



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

May 20, 2021

Eric J. Wilson
Deputy Attorney General
Wisconsin Department of Justice
17 West Main Street, 8th Floor
P.O. Box 7857
Madison, WI 53707-7857

VIA: Electronic Mail to Darcey Varese at: varesedl@doj.state.wi.us

Re: DUNS Number – 809448061

Dear Deputy Attorney General Wilson:

The purpose of this letter is to notify you that the U.S. Department of Justice (DOJ) has designated the Wisconsin Department of Justice (WI DOJ) as a high-risk grantee, pursuant to the requirements of 2 C.F.R. § 200.207. WI DOJ has been designated as high-risk for the following reason:

- As indicated in past correspondence to your office regarding Audit Report Number GR-50-19-003, grantees with audit report recommendations open for more than one year are designated as high-risk by the DOJ. The DOJ, Office of the Inspector General (OIG), Chicago Regional Audit Office, transmitted Audit Report GR-50-19-003 to the Office of Justice Programs (OJP) on July 31, 2019. The report contained 20 recommendations and \$196,499 in questioned costs. However, only 10 recommendations have been closed, to date. We also recently requested closure of six more recommendations and \$19,373 in questioned costs (see Attachment). However, although the audit report has been open for over one year and nine months, WI DOJ has not provided an adequate response to remedy the remaining four recommendations and \$177,126 in questioned costs, to date.

Until the high-risk designation is removed, new awards from the DOJ to WI DOJ will contain special conditions that provide additional oversight, as necessary. Some of these high-risk special conditions may restrict WI DOJ from obligating, expending, or drawing down funds under the new DOJ awards. The additional award special conditions will remain in effect until WI DOJ implements the corrective actions detailed below. In instances where special conditions contain a withholding of funds, and WI DOJ documents substantial progress toward addressing the corrective actions, but has not yet fully implemented them, DOJ may allow WI DOJ to obligate, expend, or draw down these funds, at its discretion. DOJ reserves the right to take additional administrative action if WI DOJ does not make timely progress in addressing the

outstanding audit recommendations, such as: increased grant monitoring and reporting; implementing additional special conditions; withholding of Federal grant funds; non-certification of future grant applications; collection of questioned costs through the U.S. Department of Treasury; or referral to the U.S. Government-Wide Suspension and Debarment List.

In order to have the high-risk designation status removed by DOJ, WI DOJ must satisfy the following requirements:

1. Within 120 days of the date of this letter WI DOJ agrees to submit documentation to DOJ demonstrating that the Financial Points of Contact or other key personnel directly responsible for the financial administration of grants awarded by DOJ have completed the DOJ-sponsored Grants Financial Management Online Training, located on the OJP website at <https://onlinegfmt.training.ojp.gov/>. Please note that this condition will remain in place until the WI DOJ provides additional documentation demonstrating successful completion of the training, which is designed for personnel responsible for the financial administration of discretionary and/or formula grants awarded by DOJ, and contains 24 modules (including a session on grant fraud prevention and detection). Further, all new personnel responsible for the financial oversight of DOJ grants must complete the DOJ-sponsored Grants Financial Management Online training within 30 days of appointment.
2. WI DOJ must adequately address the remaining open recommendations and questioned costs cited in Audit Report Number GR-50-19-003. WI DOJ may not obligate, expend, or draw down funds under new DOJ awards, if prescribed in the award conditions, until this audit report is closed; or the WI DOJ documents substantial progress in addressing the recommendations, and the Director of OJP's Office of Audit, Assessment, and Management allows WI DOJ to obligate, expend, or draw down these funds.

In addition, WI DOJ must comply with the following requirements during the time that it is designated as a DOJ high-risk grantee:

3. WI DOJ agrees to promptly provide, upon request, financial or programmatic-related documentation related to all DOJ awards, including documentation of expenditures and achievements.
4. WI DOJ understands that it may be subject to additional financial and programmatic on-site monitoring, which may be on short notice, and agrees that it will cooperate with any such monitoring.

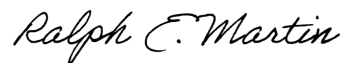
If WI DOJ wishes to seek reconsideration of any of the conditions cited above, which will be imposed on all new DOJ awards to WI DOJ, you must submit your written request within 30 days of the date of this letter to my attention at the following address, and emailed to Ralph.Martin@usdoj.gov.

Ralph E. Martin
Director
Office of Audit, Assessment, and Management
Office of Justice Programs
U.S. Department of Justice
810 Seventh Street, NW
Washington, DC 20531

Please be advised, however, that DOJ will reconsider the imposition of special conditions only upon a written demonstration that (a) a particular condition has already been materially satisfied within the past 6 months, or (b) a particular condition does not correspond to WI DOJ's high-risk designation.

If you have any questions regarding this High-Risk Designation Notice, please contact Thomas Murphy, DOJ High-Risk Designation Coordinator, on 202-353-8734, or by email at Thomas.Murphy@usdoj.gov. Thank you for your cooperation.

Sincerely,



Ralph E. Martin
Director

Attachment

cc: Office of Justice Programs Bureaus/Program Offices
High-Risk Designation Approving Officials

Office of Community Oriented Policing Services
High-Risk Designation Approving Officials

Office on Violence Against Women
High-Risk Designation Approving Officials

Jeffery A. Haley
Deputy Director, Audit and Review Division
Office of Audit, Assessment, and Management

Thomas Murphy
DOJ High-Risk Designation Coordinator
Office of Audit, Assessment, and Management

cc: Louise Duhamel
Acting Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

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

Jorge L. Sosa
Director, Office of Operations - Audit Division
Office of the Inspector General

Darcey Varese
Finance Section Chief
Wisconsin Department of Justice
(Provided electronically at: varesedl@doj.state.wi.us)

Cindy Grady
Director of Grant Programs
Wisconsin Department of Justice
(Provided electronically at: gradyca@doj.state.wi.us)



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

May 17, 2021

Eric J. Wilson
Deputy Attorney General
Wisconsin Department of Justice
17 West Main Street, 8th Floor
P.O. Box 7857
Madison, WI 53707-7857

VIA: Electronic Mail to Darcey Varese at: varesedl@doj.state.wi.us

Re: Audit Report No.: GR-50-19-003
Report Issue Date: July 31, 2019

Dear Deputy Attorney General Wilson:

Thank you for your responses, including the most recent one, dated January 14, 2021, and various emails, to address the open recommendations and questioned costs cited in the above-referenced audit report for the Wisconsin Department of Justice (WI DOJ). The audit report, which was issued by the U.S. Department of Justice (DOJ), Office of the Inspector General (OIG), Chicago Regional Audit Office, contained 20 recommendations and \$196,499 in questioned costs. To date, the OIG has closed 10 recommendations (Recommendation Numbers 2-5, 8, 10, 13, 15-16, and 20). Based on your responses, in our most recent update response to the OIG, we requested closure of six additional recommendations (Recommendation Numbers 1, 11-12, and 17-19), and \$19,373 in questioned costs. We are awaiting the OIG's final determination of our request. However, additional information is needed to address the remaining open recommendations and questioned costs.

Please be advised that grantees are responsible for ensuring that recommendations related to independent audits and Office of the Inspector General audits are addressed in a timely manner. Grantees with audit report recommendations open for more than one year, or with questioned costs in excess of \$500,000 are designated as high-risk by the U.S. Department of Justice, and may be subject to administrative action such as: increased grant monitoring and reporting; additional special conditions; withholding of Federal grant funds; non-certification of future grant applications; collection of questioned costs through the U.S. Department of Treasury, Treasury Offset Program; or referral to the U.S. Government-Wide Suspension and Debarment List. As of the date of this letter, the audit report has been open for more than one year. In our October 13, 2020 correspondence, we stated that if WI DOJ's response was not adequate to satisfactorily close the remaining open recommendations and questioned costs, the DOJ would proceed with designating WI DOJ as a high-risk grantee. Accordingly, we will proceed with the high-risk designation, and will send separate correspondence to WI DOJ of this designation.

Therefore, within 30 days from the date of this letter, WI DOJ must provide the information detailed below.

6. To remedy \$1,485 of the \$19,162 in questioned costs associated with unsupported subrecipient expenditures (lease costs) that were charged to Grant Number 2016-VA-GA-0065, WI DOJ previously returned the funds to the DOJ. We requested closure of these questioned costs, and are awaiting the OIG's final determination of our request.

To remedy the remaining \$17,677 in questioned costs, WI DOJ provided spreadsheets to document subrecipient salaries and benefits; however, the documents were not adequate to support the questioned costs. Therefore, at minimum, WI DOJ must provide time sheets, payroll journals, and invoices, along with a written detailed explanation of the documents provided, to support the remaining \$17,677 in questioned costs.

Please be advised that this is our third request for documentation to support these costs. Therefore, if adequate documentation cannot be provided, WI DOJ must return the remaining \$17,677 in funds to the DOJ, adjust its grant accounting records to remove the costs, and submit a revised Federal Financial Report (FFR) for Grant Numbers 2015-VA-GX-0052 and 2016-VA-GA-0065.

7. To remedy the \$1,256 in questioned costs, related to unallowable subrecipient lease costs that were charged to Grant Number 2016-VA-GX-0065, WI DOJ stated that the \$1,256 was netted against its drawdown of \$21,973 on October 8, 2019. However, according to the payment history report for this grant, this specific amount was not found on that date.

Please be advised that this is our third request for documentation concerning these costs. Therefore, if WI DOJ does not provide adequate documentation, it must return the \$1,256 in funds to the DOJ, adjust its accounting records to remove the costs, and submit a revised final FFR for Grant Number 2016-VA-GX-0065.

9. To remedy \$2,000 of the \$95,599 in questioned costs related to unsupported administrative costs, that were charged to Grant Number 2015-VA-GX-0052, WI DOJ provided documentation (e.g., invoices and accounting records), to support these costs. Therefore, we requested closure of these questioned costs, and are awaiting the OIG's final determination of our request.

To remedy \$18,405 of the remaining \$93,599 in questioned costs, related to unsupported pension obligation bond costs that were charged to Grant Number 2015-VA-GX-0052, WI DOJ provided documentation to support Wisconsin's allocation of pension obligation bond costs. We forwarded this documentation to the OIG for review. The OIG stated that the documentation provided by WI DOJ is related to how the debt payments were allocated to state agencies, including WI DOJ. The OIG further stated that the WI DOJ should describe their methodology in more detail, and provide additional documentation

of the methodology Wisconsin used in its calculations of pension obligation bond costs, to determine whether these costs comply with the criteria established in the memorandum issued by the Office of Management and Budget, dated January 31, 1994, that WI DOJ provided as part of its support. Accordingly, WI DOJ must provide the additional support.

To remedy the remaining \$75,194 in questioned costs, related to rent costs (\$47,386) and personnel costs (\$27,808), that were charged to Grant Number 2015-VA-GX-0052, WI DOJ must provide additional documentation (payroll records and general ledger report) to adequately support these costs.

Please be advised that this is our third request for documentation to support these costs. Therefore, if adequate documentation cannot be provided, WI DOJ must return the remaining \$93,599 in funds to DOJ, adjust its accounting records to remove the costs, and submit a revised FFR for Grant Number 2015-VA-GX-0052.

14. To remedy \$15,888 of the \$80,482 in questioned costs, related to unsupported subrecipient matching costs under Grant Number 2015-VA-GX-0052, WI DOJ provided documentation (e.g., payroll records, times cards, and position descriptions), to support the unfunded VOCA eligible positions that were used as matching costs. As such, we requested closure of these questioned costs, and are awaiting the OIG's final determination of our request.

To remedy the remaining \$64,594 in questioned costs, related to unsupported subrecipient matching costs associated with Grant Numbers 2015-VA-GX-0052 and 2016-VA-GX-0065, WI DOJ must provide adequate documentation to support these costs.

Please be advised this is our third request for documentation to support these costs. Therefore, if adequate documentation cannot be provided, and WI DOJ's subrecipients failed to meet their matching requirements under these awards, WI DOJ may be required to return Federal funds to the DOJ, to offset the unmet matching requirements.

Please provide this matter your immediate attention. A written response is due to me within 30 days from the date of this letter at the following email address:

U.S. Department of Justice
Office of Justice Programs
Office of Audit, Assessment, and Management
Audit and Review Division
Attention: Donna Hamilton
Email: Donna.Hamilton@ojp.usdoj.gov

For all funds returned to OJP, please remit payment to the U.S. Department of Justice, via electronic funds transfer, using Automated Clearing House (ACH) or Fed Wire, and include the applicable award number(s) and Audit Report Number GR-50-19-003, in an email to OJP's Office of the Chief Financial Officer (OCFO) at ACRBelectronictransfer@ojp.usdoj.gov (see Attachment 2). The OCFO will assign a staff accountant to assist you through this process.

Thank you in advance for your cooperation. If you have any questions, please contact me at (202) 305-7483.

Sincerely,

Donna Hamilton

Donna Hamilton
Audit Liaison Specialist, Audit Coordination Branch
Audit and Review Division

Attachment

cc: Jeffery A. Haley
Deputy Director, Audit and Review Division
Office of Audit, Assessment and Management

Katherine Darke Schmitt
Acting Director
Office for Victims of Crime

Kathrina S. Peterson
Deputy Director
Office for Victims of Crime

Catherine Pierce
Senior Advisor
Office for Victims of Crime

James Simonson
Associate Director for Operations
Office for Victims of Crime

Joel Hall
Associate Director, State Victim Resource Division
Office for Victims of Crime

cc: Jalila Sebbata
Grants Management Specialist
Office for Victims of Crime

Charlotte Grzebien
Deputy General Counsel

Phillip K. Merkle
Acting Director
Office of Communications

Rachel Johnson
Acting Chief Financial Officer

Christal McNeil-Wright
Associate Chief Financial Officer
Grants Financial Management Division
Office of the Chief Financial Officer

Joanne M. Suttington
Associate Chief Financial Officer
Finance, Accounting, and Analysis Division
Office of the Chief Financial Officer

Aida Brumme
Manager, Evaluation and Oversight Branch
Grants Financial Management Division
Office of the Chief Financial Officer

Louise Duhamel
Acting Assistant Director, Audit Liaison Group
Internal Review and Evaluation Office
Justice Management Division

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

Darcey Varese
Finance Section Chief
Wisconsin Department of Justice
(Provided electronically at: varesedl@doj.state.wi.us)

cc: Cindy Grady
Director of Grant Programs
Wisconsin Department of Justice
(Provided electronically at: gradyca@doj.state.wi.us)



U.S. Department of Justice

Office of Justice Programs

Office of the Chief Financial Officer

Washington, D.C. 20531

April 28, 2020

In the normal course of grant operations, there are situations in which grantees must make refunds to the Office of Justice Programs (OJP), Community Oriented Policing Services (COPS), or Office on Violence Against Women (OVW), all of which are processed by OJP's OCFO. Due to workplace disruptions caused by COVID-19, OJP recognizes that some entities and individuals may have difficulty providing refunds through hard copy mail using paper negotiable instruments such as money orders, paper checks, bank drafts, and cashier checks.

In order to avoid disruptions and delays in the refund process, OJP is strongly encouraging grantees to submit deposits electronically (using Automated Clearing House (ACH) or Fed wire). This will eliminate a delay in reflecting the refund on grant or vendor account balances.

To that end, if situations arise that require a grantee to return funds, please advise the grantee to submit their refund electronically using ACH or Fed wire. Templates with instructions are attached. Upon notification to the grantee to return funds, please email OCFO/FAAD/ACRB at ACRBelectronictransfer@ojp.usdoj.gov. ACRB will assign an accountant to assist the grantee with the process.

We aim to continue providing the best customer service in the midst of many changes.

ACH TEMPLATE INSTRUCTIONS

UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS

ACH Credit Instructions

Please provide the following instructions to your Financial Institution for the remittance of Automated Clearing House (ACH) credits to the US Department of Justice, Office of Justice Programs. The grantee (remitter) is responsible for completing the **highlighted lines**. Instructions to help populate each line are on page 2. **The information for all other lines have been pre-populated and cannot be changed. All National Automated Clearing House Association (NACHA) Data Element Lines are required.**

	NACHA Record Type Code	NACHA Field	NACHA Data Element Name	Required Information
1	5	3	Grantee Name	(Grantee)
	5	6	Standard Entry Class Code	CCD
2	5	9	Date of Payment	(Date of Payment; similar to check date)
	6	2	Transaction Code	22
	6	3 & 4	Receiving DFI Identification (ABA routing #)	051036706
	6	5	DFI Account Number	815040001003
3	6	6	Amount	(Refund Amount)
4	6	8	Office of Justice Programs	(enter grant number – up to 22 characters)

***ACH debits are not permitted to this ABA routing number. All debits received will be automatically returned.**

Questions regarding these instructions should be directed to ACRBelectronictransfer@ojp.usdoj.gov or (800) 458-0786.

ACH Credit Instructions

1. Grantee Name – Enter the grantee name exactly as it is assigned on your grant award document.
2. Effective Date - Enter the payment date (similar to the check date).
3. Amount - Enter the refund dollar amount.
4. Receiving Company Name – Office of Justice Programs – Enter the grant number.

FEDWIRE TEMPLATE INSTRUCTIONS

**UNITED STATES DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS**

Please provide the following instructions to your Financial Institution for the remittance of Fedwire payments to the US Department of Justice, Office of Justice Programs. The grantee (remitter) is responsible for completing the **highlighted lines**. Instructions to help populate each line are on page 2. **The information for all other lines have been pre-populated and cannot be changed. All Fedwire Field Lines are required.**

	Fedwire Field Tag	Fedwire Field Name	Required Information
	{1510}	Type/Subtype	1000
1	{2000}	Refund Amount	
	{3400}	Receiver ABA routing number *	021030004
	{3400}	Receiver ABA short name	TREAS NYC
	{3600}	Business Function Code	CTR
	{4200}	Beneficiary Identifier (account number)	815040001003
	{4200}	Beneficiary Name	Office of Justice Programs
2	{5000}	Grantee Name	
3	{6000}	Grant Number	
3	{6000}	Grant Number/Grant Information	
3	{6000}	Grant Number/Grant Information	
3	{6000}	Grant Number/Grant Information	

***The financial institution address for Treasury’s routing number is 33 Liberty Street, New York, NY 10045**

Questions regarding these instructions should be directed to ACRBelectronictransfer@ojp.usdoj.gov or (800) 458-0786.

FEDWIRE TEMPLATE INSTRUCTIONS

1. For Fedwire Field Tag {2000} Amount - Enter the refund dollar amount
2. For Fedwire Field Tag {5000} Grantee name - Enter the grantee name assigned to the grant
3. For Fedwire Field Tag {6000} Originator to Beneficiary Information – Lines 1 through 4 –
 - Line 1- Includes the grant number associated with refund. **This line is mandatory.**
 - Lines 2-4- Include any other identifying or pertinent information for the refund. i.e. reason, split between grant refund or interest income. **There is a 22 character limit per line.**