**U.S. Department of Justice**
Office of Justice Programs
*Office of Audit, Assessment, and Management*

# Internet Crimes Against Children Training and Technical Assistance Program

Program Assessment Report No. 10-01

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## About This Report

The Office of Justice Programs, Office of Audit, Assessment, and Management (OAAM), Program Assessment Division prepared this report. For questions regarding the content or the distribution of this report, please contact Ms. Maureen Henneberg, Director of OAAM, at (202) 616-3282.

## Acronyms

| | |
|---|---|
| CPD | Child Protection Division |
| DCTAT | Data Collection and Technical Assistance Tool |
| GMS | Grants Management System |
| ICAC | Internet Crimes Against Children |
| MEC | Missing and Exploited Children |
| NW3C | National White Collar Crime Center |
| OCFO | Office of the Chief Financial Officer |
| OJJDP | Office of Juvenile Justice and Delinquency Prevention |
| OJP | Office of Justice Programs |
| PSC | Project Safe Childhood |
| TTA | Training and Technical Assistance |
| UNH | University of New Hampshire |

## Office of Audit, Assessment, and Management

The Office of Audit, Assessment, and Management (OAAM) was established by Public Law 109-162 in January 2006. OAAM's mission is to:

- ensure financial grant compliance and auditing of the Office of Justice Programs' internal controls to prevent fraud, waste, and abuse;
- conduct programmatic assessments of Department of Justice grant programs; and
- serve as a central source for grant management policy.

## Program Assessment

OAAM's Program Assessment Division researched and wrote this report. OAAM assessments provide targeted, timely, and practical feedback to the Department of Justice's grant-making components. The assessments provide information on program performance to identify successes, weaknesses, and opportunities for improvement. OAAM makes recommendations and works with offices to resolve identified issues.

# Executive Summary

## Internet Crimes Against Children Training and Technical Assistance

### What We Did

The Office of Audit, Assessment, and Management (OAAM) conducted this assessment consistent with the requirements set forth in Public Law 110-401, "Providing Resources, Officers, and Technology to Eradicate Cyber Threats to Our Children Act of 2008" (PROTECT Our Children Act). Our primary objective was to review the Internet Crimes Against Children (ICAC) Training and Technical Assistance (TTA) program, administered by the Office of Juvenile Justice and Delinquency Prevention (OJJDP). Specifically, we assessed OJJDP's management of the program, together with the primary grant recipient's program design, implementation, and performance, to determine whether OJJDP and the grantee had met the objectives of the program.

### What We Found

Based on student evaluations and on-site observations, the overall quality of training provided by the primary ICAC TTA provider, Fox Valley Technical College (Fox Valley), was deemed to be of high quality and well-received. However, performance measures were all output-based and did not measure the long-term effectiveness of the program. We also identified opportunities to improve financial management, full and open competition, and program management.

Despite indicators that the number of courses offered was not meeting the ICAC task forces' rising need for TTA, there is no evidence indicating that OJJDP sought ways to improve efficiency or reduce costs for this program. We identified unallowable costs and cost inefficiencies related to the delivery of ICAC TTA.

Further, the public announcement soliciting applications under the 2006 ICAC TTA program did not meet the spirit of full and open competition. OJJDP used an overly limiting eligibility section in the solicitation, which may have prevented other applicants from applying. In addition, a peer reviewer misrepresented his relationship with Fox Valley and had a conflict of interest that he did not declare to OJJDP.

Finally, we found instances of inadequate oversight and documentation of grant activity. Specifically, OJJDP had an unclear

program management structure, used annual segregation of duties waivers to allow a perpetual state of conflicting management roles, accepted applications without program narratives, and made changes to the scope of the awards without documenting the changes in the grant files.

## What We Recommend

To ensure better grant management by collecting and using performance measurement data, we recommend the following.

**Recommendation A.1.** OJJDP should ensure that performance measurement designs take into consideration outcome-based measures as one way to assess program effectiveness.

**Recommendation A.2.** OJJDP should determine the optimum frequency of reporting performance measurement data for the program and should ensure that grantees collect and report data in the Data Collection and Technical Assistance Tool.

To improve financial management and efficiency, we recommend the following.

**Recommendation B.1.** OJJDP should work with the TTA provider, in this case Fox Valley, to determine the optimum number of instructors per course that will maintain the high quality of instruction while achieving maximum efficiency. OJJDP and Fox Valley should also evaluate the most efficient and effective way to provide on-site coordination for the ICAC courses.

**Recommendation B.2.** OJJDP should consider the most effective and efficient method to hold instructor auditions, including alternatives such as using fewer instructors as audition evaluators, or using technology such as video or phone conferencing, recorded videos of auditions, and online discussions to evaluate auditions.

**Recommendation B.3.** OJJDP should ensure that Fox Valley designs and implements a distance learning model that can provide the greatest benefit and flexibility to ICAC task force and affiliate students as soon as possible.

**Recommendation B.4.** OJJDP should follow up with Fox Valley on the recommendations in the Office of the Chief Financial Officer site visit report to ensure that Fox Valley has corrected problems with pay setting, fringe benefit payments, and labor rounding, and ensure that Fox Valley has returned funds in cases for which Fox Valley cannot provide supporting documentation or the costs are deemed unallowable.

**Recommendation B.5.** OJJDP should ensure that Fox Valley adheres to its policy related to instructor pay and sets pay according to "a consultant's established and substantiated rate of pay."

To foster fair and open competition for grant and cooperative agreement awards in OJJDP, we recommend the following.

**Recommendation C.1.** OJJDP should ensure that future solicitations use the eligibility section of a solicitation to specify the types of organizations able to apply. Other factors regarding applicants' knowledge, experience, and organizational capability should be included in the Program-Specific Information section.

To improve grant management and oversight in OJJDP, we recommend the following.

**Recommendation D.1.** OJJDP should develop procedures to ensure that all levels of review for its grant management functions are consistent with the Office of Justice Programs Segregation of Duties policy and that controls are implemented to ensure that a perpetual state of conflicting duties is not an OJJDP practice.

**Recommendation D.2.** OJJDP should develop procedures to ensure that awards are made only after a complete grant application has been submitted.

**Recommendation D.3.** OJJDP should ensure that substantive communication with grantees and changes in scope are properly documented in the official grant file.

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# Introduction

## Objectives

We performed this assessment consistent with Public Law 110-401, "Providing Resources, Officers, and Technology to Eradicate Cyber Threats to Our Children Act of 2008" (PROTECT Our Children Act). The Act mandated "an assessment of the training opportunities and technical assistance to support the ICAC [Internet Crimes Against Children] task force grantees." The law further stated that the "Attorney General shall conduct periodic reviews of the effectiveness of each training session authorized… and consider outside reports related to the effective use of Federal funding in making future grant awards for training."

The primary objective of this assessment was to determine the efficiency and performance of the ICAC Training and Technical Assistance (TTA) program, administered by the Office of Juvenile Justice and Delinquency Prevention (OJJDP). Specifically, we reviewed the current ICAC TTA recipient's compliance and OJJDP oversight. We also analyzed program performance to determine whether the program was meeting its goals and objectives.

This report includes an introduction of the ICAC TTA program; a summary of indicators of rising demand for ICAC TTA; findings related to program performance, financial management and opportunities to improve efficiency, fair and open competition, and program management; and other matters of interest. For more information about the scope and methodology of this assessment, see Appendix A.

## Background

The ICAC Task Force Program began in 1998 with an appropriation under Public Law 105-119, "Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1998," (Report 105-405). Congress allocated funding for state and local law enforcement agencies to form specialized cyber units to investigate and prevent sexual exploitation of children.

Responding to the Public Law 105-119, OJJDP funded grants for the ICAC Task Force Program to help state and local law enforcement agencies develop a response to child cyber enticement and child pornography cases. The program started with 10 task forces in FY 1998. As of December 2008, there was a network of 59 regional task forces across the country, with at least one task force in each state and more than 2,000 affiliate agencies. The affiliate agencies

include members of state and local prosecutorial and law enforcement agencies that are working in partnership with a regional task force and have signed a memorandum of understanding to adhere to ICAC operational and investigative standards.

OJJDP first published a grant program solicitation seeking applicants to apply for the ICAC TTA program in 1999. Under the ICAC TTA program, the first federal funding recipient was SEARCH Group, Inc. (SEARCH). SEARCH began training ICAC members in March 2000 and continued to receive funding through 2007. During that time, SEARCH received eight grant awards totaling more than $4 million.

In 2003, OJJDP directed Fox Valley Technical College (Fox Valley), which provided training and technical assistance for the Missing and Exploited Children (MEC) program, to begin additional training and technical assistance activities for the ICAC task forces with MEC program funding. From 2003 to 2008, OJJDP awarded more than $18 million for ICAC TTA through 10 awards to Fox Valley. OJJDP's Associate Administrator of the Child Protection Division (CPD) described Fox Valley as the "core provider" for the current ICAC TTA program. ICAC task forces also recognized Fox Valley as the primary TTA provider. Because of the high level of funding directed to Fox Valley for ICAC TTA and Fox Valley's extensive involvement with the task forces, our assessment focused on OJJDP's cooperative agreements with Fox Valley. See Appendix B for the award history of the ICAC TTA program.

## Program Overview

The FY 2006 ICAC TTA competitive solicitation[1] stated that the applicant would be required to achieve the following program objectives:

- design, develop, and conduct training programs for law enforcement, prosecution, probation, and parole agencies to improve task force members' operational, tactical, investigative, and forensic capabilities;
- reach out to, develop relationships with, and partner with other organizations and agencies with similar missions;
- participate in conferences and other outreach efforts to increase public awareness of the issues surrounding computer-facilitated crimes against children;

[1] The FY 2006 OJJDP ICAC TTA solicitation contained the most comprehensive description of the ICAC TTA program framework, program requirements, and performance standards since the program's inception.

- collect, catalog, and make available relevant material to law enforcement, prosecution, probation, and parole on the topic of combating Internet crimes against children;
- implement a quality review process to evaluate existing ICAC task force agencies' operations and improve the services they offer;
- collect, analyze, and report on the progress and activities that the ICAC TTA program conducts;
- assist with coordination and provide the resources necessary to enhance the effectiveness of the ICAC Task Force Working Group and its subcommittees' efforts;
- establish a national information sharing, intelligence gathering, and deconfliction information system, and provide the training and support to successfully implement it; and
- create and maintain a Web site and listservs to share and collect information in support of the ICAC task force network.

All ICAC TTA program funding for Fox Valley was awarded under cooperative agreements. For the purpose of this report, we refer to the awards as "grants." However, our assessment measured performance and management based on the "substantial involvement" requirement for cooperative agreements. According to the Office of Justice Programs (OJP) Grant Manager's Manual, the typical responsibilities of federal grant managers related to substantial involvement include halting an activity if performance specifications are not met, and limiting award recipient discretion with respect to scope of services, organizational structure, staffing, mode of operation, and other management processes. In addition, federal grant managers must approve each stage of work completion (before work can begin on a subsequent stage), substantive provisions of proposed subawards, provisions that go beyond existing policies on federal review of grantee procurement standards, and sole-source procurement.

## Training Development and Delivery

A key issue in the development of ICAC investigative training is incorporating current cyber crime technological developments. Fox Valley used the input of ICAC task force commanders to keep informed of technology developments faced by ICAC investigators in the field. Fox Valley also purposefully selected current ICAC investigators as instructors for the hands-on computer lab portions of the training courses. Fox Valley considers its training curricula to be dynamic in terms of integrating emerging technology and cyber forensic

investigative techniques into the instructional content. In addition, Fox Valley regularly updates its training based on changes in ICAC-related legislation and case law.

## Regional Training Courses

Fox Valley conducts training courses in different regions of the United States throughout the year. Beginning in 2003, Fox Valley worked with the commanders of the ICAC task forces to identify training needs and first developed the ICAC Investigative Techniques course. This foundational course for ICAC investigators remains the most often requested and most frequently offered course, as it is a hands-on computer lab class designed to provide the basic skills to conduct ICAC investigations. From 2003 through 2008, the ICAC TTA program supported the delivery of 71 ICAC Investigative Techniques classes to 1,839 trainees across the nation.

From 2003 to 2007, Fox Valley developed and piloted more specialized and advanced training courses with continued input from the task force commanders. Table 1 provides a brief overview of the eight ICAC TTA program courses in terms of the targeted audience, instructional focus, class duration, maximum enrollment, and 2009 scheduled regional courses. Fox Valley limits each ICAC task force to no more than one student per regional training course, except for the local "host" task force, which is allowed up to 5 seats in a 30-person class.

**Table 1. ICAC TTA Program Training Courses**

| Course Title | Target Audience | Description | Days | Max. Class Size | 2009 Scheduled Courses |
|---|---|---|---|---|---|
| ICAC Investigative Techniques | Law enforcement investigators | Introductory course to equip investigators with a basic understanding of techniques they can use to conduct ICAC investigations, with emphasis on reactive investigations. Conforms to the ICAC task force national standards. | 4 ½ | 30 | 6 |
| ICAC Undercover Chat | Law enforcement investigators | Intensive training for experienced ICAC investigators to provide latest tools and techniques used in proactive investigations of online child exploitation. Prerequisite requirements. | 4 ½ | 30 | 5 |
| CyberTips Management | Law enforcement investigators | Training in skills necessary to use the software application developed for the CyberTipline Program. | 2 ½ | 30 | 1 |
| ICAC Peer-to-Peer Investigations | Law enforcement investigators | Training on the peer-to-peer network investigative tool. ICAC TTA partners with the Federal Bureau of Investigation to offer this course to ICAC task force members. | 2 ½ | 30 | None |
| ICAC Unit Supervisor | ICAC unit commanders and supervisors | Overview of managerial and investigative strategies for ICAC unit supervisors. Presentation of emerging technologies, prosecutorial issues, and early intervention strategies relevant to ICAC cases. Class held at National Center for Missing and Exploited Children training facility. | 4 ½ | 48 | 2 |
| ICAC Trial Advocacy for Prosecutors | Prosecutors | Training for experienced prosecutors on trial advocacy involving computer-facilitated crimes against children. | 4 ½ | 30 | 1 |
| ICAC Child Sex Offender Accountability | Law enforcement investigators, probation/ parole officers, prosecutors | Training for law enforcement personnel responsible for monitoring or investigating the activities of convicted child sex offenders. | 4 ½ | 30 | None |
| Project Safe Childhood (PSC) Team Training | Teams of 8–12 investigators and prosecutors from U.S. Attorney Districts | Team training to increase the level of investigative collaboration and cooperation among federal, state, and local law enforcement agencies and federal prosecutors. This training supported Department of Justice PSC initiative. | 4 ½ | Varies | None |

Data source: Fox Valley's ICAC TTA Web site, accessed on February 10, 2009.

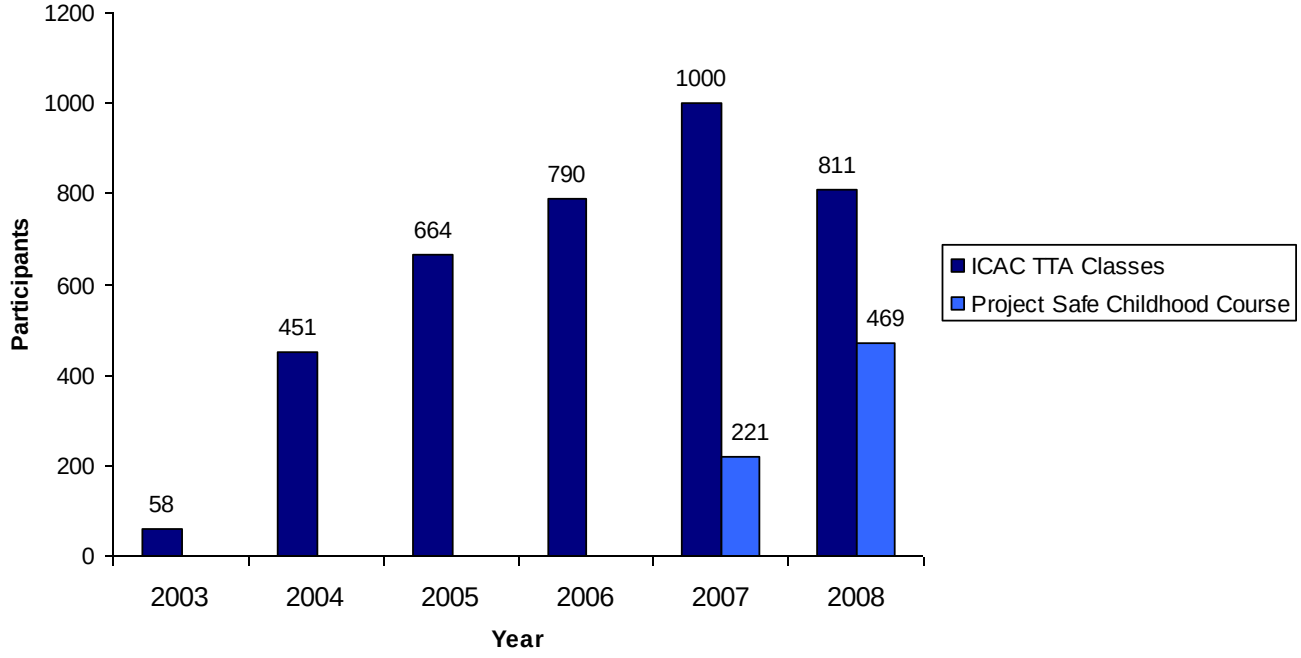
## Requested Technical Assistance

In addition to offering planned regional training courses, Fox Valley teaches these same courses by request from task forces for their personnel and affiliates. OJJDP considers these courses to be "requested technical assistance." In many cases, ICAC task forces requesting training cover a portion of the event-related expenses, using federal grant funds from the ICAC Task Force Program. Thus, for these requested courses, Fox Valley incurs a decreased cost per student compared with the regional training they provide. According to some ICAC trainees, ICAC task forces request training in the form of technical assistance because it is difficult to secure training seats in Fox Valley's regional training.

## Number of Training Participants and Events

Through the ICAC TTA program, Fox Valley trained 4,464 participants (not including conference attendees) in 160 events from 2003 through 2008. The 160 events included 114 regional training courses and 46 requested technical assistance training courses. Figure 1 shows the number of students trained each year from 2003 through 2008.

**Figure 1. Fox Valley's Annual ICAC TTA Program Training Participants**

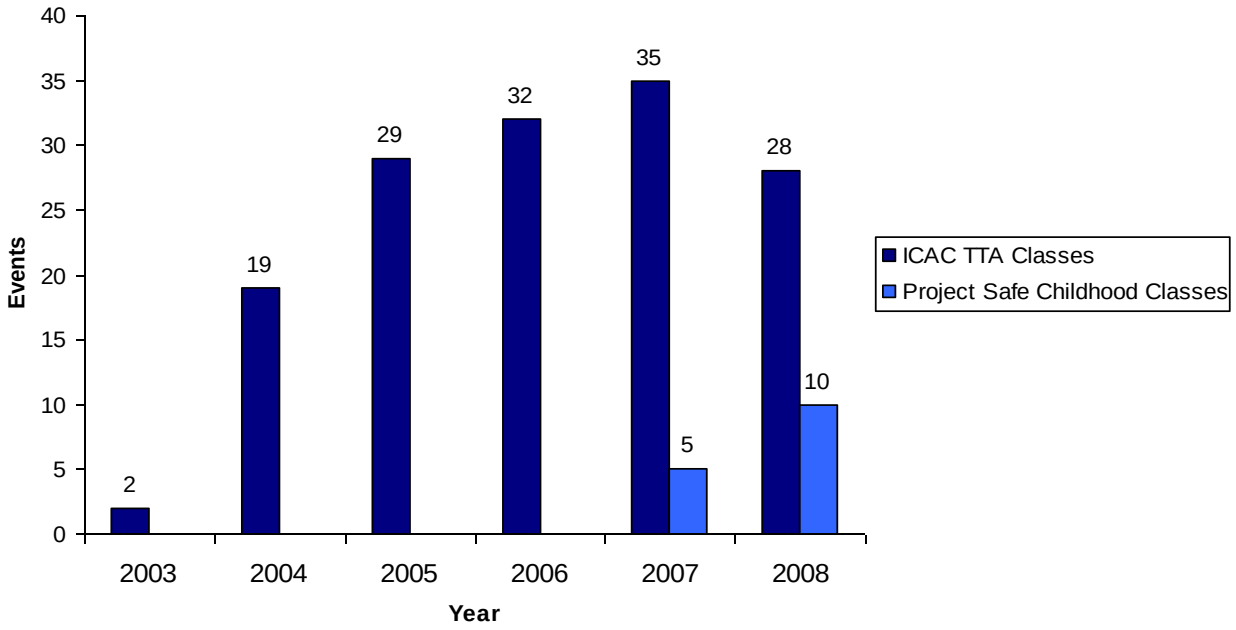



Data source: Fox Valley.

As Figure 1 shows, the number of training participants increased each year from 2003 through 2008. The sharp increase from 790 in 2006 to 1,221 in 2007 is attributable to the addition of the PSC course,[2] made at the request of OJJDP to Fox Valley in 2007. Because PSC courses enrolled on average more participants (about 46) per class than the hands-on ICAC courses (which have a maximum class size of 30 participants), in 2008 the number of overall training participants increased, whereas the number of ICAC course training events decreased. However, no future PSC training events are scheduled after 2008.

Figure 2 shows the number of training events held for regional ICAC training and ICAC technical assistance training from 2003 through 2008.

**Figure 2. Fox Valley's Annual ICAC TTA Program Regional and Technical Assistance Training Events**




Data source: Fox Valley.

## Other Support Activities

In addition to providing regional training and requested technical assistance through classroom instruction, Fox Valley performed other support activities under the ICAC TTA program grant. Specifically, Fox Valley supported the ICAC Task Force Working Group, strategic planning, partnerships, conferences, online communication, and research collaboration.

[2] The PSC course was created for the purpose of team building and collaboration and was offered regionally. This course did not include hands-on computer training to prepare law enforcement to conduct forensic investigations.

## ICAC Task Force Working Group

Fox Valley had responsibility for supporting meetings and teleconferences for the ICAC Task Force Working Group. Fox Valley generated agendas, compiled background materials, produced minutes, periodically facilitated meetings, and conducted follow-up activities. Initially, the ICAC task force commanders met as an executive board. As the number of task force commanders rose, OJJDP established the ICAC Task Force Working Group. OJJDP directed each ICAC task force commander to serve on one of the following ICAC committees: technical, legal, operations, research, and training. The two co-chairs of each committee then served on a 10-person executive committee that was representative of the entire group. Commanders were assigned to committees on an annual basis, and Fox Valley surveyed the task force commanders regarding which committee they preferred to serve on and how they might best contribute to the national initiative.

The working group convened about three to four times per year, until the last plenary meeting was held in February 2008. At that meeting, the OJJDP administrator notified the ICAC task force commanders that due in part to the large number of ICAC task forces (59), he was discontinuing the quarterly meetings of all commanders. The OJJDP administrator then convened a smaller group of ICAC representatives in November 2008. Fox Valley provided logistical support for this meeting but did not attend.

## ICAC Strategic Planning Initiative

Fox Valley played a major role in facilitating the collaborative development of the ICAC Task Force Program Strategic Plan, with involvement of external research consultants from the Center for Strategic Planning at Dartmouth College. In January 2005, 49 ICAC Board members and OJJDP program managers convened as part of a strategic planning initiative. After participants provided their input, Fox Valley's research consultants generated a multiyear strategic plan for review and approval by OJJDP and the task force leadership. Fox Valley coordinated ICAC working group committees' responsibilities mapped to the Strategic Plan for specific action items related to their focus areas (i.e., technical, legal, operations, research, and training). Fox Valley tracked and reported on the status of 35 action items. Fox Valley noted considerable progress in its report, "ICAC Strategic Planning Progress Report: November 2006," which indicated the ICAC members had "made progress on 82% of the actions their Strategic Plan outlines."

## Affiliate Agency Association With ICAC Task Forces

Fox Valley has established an online ICAC Task Force Affiliate Agency Data Portal that allows ICAC task forces to enroll state and local law enforcement affiliate agencies, update contact information, and produce standard reports.

ICAC affiliates work in partnership with their regional task force and have agreed in writing to adhere to the ICAC operational and investigative standards. Officially enrolling as an affiliate allows an agency to receive ICAC TTA provided by Fox Valley. The ICAC Task Force Affiliate Agency Data Portal also allows task forces to determine how much of their state is covered by affiliate agencies.

## ICAC Task Forces and Federal Partners

ICAC investigations often transcend local, state, and even national boundaries, due to the nature of global Internet exchanges. A key action item in the ICAC Strategic Plan was for the task forces to build additional policing partnerships with state, local, and federal law enforcement agencies. The ICAC task forces frequently work in close coordination with federal law enforcement agencies. Fox Valley conducted a survey in April 2006 in which 44 of the 45 existing ICAC task forces described their coordination activities with specific federal agencies. In addition, Fox Valley registers federal agency staff for ICAC training and conferences, with the provision that no lodging costs for these participants are paid for out of grant funds.

## ICAC Annual National Conferences

OJJDP sponsored the annual ICAC national conferences through grants awarded to Fox Valley. For 2004, 2005, and 2006, the ICAC national conferences were held in conjunction with the Crimes Against Children Conference presented by the Dallas Children's Advocacy Center and Dallas Police Department. ICAC participants benefited both from the technology-focused ICAC presentations and from exposure to the broader issues of child abuse and neglect.

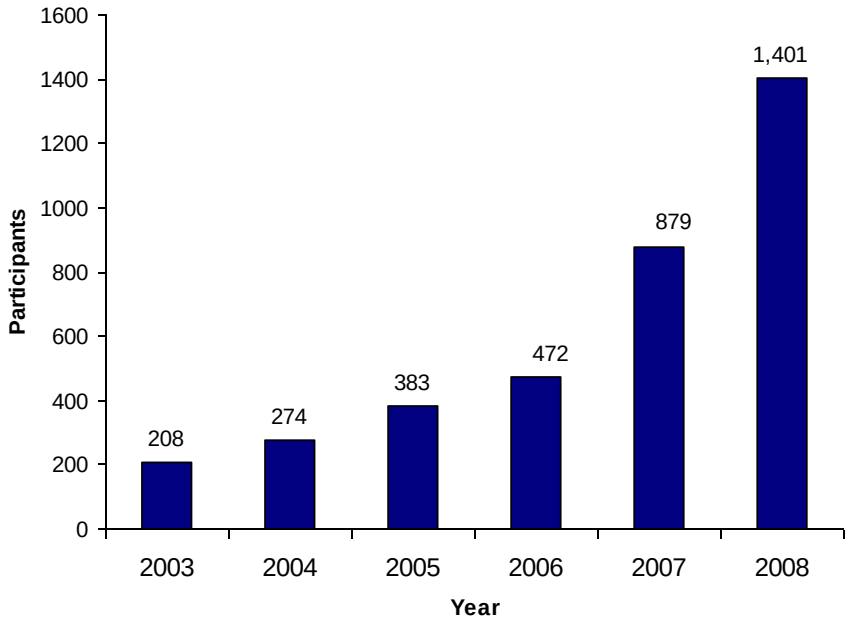
In 2007, the ICAC national conference was held in conjunction with the fourth Annual Silicon Valley Internet Crimes Against Children Conference hosted by the San Jose Police Department. Federal agencies were involved in this conference as sponsors and speakers, including the Federal Bureau of Investigation, Immigration and Customs Enforcement, the U.S. Attorneys Offices, the U.S. Postal Inspection Service, and the Child Exploitation and Obscenity Section in the U.S. Department of Justice's Criminal Division.

In 2008, the ICAC national conference was offered in combination with the third PSC National Conference, which had a greater emphasis on federal collaboration. Fox Valley staff played a major role in coordinating this conference, securing the donation of 14 mobile computer labs for use at the conference, and arranging for numerous instructors.

As the years progressed, Fox Valley supported growing numbers of ICAC-

focused presentations and computer lab training modules in the annual conference agendas. From 2003 through 2008, the number of participants at the ICAC national conferences increased from 208 to 1,401 as shown in Figure 3.

**Figure 3. Number of Annual National ICAC Conference Participants**




Data source: Fox Valley.

## ICAC Listserv for Online Communications

To facilitate communications across the ICAC task forces, affiliates, and federal partners, Fox Valley established a listserv for registered subscribers. Due to the sensitive information shared, only primary or alternate board members can nominate individuals from their jurisdictions for inclusion on the listserv. Fox Valley provided us with a printout of 765 registered subscribers, which included local, state, federal, and National Center for Missing and Exploited Children representatives. We reviewed sample ICAC listserv message chains from 2004 through 2008. We also viewed examples of Fox Valley's announcements of new ICAC training opportunities via the listserv.

Originally, Fox Valley managed the listserv registration and flow of messages in its entirety. Fox Valley ICAC TTA staff stated that in 2008, OJJDP CPD staff assumed responsibility for monitoring incoming messages before releasing them to the listserv. Fox Valley continues to handle the nomination process.

## Collaboration With Crimes Against Children Research Center

During our site visit to Fox Valley's offices on the University of New Hampshire (UNH) campus, we interviewed researchers at the Crimes Against Children Research Center whose offices are collocated with ICAC TTA. This center actively investigates the victimization of children and juveniles online, and has conducted several national surveys of victimization and the law enforcement response. The researchers have attended the ICAC Working Group meetings and contributed their expertise to the research committee. As a result of the ICAC task force commanders identifying a need to know more about the potential adverse consequences of their investigators viewing images of child pornography, Fox Valley's ICAC TTA program provided consultant support for the UNH researchers to survey law enforcement agencies about exposure consequences. The lead researcher provided us with a copy of the draft report, which discussed practical ways to reduce adverse effects on investigators. The UNH researchers also collaborated with the ICAC TTA staff to develop and pilot the pre- and post-assessment instruments for the ICAC Investigative Techniques course.

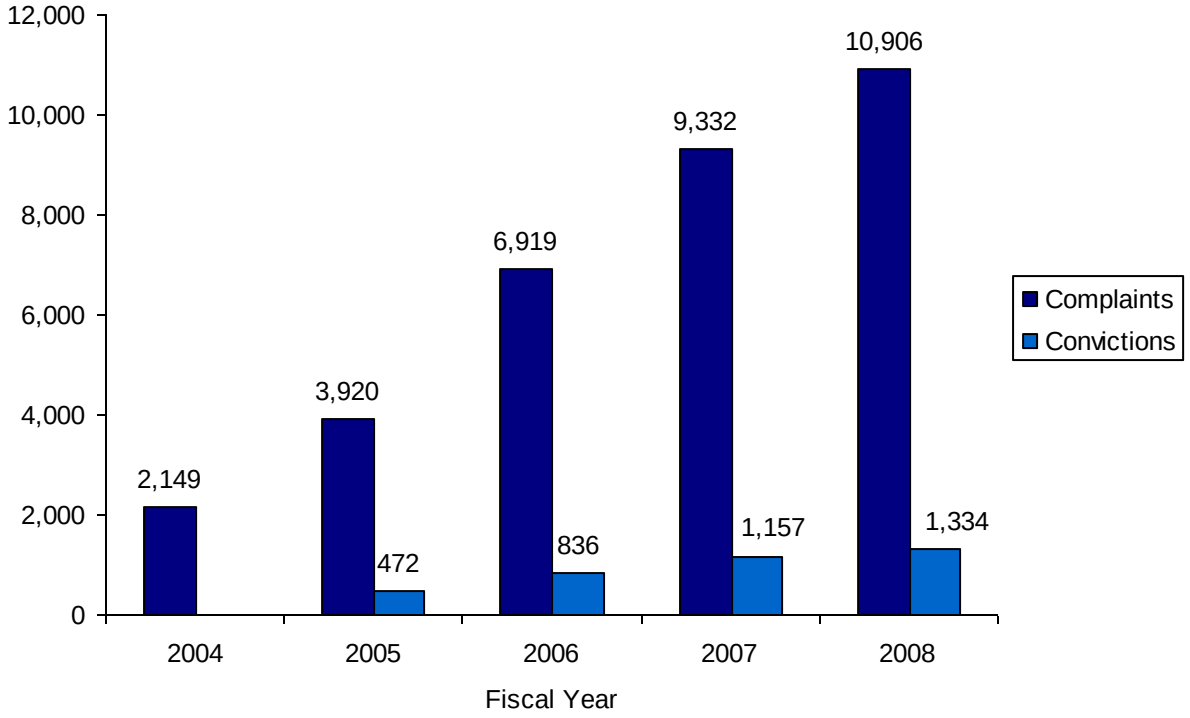
# Indicators of ICAC-Related Training Demand

Although overall the number of ICAC classes and training participants increased from 2003 through 2008, there were indicators that ICAC TTA program training demand was outpacing ICAC TTA program training availability.

## Task Force Investigative Data

As required by OJJDP, ICAC task forces submit investigative data to OJJDP on a monthly basis. Figure 4 shows the increase in Internet crimes against children complaints and convictions from 2004 through the third quarter of 2008 (aggregated data collection for convictions began in 2005). With the expansion of the ICAC task forces' investigations and prosecutions nationwide, the demand for the delivery of ICAC training and technical assistance increased.

**Figure 4. Trend of ICAC Complaints and Convictions**




Data source: OJJDP, Child Protection Division.

Note: Aggregated conviction data were not available before 2005.

## Waiting Lists

We examined waiting lists of law enforcement personnel seeking to register for ICAC classes from August 2006 to November 2008. The total number of personnel on the ICAC TTA waiting lists was 1,617, with some high-demand courses, like ICAC Investigative Techniques, having waiting lists of up to 90 prospective students for a single class. The ICAC TTA project director indicated that for the three most popular training courses, the average number of prospective students placed on a waiting list for a single class was 54 for Investigative Techniques, 40 for Peer-to-Peer; and 15 for Undercover Chat. Further, the waiting lists may not reflect the total number of people who wanted to attend. It is possible that the lengthy waiting lists and restrictions on the number of seats allocated per task force discouraged some students from attempting to enroll.

## 2005 Survey of Task Forces' Training Needs

One action specified in the ICAC Task Force Program Strategic Plan was to "conduct ongoing training needs assessments at all levels to drive the ICAC National Training Plan." In 2005, the training and technical assistance committee conducted a survey of the 45 ICAC task forces that existed at the time. Task forces identified the number of individuals requiring ICAC-related training slots that year: 1,313 law enforcement investigators; 279 law enforcement supervisors; 247 technical staff/forensic examiners; and 414 prosecutors. The survey results indicated that a total of 2,253 individuals needed training; Fox Valley delivered ICAC training to approximately 790 participants in 2006. In response to open-ended questions, some task forces requested distance learning of the ICAC courses. Thus, as early as 2005, OJJDP had clear evidence that the demand for ICAC-related training was not being met.

## 2007 Regional Training Priorities and Requests for Technical Assistance

In a subsequent survey, Fox Valley queried 44 ICAC task forces regarding their 2007 training needs. Unlike the 2005 survey in which task force respondents specified the number of individuals needing ICAC-related training, the 2007 survey asked respondents to identify their first, second, and third priority requests for ICAC TTA program regional training and technical assistance training. The most frequently requested course for regional training was ICAC Investigative Techniques, followed by ICAC Undercover Chat, ICAC Trial Advocacy for Prosecutors, and ICAC Child Sex Offender Accountability. In 2007, Fox Valley's regional training centered on the top two priorities: ICAC Investigative Techniques (11 classes) and ICAC Undercover Chat (7 classes). It is unclear whether the regional training met the needs of the task forces, as this survey did not ask task forces how many individuals needed training.

Fox Valley also asked respondents to identify their first, second, and third priority requests for technical assistance training events in 2007. The task forces further specified preferences regarding location, date, and technical

capability for training. This survey is the only documentation we located that displayed an annual request for technical assistance training. As shown in Table 2, the task forces were queried about their 2007 training requests, in which a total of 80 technical assistance training events for the four specified ICAC training courses were identified. In 2007, Fox Valley provided four technical assistance training events on two of these courses. It is clear that the ICAC task forces' demand in 2007 for technical assistance was not met.

**Table 2. 2007 Priority Requests for Task Forces to Host ICAC Technical Assistance Training**

| ICAC Technical Assistance Training Course | Number of Technical Assistance Training Classes Requested for 2007 | Number of Technical Assistance Training Classes Delivered in 2007 |
|---|---|---|
| ICAC Investigative Techniques | 34 | 3 |
| ICAC Undercover Chat | 25 | 1 |
| ICAC Trial Advocacy for Prosecutors | 15 | 0 |
| ICAC Child Sex Offender Accountability | 6 | 0 |
| **Total** | **80** | **4*** |

Data source: Fox Valley.

*Fox Valley also provided three technical assistance classes on Peer-to-Peer Investigations in 2007 that were not requested in the 2007 training needs survey. The original survey form did not include training on Peer-to-Peer Investigations as a selection option.

## Task Forces and Other Providers Responding to Demand for ICAC Training

The ICAC task forces provide training to professionals in their respective regions and report to OJJDP on how many individuals participate as trainees. In 2007, the ICAC task forces reported training 31,468 participants, of which nearly two-thirds were law enforcement professionals. We did not evaluate the quality, depth, duration, method, and consistency of the instruction provided by the ICAC task forces, so we cannot directly compare this training to the ICAC TTA courses offered by Fox Valley.

OJJDP also required the ICAC task forces to submit performance measurement data on the number of task force or affiliate staff sent to ICAC-related training by providers other than the task forces. According to OJJDP's data, about six

times as many ICAC task force or affiliate personnel were sent to ICAC-related training offered by training providers other than Fox Valley. It appears that training provided by the task forces and other providers reaches far more professionals than that delivered by Fox Valley ICAC TTA.

## Conclusion

Based on the data available to OJJDP and the many indicators of high demand, OJJDP should have been aware that demand for training and technical assistance outpaced the delivery of TTA. Because the ICAC TTA awards were cooperative agreements, OJJDP had the opportunity to become "substantially involved" in the management of the grant and work with Fox Valley to seek ways to increase efficiency in the program. By delivering the training more efficiently, OJJDP may have been able to put program funds to better use; for example, they may have been able to provide training and technical assistance to more students. For specific examples of how OJJDP could have more effectively addressed the demand for ICAC training, at least in part, see Finding B.

# Finding A. Program Performance

Classroom performance indicators suggest that the Fox Valley training courses were high quality and well-received by the students. These indicators were consistent with anecdotal data from student interviews in which many students commented that the Fox Valley training was "excellent."

However, OJJDP did not hold Fox Valley accountable for reporting on all of the performance output measures required in the FY 2006 grant solicitation. Further, the performance measures in the FY 2006 solicitation focused on training output, not strategic outcome.[3] Although output-based performance measurement like trainee classroom evaluations are valuable, they lack the ability to capture the usefulness of training once trainees return to their task forces and conduct ICAC investigations.

## Class Observation

As part of our assessment, we observed Fox Valley's delivery of training for three of the core ICAC TTA program courses: ICAC Investigational Techniques, ICAC Undercover Chat, and ICAC Unit Supervisor. During our on-site observations, we spoke with various students and instructors. Afterwards, we reviewed the consolidated student evaluation reports and the on -site coordinators' reports. We believe the training is of high quality, and we found that Fox Valley had strong controls and procedures in place to ensure the courses run smoothly.

For all of the hands-on computer lab training modules we observed, the instructors were current investigators in the field who emphasized emerging technology developments. Instructor resumes we reviewed indicated extensive investigative or prosecutorial experience in the field of internet crimes against children. Further, the curriculum appeared to be well-organized into modules that emphasized progressive skills development. The mobile computer labs ran smoothly with only insignificant interruptions of operations. Instruction content across course modules had only minor redundancies.

One challenge facing instructors was the wide range of technological expertise of the students, which resulted in some students being overwhelmed with practical exercises while others did not feel sufficiently challenged. Overall, Fox

[3] In the context of performance measurement, *outputs* are the tangible products, services, or activities of a program's implementation. *Outcomes* are the impact of a program in terms of measurable changes among participants, communities, or organizations.

Valley instructors seemed to adequately pace the hands-on instruction despite the differences in student aptitude.

Fox Valley also had strong controls and procedures in place to facilitate efficient training logistics. Registration for classes was available online. Fox Valley had follow-up procedures to ensure that training applicants were fully eligible as members of ICAC task forces, their affiliates, or federal partner agencies. Training applicants were required to obtain approval from their respective task force commanders. Fox Valley maintained an automated database for the registration and notification process, which included a waiting list for each course offering. For applicants seeking to register for the advanced course, ICAC Undercover Chat, Fox Valley enabled students to complete prerequisites online prior to the course.

Before holding a training event, Fox Valley assessed the training facility's technological readiness for hands-on computer instruction and security safeguards for the ICAC mobile computer lab. At each training session, an on-site coordinator ensured the classroom was set up properly, beverages and refreshments were ordered, broadband service was established, the agenda was followed, and student lodging issues were addressed. The on-site coordinator also prepared a training event report and post-event site assessment.

## Training Event Performance Measures

Student feedback on the courses aligned with our observations that courses were professionally run. Fox Valley provides OJJDP with individual course performance measures through consolidated student feedback reports for each training event. The overall ratings were generally high to very high, falling between 8 and 10 on a 10-point scale ("1" is "poor" and "10" is "excellent"). For a sample of 127 training courses delivered from 2005 through 2008, the average overall course rating was 9.21.

Figures 5, 6, and 7 are from a report Fox Valley provided to OJJDP consolidating the feedback of 24 trainees who attended the ICAC Investigative Techniques class held in Anchorage, Alaska, in April 2006. This sample was chosen as it appears to be typical student feedback in terms of the range of scores and the relatively high ratings. Figure 5 displays how students rated the overall training classes. Figure 6 shows students' responses to the six standard feedback questions asked about an individual training module. Fox Valley also included in consolidated reports a bar graph displaying the students' overall reaction to a training course in terms of whether the course met expectations, applied to work assignments, and merited recommendation to colleagues, as shown in Figure 7.

**Figure 5. Example of Overall Training Class Evaluation**

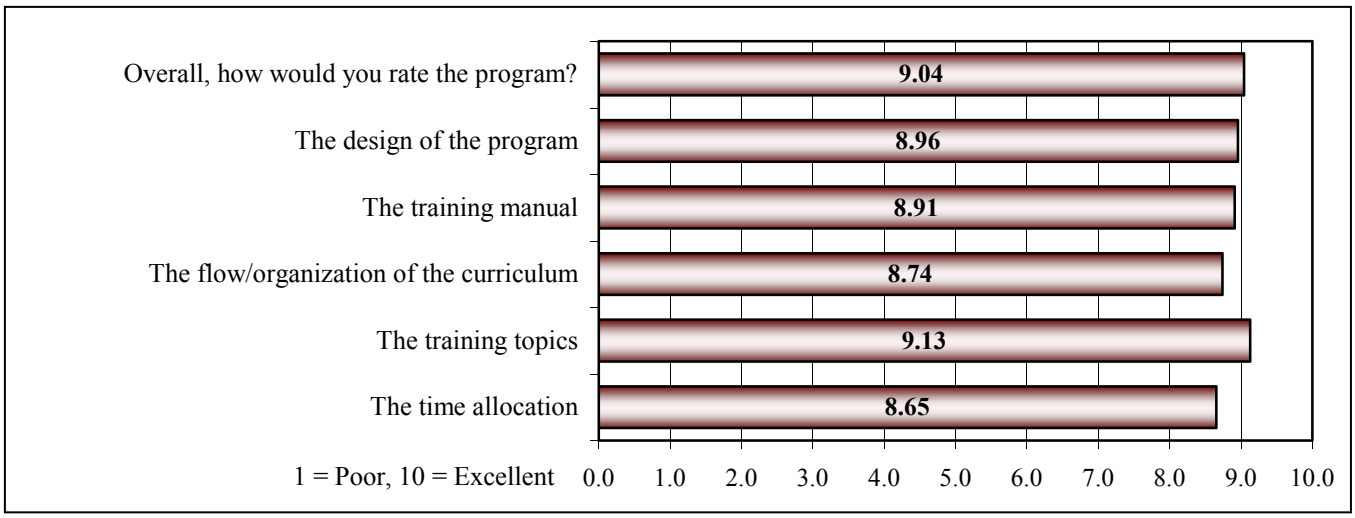



**Figure 6. Example of an Individual Training Class Module Evaluation**

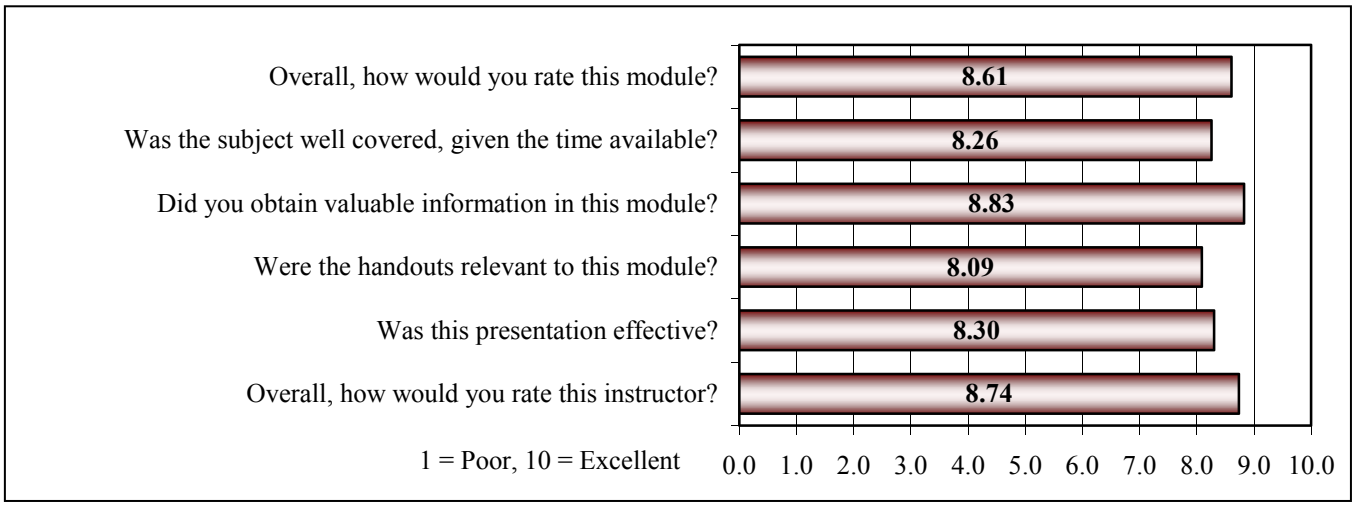
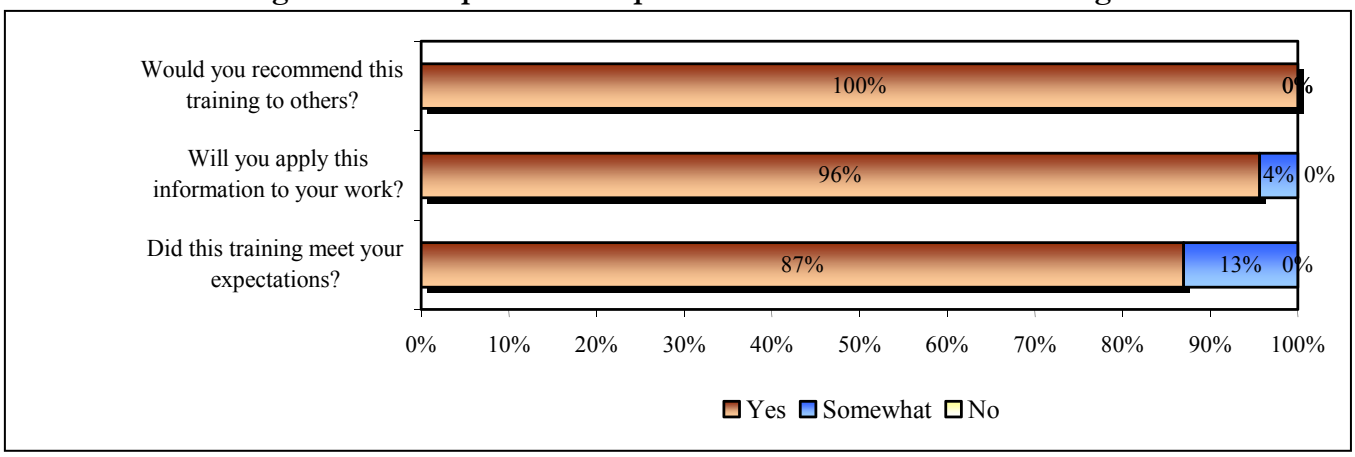



**Figure 7. Example of Participants' Overall Reaction to Training**




Source (Figures 5–7): Fox Valley.

We verified the accuracy of the consolidated student feedback reports for a random sample of the classes by entering the individual ratings submitted by students and calculating the class averages. Fox Valley's calculations were accurate. Fox Valley also accurately entered open-ended student comments (both positive and negative) in the consolidated course reports. Fox Valley has implemented quality review procedures in the development of consolidated course reports and statistical presentation of summary ratings. The reports were accurate and informative. With few exceptions, the trainees' reactions to Fox Valley's training tended to be good to excellent.

Students completing course evaluation forms provide immediate satisfaction ratings but no long-term outcome measurement of knowledge gain or use of new skills on the job.

## Performance Measures From FY 2006 Solicitation

The FY 2006 ICAC TTA competitive solicitation stated that the recipient of the award would be required to collect, analyze, and report data on performance measures. Specifically, the grant recipient was required to report on the number of students trained, the number of technical assistance requests fulfilled, the number of program materials developed, the number of classes delivered, and student satisfaction.

In addition to submitting the required semiannual progress reports, which is the minimum requirement for grantees, Fox Valley prepared monthly activity reports to keep OJJDP apprised of recent accomplishments and upcoming TTA events. All of the Fox Valley TTA efforts sponsored by CPD were reported in a consolidated monthly report. In addition, Fox Valley exceeded the reporting requirements by providing detailed consolidated student feedback on training courses.

However, Fox Valley did not fulfill all reporting requirements for the ICAC TTA performance measures OJJDP stipulated in the FY 2006 competitive solicitation. There is no evidence to suggest that OJJDP addressed this noncompliance. Table 3 shows the program goals, measures, and data to be reported according to the 2006 ICAC TTA solicitation. The fourth column reflects our assessment of how well Fox Valley reported on these performance measures. For some measures, Fox Valley reported all data as required. For other measures, Fox Valley provided partial information but did not aggregate it or provide it in the unit of measure required. Finally, for some measures, Fox Valley did not submit any data. In addition, Fox Valley reported some data through methods (such as e-mails or phone calls) that were not reflected in the official grant files in OJP's Grants Management System (GMS) or OJJDP's

Data Collection and Technical Assistance Tool (DCTAT).[4] The program office should review the performance measures to determine the optimum reporting frequency to track program performance. The program office should then ensure that Fox Valley reports on all required performance measures and submits data using DCTAT.

[4] OJJDP uses DCTAT to collect performance data for most of its grant programs. DCTAT allows OJJDP to collect performance data in a consistent format and also allows OJJDP to more effectively compile and analyze data for a variety of purposes and reports.

**Table 3. ICAC TTA Performance Measures From FY 2006 Solicitation**

| Program Goal/ Objective | Performance Measures (Outputs) | Data To Be Reported | Fox Valley Responsiveness to Reporting Requirements |
|---|---|---|---|
| The primary deliverables and work products will be the development of specific training programs and delivery of training and technical assistance to law enforcement and other service providers. The deliverables should be directed toward the continuation, expansion, and enhancement of the Department of Justice's Internet Crimes Against Children program. | Percentage of training events for which participant evaluation data are entered in the information management system. | Number of training events for which participant evaluation data are entered in the information management system compared to the total number of training events, reported in a given rating period. | Fox Valley provided a consolidated course report for each ICAC regional and technical assistance training class. The reports included averages of student ratings for each module and the overall course. Fox Valley reported overall course evaluation scores for 100% of the training classes held in 2007 and 2008. *However, Fox Valley did not aggregate these data in its semiannual progress reports.* |
| | Percentage of participants who rated training as "good" or "excellent." | Number of participants who rated training as "good" or "excellent" compared to the total number of training participants. | After each course it conducted, Fox Valley reported the average student feedback scores on each element of the feedback survey. *However, Fox Valley did not aggregate these data in its semiannual reports.* |
| | Number of technical assistance requests received and fulfilled. | Number of technical assistance requests received, reported in a given rating period.<br><br>Number of technical assistance requests filled, reported in a given rating period. | *Fox Valley did not report the number of technical assistance requests it received.*<br><br>Fox Valley reported when it prepared a response to a request for technical assistance training in its monthly reports. *Fox Valley did not aggregate data on requests it fulfilled in a given rating period.* |
| | Number of program materials developed (training curricula, publications, resource documents). | Number of program materials developed, reported in a given rating period. | Fox Valley described in its monthly reports the development of program materials, *but did not report these in terms of the number developed in a rating period.* |
| | Total number of training events. | Total number of training events, reported in a given rating period. | Fox Valley described each class held in terms of course title and location in semiannual reports. |
| | Number of hours of training provided. | Number of hours of training provided, reported in a given rating period. | Fox Valley reported the dates training was held *but did not report on the number of hours of training.* |
| | Number of participants in training programs. | Number of participants in training programs, reported in a given rating period. | Fox Valley provided data on the number of training participants for each ICAC course and conference in semiannual progress reports. |

Data source: OJJDP, Child Protection Division.

## Need for Outcome Performance Measurement

Had Fox Valley responded to all of the required performance measures, OJJDP's ability to assess long-term strategic outcomes would still remain limited. The performance measures in the FY 2006 competitive solicitation focused on training output, not strategic outcome. For example, OJJDP did not require Fox Valley to measure how effective ICAC training and technical assistance was in the investigation and prosecution of Internet crimes against children. As discussed in Finding D, Fox Valley proposed to conduct pre- and post-training outcome evaluations to determine whether participants had gained and subsequently retained and used the investigative skills at their task forces that they acquired in training. However, Fox Valley stated that OJJDP asked them to stop activity on this objective in order to focus the program effort and budget on other areas. We believe a more comprehensive approach to performance measurement, including the type of outcome evaluation proposed by Fox Valley, would have provided a more useful measurement of overall program performance and effectiveness. We understand that outcome measurement, particularly pre- and post-training evaluation, can be cost-prohibitive for many training programs; however, we believe the high dollar value associated with this program warrants a more concerted effort to gauge program impact. OJJDP should establish performance measures for future ICAC TTA solicitations that will measure the long-term effectiveness of the training.

## Recommendations

**Recommendation A.1.** OJJDP should ensure that performance measurement designs take into consideration outcome-based measures as one way to assess program effectiveness.

**Recommendation A.2.** OJJDP should determine the optimum frequency of reporting performance measurement data for the program and should ensure that grantees collect and report data in the Data Collection and Technical Assistance Tool.

# Finding B. Financial Management and Opportunities for Cost Efficiency

There was no evidence to indicate that OJJDP sought ways to improve efficiency or reduce costs for this program, despite indicators that the number of courses offered was not meeting the ICAC task forces' rising need for TTA. We identified unallowable costs and cost inefficiencies related to the delivery of ICAC TTA. Specifically, Fox Valley paid consultants (instructors)[5] cash fringe benefits that are unallowable according to the OJP Financial Guide. Further, Fox Valley had inconsistent policies about accounting for time and the practice of labor rounding, used a high number of instructors per class, and may have used an inefficient method to conduct instructor auditions. Other cost issues related to pay and qualifications of on-site coordinators and the delivery of distance learning. These combined financial management problems resulted in high costs per course, which meant that fewer courses were offered and fewer students were able to attend. We performed a cost comparison with similar courses, and offer a discussion of other opportunities to improve efficiency and effectiveness for training delivery. Because the ICAC TTA program was awarded as a cooperative agreement, OJJDP had an opportunity to use its role of substantial involvement and work with Fox Valley to find ways to put program funding to better use.

As part of our analysis of ICAC TTA financial management, we conducted a joint financial monitoring site visit with the OJP Office of the Chief Financial Officer (OCFO) to analyze the use of resources. OCFO's report, "Site Visit Report, Fox Valley Technical College, WI," January 23, 2009, contains recommendations that should address the Fox Valley pay practices discussed here. For the full text of the OCFO report, see Appendix C. We believe a more comprehensive financial grant audit of Fox Valley's administration of Department of Justice funds would be beneficial.

## Allowable and Reasonable Costs

In our joint site visit with the OCFO, we identified issues related to allowable and reasonable costs. Specifically, Fox Valley paid cash fringe benefits that are unallowable under the OJP Financial Guide, and did not have a clear and consistent methodology for setting instructor pay. Other cost issues identified include instructor labor time, the number of instructors per class, on-site coordinators, instructor auditions, and distance learning.

[5] The majority of ICAC instructors are working on the ICAC TTA grant as consultants. In the sample of instructors used in our assessment, all were either employees of or retirees from state or local government law enforcement agencies.

## Pay Setting for Instructors

Fox Valley maintains a written policy for paying ICAC instructors titled, "Fox Valley Technical College Contractor Payment/Reimbursement Policy" (Instructor Pay Policy). In addition to the Instructor Pay Policy, Fox Valley maintains a pay setting practice that provides 40 percent cash fringe benefits to be calculated into instructor pay, which is unallowable. Further, Fox Valley does not always follow its own Instructor Pay Policy and sets daily pay rates at arbitrary levels. Both practices have resulted in significant additional costs for instructor pay.

- **Fringe Benefits.** Fox Valley adds a 40 percent cash fringe benefit to the instructor pay rate. The OJP Financial Guide does not allow for fringe benefit payments for consultants who receive fringe benefits from their primary employer. The majority of instructors who contract with Fox Valley to provide ICAC training are state or local government employees. We verified from a sample of instructor pay setting records that all but one instructor received fringe benefits from their primary employers. Most instructors would therefore be ineligible to receive grant-funded fringe benefits from Fox Valley, cash or otherwise.

- **Substantiated Pay.** Fox Valley's Instructor Pay Policy states that "determination of a proposed rate is based on an instructor's established and substantiated rate of pay, and in accordance with grant provisions." Fox Valley sets the substantiated pay rate based on the salary a consultant is paid by his or her primary employer; however, Fox Valley frequently "overrides" the substantiated pay setting and arbitrarily increases the instructor's daily wage rate, often to a daily rate of $450.

For example, one instructor's rate of pay was based on his $234 per day salary as a law enforcement officer. Fox Valley added $94 (40 percent) per day for cash fringe benefits, which made the instructor's daily rate $328. However, Fox Valley ultimately set the instructor's pay at $450 per day.[6]

As outlined in the OCFO monitoring report, Fox Valley must revise the Instructor Pay Policy and ensure that fringe benefits are only paid to eligible consultants. In addition, Fox Valley must ensure that consultant rates are justified and set consistently, in accordance with the Instructor Pay Policy.

[6] All pay setting in the sample complied with the OJP Financial Guide requirement that instructors be paid no more than $450 per day.

## Instructor Labor Rounding

Fox Valley allows instructors to round up their labor hours to half days (4 hours) and full days (8 hours). For example, if an instructor has completed return travel after their engagement that was more than four hours but less than eight hours, they are allowed by Fox Valley to claim eight hours of labor on their travel voucher.

OJP policy does not contain any support endorsing the practice of labor rounding. The OJP Financial Guide states in part: "A State or local government employee may be employed by a recipient… [as long as] the time and/or services provided are supported by adequate documentation." Fox Valley issues an "Instructor Task Authorization" form to instructors for individual training engagements. The forms in the sample we reviewed contain the statement: "consultants may claim labor time for actual and reasonable travel time." This statement was also consistent with language found in one version of the Instructor Pay Policy. However, a different version of the Instructor Pay Policy stated, "…consultants may only be paid in four and eight hour increments." Neither policy version is signed or dated, so it is difficult to determine which policy was in effect. However, the practice of rounding up labor was present in the instructor vouchers sampled for 2007 and 2008.

In several instances, labor rounding was pronounced on longer trips for instructors. In one example that is highlighted in the OCFO report, an instructor charged 3½ days of labor for travel from Albany, New York, to Anchorage, Alaska. However, we also noted 2 days of labor was charged for his return trip. The limited sample tested had multiple instances of unsupported travel time due to this practice of labor rounding. Labor rounding is counter to the principles of reasonable costs as defined in Office of Management and Budget Circular A-21 and the requirements for labor documentation in the OJP Financial Guide. The OCFO report contains recommendations for Fox Valley to provide supporting documentation for those instances or to return the funds if the costs are unsupported.

## Number of Instructors Used for Training Classes

For many classes, Fox Valley used up to nine instructors for a single class lasting 4½ days. As discussed earlier in this report, the instructors appeared to be subject matter experts; however, no evidence indicated that ICAC instructors were capable of teaching only limited modules of training. Other organizations use far fewer instructors to teach Internet-related crime classes. Based on Fox Valley's budget calculations for training costs, if they had used, for example, three instructors in 2007 and 2008 for every ICAC class, they could have saved an estimated $547,000 in instructor labor costs alone. Although no rules specifically state how many instructors may be used for TTA

classes paid for with federal funds, reasonable cost principles from the Office of Management and Budget, Circular A-21, apply. Specifically, the circular states:

> …cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved therefore, reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Major considerations involved in the determination of the reasonableness of a cost are: (a) whether or not the cost is of a type generally recognized as necessary for the operation of the institution or the performance of the sponsored agreement; (b) the restraints or requirements imposed by such factors as arm's-length bargaining, Federal and State laws and regulations, and sponsored agreement terms and conditions; (c) whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the institution, its employees, its students, the Federal Government, and the public at large; and, (d) the extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional policies and practices applicable to the work of the institution generally, including sponsored agreements.

Further, other training providers offered similar classes with fewer instructors. See the section "Training Course Cost Comparison" below for more details.

Although it is possible the number of instructors per course was reasonable and justified, there is no evidence that Fox Valley or OJJDP analyzed whether they could maintain the quality of ICAC instruction and reduce costs by using fewer instructors per class.

## On-Site Coordinators

For the three ICAC courses we observed as part of this assessment, Fox Valley used an on-site coordinator in addition to the other class instructors. The coordinators were recently retired ICAC task force commanders with extensive knowledge of Internet crimes against children. As coordinators, their responsibilities centered on ensuring classrooms were set up properly, refreshments were ordered, broadband service was established, instructors were properly scheduled, and student lodging issues were adequately addressed. Two of the three coordinators also provided one hour of class instruction. The coordinators are paid as Fox Valley instructors for pay and travel purposes.

It may be possible to handle on-site coordination more efficiently. For example, the on-site coordinators could have provided more instruction, thereby taking advantage of their expertise and saving the expense of an additional instructor. Alternatively, Fox Valley could use a consultant for site coordination activities only, and pay the consultant at the rate appropriate for those activities. The coordinator would not need to be a subject matter expert in ICAC-related topics, nor would the consultant need experience or skills as an instructor. The pay rate for that type of consultant would likely be much lower than an instructor's rate of pay. A third option would be to use full-time Fox Valley ICAC TTA program staff to perform site coordination duties. Although program staff would still have travel and lodging expenses, they would not incur additional labor costs since they are already Fox Valley employees working full-time under the ICAC TTA grant.

## Instructor Auditions

With approval from OJJDP, Fox Valley periodically conducted in-person instructor auditions to add additional members to its ICAC instructor pool. For example, in 2008, Fox Valley held auditions for 13 applicants at the National Center for Missing and Exploited Children facility in Alexandria, Virginia.[7] Fox Valley paid for the 13 applicants' travel, lodging, and per diem. Fox Valley also paid the same costs plus labor costs for 11 instructors to attend the audition and help evaluate the auditioning applicants. Fox Valley charged more than $45,000 to the ICAC TTA grant for this activity. As a result of the audition, Fox Valley selected 11 out of the 13 applicants to be instructors.

We commend OJJDP and Fox Valley for establishing a rigorous process for ensuring instructors have the appropriate knowledge and teaching skills. However, there are more cost-efficient ways to handle instructor auditions. For example, Fox Valley could have engaged fewer instructors as audition evaluators. Fox Valley also could have used technology such as video conferencing, recorded audition videos, and online discussions to evaluate auditions.

## Distance Learning

In both the 2006 and 2008 grant applications,[8] Fox Valley stated they would use the "Fox Valley Technical College Blackboard system and technology staff to conduct on-line training and provide distance learning opportunities to investigators nationally." In the 2008 application, Fox Valley further indicated

[7] In this same year, Fox Valley reduced the number of ICAC TTA regional training courses offered to ICAC task forces because of grant budget constraints.

[8] GMS award 2008-MC-CX-K021, application 2008-51443-WI-MC and award 2007-DD-BX-K143, application 2007-51968-WI -MC.

that "ICAC T&TA is currently delivering training via distance learning technologies and will continue to evaluate which additional ICAC modules can effectively be developed into distance learning segments and how best to deliver those segments to the target communities." However, the 2008 application does not state which distance learning segments were operational. Based on our interviews with Fox Valley staff in November 2008, Fox Valley had developed and implemented an online pretest for the ICAC Undercover Chat training course, and an online certification module for use of the ICAC Data Network toolkit. However, these online products are not true "distance learning technologies" for any of their classroom modules and cannot be defined as "distance learning." The lack of distance learning capacity has negative implications on program cost and effectiveness. Distance learning is a critical need according to many ICAC task force members. If only a portion of weeklong training were conducted online, program savings could have been achieved (see Table 6 for more details).

## Training Course Cost Comparison

To further examine the efficiency of the ICAC TTA program, we performed a cost comparison of an ICAC training course from Fox Valley with training courses from two similar organizations, SEARCH and the National White Collar Crime Center (NW3C). Both are not-for-profit organizations that specialize in cyber crime. All three organizations provided specialized "hands-on" computer training for the ICAC task forces and their affiliates.

For the comparison, we used Fox Valley's budget information from its FY 2008 ICAC TTA application.[9] Specifically, we used the budget information for the most widely taught ICAC TTA course, ICAC Investigative Techniques.

For SEARCH, we used budget information for its ICAC Task Force Training Program,[10] which is from its last federally funded application in FY 2007. SEARCH's eight budgeted ICAC training classes had course elements comparable to Fox Valley's ICAC TTA program. For example, SEARCH's courses include a "hands-on" approach, regional course offerings, and use of a mobile computer lab.

For NW3C, we used information from the Computer Crimes Training portion of its budget for the Electronic and Cyber Crime Training and Technical Assistance Program in FY 2008.[11] NW3C also uses a hands-on approach to its training. However, the NW3C budget does not include classroom rental and Internet service costs because they used training venues supported by the jurisdictions in which they conducted the training.

[9] GMS award 2008-MC-CX-K021, application 2008-51443-WI-MC.
[10] GMS award 2005-MC-CX-K026, application 2007-50312-CA-MC.
[11] GMS award 2008-CE-CX-0001, application 2008-F5754-VA-WC.

We categorized the budgeted costs for a single training course, of a similar length and for a similar number of students, provided by each organization. Table 4 shows a comparison of course characteristics among the organizations, and Table 5 provides a line item cost comparison of course budgeting.

**Table 4. Training Course Characteristics**

| Course Elements | Fox Valley | SEARCH | NW3C |
|---|---|---|---|
| Typical Number of Instructors | 9 consultants | 2 full-time staff, 1 consultant | 2.5 full-time staff |
| Number of Students | 30 | 20 | 25–30 |
| Days of Training | 4.5 | 5 | 6–6.5 |
| Hands-on Computer Training | Yes | Yes | Yes |

Data source: GMS applications 2008-51443-WI-MC, 2007-50312-CA-MC, and 2008-F5754-VA-WC.

**Table 5. Training Course Cost Comparison**

| Budgeted Course Costs | Fox Valley | SEARCH | NW3C |
|---|---|---|---|
| Total Travel-Related Costs | $13,854 | $4,312 | $4,734 |
| *Instructor Travel* | 8,400 | 2,215 | 1,896 |
| *Instructor Per Diem* | 1,404 | 490 | 813 |
| *Instructor Lodging* | 4,050 | 1,607 | 2,025 |
| Training Facility | 10,500 | 3,000 | 0 |
| *Internet Access & A/V Fees* | Included in room rental | 2,000 | 0 |
| *Banquet* | 4,500 | 0 | 0 |
| *Room Rental* | 6,000 | 1,000 | 0 |
| Instructor Pay | 11,475 | 4,062 | 2,156 |
| Student Lodging | 22,500 | 0 | 0 |
| Mobile Lab Shipping | 1,600 | 2,000 | 1,500 |
| Training Materials | Included in shipping cost | 1,000 | 590 |
| Indirect Cost* | 11,986 | 4,772 | 4,379 |
| **Total**** | **$71,915** | **$19,145** | **$13,360** |

Data source: GMS applications 2008-51443-WI-MC, 2007-50312-CA-MC, and 2008-F5754-VA-WC.

* Indirect costs are a percentage of direct costs. That percentage is individually negotiated between the federal government and the award recipient. Note that inefficiencies in direct costs are further compounded when the indirect cost is applied.

** Due to rounding, the figures in this table may not sum properly.

The Fox Valley budget for the ICAC Investigative Techniques course is $52,770 more than the SEARCH class and $58,555 more than NW3C's. The most notable differences in budgeted training costs were in student lodging, instructor pay and travel, and facility costs. Disparities in the instructor pay and travel categories are partly accounted for by the differences in the number of instructors used by Fox Valley compared with that of SEARCH and NW3C. We found no evidence that OJJDP performed a cost comparison to determine whether there were areas in which they could work with Fox Valley to achieve greater efficiency.

OJJDP's training and technical assistance programs could be more efficient if a cost analysis of training were used in grant program planning taking into account current market conditions. In this way, OJJDP would be in a better position to more closely scrutinize grant budgets submitted by grantees like Fox Valley, to determine whether costs closely align with market conditions. Conducting this analysis would also ensure that OJJDP complies with the OJP Financial Guide, which states that grant managers are required to examine and verify cost data "to determine the necessity, reasonableness, allowability, allocability, and appropriateness of the cost." This practice would ensure that grant program applications are financially sound and that OJJDP has adequate knowledge to verify the data before awarding grants.

## Estimation of Program Savings

Opportunities to improve efficiency and to save program money exist. Based on grant budget data submitted by Fox Valley, we have estimated some of the potential program savings since 2003. Table 6 shows estimated potential cost savings attainable by eliminating unallowable fringe benefits, implementing distance learning based on a single day of online instruction, eliminating student lodging, or using one less instructor per course.

**Table 6. Estimation of Potential Program Savings**

| Cooperative Agreement | Unallowable Fringe Cash Payments | Distance Learning Component (Labor) | Distance Learning Component (Venue Costs) | Student Lodging | One Less Instructor per Course |
|---|---|---|---|---|---|
| 2003-MU-MU-K001 | $78,927 | $59,021 | $9,493 | $144,372 | $26,064 |
| 2005-MC-CX-K032 | 572,739 | 428,289 | 101,858 | 775,360 | 52,128 |
| 2007-DD-BX-K143 | 32,509 | 88,282 | 9,123 | 90,662 | 28,496 |
| 2008-MC-CX-K021 | 252,413 | 188,752 | 43,626 | 422,885 | 47,784 |
| **Subtotal** | **$936,588** | **$764,344** | **$164,100** | **$1,433,279** | **$154,472** |
| Indirect Cost | 187,317 | 152,869 | 32,820 | 286,656 | 30,894 |
| **Total** | **$1,123,905** | **$917,213** | **$196,920** | **$1,719,935** | **$185,366** |

We do not assert that student lodging should not have been paid. However, OJJDP and Fox Valley should seek ways to optimize the benefits of providing regional training while still meeting students' needs, which may reduce costs such as student lodging.

## Other Opportunities to Improve Efficiency

OJJDP may be able to optimize efficiency by reviewing the allowability and reasonability of costs as discussed in the previous sections. In an effort to further put program funds to better use or to increase the number of ICAC courses offered to task forces, we have identified other opportunities for OJJDP to explore in the interest of efficiency. These ideas are intended to generate discussion within OJJDP about TTA efficiency and effectiveness.

### Regional Training

Fox Valley states that "The fundamental goals associated with the Internet Crimes Against Children (ICAC) Training & Technical Assistance Program include making training both affordable and accessible by bringing it to every region of the country." In their 2006 proposal, they stated that "exporting" classes to regions in need would make training more "efficient." Providing regionalized training so that students in the local task force region may easily attend appears to be a cost-effective method to deliver training. However, Fox Valley's training approach concerning regional accessibility may be overstated. For each regional training course, the hosting ICAC task force (including all of its affiliate agencies) is assigned only up to five student seats, while all other task force units are provided up to one seat per training class.

There are 59 task force units and more than 2,000 affiliate agencies partnered with those task forces. The demand and waiting lists for courses are extensive. In effect, Fox Valley is not providing accessible regionalized training since so many of the regional training seats are being allotted to task forces from across the country. Fox Valley described its training approach as "regional." However, we disagree that the training is regional for the purpose of making training "affordable and accessible." The lack of locally accessible regionalized training adds an additional burden to task forces because they generally pay for student travel and per diem costs for training through their own federally funded task force grants administered by OJJDP. The majority of course participants for ICAC TTA program training were not local or regional and must stay overnight at the training location, thus making lodging a considerable portion of training costs. As previously discussed, a cost-benefit analysis of the regional training model may reveal a more efficient and effective way to deliver training for OJJDP.

## Student Manuals

Fox Valley provided trainees with a student manual, which included a detailed agenda and copies of individual instructors' presentations for each module. In several instances, the presentations in the classroom had not been updated in the manual. A number of students commented in their evaluation feedback that these manuals are not particularly useful as a reference document, and they would prefer guidance, similar to a desk reference, for the conduct of ICAC investigations. When training curricula is focused on skill development, it is common practice to provide the trainee with step-by-step instructional materials. Further, the manuals are not standardized and updates are not available in an online format. Task forces cannot readily adapt the manuals for their own training delivery.

OJJDP should consider requiring the ICAC TTA program provider to design standardized course manuals that are accessible to ICAC task forces and partners and are adaptable to an online environment where updates can readily be made to the manuals. The cost in maintaining multiple course manuals tailored to each instructor would be reduced. Further, having these manuals in a standardized desk reference format would make them a more effective tool for task forces.

## Train the Trainer

OJJDP provides grant support for the delivery of ICAC-related training by the core national provider, Fox Valley, and the ICAC task forces. As noted previously in the discussion of ICAC training demand, the ICAC task forces reported training about 31,500 people in 2007. However, OJJDP has not

required Fox Valley to provide instructional guidance and training materials to support the task forces' training efforts. Fox Valley should consider developing a train-the-trainer approach, which would entail training task force staff to become effective ICAC instructors. This approach would also require Fox Valley to standardize the curriculum for each course, update training materials, as needed, and make these materials readily accessible to ICAC task forces and their affiliates. With a properly developed and implemented train-the-trainer approach, the high quality of Fox Valley's training could be delivered in a cost-effective and more efficient manner by an expanding pool of qualified instructors throughout the task force regions.

## Recommendations

**Recommendation B.1.** OJJDP should work with Fox Valley to determine the optimum number of instructors per course that will maintain the high quality of instruction while achieving maximum efficiency. OJJDP and Fox Valley should also evaluate the most efficient and effective way to provide on-site coordination for the ICAC courses.

**Recommendation B.2.** OJJDP should consider the most effective and efficient method to hold instructor auditions, including alternatives such as using fewer instructors as audition evaluators, or using technology such as video or phone conferencing, recorded videos of auditions, and online discussions to evaluate auditions.

**Recommendation B.3.** OJJDP should ensure that Fox Valley designs and implements a distance learning model that can provide the greatest benefit and flexibility to ICAC task force and affiliate students as soon as possible.

**Recommendation B.4.** OJJDP should follow up with Fox Valley on the recommendations in the OCFO site visit report to ensure that Fox Valley has corrected problems with pay setting, fringe benefit payments, and labor rounding, and ensure that Fox Valley has returned funds in cases for which Fox Valley cannot provide supporting documentation or the costs are deemed unallowable.

**Recommendation B.5.** OJJDP should ensure that Fox Valley adheres to its policy related to instructor pay and sets pay according to "a consultant's established and substantiated rate of pay."

# Finding C. Fair and Open Competition

Competition for the ICAC TTA program was not in keeping with a fair and open process. As a result, an unfair competitive advantage was afforded to Fox Valley. This condition occurred because:

- OJJDP used overly limiting eligibility in the 2006 competitive solicitation, and
- one of the peer reviewers misrepresented his relationship with Fox Valley and did not disclose that he had a conflict of interest.

As a result, other TTA providers that were capable of providing effective training and technical assistance for the ICAC task forces may have been excluded.

## FY 2006 Solicitation Eligibility Section

OJJDP used the competitive FY 2006 ICAC TTA program solicitation eligibility section in an overly limiting manner. OJJDP appropriately used this section to identify organizations that were eligible to apply: "public agencies (including state agencies, units of local government, public universities and colleges, and tribal governments) and private organizations (including secular and faith-based nonprofit organizations and for-profit organizations who agree to waive any profit or fee)." However, OJJDP went on to include an extensive list of "minimum requirements" that had to be clearly demonstrated for the ICAC TTA program. The minimum factors used in the eligibility section were:

- An understanding of the scope and scale of computer-facilitated crimes against children.
- An understanding of the organizations, agencies, and other groups involved in investigating and addressing computer-facilitated crimes against children.
- An understanding of the mechanics and requirements of delivering training, technical assistance, and program management to the ICAC task force network, affiliated agencies, and other groups that address incidents of computer-facilitated crimes against children.
- An extensive understanding of the complexities of the ICAC Task Force Program, its subcommittees, and the various issues, sensitivities, and controversial matters related to the initiative.

- An understanding of the needs of the U.S. Department of Justice, particularly OJJDP, in carrying out the mission and role as the ICAC training and technical assistance coordinator.
- Extensive experience and an understanding of how criminal investigations are conducted on a national, state, and local level involving computer-facilitated crimes against children.
- Extensive experience providing training at a national level in the field of computer-facilitated crimes against children.
- Familiarity with operational, tactical, investigative, and forensic activities that ICAC task force members engage in.
- An established partnership with educational and research institutions with a long history of involvement in the online enticement and exploitation and victimization of children.
- Familiarity with the ICAC Task Force National Strategic Plan, its goals and objectives, and the work that the five subcommittees perform.
- Extensive experience working with the National Center for Missing and Exploited Children, including the Training Division, the Exploited Child Unit, and the Child Victim Identification Programs.

The eligibility section of a grant solicitation is intended to specify the types of organizations that are invited to apply. Typically in OJP solicitations, the requirements regarding an applicant's knowledge, experience, and organizational capability are rating considerations for program narratives and are used as selection criteria, not eligibility criteria. An organization would not necessarily need to demonstrate all of the requirements above to successfully provide ICAC training and technical assistance services. Any organization with a strong logistical capability to organize and deliver TTA should have been eligible to apply under the solicitation, and this capability should have been emphasized in the solicitation. In the case of Fox Valley, virtually all of their subject matter expertise was acquired through external consultant agreements.

After reviewing the minimum requirements in the eligibility section of the FY 2006 ICAC TTA program solicitation, some applicants may have been discouraged from submitting grant applications. Only two applications were submitted and peer reviewed for the FY 2006 ICAC TTA program solicitation.

In addition to the limiting minimum requirement language in the eligibility section, we also explored the overall development of the FY 2006 ICAC TTA program solicitation. We wanted to ensure that OJJDP had preserved the spirit

of fair and open competition for grants and that Fox Valley, as an incumbent recipient, had no involvement in drafting the solicitation. Based on comments during our initial interview with CPD staff, we had concerns that Fox Valley may have been involved with the development of the FY 2006 solicitation. However, we found no evidence that Fox Valley was directly responsible for drafting the content of the solicitation.

## Peer Review Panel Conflict of Interest

In March 2006, OJJDP established a peer review panel, together with the OJP peer review coordinator, for the purpose of reviewing and rating applications for the FY 2006 ICAC TTA program solicitation. As previously noted, two organizations were evaluated during the peer review: Fox Valley and Seton Hall University. OJJDP approved four external peer reviewers to read and rate the two applications submitted under the ICAC TTA program solicitation in FY 2006.

The four reviewers rated Fox Valley higher than Seton Hall University. However, one of the members on the peer review panel had ties to Fox Valley. This reviewer misrepresented his relationship with Fox Valley on an OJP conflict of interest form, which in turn threatened the validity of a fair and open competition.

Competition is an integral part of grant and cooperative agreement awards throughout federal grant-making agencies. One goal of title 31, section 6301(3), United States Code is to "encourage competition in making grants and cooperative agreements." Several policies and guidelines specify rules about who may serve on peer review panels in order to encourage fair and open competition. Title 28, part 34, section 34.109, Code of Federal Regulations states that peer reviewers "must not have a conflict of interest." Further, the OJP Financial Guide states:

> No official or employee of a state or unit of local government or a non-governmental recipient/subrecipient shall participate personally through decisions…recommendations, the rendering of advice, or otherwise in any proceeding, application… where to his or her knowledge he/she…is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he/she is negotiating with or has any arrangement concerning prospective employment, has a financial interest, or has less than an arm's length transaction.

Furthermore, OJJDP's Peer Review Guideline, which was in effect at the time of this peer review, states in part:

> It is OJJDP's policy to prohibit a Peer Review Panel member from participating in the review of any application when he or she has a real or potential conflict of interest, such as:
>
> - The Peer Reviewer has been, or would be, directly involved in the project (e.g., as current or past advisory board member, consultant, collaborator, or conference speaker whose expenses would be paid from the grant).
> - The Peer Reviewer and the applicant collaborated within the past year on work related to the proposal.
> - The Peer Reviewer is or has been under consideration for a position at the applicant's organization or institution.
> - The Peer Reviewer served in an official capacity with the applicant's organization within the past year.
> - The Peer Reviewer had relations with the project director, or other key personnel identified in the application, as a student, thesis advisor, or postdoctoral advisor.
>
> The aforementioned situations should be considered by the Program Manager before a Peer Reviewer is recommended for a Peer Review Panel, and by the OJJDP support contractor and panelist before the proposed panelist accepts an invitation to serve on a specific review.

To participate as a peer reviewer for the ICAC TTA program applications, OJJDP required each peer reviewer to sign a form indicating he or she had no conflict of interest, as required of all peer reviewers of grant applications in OJP. The reviewer in question signed a conflict of interest form on March 16, 2006. The form stated that the reviewer had no direct involvement with the Fox Valley project and did not plan to have any involvement with Fox Valley. Then, in an e-mail to OJJDP on the same day, the peer review coordinator wrote that the reviewer had expressed in a phone conversation that he was "surprised" to see his name mentioned as an instructor in the Fox Valley application. The reviewer reportedly indicated that he had been contacted a year earlier by Fox Valley to be a speaker, but that he had never been employed by Fox Valley and therefore did not feel biased. OJJDP ultimately cleared the reviewer to serve on the panel, stating that "since [he] did not, in fact, have a

contractual relationship with [Fox Valley] that there is no overt COI."

However, the reviewer in question may not have revealed the full extent of his relationship with Fox Valley. According to Fox Valley records, the reviewer had signed a consulting agreement with Fox Valley on January 3, 2006, only two months before signing the form declaring he had no conflict of interest. Additionally, his consulting agreement form included a signed disclosure of a previous relationship with Fox Valley. Further, Fox Valley's general ledger showed the reviewer was paid for an event that took place in Washington, D.C., on March 10, 2006,[12] less than one week before the reviewer signed the conflict of interest form. The reviewer was paid out of Fox Valley's ICAC TTA program funds on April 10, 2006, for his participation at that event. Fox Valley's general ledger also shows the reviewer was paid for multiple ICAC TTA program events in May, August, and December of 2006.

Both before and after he served on the peer review panel for the 2006 solicitation, this reviewer had a relationship with and financial interest in Fox Valley. The reviewer should have declared this relationship on the conflict on interest form, which would have disqualified him from serving as a peer reviewer for this solicitation. His service on the peer review panel, coupled with his financial interest in Fox Valley being awarded the grant, was in direct violation of title 28, part 34, section 34.109, Code of Federal Regulations, the OJP Financial Guide, and the OJJDP Peer Review Guideline. His participation may have compromised the fairness of the review.

In addition, a second reviewer on this panel had been a previous subordinate of Fox Valley's ICAC TTA program director when both were officers of the City of Portsmouth Police Department in New Hampshire. The program director was the department's chief of police three years prior to the peer review, and both served together on the New England ICAC Task Force. The reviewer accurately completed the conflict of interest form, which did not require him to declare this relationship. Although there was no evidence to support that the reviewer had a conflict of interest that would have technically prevented his participation as a peer reviewer, his association with the key official of a grant applicant could lead to the perception that fair and open competition may have been compromised.

[12] The Fox Valley general ledger entry is not descriptive enough for us to determine the reason for reimbursement, such as whether it was only a travel reimbursement or whether it was payment for speaking at a conference or training event.

## Recommendation

**Recommendation C.1.** OJJDP should ensure that future solicitations use the eligibility section of a solicitation to specify the types of organizations able to apply. Other factors regarding applicants' knowledge, experience, and organizational capability should be included in the Program-Specific Information section.

# Finding D. Program Management

Several issues with program management have adversely affected the oversight of the ICAC TTA program. Specifically, OJJDP:

- had an unclear program management structure,
- used annual waivers to allow a perpetual state of conflicting management roles and did not have adequate compensating controls in place to mitigate the risks associated with this practice,
- accepted applications without program narratives, and
- made significant changes to the scope of the awards without documenting the changes in the grant files.

These management problems increase the risk of waste, fraud, and abuse of program funds because oversight and documentation of grant activities are inadequate.

## OJJDP Staff Roles and Responsibilities

OJJDP's CPD staff did not have an effective management structure to oversee the ICAC TTA program. Specifically, program management responsibilities were unclear, and the CPD staff improperly used waivers for segregation of duties.

### Program Management Responsibilities

OJJDP has not established a clear or consistent management structure for CPD related to the ICAC TTA program. For example, for two of the applications reviewed, the CPD associate administrator, who was also the ICAC TTA program manager, did not sign or approve any of the grant actions throughout the entire application and award process.[13] That is, someone other than the program manager signed off on all significant grant actions in GMS from application through award, including funding decisions and many grant adjustment notices. This suggests that the ICAC TTA program manager does not handle the day-to-day management activities required of a program manager. We question why CPD staff who managed the ICAC task force grants were not also managing the ICAC TTA program grant. This would have allowed the CPD associate administrator to dedicate his time to his supervisory role and would have allowed for a second level of review and approval of grant actions within CPD.

[13] GMS applications 2007-51968-WI-MC and 2007-50314-WI-MC.

## Segregation of Duties

The OJP GMS Segregation of Duties policy states that GMS users cannot have conflicting roles. That is, the policy does not allow for one staff member to both initiate and approve grant actions in GMS. Table 7 lists by level the typical roles related to program management. The policy states that it is a conflict of duty to have roles at any two levels for the same grant.

**Table 7. GMS Separation of Individual Roles**

| | | |
|---|---|---|
| **Level 1** | **Grant Manager** | Processes grant applications, reviews and approves progress reports, reviews user IDs to see if applicants are eligible to apply, forwards applications for peer review and financial reviews, approves the applications to the next level of review, and processes grant adjustment notices. If needed, the grant manager can change request the application back to the applicant. The grant manager can also deny an application or put an application on hold. |
| | **Program Manager** | Sets up the Redbook template for each solicitation. Builds award packages and assigns special conditions to individual awards. This role provides the ability to place an application on hold, send it back to the grant manager role, or approve it to the next level of review. Can also change award amounts, view grant monitoring activities, and view progress report dates. |
| **Level 2** | **Program Administrator** | Approves the Redbook. Tracks grant identifiers and updates any associated information. May request Office of General Counsel review of the Redbook or send back to the program manager. Can place the Redbook on hold pending further reviews or updates. |
| | **Branch Chief** | Provides further review of the Redbook. Approves, sends back, or places the Redbook on hold. Can also request Office of General Counsel review. |
| **Level 3** | **Deputy Director** | Provides additional review of the Redbook. Approves, sends back, or places the Redbook on hold. |
| | **Director** | Provides further review of the Redbook. Approves, sends back, or places the Redbook on hold. Provides final approval for the program office. |

Source: OCIO Policy Statement, "Grants Management System (GMS) Segregation of Duties," Version 1.3.

The Segregation of Duties policy states that if a user needs access to two roles, the user can request a waiver to perform conflicting duties. The waiver request must document the following: the date that the violation in access will be removed, an explanation of why conflicting duties are needed, and an explanation of the compensating controls in place necessary to mitigate the risk presented by the violation. The policy states that the waiver is not for perpetual use.

CPD staff routinely used annually renewed, year-long segregation of duties waivers to allow them to perpetually serve in two conflicting roles. Although the associate administrator officially served as the ICAC TTA program manager, the deputy associate administrator also served as the program manager throughout the year by using the waiver. This management structure left no second-tier of review of significant program grant actions.

CPD's annually signed waivers included similar language each year. For example, the justification for several waivers stated the following:

> To complete routine grant management activities at OJP, both the program manager and the grant manager roles are necessary. In OJJDP, persons who have supervisory responsibilities (branch chief) also have grant management responsibilities as part of their duties. It is not uncommon at OJJDP for Branch Chiefs and their Deputies to provide back up for grants management staff by completing program manager and grant manager tasks in GMS.

This justification and its reuse in multiple waiver requests suggests that CPD's use of an annual waiver may be a common practice and may not be in accordance with the Segregation of Duties policy, which specifically states that waivers are not for "perpetual use."

There is no evidence to indicate that OJJDP had implemented sufficient compensating controls to mitigate risks associated with conflicting roles. In one waiver request, the compensating controls are explained as follows: "the risks involved in an OJJDP supervisor having multiple supervisory roles is minimal and will be controlled through justification notes within GMS." However, in some instances, the grant files in GMS did not have adequate justification notes. The notes did not indicate that the person approving the action had discussed the decision with the person who was responsible for the action. Instead, the notes stated that the grant program manager was "on travel." Stating that one party is traveling is not a "compensating control" to

mitigate the problems of conflicting duties and no supervisory review of the actions.

The Segregation of Duties policy is a critical element of grant management and adds to the oversight process of grants at OJP. As stated in the policy: "no group or individual staff member shall control all critical stages of a process, as an effort to diminish the likelihood that errors and wrongful acts will go undetected." Although CPD staff members had waivers to perform conflicting duties, CPD was using the waivers to allow perpetual conflicts, and CPD did not have adequate compensating controls in place to mitigate the risks involved with this practice.

## Acceptance of Applications Without Project Narratives

OJJDP accepted and funded four ICAC TTA Fox Valley applications without project narratives. For example, on September 5, 2007, OJJDP awarded $4,548,665 to Fox Valley as a supplement to its ICAC TTA program award.[14] The original application submitted by Fox Valley for this supplement contained no project narrative or project budget.[15] The Standard Form 424 application for funding was submitted on July 27, 2007. However, the only document that was submitted for the application at that time was a blank document with the words "ICAC Training and TA" at the top of the page. Although a budget narrative, budget detail, and personnel list were uploaded on June 29, 2007, nearly 6 months after the application process began, the blank document was never replaced with an actual project narrative.

The OJJDP ICAC TTA program manager indicated that Fox Valley had prepared a 5-year proposal in 2006, so if there were no changes to this proposal, only a new budget submission was required. However, section 6.2.2 in the Grant Manager's Manual states:

> OJP requires grant applicants and recipients of federal assistance to provide program narratives for the projects they propose in order to enable government grant managers to select applicants for award and monitor the progress and results of project work…. The plan must be consistent with the project's budget and must be prepared in sufficient detail with respect to the projected work, timeline, products, expected accomplishments, and performance measures, to aid project monitoring by the grant manager.

[14] GMS award 2005-MC-CX-K032, application 2007-50314-WI-MC.

[15] The other three Fox Valley applications for ICAC funding that did not have project narratives and were subsequently funded by OJJDP were applications 2006-51709-WI-MC, 2007-50815-WI-JL, and 2007-51968-WI-MC.

The Grant Manager's Manual also includes an "Application Review Checklist" that grant managers must use when first reviewing an application to ensure the application contains the basic minimum requirements to be considered complete. Further, the FY 2007 continuation solicitation stated that in addition to the Standard Form 424, an applicant must submit a program narrative with "five separate sections: project abstract, statement of the problem/program narrative, impact/outcome and evaluations, project/program design and implementation, and capabilities/competencies."

Despite clear guidance indicating the need for program narratives, OJJDP accepted and funded four Fox Valley applications without them. New program narratives with each continuation would have given OJJDP a better opportunity to track program performance. Preparing a program narrative would have provided Fox Valley with a chance to summarize accomplishments during the previous years of the 5-year project period and to outline the key measurable objectives planned for the next year. Moreover, it is considered a management best practice never to commit federal funds without written documentation that at a minimum describes the products and services to be provided and the time line for delivery.

## Changes to Grant Activities Without Documentation

OJJDP made significant changes in project scope without documenting them in the grant files. This lack of documentation in change of scope left OJJDP management and outside reviewers with an incomplete account of the most current program objectives and performance.

The OJP Financial Guide requires grant adjustments when there is a "change in the scope of the programmatic activities or purpose of the project." The Grant Manager's Manual requires that all grant adjustment notices be submitted in GMS, which is the official grant file. The manual further stipulates that "documentation of substantive communication with the grantee… must be uploaded into the grantee's GMS file."

In both the 2006 and 2008 applications, Fox Valley proposed assessing the effectiveness of ICAC TTA programs "over and above the goals outlined in the program announcement" by OJJDP. Fox Valley stated it would develop and conduct outcome-based evaluations in collaboration with the research staff at the UNH's Crimes Against Children Research Center. In both the 2006 and 2008 applications, Fox Valley stated that they would evaluate two ICAC TTA programs "each year for the next five years." As of November 2008, the researchers had developed pre- and post-assessment instruments and piloted these instruments for a single class of the ICAC Investigative Techniques held in the summer of 2008. Fox Valley stated that OJJDP asked them to stop activity on this objective in order to focus the program effort and budget on other areas. However, this change was not documented in the grant file.

In a similar situation, in its 2006 application, Fox Valley proposed to implement a quality review process to evaluate ICAC task force operations. Specifically, Fox Valley proposed "to conduct assessments at 15 Task Forces per year over the next three years." To accomplish this task, Fox Valley surveyed the task forces to identify what elements should be addressed in the quality review process, and then developed the ICAC Quality Review Process Program Manual in 2005. This manual included:

- a detailed listing of implementation research questions;
- an online self-assessment to be completed prior to a site visit, specifying documentation that should be assembled;
- a checklist for the on-site assessment process; and
- structured on-site interview protocols for the chief executive officer of the sponsoring agency, ICAC task force commander, prosecutor, forensic investigator, and affiliate/partner agencies.

In 2008, Fox Valley completed the first three on-site quality reviews. However, according to Fox Valley, OJJDP asked them to stop this activity. According to the Fox Valley ICAC TTA program director, this activity will not be continued unless OJJDP makes additional funding available. The grant file did not contain any documentation related to this change. However, the Fox Valley ICAC TTA director stated that many program changes by OJJDP are communicated over the telephone.

## Recommendations

**Recommendation D.1.** OJJDP should develop procedures to ensure that all levels of review for its grant management functions are consistent with the Office of Justice Programs Segregation of Duties policy and that controls are implemented to ensure that a perpetual state of conflicting duties is not an OJJDP practice.

**Recommendation D.2.** OJJDP should develop procedures to ensure that awards are made only after a complete grant application has been submitted.

**Recommendation D.3.** OJJDP should ensure that substantive communication with grantees and changes in scope are properly documented in the official grant file.

# Other Matters of Interest

We noted the following other matters of interest.

## Limit on TTA Funds

The PROTECT Our Children Act established an annual limit of $2 million that could be awarded to any one entity, other than a law enforcement agency, to conduct training courses for the ICAC task force members and other law enforcement officials. As noted previously, OJJDP considers the training courses offered at a task force's request and partial expense to be "technical assistance." The OJJDP ICAC TTA program manager stated that the legislative limit of $2 million on ICAC training awards might not apply to requested technical assistance. However, we believe that distinguishing between training and requested technical assistance in the form of training could be perceived as an attempt to circumvent the intent of the Act. OJJDP should seek additional guidance on the distinction between training and technical assistance training.

## Application for Coordination Activities Under 2008 Continuations Solicitation

The Institute for Intergovernmental Research (IIR) applied under the 2008 ICAC Continuations solicitation[16] to fund a project of coordination activities and support for the ICAC Task Force Program. However, IIR did not meet the eligibility criteria from the 2008 ICAC Continuations solicitation. The eligibility was limited to "those state and local law enforcement and prosecutorial agencies that OJJDP has identified and the current training and technical assistance award recipients." IIR has never been awarded funds under either the ICAC Task Force Program or the ICAC TTA program; therefore, they were not eligible to submit an application under this solicitation. Because the application had been accepted and was under budget review, we informed OJJDP during the assessment that the applicant may not have been eligible to receive the award for the reason indicated above. An OJJDP official advised us that OJJDP had stopped the application process and was conferring with the OJP Office of General Counsel to determine whether OJJDP should proceed with the application process as written and under the 2008 Continuations solicitation.

[16] GMS application 2009-50031-FL-MC.

# Appendix A. Scope and Methodology

We conducted this assessment from September 2008 through August 2009 in response to requirements set forth in the PROTECT Our Children Act. Our assessment objectives were to:

- identify training and technical assistance objectives, providers, and services since the inception of the ICAC Task Force Program;
- determine the ICAC TTA program's responsiveness to legislative intent, ICAC trends, and task force needs;
- assess ICAC TTA service development, delivery, and evaluation through qualitative and quantitative analysis of performance indicators;
- determine the extent to which the ICAC TTA provider is compliant with federal regulations related to ICAC TTA funding and whether all solicitation requirements have been met;
- determine whether all proposed activities related to ICAC TTA cooperative agreements have been completed or will be completed; and
- review the OJJDP oversight of the management of federal funds related to ICAC TTA.

We obtained the information in this report through interviews with key officials, site visits to the primary ICAC TTA provider grantee, OJJDP grant file reviews, and Internet research.

## Interviews

We interviewed program officials from OJJDP, including the program manager and two program specialists from OJJDP's CPD as well as staff from Fox Valley working on the ICAC TTA grant. We also interviewed officials from organizations and individuals that have collaborated with OJJDP on ICAC TTA related activities, including SEARCH and various ICAC task force members.

## Site Visits

To focus the assessment, we selected five site visits and conducted the following activities.

At Fox Valley ICAC TTA program offices at UNH, we interviewed staff and reviewed the following:

- financial and programmatic materials,
- ICAC course schedules,
- student interface with Fox Valley, and
- the relationship between Fox Valley and UNH.

We interviewed Fox Valley's instructors and students, assessed the quality of training, and reviewed Fox Valley's logistical arrangements at the following courses:

- ICAC Unit Supervisor course in Alexandria, Virginia;
- ICAC Investigative Techniques course in Atlanta, Georgia; and
- ICAC Undercover Chat course in Bonita Springs, Florida.

At Fox Valley offices in Appleton, Wisconsin, we interviewed staff and examined the following:

- a sample of grant transactions,
- policies and procedures related to grant management,
- compensation practices, and
- grant accounting practices.

## Assessment of Peer Review Documentation

We analyzed the peer review process used by OJJDP to recommend grant awards for the ICAC TTA program. Specifically, we reviewed peer review documentation for grant applications for the competitive grant award process held in FY 2006. We analyzed the scores awarded to grantees and compared peer reviewer comments. In addition, we closely reviewed documents related to the peer reviewers and potential conflicts of interest.

## Other Documents

We also reviewed and analyzed the solicitations and applications for ICAC TTA from FY 1999 through FY 2008. We used these documents to determine whether the work carried out by Fox Valley was responsive to program needs. We also examined this documentation to determine whether OJJDP had designed solicitations to further ICAC TTA program goals.

# Appendix B. ICAC TTA Program Award History

This appendix provides the history of the ICAC TTA program funding based on GMS data and interviews with CPD staff.

To support the ICAC task forces, OJJDP first published a solicitation for the ICAC TTA program in 1999. This announcement was for up to $400,000 in discretionary funds to support an 18-month training and technical assistance project in FY 2000. This solicitation predated the establishment of GMS,[1] so no information regarding the applicants is available. However, the former ICAC task force program manager listed in the 1999 Federal Register announcement stated that OJJDP selected SEARCH as the first recipient of ICAC TTA program funding. OJJDP awarded SEARCH under two award numbers with multiple supplements from FY 2000 through FY 2007. (See Table B-1.) In FY 2008, OJJDP denied SEARCH's application for continuation funding, noting in GMS that "funding had been withdrawn or discontinued."

**Table B-1. SEARCH Award History**

| Grant Number | Total Award | Supplement Number | Supplement Amount |
|---|---|---|---|
| 2000-MC-CX-K003 | $2,667,765 | 0 | $399,831 |
| | | 1 | 799,935 |
| | | 2 | 567,999 |
| | | 3 | 400,000 |
| | | 4 | 500,000 |
| 2005-MC-CX-K026 | $1,450,000 | 0 | 450,000 |
| | | 1 | 500,000 |
| | | 2 | 500,000 |
| **Cumulative Award Amount 2000–2007** | | | **$4,117,765** |

[1] GMS is the official grant and cooperative agreement record for OJP. All grant related documents must be submitted into GMS.

In addition to SEARCH's ICAC training, OJJDP directed Fox Valley to initiate a training and technical assistance program for the ICAC task forces in 2003. As OJJDP's current Missing and Exploited Children (MEC) Training and Technical Assistance program provider, Fox Valley began an ICAC TTA program by using funds already available under the MEC program. Fox Valley, located in Wisconsin, established an office in New Hampshire in January of 2003 for the ICAC TTA program. Subsequently, Fox Valley submitted an ICAC TTA program application and was provided federal funding in July of the same year.[2]

Prior to 2003, Fox Valley received ICAC-related funding in FY 1999 through a supplemental award for the MEC TTA program. The MEC TTA award had previously been funded through "OJJDP Discretionary Continuation Programs—Child Protection."[3] Three supplements under two award numbers for Fox Valley's MEC TTA program are tied to ICAC funding sources in GMS.[4] Under the two award numbers, the federal funding amount received by Fox Valley totals $19,661,150. Of the total award amount, $3,298,972 was tied directly to ICAC funding sources in GMS. Although this funding was provided under the ICAC program, the training and technical assistance offered through the MEC TTA program was not specifically targeted to ICAC task force members. Rather, it was marketed to law enforcement and other professional personnel working with missing and exploited children in general.

In 2003 and 2004, OJJDP awarded Fox Valley $2,188,276 and $1,928,222 respectively, for the ICAC TTA program with MEC TTA program funds. In 2003, a portion of the awarded grant funds, roughly $988,280 was used to fund MEC TTA activities, according to grant budget documents (See Table B-2.). In 2005, OJJDP awarded $2,000,000 to Fox Valley for the ICAC TTA program, under a new grant number, for which a competition was held in the first supplement year of the award in 2006. In FY 2006, OJJDP solicited competitive applications for the ICAC TTA program cooperative agreement. Two organizations, Fox Valley and Seton Hall University located in New Jersey, submitted applications. The FY 2006 solicitation stated OJJDP would award one cooperative agreement of up to $2.5 million for a 5-year project with an initial budget period of 12 months. Fox Valley won the competition after a peer review.

[2] GMS award 2003-MU-MU-K001 and application 2003-52523-WI-KX.
[3] GMS award 1998-MC-CX-K010 and application 1998-50488-WI-MC.
[4] GMS awards 1998-MC-CX-K003 and 1998-MC-CX-K010; applications 2000-50550-WI-MC, 1999-50636-WI-MC, and 2000-50941-WI-MC.
[5] GMS award 2005-MC-CX-K032.

In FY 2006, OJJDP awarded Fox Valley $2.5 million followed by a supplemental award of $600,000 in the same year. Both FY 2006 awards were issued as supplements to an existing award number created in FY 2005.[5] Under the same award number, Fox Valley was awarded additional supplemental funding of $4,548,665 and $200,000 in FY 2007. OJJDP assigned Fox Valley two other award numbers directly related to the ICAC task force TTA from FY 2006 through FY 2008. The majority of Fox Valley's supplemental awards overlap previous awards in their project periods. Most notably, the supplement under award number 2003-MU-MU-K001 had a project period extending from July 2004 through December 2007. (See Table B-2.)

**Table B-2. Fox Valley ICAC TTA Program Award History**

| Grant Number | Total Award | Supplement Number | Supplement Amount | Award Date | Award End Date |
|---|---|---|---|---|---|
| 2003-MU-MU-K001 | $4,116,498 | 0 | $2,188,276 | 07/22/2003 | 06/30/2004 |
| | | 1 | 1,928,222 | 07/06/2004 | 12/31/2007 |
| 2005-MC-CX-K032 | $9,848,665 | 0 | 2,000,000 | 07/19/2005 | 07/31/2006 |
| | | 1 | *2,500,000 | 06/19/2006 | 07/31/2007 |
| | | 2 | 600,000 | 07/27/2006 | 11/30/2007 |
| | | 3 | **200,000 | 07/25/2007 | 03/31/2008 |
| | | 4 | 4,548,665 | 09/05/2007 | 09/30/2008 |
| 2007-DD-BX-K143 | $1,175,000 | 0 | **1,175,000 | 09/26/2007 | 12/31/2008 |
| 2008-MC-CX-K021 | $3,104,687 | 0 | 3,014,662 | 09/16/2008 | 06/30/2009 |
| | | 1 | **90,025 | 09/30/2008 | 06/30/2009 |
| **Cumulative Award Amount 2003–2008:** | | | **$18,244,850** | | |

* FY 2006 ICAC TTA program solicitation (competitively announced)

** Includes PSC Initiative funds

Some ICAC TTA program funding that Fox Valley received was for the Project Safe Childhood Initiative (PSC). The exact amount applied specifically to PSC was $1,465,025. One award, funded under an "OJJDP FY 07 Internet Crimes Against Children Continuations" solicitation,[6] was assigned a unique award number, while the other two were supplements to award numbers for the ICAC TTA program. (See Table B-2.)

There is evidence of funding to other organizations for ICAC training activities concurrent with Fox Valley's ICAC TTA program and SEARCH's training support. OJJDP's associate administrator stated that initially, other organizations received funding to provide training activities for the ICAC task forces and their affiliates. For example, the American Prosecutor's Research Institute had funding tied to ICAC solicitations totaling $600,000 throughout FY 2005 and FY 2006. However, OJJDP was unable to provide a list of all ICAC training-related organizations when asked for a complete history of the ICAC TTA program. Accordingly, we could not conclusively determine the number of other funded organizations.

[6] GMS award 2007-DD-BX-K143 and application 2007-51968-WI-MC.

# Appendix C. OCFO Site Visit Report

**Office of the Chief Financial Officer**
**Grants Financial Management Division**

**Site Visit Report**
**Fox Valley Technical College, WI**

**Site Visit Dates: December 9 - 11, 2008**
**Grant Numbers:**
**2003MUMUK001**
**2005MCCXK032**
**2007DDBXK143**
**2008MCCXK021**

**Prepared by: Loretta Dicker** 1/23/09 (Initial and Date)

**Final Site Visit Report**

| Manager | MA | Date | 1/23/09 |
|---|---|---|---|

**For Internal Use Only**

## Introduction

The Office of the Chief Financial Officer (OCFO) reviewed the financial and administrative operations for the grants below to determine whether the: 1) Fox Valley Technical College (College) properly accounted for the receipt and expenditure of Federal funds; and 2) expenditures are in compliance with Federal requirements and award special conditions. The review consisted of an analysis of the accounting system and the internal control procedures related to the receipt and disbursement of Federal funds. We also reviewed written accounting procedures, performed analysis, and tested a sample of transactions to determine if policies and procedures were operating effectively.

| Grant Number | Project Title | Grant Amount | Project Period |
|---|---|---|---|
| 2003MUMUK001 | Internet Crimes Against Children Technical Assistance Grant | $4,116,498 | 7/1/03-12/31/07 |
| 2005MCCXK032 | Internet Crimes Against Children Technical Assistance Grant | $9,848,665 | 4/1/05-9/30/08 |
| 2007DDBXK143 | Internet Crimes Against Children –Safe Childhood Grant | $1,175,000 | 4/1/07-6/30/09 |
| 2008MCCXK021 | Internet Crimes Against Children –Safe Childhood Grant | $3,014,662 | 7/01/08-6/30/09 |

* The College received a supplemental award of $90,025 for grant 2008MCCXK021 that was accepted on 10/10/08. The additional funds increased the overall grant to $3,104,687.

The entrance conference was conducted with Jill Van Asten, Federal Programs Accounting Manager.

## Summary

Grantees have the responsibility to account for the receipt, obligation, and expenditure of grant funds. This responsibility includes: 1) establishing and maintaining an adequate financial system to track individual grant funds by approved budget category; and 2) maintaining sound internal controls.

We did not observe any instances of misappropriation of Federal funds for the grants reviewed. However, we noted the issues on the following page, which were discussed during the exit conference with the College officials.

| Grant Number | Recommendation Number | Issues Noted |
|---|---|---|
| All Grants | 1 | The College's policy for determining consultant fee rates is inconsistent with the Office of Justice Program's Financial Guide. |
| All Grants | 2 | The College's policy for consultant travel time is not based on actual travel time incurred resulting in excess expenditures recorded to the grants. |
| 2003MUMUK001 | 3 | The College expended Federal funds for unauthorized promotional items. |
| 2005MCCXK032 | 4 | The College did not report program income recorded in their accounting records on the Financial Status Report (FSR). |
| 2003MUMUK001 and 2005MCCXK032 | 5 | The grantee did not provide adequate documentation for grant expenditures purchased with Federal funds. |
| 2003MUMUK001, 2005MCCXK032, and 2007DDBXK143 | 6 | The College expended Federal funds for unauthorized Personnel and Fringe costs not on the approved award budgets. |

**Policies and Procedures**

Effective control and accountability must be maintained for all grants to reduce the risk of fraud, waste, and abuse. Grantees are expected to have adequate internal controls in place to properly safeguard and administer grant funds, including written policies and procedures that ensure funds are used for authorized purposes.

The College's accounting policies and procedures are outlined in the *Wisconsin Technical College System (WTCS) Financial Accounting Manual*. The WTCS to which Fox Valley Technical College is a member, operates under a statutorily created shared governance system. Each College System district, while retaining certain options in its financial accounting systems and budget procedures, is required to meet specific statewide minimum standards detailed in the uniform financial fund accounting system (UFFAS). This manual includes procedures for accruals, fund accounting, financial reporting, general accounting guidelines, cost allocation, staff accounting, procurement, and contracts for services. These guidelines appeared adequate to ensure accuracy and accountability of transactions.

The College's policies and procedures for payroll are outlined in the *Wisconsin Technical College System (WTCS) Financial Accounting Manual*. The College has multiple levels of employees and contracted employees which are paid on different cycles. All employees must enter their time electronically in the payroll module in *PeopleSoft* which must then be approved by a department supervisor in the system before payroll can be processed. Employees are paid by direct deposit which is also approved electronically. These policies and procedures did appear to adequately allocate time worked on grants based on actual time worked.

The College's travel policies and procedures are outlined in *The Fox Valley Technical College's Policies and Procedures-College Policies Manual*. All travel requires prior authorization from an employee's supervisor and/or manager whose budget is impacted. In order to receive reimbursement for travel expenses, employees complete a *Travel Expense Report* signed by the appropriate manager no later than 90 days after the trip. Original receipts are required for all expenses except for meals and incidental expenses which are reimbursed on a per diem basis. Meal expenses and any related tips will be reimbursed based on the per diem rates established by

the General Services Administration (GSA). Employees are expected to use the most cost effective method of transportation possible. Airline tickets should be purchased through the college's designated travel agency and will be charged directly to the college. The costs of public transportation with reasonable tips will be reimbursed with receipts. The use of a rental car should be justified as an economical, business necessity, approved by the supervisor and reimbursed with a detailed receipt. Employees may use personal cars for official business travel when necessary and cost effective, and reimbursed at the current IRS mileage rate. These procedures appeared adequate to ensure accuracy and accountability of the College's transactions while on business travel related to a grant.

The College's policies and procedures for Contractor Reimbursements are outlined in the *Fox Valley Technical College Contractor Payment/Reimbursement Policy*. According to the policy, "determination of a proposed contractor/consultant rate is based on a contractor's established and substantiated rate of pay, and in accordance with grant provisions. Any changes in rate must be approved by the *Fox Valley Technical College* Program Manager". This policy was applied to the grants reviewed, which the state and local employees provided government pay documents on which to base their consultant rates. However, the College calculates each consultant's rate on documented pay and adds 40% fringe to determine a base rate. The inclusion of 40% fringe to each consultant's base rate is inconsistent with the Office of Justice Program's Financial Guide regarding Consultant Rates. The Financial Guide states "Consideration will be given to compensation including fringe benefits for those individuals whose employers do not provide the same". State and local employees are provided with fringe benefits which do not cease when they are performing services as a consultant. The inclusion of the 40% fringe to each consultant's rate inflats the consultant's compensation and thereby the total expense charged to the grant as illustrated in Attachment 1-B **[See Recommendation 1]**. To compound the consultant compensation issue, the policy states under section *Contractor Payment for Services* that payment is based on days and half days of labor instead of documented hours of services. The impact of this policy to the amount of consultant services charged to the grant is indeterminable at this time. Additionally, the policy under section *Contractor Authorization to Perform Services* states "labor authorization for travel time will be based on actual travel time considering the most direct and timely method and route of transportation available". Consultant's assignments are initiated and approved on the *Consultant Task Authorization* form which states "actual and reasonable travel". However, these sections are inconsistent with another policy section *Payment for Travel Time* which states "travel time is paid in days and half days only, not in hours". All consultant travel time related to the reviewed grants was based on payment of half day or full day rates as demonstrated in Attachment 1-C **[See Recommendation 2]**.

The College's purchasing and procurement policies and procedures are outlined in *The Fox Valley Technical College's Policies and Procedures-College Policies Manual*. Procurements by all WTCS districts must be made using a valid requisition/purchase order numbering system. Federally-funded procurements shall be made in accordance with the appropriate Federal regulations. Major capital equipment purchases require approval of the division dean or unit administrator. All procurement over $3,000 will follow the approved WTCS quote or bid requirements unless the procurement qualifies for a Bid Waiver. All contracts for purchases other than public construction in the amount of $3,000 or more, but less than $10,000, must be accomplished through the solicitation of competitive quotations from a minimum of 2 potential

contractors. All contracts for the purchases other than public construction in the amount of $10,000 to $25,000 shall be based on at least 3 competitive bids. All contracts for the purchases other than public construction in an amount greater than $25,000 must be based on sealed written bids. Records are to be retained for all procurement equal to or greater than $3,000. They include the rationale for the procurement method, selection and rejection of bidders, and the basis for price. If a purchase is a sole source contract related to a federally-funded grant, the awarding agency program manager must approve the purchase prior to any commitments being made. The College policies and procedures for procurement of fixed assets and contracts appeared adequate to ensure accountability and control of procurement transactions.

**Accounting System**

Grant recipients are responsible for establishing and maintaining an adequate system of accounting and internal controls, and for ensuring that an adequate system exists for any subrecipients of grant funds. An accounting system should: 1) present and classify projected historical cost of the grant as required for budgetary and evaluation purposes; 2) provide cost and property control to ensure optimal use of funds; 3) control funds and other resources to assure that the expenditure of funds and use of property are in conformance with any general and special conditions that apply to the recipient; 4) meet the prescribed requirements for periodic financial reporting of operations; and 5) provide financial data for planning, control, measurement, and evaluation of direct and indirect costs.

The College maintains a formal chart of accounts and uses *PeopleSoft* for accounting and reporting. The accounting system has general ledger, accounts payable, accounts receivable, payroll, procurement, cash management, and expenditure reporting modules. Grant funds are specifically identified in the accounting system as project/cost centers for each award. The College's accounting system appeared adequate for proper accounting and reporting of federal grant funds.

**Cash Management**

Grant recipients should request grant funds based on immediate disbursement requirements. Recipients should time their drawdown requests to ensure that Federal cash-on-hand is the minimum amount needed for disbursements to be made immediately or within 10 days.

Base on the Federal expenditures reported on their most recent Financial Status Report (FSRs), the College appeared to be in compliance with the OCFO Cash Management policy, as noted in the table for each grant reviewed.

**Cash Management Analysis**

| Grant Number | FSR Quarter End Date | Cumulative Federal Expenditures Reported on FSR | Funds Requested as of FSR Quarter End | Variance | Excess Cash | Recommendation Number |
|---|---|---|---|---|---|---|
| 2003MUMUK001 | 12/31/07 | $4,116,498 | $4,008,281 | $108,217 | No | N/A |
| 2005MCCXK032 | 09/30/08 | $9,848,665 | $9,836,002 | $12,663 | No | N/A |
| 2007DDBXK143 | 09/30/08 | $679,395 | $610,217 | $69,178 | No | N/A |
| 2008MCCXK021 | 09/30/08 | $330,491 | $0 | $330,491 | No | N/A |

**Financial Status Reports**

Grant recipients are responsible for preparing and submitting quarterly Financial Status Reports (FSRs), reporting actual expenditures and unliquidated obligations both for the current reporting period and cumulatively. The FSRs should be submitted within 45 days after the end of each calendar quarter. The College prepared FSRs using ledger reports generated from their accounting system. We noted the FSRs were submitted timely for grants 2003MUMUK001, 2005MCCXK032, 2007DDBXK143, and 2008MCCXK021.

**Reconciliation to the Accounting System**

| Grant Number | FSR Quarter End Date | Final Report (Yes/No) | Cumulative Expenditures Reported on FSR | Expenditures Recorded in Grantee's Accounting System | Variance | Recommendation Number |
|---|---|---|---|---|---|---|
| 2003MUMUK001 | 12/31/07 | Yes | $4,116,498 | $4,116,498 | $0 | N/A |
| 2005MCCXK032 | 09/30/08 | Yes | $9,848,665 | $9,848,663 | $2 | N/A |
| 2007DDBXK143 | 09/30/08 | No | $679,395 | $679,395 | $0 | N/A |
| 2008MCCXK021 | 09/30/08 | No | $330,491 | $330,491 | $0 | N/A |

To properly account for discretionary awards, grant recipients should establish and maintain program accounts which enable, on an individual basis, separate identification and accounting for: 1) receipt and disposition of all funds (including program income); 2) funds applied to each budget category included within the approved award budget; 3) expenditures governed by any special conditions and general provisions; and 4) any non-Federal matching contributions, if required.

A comparison of the approved budget/purpose areas to actual expenditures for the grants reviewed are shown in the table on the following page.

**Comparison of Approved Budgets to Actual Expenditures**

| Grant and Budget Categories/Purpose Area | Approved Budget | Actual Expenditures | Available Balance (Deficit) of Budget | Percentage of Budget Expended | Recommendation Number |
|---|---|---|---|---|---|
| **2003MUMUK001** (as of 12/31/07) | | | | | |
| Personnel | $417,600 | $417,500 | $100 | 100% | N/A |
| Fringe Benefits | $138,005 | $133,863 | $4,142 | 97% | N/A |
| Travel | $1,019,112 | $1,125,577 | ($106,465) | 110% | N/A |
| Equipment | $90,377 | $88,025 | $2,352 | 97% | N/A |
| Supplies | $116,466 | $158,356 | ($41,890) | 136% | N/A |
| Contractual | $1,543,349 | $1,516,892 | $26,457 | 98% | N/A |
| Other | $286,054 | $170,750 | $115,304 | 60% | N/A |
| Indirect | $505,535 | $505,535 | $0 | 100% | N/A |
| **Total Project Costs** | **$4,116,498** | **$4,116,498** | **$0** | **100%** | **N/A** |
| **2005MCCXK032** (as of 9/30/08) | | | | | |
| Personnel | $1,161,968 | $1,371,188 | ($209,220) | 118% | N/A |
| Fringe Benefits | $490,370 | $497,418 | ($7,048) | 101% | N/A |
| Travel | $1,805,080 | $1,682,306 | $122,774 | 93% | N/A |
| Equipment | $298,212 | $203,560 | $94,652 | 68% | N/A |
| Supplies | $432,253 | $428,175 | $4,078 | 99% | N/A |
| Contractual | $3,321,626 | $3,506,593 | ($184,967) | 106% | N/A |
| Other | $902,325 | $722,594 | $179,731 | 80% | N/A |
| Indirect | $1,436,831 | $1,436,829 | $2 | 100% | N/A |
| **Total Project Costs** | **$9,848,665** | **$9,848,663** | **$2** | **100%** | **N/A** |
| **2007DDBXK143** (as of 9/30/08) | | | | | |
| Personnel | $28,584 | $34,796 | ($6,212) | 122% | N/A |
| Fringe Benefits | $14,348 | $9,620 | $4,728 | 67% | N/A |
| Travel | $415,480 | $290,758 | $124,722 | 70% | N/A |
| Supplies | $58,500 | $52,688 | $5,812 | 90% | N/A |
| Contractual | $401,284 | $143,559 | $257,725 | 36% | N/A |
| Other | $60,970 | $34,742 | $26,228 | 57% | N/A |
| Indirect | $195,834 | $113,232 | $82,602 | 58% | N/A |
| **Total Project Costs** | **$1,175,000** | **$679,395** | **$495,605** | **58%** | **N/A** |
| **2008MCCXK021** (as of 9/30/08) | | | | | |
| Personnel | $421,834 | $59,429 | $362,405 | 14% | N/A |
| Fringe Benefits | $184,998 | $18,910 | $166,088 | 10% | N/A |
| Travel | $453,534 | $43,384 | $410,150 | 10% | N/A |
| Equipment | $5,100 | $0 | $5,100 | 0% | N/A |
| Supplies | $268,220 | $35,803 | $232,417 | 13% | N/A |
| Contractual | $972,966 | $102,906 | $870,060 | 11% | N/A |
| Other | $205,567 | $14,977 | $190,590 | 7% | N/A |
| Indirect | $502,443 | $55,082 | $447,361 | 11% | N/A |
| **Total Project Costs** | **$3,014,662** | **$330,491** | **$2,684,171** | **11%** | **N/A** |

**Expenditures Tested**

| Grant Number | Expenditure Budget Categories | Total Number of Transactions Tested | Total Amount of Transactions Tested | Issues Recommendation Number |
|---|---|---|---|---|
| **2003MUMUK001** | Personnel | 14 | $50,615 | 6 |
| | Fringe Benefits | 14 | $14,115 | 6 |
| | Travel | 24 | $85,539 | N/A |
| | Equipment | 5 | $9,955 | N/A |
| | Supplies | 5 | $16,094 | 3 |
| | Consultant/Contractual | 111 | $132,369 | 5 |
| | Other | 10 | $22,950 | N/A |
| | Indirect | 1 | $50,553 | N/A |
| | **Total** | **184** | **$382,190** | **3, 5, and 6** |
| **2005MCCXK032** | Personnel | 35 | $137,882 | 6 |
| | Fringe Benefits | 35 | $47,215 | 6 |
| | Travel | 36 | $122,578 | 5 |
| | Equipment | 3 | $43,637 | N/A |
| | Supplies | 16 | $57,040 | N/A |
| | Consultant/Contractual | 137 | $323,803 | N/A |
| | Other | 20 | $69,375 | N/A |
| | Indirect | 1 | $143,683 | 5 and 6 |
| | **Total** | **283** | **$945,213** | **N/A** |
| **2007DDBXK143** | Personnel | 3 | $8,809 | 6 |
| | Fringe Benefits | 3 | $2,420 | 6 |
| | Travel | 9 | $98,735 | N/A |
| | Supplies | 2 | $14,720 | N/A |
| | Consultant/Contractual | 22 | $59,917 | N/A |
| | Other | 10 | $9,536 | N/A |
| | Indirect | 1 | $18,664 | N/A |
| | **Total** | **50** | **$212,801** | **6** |
| **2008MCCXK021** | Personnel | 3 | $25,464 | N/A |
| | Fringe Benefits | 3 | $6,635 | N/A |
| | Travel | 2 | $17,260 | N/A |
| | Supplies | 6 | $17,777 | N/A |
| | Consultant/Contractual | 33 | $33,036 | N/A |
| | Other | 2 | $5,417 | N/A |
| | Indirect | 1 | $55,082 | N/A |
| | **Total** | **50** | **$160,671** | **N/A** |
| | **Grant Total** | **567** | **$1,700,875** | **3, 5, and 6** |

We reviewed 567 transactions, totaling $1,700,875 in expenditures charged to grants 2003MUMUK001, 2005MCCXK032, 2007DDBXK143, and 2008MCCXK021 to determine whether the costs were properly approved, adequately supported, accurately recorded in the College accounting system, and consistent with grant program guidelines. The College expended Federal funds on unauthorized personnel costs of $3,100 and fringe costs of $877 for grant 2003MUMUK001, personnel costs of $23,183 and fringe costs of $7,077 for grant 2005MCCXK032, and personnel costs of $1,563 and fringe costs of $610 for grant

2007DDBXK143, as provided in Attachment 1-D **[See Recommendation 6]**. The College charged $278 to grant 2005MCCXK032 for a travel reimbursement for Tracy Braun, a DOJ employee, on June 8-10, 2008. The supporting documentation did not provide adequate information of DOJ approval for these expenditures and subsequent reimbursement **[See Recommendation 5]**. Additionally, the College charged unauthorized costs of $17,237 for promotional supplies not in the approved budget for grant 2003MUMUK001 as provided in Attachment 1-E **[See Recommendation 3]**. Consultant travel reimbursement charged to grant 2005MCCXK032 in the amount of $1,575 for 3.5 days was paid to Steven Del Negro for travel time on April 3, 2006 to April 4, 2006 to Anchorage, Alaska. Based on the stated departure time documented on his *Invoice for Services* and the documented airfare times from Fox World Travel, it appears this was an overpayment of one full day at $450 based on the criteria of travel reimbursement at half day or full day increments. Additionally, unsupported air travel time for a consultant travel reimbursement in the amount of $900 (two full days) charged to grant 2003MUMUK001 was paid to Judith Tucker for travel time on April 16-17, 2007 from Louisville, Kentucky through Las Vegas, Nevada to Fresno, California **[See Recommendation 5]**.

**Special Conditions**

In accordance with Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, recipients of Federal funds should ensure that Single Audits are conducted for each year during which $500,000 or more in cumulative Federal funds is expended. Single Audit Reports (SARs) are due to the Federal Audit Clearinghouse (FAC) within nine months after the close of each fiscal year.

The College's Single Audit Report for the fiscal year 2007 ended June 30, 2007, was conducted by the Schenck Business Solutions, SC, following the requirements of the OMB Circular A-133. The audit report did not disclose any findings or issues that would directly impact fiscal management of Department of Justice grant funds. The College submitted their FY 2007 Single Audit Report package to the Federal Audit Clearing house (FAC) on December 18, 2008.

**Program Guidelines**

The semi-annual progress reports were timely submitted for grants 2003MUMUK001, 2005MCCXK032, 2007DDBXK143, and 2008MCCXK021.

The grantee has not reported $5,939 in program income recorded in their accounting records for grant 2005MCCXK032 as of the FSR for period ending September 30, 2008 **[See Recommendation 4]**.

**Technical Assistance**

We also informed the College officials that Financial Management Training Seminars are conducted at various locations throughout the year and to check the OCFO's website for the training schedules. Additionally, we provided the College officials with the OCFO's Control Desk and OCFO's Customer Service Center telephone number, and fax number.

**Exit Conference and Summary of Recommendations**

The recommendations shown below were discussed at an exit conference on December 11, 2008, with the following College Officials: Penny Kizewski, Federal Programs Financial Analyst; Cammy Newell, Program Coordinator; and by phone – Jill Van Asten, Federal Programs Accounting Manager.

**Recommendations:**

**All Grants**

1. State and local employees that are providing consultant services to the Fox Valley Technical College (College) are receiving fringe benefits through their respective governments which do not cease when they are performing services as a consultant. The College's consultant rate policy of including 40% fringe to each consultant's base salary rate is inconsistent with the Office of Justice Programs' (OJP's) Financial Guide and inflats the consultant's compensation and thereby the total expense charged to the grant as illustrated in Attachment 1-B.

   The College should establish and implement written policies and procedures which are consistent with the OJP's Financial Guide on Consultant's Rates. The Financial Guide states in reference to these rates that "Consideration will be given to compensation including fringe benefits for those individuals whose employers do not provide the same." Once these procedures are completed, a copy should be submitted to the Office of the Chief Financial Officer (OCFO) for review at the following address:
   Office of Justice Programs– Control Desk, 810 Seventh Street, N.W., Washington, DC, 20531, ATTN: Loretta Dicker.

2. The College's policy under section *Contractor Authorization to Perform Services* states "labor authorization for travel time will be based on actual travel time considering the most direct and timely method and route of transportation available". Consultant's assignments are initiated and approved on the *Consultant Task Authorization* form which states "actual and reasonable travel". However, these sections are inconsistent with another policy section *Payment for Travel Time* which states "travel time is paid in days and half days only, not in hours". All consultant travel time related to the reviewed grants was based on payment of half day or full day rates as demonstrated in Attachment 1-C.

   The College should establish and implement written policies and procedures for consultant travel time reimbursement which is based on actual travel time incurred and consistent with their own policy section *Contractor Authorization to Perform Services* as stated above. Once these procedures are completed, a copy should be submitted to the Office of the Chief Financial Officer (OCFO) for review at the following address: Office of Justice Programs– Control Desk, 810 Seventh Street, N.W., Washington, DC, 20531, ATTN: Loretta Dicker.

**2003MUMUK001**

3. The College charged unauthorized Supply costs of $17,237 for promotional items not in the approved budget for this grant as provided in Attachment 1-E.

   The College should submit a written request to the Office of Juvenile Justice Delinquency Program (OJJDP) requesting approval for the questioned costs of $17,237 for grant 2003MUMUK001. The request should include proper justification and support for the questioned costs. If, at the discretion of the OJJDP, any of these costs are not approved, the costs are unallowable and should be removed from the cumulative expenditures reported on their next/final FSRs for this grant. A memorandum or other narrative statement should accompany the revised FSR to explain the reduction in previously reported expenditures. Additionally, they should promptly return unauthorized funds in the amount of $17,237 to the OJP at the following address: U.S. Department of Justice, Office of Justice Programs, Office of the Chief Financial Officer, 810 7th Street, N.W., Washington, DC 20531, Attn: Accounting Control Branch.

**2005MCCXK032**

4. The grantee has not reported $5,939 in program income recorded in their accounting records for grant 2005MCCXK032 as of the FSR for period ending September 30, 2008.

   According the OJP Financial Guide, program income must be used for the purposes of and under the conditions applicable to the award. Unless specified by the awarding agency, program income must be used as earned and expended prior to additional OJP drawdowns. Additionally, program income should be reported in Box 12 of the FSR as expended and/or unexpended in the quarter in which it is earned. The grantee should report the program income earned on the next/final FSR, and forward a copy to OCFO for review.

5. The College charged $278 to grant 2005MCCXK032 for a travel reimbursement for Tracy Braun, a Department of Justice (DOJ) employee, on June 8-10, 2008. The supporting documentation did not provide adequate information of DOJ approval for these expenditures and subsequent reimbursement. Consultant travel reimbursement charged to grant 2005MCCXK032 in the amount of $1,575 for 3.5 days was paid to Steven Del Negro for travel time on April 3, 2006 to April 4, 2006 to Anchorage, Alaska. Based on the stated departure time documented on his *Invoice for Services* and the documented airfare times from Fox World Travel, it appears this was an overpayment of one full day at $450 based on the criteria of travel reimbursement at half day or full day increments. Additionally, unsupported air travel time for a consultant travel reimbursement in the amount of $900 (two full days) charged to grant 2003MUMUK001 was paid to Judith Tucker for travel time on April 16-17, 2007 from Louisville, Kentucky through Las Vegas, Nevada to Fresno, California.

The College should provide adequate supporting documentation of the approval by DOJ of the travel reimbursement of $278 to Tracy Braun for June 8-10, 2008; documentation supporting the $1,575 travel time for Steven Del Negro to Anchorage, Alaska; and supporting documentation of $900 of air travel time for Judith Tucker from Louisville, Kentucky to Fresno, California. If adequate supporting documentation can not be provided, these costs would become unallowable and the College should adjust their accounting records to remove these expenditures. Further, the College should revise their next/final FSR to remove these expenditures. Additionally, the College should promptly return the funds for the unapproved costs to the OJP at the following address, U.S. Department of Justice, Office of Justice Programs, Office of the Chief Financial Officer, 810 7th Street, N.W., Washington, DC 20531, Attn: Accounting Control Branch.

**2003MUMUK001, 2005MCCXK032, and 2007DDBXK143**

6. The College expended Federal funds on unauthorized personnel costs of $3,100 and fringe costs of $877 for grant 2003MUMUK001, personnel costs of $23,183 and fringe costs of $7,077 for grant 2005MCCXK032, and personnel costs of $1,563 and fringe costs of $610 for grant 2007DDBXK143, as provided in Attachment 1- D.

   The College should submit a written request to the OJJDP requesting approval for the questioned costs of $3,977 for grant 2003MUMUK001, $30,260 for grant 2005MCCXK032, and $2,173 for grant 2007DDBXK143. The request should include proper justification and support for the questioned costs. If, at the discretion of the OJJDP, any of these costs are not approved, the costs are unallowable and should be removed from the cumulative expenditures reported on their next/final FSRs for this grant. A memorandum or other narrative statement should accompany the revised FSR to explain the reduction in previously reported expenditures. Additionally, they should promptly return unauthorized funds to the OJP at the following address: U.S. Department of Justice, Office of Justice Programs, Office of the Chief Financial Officer, 810 7th Street, N.W., Washington, DC 20531, Attn: Accounting Control Branch.

cc: Marilyn Roberts, Audit Liaison, OJJDP
Ron Laney, Program Manager, OJJDP
Christian Montz, Senior Audit Liaison Specialist, OAAM
Jeff Haley, Evaluation and Oversight Branch Manager, OCFO
Maria Anderson, Manager, OCFO
Official Grant File
Grants Financial Management Division File

**Attachment 1-A**

**Schedule of Expenditures Questioned**

| Award Number | Description | Amount Questioned | Amount Recovered (*) | Recommendation Number |
|---|---|---|---|---|
| 2003MUMUK001 | Unauthorized Supply costs | $17,237 | $0 | 3 |
| | Unsupported Contractual Costs | $900 | $0 | 5 |
| | Unauthorized Personnel & Fringe costs | $3,977 | $0 | 6 |
| | **Subtotal** | **$22,114** | **$0** | **3, 5, and 6** |
| 2005MCCXK032 | Unsupported travel costs | $278 | $0 | 5 |
| | Unsupported Contractual Costs | $1,575 | $0 | 5 |
| | Unauthorized Personnel & Fringe costs | $30,260 | $0 | 6 |
| | **Subtotal** | **$32,113** | **$0** | **5 and 6** |
| 2007DDBXK143 | Unauthorized Personnel & Fringe costs | $2,173 | $0 | 6 |
| | **Subtotal** | **$2,173** | **$0** | **6** |
| **Total** | | **$56,400** | **$0** | **3, 5, and 6** |

*** - Amount recovered during site visit.**

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**Attachment 1-B**

**Comparison of FVTC Consultant Rates to Actual salary rates for State and Local Government Employees**

| Column 1 | Column 2 | Column 3 | Column 4 | Column 5 | Column 6 | Column 7 |
|---|---|---|---|---|---|---|
| **Last Name** | **Government Salary** | **Actual Employee Per hour +'7.65%** | **Actual Rate per day +'7.65%** | **FVTC Allocated Consultant Rate per day** | **Comparison of Allocated per day overage to Actual per day Rates** | **Actual Employee Rate with 40% Fringe** |
| Anderson | $85,197 | $44 | $353 | $400 | $47 | $494 |
| Braun | $88,088 | $46 | $365 | $450 | $85 | $511 |
| Cheung | $69,243 | $36 | $287 | $450 | $163 | $401 |
| Del Negro | $86,291 | $45 | $357 | $450 | $93 | $500 |
| Dillon | $89,623 | $46 | $371 | $450 | $79 | $520 |
| Duffy | $48,091 | $25 | $199 | $300 | $101 | $279 |
| Fassett | $68,343 | $35 | $283 | $450 | $167 | $396 |
| Hansen | $65,208 | $34 | $270 | $350 | $80 | $378 |
| Herlong | $36,367 | $19 | $151 | $350 | $199 | $211 |
| Holler | $39,312 | $20 | $163 | $300 | $137 | $228 |
| Huff | $73,435 | $38 | $304 | $395 | $91 | $426 |
| Jones | $90,584 | $47 | $375 | $400 | $25 | $525 |
| Kalmbach | $102,649 | $53 | $425 | $435 | $10 | $595 |
| Kelly | $101,101 | $52 | $419 | $450 | $31 | $586 |
| Kerle | $102,999 | $53 | $426 | $450 | $24 | $597 |
| Laramie | $53,949 | $28 | $223 | $370 | $147 | $313 |
| Leazenby | $47,605 | $25 | $197 | $395 | $198 | $276 |
| Love | $64,022 | $33 | $265 | $400 | $135 | $371 |
| Munn | $56,514 | $29 | $234 | $450 | $216 | $328 |
| Peifer | $74,859 | $39 | $310 | $450 | $140 | $434 |
| Reams | $73,502 | $38 | $304 | $400 | $96 | $426 |
| Sheehan | $72,242 | $37 | $299 | $400 | $101 | $419 |
| Stevens | $106,778 | $55 | $442 | $450 | $8 | $619 |
| Travis | $58,370 | $30 | $242 | $450 | $208 | $338 |
| Tucker | $76,726 | $40 | $318 | $450 | $132 | $445 |
| Waters | $52,368 | $27 | $217 | $450 | $233 | $304 |
| West | $45,055 | $23 | $187 | $340 | $153 | $261 |
| Wilson | $73,466 | $38 | $304 | $450 | $146 | $426 |

** By adding a 40% Fringe rate to each employee's actual base rate (Column 7), resulted in raising 46% of the emplyee's rates to match or exceed the FVTC's allocated consultant rates (Column 6).

## Attachment 1-C

**Consultant Travel Reimbursements paid on the half day or full day basis compared to actual travel hours and actual costs.**

| Award Number | Name of Traveler | Departure Destination | Arrival Destination | Total Hours Paid | Total Paid | Actual Travel Hours | Actual Cost | Overage of Paid to Actual |
|---|---|---|---|---|---|---|---|---|
| 2008MCCXK021 | Michael Hill | Dalton, MA | Oklahoma City, O | 12 | $675 | 9.5 | $ 534 | $ (141) |
| 2008MCCXK021 | Michael Hill | Oklahoma City, OK | Dalton, MA | 8 | $450 | 5.5 | $ 309 | $ (141) |
| 2008MCCXK024 | Steven Del Negro | Williamstown, MA | Oklahoma City, O | 12 | $675 | 9 | $ 506 | $ (169) |
| 2008MCCXK026 | Dillion Consulting | Oklahoma City, OK | San Jose, CA | 4 | $225 | 1.5 | $ 84 | $ (141) |
| 2007DDBXK143 | Steven Del Negro | Williamstown, MA | Seattle, WA | 12 | $675 | 10.75 | $ 605 | $ (70) |
| 2007DDBXK143 | Tim West | Seattle, WA | Park City, MT | 4 | $215 | 2 | $ 113 | $ (103) |
| 2003MUMUK001 | Bryon Fassett | Knoxville, TN | Forney, TX | 8 | $350 | 4.5 | $ 197 | $ (153) |
| 2003MUMUK001 | Joseph Laramie | Glendale, MO | Knoxville, TN | 8 | $370 | 6.5 | $ 301 | $ (69) |
| 2003MUMUK001 | Steve Del Negro | Williamstown, MA | Knoxville, TN | 8 | $375 | 4.75 | $ 223 | $ (152) |
| 2003MUMUK001 | Micheal Kalmbach | Longmeadow, MA | Knoxville, TN | 12 | $600 | 8.5 | $ 425 | $ (175) |
| 2005MCCXK032 | Judy Johnston | Honolulu, HI | Minneapolis, MN | 12 | $600 | 9.5 | $ 475 | $ (125) |
| 2005MCCXK032 | Michael Geraghty | Cranford, NJ | Deerfield, FL | 8 | $450 | 6.5 | $ 366 | $ (84) |
| 2003MUMUK001 | Byron Fassett | Rowlette, TX | Tampa, FL | 8 | $450 | 5 | $ 281 | $ (169) |
| 2003MUMUK001 | Byron Fassett | Tampa, FL | Rowlette, TX | 4 | $225 | 2.5 | $ 141 | $ (84) |
| 2003MUMUK001 | Hugh Munn | Irmo, SC | Tampa, FL | 8 | $450 | 5 | $ 281 | $ (169) |
| 2003MUMUK001 | Hugh Munn | Tampa, FL | Irmo, SC | 8 | $450 | 5 | $ 281 | $ (169) |

**Attachment 1-D**

**Personnel and Fringe not approved in the grant budgets.**

| Name | Title | Actual Compensation | Actual Fringe | Total Actual |
|---|---|---|---|---|
| **1 2003MUMUK001** | | | | |
| Armagh, Daniel | Dir Legal Education & Asst | $ 2,530 | $ 734 | $ 3,264 |
| Phillip, Keith | Amber Alert Program Manager | $ 504 | $ 116 | $ 620 |
| Newell, Camilla | Crimnal Justice Programs Cord | $ 66 | $ 27 | $ 93 |
| **Total** | | **$ 3,100** | **$ 877** | **$ 3,977** |
| **2 2005MCCXK032** | | | | |
| Armagh, Daniel | Dir Legal Edu & Assistant | $ 5,357 | $ 1,690 | $ 7,047 |
| Heiberg, Harriet Aldridge | Operations Manager/Wash DC | $ 2,127 | $ 1,077 | $ 3,204 |
| Kreisa, Richard | Program Specialist-ICAC | $ 2,896 | $ 621 | $ 3,517 |
| Mahloch, Kristina | Program Specialist | $ 160 | $ 86 | $ 245 |
| Moon, Kan | Admin Asst-Federal programs | $ 38 | $ 12 | $ 50 |
| Newell, Camilla | Crimnal Justice Programs Cord | $ 2,524 | $ 1,008 | $ 3,532 |
| O'Connor, Gary | Program Mgr Child Protection | $ 1,659 | $ 249 | $ 1,908 |
| Schmid, Lisa | Program Specialist | $ 1,591 | $ 821 | $ 2,412 |
| Weeden, Thomas | Project Cord- Wash DC | $ 6,832 | $ 1,513 | $ 8,345 |
| **Total** | | **$ 23,183** | **$ 7,077** | **$ 30,260** |
| **3 2007DDBXK143** | | | | |
| Heiberg, Harriet Aldridge | Operations Manager, Wash DC | $ 1,134 | $ 377 | $ 1,511 |
| Mahloch, Kristina | Program Specialist | $ 332 | $ 178 | $ 510 |
| St. John, Mary | Admin Asst-Federal programs | $ 97 | $ 55 | $ 152 |
| **Total** | | **$ 1,563** | **$ 610** | **$ 2,173** |

**Attachment1-E**

**Promotional supplies not on the approved budget.**

| Award Number | Date | Identifier | Category | Item | Vendor | Amount |
|---|---|---|---|---|---|---|
| 2003MUMUK001 | 9/29/2004 | AP00054858 | Supplies | Promotional | Avalon Promotions | $3,329 |
| 2003MUMUK001 | 12/15/2004 | AP00057780 | Supplies | Promotional | Avalon Promotions | $5,824 |
| 2003MUMUK001 | 2/10/2005 | AP00059813 | Supplies | Promotional | Avalon Promotions | $1,787 |
| 2003MUMUK001 | 2/18/2005 | AP00060114 | Supplies | Promotional | Avalon Promotions | $4,450 |
| 2003MUMUK001 | 2/28/2005 | AP00060543 | Supplies | Promotional | Avalon Promotions | $1,847 |
| | | | | | **Total** | **$17,237** |

# Appendix D. OJJDP Draft Report Comments

U.S. Department of Justice

Office of Justice Programs

*Office of Juvenile Justice and Delinquency Prevention*

*Office of the Administrator* *Washington, D.C. 20531*

RCVD OAAM
JAN 04 2010

MEMORANDUM

To: Maureen Henneberg
Director, OAAM

C: Laurie O. Robinson
Assistant Attorney General

Mary Lou Leary
Principle Deputy Assistant Attorney General

Beth McGarry
Deputy Assistant Attorney General

From: Jeff Slowikowski
Acting Administrator, OJJDP

Subj: Response to OAAM Draft Report, "Internet Crimes Against Children Training and Technical Assistance Program" (Assessment Report No. 09-03)

Date: December 15, 2009

Attached is the OJJDP response to the findings and recommendations of the OAAM audit report on the Internet Crimes Against Children Training and Technical Assistance Program. Thank you for the opportunity to review the document. I look forward to meeting with OAAM to discuss the report.

**Recommendation A.1. OJJDP should ensure that performance measurement designs take into consideration outcome-based measures as one way to assess program effectiveness.**

The performance measures for the ICAC Training and Technology Program are those designed in consultation and approved by OBMS. They collect data on outcomes such as number of training events held, number of participants, number of training materials developed, and participant evaluation of training.

1

For the ICAC TTA program solicitations to be released in FY 2010 OJJDP will expand the program's performance measures to include measures such as a post-training assessment for participants to ascertain whether and how they are using the skills they learned in training. This would provide valuable information about the program and help with future training program planning.

**Recommendation A.2. OJJDP should determine the optimum frequency of reporting performance measurement data for the program and ensure that grantees collect and report data in the Data Collection and Technical Assistance Tool.**

OJJDP will continue to use the bi-annual DCTAT reporting function for ICAC Training and Technical assistance, and will take steps to ensure that the grant manager reviews the DCTAT submission from the grantee timely and holds the grantee accountable for each DCTAT measure.

This grantee has been very responsive in submitting data to OJJDP, including submitting monthly activity reports which are useful in responding to frequent data calls on the ICAC program. We anticipate no difficulty in implementing Recommendation A.2.

**Recommendation B.1. OJJDP should work with the TTA provider, in this case Fox Valley, to determine the optimum number of instructors per course that will maintain the high quality of instruction while achieving maximum efficiency. OJJDP and Fox Valley should also evaluate the most efficient and effective way to provide on-site coordination for the ICAC courses.**

OJJDP is sensitive to this issue and is currently reviewing the methodology on how the courses are delivered.

OJJDP, in consultation with Fox Valley, has determined that the most effective training is delivered by front-line professionals who can teach their peers from the position of being engaged in the same work themselves. ICAC TTA courses are staffed accordingly. To maximize efficiency in delivering training, it is OJJDP's practice to co-schedule ICAC, Missing and Exploited Children, and AMBER Alert training courses in tandem where possible, so that these three programs can share instructors on site. This efficiency may not have been evident to the auditors who did not examine the other two programs. To further implement cost savings, in FY 2010 OJJDP will identify which segments of the Fox Valley training programs could be modified from live-instructor led to video presentation, thus reducing the number of instructors needed on site. Further, in the FY 2010 ICAC Training solicitation OJJDP has specifically required applicants to provide strategies for implementing distance learning, regionally based training, and other cost-effective delivery strategies.

Fox Valley's on-site training coordinators serve several functions. First, they are responsible for unpacking and setting up the 24-30 lap top computers needed for the hands-on portion of the courses (and breaking them down and repacking them for shipping at the end of the course). Second, they are responsible for trouble shooting IT problems such as bandwidth, etc. These problems are not infrequent and having an on-site coordinator available to work with hotel IT staff to restore a down internet connection allows the course to proceed with the instructors teaching the non hands-on segments while the coordinator handles the IT issues. Finally, the

coordinators provide hands-on coaching to students who have less experience working with computers than their peers. This allows all participants to get as much out of the course as possible. Because of the nature of the ICAC TTA program, the on-site coordinators must not only have the technical skills to set up and maintain the operation of the network used for hands on exercises, but also troubleshoot problems with software and hardware, support students who have below average skills and require assistance to maximize their participation in the class, and serve as back up for the instructors in case of emergency. The on-site coordinators are selected on the basis of these criteria. For the FY 2010 ICAC Training program OJJDP will require that any project that involves on-site coordinators will involve these coordinators in four roles: (1) set up / breakdown and maintenance of equipment; (2) trouble shooting IT problems on site; (3) hands-on assistance throughout the course to students who need extra help; and (4) serving as leads for blocks of instruction where appropriate. This will ensure funds for on-site coordinators are spent as efficiently as possible.

**Recommendation B.2. OJJDP should consider the most effective and efficient method to hold instructor auditions, including alternatives such as fewer instructors as audition evaluators, or using technology such as video or phone conferencing, recorded videos of auditions, and online discussion to evaluate auditions.**

These are excellent suggestions for revising the audition process and OJJDP will proceed with exploring how to implement them for future auditions.

**Recommendation B.3. OJJDP should ensure that Fox Valley designs and implements a distance learning model that can provide the greatest benefit and flexibility to ICAC task force and affiliate students as soon as possible.**

A block of distance learning course modules are already under development, and will be released as soon as they are finalized. Once the distance learning modules are complete OJJDP will notify OAAM to request closure of this recommendation.

**Recommendation B.4. OJJDP should follow up with Fox Valley on the recommendations in the Office of the Chief Financial Officer site visit report to ensure that Fox Valley has corrected problems with pay setting, fringe benefit payments, and labor rounding, and ensure that Fox Valley has returned funds in cases for which Fox Valley cannot provide supporting documentation or the costs are deemed unallowable.**

OJJDP takes the OCFO audit findings very seriously. Of the six (6) recommendations in the site visit report, five have been closed and the last has been partially closed. OJJPD will notify OAAM when the final OCFO audit recommendation is closed so that OAAM may close this recommendation.

**Recommendation B.5. OJJDP should ensure that Fox Valley adheres to its policy related to instructor pay and sets pay according to "a consultant's established and substantiated rate of pay."**

A review of Fox Valley's policies is currently underway. Deficiencies in this area will be corrected. Once the review is complete and corrective action has been taken OJJPD will notify OAAM to request closure of this recommendation.

**Recommendation C.1. OJJDP should ensure that future solicitations use the eligibility section of a solicitation to specify the types of organizations able to apply. Other factors regarding applicants' knowledge, experience and organizational capability should be included in the Program-Specific Information section.**

The FY 2010 solicitations for the ICAC Training and Program Support programs and will use the broadest eligibility and program requirements possible to ensure open and fair competition among qualified applicants. Factors related to required experience and knowledge have been moved into the Program Specific information section of the solicitation in FY 2010.

**Recommendation D.1. OJJDP should develop procedures to ensure that all levels of review for its grant management functions are consistent with the Office of Justice Programs Segregation of Duties policy and that controls are implemented to ensure that a perpetual state of conflicting duties is not an OJJDP practice.**

This issue has already been addressed. Grant management responsibility for the Fox Valley grant has been delegated to a highly qualified Juvenile Justice Program Specialist, leaving two layers of supervision above him in the Child Protection Division.

The Deputy Associate Administrator received Segregation of Duties training in the fall of 2007 and has not violated segregation of duties policy since. Violations are monitored by OJJDP quarterly.

There is no way to eliminate the need for multiple roles in GMS for first and second line supervisors in OJJDP. OAAM reviewed and approved the justifications for multiple roles and the controls in place to recognize and correct violation of segregation of roles annually. OJJDP will continue to use the annual AMA system established by OJP to ensure that staff have the correct roles and that where potential conflicts exist that threat is mediated by control factors established by OJJDP.

We suggest that the language at the top of page ii be revised to read 'used annual segregation of duties waivers' to improve clarity.

**Recommendation D.2. OJJDP should develop procedures to ensure that awards are made only after a complete grant application has been submitted.**

OJJDP will ensure that awards are only made after complete grant applications are submitted.

**Recommendation D.3. OJJDP should ensure that substantive communication with grantees and changes in scope are properly documented in the official grant file.**

The (new) current grant manager has received training in the grant monitoring module and will ensure that substantive communication with the grantee and changes in the scope of project activities are documented in GMS.

Beyond the recommendations discussed above, there were a few points raised in the body of the report which I would like to address.

The footnote on page 2 references The PROTECT Act. To clarify, the PROTECT Act was not enacted until late 2008 so it has no bearing on the activities reviewed under this audit. The PROTECT Act limits training grants to non law enforcement entities, and this will challenge OJJDP's ability to implement a national training program efficiently because no State or local law enforcement entity has the resources and experience necessary to implement a national training program. We have already addressed this requirement in the PROTECT Act by funding six new training providers in FY 2009 with smaller sums of money. As a result there are new program management challenges related to coordinating the activities of so many training providers.

In the discussion of the increasing demand for ICAC TTA over the years, the report highlights several factors including the increasing number of task forces and the increasing number of affiliate law enforcement agencies. These two factors are the driving force behind increasing demand for ICAC TTA. What the report does not address is that the amount of TTA that could be provided through OJJDP's grantees was limited by the amount of funds available in annual appropriations. Although appropriations for the program, including TTA, did increase annually, the increase in funding did not keep pace with the increase in law enforcement officers, prosecutors, and forensic analysts who became part of the ICAC program across the U.S. In assessing whether the quality of the training available should be sacrificed in order to increase the quantity of persons who could be served, OJJDP made the deliberate decision to maintain the high quality training model (which is so highly rated by participants, as noted later in the report) and address the increasing demand by (1) beginning the development of distance learning and web-based training modules; and (2) encouraging the Task Forces to use their own trained personnel to provide training for other officers in their jurisdiction.

The report states (p.19) that Fox Valley did not submit the required semi-annual progress reports to GMS, but instead submitted monthly activity reports. This is not correct. Fox Valley submitted the monthly activity reports in addition to semi-annual reports in order to ensure that the CPD program manager had access to the most current data about training delivery.

Table 3 on page 21 faults Fox Valley for not aggregating data submitted to OJJDP. However, because Fox Valley was submitting monthly reports on training activities the aggregation of those numbers was straightforward and in our opinion does not represent a significant flaw in outcome reporting. The same table suggests Fox Valley did not record the number of hours of training delivered. However, the CPD program manager knows exactly how many hours of instruction are delivered under each program, so the program manager knew the number of hours of training delivered even when that total was reported in days. It would not be correct to say that Fox Valley was not delivering data that OJJDP needed for program management purposes. Nonetheless OJJDP takes performance measure reporting seriously, and in the future, CPD will

work with Fox Valley and all ICAC training providers to ensure that DCTAT reporting is complete and correct.

On page 25 the report documents an example of an instructor who claimed 3 ½ days of travel on the outbound trip from New York to teach in Anchorage, Alaska and only 2 days of travel for the return trip. The report does not indicate that the auditors asked for an explanation of the discrepancy. In this case, the instructor was stranded in Alaska unable to reach Anchorage because of bad weather, and thus the trip to the training site was 1.5 days longer in one direction.

Page 25 also asserts that OJJDP should require Fox Valley to use three instructors per 4.5 day training program. OJJDP is currently looking into how to make training delivery as efficient and effective as possible, including encouraging applicants to the FY 2010 ICAC TTA solicitations to be creative in proposing high quality, reasonably priced training. We agree that it is important to use federal grant funds as efficiently as possible. However, one of the strategies behind using specialists for particular course modules, in addition to providing participants with access to the best teachers available, is to train new instructors by launching them with a team of seasoned instructors a few modules at a time until they are able to take responsibility for larger portions of the course. In this way ICAC TTA can continue to increase its pool of instructors.

Page 28 launches a discussion of distance learning. The ICAC TTA program has been working on developing strategies to deliver training content via distance learning where feasible. However, there are a number of technical factors to be considered in determining when and how distance learning strategies are viable for the ICAC TTA program that are not discussed in the report. First, the nature of the training in the UC, IT and P2P classes does not lend itself entirely to a distance-learning strategy. The classes as they are currently structured allow students to take time working hands-on, one-on-one with instructors as necessary and with teams of their peers to practice using soft ware and investigative techniques. The richness of these exchanges would be lost in a distance delivery approach. Also, it would be more difficult to assess each participant's mastery of the material via a distance learning approach, because of the subtleties of the techniques being taught. There is the question of assessing the technical skills (which the report acknowledges vary widely) of participants and providing those who need more hands on time or more instructor time to keep up with the class. This is easily done in the classroom setting, but much less efficiently done via distance learning.

Page 30 suggests that eliminating student lodging payments would reduce the cost of ICAC TTA delivered by Fox Valley. OJJDP will require in FY 2010 and future years that student lodging costs be born by the training participants, and not by the training provider.

The report uses the term "sole source" on page 50 to describe the initial investment in the ICAC TTA program. This is an incorrect use of that term. The ICAC TTA program was initially funded through the Missing Children's Act appropriations because there was no separate ICAC appropriation in 2003. Thus the competitively selected Missing and Exploited Children TTA grantee administered the early ICAC TTA program. It is not correct to call this a "sole source" situation. Also on page 50 the report states that the value of the Missing and Exploited Children TTA grant was $ 6,116,498 and on Table B-2 the value of the Missing and Exploited Children

TTA is listed as $ 4,116,498, which is the correct total. Of this $ 4,116,498 award 2003-MU-MU-K001 $ 3,128,219 was devoted to ICAC TTA.

In conclusion, the report finds that training provided by Fox Valley under the TTA grant was of very high quality and well received by training participants. The increasing demand for the training also speaks to the reputation the ICAC TTA program had for delivering current, hands on instruction on emergent topics, provided by strong instructors who are also professionals in the child protection field (mostly law enforcement and prosecution). We believe it is not unreasonable to conclude that the method of ICAC TTA delivery, which involves limited class size, hands-on exercise requiring extensive class technology and on-site technical management, and teams of very highly qualified instructors, is the root of the program's success. Nonetheless we are going to make changes to the program to ensure that the training funds are managed as efficiently as possible. We will examine the delivery of course components via video or through other distance learning solutions; we will ensure the on-site coordinators are filling multiple roles during the course; and we will eliminate student lodging as a line item in the training program budget.

There is much to be learned from this audit report, and we appreciate the effort that went into this examination of the ICAC TTA program. We have already, and intend to continue, making changes in how the program is managed at OJJDP in order to address the suggestions made by the auditors. We appreciate the opportunity to respond to the draft report.

# Appendix E. OAAM Responses to OJJDP Comments to Draft Report

## Analysis and Summary of Actions Necessary to Close Report

OAAM provided a draft of the assessment report to OJJDP for comments. In response to OJJDP's comments, OAAM provided an analysis and summary of actions necessary to close recommendations and the report, responded to OJJDP's report discussion points, and made minor technical changes to the report.

**Recommendation A.1. OJJDP should ensure that performance measurement designs take into consideration outcome-based measures as one way to assess program effectiveness.**

OJJDP stated that they collect data on outcomes such as number of training events held, number of participants, number of training materials developed, and participant evaluation of training. We disagree with the description of these data as "outcomes." We believe a more accurate description of these data is output. We believe the collection of output data is important and that the data should support the ability to measure program outcome. In this case, data related to student outcomes such as pre- and post-testing and evaluation or qualitative surveys related to the application of participant training, taken long after training, are just some examples of ways to identify program outcome.

OJJDP agreed with the recommendation that outcome-based measures would provide valuable information about the program and help with future training program planning. OJJDP stated they would expand program performance measures for FY 2010 to include measures such as post-training assessment for participants. This recommendation can be closed after OAAM reviews the FY 2010 ICAC TTA solicitation and awarded applications to ensure that outcome-based measures are a component of the ICAC TTA program.

**Recommendation A.2. OJJDP should determine the optimum frequency of reporting performance measurement data for the program and should ensure that grantees collect and report data in the Data Collection and Technical Assistance Tool.**

OJJDP commented that OAAM's assertion that Fox Valley did not aggregate their monthly data for the semiannual progress reports is immaterial because the

program manager was aware of all of the training hours, and therefore had adequate information to properly manage the grant. We recognize that Fox Valley kept the program manager well informed. However, grantees are required to report semiannually on grant progress, including performance measures, which entails aggregating data for the reporting period. We are pleased that OJJDP will work with all ICAC training providers to ensure that performance measures are submitted through DCTAT and that these data are complete and correct. Based upon OJJDP's commitment to use the bi-annual reporting function of DCTAT for the ICAC TTA program, this recommendation is closed.

**Recommendation B.1. OJJDP should work with Fox Valley to determine the optimum number of instructors per course that will maintain the high quality of instruction while achieving maximum efficiency. OJJDP and Fox Valley should also evaluate the most efficient and effective way to provide on-site coordination for the ICAC courses.**

OJJDP agreed with the recommendation and stated that they are currently reviewing course methodologies to include course delivery methods. They further stated that in order to implement cost savings, they will identify which segments of Fox Valley training programs can be modified from live-instructor led to video presentation. OJJDP also stated they will require the FY 2010 ICAC TTA program to use on-site coordinators in multiple roles. However, OJJDP emphasized that the number of instructors used for a course should not be reduced to the extent that the training quality is compromised. We agree that OJJDP should not "sacrifice" the quality of training to merely increase the quantity of training. In this recommendation, we recommended that OJJDP should: "…maintain the high quality of instruction while achieving maximum efficiency." Moreover, OJJDP stated that the increasing demand for training was addressed through: "(1) *beginning* the development of distance learning and web-based training models; and (2) encouraging the task forces to use their own trained personnel to provide training for other officers in their jurisdiction." We agree with OJJDP that these two approaches, while not the only approaches, will likely increase the availability of training. As noted in the report, Fox Valley committed to conducting distance learning in their 2006 application. However, we found that after three years, Fox Valley had still not created this capacity, which led to Recommendation B.3 in our report.

OJJDP also commented that in the report, OAAM required OJJDP to use three instructors per course. We disagree with OJJDP's interpretation of page 25 of the report. We used three instructors as a basis for estimating cost savings. It is important to note that on page 26 of the report, we asserted that it was plausible that the number of instructors used per course by Fox Valley was reason-

able. We end this discussion on page 26 of the report by pointing out that we could find no evidence that Fox Valley or OJJDP analyzed whether they could maintain the quality of ICAC instruction and reduce costs by using fewer instructors per class.

This recommendation can be closed when OAAM receives documentation that OJJDP has analyzed each ICAC training course and has decided on an optimum number of instructors that should be used in order to maintain high quality while at the same time provide maximum cost efficiency. Further, OAAM must receive course agendas showing the number of modules taught by classroom coordinators.

**Recommendation B.2. OJJDP should consider the most effective and efficient method to hold instructor auditions, including alternatives such as using fewer instructors as audition evaluators, or using technology such as video or phone conferencing, recorded videos of auditions, and online discussions to evaluate auditions.**

OJJDP agreed with this recommendation and stated they will explore how to implement alternative methods for instructor auditions. This recommendation can be closed when OJJDP submits a new instructor audition plan to OAAM that incorporates meeting alternatives we have suggested or similar methods that make virtual meetings and video review possible.

**Recommendation B.3. OJJDP should ensure that Fox Valley designs and implements a distance learning model that can provide the greatest benefit and flexibility to ICAC task force and affiliate students as soon as possible.**

OJJDP commented that distance learning would not be appropriate for every class. They also stated that it would be difficult to ascertain course mastery by students in a distance learning environment. We agree that there may be certain elements of some courses that are not suitable for distance learning. For example, in the report section titled "Estimation of Program Savings," we estimated cost savings for training events by modifying a single day of residential training in cost areas such as labor and venue costs. We do not suggest in the report that all course modules in future ICAC TTA training should be delivered in a distance learning environment. We also believe that OJJDP and Fox Valley are

well-positioned to examine student course mastery through pre- and post-testing, which Fox Valley has already shown to be effective, irrespective of the course delivery method. This recommendation can be closed when OAAM receives documentation of course agendas and training delivery showing which distance learning modules have been developed and implemented.

**Recommendation B.4. OJJDP should follow up with Fox Valley on the recommendations in the OCFO site visit report to ensure that Fox Valley has corrected problems with pay setting, fringe benefit payments, and labor rounding, and ensure that Fox Valley has returned funds in cases for which Fox Valley cannot provide supporting documentation or the costs are deemed unallowable.**

OJJDP stated that they take the OCFO audit findings very seriously and that to date, the OCFO has closed four of the five recommendations in their report. This recommendation can be closed when the OCFO Site Monitoring Report is closed.

**Recommendation B.5. OJJDP should ensure that Fox Valley adheres to its policy related to instructor pay and sets pay according to "a consultant's established and substantiated rate of pay."**

OJJDP stated that a review of Fox Valley's policies are underway and that deficiencies in this area will be corrected. Since Fox Valley submitted a new compensation policy to the OCFO related to the OCFO Site Monitoring Report, this recommendation can be closed when the OCFO Site Monitoring Report is closed.

**Recommendation C.1. OJJDP should ensure that future solicitations use the eligibility section of a solicitation to specify the types of organizations able to apply. Other factors regarding applicants' knowledge, experience, and organizational capability should be included in the Program-Specific Information section.**

OJJDP agreed with this recommendation and stated that the FY 2010 solicitations for ICAC Training and Support programs will use the broadest eligibility and program requirements possible to ensure open and fair competition among qualified applicants. Based upon an OAAM review of the FY 2009 ICAC TTA program solicitation, which afforded greater eligibility for applicants, this recommendation is closed.

**Recommendation D.1. OJJDP should develop procedures to ensure that all levels of review for its grant management functions are consistent with the Office of Justice Programs Segregation of Duties policy and that con-**

**trols are implemented to ensure that a perpetual state of conflicting duties is not an OJJDP practice.**

OJJDP agreed with this recommendation and stated that the issue had already been addressed because the grant management responsibility for the Fox Valley grant has been delegated to a highly qualified Juvenile Justice Program Specialist, thereby leaving two layers of supervision above the Specialist in the Child Protection Division and that when a potential conflict of duty arises, it will be mitigated by control factors established by OJJDP. Based upon a newly implemented grant management plan that integrates more segregation of duties within the Child Protection Division and control factors introduced by OJJDP to mitigate risks associated with conflicting duties, this recommendation is closed.

**Recommendation D.2. OJJDP should develop procedures to ensure that awards are made only after a complete grant application has been submitted.**

OJJDP agreed with the recommendation and stated that they will ensure that awards are only made after complete applications are submitted. Based upon a review of the FY 2009 ICAC TTA program grant application process and the documentation submitted, this recommendation is closed.

**Recommendation D.3. OJJDP should ensure that substantive communication with grantees and changes in scope are properly documented in the official grant file.**

OJJDP agreed with the recommendation and stated that the new grant manager for the ICAC TTA program has received training on the grant monitoring module and will ensure that substantive communication and changes in scope are documented in GMS. Based upon the grant monitoring module training received by the new grant manager for the ICAC TTA program, this recommendation is closed.

## OJJDP Draft Report Discussion Points

OJJDP stated that future lodging costs will be borne by the training participants and not by the training providers. We acknowledge this program change and think it is an effective way to make resources available for training additional students.

OJJDP commented that OAAM did not include discussion of what they perceive as insufficiencies in the annual appropriations for ICAC TTA to meet the increasing demand. The scope of our assessment centered on the quality and quantity of training and technical assistance provided with the level of funding

that was appropriated.

OJJDP commented that the instance of travel OAAM used as an example of labor rounding was due to the traveler being stranded by weather conditions. However, no documentation for this delay was included in the traveler's voucher. Travel delays experienced by instructors in this program were masked by the practice of labor rounding. This specific finding and recommendation in the OCFO Site Monitoring Report has been closed based upon documentation submitted by Fox Valley. A second OCFO finding related to Fox Valley's broader policy and practice of labor rounding has also been closed. Fox Valley modified their Federal grants travel policy, which now requires consultants working on federal grants to charge actual travel time as opposed to rounding to four and eight hour increments.

## Technical Changes to the Draft Report

- Replaced *"used annual waivers"* with *"used annual segregation of duties waivers"* on p. ii of the Draft Report
- Deleted *Footnote 1* that was included in the Draft Report
- Replaced *"instead of"* with *"in addition to"* on p. 19 of the Draft Report
- Replaced *"From 2003 to 2005, Fox Valley's newly established New Hampshire office was awarded a total of $6,116,498 in sole-source funding to facilitate ICAC TTA."* with *"In 2003 and 2004, OJJDP awarded Fox Valley $2,188,276 and $1,928,222 respectively, for the ICAC TTA program with MEC TTA program funds. In 2003, a portion of the awarded grant funds, roughly $988,280, was used to fund MEC TTA activities, according to grant budget documents. In 2005, OJJDP awarded $2,000,000 to Fox Valley for the ICAC TTA program, under a new grant number, for which a competition was held in the first supplement year of the award in 2006."* on page 50 of the Draft Report.