costs associated with serving victims of human trafficking through the OVC Trafficking Information Management System. However, this data will not be useful until the information from several years, many different regions, and for many different types of human trafficking cases, has been collected and appropriately analyzed.

If a grantee provides most services “in-house,” costs may differ markedly from services that are contracted out or are provided pro-bono. Costs and existing resources also differ greatly from one geographic region to another. These funding vehicles are cooperative agreements with numerous goals and objectives, but the ultimate and overarching goal is that of building community capacity.

The OJP has concerns that the OIG appears to recommend that the OVC trafficking program specialists conduct independent cost assessments related to a “supermarket cart” of services ranging from case management to legal assistance to medical services to mental health services to shelter to dental services to job training to transportation to English-as-a-Second-Language, and so forth in every geographical area covered by these grants. Such an assessment would be a costly and ineffective approach to a grant program strategy that focuses on building overall community capacity to respond to human trafficking victims, as opposed to developing stipends to cover services. Such a recommendation also runs counter to the whole premise of this, and most other grant programs: that a local community service provider knows far better than Federal authorities what services and resources are available locally, including those that are low-cost or free.

Nevertheless, in light of the OIG’s recommendation, OVC will implement the procedures described above, including the programmatic hold special condition, to ensure that all trafficking grantee contracts and sub-grants are reviewed to ensure that costs are reasonable and strategically sound.

12. **Provide additional training and oversight of service provider and task force grantees to ensure that they:**

- **Develop and implement steps to accomplish the unmet grant goals, where practical;**
- **Submit FSRs containing accurate financial data;**
- **Submit progress reports in a timely manner;**
- **Drawdown only the amount of federal cash needed to pay for actual or anticipated costs within 10 days;**
- **Maintain support for costs claimed as matching funds;**
- **Claim only costs that are allowable and supported;**
- **Properly calculate and claim indirect costs; and,**
- **Effectively monitor sub-recipients.**

The Office of Justice Programs agrees with the recommendation. The OJP has consistently worked to improve grantee compliance and performance through training and technical assistance, as well as enhanced oversight activities in FY 2007 and 2008. To better assist grantees in meeting performance goals, OVC recently transferred over \$1 million in trafficking funding, comprised of roll-over funding from previous fiscal years, to support technical assistance and research and evaluation activities for both BJA and OVC trafficking grantees. In addition, BJA and OVC have worked with OVC's Training and Technical Assistance Center (TTAC) to convene a working group of key personnel from other Federal agencies with anti-human trafficking responsibilities, from October 2007 through March 2008, to identify key areas of needed technical assistance for task forces and service providers, and to identify existing Federal resources that could be leveraged to address training and technical assistance needs of trafficking grantees. The findings of this working group will help shape the development of the work plan for the funding recently transferred to the OVC TTAC.

In addition to these efforts, the OJP continues to provide grantees with training opportunities through the Office of the Chief Financial Officer's (OCFO) regional Financial Management Training Seminars. The OVC requires that all of its grantees receiving over \$150,000 in trafficking grant funds attend one of the OCFO's training seminars. Further, the OJP's Office of Audit, Assessment, and Management (OAAM) released several training tools to assist grantees with meeting post-award requirements, including a grant process oversight web page, which can be found at http://www.ojp.gov/funding/grant_process.htm#management, and on-line training modules for OJP's end-to-end, web-based Grant Management System (GMS), which can be found at <http://www.ojp.gov/gmscbt/>. More importantly, by December 31, 2008, the OAAM will develop a more in-depth, on-line training course for OJP grantees that focuses on post-award grant management.

In a continuing commitment to improving grant oversight, the OAAM released new, robust guidelines for monitoring OJP grants and cooperative agreements in FY 2007, making it possible for OJP grant and program managers to monitor grants and cooperative agreements consistently across OJP bureaus and offices, while preserving the flexibility to monitor diverse programs and grant types effectively. To accomplish the standards and requirements for on-site monitoring, the OAAM developed a standard Grant Monitoring Tool (GMT), which will be required for use beginning on October 1, 2008. The GMT requires grant and program managers to review all grants against a set of standard review categories to determine administrative and financial compliance with grant management policies, procedures, and regulatory requirements, as well as to evaluate the programmatic progress and success of efforts funded through the grant.

In addition to the GMT, the OAAM released the Grant Assessment Tool (GAT) in September 2007 to provide a common, organized framework and methodology for systematically and objectively assessing risks associated with grants and/or grantees. The GAT was used to assist in the development of the OCFO FY 2008 financial monitoring plan and involves assigning a monitoring priority level to individual grants based on a standard set of criteria. In FY 2008, an improved version of the GAT will be issued in a Microsoft Access database format and has been enhanced to act as both a monitoring decision tool, as well as a format for conducting thorough desk reviews. The OAAM has worked closely with OVC in particular to include rating factors for human trafficking grants.

Specifically to address late semi-annual progress reports, the OJP implemented the funding freeze functionality within the GMS Progress Report module in FY 2007. The module temporarily freezes payments to an award recipient due to late submission of a progress report. After the award recipient submits a progress report and the OJP approves it, the GMS module makes the funds available for drawdown. This new GMS feature, which complements the funding freeze for late Financial Status Reports, has led to increased grantee accountability and compliance with grant program reporting requirements.

Finally, by January 31, 2009, the OAAM will schedule a follow-up review of BJA and OVC human trafficking-related grant recipients in order to ensure that issues identified in this report have been appropriately addressed, and long-term improvement measures have been implemented.

13. **Establish an effective system for monitoring the OVC service providers to ensure that (1) performance data reported by the service providers is accurate, (2) service providers are meeting the performance goals, and (3) service providers track the amount of grants funds used to assist victims of human trafficking.**

The Office of Justice Programs agrees with the recommendation. As previously stated in our response to Recommendation Number 12, the newly released GMT requires that grant and program managers monitor grants consistently across a set of core criteria. Specifically, the GMT requires grant and program managers to review performance measures for face validity and analyze collection processes.

The GMT instructs grant and program managers to check that a grantee has an adequate method for collecting performance measurement data, by reviewing and analyzing whether:

- There is an automated or manual system for data collection?
- There are known data limitations?
- Data are used to guide program determinations? (What is working or not working)?
- There is an independent party testing data collection and reporting processes? How (what method)? and
- For grantees that make sub-awards, is there a process in place for onsite monitoring by the grantee reporting the data? (Grantee would ask questions similar to above while at sub-grantee onsite).

In addition, the GMT now requires that grant and program managers assess grantee performance goals when conducting on-site monitoring, as well as through the GAT when conducting a desk review. As previously stated in our response to Recommendation Number 12, by January 31, 2009, the OAAM will schedule a follow-up review of BJA and OVC human trafficking-related grant recipients in order to ensure that issues identified in this report have been appropriately addressed, and long-term improvement measures have been implemented.

14. **Establish an effective system for monitoring the BJA task forces to ensure that (1) performance data reported by the task forces is accurate, and (2) task forces are meeting the performance goals.**

The Office of Justice Programs agrees with the recommendation. As previously stated in our response to Recommendation Number 13, the newly released GMT requires that grant and program managers monitor grants consistently across a set of core criteria and requires grant and program managers to review performance measures for face validity and analyze collection processes. In addition, the OJP is in the process of revising its human trafficking task for performance measures and exploring options for better collecting and reporting on such measures.

15. **Issue additional guidance to all task force grantees regarding best practices to:**

- **Maintain supporting documentation for performance measure data reported to the BJA,**
- **Establish a mechanism to track the data to be reported for each performance measure, and,**
- **Verify the accuracy of performance data before submission to the BJA.**

The Office of Justice Programs agrees with the recommendation. By January 31, 2009, the OJP will develop additional, clearer guidance to all task force grantees regarding best practices in maintaining supporting documentation; tracking data to be reported; and verifying the accuracy of the data before reporting to BJA.

As the OJP revises its performance measures as previously stated in Recommendation Number 1, the OJP will also develop a User's Guide that provides clear guidance on reporting data to BJA. BJA also plans to provide onsite technical assistance and guidance to task force grantees in maintaining supporting documentation, tracking the data, and verifying the accuracy of the data.

Thank you for your continued cooperation. If you have any questions regarding this response, please contact LeToya Johnson, Deputy Director, Office of Audit, Assessment, and Management – Audit and Review Division, on (202) 514-0692.

cc: Beth McGarry
Deputy Assistant Attorney General
for Operations and Management

Domingo S. Herraiz, Director
Bureau of Justice Assistance

cc: **John Gillis, Director**
Office for Victims of Crime

Marcia K. Paull
Chief Financial Officer

LeToya A. Johnson
Deputy Director, Audit and Review Division
Office of Audit, Assessment, and Management

Richard A. Theis
Audit Liaison
Department of Justice

APPENDIX V

Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Report

We provided the draft report to OJP for review and requested written comments. OJP's written response is included as Appendix IV of this report. OJP agreed with all of our recommendations and proposed corrective action appropriate to resolve the recommendations. However, OJP provided supplementary comments regarding certain information related to Recommendation 11. Before addressing the actions necessary to close the report recommendations, we first address OJP's supplementary comments.

In its response to Recommendation 11, OJP provided a discussion regarding the difficulties it faces in trying to assess the reasonableness of the number of victims and cost of services estimated by the service providers. OJP stated that identification of trafficking victims is episodic in nature, and it is not possible to anticipate the number of victims who may be identified in a single case. OJP stated that it therefore has elected to pursue a strategy from the inception of trafficking grant programs to focus goals and objectives on building capacity to assist any victims identified and to ensure that these victims are provided comprehensive services. OJP further stated that the needs of a particular victim, and the subsequent costs, can differ tremendously from one victim to the next. OJP stated that the audited OVC service provider grantees have clearly met the overarching goal for the establishment and administration of this grant program.

We agree that OJP focused many of the goals of its service provider grants on building community capacity to assist identified victims. However, as shown in our report, five of the six service provider grants that we audited had one or more goals to provide services to a specific number of victims and these goals were not met in five of the six grants we examined. These results are summarized in the following table.

Service Provider	Grant Goal	Status
Boat People S.O.S., Inc.	Meet the needs of at least 20 clients by the end of 2003, 30 by the end of 2004, and 50 by the end of 2005	Met
International Rescue Committee – Miami	Develop and implement a 3-year program for 100 victims of trafficking that addresses both short- and long-term social service needs	Not accomplishing
Mosaic Family Services, Inc.	Provide services for up to 180 trafficking victims for case management, housing, legal aid, psychological and medical aid, English language instruction, and employment and referral assistance by the end of the original project date of December 31, 2005	Not met
Refugee Women’s Network, Inc.	Provide comprehensive culturally and linguistically appropriate direct services for a minimum of 99 pre-certified victims of trafficking during the 3-year life of the award	Not met
Refugee Women’s Network, Inc.	Support victims’ rights, provide legal advocacy, and encourage prosecution of traffickers for a minimum of 99 pre-certified victims of trafficking during the 3-year life of the award	Not met
YMCA of the Greater Houston Area, Inc.	Serve an average of 50 clients a year for the period January 1, 2003, through December 31, 2005	Not met

While an important goal of the grant program is to build capacity to serve victims, we believe it equally important to utilize that capacity to actually serve victims. As noted in the report, the OVC awarded more than \$31 million to service providers under the human trafficking grant program. Spending millions of dollars to build capacity to serve victims and then not serving a significant number of victims is not an effective use of resources.

In its response, OJP also stated that it has concerns that Recommendation 11 appears to recommend that the OVC trafficking program specialists conduct independent cost assessments related to a “supermarket cart” of services including case management, legal assistance, medical services, mental health services, shelter, dental services, job training, transportation, and English-as-a-Second-Language in every geographical area covered by these grants. OJP stated that such an assessment would be a costly and ineffective approach to a grant program strategy that focuses on building overall community capacity to respond to human trafficking victims as opposed to developing stipends to cover

services. OJP also stated that such a recommendation also runs counter to the whole premise of this and most other grant programs: that a local community service provider knows far better than federal authorities what services and resources are available locally, including those that are low-cost or free.

OJP's concern regarding Recommendation 11 misconstrues our recommendation. This recommendation, as are all our recommendations, is designed to correct the causes of specific deficiencies identified during the audit. In this instance, the audit found that among the service providers tested, a wide disparity existed in the amount of funds awarded per estimated victim to be served. While OVC officials generalized about the reasons such disparities could exist, the officials could not explain the specific reasons for the disparities because when making the awards the OVC did not analyze the grantee's budget in relation to the estimated number of victims to be served. Therefore, the OVC could not demonstrate that the funds awarded were reasonable for the number of victims to be served. Consequently, we made a specific recommendation that OJP develop procedures to determine whether the award amounts are reasonable in relation to the anticipated number of victims to be assisted. Failure to provide reasonable assurance that funds awarded are commensurate with the number of victims to be served results in a costly and potentially ineffective program. As noted, the OVC has awarded more than \$31 million to service providers, but very few victims have actually been served. Therefore, we believe it is essential that the OVC do more to ensure the awarded funds are reasonable in relation to the anticipated number of victims to be assisted.

The following is our analysis of OJP's response to our specific recommendations.

Status of Recommendations:

1. **Resolved.** We recommended that OJP develop and implement procedures to ensure that the BJA task forces either report only actual trafficking victims identified, or report both actual and potential victims identified. OJP agreed and stated that it is in the process of revising its human trafficking performance measures for the BJA task forces. OJP also stated that by January 31, 2009, it will develop and implement procedures for monitoring and reporting the status of all victims identified by the BJA task forces. OJP plans to regularly update the status of trafficking incidents and potential victims to indicate whether or not the victims' status is pending or confirmed. OJP stated that this regular update will allow the task forces to provide the most up-to-date

and accurate information on the number of both potential and confirmed human trafficking victims. The recommendation can be closed when we receive OJP's revised human trafficking performance measures and new procedures for monitoring and reporting the status of all victims identified by BJA task forces.

2. **Resolved.** We recommended that OJP ensure the BJA task forces either exclude domestic trafficking victims when reporting the number of victims identified under the Trafficking Victims Protection Act or separately identify the domestic and alien victims in the numbers reported. OJP agreed and stated that it is in the process of revising its human trafficking performance measures and will take appropriate steps to separately identify the domestic and alien victims in the numbers reported. Specifically, OJP stated that it plans to collect information on the residency status of all identified victims, categorizing them as either Foreign (Undocumented Alien, Qualified Alien), Domestic (U.S. Citizen, U.S. National, Permanent Resident), or Unknown. OJP stated that by January 31, 2009, it will develop and implement procedures to ensure that the BJA task forces collect information about whether a continued presence application or T-visa application has been filed for each victim. The recommendation can be closed when we receive OJP's new procedures separately identifying the domestic and alien victims in the data reported by the BJA task forces.
3. **Resolved.** We recommended that OJP require the BJA task forces to maintain documentation to support the number of trafficking victims reported. OJP agreed and stated that it plans to emphasize the importance and need to maintain documentation to support the number of victims reported at the September 2008 human trafficking conference in Atlanta, Georgia. OJP also stated that BJA recently developed an "Immersion Program" among the funded task forces that allows the three top performing task forces to provide hands-on technical assistance and cross training to the other task forces. OJP stated that to ensure that the BJA task forces maintain documentation, a unique incident number will be assigned to each new case as it is reported to OJP, and any victim information included for that case would be linked to the unique incident number. As a result, documentation supporting the number of trafficking victims will be readily available and easily accessible for auditing and verification. The recommendation can be closed when we receive:
 - the agenda or outline for the September 2008 human trafficking conference that shows maintenance of documentation to support the number of victims reported as a discussion item;

- OJP's procedures or guidelines for the Immersion Program that show the importance and need for both accuracy in reporting and maintaining documentation to support victims reported will be reinforced during the task force technical assistance and training sessions; and
 - OJP's procedures that require a unique incident number to be assigned to each new trafficking case as it is reported to OJP, and that victim information included for that case be linked to the unique incident number.
4. **Resolved.** We recommended that OJP ensure the accuracy of the number of trafficking victims reported by the task forces for inclusion in the annual reports. OJP agreed and stated that as discussed under Recommendation 3, it plans to emphasize the importance and need to ensure accuracy of the number of victims reported at the September 2008 human trafficking conference in Atlanta, Georgia. OJP also stated that with the development of the Immersion Program, it believes the importance and need for both accuracy in reporting and maintaining documentation to support victims reported will be reinforced. OJP further stated that to ensure the accuracy of the number of trafficking victims reported by task forces for inclusion in the annual reports, by January 31, 2009, it will explore methods for implementing an ongoing system of random audits of the data provided by the task forces. The recommendation can be closed when we receive the documentation requested for Recommendation 3 and OJP's procedures for performing random audits of the data provided by the task forces.
5. **Resolved.** We recommended that OJP consider whether the "trafficking victim saves" performance measure should be eliminated, and if not eliminated, whether it should establish procedures for taking prompt corrective action when task forces are not meeting the "trafficking victim saves" performance measure. OJP agreed and stated that it is in the process of revising its human trafficking performance measures and exploring options for collecting and reporting on such measures. OJP stated that by January 31, 2009, it will develop and implement procedures for monitoring and reporting on the status of all victims identified by the BJA task forces. The recommendation can be closed when we receive OJP's revised human trafficking performance measures and new procedures for monitoring and reporting the status of all victims identified by BJA task forces.

6. **Resolved.** We recommended that OJP ensure that the OVC service providers separately identify new victims who are assisted during the semi-annual progress reporting period. OJP agreed and stated that by January 1, 2009, it will work with the Office for Victims of Crime (OVC) Training and Technical Assistance Center, which developed OVC's Trafficking Information Management System (TIMS), to modify the system to make data collection clearer and more streamlined. The recommendation can be closed when we receive OJP's modifications to the TIMS and documentation on how those modifications will ensure that the OVC service providers separately identify new victims who are assisted during the semi-annual progress reporting period.
7. **Resolved.** We recommended that OJP ensure the OVC service providers do not report as assisted those potential victims who either disappear or were found to be ineligible before services are provided. OJP agreed and stated that it believes that service providers should only count as assisted those victims who actually receive some sort of OVC-funded service and who are determined to have been eligible to receive such services. OJP stated that by January 1, 2009, it will provide additional guidance to the service providers on the eligibility criteria for OVC-funded assistance for victims of human trafficking. The recommendation can be closed when we receive OJP's additional guidance to the service providers regarding this issue.
8. **Resolved.** We recommended that OJP ensure that the OVC service providers verify whether victims who received T-visas have been certified by the U.S. Department of Health and Human Services (HHS) as trafficking victims before they can receive services. OJP agreed and stated that by January 1, 2009, it will develop additional guidance for the OVC service providers on aiding certified victims and indicating that service providers that use grant funds to serve certified victims without prior authorization from OVC will be required to return the funds to the OJP. OJP also stated that, if allowable, the OVC will require grantees to provide the circumstances, including certification status and whether or not HHS was contacted to verify certification status of each newly reported trafficking victim. The recommendation can be closed when we receive OJP's additional guidance to service providers regarding this issue.
9. **Resolved.** We recommended that OJP ensure the OVC service providers maintain sufficient documentation to support the trafficking victims reported as assisted in the semi-annual progress reports. OJP agreed and stated that in addition to the guidance specified in its response to Recommendation 8, by January 1, 2009, it will develop

guidance requiring that OVC service providers to maintain written documentation to support all services provided to trafficking victims. The recommendation can be closed when we receive OJP's additional guidance to service providers regarding this issue.

10. **Resolved.** We recommended that OJP ensure the accuracy of the number of trafficking victims reported by the service providers for inclusion in the annual reports. OJP agreed and stated that it is committed to ensuring that OVC service providers report data reflecting the accurate number of eligible trafficking victims assisted during a reporting period. OJP stated that to avoid confusion as to whom can be served with OVC grant funds, in March 2008 the OJP, the Vermont Service Center of the U.S. Department of Homeland Security, and the Human Trafficking Prosecution Unit within the Civil Rights Division of U.S. Department of Justice, issued written guidance to OVC service providers that specifically outlined eligibility for services funded by OVC trafficking grants. OJP also stated that by January 1, 2009, it will develop additional and specific guidance to the OVC service providers on aiding certified victims as well as requiring the OVC service providers to maintain written documentation to support all services provided to trafficking victims. The recommendation can be closed when we receive:

- the March 2008 guidance issued by the OJP, the Vermont Service Center of the U.S. Department of Homeland Security, and the Human Trafficking Prosecution Unit within the Civil Rights Division of the U.S. Department of Justice that outlined eligibility for services funded by OVC trafficking grants; and
- the additional guidance that OJP plans to issue to service providers by January 1, 2009, regarding this issue.

11. **Resolved.** We recommended that OJP establish procedures for use during the award process on future service provider agreements to determine whether the award amounts are reasonable in relation to the anticipated number of victims to be assisted. OJP agreed with this recommendation and stated that it is collecting information on costs associated with serving victims of human trafficking through the OVC Trafficking Information Management System. However, OJP stated that this data will not be useful until the information from several years, many different regions, and for many different types of human trafficking cases has been collected and appropriately analyzed. In the interim, OJP stated that for all the OVC trafficking awards that OJP makes during fiscal year (FY) 2008 and in future years, OVC trafficking

program specialists will review all contracts or sub-grants that trafficking grantees fund for services or activities to ensure that costs are reasonable and strategically sound. Additionally, a programmatic hold special condition will be added in all award documents to ensure that the review is conducted before funds are available to the grantee, and the OVC will also include this review requirement in future solicitations.

The recommendation can be closed when we receive the procedures that OJP has established to:

- collect and analyze information on costs associated with serving victims of human trafficking,
- review all contracts or sub-grants that trafficking grantees fund for services or activities to ensure that costs are reasonable and sound, and
- ensure that a programmatic hold special condition is added in all award documents to ensure that the review is conducted before funds are made available to the grantee.

12. **Resolved.** We recommended that OJP provide additional training and oversight of service provider and task force grantees to ensure that they:

- develop and implement steps to accomplish the unmet grant goals, where practical;
- submit FSRs containing accurate financial data;
- submit progress reports in a timely manner;
- draw down only the amount of federal cash needed to pay for actual or anticipated costs within 10 days;
- maintain support for costs claimed as matching funds;
- claim only costs that are allowable and supported;
- properly calculate and claim indirect costs; and
- effectively monitor subrecipients.

OJP agreed and stated that it has consistently worked to improve grantee compliance and performance through training and technical assistance, as well as enhanced oversight activities in FYs 2007 and 2008. OJP listed the following assistance and oversight activities in its response.

- OJP transferred over \$1 million in trafficking funding to support technical assistance and research and evaluation activities for both BJA and OVC trafficking grantees;
- OJP worked with the OVC's Training and Technical Assistance Center to convene a working group of personnel from other federal agencies with anti-human trafficking responsibilities to identify: (1) key areas of needed technical assistance for task forces and service providers, and (2) existing federal resources to address training and technical assistance needs of trafficking grantees;
- OJP provided grantees with training opportunities through the Office of the Chief Financial Officer's regional Financial Management Training Seminars;
- OJP released several training tools to assist grantees with meeting post-award requirements, including a grant process oversight web page and on-line training modules;
- OJP issued guidelines for monitoring OJP grants and cooperative agreements in FY 2007, making it possible for OJP grant and program managers to monitor grants and cooperative agreements consistently across OJP bureaus and offices;
- OJP released the Grant Assessment Tool (GAT) in September 2007 to provide a common, organized framework and methodology for systematically and objectively assessing risks associated with grants and/or grantees; and
- OJP implemented the funding freeze functionality within its Grants Management System in FY 2007 to temporarily freeze payments to an award recipient due to late submission of a progress report.

We note that while OJP had begun these initiatives or actions prior to the OIG's individual audits of service providers and task forces, the initiatives and actions did not prevent the deficiencies found during the OIG audits.

To further improve grantee compliance, OJP stated that it is also developing a standard Grant Monitoring Tool (GMT), which will be required for use beginning on October 1, 2008, that will require grant and program managers to review all grants against a set of standard review categories to determine administrative and financial compliance with grant management policies, procedures, and regulatory requirements, as well as to evaluate the programmatic progress and success of efforts funded through the grant. OJP also stated that its Office of Audit, Assessment, and Management (OAAM) will develop a more in-depth, on-line training course for OJP grantees that focuses on post-award grant management. In addition to the GMT, OJP stated that in FY 2008 it will issue an improved version of the GAT to act as both a monitoring decision tool, as well as a format for conducting thorough desk reviews. Finally, OJP stated that by January 31, 2009, the OAAM will schedule a follow-up review of BJA and OVC human trafficking-related grant recipients in order to ensure that issues identified in this report have been appropriately addressed, and long-term improvement measures have been implemented.

The recommendation can be closed when we receive documentation:

- showing that OJP's Grant Management Tool requires grant and program managers to review all grants against a set of standard review categories to determine administrative and financial compliance with grant management policies, procedures, and regulatory requirements, as well as to evaluate the programmatic progress and success of efforts funded through the grant;
- showing that the OAAM developed a more in-depth, on-line training course for OJP grantees that focuses on post-award grant management;
- describing OJP's improved version of the GAT; and
- showing the OAAM has scheduled a follow-up review of BJA and OVC human trafficking-related grant recipients and that the reviews will cover at a minimum, the eight deficiency areas included in this recommendation.

13. **Resolved.** We recommended that OJP establish an effective system for monitoring the OVC service providers to ensure that: (1) performance data reported by the service providers is accurate, (2) service providers are meeting the performance goals, and (3) service providers track the

amount of grant funds used to assist victims of human trafficking. OJP agreed and stated that its newly released GMT requires that grant and program managers monitor grants consistently across a set of core criteria. According to OJP, the GMT instructs grant and program managers to check that a grantee has an adequate method for collecting performance measurement data.

OJP also stated that the GMT now requires that grant and program managers assess grantee performance goals when conducting on-site monitoring, as well as through the GAT when conducting a desk review. Finally, OJP stated that by January 31, 2009, the OAAM will schedule a follow-up review of BJA and OVC human trafficking-related grant recipients in order to ensure that issues identified in this report have been appropriately addressed, and long-term improvement measures have been implemented.

The recommendation can be closed when we receive documentation:

- showing that OJP's Grant Management Tool requires grant and program managers to review all grants against a set of standard review categories to determine administrative and financial compliance with grant management policies, procedures, and regulatory requirements, as well as to evaluate the programmatic progress and success of efforts funded through the grant;
- describing OJP's improved version of the GAT; and
- showing the OAAM has schedule a follow-up review of BJA and OVC human trafficking-related grant recipients and that the reviews will cover at a minimum, the three deficiency areas included in this recommendation.

14. **Resolved.** We recommended that OJP establish an effective system for monitoring the BJA task forces to ensure that: (1) performance data reported by the task forces is accurate, and (2) the task forces are meeting the performance goals. OJP agreed and reiterated that its newly released GMT requires that grant and program managers monitor grants consistently across a set of core criteria and also requires grant and program managers to review performance measures for face validity and analyze collection processes. In addition, OJP stated that it is in the process of revising its human trafficking task force performance measures and exploring options for better collecting and reporting on such measures. The recommendation can be closed when we receive documentation showing that OJP's:

- Grant Management Tool requires grant and program managers to review all grants against a set of standard review categories to determine administrative and financial compliance with grant management policies, procedures, and regulatory requirements, as well as to evaluate the programmatic progress and success of efforts funded through the grant; and
- revised procedures for collecting and reporting performance data are adequate to ensure that performance data reported by the task forces is accurate, and the task forces are meeting the performance goals.

15. **Resolved.** We recommended that OJP issue additional guidance to all task force grantees regarding best practices to:

- maintain supporting documentation for performance measure data reported to the BJA,
- establish a mechanism to track the data to be reported for each performance measure, and
- verify the accuracy of performance data before submission to the BJA.

OJP agreed and stated that by January 31, 2009, it will develop additional, clearer guidance to all task force grantees regarding best practices in maintaining supporting documentation, tracking data to be reported, and verifying the accuracy of the data before reporting to the BJA. OJP also stated that as it revises its performance measures as discussed under Recommendation 1, it will also develop a User's Guide that provides clear guidance on reporting data to the BJA. OJP further stated that the BJA also plans to provide onsite technical assistance and guidance to task force grantees in maintaining supporting documentation, tracking the data, and verifying the accuracy of the data.

The recommendation can be closed when we receive:

- OJP's additional guidance to all task force grantees regarding best practices in maintaining supporting documentation, tracking data to be reported, and verifying the accuracy of the data before reporting to the BJA;

- OJP's User's Guide containing direction for task forces to report performance data to the BJA; and
- documentation of the onsite technical assistance and guidance provided by the BJA to the task forces for maintaining supporting documentation, tracking performance data, and verifying the accuracy of the data.