

UNITED STATES DEPARTMENT
OF
JUSTICE



American Recovery and Reinvestment Act of 2009



Agency Plan for Management of Recovery Act Funds

June 1, 2010 Update

INTRODUCTION

The Department of Justice (Department or DOJ) received approximately \$4.0 billion in funding under the American Recovery and Reinvestment Act of 2009 (Recovery Act), \$2.0 million of which is for the Department's Office of the Inspector General (OIG) oversight activities related to Recovery Act funding. Excluding amounts appropriated to the OIG, as of May 21, 2010, the Department has outlaid 46.6% of the total appropriations funded under the Recovery Act. The Department is fully committed to ensuring that the funds received are expended responsibly and in a transparent manner to further job creation, economic recovery, and other purposes of the Act.

PURPOSE

This document serves as the Department's plan for implementing the requirements of the Recovery Act and managing the funds received under the Act. The plan reinforces the Department's commitment to achieving the transparency and accountability objectives of the Act, which are summarized below:

- Funds are awarded and distributed in a prompt, fair, and reasonable manner;
- The recipients and uses of all funds are transparent to the public, and the public benefits of these funds are reported clearly, accurately, and in a timely manner;
- Funds are used for authorized purposes, and the potential for fraud, waste, error, and abuse are mitigated;
- Projects funded under the Act avoid unnecessary delays and cost overruns; and
- Program goals are achieved, including specific program outcomes and improved results on broader economic indicators.

As required by Office of Management and Budget (OMB) guidance for implementing the Recovery Act (Memoranda M-09-10 and M-09-15), the plan that follows describes the Department's broad Recovery Act goals and the coordination efforts that are occurring within the Department to ensure successful implementation of requirements and monitoring of progress and performance, including actions to identify areas of risk and complete corrective actions. The plan is supported by Program-Specific Plans for each program specifically named in the Act. In accordance with OMB's guidance, the plan does not detail the activities to be taken by the Department's OIG, as those activities are described in a separate plan submitted by the OIG.

BROAD RECOVERY ACT GOALS

The Department will use the funds received under the Recovery Act on activities directly tied to achievement of Departmental strategic goals related to promoting the Nation's security, preventing crime, and enforcing Federal laws. Expected outputs and outcomes related to the Recovery Act funding, which are detailed in each Program-Specific Plan, will cover a broad range of activities, such as:

- Creating and preserving jobs;
- Preventing and controlling crime, including drug-related crime;
- Strengthening community policing;
- Supporting the work of state, local, and tribal governments to reduce violence against women and provide services to victims of such crimes; and
- Reducing drug and weapons trafficking and violence on the southwest border.

RECOVERY ACT-FUNDED PROGRAMS

As mentioned previously, the Department received approximately \$4.0 billion in Recovery Act funding. The table below summarizes, by appropriations title, the Departmental components receiving funding, the total funding received, the allocation of funding to component programs, and the funding purposes.

SUMMARY OF RECOVERY ACT-FUNDED PROGRAMS BY APPROPRIATIONS TITLE

Appropriations Title	Departmental Component	Total Funding	Allocation to Component Programs and Purpose
State and Local Law Enforcement Assistance, Recovery Act	Office of Justice Programs (OJP)	\$2.765 billion	\$2 billion – Edward Byrne Memorial Justice Assistance Grant (JAG) Program funding for a broad range of activities to prevent and control crime and improve the criminal justice system.
			\$225 million – Edward Byrne Competitive Grant Program funding to help communities address targeted needs.
			\$225 million – Grant funding for construction/renovation of correctional facilities on tribal lands.
			\$125 million – Grant funding for rural law enforcement activities related to preventing and combating drug-related crime.
			\$40 million – Grant funding for law enforcement activities along the southern border and in high-intensity drug trafficking areas (includes \$10 million of pass-through funding for ATF).
			\$50 million – Grant funding for initiatives related to Internet crimes against children.
			\$100 million – Grant funding for victim compensation and assistance.
Community Oriented Policing Services, Recovery Act	Office of Community Oriented Policing Services (COPS)	\$1 billion	\$1 billion – Grant funding for the COPS Hiring Recovery Program (CHRP) to hire and rehire additional career law enforcement officers.
Violence Against Women Prevention and Prosecution, Recovery Act	Office on Violence Against Women (OVW)	\$225 million	\$175 million – Grant funding to support the work of state, local, and tribal governments and domestic violence and sexual assault coalitions.
			\$50 million – Transitional Housing Assistance Grant Program funding to provide victims of crimes against women with transitional housing services and to move such individuals into permanent housing.
Salaries and Expenses, Office of Justice Programs, Recovery Act	OJP	\$10 million	\$10 million – Administrative funding to OJP, further allocated as follows: OJP \$7.0 million COPS \$2.5 million OVW \$.5 million
Salaries and Expenses, Recovery Act	Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF)	(Funding received through OJP)	\$10 million – Funding to support Project Gunrunner for the Southwest Border Initiative to reduce cross-border drug and weapons trafficking and violence on the border.
Office of the Inspector General, Recovery Act	Office of the Inspector General (OIG)	\$2 million	\$2 million – Funding for oversight activities and functions related to Recovery Act funding.
Totals	Five Components	\$4.002 billion	(\$3.990 billion or 99.7 percent is for grants)

CONTRACT COMPETITION AND TYPE

As shown in the table on the preceding page, the vast majority of Recovery Act funding for Departmental programs (approximately 99 percent of the \$4.0 billion) is to be used for grants, not contracts. Notwithstanding, as required by OMB’s guidance for implementing the Recovery Act, the Department will maximize competition and the use of fixed-price contracts whenever practicable for any contracts funded under the Act. The Department does not anticipate a further decline in the rate of competition nor in the use of fixed-price contracts. Should the components make any awards for non-competitive set-asides under section 8(a) of the Small Business Act, a summary of any such contracts, including the description of the supplies and services, will be posted in the special section of Recovery.gov. The following table summarizes the competition rate activity for FY 2008 and FY 2009.

CONTRACT COMPETITION RATES

	Departmental Components Receiving ARRA Funds		Recovery Act Funds	
	FY 2008 Actual	FY 2009 Actual	FY 2009 Estimated	FY 2009 Actual
Competition Rate	82%	70%	96%	58%
Firm-Fixed Price Contracts	15%	15%	36%	49%

ACCOUNTABILITY MECHANISMS

The Department’s accountability framework for managing Recovery Act activities leverages and builds on existing accountability mechanisms within the Department, such as the annual internal control assessment for OMB Circular A-123 compliance. The Recovery Act accountability framework is comprised of various mechanisms, such as a governance structure (with defined roles and responsibilities) and processes for senior managers to identify and mitigate risk, regularly review the progress and performance of Recovery Act-funded programs, and ensure timely completion of corrective actions. As detailed in the sections that follow, the Department’s accountability framework reflects the coordinated efforts that are occurring among all offices and components with Recovery Act responsibilities to ensure effective achievement of the Act’s objectives. A discussion of the following accountability mechanisms follows:

- Governance Structure
- Communications Strategy
- Risk Identification and Management
- Internal Control Assessment
- Performance Monitoring
- Corrective Action Implementation

Governance Structure

The Department established a top-down governance structure to support the Department’s implementation of the Recovery Act and manage the funds received under the Act. The structure includes a Governance Board for Recovery Act Compliance, consisting of officials from the Office of the

Associate Attorney General, OJP, COPS, OVW, and ATF and the Assistant Attorney General for Administration, Justice Management Division. The responsibilities of the Governance Board include:

- Developing an overall implementation approach that establishes management accountability over Recovery Act funding;
- Ensuring Recovery Act objectives are clearly communicated throughout respective components;
- Disseminating Recovery Act guidance, including DOJ-developed guidance, to individuals with Recovery Act responsibilities, including oversight;
- Ensuring Recovery Act objectives are achieved in a thorough, effective, and timely manner;
- Reporting risk assessment results to senior management; and
- Monitoring the prompt correction of weaknesses identified by management, internal review organizations, the OIG, and/or the Government Accountability Office.

The key roles and responsibilities of each entity represented on the Governance Board are summarized in the table below.

**GOVERNANCE BOARD FOR RECOVERY ACT COMPLIANCE
 KEY ROLES AND RESPONSIBILITIES**

Entity	Key Roles and Responsibilities
Office of the Associate Attorney General	Designated as the Department's Senior Accountable Official for the Recovery Act, the Associate Attorney General is responsible for ensuring the Department's overall compliance with the Act. The Office of the Associate Attorney General serves as the primary point of contact with the Executive Office of the President and the Recovery Act Accountability and Transparency Board.
Deputy Assistant Attorney General, OJP	Designated as OJP's Senior Accountable Official for the Recovery Act, the Deputy Assistant Attorney General, OJP is responsible for ensuring OJP's compliance with the Act. The Deputy Assistant Attorney General's office serves as the primary point of contact for communications and oversight related to OJP's Recovery Act activities.
Director, COPS	Designated as COPS' Senior Accountable Official for the Recovery Act, the Director is responsible for ensuring COPS' compliance with the Act. The Director's office serves as the primary point of contact for communications and oversight related to COPS' Recovery Act activities.
Director, OVW	Designated as OVW's Senior Accountable Official for the Recovery Act, the Director is responsible for ensuring OVW's compliance with the Act. The Director's office serves as the primary point of contact for communications and oversight related to OVW's Recovery Act activities.
Chief Financial Officer (CFO), Office of the Assistant Director (Management)/CFO, ATF	Designated as ATF's Senior Accountable Official for the Recovery Act, the CFO is responsible for ensuring ATF's compliance with the Act. The CFO's office serves as the primary point of contact for communications and oversight related to ATF's Recovery Act activities.
Assistant Attorney General for Administration, Justice Management Division	Supports the Associate Attorney General and Departmental components for Recovery Act activities in such areas as financial reporting, budget execution and reporting, information systems, human resources, planning, oversight, and communication of requirements and guidance.

Communications Strategy

The Department established a top-down, coordinated communications strategy to address Recovery Act information needs and reporting requirements. The strategy establishes clear accountability for providing accurate, timely, and transparent reporting to both internal and external stakeholders. A key aspect of the strategy is early reporting of risks or issues identified, along with associated action plans, to help prevent major issues from occurring.

Internal stakeholders include the Department's Governance Board for Recovery Act Compliance, program managers, and individuals responsible for daily operations related to the Recovery Act. External stakeholders include recipients of Recovery Act funds, the Congress, the Executive Office of the President, the Recovery Act Accountability and Transparency Board, and the American public. To address the needs of each stakeholder group, the Department implemented an ongoing communications and collaboration process that includes the following information collection and dissemination methods.

- **Internal Stakeholders.** Communication with internal stakeholders will be primarily accomplished through meetings, teleconferences, and electronic communications. The Governance Board discusses on a regular basis accomplishments and concerns related to implementation of the Recovery Act. Teleconferences with the Department's Senior Accountable Office are held as needed to address new requirements and issues. Other status meetings and briefings with senior Department managers, program managers, and auditors have been and will continue to be held.

In addition to meetings and other internal communications, training related to grant processing and management has already been provided and will continue to be provided to individuals processing grant applications, preparing grant-related documents, and managing the grant process.

- **External Stakeholders.** The primary method to provide information to external stakeholders will be through the Department's website and Recovery.gov. As required, the Department and the Departmental components receiving Recovery Act funding established dedicated pages on their respective websites to address Recovery Act activities. The web pages are designed to provide external stakeholders with key announcements related to the Recovery Act, information on the Department's implementation plan, and reports on how funds are being awarded and spent. The web pages also serve as the medium for announcing the availability of funding and providing instructions and updates on how to apply for funds. Specific information for external stakeholders on issues such as funding restrictions will be communicated to applicants through the solicitation and/or application processes. Since enactment of the legislation in February 2009, the Department has posted announcements from the Attorney General regarding Departmental programs funded by the Recovery Act and statistics on the use of funds for law enforcement purposes. In March 2009, the Department began posting required weekly financial and activity reports, and it will continue to do so on an ongoing basis.

In addition to providing information on Departmental web pages, components receiving Recovery Act funding will provide training and other outreach activities to grantees. Information provided through such activities will include reporting requirements; recordkeeping tips; and methods to report fraud, waste, and abuse.

Risk Identification and Management

To promote effective management of Recovery Act funds and compliance with the objectives of the Act, the Department developed a Risk Management Plan that includes the following:

- Identification of significant risks related to the achievement of Recovery Act goals and the primary drivers of such risks (at the Department level and program-specific level);
- Quantification of the potential impact and likelihood of significant risks;
- Evaluation of existing control activities;
- Review of performance monitoring and reporting processes;
- Analysis of significant internal control gaps and areas for improvement;
- Mitigation of risks with the highest probability of occurrence and greatest impact if not mitigated; and
- Tracking of progress against the risk identification, assessment, and mitigation framework.

The Department's Risk Management Plan establishes a common framework for components to use in identifying and managing risks associated with implementing Recovery Act requirements. An initial risk assessment was conducted in May 2009. The Department will update this assessment in FY 2010.

Internal Control Assessment

The Department will review and evaluate the effectiveness of internal control over Recovery Act activities through existing internal control review activities, including the Department's annual internal control assessment for OMB Circular A-123, Appendix A compliance. The annual OMB A-123 assessment process uses a top-down, risk-based approach. The approach focuses on the risks related to achieving program objectives and reliable financial reporting and assessing the controls established to address those risks. The approach relies on the premise that not all risks are equal, and management's effort should be tailored according to the nature (likelihood and magnitude) of the identified level of risk. The top-down, risk-based approach makes possible a greater reliance on entity level controls and emphasizes identifying the right combination of key controls to be tested at the entity, process, and transaction levels.

Detailed guidance on conducting the annual assessment, including the roles and responsibilities of Departmental components, are provided in the Department's FY 2010 *Guidance for Implementation of OMB Circular A-123, Management's Responsibility for Internal Control*. The guidance requires components to annually update business process documentation and perform testing of key controls in material business processes. For FY 2010, the material business processes requiring testing include all of the business processes involved with Recovery Act funding – Grants Management, Procurement, Human Resources, Financial Reporting, Budget and Funds Management, and Information Systems.

The Department's OMB Circular A-123 Senior Assessment Team (SAT) oversees the annual assessment and will monitor results related to Recovery Act activities. The Assistant Attorney General for Administration or his representative chairs the SAT. Other members of the SAT include representatives from the following Departmental offices and organizations:

- Deputy Assistant Attorney General – Policy, Management and Planning
- Deputy Assistant Attorney General – Information Resource Management/Chief Information Officer
- Deputy Assistant Attorney General – Human Resources and Administration
- Deputy Assistant Attorney General – Controller

- Senior Member of the:
 - Budget Staff
 - Finance Staff
 - Departmental components
 - Unified Financial Management System Program Office
- Member of the Office of the Inspector General (advisory role)

Primary responsibilities of the SAT include:

- Ensuring assessment objectives are clearly communicated throughout their respective components;
- Ensuring the assessment is carried out in a thorough, effective, and timely manner;
- Monitoring the prompt correction of weaknesses; and
- Reporting the results of the assessment to senior management.

The Department recognizes that proper internal control over Recovery Act funds extends beyond the Department. Adequate internal controls must be in place at Recovery Act-funded recipient organizations to manage risk and ensure compliance with the Act's objectives. To assist recipients in ensuring adequacy of internal control, the Department has already provided and will continue to provide training on the proper use and reporting of Recovery Act funds. Departmental components will also perform on-site monitoring of grantees to provide additional oversight and assistance.

Performance Monitoring

Each Departmental component receiving Recovery Act funds is responsible for monitoring performance related to the Act on an ongoing basis to ensure progress is on track to achieve program-specific objectives, as well as Recovery Act transparency and accountability objectives. To facilitate performance monitoring from an overall Departmental perspective, each component's performance monitoring mechanism is to include at a minimum:

- Clear definitions of key performance indicators (i.e., outputs and outcomes);
- Targeted levels of performance and associated milestone dates;
- Source, method, and frequency of data collection;
- Identified weaknesses; and
- Name and contact information for accountable official.

Component and Departmental management review on an ongoing basis the adequacy of each component's performance monitoring mechanism and provides suggestions needed.

Corrective Action Implementation

Managers of Departmental components receiving Recovery Act funds are responsible for taking timely and effective action to correct weaknesses identified during performance monitoring or through other activities, such as an OIG audit. Correcting weaknesses is an integral part of management accountability and is considered a priority by the Department.

Components will utilize the Department's existing FMFIA corrective action plan framework to ensure prompt and effective resolution of weaknesses related to Recovery Act funding. This framework includes:

- Assessing the significance of weaknesses;

- Developing corrective actions plans – ensuring that they appropriately address root causes, promote prompt and sustained remediation, and include appropriate validation indicators and measures to prevent recurrence of weaknesses; and
- Tracking the prompt and proper resolution and implementation of corrective actions.

Detailed guidance on the corrective action plan framework is provided in the Department's FY 2010 *Guidance for Implementation of OMB Circular A-123*.