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

OVERSIGHT ★ INTEGRITY ★ GUIDANCE

Audit of the Bureau of Justice Assistance Presidential Candidate Nominating Convention Grant Awarded to Cleveland, Ohio, for the 2016 Republican National Convention

Audit Division GR-50-18-002 February 2018

Executive Summary

Audit of the Bureau of Justice Assistance Presidential Candidate Nominating Convention Grant Awarded to Cleveland, Ohio, for the 2016 Republican National Convention

Objectives

In April 2016, the Office of Justice Programs (OJP) Bureau of Justice Assistance (BJA) awarded a grant totaling $49,900,000 to the city of Cleveland, Ohio to provide security to delegates, visitors, and residents of the city during the 2016 Republican National Convention (RNC). The objectives of this audit were to determine whether: (1) costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the award; and (2) the grantee demonstrated adequate progress towards achieving program goals and objectives.

Results in Brief

Based on our review, with one exception, we did not identify reportable issues regarding Cleveland's grant financial management, expenditures, drawdowns, or its federal financial reports, and we concluded that Cleveland generally managed the grant appropriately.

However, Cleveland spent approximately $3.2 million in BJA grant funds on vehicles, and although the vehicles were added to the property management system, Cleveland did not adhere to DOJ guidance requiring that the vehicles be identified as purchased with federal grant funds.

Recommendations

Our report contains one recommendation to OJP to assist Cleveland in ensuring that vehicles purchased with BJA grant funds are tracked in accordance with DOJ requirements. We provided an official draft version of this report, which included the aforementioned recommendation, to the city of Cleveland and OJP. The city of Cleveland provided evidence that the recommended corrective action was taken and that policies and procedures have been updated to prevent this from occurring in the future with other DOJ grant funds. OJP indicated that these actions were adequate to address our recommendation, and we agree. Therefore, we consider this recommendation fully implemented.

Audit Results

The overall goal of the BJA grant was to provide support for law enforcement and related security costs (including personnel, necessary equipment, and overtime costs) associated with the RNC. The project period for the grant was from October 2015 through March 2017. The approved grant budget provided funds for law enforcement and related security costs, including personnel, necessary equipment, and overtime costs associated with the 2016 RNC.

The Cleveland Division of Police was the lead local law enforcement agency for the RNC, and a total of approximately 2,800 officers from agencies throughout the United States were brought in to assist with day-to-day security operations during the event. Cleveland officials told us that they prepared for the possibility of a wide range of potential disturbances. Cleveland officials stated that during the RNC no major public safety incidents occurred, no major damage was done to public property, and there were no major injuries to police or citizens.

Out of the $49,900,000 original grant award, Cleveland ultimately requested and received reimbursement for $41,571,098 in expenditures. According to a Cleveland official, the reason the final amount requested was approximately $8.3 million less than allowed was principally due to changes in expected personnel costs.

Overall Grant Management – We found that Cleveland achieved the program goals and objectives, submitted required performance reports, complied with special conditions unique to the grant, properly expended grant funds, budgeted appropriately, requested draw downs in an allowable manner, and submitted federal financial reports free from error or misstatement.

Property Management – We found that Cleveland did not fully comply with Department of Justice grant requirements because when it added to its inventory the vehicles it purchased with grant funds, it did not identify them as grant-funded.

AUDIT OF THE BUREAU OF JUSTICE ASSISTANCE PRESIDENTIAL CANDIDATE NOMINATING CONVENTION GRANT AWARDED TO CLEVELAND, OHIO, FOR THE 2016 REPUBLICAN NATIONAL CONVENTION

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INTRODUCTION

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) audited the Office of Justice Programs (OJP) Bureau of Justice Assistance (BJA) grant awarded to the city of Cleveland, Ohio (Cleveland), under the Presidential Candidate Nominating Convention program. Cleveland was awarded $49,900,000, as shown in Table 1.

Table 1
Grant Awarded to the City of Cleveland

Award Number	Award Date	Project Start Date	Project End Date	Award Amount
2016-ZC-BX-0001	04/01/2016	10/01/15[1]	03/31/17[2]	$49,900,000

Source: Office of Justice Programs Grant Management System (GMS)

Background

Since 2004, Congress has consistently awarded public funds to cover security-related expenses of state and local law enforcement entities that are assisting in securing the sites of major party presidential nominating conventions. In December 2015, Congress appropriated a total of $100 million to Cleveland to host the 2016 Republican National Convention (RNC); and Philadelphia, Pennsylvania, to host the 2016 Democratic National Convention (DNC).[3]

Congress required funds related to these grants to be used solely for extraordinary law enforcement expenses and called for the development of clear guidelines to govern allowable expenses.[4] Congress also required that the DOJ OIG perform an audit of convention payments and reimbursements to ensure efficiency and accountability. This report is limited to our audit of the grant awarded for the RNC in Cleveland, which occurred in July 2016. The DOJ OIG also is performing a

[1] Although the grant was awarded on April 1, 2016, according to BJA, it set the project start date as October 1, 2015, to provide the city with an opportunity to request reimbursement for allowable convention planning activities dating back to the start of the federal fiscal year.

[2] The original project end date was December 31, 2016, but Cleveland applied for and received a 3-month extension.

[3] Consolidated Appropriations Act of 2016.

[4] House Report, *Commerce, Justice, Science, and Related Agencies Appropriations Bill* (Accompaniment to H.R. 2578), 2016. H. Rept. 114-130.

separate audit of the grant awarded for the DNC, and we will discuss our results of that audit in a subsequent report.[5]

City of Cleveland

The city of Cleveland is the largest city in Cuyahoga County and, with about 386,000 residents, is the second largest city in Ohio. Cleveland submitted its application to host the RNC in February 2014 and was selected as the host city in July 2014. According to Cleveland officials, as of December 2016, the Division of Police had about 1,650 total employees, and approximately 1,500 sworn officers worked at the RNC.

Bureau of Justice Assistance

According to its strategic plan, BJA seeks to reduce and prevent crime, violence, and drug abuse, and to improve the way in which the criminal justice system works. As the federal office in charge of administering the convention grants, BJA required Cleveland to submit a budget that estimated security costs for the convention. All costs were required to be approved prior to the award of grant funds with sufficient justification for how the requested expenditures related to convention security. BJA also required the city to submit any budget adjustments for approval and reserved discretion to deny any expenditure that appeared unreasonable, unnecessary, or otherwise unrelated to the purpose of the grant. Lastly, BJA instructed Cleveland to identify and explore resources from other sources to support the grant to ensure costs could not be funded through other means.

OIG Audit Approach

The purpose of the audited BJA grant was to provide support for law enforcement expenditures and related security costs, including personnel, necessary equipment, and overtime costs associated with the 2016 RNC. The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish our audit objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

We tested compliance with what we consider to be the most important conditions of the grant. The 2015 DOJ Grants Financial Guide and the award documents contain the primary criteria we applied during the audit. The results of our analysis are discussed in detail later in this report. Appendix 1 contains additional information on this audit's objectives, scope, and methodology.

[5] The city of Philadelphia drew down its funds on a different timetable than Cleveland, requesting 95 percent of the total grant amount in June 2017. As a result, our audit report on the BJA grant awarded for the 2016 DNC will be issued at a later date.

AUDIT RESULTS

Program Performance and Accomplishments

We reviewed required performance reports, accounting records, and grant documentation, and we interviewed Cleveland officials, to determine whether Cleveland achieved the goals of the grant. We also reviewed progress reports, financial status reports, and monthly reports to determine if the required reports were accurate. Finally, we reviewed Cleveland's compliance with the special conditions identified in the award documentation.

Program Goals and Objectives

The overall goal of the BJA grant was to provide support for law enforcement and related security costs, including personnel, necessary equipment, and overtime costs, associated with the RNC. According to Cleveland officials, after the announcement of the convention location, law enforcement officials, along with state and federal law enforcement agencies, began security preparations for the convention and related events. Command-level representatives from the U.S. Secret Service, the Federal Bureau of Investigation (FBI), Federal Emergency Management Agency (FEMA), Cleveland-area public safety agencies, and other agencies formed an Executive Steering Committee. Twenty-five subcommittees were then formed, each developing specific operational plans according to law enforcement function. Cleveland officials explained to us that the plans identified the equipment, personnel, and other security-related resources necessary to ensure public safety during the convention.

The Cleveland Division of Police (Cleveland Police) was the lead local law enforcement agency for the RNC and led the effort to conduct comprehensive risk assessments of critical infrastructure (such as utilities, hotels, and waterways) to determine vulnerabilities. Cleveland also requested additional manpower from police agencies all around the country. According to documents provided by Cleveland officials, a total of approximately 2,800 officers from agencies throughout the United States were brought in to assist with day-to-day security operations. In addition to increased manpower and specialized skills, some of these outside agencies brought their own law enforcement equipment, including vehicles, equipment, and patrol horses. According to Cleveland officials, having these agencies bring their own equipment eliminated the need for Cleveland to use federal funds to purchase additional equipment to outfit these officers.

Cleveland officials told us that they prepared for the possibility of civil disturbances, hazardous materials incidents, and mass arrests. Cleveland officials also stated that the environment leading up to the convention was considered tense, pointing to recent national incidents at the time, including the shooting of 14 police officers and 2 civilians in Dallas, Texas, less than 2 weeks before the RNC. Cleveland records indicate that a total of 24 convention-related arrests were made (17 of which occurred during one incident) during the 4 days of the convention. Additionally, Cleveland officials indicated that no major public safety incidents

occurred, no major damage was done to public property, and there were no major injuries to police or citizens.

Based on our review of Cleveland's grant activities and expenditures, there were no indications that Cleveland did not achieve the stated goals of the grant.

Required Performance Reports

According to the 2015 DOJ Grants Financial Guide, the funding recipient should ensure that valid and auditable source documentation is available to support all data collected for each performance measure specified in the program solicitation. While all OJP grants require that the grantee submit semiannual performance reports, the Presidential Nominating Convention grants had an added requirement to submit progress reports on a monthly basis. Both the semiannual and monthly reports were narrative in nature and did not contain numerical metrics. Instead, the reports focused on questions and responses related to the overall timeline and progress of the grantee's convention-related activities.

To verify the information in the submitted reports, we selected a sample of statements from two semiannual reports and six monthly reports. We then traced the items to supporting documentation maintained by Cleveland. Based on our progress report testing, we did not identify any instances where the accomplishments described in the required reports did not match the supporting documentation.

Compliance with Special Conditions

Special conditions are the terms and conditions that are included with the award. We evaluated the special conditions for the grant and selected a judgmental sample of the requirements that were significant to Cleveland's performance under the grant and were not addressed elsewhere in our audit. Specifically, we evaluated compliance with 18 of the 52 special conditions for the grant, including requirements related to food and beverage purchases, development of an operational security plan, accounting procedures, and spending restrictions. We did not identify any instances of Cleveland violating the special conditions we reviewed.

Grant Financial Management

According to the 2015 DOJ Grants Financial Guide, all grant recipients and sub-recipients are required to establish and maintain adequate accounting systems and financial records and to accurately account for funds awarded to them. To assess Cleveland's grant financial management, we conducted interviews with financial staff, examined policy and procedures, inspected the accounting system, and reviewed grant documents to determine whether Cleveland adequately safeguarded the grant funds we audited. We also reviewed Cleveland's Single Audit Reports for fiscal years 2012 through 2015 for identified internal control weaknesses and significant non-compliance issues related to federal awards.

Finally, we performed testing in the areas that were relevant to the management of this grant, as discussed throughout this report.

Our audit did not reveal any deficiencies in Cleveland's accounting for the grant funds received and expended. However, we concluded that Cleveland's procedures for its grant financial management related to property management need improvement. According to the 2015 DOJ Grants Financial Guide, grantees are required to be prudent in the acquisition and management of property acquired with federal funds. The 2015 DOJ Grants Financial Guide also requires recipients to maintain property records that include a description of the property, a serial number, source of the property, identification of the title holder, acquisition date, cost of the property, percentage of federal participation in the cost of the property, location of the property, use and condition of the property, and disposition data. Furthermore, when the equipment is no longer needed, grantees must request disposition instructions from the grant-making component.

We found that Cleveland did not fully comply with award conditions related to property management. Although most items obtained with RNC grant funds were properly identified in Cleveland's inventory system as being purchased with federal funds, we found that $3.2 million in automobiles were not identified as federally funded. The failure to track this information could impact Cleveland's ability to ensure that the vehicles are used properly and appropriately disposed of in the future. We therefore recommend that OJP require Cleveland to review its inventory of grant-funded vehicles and ensure that they are adequately tracked according to DOJ requirements.

Grant Expenditures

For the RNC Grant, Cleveland's approved budget included personnel, fringe benefits, travel, equipment, supplies, contractors and consultants, administrative, and other costs. Out of the $49,900,000 amount allowed, Cleveland ultimately requested and received reimbursement for $41,571,098 in expenditures. According to a Cleveland official, the reason the final amount requested was approximately $8.3 million less than allowed was principally due to fewer overtime hours charged to the grant than originally expected by both Cleveland and outside agency law enforcement personnel. The approved grant budget, which includes a description of each budget category, is shown in Table 2, which follows.

Table 2
Approved Budget for RNC Grant

Budget Category	Expense Overview	Budgeted Amount	Expended Amount[a]
Personnel	Overtime pay for Cleveland employees	$5,442,007	$3,722,857
Fringe Benefits	Pension and payroll taxes associated with overtime pay	1,281,313	884,595
Travel	Out of town bicycle and motorcycle training event for Cleveland Police	1,580,051	16,841
Equipment	Vehicles, computers, and surveillance equipment for Cleveland's Police, Fire, and Emergency Operations departments	5,156,851	5,155,606
Supplies	Tools, uniforms, and medical supplies	5,044,375	5,045,619
Consultants and Contracts	Insurance for city officials, personnel, and property during the RNC; and travel, lodging, and meal expenses for an additional 2,677 officers from jurisdictions outside the local area	28,869,554	24,219,729
Other	Agreements with nearby municipalities for services related to mass arrests	30,850	30,850
Indirect Costs	A flat rate agreed upon with BJA to reimburse Cleveland for overhead costs related to planning the RNC	2,494,999	2,495,000
Total		**$49,900,000**	**$41,571,098**

[a] Differences in totals are due to rounding.

Source: OJP's Grant Management System

To determine whether costs charged to the grant were allowable, supported, and properly allocated in compliance with grant requirements, we tested a sample of transactions. We reviewed a total of $9,803,510, representing 72 of the 497 line items in the approved budget.[6]

In addition to physically viewing equipment purchased with grant funds, we reviewed timesheets for personnel costs, published rates for fringe benefit expenses, and contracts with vendors and other municipalities that contributed resources to support Cleveland's hosting of the RNC. We reviewed documentation and accounting records, and we performed verification testing related to grant expenditures. We did not identify any concerns related to any of the grant expenditures we reviewed.

[6] We based our sample on the list of budgeted items rather than a list of expenditures because, at the time of our testing, most of Cleveland's grant-related expenditures had not yet made it through Cleveland's expenditure process. For example, while an item we tested may have been on the budget and have been purchased, Cleveland had not yet requested reimbursement for it and thus had not yet recorded it as a grant-related expenditure. All of the items we tested were ultimately reimbursed by the grant.

BJA Oversight of Expenditures

According to the BJA Grant Program Manager, BJA provided a high level of oversight on this grant. Cleveland officials provided documentation illustrating that BJA officials reviewed samples of expenditure documentation as Cleveland drew down funds to reimburse its expenditures. The BJA Grant Manager informed us that prior to the convention, he visited Cleveland to approve or disallow line items, and he visually verified items purchased. We reviewed documentation of a site visit conducted by the BJA Grant Manager that confirmed the assertions regarding the level of attention BJA focused on the grant.

Budget Management and Control

According to the 2015 DOJ Grants Financial Guide, the recipient is responsible for establishing and maintaining an adequate accounting system, which includes the ability to compare actual expenditures or outlays with budgeted amounts for each award. Additionally, the grant recipient must initiate a Grant Adjustment Notice (GAN) for a budget modification that reallocates funds among budget categories if the proposed cumulative change is greater than 10 percent of the total award amount. We found that throughout the life of the grant, Cleveland submitted 10 GANs related to budget revisions. According to a Cleveland official, these revisions were necessary to communicate to BJA changes in expected costs. We found that the budget revisions addressed changes such as personnel and fringe benefit costs coming in lower than expected, as well as changes in equipment costs. In each case, OJP approved the budget revisions.

We compared grant expenditures to the approved budgets to determine whether Cleveland transferred funds among budget categories in excess of 10 percent. We determined that the final cumulative difference between category expenditures and approved budget category totals was not greater than 10 percent.

Drawdowns

According to the 2015 DOJ Grants Financial Guide, an adequate accounting system should be established to maintain documentation to support all receipts of federal funds. If, at the end of the grant award, recipients have drawn down funds in excess of federal expenditures, unused funds must be returned to the awarding agency. We found that Cleveland maintained policies related to the proper timing and accounting for the federal funds that it draws down. For this grant, Cleveland drew down $41,571,098 of the total $49,900,000 in available grant funds. In September 2017, OJP de-obligated the remaining $8,328,902 in grant funds. To assess whether Cleveland managed grant receipts in accordance with federal requirements, we compared the total amount reimbursed to the total expenditures in the accounting records. Our testing did not identify discrepancies in our comparison, and we did not identify deficiencies in Cleveland's drawdown activities.

Federal Financial Reports

According to the 2015 DOJ Grants Financial Guide, recipients shall report, on a quarterly basis, the actual expenditures and unliquidated obligations incurred for the reporting period, as well as cumulative expenditures. To determine whether Cleveland submitted accurate Federal Financial Reports, we compared four quarterly financial reports that Cleveland submitted to Cleveland's accounting records for the grant. We determined that quarterly and cumulative expenditures for the reports reviewed matched Cleveland's accounting records.

CONCLUSION AND RECOMMENDATION

As a result of our audit testing, we conclude that Cleveland generally achieved the grant's stated goals and objectives. With one exception, we did not identify reportable issues regarding Cleveland's grant financial management, expenditures, drawdowns, its management of the grant budget, or its federal financial reports. However, we found that Cleveland did not fully comply with award conditions related to property management. We provide one recommendation to Cleveland to address this deficiency.

We recommend that OJP:

1. Require Cleveland to review its inventory of vehicles purchased with grant funds and ensure that the vehicles are tracked according to DOJ requirements.

APPENDIX 1

OBJECTIVES, SCOPE, AND METHODOLOGY

Objectives

The objectives of this audit were to determine whether costs claimed under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant; and to determine whether the grantee demonstrated adequate progress towards achieving the program goals and objectives. To accomplish these objectives, we assessed performance in the following areas of grant management: program performance, financial management, expenditures, budget management and control, drawdowns, and federal financial reports.

Scope and Methodology

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

This was an audit of BJA grant number 2016-ZC-BX-0001 awarded to the city of Cleveland, Ohio, under the Edward Byrne Memorial Competitive Grant Program. In total, Cleveland drew down $41,571,098 of the $49,900,000 in grant funds awarded, and made its final drawdown in July 2017. OJP then de-obligated the remaining balance in September 2017. Our audit concentrated on, but was not limited to October 1, 2015, the start date for the grant, through September 2017.

To accomplish our objectives, we tested compliance with what we consider to be the most important conditions of Cleveland's activities related to the audited grant. We performed sample-based audit testing for grant expenditures, including payroll and fringe benefit charges; financial reports; progress reports; and required reports. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grant reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected. The 2015 DOJ Grants Financial Guide and the award documents contain the primary criteria we applied during the audit.

During our audit, we obtained information from OJP's Grants Management System (GMS) as well as Cleveland's accounting system. We did not test the reliability of those systems as a whole; therefore any findings identified involving information from those systems was verified with documentation from other sources.

APPENDIX 2

CITY OF CLEVELAND'S RESPONSE TO THE DRAFT AUDIT REPORT

City of Cleveland
Frank G. Jackson, Mayor

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Michael McGrath, Director
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Office of Inspector General (OIG) Findings – We found that Cleveland did not fully comply with award conditions related to property management. Although most items obtained with RNC grant funds were properly identified in Cleveland's inventory system as being purchased with federal funds, we found that $3.2 million in automobiles were not identified as federally funded. The failure to track this information could impact Cleveland's ability to ensure that the vehicles are used properly and appropriately disposed of in the future. We therefore recommend that OJP require Cleveland to review its inventory of grant-funded vehicles and ensure that they are adequately tracked according to DOJ requirements.

City of Cleveland Response - Upon notification by the OIG, this oversight was immediately remedied within the Public Safety inventory system that all vehicles were purchased using this federal award. The City also referenced that the City must comply with the 2015 Department of Justice Grant Financial Guide.

Respectfully,

Michael McGrath, Director
Department of Public Safety

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APPENDIX 3

THE OFFICE OF JUSTICE PROGRAMS' RESPONSE TO THE DRAFT AUDIT REPORT

U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

JAN 1 2 2018

MEMORANDUM TO: Carol S. Taraszka
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin
Director

SUBJECT: Response to the Draft Audit Report, *Audit of the Bureau of Justice Assistance, Presidential Candidate Nominating Convention Grant Awarded to Cleveland, Ohio, for the 2016 Republican National Convention*

This memorandum is in reference to your correspondence, dated December 5, 2017, transmitting the above-referenced draft audit report for the City of Cleveland (Cleveland), under the Presidential Candidate Nominating Convention Program. We consider the subject report resolved and request written acceptance of this action from your office.

The Office of Justice Programs (OJP) appreciates the audit undertaken by the Department of Justice (DOJ), Office of the Inspector General (OIG) of the Bureau of Justice Assistance (BJA) award to Cleveland, in the amount of $49,900,000, to provide support for law enforcement and related-security costs to delegates, visitors, and residents during the Republican National Convention, held on July 18-21, 2016. The audit did not identify any reportable issues regarding Cleveland's grant financial management, expenditures, drawdowns, or Federal Financial Reports, and concluded that Cleveland generally managed the grant appropriately. However, the audit did find that Cleveland should review its inventory of vehicles purchased with grant funds and ensure that the vehicles are properly tracked, in accordance with the DOJ Grant Financial Guide requirements.

As part of its risk-based grant management approach, BJA provided detailed oversight and technical assistance to Cleveland during the grant period. In addition, BJA required that key Cleveland personnel participate in grant fraud training; and Cleveland complied with this requirement. The Office of Justice Programs also appreciates the valuable grant fraud training provided to Cleveland, by the OIG's Fraud Detection Office.

During the award period, BJA worked closely with Cleveland and conducted on-site monitoring visits on three occasions. Additionally, BJA maintained frequent, at times daily, contact with Cleveland staff, to support its grant administration and reinforce best practices. Throughout the grant period, BJA gave top priority to Cleveland's needs. This commitment facilitated open communication and transparency with Cleveland on program goals, progress toward achieving those goals, and adhering to grant administration requirements.

The draft report contains **one** recommendation and no questioned costs. The following is the OJP's analysis of the draft audit report recommendation. For ease of review, the recommendation is restated in bold and is followed by our response.

1. **We recommend that OJP require Cleveland to review its inventory of vehicles purchased with grant funds and ensure that the vehicles are tracked according to DOJ requirements.**

   OJP agrees with this recommendation. The City, however, provided a copy of its response to OJP in emails, dated December 14, 2017 and December 19, 2017. In its response, the City agreed that, upon notification by the OIG that it did not fully comply with award conditions related to property management, the City immediately properly identified, within the City's Public Safety inventory system, all vehicles that were purchased with Federal grant funds under Grant Number 2016-ZC-BX-0001. In addition, the City revised its Grant Management Policies and Procedures manual, to ensure that its property records include the following data, as required by the DOJ Grant Financial Guide: a description of the property; the serial number of the property; source of the property; identification of the title holder; acquisition date; cost of the property; percentage of Federal participation in the cost of the property; location of the property; use and condition of the property; and disposition data (see Attachment). We believe these actions are adequate and sufficient to address this recommendation. Therefore, the Office of Justice Programs respectfully requests closure of this recommendation.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Jeffery A. Haley, Deputy Director, Audit and Review Division, on (202) 616-2936.

cc: Maureen A. Henneberg
Deputy Assistant Attorney General
for Operations and Management

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APPENDIX 4

OFFICE OF THE INSPECTOR GENERAL
ANALYSIS AND SUMMARY OF ACTIONS CLOSING THE REPORT

The Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP) and the city of Cleveland. The city of Cleveland's response is incorporated in Appendix 2, and OJP's response is incorporated in Appendix 3 of this final report. In response to our draft audit report, OJP concurred with our recommendations and provided documentation indicating that corrective actions were completed. As a result, the status of the audit report is closed. The following provides the OIG's analysis of the response.

Recommendations for DOJ OJP:

1. **Require Cleveland to review its inventory of vehicles purchased with grant funds and ensure that the vehicles are tracked according to DOJ requirements.**

   Closed. This recommendation is closed. OJP concurred with the recommendation and provided documentation demonstrating that, in response to our audit, the city of Cleveland now tracks vehicles purchased with grant funds in accordance with the 2015 DOJ Grants Financial Guide. Additionally, OJP provided evidence that Cleveland updated its Grant Management Policies and Procedures Manual to require this information be included within its inventory systems.

   The city of Cleveland also concurred with the recommendation and stated that once it learned of the issue, it immediately took corrective action. The city of Cleveland also provided updated inventory records and a copy of its revised Grant Management Policies and Procedures Manual.

   We reviewed the documentation and determined these actions adequately address our recommendation. Therefore this recommendation is closed.

The Department of Justice Office of the Inspector General (DOJ OIG) is a statutorily created independent entity whose mission is to detect and deter waste, fraud, abuse, and misconduct in the Department of Justice, and to promote economy and efficiency in the Department's operations.

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