

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

**Improving the Office of Community Oriented Policing
Services' Grant Awarding, Monitoring, and Program
Evaluation Processes**

Fiscal Years 2005 Through 2008



June 2009

Improving the Office of Community Oriented Policing Services' Grant Awarding, Monitoring, and Program Evaluation Processes

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Introduction

The Department of Justice (DOJ) Office of Community Oriented Policing Services (COPS) is responsible for advancing community policing as a strategy to improve public safety. Over its 15-year history, COPS has awarded \$11.4 billion in grants to state, local, tribal, and other organizations to hire police officers, acquire law enforcement-related communication technology, produce training materials for law enforcement agencies, and fund other related initiatives.

In recent years, however, COPS grant funding had been reduced. For example, in 1998, its peak year of funding prior to 2009, COPS awarded \$1.6 billion in grants, while in 2006, its leanest year for grant funding, about \$220 million was awarded in grants. In 2008, COPS awarded about \$300 million in grants.

In the FY 2009 appropriation of about \$285 million for COPS, about \$227 million or nearly 80 percent of the funds are congressional earmarks to grant recipients.¹ In addition, the focus of COPS grants in recent years shifted from increasing community policing personnel to meeting law enforcement agencies' equipment needs and funding methamphetamine initiatives.

However, the declining trend in COPS funding and the shift away from hiring grants was recently reversed by the American Recovery and Reinvestment Act of 2009 (Recovery Act). In the Recovery Act, which was signed into law on February 17, 2009, COPS received an additional \$1 billion in funds to help address the personnel needs of state, local, and tribal law enforcement through the hiring, rehiring, and retaining of career law enforcement officers. To implement its share of the Recovery Act, COPS created the COPS Hiring Recovery Program (CHRP) as a competitive grant program intended to provide funding to law enforcement agencies to create

¹ The Office of Management and Budget defines earmarks as funds provided by the Congress for projects or programs where the congressional direction (in bill or report language) specifies the location or recipient, thereby circumventing a merit-based or competitive allocation process.

and preserve jobs and to increase their community policing capacity and crime-prevention efforts. The nature and amount of the Recovery Act funding represents a significant change from COPS' recent grant program history, both in the amount of funding and in the program to be implemented.

In the fall of 2008, prior to the passage of the Recovery Act, the DOJ Office of the Inspector General (OIG) had initiated a performance audit of the Office of Community Oriented Policing Services (COPS). That audit was designed to examine COPS' overall grant-making processes, including detailed testing of COPS awards and monitoring efforts. However, in light of the significant amount of COPS' Recovery Act funds and the shift in focus on the COPS programs that will be funded, the OIG decided that, instead of completing a full audit of the COPS program as previously designed, we would issue this technical advice report to help COPS with its handling of grant funds from the Recovery Act, and we would initiate new audits to assess the refocused COPS program.

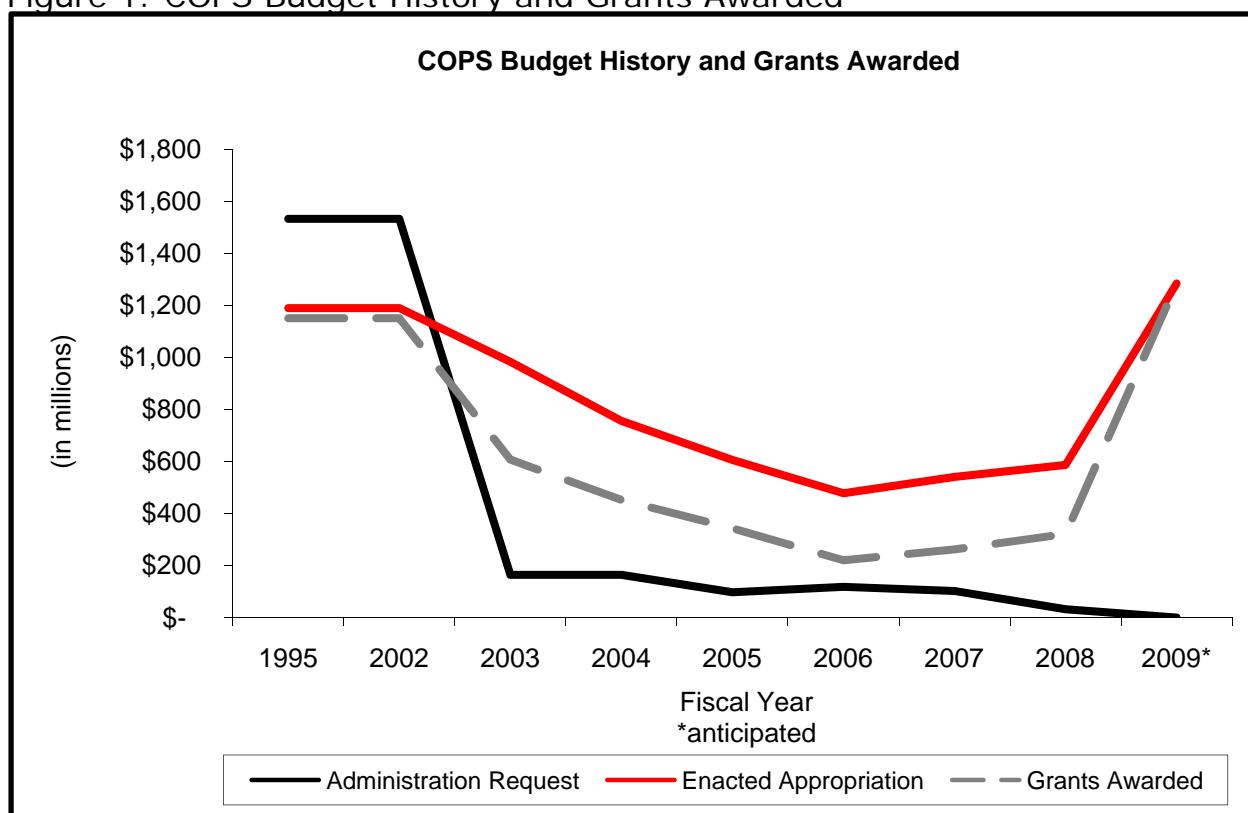
Therefore, in this report, we describe, based on our extensive audit experience and initial work started in 2008, how the COPS grant program has operated to date and our observations concerning improvements and best practices for COPS to consider as it administers the new CHRP grants under the Recovery Act. In addition, we have begun a series of audits specific to COPS' administration of this new program it has created to award Recovery Act funds, and we will be issuing reports on that program in the future.

Background

As noted above, the Recovery Act provides funding for a new officer hiring program that reverses the recent trend in the amount and type of COPS grant programs. In total, the \$1 billion in Recovery Act funds COPS received for the CHRP is approximately three times larger than the average annual appropriations to COPS for grants over the past 5 years.

As Figure 1 depicts, COPS grant awards began to decline in FY 2000, and the decline steadily continued through FY 2008. However, in FY 2009 the Recovery Act and approximately \$285 million from the FY 2009 annual appropriation changed that trend.

Figure 1: COPS Budget History and Grants Awarded²



Source: OIG analysis of data obtained from COPS and Congressional Research Service

Figure 1 also shows the sharp decline in funding proposed in the Administration’s budget requests beginning in FY 2003. Although the appropriations also enacted by Congress declined during this period, the awards were consistently higher than what the Administration’s budgets proposed.

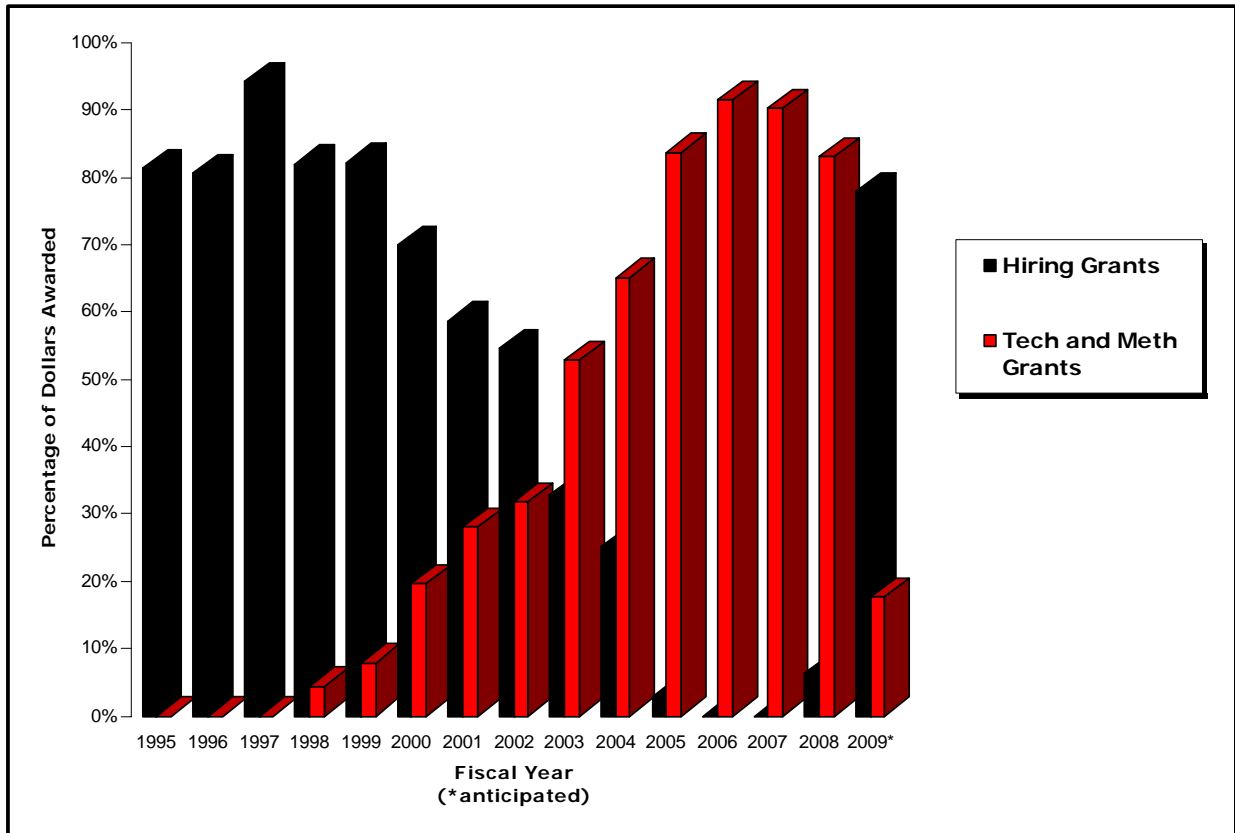
In addition to reversing the general trend in declining financial support for COPS, the Recovery Act has again made hiring the central focus of COPS’ grant programs. While officer hiring and redeployment grant programs comprised the majority of COPS funding prior to FY 2001, the Administration’s budget requests between FYs 2003 and 2009 did not seek any funding for hiring grant programs. Instead, funding requests for COPS during these years focused on grants for tribal law enforcement assistance, methamphetamine programs, technology projects, and technical assistance and training.³

² For presentation purposes, values for the FYs 1995-2002 are averaged.

³ See Appendix 1 for an overview of the various COPS grant programs.

Figure 2 depicts the historical trend in COPS programmatic funding, as well as the change in program priorities resulting from the Recovery Act in FY 2009. The amount for hiring grants in FY 2009 represents funds appropriated through the Recovery Act, while the Methamphetamine and Technology grants are funded by the FY 2009 annual appropriation.

Figure 2: COPS Programs as a Percentage of Total Dollars Awarded



Source: OIG analysis of data obtained from COPS

At the same time that its program funding was decreasing, COPS' staff to administer the program declined from 214 in 1999, to 157 in 2003, to 109 in October 2008. The reduction in staff occurred gradually over this period through attrition and hiring freezes.

From 2001 through 2008, approximately 50 percent of COPS' grant funding was earmarked by Congress for the Methamphetamine and Technology programs. While earmark recipients are required to submit an application for approval by COPS to receive funding, COPS had little authority over who received the grant funds without the merit-based or competitive criteria. The exception to this trend was the moratorium on earmarks in FY 2007.

OIG Observations

The following observations in this report are intended to provide COPS with technical advice regarding COPS' grant awarding, monitoring, and program evaluation processes. This advice is based on the OIG's observations of practices used by COPS during FYs 2005 through 2008, and the OIG did not conduct audit testing on the information contained in this report.⁴ These observations are also based on the OIG's past audit work of the COPS program, which includes 8 audit reports related to COPS internal operations and more than 400 audits of recipients of COPS grants.

It is important to note that while COPS is responsible for awarding its grants, COPS shares responsibility for monitoring grantees with the Office of the Chief Financial Officer (OCFO) within the Office of Justice Programs.⁵ COPS is responsible for performing programmatic reviews of grant recipients and ensuring that the grantees meet performance expectations. The OCFO is responsible for performing financial reviews of COPS grantees. In addition to the programmatic and financial reviews performed by COPS and the OCFO, the Office of Audit, Assessment, and Management (OAAM) within the Office of Justice Programs provides oversight for how both COPS and OCFO reviews are performed.⁶

Our observations below first address steps we believe COPS should consider taking to improve its grant awarding process, and then steps COPS should consider taking to improve its grant monitoring process.

Grant Awarding Process

It appears from our prior reviews that the non-earmarked discretionary grant awards made by COPS during FYs 2006-2008 were made using merit-based or competitive criteria. Furthermore, COPS initiated a

⁴ This report is a non-audit service as defined by generally accepted government auditing standard 3.26. The report contains technical advice that is not intended to be used as the primary basis for management decisions. As a result, this report and the work performed are not intended to comply with generally accepted government auditing standards.

⁵ The Office of the Chief Financial Officer (OCFO), formerly the Office of the Comptroller, provides fiscal policy guidance and provides accounting, budget, financial and grants management, and claims collection services for COPS and other OJP components.

⁶ Because our review was focused on COPS grant management process, we do not provide any assessment in this report of the OCFO's grant monitoring efforts or OAAM's oversight role. However, the OCFO's and OAAM's efforts will be included as part of an ongoing audit of OJP's award and oversight of its Recovery Act funds.

business process review during FY 2006 to improve and standardize operations that helped it avoid award decisions that were not competitive or merit-based. As part of this business process review, COPS created process maps to define all the required steps that COPS personnel should take in awarding grants.

However, we identified several additional steps, described below, that we believe COPS should consider taking to improve its grant awarding process.

1. Using Contracts in Place of Grants

In addition to the grants COPS awarded to state, local, and tribal governments for hiring police officers, acquiring equipment, and other purposes, COPS awarded grants and cooperative agreements to various organizations for technical assistance and training activities, such as conferences, publications, and other services for specific grantees and for the wider law enforcement community. The amount of funding for these activities was generally about 3 percent of all COPS grant funding in any year we reviewed.

However, we believe that grants and cooperative agreements are not always the most effective mechanism to fund every program carried out by COPS. Specifically, there are instances where a contract rather than a grant or cooperative agreement can provide an organization with much more control over the costs associated with conferences or training seminars. Contracts can impose stricter terms on service providers and can focus emphasis on providing the service or deliverable. During our review, we noted that COPS relied solely on grants and cooperative agreements for all of its programs, when in some instances contracts could have been more appropriate. To ensure the use of contracts where appropriate, we believe that COPS should consider developing guidance to help grant administrators identify the types of activities that may be provided more efficiently through contracts rather than through grants or cooperative agreements.

2. Identifying and Training High-Risk Grantees

From our prior experience auditing grantees throughout the Department, we found that many grantees who fail to comply with administrative requirements of grants did so either because they misinterpreted grant requirements or were never aware of them. This occurred even when grantees signed all the required grant award documents, including grantee assurances and certification statements.

We recognize that COPS includes detailed terms and conditions in its grant applications, grant user manuals, and on the COPS website, as well as operates a Response Center that provides grantees with important grant-related information.⁷ We believe these steps are useful and necessary.

However, in our view, grantee compliance may be improved by collecting more information specific to how funds will be managed from grantees and by requiring high-risk grantees to demonstrate that they understand key grant-related responsibilities. For example, similar to the monitoring assessment criteria COPS developed for its Grant Assessment Tool (discussed later in this report), we believe COPS could benefit from developing a methodology for identifying, before grant funding is made available, those grantees who pose the highest risk for non-compliance. This set of criteria may include grantee attributes such as: (1) lack of experience with COPS or DOJ grants, (2) smaller grantees that may have limited accounting or program management resources, (3) grantees with a history of high turn-over rates for its staff responsible for grant administration duties, or (4) law enforcement agencies in which police officers, rather than dedicated financial staff, are responsible for preparing financial status reports and making requests for grant funding (drawdowns).

Moreover, if COPS collected more information on a grantee's accounting system before making its grants, it would be better able to identify high-risk grantees. For example, the Office of Justice Programs (OJP) – a separate Department component which administers other grants awarded by the Department – requires its new grantees that are non-profit organizations and their independent Certified Public Accountant (CPA) firms to provide and certify certain information concerning the grantee's capabilities for accounting and financial systems, such as separately identifying transactions related to individual grants and budget controls. COPS should consider collecting this information from all of its grantees.

Once a high-risk grantee is identified, COPS should also consider requiring mandatory training in grant administration for that grantee, as discussed in the Grantee Monitoring section of this report.

⁷ The COPS Office Response Center provides information on programs, grants, and application assistance, and also assists COPS grantees with financial questions and grant-related inquiries about COPS.

3. Vetting Grant Applicants

We believe that COPS could improve its ability to identify high risk grantees by establishing a more effective vetting process. The current vetting process at COPS consists of circulating lists of potential grantees to other DOJ offices for their feedback in identifying any reasons why the potential grantees should not be provided funding.

We reviewed the records related to the vetting of recent lists of potential grantees and believe the vetting process could be strengthened in two important aspects. First, COPS vetting lists are routinely circulated through individual U.S. Attorney's Offices and four other DOJ offices: the Civil Rights Division, the Criminal Division, OJP's Office of Civil Rights, and OIG's Investigations Division. However, the OJP's grant-awarding and financial monitoring offices are not asked to review or provide any information they have on potential COPS grantees. The vetting lists are also not sent to the Office on Violence Against Women (OVW), another grant-awarding component within the Department. Because recipients of COPS grants often receive grants from OJP or OVW, we believe COPS is not receiving potentially important information regarding high-risk grantees from these two components.

Second, we believe that COPS does not provide sufficient guidance regarding what the DOJ components should do when vetting grantees. Of the four components to whom names of potential grantees are circulated, only the Civil Rights Division has a formal memorandum of understanding (MOU) with COPS detailing how issues regarding vetting will be handled. The other offices do not have MOUs with COPS and are only generally asked to advise COPS if awarding a grant to any of the organizations on the vetting list would be "inappropriate or inadvisable." We believe COPS and the vetting offices would both benefit from a more detailed understanding of the methods and sources of information that should be used when responding to these vetting requests.

Grantee Monitoring

Grantee monitoring for COPS grants is administered by two different DOJ offices, with program performance monitoring conducted by COPS staff and financial monitoring performed by OJP's Office of the Chief Financial Officer. Because our review focused on COPS, our comments are generally limited to the program monitoring of COPS grantees.

The COPS Grant Monitoring Division is responsible for conducting program performance reviews of grantees through site visits to grantee

offices and through desk reviews where grantees provide documentation at the request of COPS staff. However, as of February 2009 there were only four grant monitors on staff within the COPS Grant Monitoring Division. We are concerned with COPS' ability to provide effective grant management over thousands of grants, with that limited number of staff. COPS should consider reexamining the staffing level of the Grant Monitoring Division given the significant increase in grant funding to be distributed under the Recovery Act. This type of staffing level examination should be performed on an ongoing basis.

Even with limited staff resources available, we believe COPS could improve the efficacy of its grant monitoring through the practices described below.

4. Enhancing Training Programs for Grantees

COPS has attempted to increase the effectiveness of its grantee monitoring resources by selecting award recipients for review using the Grant Assessment Tool, a risk-based methodology COPS developed and began using in FY 2007. While we did not review in detail the Grant Assessment Tool and the monitoring plans it created, we interviewed staff at OJP's Office of Audit, Assessment, and Management (OAAM) who approved the tool and who are responsible for approving the resulting monitoring plans developed by COPS each year.⁸ According to these officials, COPS is using the tool to create and follow specific monitoring plans for high-risk grantees.

Along with its adoption of a risk-based methodology for using its monitoring resources, COPS has reduced the number of active grants it is responsible for managing by closing out many older grants.⁹ The number of active grants has been significantly reduced, based upon the closing out of older grants as well as the declining budgets that has produced fewer grant awards. Between FYs 2005 and FY 2008, the number of active COPS grants declined from 19,200 to about 4,600 – a reduction of about 76 percent.

⁸ OAAM oversees grantee monitoring completed by COPS, as well as by OJP and OVW. Elements of the oversight provided by OAAM include approving COPS' annual grantee monitoring plan and evaluating site visit reports completed by COPS' Grant Monitoring Division.

⁹ COPS was included in the OIG's 2006 audit report – "The Department of Justice's Grant Closeout Process" 07-05 -- in which we identified problems across the Department in three general areas: (1) timeliness of grant closeout, (2) drawdowns on expired grants, and (3) unused grant funds on expired grants.

With the new funding provided by the Recovery Act, however, the number of grantees will increase substantially.

COPS has acknowledged the challenge of effectively monitoring thousands of new grants collectively worth billions of dollars with a limited staff. To help compensate for this limitation, COPS monitors select grantees for review by conducting site visits and other less intensive examinations called office-based reviews that do not involve traveling to a grantee's location. However, COPS' four grantee monitors are able to complete only a relatively small number of site visits and office-based reviews annually. During FY 2008, COPS' Grant Monitoring Section staff completed 28 site visits and 16 office based reviews. In total, these 44 reviews involved 85 grants or 1.8 percent of the total 4,600 grants outstanding at the start of FY 2008.

While the adoption of risk-based monitoring plans and increased oversight by OAAM have been positive developments in the area of COPS grantee monitoring, we believe that COPS needs to do more to ensure grantees' compliance with grant terms and conditions. In the OIG's past audits of COPS grant recipients, we frequently found that problems exist with grantees even when all the grant documentation and required report submissions suggest otherwise.¹⁰ Non-compliance issues have often been caused by grantees misinterpreting or lacking an understanding of grant criteria, despite having signed all the award documents and certifications.

Prior to FY 2003, COPS relied on OJP to provide grant administration training for all of its grantees. However, since then COPS has not consistently conducted this type of training for its grantees. While COPS has developed some training for grantees in various grant programs, we do not believe those ad hoc training sessions are as effective as mandatory training conducted on a recurring basis.

We believe that COPS should consider developing recurring and mandatory training programs for all grantees, but especially those that may be at higher risk for compliance issues. Using Internet-based methods to implement that training could be one cost effective way for COPS to better address its grantee monitoring challenges.

¹⁰ COPS grantees are typically required to submit periodic financial status reports and progress reports.

5. Allowing Remote Access to Grant Documentation

Most of the data COPS maintains regarding its grantees is maintained in a COPS database called the COPS Management System. Unlike the OJP's Grants Management System, which is used for all non-COPS Department of Justice grantees, the COPS Management System is only available to COPS staff. The COPS Management System, as it currently exists, is an older stand-alone system that is not accessible from the Internet. This restriction limits the amount of available information that can be shared with OJP and OVW, the two other DOJ grant-making components.

OJP's OAAM and Office of the Chief Financial Officer (OCFO) also have responsibilities related to COPS grantee monitoring and often require information from the COPS Management System. Although the COPS Management System is not accessible from the Internet, it is possible to remotely access the system using other methods. Given the duties of OAAM and the OCFO relative to COPS grantee monitoring, we believe COPS should consider making it possible for selected staff members from each of these offices to remotely access its system to more easily obtain grantee information. We believe that this type of sharing of information may also improve the vetting process used by COPS.

Grant Program Performance

Prior to FY 2006, COPS performance measures were focused on the overall impacts of its programs, such as reducing crime, reducing fear of crime, and increasing trust in police. However, the Office of Management and Budget (OMB) concluded that these outcomes were difficult to measure accurately and on an annual basis. In FY 2006, OMB revised COPS' annual and long-term outcome measures to focus on increasing the capacity of law enforcement agencies to implement community policing strategies. While COPS has implemented those new performance measures, we remain concerned with COPS' measures for other grant programs not currently being evaluated.

6. Measuring the Performance of COPS Programs

Currently, there are nine OMB-approved performance measures being used by COPS. These measures focus on COPS' ability to provide law enforcement agencies with training and technical assistance through conferences, publications, and best practices in an effort to expand the adoption of community policing strategies nationwide.

While all of these measures address increasing the capacity of law enforcement agencies to implement community policing strategies, only two of these measures directly evaluate the impact of COPS' major grant programs. For example, in FY 2008 seven of the measures directly related to \$4 million in COPS funding, while the remaining two measured the impact of about \$316 million in grant awards.

Additionally, because COPS only uses measures related to the enhancement of community policing capacity for its grant programs, COPS was not able to report other program achievements for these programs. For example, COPS funded hundreds of projects under its Technology and Methamphetamine Grant programs, but did not aggregate the accomplishments of these projects in any way to gain insight into how effectively or efficiently the grants were being used.

Although COPS adhered to OMB's guidance by focusing on the capacity performance measures, we believe that COPS would benefit by using additional performance measures that track the performance of its other grant programs. Specifically, we believe COPS would benefit from tracking, where possible, the outputs of the grants made for its various programs, such as its hiring, Methamphetamine, and Technology programs, and also gathering the data necessary for establishing benchmarks that represent a level of performance expectation among grant recipients and within grant funded programs. With significant funding from the Recovery Act, as well as the changes in COPS' program focus returning to law enforcement hiring grants, measuring the performance of COPS' programs is essential for identifying the most successful programs and those programs that need improvement.

Conclusion

As noted in this report, in recent years, COPS grant funding had been reduced and the focus of the COPS program shifted from increasing law enforcement personnel to meeting law enforcement agency equipment needs and funding methamphetamine initiatives. Last fall, we began our audit of the COPS program in that context. However, the declining trend in COPS funds and the shift away from personnel needs was recently reversed by the Recovery Act. In addition, the Recovery Act emphasizes distributing the funds in an expedited manner and effectively overseeing and reporting on the use of the funds.

Because of the significant amount of new funds awarded under the Recovery Act and the shift in focus of those funds from equipment and methamphetamine initiatives to personnel, we decided not to complete our

original audit plan on the prior COPS grants. Instead, we are issuing this technical advice report to provide timely feedback on our observations concerning how COPS can improve its grant administration practices as it prepares to administer the Recovery Act funds. At the same time, we are initiating a series of audits specific to COPS' administration of its Recovery Act funds, and we will be issuing those reports in the future.

In sum, based on our observations of the COPS program, we believe COPS would benefit from making adjustments to its processes for grant awarding, grantee monitoring, and tracking program performance.¹¹

First, we noted that COPS relied on grants and cooperative agreements for all of its programs, when in some instances contracts could have been more appropriate. We believe COPS should consider developing guidance to help grant administrators identify the activities that should be provided through contracts rather than through grants or cooperative agreements.

In addition, we believe that grantee compliance could be improved by collecting more information from grantees and through requiring high-risk grantees to demonstrate that they understand key grant-related responsibilities. We also observed that COPS could improve upon its ability to identify high-risk grantees by increasing the number of and providing more guidance to the components that participate in the grantee vetting process.

We noted that while COPS has limited staff resources available to monitor its grantees, COPS could improve its grant monitoring efforts by developing recurring and mandatory training programs for all grantees, especially those that may be at higher risk for compliance issues, and by using Internet-based methods to implement that training.

COPS also could improve grantee monitoring by increasing its information sharing with OJP and OVW, the other DOJ grant administering components.

We also believe that COPS grant program performance could be improved by tracking outputs related to the individual grant programs, and

¹¹ Our observations are based on our knowledge of COPS, including its funding and program history, our extensive prior audit work, including audits of COPS grantees, other external reviews, and recent interviews with both COPS and other DOJ staff. As discussed earlier, we have not completed testing of the information in this report and the technical advice contained herein should not be interpreted as audit recommendations.

by providing grant recipients with assistance and guidance specific to the individual grant programs.

OVERVIEW OF COPS GRANT PROGRAMS

At its inception, COPS' main focus for its grant programs related to the hiring, redeployment, or overtime for law enforcement personnel engaged in community policing efforts. In total between FYs 1995 and 2005, COPS awarded grants of more than \$7.6 billion, including the Universal Hiring program; Accelerated Hiring, Education, and Deployment program; Funding Accelerated for Smaller Towns program; Homeland Security Overtime program; and COPS in Schools. These programs were greatly reduced beginning in 2003, and no grant funds were used for these purposes at all in FYs 2006 and 2007. In FY 2008 COPS awarded \$20 million for hiring programs.

Since 1998, COPS has also awarded over \$1.7 billion in grants for technology-related programs such as the Law Enforcement Technology and the Interoperable Communications Technology programs. These programs were intended to focus on the continued development of technologies and automated systems that help tribal, state, and local law enforcement agencies prevent, respond to, and investigate crime. These programs provided funding to state agencies to purchase technologies to advance communications interoperability, information sharing, crime analysis, intelligence gathering, and crime prevention in their communities

Through its Methamphetamine Initiative, COPS has awarded over \$578 million in grants to combat the production, distribution, and use of this illegal drug. Grant funds provided to state and local law enforcement agencies were intended to be used for training and equipment, and to reimburse the Drug Enforcement Administration (DEA) for the proper removal and disposal of hazardous materials from clandestine methamphetamine drug laboratories.

Since 1999, COPS also operated a grant program open to all federally recognized tribes with established police departments, the Tribal Resources Grant program. The program, intended to enhance tribal law enforcement infrastructure and community policing efforts, has awarded approximately \$276 million to grantees between from FY 1999 to 2008. Grant funding was intended to be used for a variety of options, including officer background investigations, law enforcement training, uniforms, basic issue equipment, department-wide technology, and vehicles for officers.

In addition to these large programs, COPS has also managed several smaller grant programs of limited duration through which it has awarded more than \$780 million over the past 14 years, with the majority of this funding awarded prior to FY 2000. These grant programs addressed issues

such as school safety, the Police as Problem-Solving Partnerships, Justice-Based After School and Value-Based Initiatives programs, and programs focused on child sexual predators, domestic violence, and police recruitment.

Since its inception, COPS has also provided technical assistance and training programs and has spent over \$300 million creating and issuing publications and using other types of outreach to advance community policing at all levels of law enforcement, from line officers to law enforcement executives.

The chart on the following page shows the grant program funding for various COPS programs.

COPS Grant Program Funding by Fiscal Year
(in millions)

COPS PROGRAMS	2008	2007	2006	2005	2004	2003	2002	2001	2000	1995 to 1999	Total
Hiring Related	\$ 20	\$ -	\$ -	\$ 10	\$ 114	\$ 199	\$ 385	\$ 408	\$ 481	\$ 6,062	\$ 7,679
Technology Related	\$ 205	\$ 166	\$ 138	\$ 235	\$ 241	\$ 263	\$ 154	\$ 147	\$ 100	\$ 118	\$ 1,767
Methamphetamine Initiative	\$ 61	\$ 70	\$ 63	\$ 52	\$ 53	\$ 57	\$ 70	\$ 48	\$ 35	\$ 69	\$ 578
Tribal Assistance	\$ 15	\$ 16	\$ 15	\$ 20	\$ 25	\$ 35	\$ 35	\$ 40	\$ 40	\$ 35	\$ 276
Technical Assistance and Training	\$ 4	\$ 10	\$ 4	\$ 15	\$ 5	\$ 21	\$ 21	\$ 21	\$ 17	\$ 204	\$ 322
Miscellaneous*	\$ 16	\$ -	\$ -	\$ 11	\$ 14	\$ 32	\$ 40	\$ 32	\$ 15	\$ 627	\$ 787
Total Grants	\$ 321	\$ 262	\$ 220	\$ 343	\$ 452	\$ 607	\$ 705	\$ 696	\$ 688	\$ 7,115	\$ 11,409

Source: Community Oriented Policing Services

* The amount of COPS grant program funding categorized as miscellaneous includes the following COPS programs: Innovative Programs, Safe Schools, Small Communities, Police Integrity, Police Corps, Domestic Violence Prevention, Child Sex Predator Elimination, DC Offender Services, and Police Recruitment.

Community Oriented Policing Services Response




U.S. Department of Justice
Office of Community Oriented Policing Services (COPS)

MEMORANDUM

VIA ELECTRONIC and U.S. MAIL

To: Raymond J. Beaudet
Assistant Inspector General for Audit
Office of the Inspector General

From: Timothy J. Quinn 
Acting Director
Office of Community Oriented Policing Services (COPS)

Date: June 10, 2009

Subject: Technical Advice Report re: "Improving the Office of Community Oriented Policing Services' Grant Awarding, Monitoring, and Program Evaluation Processes"

This memorandum is in response to the Office of the Inspector General's (OIG) above-referenced technical advice report dated May 2009. The COPS Office thanks the OIG for the opportunity to respond to the auditors' observations and comments.

The COPS Office has made great advances in recent years in the areas of program objectives / performance measures development, grant solicitation outreach and assistance, application receipt, grant monitoring (in coordination with the Office of Justice Programs (OJP) Office of Audit, Assessment, and Management), and grant fraud prevention and awareness. In fact, many of these improvements were made in direct response to concerns and recommendations raised in previous audits conducted by the OIG. In addition, COPS independently sought the assistance of senior-level business analysts to complete a Business Process Review (BPR) effort – begun in FY2005 and ongoing since that time – with the goal of ensuring continuous process improvement by analyzing current business processes, identifying weaknesses, and taking proactive steps to implement solutions. This effort has been integral to COPS' success in ensuring that proper internal controls are in place within the grants management process as required by Office of Management and Budget (OMB) guidelines, and the advances and improvements which have been made will be both evident and especially valuable as the COPS Office begins the rollout and management of funding to be provided through the American Recovery and Reinvestment Act of 2009 (Recovery Act).

Before addressing the technical advice report, it is appropriate for COPS to first provide information pertaining to the department-wide memorandum issued by the OIG in February 2009

Raymond J. Beaudet

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entitled "Improving the Grant Management Process." This memorandum detailed numerous recommended practices and procedures to effectively minimize opportunities for waste, fraud, and abuse in awarding and overseeing Recovery Act funding. The COPS Office has made great progress in implementing these suggested practices and actions for the COPS Hiring Recovery Program (CHRP), as described below, and continues to improve upon grant-making procedures for both CHRP and other COPS grant solicitations.

- Grant Program Development / Performance – In accordance with recommended practices, both program objectives and measurable and obtainable performance measures have already been established for all COPS programs. The overall program objectives focus on increasing the capacity of law enforcement agencies to implement community policing strategies to enhance their capacity to prevent, solve, and control crime. CHRP-specific program objectives include the creation and preservation of sworn law enforcement officer jobs. Grantee performance under CHRP will be measured through quarterly progress reports assessing the number of new sworn officer jobs created and/or preserved, as well as through an annual survey that gauges the community policing capacity implementation rating of grantees.
- Grant Applications – As suggested by the OIG, the COPS Office maintains a highly developed Internet site through which applicants have been able to submit questions (and receive answers via e-mail), review categories of frequently asked questions, listen to a "podcast" pertaining to CHRP funding, and download program materials for use during the on-line application process. COPS also maintains an in-house call center for law enforcement agencies to contact for assistance with both grant application and award maintenance questions; more complex grant matters are immediately transferred to Grant Program Specialists for resolution. In fact, during the solicitation period for CHRP (March 16 – April 14, 2009), COPS received and responded to more than 18,200 calls and 4,300 e-mails through the call center and website.

It should also be noted that for the CHRP solicitation, the COPS Office designed and implemented an on-line application system able not only to accept applications on-line (a mandatory practice under CHRP), but also able to identify and appropriately block the submission of applications from ineligible agency types. During the solicitation period for CHRP, the COPS Office received 7,272 applications through this system. All application information submitted on-line was then automatically transferred into the COPS Management System (CMS) used for routine award production and maintenance, thus eliminating the opportunity for data-entry errors to occur.

- Award Process – As recommended by the OIG, COPS has already begun the process of sharing information on high-risk grantees with OJP to decrease the chances of future grant violations. COPS will also review each grantee's progress on the implementation of prior grants before awarding CHRP funding; has advised applicants within CHRP application materials of the need to notify the OIG of any activity that would fall under

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the False Claims Act or criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving CHRP funding; and will provide information on fraud awareness and the misuse of grant funds to awarded agencies. In addition, COPS continues to participate in numerous ad hoc meetings with other federal agencies to discuss a variety of specific grant topics, including the avoidance of awarding duplicate funding for the same purpose, the needs of the law enforcement community, concerns pertaining to law enforcement within Indian Country, and financial and payment system issues.

- **Monitoring** – OJP's Office of Audit, Assessment, and Management (OAAM), which maintains oversight of the grant monitoring process for COPS, OJP, and the Office on Violence Against Women (OVW), has begun working with the grant-making components to enhance and refine the risk assessment models and site visit monitoring procedures and practices already in place. COPS staff will continue to conduct on-site visits, perform office-based grant reviews, and review citizen complaints regarding grant administration concerns, as well as monitor the timely and appropriate implementation of grant projects through the careful review of programmatic progress reports and grantee extension and modification requests. Furthermore, information gathered through both the grantee quarterly progress reports described above and quarterly financial status reports will satisfy all reporting requirements defined within the Recovery Act implementation guidance issued by OMB.
- **Training / Communications** – As mentioned above, the COPS website provides a wealth of information for agencies in the areas of application procedures and award maintenance, including grant management resources (such as grant owner's manuals and program fact sheets), training materials for grant administration, and contact information for additional assistance. Additional on-line resources specifically related to funding to be provided under the Recovery Act include detailed information on nonsupplanting and retention requirements, tips for maintaining fully complete award files, and the instructional podcast for program applicants. The COPS Office also plans to offer an interactive on-line training module for CHRP grantees via an "eLearn Center," which will deliver both grants management training and community policing training to awarded agencies.

With regard to the six specific issues mentioned in the OIG's "Improving the Office of Community Oriented Policing Services' Grant Awarding, Monitoring, and Program Evaluation Processes" technical advice report, the COPS Office responds as follows:

1. Using Contracts in Place of Grants

In the technical advice report, the OIG suggests that COPS consider developing guidance regarding which activities should be provided through the funding of contracts, rather than through grants or cooperative agreements. Please note that in selecting which funding

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instrument to use – procurement contract, grant, or cooperative agreement – COPS is required to adhere to the government-wide requirements of the Federal Grant and Cooperative Agreement Act of 1977. The Act sets forth a "benefit or use" test, in that if the principal purpose of the funded activity is for the direct benefit or use of the federal government, then a contract is the appropriate legal instrument to use. [For example, if COPS were to provide training for its own staff, then a contract would be the appropriate vehicle.] However, if the purpose of the funded activity is to support or stimulate a public purpose, then a grant or cooperative agreement may be used. If the decision to use a grant or cooperative agreement is made, then the distinguishing factor between the two is the degree of the funding agency's participation and involvement during the performance of the funded activities.

Therefore, with regard to awarding funds for technical assistance and training activities, a grant or cooperative agreement is typically the legally appropriate funding instrument, with a cooperative agreement allowing for COPS to have substantial involvement in the assistance/training content or agenda. A grant is typically used when COPS funds are used to support another organization's conference or project whose larger purpose fits the COPS mission. Regardless of the funding instrument used for such technical assistance and training awards, COPS always maintains the capacity to exert both programmatic and financial oversight over all award expenditures and project implementation.

2. Identifying and Training High-Risk Grantees

In the technical advice report, the OIG stated that grantee compliance could be improved by "...requiring high-risk grantees to demonstrate that they understand key grant-related responsibilities." As noted by the OIG, COPS has always required applicants to submit assurances and certifications statements, through which agencies certify to specific grant requirements in order to indicate their knowledge of and intent to comply with them.

In addition to the general government-wide certifications and assurances, the COPS Office ensured that the COPS Hiring Recovery Program application contained specific certifications pertaining to the award requirements regarding the nonsupplanting of federal funds, retention of officer positions following the conclusion of federal funding, and payment of only entry-level salaries and fringe benefits for officers. Furthermore, at the request of OIG Investigations, all COPS applications require the signatories to certify that they are authorized by the appropriate governing body to act on behalf of the agency, and that they understand and agree to abide by all grant terms and conditions.

3. Vetting Grant Applicants

The COPS Office recognizes the importance of vetting potential grant award recipients and has an established vetting policy that gathers and collectively considers relevant information on potential award recipients for the purpose of making informed funding decisions. Our vetting process provides an opportunity for various COPS divisions and certain relevant U.S.

Department of Justice (DOJ) components to identify entities to which it may be inappropriate or inadvisable to award a grant.

As part of the vetting process, a vetting list is generated of applicants eligible to receive funding under a specific grant program based on a review of agency applications. As noted in the technical advice report, this vetting list is distributed pre-announcement to relevant points of contact within the COPS Office and within the following DOJ components: U.S. Attorney's Offices; the Civil Rights Division; OIG Investigations; the OJP Office for Civil Rights; the Public Integrity Section; and the Criminal Division. In addition to a description of the program being vetted, the COPS Office provides guidance to these components in the memorandum that accompanies every vetting list instructing reviewers to provide reasons why it would be inadvisable or inappropriate to award an applicant on the list. This direction is purposefully kept broad, in order to give reviewers complete discretion to advise COPS of any reason why funding should be withheld from any agency.

In the technical advice report, the OIG suggests that COPS provide additional guidance to external components on what the COPS Office expects from their review of a vetting list. However, it should be noted that external components have not expressed to COPS any confusion in this regard in the past. Every vetting list includes the contact information of a COPS staff member available to answer questions and work closely with components on their responses, and who can conduct further probing of the information provided, if necessary. In addition, COPS continues to add information to our website with up-to-date and relevant materials concerning the vetting process. As a part of this endeavor, COPS will be posting Frequently Asked Questions (FAQs) pertaining to vetting on our website, which will provide further guidance on the vetting process to better inform components about this activity and the ramifications of their responses.

Moreover, prior to the distribution of the CHRP vetting list, COPS also discussed with the Executive Office of U.S. Attorneys (EOUSA) the best format for sending out the extensive list and receiving responses. As a result of this pre-vetting coordination with EOUSA, COPS created a "hidden" link on the COPS website which DOJ component vetters could access to view applicant agencies sorted by state, and which greatly helped facilitate their review.

It should also be noted that the COPS Office and OJP have begun the practice of exchanging information on high-risk grantees to decrease the chances of future grant violations.

4. Enhancing Training Programs for Grantees

The COPS Office agrees with the OIG that the use of the Internet is an efficient and cost-effective means for implementing grantee training. As noted previously, in preparation for the COPS Hiring Recovery Program, COPS has awarded funding to establish a CHRP "eLearn Center" to deliver both grants management training and community policing training to grantee agencies. At their own convenience and at far less cost than instructor-led training, CIIRP

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grantees will have access to information and resources on-line that will help them effectively administer their grant and employ sound community policing practices.

After the initial implementation of this CHRP-based training, COPS will evaluate the success of the cLearn Center to assess the potential for enhanced development of the system, including its use for either mandatory training or specific training tailored to high-risk grantees.

5. Allowing Remote Access to Grant Documentation

The technical advice report states that, "Given the duties of OAAM and the [Office of the Chief Financial Officer] OCFO relative to COPS grantee monitoring, we believe COPS should consider making it possible for selected staff members from each of these offices to remotely access its system to more easily obtain grantee information." However, because the COPS Management System (CMS) utilized for award administration is not a web-based system, access to CMS is only available within the physical location of the COPS Office or via remote access through the Justice Secure Remote Access (JSRA) connection using a COPS-issued laptop computer. However, any and all grantee information within the system can be provided as customized reports to OAAM and OCFO upon request by either office, and such requests are processed on a routine and timely basis.

6. Measuring the Performance of COPS Programs

As mentioned previously, three performance measures specific to the Recovery Act have been created by the COPS Office and approved by OMB. These measures – the average community policing capacity of COPS Hiring Recovery Program grantees, the number of jobs created, and the number of jobs preserved – will be measured through quarterly progress reports assessing the number of new sworn officer jobs created and/or preserved, as well as through an annual survey that gauges the community policing capacity implementation rating of grantees.

While the average community policing capacity of grantees has been aggregated to date, COPS is working toward breaking this measure out for each individual grant program for FY2009, including specific breakouts for the Technology Program and Methamphetamine Initiative. In addition, while COPS does not report grantee satisfaction ratings in our performance budget submissions, we will continue to track this important measure internally and make program adjustments as appropriate.

In conclusion, the COPS Office has made great progress in improving our grant management processes and award oversight, which will be especially important as we administer our increased funding under the Recovery Act, and we believe that these advances will greatly reduce the likelihood of future OIG findings and recommendations in these areas. The COPS Office would like to thank the OIG for the opportunity to review and respond to the draft technical advice report. If you have any questions or would like additional information

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regarding any of the topics discussed in this memorandum, please contact Bob Phillips, Deputy Director for Operations, at (202) 616-2876, or Cynthia Bowie, Assistant Director for the Audit Liaison Division, at (202) 616-3645.

cc: Richard P. Thies
Director, DOJ/JMD Audit Liaison Office

Thomas O. Puerzer
Regional Audit Manager, OIG Philadelphia Regional Audit Office

Office of the Inspector General Analysis of the Community Oriented Policing Services' Response to the Report

The OIG provided a draft of this report to COPS on May 28, 2009, for review and comment. COPS provided a response to the draft on June 10, 2009, and this response is included as Appendix II of this report. We appreciate COPS' response, and because this report contains no audit findings or recommendations, no further action is required by COPS.

Before addressing the issues in this report, COPS outlined actions being taken in response to the OIG's "Improving the Grant Management Process" document issued in February 2009. We recognize the efforts made by COPS and will continue to monitor its implementation of these actions in future reviews of the COPS Hiring Recovery Program (CHRP).

Using Contracts in Place of Grants

In its response, COPS stated that for technical assistance and training activities a grant or cooperative agreement is typically the legally appropriate funding instrument. While we agree that grants and cooperative agreements are frequently the appropriate funding instrument for technical assistance and training activities, we are also aware that other offices within the Department use contracts to provide some of these activities and that in such instances a greater level of program oversight can be achieved.

We therefore continue to encourage COPS to develop guidance that will identify activities that are best suited to funding through contracts, as we believe using contracts instead of grants or cooperative agreements may help to ensure activities are provided effectively and efficiently.

Identifying and Training High-Risk Grantees

Our technical advice report stated that COPS could improve its efforts to identify and train high-risk grantees. In its response, COPS confirmed the use of assurances and certification statements as we described in our report. However, based on our audit experience, we have found that such statements are often ignored or signers do not fully understand the requirements established when signing the assurances and certifications. For that reason, we believe COPS should consider additional steps to improve its processes for identifying high-risk grantees and then providing additional training to such grantees to ensure that the terms and conditions of grants will be met. Specifically, we believe COPS would benefit from collecting additional information on how grantees intend to manage grant funds. This information can then be used to more thoroughly assess the risk

level of providing grant funds to a recipient. When risks are high, COPS can provide additional training and guidance to ensure that the terms and conditions of grants provided are being met.

Vetting Grant Applicants

In response to our concerns relating to vetting grant applicants, COPS outlined its current procedures and new actions taken since this review and our document "Improving the Grant Management Process" was issued earlier this year. These new steps include providing vetting components with more information and exchanging information on high-risk grantees with OJP. We encourage COPS and OJP to seek more coordination on vetting activities.

Enhancing Training Programs for Grantees

In response to our suggestion to enhance training for grantees, COPS described the "eLearn" Center for CHRP grantees. We support this program and encourage COPS to enhance training for all of its grantees. We also encourage COPS to consider mandatory and recurring grantee training to ensure that all recipients are aware of the financial and programmatic requirements when utilizing grant funds.

Allowing Remote Access to Grant Documentation

In response to the issue concerning access to grant documentation, COPS stated that off-site access to the COPS Management System is only possible by using a COPS-issued laptop and a the Justice Secure Remote Access connection. COPS also stated that it responds to OJP's requests for information by providing customized reports in a timely manner. While we do not dispute this response, based on our own experience and our need to access grant information from various offices within the Department, we believe strongly that oversight agencies should have instant and complete access to grant information. For this reason, we continue to encourage COPS to consider providing its OJP partners with the necessary access the COPS Management System remotely.

Measuring the Performance of COPS Programs

In response to the issue of measuring the performance of COPS programs, COPS described the new measures for CHRP and the fact that the community policing capacity measure for certain programs is being broken out for FY 2009. While we support these measures, we continue to believe COPS should consider developing measures for grant programs that go

beyond community policing capacity and directly address the results achieved from grant funds.