



STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

**PERFORMANCE AUDIT OF THE
STATE MONIES PROVIDED TO THE
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY
FOR COMMUNITY BASED VIOLENCE
PREVENTION PROGRAMS, THE AFTER-SCHOOL
PROGRAM, AND THE CHICAGO AREA PROJECT**

APRIL 2016

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*To the Legislative Audit Commission, the Speaker
and Minority Leader of the House of Representatives,
the President and Minority Leader of the Senate, the
members of the General Assembly, and the Governor:*

This is our report of the Performance Audit of the State moneys provided by or through the Illinois Criminal Justice Information Authority to all community based violence prevention programs, the After-School Program, and the Chicago Area Project, under contracts or grant agreements in Fiscal Year 2013 and in Fiscal Year 2014.

The audit was conducted pursuant to House of Representatives Resolution Number 888, which was adopted April 7, 2014. This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

The audit report is transmitted in conformance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

Springfield, Illinois
April 2016



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

**STATE MONEYS PROVIDED TO THE ILLINOIS CRIMINAL JUSTICE INFORMATION
AUTHORITY FOR COMMUNITY BASED VIOLENCE PREVENTION PROGRAMS, THE AFTER-
SCHOOL PROGRAM, AND THE CHICAGO AREA PROJECT**

PERFORMANCE AUDIT

Release Date: April 2016

SYNOPSIS

House of Representatives Resolution Number 888 directed the Auditor General to conduct a performance audit of the State moneys provided by or through the Illinois Criminal Justice Information Authority (ICJIA) to all community based violence prevention programs, the After-School Program, and the Chicago Area Project under contracts or grant agreements in Fiscal Year 2013 and in Fiscal Year 2014. **During the audit we found that there were many monitoring controls in place at ICJIA for the three grant programs. However, ICJIA did not enforce those controls.**

Our audit of the Neighborhood Recovery Initiative/Community Violence Prevention Program (NRI/CVPP), the After-School Program (ASP) and monies provided to Chicago Area Project (CAP) found selection process issues, contract issues, monitoring issues, fund recovery issues, and questioned cost issues.

- **Selection Process Issues:** We found that ICJIA:
 - Went **outside its normal process** and allowed an official from the Governor’s Office to select the communities, providers, and funding levels for NRI/CVPP in Year 3 of the Program.
 - Selected grantees from only 8 of 28 “**priority**” counties in the State for the ASP.
- **Contract Issues:** Our examination of the contracts for the three grant programs found:
 - Contracts in all three grant programs were not executed timely.
 - ICJIA allowed CAP to shorten the FY13 grant period without amending the agreement. Additionally, ICJIA and CAP **failed to execute a budget for the FY14 funding.**
- **Monitoring Issues:** Our examination of program information found:
 - Quarterly reporting was not timely for all three grant programs.
 - ICJIA failed to conduct site visits to ASP providers and was not timely in visits to NRI/CVPP providers.
 - Salaries charged to NRI/CVPP and CAP grants were in excess of figures reported in filings with the Attorney General.
 - ICJIA allowed CAP to hold between \$1 million and \$2 million over the course of the grant.
 - **\$1.53 million in CAP funding that could not be reconciled** to documents we received from CAP due to inaccuracies and/or inconsistencies in the documentation.
 - Required background checks for the NRI/CVPP program were not always completed.
 - Ineligible clients received reentry services for NRI/CVPP Program.
- **Fund Recovery Issues:** Our analysis of payment documentation and claimed expenses found:
 - Over **\$2.2 million** not recovered from the NRI/CVPP Program; and
 - Nearly **\$427,000** not recovered from the CAP funding.
- **Questioned Cost Issues:** We tested expenditures at provider locations for all three grant programs and questioned:
 - Over **\$289,000** in the NRI/CVPP Program;
 - Over **\$532,000** in the ASP Program; and
 - Over **\$318,000** in the CAP funding.

AUDIT CONCLUSIONS AND RECOMMENDATIONS

ICJIA did not enforce controls over the community based violence prevention program, the After-School Program, and funding to the Chicago Area Project.

House of Representatives Resolution Number 888 directed the Auditor General to conduct a performance audit of the State moneys provided by or through the Illinois Criminal Justice Information Authority (ICJIA) to all community based violence prevention programs, the After-School Program, and the Chicago Area Project under contracts or grant agreements in Fiscal Year 2013 and in Fiscal Year 2014. **During the audit we found that there were many monitoring controls in place at ICJIA for the three grant programs. However, ICJIA did not enforce those controls.** (page 1)

The Resolution directed us to examine three grant programs at ICJIA. Our findings, while reported individually in respective chapters, may overlap by grant program, and can be categorized by selection process issues, contract issues, monitoring issues, fund recovery issues, and questioned cost issues. (page 1)

NEIGHBORHOOD RECOVERY INITIATIVE/COMMUNITY VIOLENCE PREVENTION PROGRAM (NRI/CVPP)

ICJIA expended \$28.4 million for the NRI/CVPP Program. Funding was provided to 149 total agencies involved with the Program.

Years 3 and 4 of the NRI/CVPP Program covered the period November 2012 through August 2014. During Years 3 and 4, **ICJIA expended \$28.4 million** on the NRI/CVPP Program. These expenditures were made from the **General Revenue Fund** appropriations to ICJIA and from funds in a **non-appropriated fund** controlled by ICJIA. (page 18)

NRI/CVPP is comprised of a significant number of community agencies working to provide services. During Years 3 and 4 of NRI/CVPP operation, there were **149 total agencies** involved in the programs (some agencies provided more than one program service). Seventeen providers were new to the NRI/CVPP program in Year 3. Additionally, nine new providers operated in Year 4 of the program. (page 21)

In FY13 and FY14, NRI/CVPP grant recipients received \$362 million in other State funds in each of the years.

The NRI/CVPP providers received \$11.2 million in Year 3 and \$13.6 million in Year 4 **for NRI/CVPP activities**. Additionally, many of these same providers received significant **additional** State dollars in each year they were in the NRI/CVPP program for other State activities. In both FY13 and FY14, the NRI/CVPP providers received an **additional \$362 million in State funds from other activities in each of the years.** (page 21)

An official from the Governor's Office selected the communities, providers, and funding levels.

ICJIA went outside its **normal approval process** in the awarding of grants for NRI/CVPP. In Year 3 of the program, **an official from the Governor's Office provided ICJIA with the communities that were to be in the program, the grantees to be funded, and the grant award amounts to the providers.** Even though **14 percent** of the Year 3 providers **were new** to

the program, we saw no evidence to support why the providers were selected. (pages 27-30)

ICJIA transferred \$1.7 million, or **11 percent** of the Year 3 program appropriation for NRI/CVPP, to the Department of Human Services (DHS) via an intergovernmental agreement (IGA). Additionally, ICJIA failed to **adequately monitor** the terms of the IGA with DHS for the transfer of \$1.7 million, which resulted in DHS violating two sections of the IGA, relative to quarterly reporting and return of unspent funds. (pages 30-32)

A misunderstanding by ICJIA necessitated an unneeded \$7.3 million transfer from DHS.

ICJIA received **\$7.3 million** from the DHS to make NRI/CVPP payments in July and August 2014 for Year 4 of the program **despite having sufficient General Revenue Fund (GRF) appropriations** to make the payments for those two months. The need for the transfer apparently was a misunderstanding by ICJIA officials, the result of which was **fewer dollars for DHS to expend** on its programs **while the ICJIA General Revenue Funds lapsed**. (pages 33-34)

ICJIA **could not provide auditors with all contracts** between lead agencies and the providing agencies in Years 3 and 4 of NRI/CVPP **nor did they require contracts for all services** between lead agencies and providing partners in Year 4 of NRI/CVPP. Additionally, one lead agency utilized contracts for providing agencies **that did not contain budgets** or all standard terms and conditions. (pages 34-37)

Contracts were not timely executed and ICJIA violated its agreement processing policy.

ICJIA failed to **timely execute** contracts for the NRI/CVPP Program with lead agencies. Further, the contracts for community service providers, which were approved by ICJIA, **were also not timely**. Additionally, five grants with providers were signed **more than six months after the start of the grant**, in violation of the ICJIA's agreement process policy. Finally, ICJIA allowed grantee agencies to work on NRI/CVPP activities prior to execution of the contractual agreements. (pages 37-40)

Quarterly reporting was not timely and contained inaccurate approved budget figures.

NRI/CVPP agencies **failed to timely submit** quarterly fiscal reports to either the lead agencies or ICJIA. In many instances the fiscal reports submitted **contained inaccurate approved budget figures** and different claimed expenses from quarter to quarter. Additionally, ICJIA failed to retain in its files fiscal reports on all the providers in Year 3 of the program despite a **contractual requirement** that these reports be submitted to ICJIA. Finally, in Year 4, ICJIA **weakened the control** over fiscal monitoring by removing this requirement from grant agreements. (pages 40-44)

Salaries charged to grants were in excess of figures reported to the Attorney General.

ICJIA failed to require the **identification of individuals** who were to be paid with NRI/CVPP grant funds. Our sample examination found 18 instances where the salaries **listed in grant budgets** were higher than what the individuals holding those position titles actually were paid by the providers, **as reported by the providers** on a report to the Attorney General. **While there may be explanations for**

differences, ICJIA did not seek those explanations. When the State grant pays out at a rate higher than the individual actually earns, State monies may not be expended on program purposes. (pages 44-47)

Site visits by ICJIA were not timely.

ICJIA violated its policy by not completing site visits to NRI/CVPP lead agencies in a timely manner. The site visits that were completed were, on average, **124 days past due.** Additionally, three communities had the site visit completed **after Year 3 of the program was completed.** Finally, ICJIA failed to conduct a site visit in either Year 3 or 4 for one lead agency **that was new to the program,** and whose Board members had operated a former NRI lead agency, an agency which owed money to the State when it went out of business. (pages 48-51)

Required **background checks were not always completed** on the adults who worked in the NRI/CVPP program. Additionally, while ICJIA told some providers in Year 4 that background checks were not required, **contracts were not amended** to include this change. Finally, while the Youth Employment Program (YEP) component of the NRI/CVPP program placed youth in private employment, ICJIA did not require adults in these employment situations to have background checks. (pages 51-53)

Ineligible clients received reentry services.

During Year 3 of NRI/CVPP, providers of reentry services provided services to **ineligible clients** in violation of the grant agreement. While ICJIA was made aware of this situation, ICJIA did not provide any documentation to auditors to show it had taken action against the violating providers. In fact, it **awarded nearly \$300,000 in reentry contracts to the same providers** in Year 4. (pages 53-56)

ICJIA, and its lead agencies for NRI/CVPP in Years 3 and 4 of the program, failed to enforce provisions of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment. Our analysis showed that **over \$100,000 in equipment was purchased outside the time frame** delineated in the contracts and guidelines. (pages 56-58)

Evaluation project deliverables were not submitted by the University of Illinois at Chicago.

ICJIA failed to enforce provisions of an intergovernmental grant agreement with the University of Illinois at Chicago (University) for an evaluation project. ICJIA **did not require** the University to submit the deliverables outlined in the grant agreement. Additionally, data **which was required to be submitted** by community partners under NRI/CVPP for evaluation was not always submitted. Finally, ICJIA research staff was prohibited from sharing information with its grants staff responsible for oversight of the NRI/CVPP awards. (pages 58-62)

ICJIA **failed to collect \$213,400 in unspent funds** from the timekeeping contract for the payment of youth in the YEP component of the NRI/CVPP program in Year 3 of the program, **a violation of the contract.** Additionally, an ICJIA

Even though it violated a grant agreement, an ICJIA official allowed unspent funds from one grant to be applied to another grant.

A settlement agreement was executed 545 days after funds should have returned.

We questioned \$289,000 in program expenses based on our testing at provider locations.

Our analysis showed over \$2.2 million in unrecovered funds for Years 3 and 4 of the program.

ICJIA received \$10 million in FY14 for ASP.

official allowed some of these unspent funds to be applied to another grant to the timekeeping provider for activities outside the scope of the timekeeping agreement, also **a violation of the contract**. The time lag in applying the funds to a Year 4 NRI/CVPP community contract **had a negative impact** on the provider being able to accomplish the goals related to the program. The net unspent funds were part of a settlement agreement for reimbursement between the timekeeping subcontractor and ICJIA that was executed **545 days after** the funds should have originally been returned. (pages 62-64)

ICJIA failed to effectively monitor expenses charged by providers of NRI/CVPP services in Years 3 and 4 of the program. ICJIA had **delegated responsibility** for fiscal monitoring of provider partners to NRI/CVPP lead agencies. ICJIA and the lead agencies **relied on self-reported figures** from the service providers for expenses claimed against the grant. Only 7 of 25 lead agencies reported **requiring** providers to submit support for claimed expenses on quarterly reports. Our sample site work called into question the claims for some of the 18 other lead agencies. Our testing at a sample of NRI/CVPP agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$289,000** in expenses charged to State grant funds. (pages 64-66)

ICJIA's policies and procedures **do not require** grantees to **maintain separate accounts** for grant funds. We found two instances where repayment agreements with providers were executed even though the providers agreed with the unspent amount of grant funds, indicating that the NRI/CVPP grant funds were spent on non-NRI/CVPP-related activities **or the funds would have been readily available** to be repaid. (pages 66-68)

ICJIA was **not timely** in recovery of NRI/CVPP unspent grant funds and funds spent in excess of approved budgets. Grant agreements required providers to refund unexpended funds within 30 days of the end of the grant period. Our analysis showed **over \$2.2 million in unrecovered** NRI/CVPP funds in Years 3 and 4 of the program. (pages 68-74)

AFTER-SCHOOL PROGRAM (ASP)

ASP was an initiative for which ICJIA received \$10 million in FY14. The General Revenue Fund appropriation was *for grants and administrative expenses associated with after school programs*. ICJIA had not requested the funding. ICJIA **awarded 21 agencies** ASP monies in FY14. Sixteen agencies received ASP funds from a competitive evaluation process. Four other agencies received ASP funds based on ICJIA knowledge of the work those agencies performed. In addition, DHS also received \$300,000 in ASP funding from ICJIA. (page 76)

ASP funding went to only 8 of 28 “priority” counties in the State.

In November 2013, ICJIA issued a Request for Proposals to solicit responses from non-profit and government entities to implement after school programs for students in grades K-12 with an emphasis on youth aged 11-17 with a priority to serve 28 counties around the State. ICJIA funding decisions resulted in **16 grantees being awarded from only 8 of the 28 counties in the “priority” areas** being served by the ASP funding. The 16 selected providers were from eight counties: 8 from Cook County, 2 from St. Clair County, and 1 each from Alexander, Kane, Lake, Madison, Stephenson, and Vermilion counties. In the grant budgets for FY14 funding, the 20 non-State agencies that provided ASP services reported 385 positions dedicated to the program. (page 76)

ICJIA lapsed \$3.31 million in ASP appropriations.

During FY14, ICJIA **expended \$6.69 million** on ASP activities. The expenses were mainly grants to provider organizations. ICJIA **lapsed \$3.31 million** of the \$10 million appropriated for ASP funding. (pages 77-78)

ICJIA **failed to timely execute** contracts for the ASP with grantee agencies, allowing two grantees **to go the entire grant period without an executed contract** in place, finally executing the contract on the last day of the grant period. Further, four grants were signed more than six months after the start of the grant, in **violation of ICJIA’s agreement process policy**. Additionally, ICJIA allowed grantee agencies to work on ASP activities prior to execution of the contractual agreement. (pages 82-84)

ASP grantee agencies **failed to timely submit** quarterly fiscal reports to ICJIA. Additionally, ICJIA failed to maintain quarterly program reports in its files on all agencies despite a **contractual requirement** that these reports be submitted to ICJIA. (pages 84-87)

No site visits were completed to ASP providers.

ICJIA violated its policy by not completing site visits to ASP agencies. Even though ASP was a new program for ICJIA, it **did not conduct any site visits**. (pages 87-88)

ICJIA failed to enforce a provision of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment for the After-School Program in FY14. Our analysis showed that over **\$26,000 in equipment was purchased outside the time frame delineated in the contracts** and guidelines. (pages 88-90)

Our analysis showed over \$532,000 in questioned program expenses.

ICJIA failed to effectively monitor expenses charged by providers of ASP services in FY14. ICJIA **did not go on site**, even on a test basis, to monitor expenses and **relied on self-reported figures** from the service providers. Our testing at a sample of ASP agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$532,000** in expenses charged to State grant funds. (pages 90-92)

CHICAGO AREA PROJECT (CAP) FUNDING

ICJIA received \$10 million for funding to CAP.

In the **FY13** State appropriations bill, ICJIA received \$5 million in General Revenue Funds *for grants to the Chicago Area Project*. State payments to CAP under this appropriation amounted to \$4.2 million during FY13. In the **FY14** State appropriations bill, ICJIA again received \$5 million in GRF funds *for administrative costs and grants to the Chicago Area Project*. Overall in FY14, CAP received \$4.9 million from the State under the grant agreement between CAP and ICJIA. (page 96)

CAP funded NRI/CVPP and five other grants programs.

ICJIA reported to auditors that half the monies were to go toward NRI/CVPP and the other half for additional grants outside of NRI/CVPP. CAP funded five violence prevention programs, outside of the NRI/CVPP activities, with a total budget of \$3.6 million for the two-year period FY13 and FY14. The five providers, and the two-year budgets, were:

- Latino Organization of the Southwest – budget of \$953,333;
- DuPage County Area Project – budget of \$641,670;
- CAP Community Youth Development – budget of \$970,800;
- St. Sabina Employment Resource Center – budget of \$254,667; and,
- ARK of St. Sabina – budget of \$781,594. (pages 96-98)

CAP officials stated that there was no analysis to determine whether there was a reduction in violence; rather, the programs were assessed based on whether the objectives outlined in the contracts were met. (page 97)

Background checks were not required.

CAP grantees did maintain timesheets on the staff that charged time to the grants. Background checks were not required of staff even though the grant programs provided services to youth from birth to age 21. In the grant budgets for FY13 funding, the five providers reported 100 positions that would be funded from the moneys it received from CAP. For the FY14 funding, the number of positions was 94 individuals. (pages 98-99)

During FY13 and FY14, ICJIA and/or CAP entered into agreements with agencies **with budgets totaling \$3.6 million**. Seventy-one percent of these funds (\$2.6 million) were to be **used** by the agencies for personnel services. Agencies self-reported **actual uses** of over \$2.21 million in salary and benefit expenses on the closeout reports for the agencies that receive non-NRI/CVPP grants from the CAP funding. Contractual expenses accounted for over \$819,000 in FY13 and FY14. (pages 96-97)

ICJIA allowed CAP to hold between \$1 million and \$2 million during the grant.

ICJIA officials allowed CAP to shorten a FY13 grant agreement period **without documenting** the change in the grant agreements, raising the question of whether the program was actually completed for funds provided in FY13. The ICJIA payment schedule allowed CAP to hold between \$1

ICJIA and CAP failed to execute a budget for FY14 funding.

million and \$2 million during the course of the grant. Finally, ICJIA **never executed a budget for FY14**, choosing instead to use the FY13 budget as a placeholder in order to get CAP paid. This budget included funding for providers that were not part of the NRI/CVPP program in FY14. (pages 102-105)

ICJIA failed to require the **identification of individuals** who were to be paid with CAP grant funds. Our examination found eight instances where the salaries **listed in grant budgets** were higher than what the individuals holding those position titles actually were paid by the providers, **as reported by the providers** on a report to the Attorney General. **While there may be explanations for differences, ICJIA did not seek those explanations.** When the State pays a rate higher than the individual actually earns, State moneys may not be expended for program purposes. (pages 105-107)

Agencies provided with ICJIA/State grant funds by CAP **failed to timely submit** quarterly fiscal reports to either CAP or ICJIA. Additionally, ICJIA failed to maintain fiscal reports on all the providers in the FY13 funding year of the program despite a **contractual requirement** that these reports be submitted to ICJIA. Finally, in FY14, ICJIA **weakened the control** over fiscal monitoring by removing the requirement from grant agreements to submit the fiscal reports to ICJIA. (pages 108-110)

ICJIA failed to enforce a provision of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment for the grants made by CAP to providers funded in FY13 and FY14. Our analysis showed that **\$22,781 in equipment was purchased outside the time frame delineated in the contracts** and guidelines. (pages 111-112)

We questioned over \$318,000 in expenses as unsupported or unallowable.

ICJIA failed to effectively monitor expenses charged by providers that received funding from CAP for the moneys CAP received from ICJIA. ICJIA **did not go on site**, not even on a test basis, to monitor expenses and **relied on self-reported figures** from the service providers. Our testing at a sample of CAP funded agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$318,000** in expenses charged to State grant funds, with an **additional \$79,944** in claimed line items over ICJIA approved levels. (pages 112-114)

Grantees charged \$79,944 in expenses over ICJIA approved budget lines.

ICJIA was not timely in recovering unspent funds.

ICJIA delegated responsibility for oversight of State funds to CAP. Additionally, ICJIA was **not timely** in recovery of grants to CAP relative to unspent grant funds and funds spent in excess of approved budgets. Grant agreements required providers to submit a refund of unexpended funds within 30 days of the end of the grant period. Our analysis showed **almost \$427,000 in unrecovered** CAP grant funding in FY13 and FY14. (pages 114-116)

Our analysis showed nearly \$427,000 in unrecovered CAP funding.

ICJIA has not collected all funds owed to the State from CAP for funding received in FY13 and FY14. Our

We could not reconcile \$1.53 million of the CAP funding to documents we received from CAP. The documents contained inaccuracies and/or inconsistencies.

examination showed that **\$1.53 million could not be reconciled with CAP-provided information.** For FY13, ICJIA relied on CAP and a CAP spreadsheet to determine how much to recover in FY13. Our examination of that documentation showed a **number of inaccuracies and/or inconsistencies** with the documentation. (pages 116-121)

RECOMMENDATIONS

This audit report contains 28 recommendations directed towards the Illinois Criminal Justice Information Authority. The Authority agreed with the recommendations. Appendix E to the report contains the full agency responses.

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FRANK J. MAUTINO
Auditor General

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AUDITORS ASSIGNED: This Performance Audit was performed by the Office of the Auditor General's staff.

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ACRONYMS & GLOSSARY

ICJIA	Illinois Criminal Justice Information Authority
NRI	Neighborhood Recovery Initiative. A program implemented by the State in October 2010; transferred to ICJIA in 2012; designed to reduce risk factors and promote protective factors associated with violence.
CVPP	Community Violence Prevention Program. A program redesigned from NRI for Year 4; administered by ICJIA; designed to reduce deviant behaviors associated with risk factors, strengthen social skills, and increase parent leadership within the communities.
ASP	After-School Program
CAP	Chicago Area Project
DHS	Illinois Department of Human Services
YEP	Youth Employment Program. NRI/CVPP component that was to provide youth in Chicago area communities with job readiness training, mentoring, and part-time employment.
Parent Program	NRI/CVPP component that was to provide funding for parents to receive training on parenting and program orientation and then to act as Parent Leaders for various community projects that promote protective factors for child maltreatment.
Reentry Program	NRI component that was to fund case managers with a caseload of youth and young adults on parole in NRI/CVPP communities with services that could help them transition back to their communities and reduce recidivism.
Year 3	NRI program in operation at ICJIA November 1, 2012 – October 31, 2013.
Year 4	CVPP program in operation at ICJIA November 1, 2013 – August 31, 2014.
Lead Agency	Community organization that managed NRI/CVPP in its community by partnering and subcontracting with other community organizations to implement the various program components.
Participating Partner	Community organization that assisted in the delivery of day-to-day services for NRI/CVPP.

Chapter One

INTRODUCTION & BACKGROUND

REPORT CONCLUSIONS

House of Representatives Resolution Number 888 directed the Auditor General to conduct a performance audit of the State moneys provided by or through the Illinois Criminal Justice Information Authority (ICJIA) to all community based violence prevention programs, the After-School Program, and the Chicago Area Project under contracts or grant agreements in Fiscal Year 2013 and in Fiscal Year 2014. **During the audit we found that there were many monitoring controls in place at ICJIA for the three grant programs. However, ICJIA did not enforce those controls.**

The Resolution directed us to examine three grant programs at ICJIA. Our findings, while reported individually in respective chapters, may overlap by grant program, and can be categorized by selection process issues, contract issues, monitoring issues, fund recovery issues, and questioned cost issues.

NEIGHBORHOOD RECOVERY INITIATIVE/COMMUNITY VIOLENCE PREVENTION PROGRAM (NRI/CVPP)

Years 3 and 4 of the NRI/CVPP Program covered the period November 2012 through August 2014. During Years 3 and 4, **ICJIA expended \$28.4 million** on the NRI/CVPP Program. These expenditures were made from the **General Revenue Fund** appropriations to ICJIA and from funds in a **non-appropriated fund** controlled by ICJIA.

NRI/CVPP is comprised of a significant number of community agencies working to provide services. During Years 3 and 4 of NRI/CVPP operation, there were **149 total agencies** involved in the programs (some agencies provided more than one program service). Seventeen providers were new to the NRI/CVPP program in Year 3. Additionally, nine new providers operated in Year 4 of the program.

The NRI/CVPP providers received \$11.2 million in Year 3 and \$13.6 million in Year 4 **for NRI/CVPP activities**. Additionally, many of these same providers received significant **additional** State dollars in each year they were in the NRI/CVPP program for other State activities. In both FY13 and FY14, the NRI/CVPP providers received an additional **\$362 million in State funds from other activities in each of the years**.

ICJIA went outside its **normal approval process** in the awarding of grants for NRI/CVPP. In Year 3 of the program, **an official from the Governor's Office provided** ICJIA with the communities that were to be in the program, the grantees to be funded, and the grant award amounts to the providers. Even though **14 percent** of the Year 3 providers **were new** to the program, we saw no evidence to support why the providers were selected.

ICJIA transferred \$1.7 million, or **11 percent** of the Year 3 program appropriation for NRI/CVPP, to the Department of Human Services (DHS) via an intergovernmental agreement

(IGA). Additionally, ICJIA failed to **adequately monitor** the terms of the IGA with DHS for the transfer of \$1.7 million, which resulted in DHS violating two sections of the IGA, relative to quarterly reporting and return of unspent funds.

ICJIA received **\$7.3 million** from the DHS to make NRI/CVPP payments in July and August 2014 for Year 4 of the program **despite having sufficient General Revenue Fund (GRF) appropriations** to make the payments for those two months. The need for the transfer apparently was a misunderstanding by ICJIA officials, the result of which was **fewer dollars for DHS to expend** on its programs **while ICJIA General Revenue Funds lapsed**.

ICJIA **could not provide auditors with all contracts** between lead agencies and the providing agencies in Years 3 and 4 of NRI/CVPP **nor did they require contracts for all services** between lead agencies and providing partners in Year 4 of NRI/CVPP. Additionally, one lead agency utilized contracts for providing agencies **that did not contain budgets** or all standard terms and conditions.

ICJIA failed to **timely execute** contracts for the NRI/CVPP Program with lead agencies. Further, the contracts for community service providers, which were approved by ICJIA, **were also not timely**. Additionally, five grants with providers were signed **more than six months after the start of the grant**, in violation of ICJIA's agreement process policy. Finally, ICJIA allowed grantee agencies to work on NRI/CVPP activities prior to execution of the contractual agreements.

NRI/CVPP agencies **failed to timely submit** quarterly fiscal reports to either the lead agencies or ICJIA. In many instances the fiscal reports submitted **contained inaccurate approved budget figures** and different claimed expenses from quarter to quarter. Additionally, ICJIA failed to retain in its files fiscal reports on all the providers in Year 3 of the program despite a **contractual requirement** that these reports be submitted to ICJIA. Finally, in Year 4, ICJIA **weakened the control** over fiscal monitoring by removing this requirement from grant agreements.

ICJIA failed to require the **identification of individuals** who were to be paid with NRI/CVPP grant funds. Our sample examination found 18 instances where the salaries **listed in grant budgets** were higher than what the individuals holding those position titles actually were paid by the providers, **as reported by the providers** on a report to the Attorney General. **While there may be explanations for differences, ICJIA did not seek those explanations**. When the State grant pays out at a rate higher than the individual actually earns, State monies may not be expended on program purposes.

ICJIA violated its policy by not completing site visits to NRI/CVPP lead agencies in a timely manner. The site visits that were completed were, on average, **124 days past due**. Additionally, three communities had the site visit completed **after Year 3 of the program was completed**. Finally, ICJIA failed to conduct a site visit in either Year 3 or 4 for one lead agency **that was new to the program**, and whose Board members had operated a former NRI lead agency, an agency which owed money to the State when it went out of business.

Required **background checks were not always completed** on the adults who worked in the NRI/CVPP program. Additionally, while ICJIA told some providers in Year 4 that background checks were not required, **contracts were not amended** to include this change. Finally, while the Youth Employment Program component of the NRI/CVPP program placed youth in private employment, ICJIA did not require adults in these employment situations to have background checks.

During Year 3 of NRI/CVPP, providers of reentry services provided services to **ineligible clients** in violation of the grant agreement. While ICJIA was made aware of this situation, ICJIA did not provide any documentation to auditors to show it had taken action against the violating providers. In fact, it **awarded nearly \$300,000 in reentry contracts to the same providers** in Year 4.

ICJIA, and its lead agencies for NRI/CVPP in Years 3 and 4 of the program, failed to enforce provisions of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment. Our analysis showed that **over \$100,000 in equipment was purchased outside the time frame** delineated in the contracts and guidelines.

ICJIA failed to enforce provisions of an intergovernmental grant agreement with the University of Illinois at Chicago (University) for an evaluation project. ICJIA **did not require** the University to submit the deliverables outlined in the grant agreement. Additionally, data **which was required to be submitted** by community partners under NRI/CVPP for evaluation was not always submitted. Finally, ICJIA research staff was prohibited from sharing information with its grants staff responsible for oversight of the NRI/CVPP awards.

ICJIA **failed to collect \$213,400 in unspent funds** from the timekeeping contract for the payment of youth in the Youth Employment Program component of the NRI/CVPP program in Year 3 of the program, **a violation of the contract**. Additionally, an ICJIA official allowed some of these unspent funds to be applied to another grant to the timekeeping provider for activities outside the scope of the timekeeping agreement, also **a violation of the contract**. The time lag in applying the funds to a Year 4 NRI/CVPP community contract **had a negative impact** on the provider being able to accomplish the goals related to the program. The net unspent funds were part of a settlement agreement for reimbursement between the timekeeping subcontractor and ICJIA that was executed **545 days after** the funds should have originally been returned.

ICJIA failed to effectively monitor expenses charged by providers of NRI/CVPP services in Years 3 and 4 of the program. ICJIA had **delegated responsibility** for fiscal monitoring of provider partners to NRI/CVPP lead agencies. ICJIA and the lead agencies **relied on self-reported figures** from the service providers for expenses claimed against the grant. Only 7 of 25 lead agencies reported **requiring** providers to submit support for claimed expenses on quarterly reports. Our sample site work called into question the claims for some of the 18 other lead agencies. Our testing at a sample of NRI/CVPP agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$289,000** in expenses charged to State grant funds.

ICJIA's policies and procedures **do not require** grantees to **maintain separate accounts** for grant funds. We found two instances where repayment agreements with providers were executed even though the providers agreed with the unspent amount of grant funds, indicating that the NRI/CVPP grant funds were spent on non-NRI/CVPP-related activities **or the funds would have been readily available** to be repaid.

ICJIA was **not timely** in recovery of NRI/CVPP unspent grant funds and funds spent in excess of approved budgets. Grant agreements required providers to refund unexpended funds within 30 days of the end of the grant period. Our analysis showed **over \$2.2 million in unrecovered** NRI/CVPP funds in Years 3 and 4 of the program.

AFTER-SCHOOL PROGRAM (ASP)

ASP was an initiative for which ICJIA received \$10 million in FY14. The General Revenue Fund appropriation was *for grants and administrative expenses associated with after-school programs*. ICJIA had not requested the funding. ICJIA **awarded 21 agencies** ASP monies in FY14. Sixteen agencies received ASP funds from a competitive evaluation process. Four other agencies received ASP funds based on ICJIA knowledge of the work those agencies performed. In addition, DHS also received \$300,000 in ASP funding from ICJIA.

In November 2013, ICJIA issued a Request for Proposals to solicit responses from non-profit and government entities to implement After-School Programs for students in grades K-12 with an emphasis on youth aged 11-17 with a priority to serve 28 counties around the State. ICJIA funding decisions resulted in **16 grantees being awarded from only 8 of the 28 counties in the "priority" areas** being served by the ASP funding. The 16 selected providers were from eight counties: 8 from Cook County, 2 from St. Clair County, and 1 each from Alexander, Kane, Lake, Madison, Stephenson, and Vermilion counties. In the grant budgets for FY14 funding, the 20 non-State agencies that provided ASP services reported 385 positions dedicated to the program.

During FY14, ICJIA **expended \$6.69 million** on ASP activities. The expenses were mainly grants to provider organizations. ICJIA **lapsed \$3.31 million** of the \$10 million appropriated for ASP funding.

ICJIA **failed to timely execute** contracts for the ASP with grantee agencies, allowing two grantees **to go the entire grant period without an executed contract** in place, finally executing the contract on the last day of the grant period. Further, four grants were signed more than six months after the start of the grant, in **violation of ICJIA's agreement process policy**. Additionally, ICJIA allowed grantee agencies to work on ASP activities prior to execution of the contractual agreement.

ASP grantee agencies **failed to timely submit** quarterly fiscal reports to ICJIA. Additionally, ICJIA failed to maintain quarterly program reports in its files on all agencies despite a **contractual requirement** that these reports be submitted to ICJIA.

ICJIA violated its policy by not completing site visits to ASP agencies. Even though ASP was a new program for ICJIA, it **did not conduct any site visits**.

ICJIA failed to enforce a provision of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment for the After-School Program in FY14. Our analysis showed that over **\$26,000 in equipment was purchased outside the time frame delineated in the contracts** and guidelines.

ICJIA failed to effectively monitor expenses charged by providers of ASP services in FY14. ICJIA **did not go on site**, even on a test basis, to monitor expenses and **relied on self-reported figures** from the service providers. Our testing at a sample of ASP agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$532,000** in expenses charged to State grant funds.

CHICAGO AREA PROJECT (CAP) FUNDING

In the **FY13** State appropriations bill, ICJIA received \$5 million in General Revenue Funds *for grants to the Chicago Area Project*. State payments to CAP under this appropriation amounted to \$4.2 million during FY13. In the **FY14** State appropriations bill, ICJIA again received \$5 million in GRF funds *for administrative costs and grants to the Chicago Area Project*. Overall in FY14, CAP received \$4.9 million from the State under the grant agreement between CAP and ICJIA.

ICJIA reported to auditors that half the monies were to go toward NRI/CVPP and the other half for additional grants outside of NRI/CVPP. CAP funded five violence prevention programs, outside of the NRI/CVPP activities, with a total budget of \$3.6 million for the two-year period FY13 and FY14. The five providers, and the two-year budgets, were:

- Latino Organization of the Southwest – budget of \$953,333;
- DuPage County Area Project – budget of \$641,670;
- CAP Community Youth Development – budget of \$970,800;
- St. Sabina Employment Resource Center – budget of \$254,667; and,
- ARK of St. Sabina – budget of \$781,594.

CAP officials stated that there was no analysis to determine whether there was a reduction in violence; rather, the programs were assessed based on whether the objectives outlined in the contracts were met.

CAP grantees did maintain timesheets on the staff that charged time to the grants. Background checks were not required of staff even though the grant programs provided services to youth from birth to age 21. In the grant budgets for FY13 funding, the five providers reported 100 positions that would be funded from the moneys it received from CAP. For the FY14 funding, the number of positions was 94 individuals.

During FY13 and FY14, ICJIA and/or CAP entered into agreements with agencies **with budgets totaling \$3.6 million**. Seventy-one percent of these funds (\$2.6 million) were to be **used** by the agencies for personnel services. Agencies self-reported **actual uses** of over \$2.21 million in salary and benefit expenses on the closeout reports for the agencies that receive non-NRI/CVPP grants from the CAP funding. Contractual expenses accounted for over \$819,000 in FY13 and FY14.

ICJIA officials allowed CAP to shorten a FY13 grant agreement period **without documenting** the change in the grant agreements, raising the question of whether the program was actually completed for funds provided in FY13. ICJIA's payment schedule allowed CAP to hold between \$1 million and \$2 million during the course of the grant. Finally, ICJIA **never executed a budget for FY14**, choosing instead to use the FY13 budget as a placeholder in order to get CAP paid. This budget included funding for providers that were not part of the NRI/CVPP program in FY14.

ICJIA failed to require the **identification of individuals** who were to be paid with CAP grant funds. Our examination found eight instances where the salaries **listed in grant budgets** were higher than what the individuals holding those position titles actually were paid by the providers, **as reported by the providers** on a report to the Attorney General. **While there may be explanations for differences, ICJIA did not seek those explanations.** When the State pays a rate higher than the individual actually earns, State moneys may not be expended for program purposes.

Agencies provided with ICJIA/State grant funds by CAP **failed to timely submit** quarterly fiscal reports to either CAP or ICJIA. Additionally, ICJIA failed to maintain fiscal reports on all the providers in the FY13 funding year of the program despite a **contractual requirement** that these reports be submitted to ICJIA. Finally, in FY14, ICJIA **weakened the control** over fiscal monitoring by removing the requirement from grant agreements to submit the fiscal reports to ICJIA.

ICJIA failed to enforce a provision of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment for the grants made by CAP to providers funded in FY13 and FY14. Our analysis showed that **\$22,781 in equipment was purchased outside the time frame delineated in the contracts** and guidelines.

ICJIA failed to effectively monitor expenses charged by providers that received funding from CAP for the moneys CAP received from ICJIA. ICJIA **did not go on site**, not even on a test basis, to monitor expenses and **relied on self-reported figures** from the service providers. Our testing at a sample of CAP funded agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$318,000** in expenses charged to State grant funds, with an **additional \$79,944** in claimed line items over ICJIA approved levels.

ICJIA delegated responsibility for oversight of State funds to CAP. Additionally, ICJIA was **not timely** in recovery of grants to CAP relative to unspent grant funds and funds spent in excess of approved budgets. Grant agreements required providers to submit a refund of unexpended funds within 30 days of the end of the grant period. Our analysis showed **almost \$427,000 in unrecovered** CAP grant funding in FY13 and FY14.

ICJIA has not collected all funds owed to the State from CAP for funding received in FY13 and FY14. Our examination showed that **\$1.53 million could not be reconciled with CAP-provided information.** For FY13, ICJIA relied on CAP and a CAP spreadsheet to determine how much to recover in FY13. Our examination of that documentation showed a **number of inaccuracies and/or inconsistencies** with the documentation.

INTRODUCTION

On April 7, 2014, the Illinois House of Representatives adopted House Resolution Number 888 (See Appendix A), which directs the Auditor General to conduct a performance audit of the State moneys provided by or through the Illinois Criminal Justice Information Authority (ICJIA) to all community based violence prevention programs, the After-School Program, and the Chicago Area Project under contracts or grant agreements in Fiscal Year 2013 and in Fiscal Year 2014. We were asked to determine:

1. the purposes for which State moneys were provided to ICJIA for the community based violence prevention programs, the After-School Program, and the Chicago Area Project;
2. the nature and extent of monitoring by ICJIA of how the programs used the State-provided moneys and whether certain residential communities of similar crime rates were excluded;
3. the actual use of the State moneys by ICJIA, including the identity of any sub-recipients and the amounts and purposes for employment;
4. the number of positions paid through the programs by organizational unit, job title, function, and salary and whether employees completed and filled out appropriate timesheets;
5. the number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position;
6. whether, through a review of available documentation, the programs have met or are meeting the purposes for which the State moneys were provided, with specific information concerning the programs' staffing levels, hiring procedures, and its compensation of employees; and,
7. whether the programs are in compliance with the applicable laws, regulations, contracts, and grant agreements pertaining to the programs' receipt of State moneys.

ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY

ICJIA activities date back to 1973 when it was a division within the Illinois Law Enforcement Commission. ICJIA, established by executive order in 1982, began operating January 1, 1983, after passage of the Illinois Criminal Justice Information Act (20 ILCS 3930/1 et.seq.) by the Illinois General Assembly. Selected responsibilities of ICJIA are detailed in State statute and are listed in Exhibit 1-1.

Exhibit 1-1 ICJIA RESPONSIBILITIES	
1	Develop and operate comprehensive information systems for the improvement and coordination of all aspects of law enforcement, prosecution, and corrections.
2	Define, develop, and evaluate and correlate State and local programs and projects associated with the improvement of law enforcement.
3	Act as a central repository and clearing house for federal, State and local research studies, plans, projects, proposals, and other information.
4	Undertake research studies to aid in accomplishing its purposes.
5	Monitor the operation of existing criminal justice information systems in order to protect the constitutional rights and privacy of individuals.
6	Provide an effective administrative forum for the protection of the rights of individuals concerning criminal history record information.
7	Issue regulations, guidelines, and procedures which ensure the privacy and security of criminal history record information consistent with State and federal law.
8	Act as the sole administrative appeal body in the State of Illinois to conduct hearings and make final determinations concerning individual challenges to the completeness and accuracy of criminal history information.
9	Act as the sole, official, criminal justice body in the State of Illinois to conduct annual and periodic audits of the State central repositories for criminal history record information.
10	Advise ICJIA's Statistical Analysis Center.
11	Apply for, receive, and establish priorities for, allocate, disburse, and spend grants of funds that are made available by and received on or after January 1, 1983 from private sources or from the United States pursuant to the federal Crime Control Act of 1973.
12	Receive, expend, and account for such funds of the State of Illinois as may be made available to further the purposes of this Act.
13	Enter into contracts and cooperate with units of general local government or combinations of such units, State agencies, and criminal justice system agencies of other states for the purpose of carrying out the duties of ICJIA.
14	Establish general policies concerning criminal justice information systems and to promulgate such rules as are necessary.
15	Advise and make recommendations to the Governor and General Assembly on policies relating to criminal justice information systems.
16	Direct all other agencies under the jurisdiction of the Governor to provide whatever assistance ICJIA may lawfully require to carry out its functions.
17	Exercise any other powers that are reasonable and necessary to fulfill the responsibilities of ICJIA under this Act.
18	Exercise the rights, powers, and duties that have been vested in ICJIA by the Illinois Uniform Conviction Information Act, Motor Vehicle Theft Prevention Act, and Public Safety Agency Network Act.
19	Provide technical assistance in the form of training to local governments for the purposes of procuring grants for gang intervention and gang prevention programs.
Source: OAG developed from the Illinois Criminal Justice Information Act (20 ILCS 3930/7).	

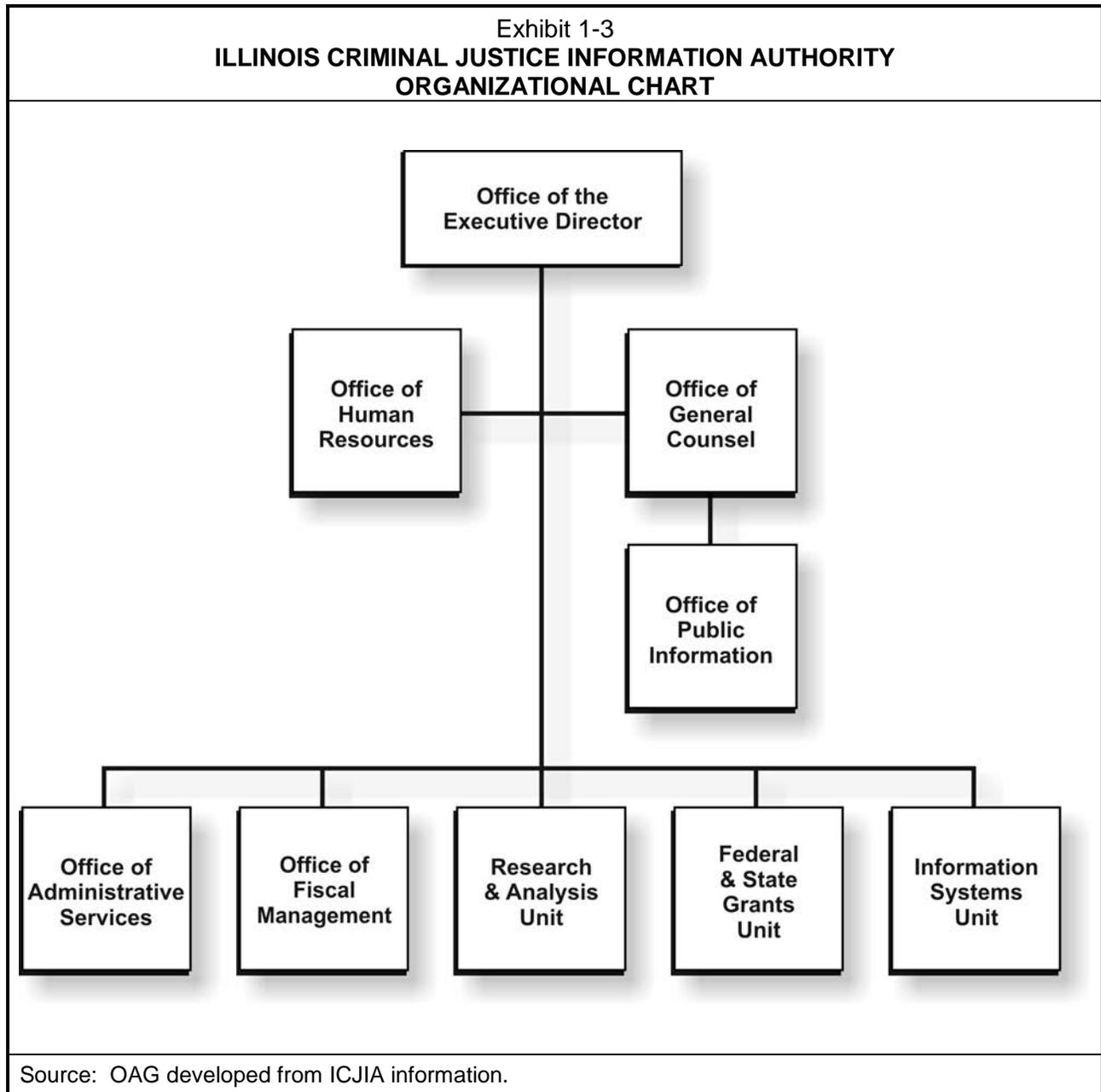
Organization

ICJIA is overseen by a **Board of Directors**. The Board makeup is delineated in statute (20 ILCS 3930/4). The Governor appoints a chairman and all Governor appointees serve at the pleasure of the Governor for a term not to exceed four years. Exhibit 1-2 provides ICJIA Board membership during the audit period.

Exhibit 1-2 ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY Board of Directors FY13-FY14				
<i>Name</i>	<i>Title</i>	<i>Organization</i>	<i>FY13</i>	<i>FY14</i>
Peter Ellis (Chair)	Attorney	Reed Smith LLP	✓	✓
Anita Alvarez	State's Attorney	Cook County	✓	✓
Dorothy Brown	Circuit Clerk	Cook County	✓	✓
Abishi Cunningham	Public Defender	Cook County	✓	✓
Thomas Dart	Sheriff	Cook County	✓	✓
Patrick Delfino	Director	S.A. Appellate Prosecutor	✓	✓
William Fitzpatrick	Chief	Glenview Police Department	✓	✓
Bobbie Gregg	Acting Director	DCFS		✓
S.A. Godinez	Director	DOC	✓	✓
Felix Gonzalez	Attorney	Private Practice	✓	✓
Hiram Grau	Director	ISP	✓	✓
John Harvey	Grant Consultant	Chestnut Health Systems	✓	✓
LaMar Hasbrouck	Director	DPH		✓
Lisa Jacobs	Program Manager	Models for Change Initiative	✓	✓
Lisa Madigan	Attorney General	State of Illinois	✓	✓
John Maki	Executive Director	John Howard Association	✓	
Garry McCarthy	Superintendent	Chicago Police Department	✓	✓
Kevin McClain	Director	LETSB	✓	✓
Michael Pelletier	Director	State Appellate Defender	✓	✓
Patrick Perez	Sheriff	Kane County	✓	✓
Toni Preckwinkle	President	Cook County Board	✓	✓
Randall Rosenbaum	Public Defender	Champaign County	✓	✓
Angela Rudolph	President	Think. Plan. Do. Consulting	✓	✓
Jennifer Vollen-Katz	Director	John Howard Association		✓
Source: Illinois Criminal Justice Information Authority.				

ICJIA policies and procedures require that all grant awards be presented to the Board's Budget Committee for approval. These approval presentations, known as designations, include information on the funds, proposed expenditures, and details of the award program.

Day-to-day operations at ICJIA are under the oversight of the Executive Director. During the course of this audit, leadership in the Executive Director's office changed. Exhibit 1-3 provides an organizational structure for ICJIA during the audit.



The Federal and State Grants Unit (FSGU) oversees the federal and State assistance programs that ICJIA administers, including ten federal initiatives and the Illinois Motor Vehicle Theft Prevention Act. FSGU is responsible for developing program strategies, recommending programs to be funded, and **monitoring all awards**. The three grant areas covered by HR888, community based violence prevention programs, after-school programs, and the funding for the Chicago Area Project were all the responsibility of the FSGU. Additionally, the Office of Fiscal Management was responsible for filing of grant agreements and the Office of General Counsel reviewed each of the grant agreements before they were approved by the Board.

COMMUNITY BASED VIOLENCE PREVENTION PROGRAM

The Community Violence Prevention Program (CVPP) is a collaborative effort of public and private agencies that provides pro-social opportunities to youth in underserved communities. CVPP is the successor name for the Neighborhood Recovery Initiative (NRI). For purposes of this audit we will refer to the program as NRI/CVPP.

Contracts for the period beginning November 1, 2012, still referred to the program as NRI. Year 3 of NRI was for the period November 1, 2012 through October 31, 2013. Year 4 operated for the 10-month period November 1, 2013 through August 31, 2014. These two years will be defined as the scope of the audit for the NRI/CVPP examination.

ICJIA staff indicated that CVPP was a redesigned program from how NRI operated. CVPP components, according to ICJIA documentation, work to reduce deviant behaviors associated with risk factors, strengthen social skills, and increase parent leadership within the communities. CVPP is provided in 23 Chicago-area communities. The goals of the NRI/CVPP are provided in Exhibit 1-4.

Exhibit 1-4 COMMUNITY VIOLENCE PREVENTION PROGRAM GOALS
<ul style="list-style-type: none">• Reduce risk factors and promote protective factors associated with violence through provision of jobs for community youth, adults, and professionals that promote community wellness and healthy behaviors, youth and parent leadership, and caring community environments.• Provide community-based services for youth and young adults including social, emotional and job skill development, and mentoring.• Building parent leadership within neighborhoods to create a foundation for stronger, healthier communities.
Source: ICJIA information.

AFTER-SCHOOL PROGRAMS

ICJIA supported a number of after-school programs in FY14. According to ICJIA documentation, after-school programs focus on social-cognitive skill development intervention in an effort to help youths develop these skills. A growing body of research in psychology, sociology, and economics suggests that social-cognitive skills are learned through experience. Youths who live in high-crime areas face additional challenges in developing these skills, since fighting and self-defense are sometimes adaptive strategies in addressing community-based threats to personal safety. Improving educational achievement, reducing youth violence, and improving the health and long-term life outcomes of disadvantaged youth are after-school program priorities.

CHICAGO AREA PROJECT

Chicago Area Project (CAP) works toward the prevention and eradication of juvenile delinquency through the development and support of affiliated local community self-help efforts in Chicago communities where the need is greatest. Direct services occur through CAP's network of more than 40 affiliates offering educational, cultural, and recreational programs.

CAP also advocates with neighborhood groups on behalf of their youth for improvements in schools, juvenile court systems, and employment opportunities.

AUDIT SCOPE AND METHODOLOGY

This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310. 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. The audit methodology for our fieldwork testing is presented in Appendix B.

The audit objectives for this audit were those delineated in House Resolution Number 888 (see Appendix A), which directed the Auditor General to conduct a performance audit of the State moneys provided by or through ICJIA to all community based violence prevention programs, the After-School Program, and the Chicago Area Project under contracts or grant agreements in Fiscal Year 2013 and in Fiscal Year 2014. The majority of fieldwork for the audit was completed between September 2014 and July 2015.

The audit scope for the grants to community violence prevention programs was for the time period for Years 3 and 4 of the NRI/CVPP program, from November 2012 through August 2014. Management decisions relevant to the program from the time period prior to November 2012 are also included in the audit scope. The ASP program was established as a program in FY14. The funding to CAP, which was for NRI/CVPP and other grants had the same performance period as NRI/CVPP, November 2012 through August 2014.

In conducting the audit, we reviewed applicable State laws, administrative rules, and ICJIA policies pertaining to the awarding and monitoring of State grants. We reviewed compliance with those laws and rules to the extent necessary to meet the audit's objectives. Any instances of non-compliance we identified or noted are included in this report.

We interviewed staff from ICJIA that provided oversight to NRI/CVPP, the After-School Program, and the funding for the Chicago Area Project. Additionally, we interviewed staff from the Governor's Office, the Department of Human Services, the Chicago Area Project, and the Illinois African American Coalition for Prevention. We contacted evaluators from the University of Illinois at Chicago and reviewed evaluation reports of NRI/CVPP developed by the individuals and the staff at ICJIA. We also interviewed the current and former Executive Directors at ICJIA.

We examined all file documentation maintained by ICJIA for the NRI/CVPP communities that participated in the program during Years 3 and 4. This included lead agencies and coordinating and providing partners. The information is summarized and detailed in the following chapters of this report. We also examined all information maintained by ICJIA relative to the After-School Program and the files relevant to the funding provided to the Chicago Area Project.

We reached out to lead agencies in all 23 communities to request information relevant to the audit. All 23 communities responded to our inquiry. We reached out to all ICJIA Board members to request their views on the three audit issue areas: CVPP, ASP, and CAP funding. We sent out 24 requests to Board members; we conducted nine interviews.

We selected a random sample of 20 agencies that provided NRI/CVPP services during Years 3 and 4 of the program and went on-site to determine whether documentation existed to support expenditures charged to State grants, as well as whether other contractual deliverables were maintained. The sample was stratified to obtain coverage of lead agencies, Youth Employment Program agencies, Parent Program agencies, and Reentry Program agencies. The purpose of our testing was to report on the agencies we selected and not to project our sample results to the entire population of participating agencies.

We selected a random sample of five agencies that provided After-School Program services in FY14 and went on-site to determine whether documentation existed to support expenditures charged to State grants, as well as whether other contractual deliverables were maintained. Again, the purpose of our testing was to report on the agencies we selected and not to project our sample results to the entire population of participating agencies.

We selected all five non-NRI/CVPP grants that were distributed by the Chicago Area Project in FY13 and FY14 and went on-site to determine whether documentation existed to support expenditures charged to State grants, as well as whether other contractual deliverables were maintained.

House Resolution Number 888 asked us to determine the number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position for the three audit issue areas. During the audit, we inquired from ICJIA whether it collected this type of information for the NRI/CVPP program, the After-School Program, and the Chicago Area Project funding. An ICJIA official reported that ICJIA did not collect this type of information.

We also reviewed internal controls and assessed audit risk relating to the audit's objectives. A risk assessment was conducted to identify areas that needed closer examination. Any significant weaknesses in those controls are included in this report.

An exit conference was held with officials from ICJIA on March 8, 2016. Those in attendance were:

ICJIA:	John Maki – Executive Director
	Randy Kurtz – Deputy Director, CFO
	Junaid Afeef – Acting General Counsel
	Robin Murphy – Associate General Counsel
	Kevin Givens – Associate Director-Grants
Office of the Auditor General:	Mike Maziarz – Audit Manager
	Jill Paller – Audit Supervisor
	Eric Williams – Audit Staff

REPORT ORGANIZATION

The remainder of this report is organized into the following chapters:

- **Chapter Two** examines the NRI/CVPP program.
- **Chapter Three** examines the After-School Program.
- **Chapter Four** examines the funding provided to the Chicago Area Project.
- **Appendices** presenting House Resolution Number 888 (Appendix A), our Audit Methodology (Appendix B), a listing of all participating agencies in the Youth Employment Program for NRI/CVPP in Program Years 3 and 4 (Appendix C), a listing of payments for NRI/CVPP to participating agencies along with the amounts these agencies received from other State payments during Program Years 3 and 4 (Appendix D), and Agency Responses (Appendix E) are provided at the end of the report.

Chapter Two

NRI/CVPP PROGRAM

CHAPTER CONCLUSIONS

During Years 3 and 4, **ICJIA expended \$28.4 million** on the NRI/CVPP Program. These expenditures were made from the **General Revenue Fund** appropriations to ICJIA and from funds in a **non-appropriated fund** controlled by ICJIA.

NRI/CVPP is comprised of a significant number of community agencies working to provide services. During Years 3 and 4 of NRI/CVPP operation, there were **149 total agencies** involved in the programs (some agencies provided more than one program service). Seventeen providers were new to the NRI/CVPP program in Year 3. Additionally, nine new providers operated in Year 4 of the program.

The NRI/CVPP providers received \$11.2 million in Year 3 and \$13.6 million in Year 4 **for NRI/CVPP activities**. Additionally, many of these same providers received significant **additional** State dollars in each year they were in the NRI/CVPP program for other State activities. In both FY13 and FY14, the NRI/CVPP providers received an additional **\$362 million in State funds from other activities in each of the years**.

ICJIA went outside its **normal approval process** in the awarding of grants for NRI/CVPP. In Year 3 of the program, **an official from the Governor's Office provided** ICJIA with the communities that were to be in the program, the grantees to be funded, and the grant award amounts to the providers. Even though **14 percent** of the Year 3 providers **were new** to the program, we saw no evidence to support why the providers were selected.

ICJIA transferred \$1.7 million, or **11 percent** of the Year 3 program appropriation for NRI/CVPP, to the Department of Human Services (DHS) via an intergovernmental agreement (IGA). Additionally, ICJIA failed to **adequately monitor** the terms of the IGA with DHS for the transfer of \$1.7 million which resulted in DHS violating two sections of the IGA, relative to quarterly reporting and return of unspent funds.

ICJIA received **\$7.3 million** from DHS to make NRI/CVPP payments in July and August 2014 for Year 4 of the program **despite having sufficient General Revenue Fund (GRF) appropriations** to make the payments for those two months. The need for the transfer apparently was a misunderstanding by ICJIA officials, the result of which was **fewer dollars for DHS to expend** on its programs **while ICJIA General Revenue Funds lapsed**.

ICJIA **could not provide auditors with all contracts** between lead agencies and the providing agencies in Years 3 and 4 of NRI/CVPP **nor did they require contracts for all services** between lead agencies and providing partners in Year 4 of NRI/CVPP. Additionally, one lead agency utilized contracts for providing agencies **that did not contain budgets** or all standard terms and conditions.

ICJIA failed to **timely execute** contracts for the NRI/CVPP Program with lead agencies. Further, the contracts for community service providers, which were approved by ICJIA, **were also not timely**. Additionally, five grants with providers were signed **more than six months after the start of the grant**, in violation of ICJIA's agreement process policy. Finally, ICJIA allowed grantee agencies to work on NRI/CVPP activities prior to execution of the contractual agreements.

NRI/CVPP agencies **failed to timely submit** quarterly fiscal reports to either the lead agencies or ICJIA. In many instances the fiscal reports submitted **contained inaccurate approved budget figures** and different claimed expenses from quarter to quarter. Additionally, ICJIA failed to retain in its files fiscal reports on all the providers in Year 3 of the program despite a **contractual requirement** that these reports be submitted to ICJIA. Finally, in Year 4, ICJIA **weakened the control** over fiscal monitoring by removing this requirement from grant agreements.

ICJIA failed to require the **identification of individuals** who were to be paid with NRI/CVPP grant funds. Our sample examination found 18 instances where the salaries **listed in grant budgets** were higher than what the individuals holding those position titles actually were paid by the providers, **as reported by the providers** on a report to the Attorney General. **While there may be explanations for differences, ICJIA did not seek those explanations.** When the State grant pays out at a rate higher than the individual actually earns, State monies may not be expended on program purposes.

ICJIA violated its policy by not completing site visits to NRI/CVPP lead agencies in a timely manner. The site visits that were completed were, on average, **124 days past due**. Additionally, three communities had the site visit completed **after Year 3 of the program was completed**. Finally, ICJIA failed to conduct a site visit in either Year 3 or 4 for a lead agency **that was new to the program**, and whose Board members had operated a former NRI lead agency, an agency which owed money to the State when it went out of business.

Required **background checks were not always completed** on the adults who worked in the NRI/CVPP program. Additionally, while ICJIA told some providers in Year 4 that background checks were not required, **contracts were not amended** to include this change. Finally, while the Youth Employment Program component of the NRI/CVPP program placed youth in private employment, ICJIA did not require adults in these employment situations to have background checks.

During Year 3 of NRI/CVPP, providers of reentry services provided services to **ineligible clients** in violation of the grant agreement. While ICJIA was made aware of this situation, ICJIA did not provide any documentation to auditors to show it had taken action against the violating providers. In fact, it **awarded nearly \$300,000 in reentry contracts to the same providers** in Year 4.

ICJIA, and its lead agencies for NRI/CVPP in Years 3 and 4 of the program, failed to enforce provisions of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment. Our analysis showed that **over \$100,000 in equipment was purchased outside the time frame** delineated in the contracts and guidelines.

ICJIA failed to enforce provisions of an intergovernmental grant agreement with the University of Illinois at Chicago (University) for an evaluation project. ICJIA **did not require** the University to submit the deliverables outlined in the grant agreement. Additionally, data **which was required to be submitted** by community partners under NRI/CVPP for evaluation was not always submitted. Finally, ICJIA research staff was prohibited from sharing information with grants staff responsible for oversight of the NRI/CVPP awards.

ICJIA **failed to collect \$213,400 in unspent funds** from the timekeeping contract for the payment of youth in the Youth Employment Program component of the NRI/CVPP program in Year 3 of the program, **a violation of the contract**. Additionally, an ICJIA official allowed some of these unspent funds to be applied to another grant to the timekeeping provider for activities outside the scope of the timekeeping agreement, also **a violation of the contract**. The time lag in applying the funds to a Year 4 NRI/CVPP community contract **had a negative impact** on the provider being able to accomplish the goals related to the program. The net unspent funds were part of a settlement agreement for reimbursement between the timekeeping contractor and ICJIA that was executed **545 days after** the funds should have originally been returned.

ICJIA failed to effectively monitor expenses charged by providers of NRI/CVPP services in Years 3 and 4 of the program. ICJIA had **delegated responsibility** for fiscal monitoring of provider partners to NRI/CVPP lead agencies. ICJIA and the lead agencies **relied on self-reported figures** from the service providers for expenses claimed against the grant. Only 7 of 25 lead agencies reported **requiring** providers to submit support for claimed expenses on quarterly reports. Our sample site work called into question the claims for some of the 18 other lead agencies. Our testing at a sample of NRI/CVPP agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$289,000** in expenses charged to State grant funds.

ICJIA's policies and procedures **do not require** grantees to **maintain separate accounts** for grant funds. We found two instances where repayment agreements with providers were executed even though the providers agreed with the unspent amount of grant funds, indicating that the NRI/CVPP grant funds were spent on non-NRI/CVPP-related activities **or the funds would have been readily available** to be repaid.

ICJIA was **not timely** in recovery of NRI/CVPP unspent grant funds and funds spent in excess of approved budgets. Grant agreements required providers to submit a refund of unexpended funds within 30 days of the end of the grant period. Our analysis showed **over \$2.2 million in unrecovered** NRI/CVPP funds in Years 3 and 4 of the program.

INTRODUCTION

House Resolution Number 888 directed the Auditor General to examine the purposes for which State moneys were provided to ICJIA for community violence prevention programs. Additionally, the Resolution asked us to determine how ICJIA used the funds, including what agencies were provided funding as well as the amount of funds that was provided to these agencies. We were to examine whether timesheets were completed for the positions related to the community violence prevention programs. Also, we were to determine the actual use of the

moneys and the extent of monitoring by ICJIA on the community violence prevention programs and whether communities were excluded from the program that had similar crime rates. We were to examine whether the program met the purposes for which the funding was provided. Finally, the Resolution asked us to determine if the programs were in compliance with applicable laws, regulations, contracts, and grant agreements. For purposes of the report, the Neighborhood Recovery Initiative/Community Violence Prevention Program (NRI/CVPP) constitutes the community violence prevention programs designated in the Resolution.

NRI/CVPP PROGRAM

During Years 3 and 4, ICJIA expended \$28.4 million on the NRI/CVPP Program. These expenditures were made from the General Revenue Fund appropriations to ICJIA and from funds in a non-appropriated fund controlled by ICJIA. Exhibit 2-1 presents a breakdown by year.

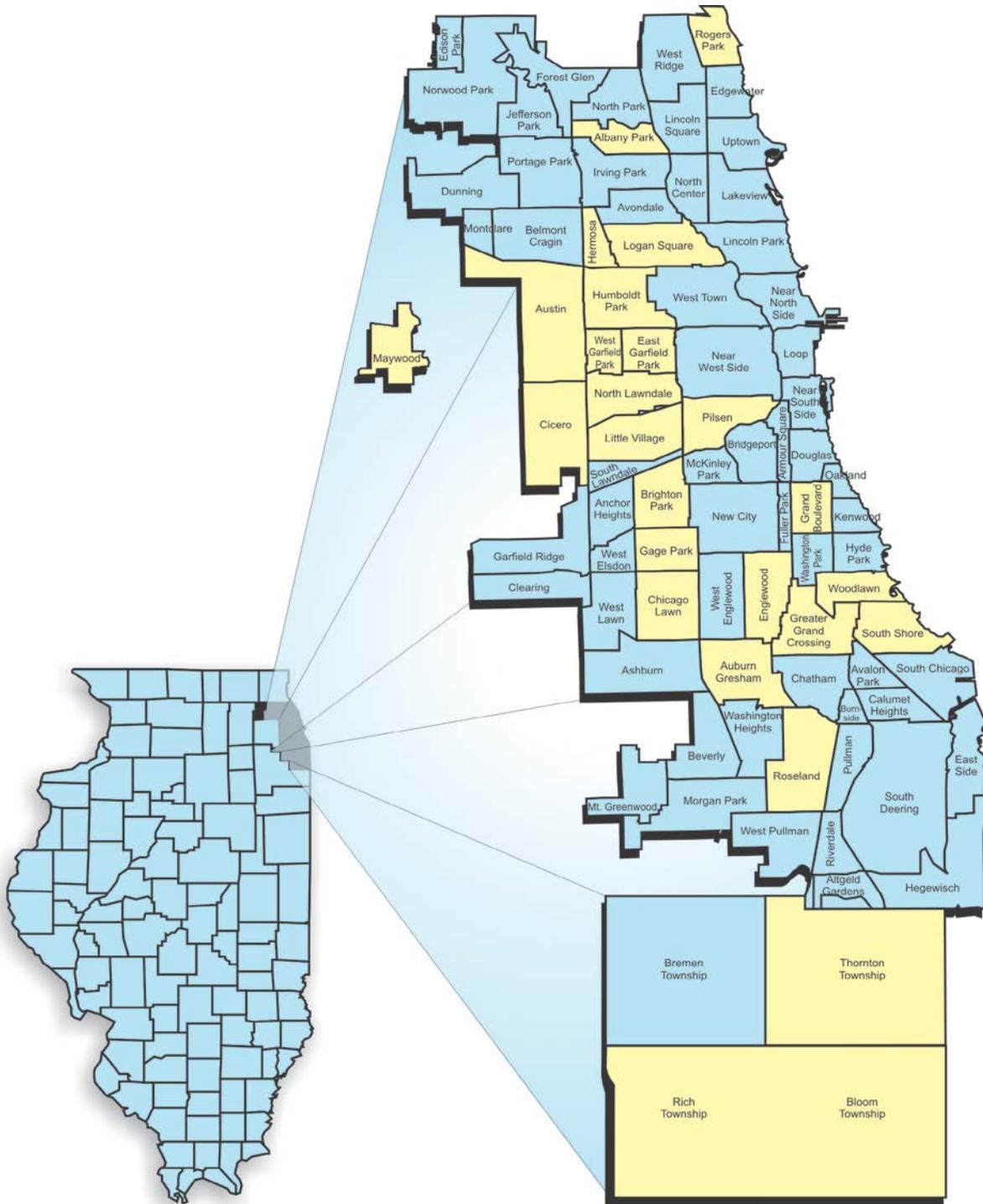
Exhibit 2-1 EXPENDITURES FOR NRI/CVPP Program Years 3 and 4			
<i>Category</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Total</i>
NRI/CVPP Grants to Lead Agencies	\$11,167,993	\$13,592,362	\$24,760,355
ICJIA Administrative Expenses	N/A	\$285,101	\$285,101
Transfer DHS-Summer Youth Jobs	\$1,700,000	N/A	\$1,700,000
Youth Employment Program Mentor Training	\$25,855	\$3,981	\$29,836
Technical Assistance & Networking Project	\$697,824	\$680,736	\$1,378,560
NRI/CVPP Evaluation	\$90,000	\$109,556	\$199,556
Total	\$13,681,672	\$14,671,736	\$28,353,408
Source: OAG summary of NRI/CVPP documentation.			

Eighty-seven percent of the expenditures were for grants to operate the NRI/CVPP program. ICJIA utilized \$285,000 in Year 4 for internal administrative expenses as allowed by appropriation. In Year 3, \$1.7 million was transferred to the DHS at the direction of the previous Governor’s Office. ICJIA had a consultant provide training for the Youth Employment Program (YEP). The same technical assistance contractor from the first two years of NRI was retained for \$1.4 million over Years 3 and 4. And finally, the University of Illinois at Chicago received just under \$200,000 for evaluation work.

Participating Communities

Starting in Year 3 of NRI/CVPP, there were again 23 communities served by the Program, just as there had been in Years 1 and 2 of the NRI program. See Exhibit 2-2 for a map of the locations for the communities. Hermosa was added as a community for Years 3 and 4. Bremen Township was dropped from the Program and that geographic area split into the south suburb communities of Thornton Township and Bloom/Rich Township.

Exhibit 2-2
NRI/CVPP PARTICIPATING COMMUNITIES
Program Years 3 and 4



Note: Yellow represents communities that received NRI/CVPP funding. Gage Park and Chicago Lawn are collectively known as West Chicago in the NRI program. Pilsen and Little Village are one NRI/CVPP community.

Source: OAG developed from NRI documentation.

Program Components

In Year 3 of the NRI/CVPP program, a Governor’s Office official from the previous administration eliminated the school-based counseling component and ICJIA redesigned the youth employment component. The description of the three component services in Years 3 and 4 are detailed below.

The NRI/CVPP program in Years 3 and 4 **was not adjusted** to include the most violent Chicago area communities. The previous audit of NRI, released in February 2014, found that not all of the most violent communities in Chicago were included in the program. In response to that audit finding, ICJIA stated it *“is not contemplating terminating services in those areas in light of the infrastructure and community organization collaborations which have been built up over the last several years.”*

During the current audit, ICJIA officials reported that *“ICJIA was unable to use its normal planning process due to having been instructed by [the] Deputy Chief of Staff [of the previous administration] to maintain a form of youth employment, mentoring, parent services and reduced reentry services to the same geographic areas with allocations to community organizations that had been involved in NRI.”* (emphasis added)

Youth Employment Program

The Youth Employment Program (YEP) was the Year 3 redesigned NRI component previously known as Mentoring Plus Jobs. On December 20, 2012, the former ICJIA Executive Director sent 21 aldermen and 36 State legislators a correspondence outlining the YEP program. A portion of that explanation is provided in Exhibit 2-3.

YEP, one of the three program components, was to provide approximately 1,800 young people between the ages of 16-24 in 24 Chicago area communities with job readiness training, mentoring, and part-time employment. Employment was offered through partnering with **local businesses and organizations** for nine weeks in the summer. **All wages were subsidized by the NRI/CVPP grant program without cost to employers.** YEP was designed to reduce risk factors and promote protective factors associated with violence and to strengthen social skills. A listing of the participating local businesses and organizations, as reported by the lead agencies, is provided in Appendix C of this report.

<p>Exhibit 2-3 NRI/CVPP ANNOUNCEMENT YOUTH EMPLOYMENT PROGRAM December 20, 2012</p>
<p>“...What makes this initiative unique is that all wages will be subsidized by Governor Quinn’s NRI state grant program. There are no costs to employers. In addition, NRI manages all payroll and bookkeeping functions related to employment, oversees recruitment and screening, and provides workforce development training to make its recruits valued employees.</p> <p>As a civic leader, you are in a position to provide this valuable and <i>cost-free</i> resource to your community....We also ask that you consider providing a part time job in your ward or district office for one or more of these young people....”</p>
<p>Source: OAG developed from ICJIA correspondence.</p>

Youth were to receive \$8.75 per hour for wages and were to report to a YEP mentor. The YEP mentors were to earn \$11.25 per hour and reported to the YEP coordinator. YEP instructor/mentor positions were to earn \$12.50 per hour and were also to report to the YEP coordinator. The YEP coordinator earned \$12.50 per hour and reported to the YEP Program Director. Each lead agency was to employ a full time Program Director earning \$15 per hour.

Parent Program

The Parent Program component was designed to provide funding for approximately 1,010 parents to receive training on parenting and program orientation and then to act as Parent Leaders for various community projects that promote protective factors for child maltreatment. Parent leader positions earned \$9.75 per hour and reported to the Parent Program Coordinator. The coordinator earned \$11.25 per hour and reported to the Parent Program Manager. The manager earned \$15 per hour and was to report to the lead agency Program Director.

Reentry Program

The Reentry Program funded case managers to link youth and young adults age 13-28 on parole in NRI/CVPP communities to services that could help them transition back to their communities and reduce recidivism. The youth would be returning to the community from either an Illinois Department of Juvenile Justice or Illinois Department of Corrections facility. The program was designed to increase public safety by identifying and addressing their risks and needs.

Case managers were to maintain an average caseload of 15-20 young people. The case manager would be required to conduct home visits and establish regular communication with the clients. The services the case managers linked the clients to included educational support, substance abuse treatment, and recreation.

Participating Providers

NRI/CVPP is comprised of a significant number of community agencies working to provide services. During Years 3 and 4 of NRI/CVPP operation, there were **149 total agencies** involved in the programs (some agencies provided more than one program service). Seventeen providers were new to the NRI/CVPP program in Year 3. Additionally, nine new providers operated in Year 4 of the program.

Providers received \$11.2 million in Year 3 and \$13.6 million in Year 4 **for NRI/CVPP activities**. This was based on payment information received from lead agencies and the payments made by the Illinois Comptroller to the lead agencies. Additionally, many of these same providers received significant additional State dollars in each year they were in the NRI/CVPP program. In FY13, the NRI/CVPP providers received an additional **\$362 million in State funds from other activities**. The same total of **\$362 million** was received by NRI/CVPP providers during FY14. Appendix D provides a breakdown of who received NRI/CVPP funds during Years 3 and 4 as well as the other State payments that went to these same providers in FY13 and FY14.

Lead Agencies

NRI/CVPP activities were overseen through the use of community lead agencies. According to the former ICJIA Executive Director the lead agencies **were selected by two staff of the previous Governor’s administration**. The lead agencies were responsible for managing NRI/CVPP in their communities and partnering and subcontracting with other community organizations to implement the various program components. Exhibit 2-4 provides a listing of the lead agencies responsible for NRI/CVPP in the communities during Years 3 and 4 of the program.

Exhibit 2-4 NRI/CVPP LEAD AGENCIES Program Years 3 and 4	
Community	Grantee
1 Albany Park	Albany Park Community Center
2 Auburn Gresham	Catholic Bishop of Chicago-St. Sabina
3 Austin	Circle Family HealthCare Network (Year 3) Proviso Leyden Council for Community Action (Year 4)
4 Brighton Park	Pilsen Wellness Center
5 Cicero	Corazon Community Services
6 East Garfield Park	Uhlich Children’s Advantage Network
7 Englewood	Children’s Home and Aid Society of Illinois
8 Grand Boulevard	Chicago Area Project
9 Greater Grand Crossing	Greater Auburn Gresham Development Corporation
10 Hermosa	Fellowship Connection
11 Humboldt Park	Chicago Commons
12 Logan Square	Alliance of Local Service Organizations
13 Maywood	Proviso Leyden Council for Community Action
14 North Lawndale	Sinai Community Institute
15 Pilsen-Little Village	Fellowship Connection
16 Rogers Park	Organization of the North East (Year 3) A Safe Haven Foundation (Year 4)
17 Roseland	Community Assistance Programs
18 South Shore	Black United Fund of Illinois, Inc.
19 West Chicago	Goodcity NFP
20 West Garfield Park	Chicago Area Project
21 Woodlawn	Woodlawn Children’s Promise
22 Bloom/Rich Townships	Southland Health Care Forum
23 Thornton Township	Healthcare Consortium of Illinois
Note: Bold Italics indicates the lead was the same in Years 1 and 2 of NRI.	
Source: OAG developed from ICJIA documentation.	

NRI/CVPP FUNDING USES

ICJIA and **lead agencies** memorialized the activities to be completed for NRI/CVPP through grant agreements which detailed the services to be performed by the lead agencies as well as the personnel who would perform those activities. The agreements also included a project budget.

Budgeted Uses for NRI/CVPP Funding – Lead Agencies

We reviewed and summarized all 46 agreements between the lead agencies and ICJIA for NRI/CVPP activities. During Years 3 and 4 of NRI/CVPP, ICJIA entered into agreements with lead agencies in the 23 communities **with budgets totaling \$27.3 million**. Sixty-two percent of these funds (\$16.8 million) were to be used by the lead agencies for contractual expenses, which included grants to providers of day-to-day activities for NRI/CVPP. Exhibit 2-5 presents the budgeted figures for the five line items which ICJIA broke the program into in the grant agreements.

Lead agencies planned on spending 36 percent of the funding (\$9.9 million) on personnel services to both salaried and hourly paid staff. This figure included fringe benefits charged to the State grants. Fringe benefit percentages varied widely among lead agencies.

Exhibit 2-5 LEAD AGENCY BUDGET SUMMARY Program Years 3 and 4		
<i>Category</i>	<i>Budget Total</i>	<i>% of Total</i>
Personnel Services	\$9,891,971	36.27%
Equipment	\$38,642	0.14%
Commodities	\$405,611	1.49%
Travel	\$139,026	0.51%
Contractual	\$16,796,835	61.59%
Total	\$27,272,085	100.00%
Source: OAG summary of NRI/CVPP lead agency budgets.		

Actual Uses of NRI/CVPP Funding – Lead Agencies

Lead agencies' expenses were reported to ICJIA utilizing the quarterly fiscal reports. ICJIA did not require supporting documentation be submitted to **verify the self-reported** expense figures by the lead agencies.

We examined the 46 year-end closeout reports of lead agencies' expenses to ascertain what they reported as actual uses for the State-funded NRI/CVPP grants. We found in Years 3 and 4 that the lead agencies reported expending over \$22.9 million on NRI/CVPP activities.

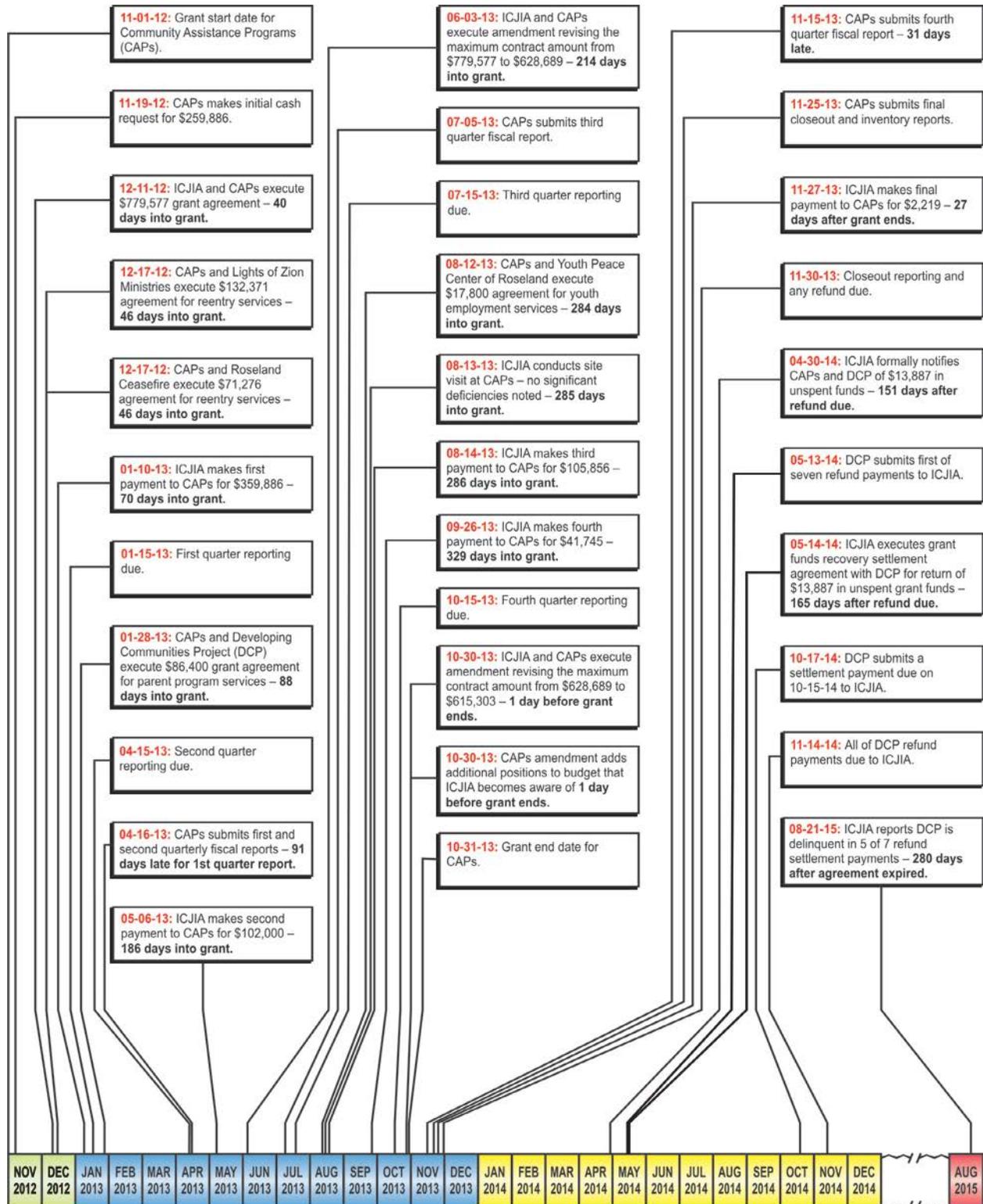
Again the self-reported contractual expenses topped the list of expenses by the lead agencies. Over \$14 million in contractual expenses were included in the closeout reports for NRI/CVPP. Personnel costs and benefits accounted for over \$8.44 million. Exhibit 2-6 shows the self-reported expenses by lead agencies in Years 3 and 4 of the NRI/CVPP program.

Exhibit 2-6 LEAD AGENCY EXPENSES REPORTED Program Years 3 and 4		
<i>Category</i>	<i>Expenses</i>	<i>% of Total</i>
Personnel Services	\$8,443,254	36.82%
Equipment	\$51,371	0.22%
Commodities	\$208,350	0.91%
Travel	\$75,379	0.33%
Contractual	\$14,151,260	61.72%
Total	\$22,929,614	100.00%
Source: OAG summary of NRI/CVPP lead agency closeout reports.		

NRI/CVPP ACTIVITIES TIMELINE

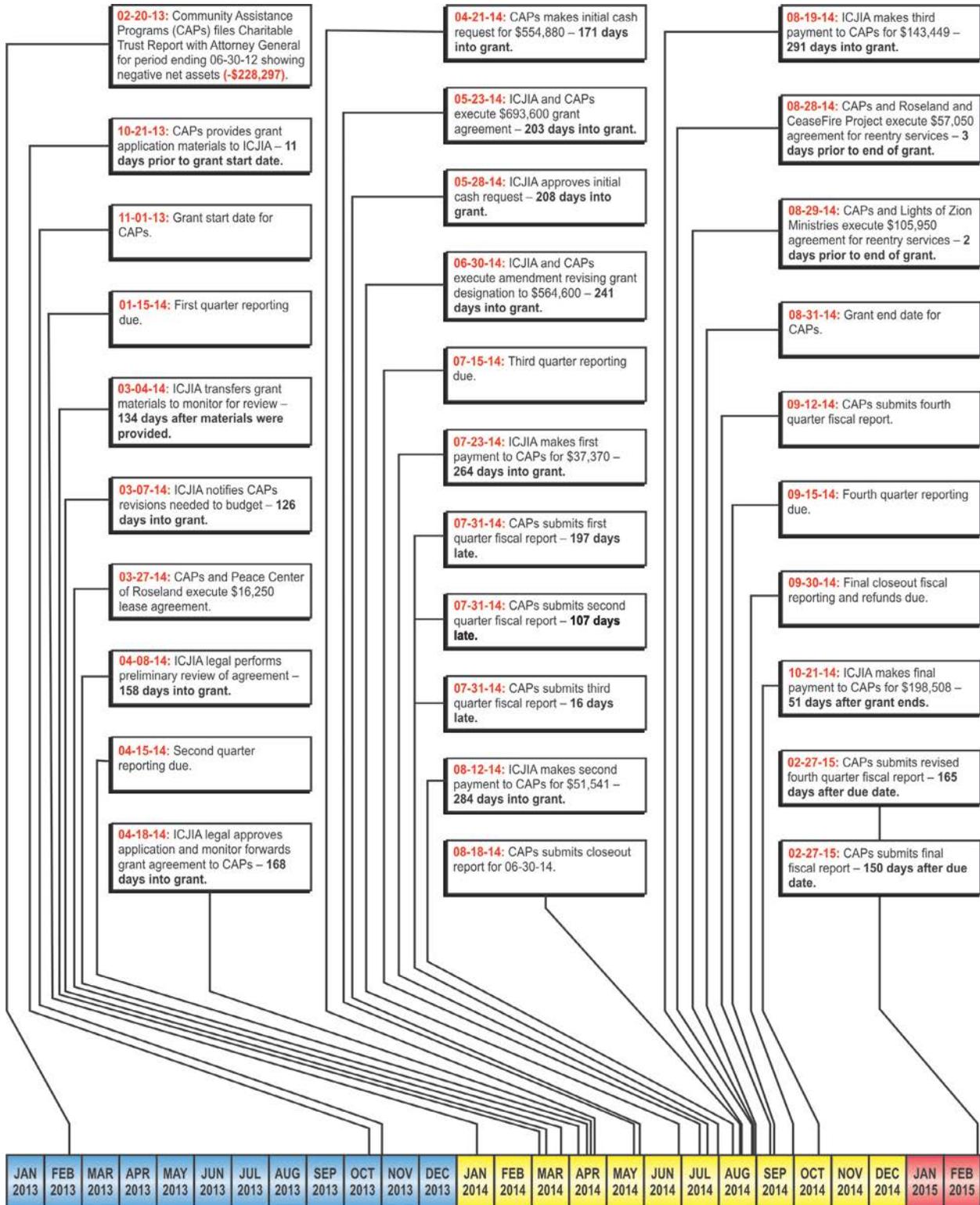
Our examination of the activities for the NRI/CVPP grants involved review of all reporting requirements for the grants, as well as the testing of expenditures to ensure they complied with grant agreements. In this chapter we report on a number of significant deficiencies in the oversight of the funding provided for NRI/CVPP by ICJIA in Years 3 and 4 of the program. Exhibit 2-7 provides a timeline of the activities surrounding the NRI/CVPP grant for 1 of the 23 communities, the lead agency in the Roseland community, Community Assistance Programs.

Exhibit 2-7 TIMELINE OF ACTIVITIES – COMMUNITY ASSISTANCE PROGRAMS (CAPs) Program Year 3



Source: OAG developed from ICJIA and CAP documentation.

Exhibit 2-7 TIMELINE OF ACTIVITIES – COMMUNITY ASSISTANCE PROGRAMS (CAPs) Program Year 4



Source: OAG developed from ICJIA and CAP documentation.

NRI/CVPP DUE DILIGENCE IN PROVIDER SELECTION

ICJIA went outside its **normal approval process** in the awarding of grants for NRI/CVPP. In Year 3 of the program, **an official from the Governor’s Office provided** ICJIA with the communities that were to be in the program, the grantees to be funded, and the grant award amounts to the providers. Even though **14 percent** of the Year 3 providers **were new** to the program, we saw no evidence to support why the providers were selected.

During the audit we found:

- The FY13 State budget passed on June 30, 2012, included \$15 million to ICJIA for grants to community-based organizations for violence prevention programs. This grant program is what NRI was in Years 1 and 2 of that program. Additionally, \$5 million was appropriated to ICJIA for grants to Chicago Area Project (CAP). According to an ICJIA official approximately half of that appropriation was to be used for NRI/CVPP in the communities.
- According to the former ICJIA Executive Director, in Year 3 of the NRI program a Deputy Chief of Staff to the former Governor and a policy analyst in the Governor’s Office made the decisions on what communities to fund, the grantees to be funded, and the grant amounts to the providers.
- On June 6, 2012, the former ICJIA Executive Director informed the Governor’s Office of the plans for the new GRF monies. He stated the “...*intention is to use ICJIA’s normal grant process for awarding these funds in a competitive application process. As we have with other grants, we will be requiring that grantees implement programs that have been shown by research to be effective.... We will build in performance measures and an evaluation component.... Ultimately, under our statute, the Authority Board and its budget committee must approve grants before they can be awarded....*”
- After Governor’s Office discussion, ICJIA was notified on June 12, 2012, that the Deputy Chief of Staff wanted to meet about the violence prevention funding. Further, the direction was “***In the interim please don’t make any plans for these grants, the Governor’s Office is still in discussion about what to do.***” (emphasis added)
- On June 15, 2012, the Governor’s Deputy Chief of Staff reported to another Governor’s Office official that “*I met with [ICJIA Executive Director] yesterday and told him not to make any plans for the NRI funds.*”
- The policy analyst working on the NRI/CVPP funding issues told the Governor’s Deputy Chief of Staff on July 27, 2012, that “...*nothing I’ve come across thus far provides the necessary data or information required for measuring the impact of NRI’s programs.*”
- On September 17, 2012, ICJIA received the final NRI budget numbers from the Governor’s Office. Year 3 of NRI/CVPP was to start on November 1, 2012.
- The listing contained a new community for Year 3, Hermosa. Additionally, 14 percent of the providers for Year 3 (17 of 123) were **new to the program**. We saw no analysis as to why the providers were selected, nor did we see any applications for the new providers in the program. This new listing included:
 - Fellowship Connection, the lead agency in both Pilsen-Little Village and Hermosa, which had total revenues of \$387,000 in the period prior to its start in NRI/CVPP.

- ICJIA paid Fellowship Connection \$800,000, or double its revenues from the previous period, in Year 3. We saw **no application** in either community file.
- Circle Family Healthcare, the lead agency in Austin in Year 3, had a **negative \$506,124 in net assets** on its Annual Report filing with the Attorney General for the period just prior to the start of Year 3. Circle Family filed for bankruptcy on February 13, 2013, 3.5 months into the NRI/CVPP program for Year 3. ICJIA paid Circle Family \$583,684 in Year 3 of NRI/CVPP.
 - Providers such as Corazon Community Services, Black United Fund of Illinois, Maywood, Southwest Youth Collaborative and Woodlawn Preservation, directly contacted the Governor’s Office for inclusion into the NRI program.
 - In fact, an official from Proviso Leyden Council for Community Action in Maywood, sent a correspondence on September 27, 2012 to the Governor’s Office stating “...*is there any opportunity for the community of Maywood to reallocate funds for the Re-entry Component of NRI? I spoke with [ICJIA Executive Director] and he informed me the selection of NRI programs to be funded under ICJIA came from the Governor’s Office (and he could not authorize reallocation of any funds).*”
 - We saw no documentation that ICJIA did any due diligence in the selection of the agencies for the NRI program. ICJIA **simply took the direction on who would be funded from the Governor’s Office.**

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which provide assurance that funds and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation. These controls should include due diligence by State officials in documenting why certain agencies are selected to receive State grant funds. Grants are generally exempt from the provisions of the Illinois Procurement Code (30 ILCS 500/1-10 (b) (2)).

In explaining the Board approval process, the former ICJIA Executive Director told the Governor’s Office on August 31, 2012, that “*This is a departure from our normal grant procedure, where we would ask the Budget Committee to make an award of a particular amount to a particular program....We will simply not be able to use our normal procedure because to do so would likely prevent us from having a smooth transition...and also likely create difficulties in spending down the entire amount appropriated within a 12 month period.*”

The former ICJIA Executive Director told auditors that:

- The Governor’s Office presented material, a spreadsheet with community’s leads, sub-grantees and dollar amounts, to ICJIA, and then ICJIA presented it to the Board.
- The Governor’s Office did not provide any analysis to support how the communities, providers, or amounts had been selected.
- The Governor’s Office did not want to have to start the process over and did not give an explanation for using the same communities and almost the same agencies in Year 3.
- The position of the Governor’s Office was provided in a meeting between ICJIA officials and Governor’s Office officials.

- All the provider agencies had to be approved by the Governor’s Deputy Chief of Staff.

Failure by ICJIA, as the agency responsible for the NRI/CVPP program, to conduct due diligence in vetting potential providers, such as through an application process, increases the likelihood that the program is not operated by organizations with enough capacity. Failure to request information from the Governor’s Office to support how the selections were made for the NRI/CVPP program is a violation of ICJIA responsibility to oversee the program and ensure that its selection criteria were met, especially given that the approval process through the Board was a departure from the normal process. Given that ICJIA had 124 days from the passage of the FY13 budget until the beginning of Year 3 of the NRI/CVPP program, there should have been sufficient time to conduct a normal process with its Board for approval after conducting due diligence on the providers in the program.

NRI/CVPP DUE DILIGENCE IN PROVIDER SELECTION	
RECOMMENDATION NUMBER 1	<i>ICJIA should conduct due diligence on providers that are to be part of its grant programs.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	<p>Grants administered by ICJIA follow the requirements of The Federal & State Unit Policies and Procedures version December 2012 (FSUPP) which require funding recommendations based on a competitive bidding or needs-based allocation process. A competitive RFP is the standard method in which ICJIA identifies qualified grantees for grant fund designations. Despite these requirements being in place and a competitive RFP standard practice, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement that funding recommendations be based on a competitive bidding or needs-based allocation process.</p> <p>Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. In addition, ICJIA's Federal and State Grants Units (FSGU), in partnership with ICJIA's Research & Analysis Unit (R&A) shall periodically perform an analysis of data indicating the greatest criminal justice and victim service priority issues and service gaps across Illinois. This analysis shall rely on objective data, such as crime statistics and victimization studies, demographic data, input from experts and system stakeholders, and a consideration of research studies and current efforts to address the priority issues and gaps in services identified. This analysis may also include the presentation of this information to an assembled Authority committee, such as the Victim Services ad-hoc Committee or the Budget Committee, when required by the grantor. The outcome of this analysis and the deliberations of such committees will help identify priority issues and service gaps that need to be addressed.</p> <p>Finally, the Illinois Grant Accountability and Transparency Act (GATA), 30 ILCS 708/1 <i>et seq.</i>, requires that all grantees undergo a standardized</p>

Response (continued)	fiscal and programmatic risk assessment. The implementation of GATA will allow ICJIA to better identify potential weaknesses that can either be addressed through more stringent oversight or by disqualifying certain grantees.
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NRI/CVPP FUND TRANSFER TO DEPARTMENT OF HUMAN SERVICES

ICJIA transferred \$1.7 million, or **11 percent** of the Year 3 appropriation for NRI/CVPP, to DHS via an intergovernmental agreement (IGA). Additionally, ICJIA failed to **adequately monitor** the terms of the IGA with DHS for the transfer of \$1.7 million which resulted in DHS violating two sections of the IGA, relative to quarterly reporting and return of unspent funds.

During the audit we found:

- In the FY13 State appropriations bill, ICJIA received **\$15 million** from the General Revenue Fund (GRF) “for grants to **community-based organizations** for violence prevention programs.” (emphasis added) This appropriation was utilized for the NRI/CVPP program in Year 3.
- A Governor’s Office of Management and Budget (GOMB) official informed ICJIA’s Executive Director at the time that *“I’ve confirmed that ICJIA will need to budget \$1.7 million for the FY13 Summer Jobs Program.”* The GOMB official explained that the transferred NRI monies were approved by the Governor’s Chief Operating Officer.
- ICJIA and DHS executed an IGA for the transfer of \$1.7 million, or 11 percent, of the NRI/CVPP appropriation to fund DHS’ Summer Youth Jobs Program.
- The Board approved the designation to transfer the \$1.7 million on July 26, 2012, **10 days after the start of the performance period in the IGA** and the same day the IGA with DHS was executed.
- The IGA:
 - was executed on July 26, 2012, for the period July 16, 2012 through September 30, 2012;
 - was for DHS to award, administer, and monitor grants to organizations that will provide paid summer employment opportunities for youth aged 14-24;
 - required DHS to provide only quarterly fiscal reports to ICJIA; and,
 - required DHS to repay unspent grant funds within 45 days following the end of the agreement (November 15, 2012).
- ICJIA did not check to ensure the same NRI/CVPP agencies and youth were not also receiving funds through DHS’ Summer Jobs Program. Our analysis showed that Community Assistance Programs, a provider of NRI youth services in Year 2 in the Roseland Community, also received DHS funds for the 2012 summer youth jobs program. Another 12 agencies that received DHS grants also received NRI monies in Year 2 of the NRI program.
- ICJIA’s Associate Director of the Federal and State Grants Unit told auditors that ICJIA did not know what agencies DHS utilized to distribute the funds. The official further stated ICJIA did not check to ensure the same NRI agencies and youth were not also being charged to the DHS program.

- DHS did not and was not required to use an RFP process to **fund** 39 agencies with the \$1.7 million. It is unclear how the agencies and funding levels were chosen by DHS.
- ICJIA did not request any of DHS’ records to verify compliance, as allowed by the IGA.
- ICJIA violated Section 2.3 of the IGA by not requiring DHS to timely submit the required quarterly report.
 - On May 30, 2014, **561 days after** DHS was to repay the unspent funds and **after HR888 commenced**, DHS submitted the 4th quarter report, final fiscal report, and property report as requested by ICJIA.
 - DHS’ final fiscal report dated May 24, 2014, **555 days late**, shows an unexpended fund balance of \$279,415.
- ICJIA violated Section 4.5 of the IGA by not requiring DHS to return unspent funds within the 45 days requirement in the IGA. On June 2, 2014, **564 days after** DHS was to repay the unspent funds and **after HR888 commenced**, ICJIA’s Associate Director of the Federal and State Grants Unit, emailed a DHS official asking for DHS’ plans for returning the unspent funds.
- DHS repaid the unexpended fund balance of \$279,415 on July 28, 2014, **620 days after it was due**.

DHS agreed to maintain adequate books, records, audits, and supporting documents to verify compliance and make those documents available to ICJIA. Additionally, the State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing adequate and proper documentation of decisions of the agency. Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law (30 ILCS 10/3001 (1)) and that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation (30 ILCS 10/3001 (3)).

The former ICJIA Executive Director emailed the former Governor’s Deputy Chief of Staff on July 17, 2012, informing the official that a GOMB official wanted ICJIA *“...to enter into an IGA giving DHS a \$1.7 million grant out of the NRI for a summer jobs program. I explained to him when we spoke about it last week that the ICJIA approps bill gave us authority only to make grants to community organizations not governmental agencies.”*

When asked about the Deputy Chief of Staff’s response, the former Executive Director of ICJIA said the Governor’s Office official persuaded him that the money would go to community organizations. Further, he stated he had never heard of a transfer like this before as usually money goes directly to government agencies.

According to a DHS official, DHS was not required to and was not aware of an RFP process that was to be used for the selection of the 41 organizations DHS chose to receive part of the \$1.7 million in funds. Relative to DHS’ violation of quarterly reporting, ICJIA’s Associate Director of the Federal and State Grants Unit said when she started working at ICJIA it was **not clear** if the IGA was being treated as a grant; therefore, a grant monitor was not assigned. The Associate Director said that monitoring of the grant was put into her name by default – it was not until she was reviewing the grant files for outstanding grants that she realized the grant with DHS had not been closed out. She agreed the IGA requiring quarterly reporting was violated by

DHS. Relative to DHS’ violation of the untimely return of unspent funds, ICJIA acknowledged the oversight.

As a result of the \$1.7 million transfer from the total \$15 million appropriated to ICJIA, ICJIA provided less services to their community based organizations for violence prevention programs. Reentry services were restored to additional communities in Year 4 when the entire \$15 million was utilized for NRI/CVPP.

Requesting Board approval for designation of the \$1.7 million transfer from ICJIA to DHS **after** the performance period started and **on the same day** the IGA was signed did not allow Board members to perform proper due diligence to determine if the funding will be effectively spent. Failure by ICJIA to monitor the IGA with DHS put the State at risk that certain youth would receive funds through both DHS’ Summer Youth Program as well as ICJIA’s NRI/CVPP Youth Employment Program. Failure to monitor the IGA with DHS also put the State at risk for not recovering misspent funds should ICJIA determine that funds awarded to organizations through DHS were not spent in accordance with their intended purposes.

NRI/CVPP FUND TRANSFER TO DEPARTMENT OF HUMAN SERVICES	
RECOMMENDATION NUMBER 2	<i>ICJIA should ensure full compliance with all interagency agreements. Additionally, it should take steps to ensure that funds being transferred to other State agencies for distribution to community based organizations do not overlap with the community based organizations’ ICJIA funds for similar purposes.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	<p>Grants administered by ICJIA follow the requirements of FSUPP. The document details the proper process for the execution of agreements prior to their start date. All proposed designations require Budget Committee oversight and approval. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor’s Office, disregarded FSUPP’s requirement that funding recommendations be based on a competitive bidding or need-based allocation process and improperly appropriating these funds. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP.</p> <p>In addition, FSGU has established a process that proposed designations are presented 4-6 weeks prior to program start. FSGU will communicate justifications for this process exception, which is normally due to meeting schedule coordination, to the Budget Committee. The Budget Committee has the authority to approve or deny the designation. Additionally, ICJIA will initiate an internal program audit process to review all pending and outstanding agreements on a quarterly basis in addition to currently updating the FSUPP with additional conditions and requirements for implementation in 2nd Quarter 2016.</p>

NRI/CVPP PAYMENTS IN FY15

ICJIA received **\$7.3 million** from DHS to make NRI/CVPP payments in July and August 2014 for the program **despite ICJIA having sufficient General Revenue Fund (GRF) appropriations** to make the payments for those two months. The need for the transfer apparently was a misunderstanding by ICJIA officials, the result of which was **fewer dollars for DHS to expend** on its programs **while ICJIA General Revenue Funds lapsed**.

During the audit we found:

- In FY14, ICJIA received a \$15 million GRF appropriation that was utilized for the NRI/CVPP program payments to lead agencies in the various communities. Additionally in FY14, ICJIA received another \$5 million GRF appropriation for Chicago Area Project (CAP) of which approximately half would be for NRI/CVPP in three Chicago communities.
- The Year 4 grant period for the NRI/CVPP program was from November 1, 2013 through August 31, 2014.
- Late in Year 4 (June 2014) of NRI/CVPP, ICJIA was in contact with the Illinois Office of the Comptroller relative to the clarification of grant payments at fiscal year end.
- An ICJIA official told auditors that the Comptroller pulled back its original memo (which authorized payments during lapse period) and told ICJIA officials they were not allowed to make payments in lapse.
- The official said they asked the Governor’s Office for an additional source of funds which resulted in an intergovernmental agreement with DHS.
- The former chief of staff at GOMB told auditors he developed the idea to utilize the two DHS appropriations for transfer to ICJIA. **The ultimate approval was made by the GOMB General Counsel and Director.**
 - On July 22, 2014, DHS transferred to ICJIA, via State voucher, \$5 million. The funds came from a FY15 appropriation to DHS **for grants and administrative expenses of the comprehensive community-based services to youth**. The \$5 million payment was **30 percent of the total DHS appropriation for that program**.
 - On August 27, 2014, DHS transferred to ICJIA \$2.3 million. The funds came from a FY15 appropriation to DHS **for Temporary Assistance for Needy Families under Article IV and other social services including emergency assistance for families with dependent children**.
- ICJIA processed the funds it received from DHS through its non-appropriated fund (Fund 318).
- Auditors asked a Comptroller official whether the Comptroller’s Office had informed ICJIA that the original FY14 GRF could not be utilized for payments of activities after June 30, 2014. The official responded **“No....They would be eligible to process the FY 14 GRF grant appropriations through 8/31/14....Normal processing would have allowed them to process grant liquidations through 8/31/14.”** (emphasis added)
- Comptroller records show that in FY14 **ICJIA lapsed \$5,924,330** in the larger GRF appropriation for NRI/CVPP and **lapsed another \$1,167,306** from the GRF appropriation for CAP.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. These controls should include utilizing the resources appropriated by the General Assembly for their specific purposes.

ICJIA officials misunderstood the position of the Comptroller’s Office relative to FY14 GRF funds being used for payment of the last two months of the NRI/CVPP contracts. ICJIA officials used FY13 GRF monies to make payments through the lapse period at the end of FY13 for NRI/CVPP. In fact, 30 percent (\$4.5 million of \$15 million) of the FY13 appropriated monies paid to lead agencies **was during the lapse period**. ICJIA failing to understand fiscal procedures and utilize its General Revenue Fund appropriations to make July and August 2014 NRI/CVPP payments created a situation where State monies appropriated for other purposes were negatively impacted.

NRI/CVPP PAYMENTS IN FY15	
RECOMMENDATION NUMBER 3	<i>ICJIA should ensure it has a proper understanding of the uses of its appropriations and payments for those obligations. Additionally, if the grant performance period for State grants is problematic, ICJIA should always require the grant period to coincide with the end of the State fiscal year.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with the finding. Under the current administration and current ICJIA leadership, ICJIA now has the proper understanding of the uses of its appropriations and payments for those appropriations. This action was made by the prior ICJIA leadership under the direction of the prior administration in the Governor's Office. It is not a standard practice to receive funds under general appropriation that is not marked solely for ICJIA's program activities. State grants administered by ICJIA typically coincide with the State fiscal year. Federal grants administered by ICJIA have grant periods that are set by the federal government.

NRI/CVPP FAILURE TO REQUIRE AND MAINTAIN CONTRACTS

ICJIA **could not provide auditors all contracts** between lead agencies and the providing agencies in Years 3 and 4 of NRI/CVPP **nor did they require contracts for all services** between lead agencies and providing partners in Year 4 of NRI/CVPP. Additionally, a lead agency in Rogers Park utilized contracts for providing agencies **that did not contain budgets** or all standard terms and conditions.

During the audit we found:

- **ICJIA could not provide** six subcontracts in Years 3 and 4 of NRI.
- *East Garfield Park*: Neither the lead agency Uhlich Children’s Advantage Network (UCAN) nor ICJIA could provide a copy of the Year 3 subcontract between UCAN and New Baptist Ministers Fellowship for the Parent component. UCAN paid New Baptist Ministers Fellowship \$3,600 for services.

- *Rogers Park*: Neither the lead agency Organization of the North East (ONE) nor ICJIA could provide a copy of the Year 3 subcontract between ONE and United Church of Rogers Park for the Youth Employment Program (YEP) component. ONE paid United Church of Rogers Park \$17,800 for services. Additionally, in Year 4 of NRI/CVPP, the lead agency in Rogers Park (A Safe Haven Foundation) **executed two contracts with providing agencies that were not developed by ICJIA**. These contracts lacked standard terms and conditions from other subcontracts as well as a budget line item presentation. These contracts **totaled \$180,000 and the lead agency paid out over \$126,000** to these two providing partners. ICJIA files did not contain either of these Year 4 contracts.
 - Auditors inquired from the Rogers Park lead agency in Year 4 about contracts with A Safe Haven LLC and Family Guidance Centers and were provided the non-standard contracts.
 - On August 13, 2014, auditors inquired of ICJIA why these non-standard contracts were allowed.
 - On September 23, 2014, an ICJIA official reported that ICJIA was “*unaware of the subcontracts that you were referring to until you raised the issue.*” The official added that subcontracts had since been executed and provided auditors with the contracts. The agreements were **executed two days prior to the end of the grant period**, on August 29, 2014.
- ICJIA did not require its approval of contracts that were less than \$25,000 between lead agencies and providing agencies for non-crucial services in Year 4.
- However, there were two subcontracts in two communities in Year 4 which had agreements that were not approved by ICJIA.
 - *Cicero*: The lead agency, Corazon, entered into a lease agreement for rent for program space with Youth Crossroads for YEP services. The amount in the lease agreement was \$8,125 and Corazon paid Youth Crossroads the full amount of the agreement. ICJIA did not approve the lease agreement.
 - *Roseland*: The lead agency, Roseland, entered into a lease agreement for rent for program space with Youth Peace Center for YEP services. The amount in the lease agreement was \$16,250 and Roseland paid the Youth Peace Center the full amount of the agreement. ICJIA did not approve the lease agreement.
- In addition, two lead agencies paid funds to three providing agencies **without any form of an executed agreement**; these arrangements were also not approved by ICJIA.
 - *South Shore*: The lead agency, Black United Fund of Illinois (BUFI), paid two subcontractors, Impact Ministries and South Shore Planning and Preservation Coalition (SSPPC), for YEP services without **executed agreements**. Additionally, budgets which were included in the file showed line items which auditors believe were for crucial services, thereby making the lack of an executed agreement a violation of ICJIA’s directive.
 - BUFI paid Impact Ministries \$6,641 in Year 4 of the Program. There was no executed agreement between BUFI and Impact Ministries for YEP services, but a budget totaling \$7,324.98 was included in the file. The budgeted amount of \$7,324.98 included \$5,600 **for a program consultant** which auditors believe to be a crucial service.

- BUFI paid South Shore Planning and Preservation Coalition \$8,125 in Year 4 of the Program. There was no executed agreement between BUFI and SSPPC for YEP services, but a budget totaling \$8,125 was included in the file. The budgeted amount of \$8,125 included \$5,000 **for a project director** which auditors believe to be a crucial service.
- *West Garfield Park*: The lead agency, Chicago Area Project (CAP), paid Better Life for Youth \$5,250 for YEP services. There was no executed agreement or budget in the file. Absent such an agreement in CAP's file, there was no formalized document which outlined how Better Life for Youth was to expend the funds. Further, absent documentation, it would not seem possible for ICJIA to approve such an agreement.

The Illinois Grant Funds Recovery Act states, "*Grant funds may not be used except pursuant to a written grant agreement, and any disbursement of grant funds without a grant agreement is void.*" (30 ILCS 705/4(b)) Additionally, the State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing adequate and proper documentation of decisions of the agency. Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. These controls should include requiring and maintaining contractual agreements to show how State grant funds are to be expended.

When asked about a Year 3 subcontract in Rogers Park between the lead agency, Organization of the North East and the providing partner United Church of Rogers Park that was not provided to ICJIA, ICJIA's Associate Director of the Federal and State Grants Unit responded, "*...a subcontract had never been executed between United Church of Rogers Park and the lead, ONE. It was in the final stages of execution in September when the assigned monitor left the agency and the supervisor did not follow-through with final execution.*" And further, "*...although there was no executed written contract, both parties fully performed their obligations of the contract, creating an implied contract, based on the performance and mutual understanding of the parties. Also, it was not the responsibility of ICJIA to monitor United Church, it was ONE's and they seemed to have done so.*"

When asked about the lack of contracts between lead agencies and providing agencies in Year 4 of NRI/CVPP, the same ICJIA official provided the written guidance given to lead agencies in Year 4 of NRI/CVPP. The guidance states, "*An agency designated \$25,000 or less AND are not providing crucial services (for example, the agency is only providing program space) does not require a subagreement. The lead agency may place the cost within the contractual category of their budget.*"

In a separate conversation with the same official regarding Year 4 contracts with providing agencies, the official was asked whether lead agencies would have executed agreements with the providing agencies even though ICJIA did not have to approve such agreements. The official reported that ICJIA **assumes** there would be executed agreements.

During Years 3 and 4 of the NRI/CVPP program, ICJIA paid over \$30 million to community partners and Chicago Area Project for program activities. Failure to approve and maintain contractual agreements which support the use of State funds makes it difficult to determine whether community partners or providing agencies are fulfilling program

requirements. Failure to require contractual agreements puts the State at risk of not recovering misspent funds should ICJIA determine that community partners or providing agencies did not spend funds in accordance with their intended purposes.

NRI/CVPP FAILURE TO REQUIRE AND MAINTAIN CONTRACTS	
RECOMMENDATION NUMBER 4	<i>ICJIA should require, approve, and maintain copies of all contractual agreements for all services funded by or through the agency regardless of the amount or purpose of the agreement.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	FSUPP details the proper process for management of agreements prior to and after execution. This process details the requirement to file the original signed agreement and any other original documents in a Masterfile stored in the ICJIA offices. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP when executing these contracts. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. Additionally, ICJIA will implement an update before the end of the 2nd Quarter 2016 to FSUPP, with additional grant monitoring requirements that will streamline and add efficiencies to our operation. Finally ICJIA will initiate an internal program audit process to review all pending and outstanding agreements on a quarterly basis.

NRI/CVPP CONTRACT EXECUTION TIMELINESS

ICJIA failed to **timely execute** contracts for the NRI/CVPP Program with lead agencies. Further, the contracts for community service providers that contract with the lead agencies, which were approved by ICJIA, **were also not timely**. Additionally, five grants with providers were signed **more than six months after the start of the grant**, in violation of ICJIA agreement process policy. Finally, ICJIA allowed grantee agencies to work on NRI/CVPP activities prior to execution of the contractual agreements.

During our review of NRI/CVPP grantee files maintained at ICJIA we analyzed the execution of contractual grant agreements by ICJIA and found execution to not be timely. We **examined all 200** potential contractual agreements over Years 3 and 4 of the NRI/CVPP program. Some agreements were maintained in the NRI/CVPP files at ICJIA, others we had to obtain through communications with lead agencies. We found:

- In FY13 and FY14, ICJIA was appropriated **\$30 million** for grants and administrative expenses associated with community violence prevention programs. These funds were primarily utilized for the NRI/CVPP program.
- Additionally, ICJIA provided funds to Chicago Area Project (CAP) from FY13 and FY14 appropriations. CAP utilized approximately **\$5 million** in the two years to fund NRI/CVPP activities in Auburn Gresham, Grand Boulevard, and West Garfield Park.

- ICJIA **entered into grant agreements** with the lead agencies for NRI/CVPP. Additionally, ICJIA **had to approve the grant agreements** between the lead agencies and service provider agencies.
- Our analysis of the timeliness in executing the NRI/CVPP contracts found:
 - 8 percent of the service providers either had **no written executed agreement** (5 instances), had an **agreement that was signed but not dated** (4 instances), or the **agreement was either not signed or not dated** (7 instances).
 - 98 percent of the contracts (181 of 184) were not executed **until after the grant performance period had already begun**.
 - 138 days was the **average** number of days worked by the NRI/CVPP agencies without an executed agreement in place.
 - New Baptist Ministers Fellowship, a YEP provider in East Garfield Park, did not execute an agreement with the lead until **362 days into the grant period**.
- ICJIA-developed contracts all allow for agencies to begin activities before the grant agreement is executed and the scope of services and budgets are completed. Section 2 of the grant states “Costs incurred before the execution date of this agreement may be charged to this agreement if included in [the Budget], incurred during the period of performance, ...and in accordance with the terms and conditions of this agreement.”
- Five of the lead agencies’ agreements with ICJIA were **signed in violation of ICJIA policy**. The contract for:
 - Proviso Leyden Council for Community Action, the lead in Austin in Year 4 of NRI/CVPP, was executed **192** days into the grant period.
 - Pilsen Wellness Center, the lead in Brighton Park in Year 4, was executed **186** days into the grant period.
 - Community Assistance Programs, the lead in Roseland in Year 4, was executed **203** days into the grant period.
 - Woodlawn Children’s Promise, the lead in Woodlawn in Year 3, was executed **229** days into the grant period.
 - Woodlawn Children’s Promise, the lead in Woodlawn in Year 4, was executed **222** days into the grant period.
- In addition to the violation of ICJIA agreement signing policy for the cases above, ICJIA allowed **43 agreements** between the lead and community services providers to be executed **even though they were after six months into the grant period**. For ten of the agreements, the time elapsed prior to execution was **at least 75 percent** into the grant.
- Providers had issues with the lack of timely execution of contracts with ICJIA:
 - Corazon Community Services, the lead in Cicero, in its Year 3 closeout progress report stated “*The delay in contracts was a setback for the Cicero community. Because of this some of the partners were unable to hire staff on time thus setting back the timeline for hire of program staff and youth and/or parents.*”
 - Albany Park Community Center, the lead in Albany Park, in its Year 4 second quarter progress report, stated “*No funding to cover operational expenses from November 1, 2013 through April 15, 2014.*”
 - Albany Park Neighborhood Council, a YEP provider in Albany Park, in its Year 3 fourth quarter progress report noted “*The lack of an approved budget revision made planning extremely challenging and limited our ability to execute some of the activities we had planned.*”

- Fellowship Connection, the lead agency on Hermosa reported in its Year 3/Quarter 1 progress report that *“We are also waiting for an executed contract with an approved budget.”* In a Year 4 progress report filed on July 9, 2014, Fellowship Connection reported *“Challenges this quarter were due to not having contracts from all of our partner agencies. Many of them were not able to receive disbursements until June and this effected the execution of program components.”* This report was **filed 250 days into the grant period** and only 53 days prior to the end of the grant.
- A Safe Haven Foundation, the lead agency in Rogers Park for Year 4 reported *“Obtaining signed contracts and maintaining sub-contractors for Parent Program on board without signed agreements.”* This progress report was submitted April 14, 2014, for the period ended March 31, 2014.
- Community Assistance Programs, the lead agency for Roseland, submitted a progress report on June 3, 2014, in which it reported *“Due to non execution of the contract, lack of funding, and confusion with the Parent Program, we were not successful in hiring staff for the YEP and Parent Program in a timely manner.”*
- Black United Fund of Illinois, the lead in South Shore, submitted a progress report on April 29, 2014, which reported *“Cash flow challenges as a result of untimely contract confirmation. Not being able to start the Reentry Program on January 1, 2014 due to unanticipated delays in processing Lead Agency contracts for CVPP agencies.”*
- Goodcity, the lead agency for West Chicago, submitted a progress report on February 28, 2014, which reported *“The most challenging experience during the 1st quarter was the processing and execution of contracts. The process was somewhat difficult and caused providers to use creative ways to front the cost of the programs in order to keep them afloat.”*

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies, including ICJIA, to establish and maintain a system, or systems, of internal fiscal and administrative controls. These controls should include the timely execution of grant agreements and not allow grantees to begin work on a grant without an agreement agreed to by both parties in an executed form.

The Federal & State Grants Unit (FSGU) Policies and Procedures manual dated December 2012 addresses the process of agreement processing by ICJIA. The Policy statement states that the policy of FSGU is that all grant agreements shall be processed by virtue of clear and reasonable timelines. The policy further states **“No agreement more than six month past its start date will be signed.”** (emphasis added)

An ICJIA legal counsel told auditors that lead agencies had to wait to execute the agreements with the service providers in the communities until ICJIA had approved the agreements. ICJIA expended over \$28 million dollars on the NRI/CVPP program in Years 3 and 4. Allowing agencies to start chargeable services to the NRI/CVPP grant absent an executed agreement increases the likelihood that State resources are expended on activities that are not relevant to the program. Additionally, the delays could have an **impact on whether the intended services were provided** to the target population.

NRI/CVPP CONTRACT EXECUTION TIMELINESS	
RECOMMENDATION NUMBER 5	<i>ICJIA should ensure that there is timely execution of all contracts for grant services, including the NRI/CVPP program. Further, ICJIA should follow its own policies and not allow the contracts to be signed if not executed within six months of the start date. Additionally, ICJIA should consider only allowing service providers to initiate grant services after an executed contract has been approved.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	<p>FSUPP details the proper process for the execution of agreements prior to their start date. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP when executing these contracts. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of FSUPP.</p> <p>Additionally, ICJIA will implement an update before the end of the 2nd Quarter 2016 to FSUPP with additional grant monitoring requirements that will streamline and add efficiencies. Finally, ICJIA will initiate an internal program audit process to review all pending and outstanding agreements on a quarterly basis.</p>

NRI/CVPP QUARTERLY REPORTING

NRI/CVPP agencies **failed to timely submit** quarterly fiscal reports to either the lead agencies or ICJIA. In many instances the fiscal reports submitted **contained inaccurate approved budget figures** and different claimed expenses from quarter to quarter (e.g., the amount at the end of the quarter was not the same as the beginning of the next quarter as it should have been). Additionally, ICJIA failed to retain in its files fiscal reports on all the providers in Year 3 of the program despite a **contractual requirement** that these reports be submitted to ICJIA. Finally, in Year 4, ICJIA **weakened the control** over fiscal monitoring by removing this requirement from grant agreements.

Quarterly fiscal reports served an important purpose for the NRI/CVPP program as a **monitoring mechanism** for the lead agencies and ICJIA. Lead agencies submit their quarterly fiscal and program reports to ICJIA and providing partners submit their fiscal and program reports to lead agencies. During our review of community files maintained at ICJIA, and the documents we had to request from program agencies due to fiscal reports not being in ICJIA files, we examined all original and revised quarterly reports to ascertain how timely these reports were submitted so that monitoring could be achieved. The results are summarized in Exhibit 2-8 and detailed below. We found:

- In Year 3 of NRI/CVPP, lead and providing agencies in the program were to report on fiscal matters **directly to ICJIA**. However, **ICJIA did not have these reports in its program files**.
 - An ICJIA official told auditors the community files contain the contract, including the budget and the final fiscal report, but that the interim providing agencies' fiscal reports were maintained at the lead agencies. The official added that Year 4, 3rd

quarter fiscal reports were the first set of quarterly fiscal reports ICJIA received from the providing agencies.

- Another ICJIA official told auditors that the changes in boilerplate language from Year 3 to Year 4 of NRI/CVPP regarding submission of fiscal reports to ICJIA was because he wanted to make improvements to the documentation within the program. He said he **wanted to make the process and the practice the same and that the change was in line with what ICJIA was doing**. We would note that the “process” in Year 3 was in violation of the grant agreements.
- After we analyzed all the **available quarterly reports** for timeliness we concluded that:
 - In Year 3, providing agencies **failed to timely submit** the quarterly fiscal report or didn’t submit the report at all or did not date the fiscal report in 71 percent (295 of 415) of the cases;
 - In Year 3, lead agencies **failed to timely submit** the quarterly fiscal report or did not date the fiscal report in 46 percent (51 of 110) of the cases;
 - 35 days was the **average** number of days late that providing agencies were in Year 3 in submitting the quarterly fiscal report – with reentry provider Healthcare Alternative Systems in Logan Square submitting its Year 3 Quarter 1 report **313 days late**;
 - 38 days was the **average** number of days late that lead agencies were in Year 3 in submitting the quarterly fiscal report – with Fellowship Connection in the Pilsen-Little Village community submitting its Year 3 Quarter 1 report **271 days late**;
 - 61 percent (254 of 415) of providing agencies’ program reports in Year 3 **were not submitted**;
 - 15 percent (16 of 110) of lead agencies’ program reports in Year 3 **were not submitted**;
 - In Year 4, providing agencies **failed to timely submit** the quarterly fiscal report or didn’t submit the report at all or did not date the fiscal report in 63 percent (200 of 317) of the cases;
 - In Year 4, lead agencies **failed to timely submit** the quarterly fiscal report or didn’t submit the report at all or did not date the fiscal report in 66 percent (73 of 110) of the cases;
 - 37 days was the **average** number of days late that providing agencies were in Year 4 in submitting the quarterly fiscal report – with reentry provider Roseland CeaseFire submitting its Year 4 Quarter 1 report **192 days late**;
 - 47 days was the **average** number of days late that lead agencies were in Year 4 in submitting the quarterly fiscal report – with Woodlawn Children’s Promise in Woodlawn community submitting its Year 4 Quarter 1 report **251 days late**;
 - 61 percent (148 of 242) of providing agencies’ program reports in Year 4 **were not submitted**;
 - 15 percent (13 of 88) of lead agencies’ program reports in Year 4 **were not submitted**.

Exhibit 2-8 NRI/CVPP PROGRAM QUARTERLY REPORTING ANALYSIS Program Years 3 and 4				
Program Year 3				
	<i>Providing Agencies</i>	<i>% of Total</i>	<i>Lead Agency</i>	<i>% of Total</i>
Total Number of Quarterly Reports Required	415	---	110	---
Fiscal Report Submitted Timely:				
Yes	120	29%	59	54%
No	159	38%	48	44%
Unknown/Undated	23	6%	3	3%
No Report Submitted	113	27%	0	0%
Maximum Number of Days Late	313	---	271	---
Average Number of Days Late	35	---	38	---
Required Two Different Signatures				
Yes	223	54%	91	83%
No	79	19%	19	17%
No Report	113	27%	0	---
Program Report Submitted				
Yes	161	39%	94	85%
No	254	61%	16	15%
Program Year 4				
	<i>Providing Agencies</i>	<i>% of Total</i>	<i>Lead Agency</i>	<i>% of Total</i>
Total Number of Quarterly Reports Required	317	---	110	---
Fiscal Report Submitted Timely:				
Yes	117	37%	37	34%
No	126	40%	66	60%
Unknown/Undated	3	1%	2	2%
No Report Submitted	71	22%	5	5%
Maximum Number of Days Late	192	---	251	---
Average Number of Days Late	37	---	47	---
Required Two Different Signatures				
Yes	222	70%	101	92%
No	24	8%	4	4%
No Report	71	22%	5	5%
Program Report Submitted				
Yes	94	39%	75	85%
No	148	61%	13	15%
Source: OAG developed from quarterly fiscal reporting forms.				

- Our examination of the fiscal reports found that provider and lead agencies would utilize budget figures on the forms which did not agree with what was approved in the grant budget. These inconsistencies were not supported by budget revisions approved by ICJIA. Additionally, the amount of claimed expenses from the end of one quarter to the beginning of the next quarter was not always the same. Exhibit 2-9 provides an example

based on fiscal reports for a reentry provider from the Auburn Gresham community in Year 3 of the program.

Exhibit 2-9 FISCAL REPORT INCONSISTENCIES EXAMPLE TARGET AREA DEVELOPMENT CORPORATION REENTRY PROVIDER IN AUBURN GRESHAM COMMUNITY Program Year 3							
Budget Category	Contract Budget	Budget Figure Used on Fiscal Report					Closeout Report
		11/1/12-12/31/12	1/1/13-3/31/13	4/1/13-6/30/13	7/1/13-8/31/13	7/1/13-9/30/13	
Personnel	\$40,388.00	\$40,388.00	\$40,388.00	\$39,249.00	\$31,761.70	\$32,707.50	\$31,761.70
Equipment	\$0.00	\$0.00	\$0.00	\$1,500.00	\$0.00	\$1,250.00	\$0.00
Commodities	\$843.70	\$843.70	\$843.70	\$982.20	\$713.00	\$818.50	\$713.00
Travel	\$1,332.00	\$1,332.00	\$1,332.00	\$492.80	\$123.30	\$410.67	\$123.30
Contractual	\$7,436.30	\$7,436.30	\$7,436.30	\$7,776.00	\$4,902.00	\$6,480.00	\$4,902.00
Total	\$50,000.00	\$50,000.00	\$50,000.00	\$50,000.00	\$37,500.00	\$41,666.67	\$37,500.00
Cumulative Expenses Last Quarter		\$0.00	\$0.00	\$8,843.55	\$18,720.25	\$17,243.21	\$28,312.33
Cumulative Expenses to Date		\$0.00	\$3,841.25	\$19,175.65	\$28,312.33	\$30,637.36	\$32,114.40
Report Due Date		1/10/13	4/10/13	7/10/13	9/10/13	10/10/13	11/30/13
Report Submitted		3/26/13	4/16/13	7/13/13	3/25/14	10/15/13	3/25/14

Source: OAG developed from ICJIA information.

NRI/CVPP contracts between ICJIA and lead agencies, and the lead agencies and the providing agencies, have a section on Reporting and Evaluation Requirements. It **requires** the submission on a quarterly basis by the lead agencies by the 15th day (10th day for providing agencies) of each month following the previous quarter a number of reports, including fiscal reports detailing financial expenditures for the previous quarter. Agencies also need to submit reports on the progress towards achieving the performance indicators of the program. The agencies were further required to submit a final financial status report, as well as comply with any other reporting requirements from ICJIA.

The contracts further detail reporting requirements for close-out of the agreements. Within 30 days of the expiration date of the agreement the agency **must submit to ICJIA**: (1) final financial status report, (2) final progress reports, (3) property inventory report, (4) any refund of unexpended funds, and (5) other documents required. On September 14, 2012, prior to the start of Year 3 of the NRI/CVPP program, ICJIA presented training where it told providers that “*Completed fiscal reports must be signed by the person completing the report and reviewed and approved by a supervisor.*”

During the audit an ICJIA grant monitor informed some of the lead agencies on January 10, 2014, that “*Due to the delay in executing contracts for FY14, you will not be required to submit fiscal and program reports to ICJIA on the prescribed due date of 1/15/14. The reports covering the performance period of November 1-December 31st are still required but will be due at a later date.*” This directive **was not memorialized in the contracts** that were eventually executed after the January 14, 2014 correspondence.

Allowing lead agencies and providing partners to work without an executed contract places State dollars at risk of being expended in an inappropriate manner. Not requiring fiscal

and program reporting while the agencies are working without an executed contract **further weakens the controls** needed to ensure that State tax dollars are spent in the most efficient manner. Failure by ICJIA and lead agencies to monitor all subcontracts with partner agencies and failure by partner agencies to submit quarterly reports timely are violations of the contractual agreements and shows **a lack of oversight** for over \$28 million in State grant funds of the NRI/CVPP program.

NRI/CVPP QUARTERLY REPORTING	
RECOMMENDATION NUMBER 6	<i>ICJIA should enforce provisions of grant agreements and require timely fiscal reporting by providers that contain accurate approved budget numbers and explanations when the expenses change. Additionally, ICJIA, when it delegates its responsibility for community oversight to lead agencies, should implement the necessary controls to ensure lead agencies enforce contract provisions relative to timely fiscal reporting. Finally, ICJIA should always collect and review quarterly fiscal reports from all program providers to not only comply with contract provisions but to maintain adequate oversight of State dollars.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA's FSUPP requires fiscal reports on a quarterly basis. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement to make these reports. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of FSUPP. In addition, ICJIA has and will continue to enforce the provisions of the grant agreements and require timely fiscal reports.

NRI/CVPP SALARY DIFFERENCES

ICJIA failed to require the **identification of individuals by name** who were to be paid with NRI/CVPP grant funds. Our sample examination found 18 instances where the salaries of the position titles **listed in grant budgets** were higher than what the individuals holding those position titles actually were paid by the providers, **as reported by the providers** on a report to the Attorney General. **While there may be explanations for differences, ICJIA did not seek those explanations.** When the State grant pays out at a rate higher than the individual actually earns, State monies may not be expended on program purposes.

During the audit we **examined the budgets of all 200** potential contractual agreements maintained in the NRI/CVPP files at ICJIA, as well as communicated with lead agencies that had not executed agreements with all its subgrantees. We found:

- During the first two years of the NRI program, the Illinois Violence Prevention Authority (IVPA) required providers to identify individuals and position titles that would be charged to the grant agreements. IVPA developed a monitoring control as part of the quarterly fiscal reporting which identified the positions by name. **The grant agreements also required a notice to IVPA if the provider changed or added staff to the grant.**

- The NRI/CVPP **budgets** developed by ICJIA only required the identification of position titles charged to the grant by the providers along with a brief description for each line of the personnel services budget. The budget requires for each job title: the **annual salary**; number of months on the program; percent of time on the program; and, a **calculation as to how much of the salary will be charged** to the NRI/CVPP grant.
- The **quarterly fiscal reports** developed by ICJIA **required no identification** as to the individuals, or position titles, that the provider charged to the grant in the reporting period. There was simply a budget line with the amount of expense for personnel charged that period to the grant.
- We saw no documentation in the files to identify the individuals who were charged to the grants.
- ICJIA **entered into grant agreements** with the lead agencies for NRI/CVPP. Additionally, ICJIA **had to approve the grant agreements** between the lead agencies and service provider agencies.
- We performed a comparison (see Exhibit 2-10) between the salary figures listed in the grant budgets and the salary figures reported by the providers for the same job titles on the Illinois Charitable Organization Annual Report maintained by the Illinois Attorney General. We found **18 instances** where the **salary in the budget for the grant was higher than the salary listed as paid compensation** in the Annual Reports.
- These differences would result in ICJIA-paid grant **funds being in excess of what was paid as wages** to the individuals in those job titles. For example:
 - In Thornton Township, the Thornton Township Youth Committee entered into a grant agreement with the lead agency (Healthcare Consortium of Illinois) to implement the Youth Employment Program in Year 3 of NRI/CVPP. The program was to begin on November 1, 2012.
 - The **only** “salaried” personnel position to be charged to the grant budget was for an Executive Director. The individual was not identified by name.
 - In the budget, the Executive Director position lists an annual salary of \$115,000, with the grant picking up 10 percent of that salary for a 10-month period. The **total charged to the grant was to be \$9,583** in strictly salary.
 - The Illinois Charitable Organization Annual Report for the period ended June 30, 2012 (right before the beginning of the NRI/CVPP grant period), listed an individual holding the title of Executive Director for the Thornton Township Youth Committee. **His salary was reported as \$15,000.**
 - When calculating his earned salary at the rate of 10 percent for 10 months, the grant would appear to **be funding \$1,250 of his annual earnings.**
 - **The difference between what the grant paid and what the individual should have earned was \$8,333.** The budget does not explain how the difference was expended by the provider.

Exhibit 2-10 NRI/CVPP GRANTS - SALARY DIFFERENCES Program Years 3 and 4						
Community		Provider	Year	Position	Budget Salary	Annual Report Salary
1	Englewood	Changing Life Education Initiative	3	Financial Officer	\$50,616	\$11,569
2	Englewood	Changing Life Education Initiative	4	Financial Officer	\$50,616	\$3,825
3	Albany Park	Albany Park Neighborhood Council	3	Executive Director	\$70,000	\$66,065
4	Brighton Park	Pilsen Wellness Center	4	Corporate Compliance Officer	\$90,000	\$85,018
5	Brighton Park	BUILD, Inc.	4	Director of Operations	\$67,000	\$62,211
6	Cicero	Corazon Community Services	3	Executive Director	\$75,000	\$69,616
7	Cicero	Youth Crossroads, Inc.	3	Executive Director	\$82,000	\$78,540
8	Greater Grand Crossing	Greater Auburn Gresham Development Corporation	3	Executive Director	\$75,000	\$72,247
9	Hermosa	Fellowship Connection	3	Executive Director	\$80,000	\$45,907
10	Hermosa	Segundo Ruiz Belvis Cultural Center	3	Executive Director	\$60,000	\$55,000
11	Humboldt Park	Puerto Rican Cultural Center	3	Executive Director	\$60,230	\$49,500
12	Multiple	Healthcare Alternative Systems	3	Human Resources VP	\$93,194	\$87,610
13	Multiple	Healthcare Alternative Systems	4	Human Resources VP	\$98,040	\$92,367
14	Multiple	Healthcare Alternative Systems	4	Controller	\$90,100	\$82,000
15	Pilsen-Little Village	Latinos Progresandro	3	Director of Development	\$45,000	\$25,000
16	West Chicago	Goodcity	3	Chief Financial Officer	\$94,537	\$88,435
17	Thornton Township	Thornton Township Youth Committee	3	Executive Director	\$115,000	\$15,000
18	Thornton Township	Thornton Township Youth Committee	4	Executive Director	\$61,000	\$20,394

Source: OAG developed from NRI/CVPP grant agreements and Annual Reports on file at the Attorney General's Office.

- There were limitations to our comparison. For instance, the Illinois Charitable Organization Annual Report only lists the “COMPENSATION TO THE (3) HIGHEST PAID PERSONS DURING THE YEAR” so there would have been a number of budget position titles that we could not compare to the Attorney General information. If we had more salaries and the identification of the individuals that matched those salaries, the number of exceptions may increase. We were only able to compare providers that actually were on file with the Attorney General.
- **While there may be explanations for differences in the reported numbers, ICJIA did not seek those explanations based partly on not knowing the identity of the individuals charged to the grant.**

Section 35 of the grant agreements between ICJIA and the lead agencies states that the lead agency “certifies that it, and its subcontractors, shall use NRI/CVPP funds only for allowable services, activities and costs, as described in Exhibit A [scope of work].” The section further states the lead agency “certifies that only those costs listed in Exhibit B [budget] shall be paid pursuant to this agreement.” Service providers also had similar requirements in its grant agreements.

The Financial Guidelines for Federal Grants (April 2012), which an ICJIA official reported were applicable to the State grants subject to this audit, states that to be allowable costs must be necessary and reasonable as well as adequately documented. Also, the Fiscal Control and Internal Auditing Act requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; and, (2) that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation (30 ILCS 10/3001 (1) and (3)).

ICJIA’s Associate Director of the Federal and State Grants Unit reported that ICJIA did not require specific names for personnel because employees change. She said ICJIA only requires titles and that this reduces the number of budget revisions.

Failure to require the identification of individuals charged to the NRI/CVPP grants in both the budget and on fiscal reports makes it impossible for ICJIA to know that the experience levels it approved as part of the grant agreement were actually provided. The absence of this documentation also increases the likelihood that State dollars were spent inappropriately or may not have served the purposes and goals of the grants that were funded.

NRI/CVPP SALARY DIFFERENCES	
RECOMMENDATION NUMBER 7	<i>ICJIA should consider revising its grant process to require the identification of individuals who are to be charged to the grant. Additionally, ICJIA should consider revising its fiscal reporting to have grantees report the identities of the staff charged to the grant funds on a quarterly basis. Finally, ICJIA should revise its process to ensure that providers do not charge grant funds in excess of the amounts the providers actually pay the staff who work on the grant.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	Grants administered by ICJIA follow the requirements of FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation in 2nd Quarter 2016. As part of this update, we are revising the type of fiscal reports we require from our grantees and the fiscal reports due dates, thus allowing a more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports, in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the person paid with grant funds and any payment discrepancies.

NRI/CVPP SITE VISITS BY ICJIA

ICJIA violated its policy by not completing site visits to NRI/CVPP lead agencies in a timely manner. The site visits that were completed were, on average, **124 days past due**. Additionally, three communities had the site visit completed **after Year 3 of the program was completed**. Finally, ICJIA failed to conduct a site visit in either Year 3 or 4 for a lead agency **that was new to the program**, and whose Board members had operated a former NRI lead agency, an agency which owed money to the State when it went out of business.

We examined all the community files for the NRI/CVPP program for Years 3 and 4. Within those files was documentation to support when ICJIA conducted site visits to lead agencies. Our analysis, which is presented in Exhibit 2-11 and below, found:

- NRI/CVPP was a **new program to ICJIA** for Year 3 of the program. In the first two years of the program the Illinois Violence Prevention Authority was the oversight agency.
- ICJIA sent confirmation correspondence to the lead agencies prior to site visits. The correspondence stated the purpose of the site visit *“is to learn more about your program, further explain the program guidelines and reporting requirements, and answer any questions you may have.”* These site visits should be conducted in the first six months of the new program, per ICJIA policy.
- All the Year 3 NRI/CVPP grants began on November 1, 2012. Utilizing ICJIA policy site visits **should have been conducted** at these agencies by April 30, 2013. Our analysis showed:
 - ICJIA conducted 22 of 23 site visits at lead agencies in Year 3; however, **none of the site visits had been completed timely**.
 - The average number of days **past the policy timeframe** to complete the visit was **124** days.
 - Chicago Area Project (in two NRI/CVPP communities) and St. Sabina Church had an ICJIA site visit. However those site visits were not conducted until November 13, 2013, **after Year 3 had been completed**.
- The lead agency in Woodlawn, Woodlawn Children’s Promise, **did not have a site visit conducted by ICJIA in either Year 3 or Year 4**. Woodlawn Children’s Promise:
 - was a new lead agency to the NRI/CVPP program in Year 3.
 - was, according to the former ICJIA Executive Director, selected for the program by an official from the Governor’s Office.
 - operated the entire NRI/CVPP program in Woodlawn in Year 3 because its only subgrantee, Woodlawn Public Safety Alliance, did not timely receive not-for-profit status.
 - failed to timely file its Year 3 fiscal reports in 4 of 5 instances. The reports **submitted to ICJIA** were between 17 and 198 days late. Auditors could not determine the timeliness of the 5th report because Woodlawn Children’s Promise failed to date the report.
 - in Year 3 spent over the approved budget in equipment/commodities lines, owing ICJIA/State \$7,491.08 and in Year 4 owed ICJIA/State \$244,303.79 based on analysis of fiscal documents by auditors.

- paid its one subgrantee in Year 4, Woodlawn Public Safety Alliance, \$152,000. Auditors questioned that amount because the only documentation we found at ICJIA was **an unsigned** Year 4 contract and the subgrantee **submitted no fiscal reports** for Year 4.
- was overseen by two Board members (one being the vice-chairman of the Children’s Promise Board) with ties to the lead agency for NRI in Year 1, The Woodlawn Organization (TWO). ICJIA requested these two individuals (the TWO former executive director and TWO founder) come to ICJIA to clarify some issues but the Board members did not comply with the request. Based on a closeout fiscal report for the NRI program in Year 1, The Woodlawn Organization **owed the State \$202,518 in unspent funds**, when the organization went out of business. The Department of Human Services (DHS), another funding source for TWO, also had issues with TWO expenses. Documentation from a review of TWO programs funded by DHS showed over \$240,000 questioned by DHS officials. Email documentation relative to discussion of Woodlawn by DHS officials expressed concern over recovery. The correspondence dated June 4, 2014, stated *“One additional comment, as you read the write-up you will see that the company dissolved. We (Bureau of Collections) have argued that this is becoming more and more an issue with many providers as we try to pursue collection action. When a Company dissolves it greatly limits our ability to pursue collection action and in most cases results in a Write-Off thru [sic] the Attorney General’s office.”*
- In Year 4 of NRI/CVPP, ICJIA **conducted no site visits on the NRI/CVPP program** even though the Austin and Rogers Park communities **had new lead agencies** that had not received a site visit from ICJIA in the previous year.

Exhibit 2-11 ICJIA NRI/CVPP SITE VISIT ANALYSIS Program Year 3 (November 1, 2012-October 31, 2013)					
	Community	NRI/CVPP Lead Agency	Site Visit Deadline (Program Start + 180 Days)	Site Visit Date	# Days Late
1	Albany Park	Albany Park Community Center	04/30/13	08/14/13	106
2	Auburn Gresham	Catholic Bishop of Chicago-St. Sabina	04/30/13	11/13/13	197
3	Austin	Circle Family Healthcare Network	04/30/13	08/15/13	107
4	Brighton Park	Pilsen Wellness Center	04/30/13	08/21/13	113
5	Cicero	Corazon Community Services	04/30/13	08/29/13	121
6	East Garfield Park	Uhlich Children's Advantage Network	04/30/13	08/20/13	112
7	Englewood	Children's Home and Aid Society of Illinois	04/30/13	08/13/13	105
8	Grand Boulevard	Chicago Area Project	04/30/13	11/13/13	197
9	Greater Grand Crossing	Greater Auburn Gresham Development Corporation	04/30/13	08/20/13	112
10	Hermosa	Fellowship Connection	04/30/13	08/27/13	119
11	Humboldt Park	Chicago Commons	04/30/13	08/20/13	112
12	Logan Square	Alliance of Local Service Organizations	04/30/13	08/15/13	107
13	Maywood	Proviso Leyden Council for Community Action	04/30/13	08/15/13	107
14	North Lawndale	Sinai Community Institute	04/30/13	08/22/13	114
15	Pilsen-Little Village	Fellowship Connection	04/30/13	08/27/13	119
16	Rogers Park	Organization of the North East	04/30/13	08/15/13	107
17	Roseland	Community Assistance Programs	04/30/13	08/13/13	105
18	South Shore	Black United Fund of Illinois, Inc.	04/30/13	09/20/13	143
19	West Chicago	Goodcity NFP	04/30/13	08/22/13	114
20	West Garfield Park	Chicago Area Project	04/30/13	11/13/13	197
21	Woodlawn	Woodlawn Children's Promise	04/30/13	No Site Visit	
22	Bloom/Rich Township	Southland Health Care Forum	04/30/13	08/20/13	112
23	Thornton Township	Healthcare Consortium of Illinois	04/30/13	08/16/13	108
<i>Average # of Days Late</i>					124
Source: OAG developed from ICJIA NRI/CVPP documentation.					

The Federal & State Grants Unit (FSGU) Policies and Procedures manual dated December 2012 addresses the process of site visits by ICJIA. The policy states that FSGU Grant Specialists will conduct site visits to monitor State and local programs funded with State or federal funds administered by ICJIA. The policy further states “*Site visits shall be conducted within six months of new program inception, and every 24 months thereafter, at minimum.*” (emphasis added) An ICJIA official told auditors relative to NRI/CVPP site visits in Woodlawn that “*Site visit was initially thought to have been completed, however, staff left agency before being able to complete.*”

Failure to conduct site visits or completing visits later than 180 days into the grant period is a violation of ICJIA policy. Additionally, not conducting site visits can result in multiple oversight issues with providers that are new to the NRI/CVPP program.

NRI/CVPP SITE VISITS BY ICJIA	
RECOMMENDATION NUMBER 8	<i>ICJIA should comply with its policy and conduct timely site visits of new program grantees for effective monitoring of the programs.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	Grants administered by ICJIA follow the requirements of FSUPP. The document details the proper process for conducting site monitoring. ICJIA will adhere to those requirements. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement and its own policies. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of FSUPP. In addition, ICJIA maintains a requirement to conduct a site visit within 6 months of a new program inception, and every 24 months thereafter (at minimum).

NRI/CVPP BACKGROUND CHECKS

Required **background checks were not always completed** on the adults who worked in the NRI/CVPP program. Additionally, while ICJIA told some providers in Year 4 that background checks were not required, **contracts were not amended** to include this change. Finally, while the Youth Employment Program component of the NRI/CVPP program placed youth in private employment, ICJIA did not require adults in these employment situations to have background checks.

We randomly selected 20 agencies for site visits to examine supporting documentation for expenses charged to State grant funds. We found, in our sample, that **not all required background checks were conducted pursuant to contractual agreements**. Specifically:

- **ICJIA policy required** all agencies to conduct three background checks for participation in NRI. Individuals with certain criminal backgrounds could still be employed in the NRI program. Individuals ineligible for employment included convicted sex offenders, those convicted of child abuse, those with a history of violent offenses, and individuals released from incarceration for less than a year after an extended stay of five years or more.
- During our site testing, which is summarized in Exhibit 2-12, we found that **only 48 percent** (224 of 467) of the required background checks were completed or maintained in the agency files. Additionally, **56 percent** of the background checks were completed (125 of 224) **after the employee started working** on the program.
 - Our analysis of background checks, and the accompanying comparison to when an individual was first on the payroll, showed that Corazon Community Services conducted only 29 percent of the required background checks, **and all of those were after the individuals started work** on the grant.
 - Chicago Area Project had documentation on 16 of 43 required background checks for the YEP program in Years 3 and 4 of the program. However, 14 of those 16 were conducted after the individuals first appeared on the payroll records.

- An official from Blocks Together, a Parent Program provider in Humboldt Park, told auditors they were told that ICJIA did not require background checks in FY14 and that the lead agency in Humboldt Park forwarded that ICJIA direction via email.
- The email from an official at Chicago Commons informed Blocks Together that “*ICJIA does not require it, but to absolve themselves from any liability, they left it up to the organizations. If you budgeted for background checks, then you should have your folks do them.*”
- This ICJIA instruction was not memorialized in the Year 4 NRI/CVPP grant agreements.
- **ICJIA did not require any background check on the individuals that employed youth sent from the State grant program** although these individuals would spend the most time with the youth as part of the program.
- We found background checks where the individuals had convictions for charges such as: domestic battery, battery, aggravated unlawful use of a weapon/vehicle, possession of heroin, unlawful use of a weapon by a felon, aggravated assault of PD/Sheriff employee with a firearm, and armed robbery. These individuals were hired for the State grant program.

Exhibit 2-12 BACKGROUND CHECK ANALYSIS FOR EXPENSE TESTING SAMPLE Program Years 3 and 4						
	<i>Provider</i>	<i>Required Number Checks</i>	<i>Number Checks Completed</i>	<i>Percent Checks Completed</i>	<i># Checks Completed After Start Date</i>	<i>Percent Completed After Start Date</i>
1	Pilsen Wellness Center	6	5	83%	0	0%
2	Children’s Home & Aid Society of Illinois	5	4	80%	1	25%
3	Corazon Community Services	62	18	29%	18	100%
4	Goodcity NFP	7	2	29%	2	100%
5	Chicago Commons	28	27	96%	12	44%
6	Ebenezer Community Outreach	21	11	52%	8	73%
7	The Miracle Center	8	4	50%	1	25%
8	Impact Ministries	1	0	0%	0	N/A
9	Centro Sin Fronteras	2	0	0%	0	N/A
10	Chicago Area Project	43	16	37%	14	88%
11	The Answer, Inc.	2	0	0%	0	N/A
12	Blocks Together	45	36	80%	8	22%
13	Developing Communities Project	36	4	11%	4	100%
14	Enlace Chicago	93	49	53%	48	98%
15	Greater Auburn Gresham Development Corporation	93	42	45%	4	10%
16	New Life Knew Solutions	2	1	50%	1	100%
17	Mt. Vernon Baptist Church	1	0	0%	0	N/A
18	The Beloved Community	7	4	57%	4	100%
19	Latino Cultural Exchange	2	0	0%	0	N/A
20	Treatment Alternatives for Safe Communities	3	1	33%	0	0%
Total		467	224	48%	125	56%

Source: OAG developed from ICJIA and Provider NRI/CVPP documentation.

ICJIA had a NRI Background Check Policy which stated, “*With the exception of outside employers and youth workers placed in outside employment through NRI’s Youth Employment Program, every adult (18 or older) participating in NRI must undergo the following three background checks:*

- *Fingerprint-based Illinois criminal history background check. Non-fingerprint based background checks will be considered invalid.*
- *Child Abuse and Neglect Tracking System (CANTS) check, also known as a DCFS check.*
- *National Sex Offender Registry.”*

Lead agencies were given a copy of this policy by ICJIA.

ICJIA developed grant agreements for the YEP, Parent, and Reentry components include sections that require conducting a background check on all adults hired and not hiring anyone with a record of sex abuse or sex offense convictions. This requirement was in both Year 3 and 4 contracts. ICJIA’s Associate Director of the Federal and State Grants Unit verified that ICJIA did not require background checks in Year 4 if the adult had no interaction with youth but the official stated the direction was largely verbal and **acknowledged that the contracts do require the background checks in Year 4.**

Agencies not completing the required background checks not only **violate** the contract but could **increase the likelihood** that an adult works in the program that is a threat to youth. Failure of ICJIA to require background checks in Year 4 weakens the oversight process. Not requiring any form of check on employers where the State is placing youth for employment and paying the wages of those youth may increase the likelihood that youth may be exposed to individuals who are non-compliant with ICJIA hiring criteria.

NRI/CVPP BACKGROUND CHECKS	
RECOMMENDATION NUMBER 9	<i>ICJIA should ensure that all required background checks have been completed for all required grant programs, including the NRI/CVPP program. Additionally, ICJIA should consider requiring some type of background check or waiver for employer staff who participate in programs where the State is placing youth.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	Background checks are not a requirement of the current FSUPP. ICJIA, on program-by-program basis, will require background checks or some other validation method as a requirement for employee staff who participate in programs which place youth. ICJIA will assess the need for background checks based on the scope of the program and persons funded by the grant.

NRI/CVPP REENTRY SERVICES TO INELIGIBLE INDIVIDUALS

During Year 3 of NRI/CVPP, providers of reentry services provided services to **ineligible clients** in violation of the grant agreement. While ICJIA was made aware of this situation, ICJIA did not provide any documentation to auditors to show it had taken action against the violating

providers. In fact, it **awarded nearly \$300,000 in reentry contracts to the same providers in Year 4.**

During the audit we found:

- In Year 3 of NRI/CVPP the grant period for providers conducting reentry services was from November 1, 2012 through October 31, 2013.
- ICJIA transferred responsibility for monitoring providers in the NRI/CVPP program to the community lead organizations.
- While developing its strategy for evaluating the reentry program, **ICJIA became aware in December 2013 that some providers were serving individuals who were not eligible** for reentry services.
- Three providers, Lights of Zion Ministries in Roseland, Mt. Vernon Baptist Church in East Garfield Park, and The Beloved Community in Auburn Gresham, were identified as having served non-parolees during Year 3 of the program.
 - Lights of Zion Ministries (LZM) **served 7 non-parolees** in Year 3 according to ICJIA documentation. LZM signed a \$132,371 agreement with the lead agency in Roseland to provide reentry services. On its Final Financial Status Report for Year 3, LZM claimed all \$132,371 in budgeted expenses. It would appear if all funds were expended and that ineligible individuals were served, then LZM may owe back funds to the State.
 - Mt. Vernon Baptist Church (MVBC) **served 11 non-parolees** in Year 3 according to ICJIA documentation. MVBC signed a \$59,283 agreement with the lead agency in East Garfield Park to provide reentry services. On its Final Financial Status Report for Year 3, MVBC claimed \$46,807 in budgeted expenses. If MVBC served clients who were ineligible, then the State may be due back funds from the provider.
 - The Beloved Community (TBC) **served 140 non-parolees** in Year 3 according to ICJIA documentation. TBC signed a \$199,067 agreement with the lead agency in Auburn Gresham to provide reentry services. On its Final Financial Status Report for Year 3, TBC claimed \$215,037 **which was in excess of the contracted budget**. There was not a documented budget/contract revision to increase the maximum due to TBC. It would appear if all funds were expended and that ineligible individuals were served, then TBC may owe back funds to the State for these ineligible expenses, as well as for being provided more than its contractual maximum.
- Even after these three providers served individuals **in violation of the agreements, ICJIA funded all three in Year 4** at a total of \$292,232: LZM signed a contract for \$105,950, MVBC for \$48,825, and TBC for \$137,457.
- During expense testing at TBC we requested and received client lists for Years 3 and 4 from the provider. These lists showed:
 - In Year 3, TBC had 54 clients. Fifteen percent (8 of 54) of the clients were **older than the contract service age range** of 17-24 years old; the oldest being 45 years old. Forty-three percent (23 of 54) of the clients **did not list an age or date of birth** on the documentation provided. Twenty-eight percent of the clients (15 of 54) had **no listing for conviction type or offense** on the documentation indicating that they may not have been on parole and thus ineligible for reentry services.
 - In Year 4, TBC had 35 clients. Twenty-nine percent (10 of 35) were older than the contract service range of 13-28, the oldest being 50 years old. Nine percent (3 of 35)

had no listing for conviction type or offense. And one of the clients who received reentry had been convicted of rape, an offense that should have excluded him from receiving reentry services.

- When asked on May 20, 2015, an ICJIA official reported that “*it was not a part of the program to be serving non-parolees using CVPP funds.*” The same official told auditors that an individual convicted of a sexual crime like rape was also not eligible to receive reentry services through the NRI/CVPP grant.
- We saw no documentation to show that ICJIA disallowed any expenses that were used to support ineligible participants in the reentry program.

Section 3 in the grant agreements for reentry program services is the Statement of Work and Budget. The section states the provider shall engage the target population of juveniles returning to the community from Department of Juvenile Justice youth centers, and 17-24 year old youth and young adults reentering from Department of Corrections correctional facilities. The age range was changed by ICJIA to 13-28 in Year 4 of NRI/CVPP. Lack of oversight for reentry providers by lead agencies and ICJIA staff resulted in individuals receiving reentry services who were not eligible.

Expending State NRI/CVPP grant funds on ineligible clients is a **violation** of the grant agreement and decreases the ability of the program to serve clients who actually meet the criteria for service. ICJIA delegating oversight authority to lead agencies does not always ensure that all monitoring activities are completed and can lead to State funds being spent inappropriately.

NRI/CVPP REENTRY SERVICES TO INELIGIBLE INDIVIDUALS	
RECOMMENDATION NUMBER 10	<p><i>ICJIA should take the steps necessary to ensure that providers are complying with participation requirements of grant agreements and not simply delegating oversight to other entities. Additionally, ICJIA should review all reentry service providers for Years 3 and 4 of the NRI/CVPP program to determine if ineligible clients were served, whether the ineligibility was because of parole status, age, or type of crime. Finally, ICJIA should recover State grant funds that would have been spent on these ineligible clients from the service providers.</i></p>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	<p>Grants administered by ICJIA follow the requirements of the FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update we are revising the type and submittal schedules for the fiscal reports that will allow a more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports, in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the person paid with grant funds and any payment or contractual discrepancies.</p> <p>ICJIA's Office of General Counsel (OGC) will investigate the providing agencies that served ineligible non-parolees in the Re-entry component of the CVPP program. Recovery actions under the GFRA will be</p>

Response (continued)	initiated on a case-by-case basis after OGC evaluates the programmatic errors.
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NRI/CVPP EQUIPMENT PURCHASES

ICJIA, and its lead agencies for NRI/CVPP in Years 3 and 4 of the program, failed to enforce provisions of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment. Our analysis showed that **over \$100,000 in equipment was purchased outside the time frame** delineated in the contracts and guidelines.

During the audit we examined the Property/Inventory Reports that were required to be submitted with the yearly final fiscal closeout reports for the NRI/CVPP program to determine when equipment was purchased. Our results, summarized by community, are presented in Exhibit 2-13. The Exhibit includes the technical assistance provider which worked across communities. We found:

- Providing partners were allowed by ICJIA to commence activity and charge expenses from the beginning of the performance period even in the absence of an executed grant agreement.
- For equipment purchases, the purchases had to be invoiced **within 90 days of the start of the grant performance period.**
- In Year 3 of NRI/CVPP, **31 providers** purchased a total of **\$72,156** in equipment outside the first 90 days of the grant period.
- In Year 4 of NRI/CVPP, **15 providers** purchased a

Exhibit 2-13 NRI/CVPP PROGRAM EQUIPMENT PURCHASES MADE OUTSIDE OF 90-DAY PERIOD Program Years 3 and 4		
<i>Community</i>	<i>Year 3</i>	<i>Year 4</i>
Albany Park	\$1,392.88	\$399.00
Auburn Gresham	\$1,664.87	\$2,033.86
Austin	\$2,829.97	\$4,265.67
Brighton Park	\$0.00	\$0.00
Cicero	\$198.47	\$1,634.92
East Garfield Park	\$1,339.00	\$0.00
Englewood	\$2,100.00	\$0.00
Grand Boulevard	\$5,199.09	\$2,907.99
Greater Grand Crossing	\$3,201.24	\$0.00
Hermosa	\$24,303.51	\$0.00
Humboldt Park	\$350.00	\$0.00
Logan Square	\$2,570.00	\$529.29
Maywood	\$0.00	\$6,726.89
North Lawndale	\$5,033.54	\$0.00
Pilsen-Little Village	\$8,312.69	\$6,861.85
Rogers Park	\$251.00	\$0.00
Roseland	\$0.00	\$0.00
South Shore	\$1,088.97	\$0.00
West Chicago	\$1,814.43	\$678.84
West Garfield Park ⁽¹⁾	\$0.00	\$0.00
Woodlawn	\$6,810.00	\$1,309.69
Thornton Township	\$1,087.98	\$602.39
Bloom/Rich Township	\$499.19	\$2,512.97
IL African American Coalition ⁽²⁾	\$2,108.73	\$0.00
Total	\$72,155.56	\$30,463.36
NOTE: ⁽¹⁾ The amounts reported for West Garfield Park are for the providing agencies ONLY. Equipment purchases by CAP as the LEAD and YEP provider in both Grand Boulevard and West Garfield Park are included with Grand Boulevard.		
NOTE: ⁽²⁾ Provided technical assistance and networking for NRI/CVPP.		
Source: OAG developed from ICJIA and providing agency reports.		

total of **\$30,463** in equipment outside the first 90 days of the grant period.

- Our review of ICJIA files **did not** uncover any correspondence from providing agencies to explain why the equipment was not purchased within 90 days of the start of the grant performance period.

Section 41 of the Year 4 NRI/CVPP contracts between the lead agencies and ICJIA (and the providing partners contracts with the leads) states “*If, for an item of equipment ...to be purchased with CVPP funds, the Implementing [Lead] Agency does not have, at a minimum, a purchase order dated within 90 days after the start date of the agreement, the Implementing Agency shall submit a letter to the Authority explaining the delay in the purchase of equipment.*” (emphasis added) ICJIA’s Financial Guidelines for Federal Grants state all equipment being purchased with either federal or match funds and listed in the budget and budget narrative **must be purchased within 90 days of the start of the grant**. If the equipment is not purchased in 90 days the implementing agency must submit in writing the reason for the delay. (emphasis added)

ICJIA’s Associate Director of the Federal and State Grants Unit told auditors that the requirement for purchases being 90 days from the beginning of the performance period “*was not strictly enforced.*” The official added that ideally ICJIA would have liked to have letters from providers but due to the length of time it took to open up grants it was **well after the 90-day timeframe**. However, we note that ICJIA, through a clause in the contract, allowed providers to begin work on the grant at the beginning of the performance period even if an executed contract was not in place.

Not maintaining or requiring documentation to support the purchase of equipment is a **violation** of contracts and ICJIA guidelines. Failure to enforce contractual agreements puts the State at risk at recovering misspent funds should ICJIA determine that providing agencies did not spend funds in accordance with their intended purposes.

NRI/CVPP EQUIPMENT PURCHASES	
RECOMMENDATION NUMBER 11	<i>ICJIA should enforce provisions of grant agreements and ICJIA guidelines relative to the purchase of equipment by providing agencies. ICJIA should either require the mandatory correspondence and maintain that in its files, or not allow the purchase expenses by the providers. Finally, ICJIA should determine whether the dollar amount of the exceptions noted by auditors should be recovered from providing agencies.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update we are revising the type of fiscal reports we require from our grantees and the fiscal reports due dates, thus allowing a more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the equipment purchased with grant funds and any payment, procurement or budget discrepancies. We will develop a procedure that requires grantees

<p>Response (continued)</p>	<p>to provide confirmation of equipment purchases within the stated timeframes of the grant agreement. ICJIA’s Fiscal Department will verify any prohibited CVPP equipment expenditures. OGC will then initiate recovery actions under the Grant Funds Recovery Act against providing agencies for any unallowable or undocumented equipment expenditures.</p>
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NRI/CVPP EVALUATION EFFORTS

ICJIA failed to enforce provisions of an intergovernmental grant agreement with the University of Illinois at Chicago (University) for an evaluation project. ICJIA **did not require** the University to submit the deliverables outlined in the grant agreement. Additionally, data **which was required to be submitted** by community partners under NRI/CVPP for evaluation was not always submitted. Finally, ICJIA research staff was prohibited from sharing information with its grants staff responsible for oversight of the NRI/CVPP awards.

In the previous audit of the NRI program, the Auditor General cited the former oversight agency for failure to enforce contract provisions relative to community partners submitting the required data for evaluation or seek to remove community partners from the program. ICJIA, as the successor agency for the program, agreed with the recommendation and stated that it would **“require lead and subcontracting provider agencies to submit data as called for in contracts.”** (emphasis added)

During this current audit we found:

- ICJIA published evaluation reports on the three component services provided by the NRI/CVPP program in Year 3 of the program. ICJIA researchers conducted the evaluations. The three reports are summarized below:
 1. Youth Employment Program (published June 2014) evaluators found that 1,804 youth were placed in jobs during Year 3 of the NRI/CVPP program, with 1,627 of the youth completing the employment period. The evaluators utilized seven surveys of participants to analyze the program. The report stated:
 - 28 percent of the employers did not think the youth were prepared and needed preparation on following rules, proper conduct, commitment, and work quality.
 - 64 percent of employers reported they would hire the youth.
 - 98 percent of the employers stated they would or might participate in the program again.
 - 48 percent of the jobs, as reported by the youth, were clerical.
 - 31 percent of the jobs were in the customer service area.
 - ICJIA concluded the program was meeting its goals relative to job readiness skills; building relationships between youth and a caring adult; increasing youth productive time; and, improving the community through community service.
 - However, ICJIA evaluators also concluded that the program was not able to show improvement in participant attitudes toward employment, attitudes towards violence, self-esteem and conflict resolution. The evaluators stated that *“In order to improve the program, it is recommended that the program recruits more youth*

that are at-risk and in need of services...and enhance the evaluation of the program.”

- Of the 1,800 youth participants, 80 percent completed and returned a pre-assessment survey form. The completion of post-assessment survey forms percentage **dropped** to 35 percent.
 - Exit surveys also had low participation rates. Youth returned the surveys at a rate of 48 percent. Only 37 percent of mentor exit surveys were returned, and employer exit surveys were returned by **only 30 percent of the employers**.
2. Parent Program (published in October 2014) evaluators found that 1,121 parents were recruited into the program and 872 were trained. Twenty of twenty-one communities submitted a response to ICJIA evaluators (Roseland **did not submit** a response). The report showed:
- 78 percent of the parents rated the program as successful or very successful.
 - 77 percent of the parents thought the service projects increased protective factors that prevent child abuse and neglect.
 - Exit surveys were returned at a **35 percent response rate** causing ICJIA evaluators to report a **limitation to the evaluation** because of missing data, as well as client-level data.
 - **Only 19 of 24 communities returned** protective factors surveys.
 - ICJIA concluded the program achieved its goal of building protective factors in families, as well as employing and training parents to complete service projects.
 - ICJIA’s report stated that improvements to the program should include recruiting younger parents and primary caregivers, increasing participation of fathers, and collecting additional research data.
3. Reentry Program (published in February 2015) evaluators conducted telephone interviews with 15 of the program case managers from September 2013 through October 2013 to learn how the program operated and make recommendations to change and enhance the program. Additionally, data for the report was derived from data entered by case managers into web-based case management software managed by a vendor. On December 20, 2013, the program reported 359 active clients. The key findings from these interviews included:
- Case managers reported having a caseload between 15 and 20 clients.
 - All case managers interviewed indicated they had created a service or case plan for each client.
 - Case managers reported having little to no experience in reentry services prior to starting the job. Almost all received on-the-job training.
- **For the reentry report**, only 50 percent of the 30 case managers participated in the interview process with ICJIA evaluators. Failure to participate in ICJIA information gathering requests **violates the contracts** executed for the NRI/CVPP program. Even though the interviews were held prior to the start of Year 4 of the NRI/CVPP program, on November 1, 2013, ICJIA **continued to fund** these non-respondent providers for reentry.
 - Additionally, for the reentry report, it appears that a number of key findings revolved around **self-reported information** from the case managers. An ICJIA official told auditors that *“Verification through examining documents was beyond the scope of the methodology.”*

- ICJIA’s own grant monitoring staff were not informed of the providers that failed to respond to the evaluation efforts. A legal department official from ICJIA told auditors that *“research staff is prohibited from identifying non-respondents and therefore ICJIA’s grants unit is not entitled to that information.”* ICJIA’s grants unit is responsible for developing program strategies, recommending programs to be funded, and monitoring all awards.
- ICJIA did request from providers, in September 2014, copies of all case notes and client files for reentry clients. In the correspondence from the Associate Director of the Federal and State Grants Unit it references section 9 of the contract and states **“Failure to fully comply with this request is a breach of the grant agreement. It will result in the initiation of grant recovery actions to recover some or all of the grant funds relating to the services for which the records and or data is related.”** (emphasis added) It is unclear why ICJIA could not utilize the same contract requirement to obtain evaluation information from ALL case managers.
- Another ICJIA official reported *“The Research and Analysis Unit was asked to conduct an independent, objective evaluation of the CVPP activities and associated outcomes. All research, defined by federal regulations as that which is designed to produce or contribute to generalizable knowledge, engaged in by research staff with the Research and Analysis Unit involving human subjects are subject to the Code of Federal Regulations [45 CFR part 46] and must be approved and overseen by an Institutional Review Board (IRB). These are the same regulations that apply to research involving human subjects conducted by any entity receiving federal funds, including Universities or other research groups. The purpose of an IRB is to ensure the rights and welfare of human subjects is protected during their participation in a research study. Per these federal regulations, the Principal Investigator is prohibited from disclosing the identity of human subjects (in this case, the case managers, youth, or parents) who voluntarily participated in the research study. Moreover, participants were informed that participation in the research study was voluntary and that refusal to participate or discontinue participation at any time would have no penalty or loss of benefits to which the subject was otherwise entitled. Complying with any request for information about who participated in the study would therefore violate the IRB protocols established for this study that were instituted to comply with the aforementioned federal regulations.”*
- **University of Illinois Evaluation Contract.** In the previous audit of the NRI program, the Auditor General cited the former oversight agency for failure to enforce contract provisions of an evaluation contract with the University of Illinois at Chicago (University) relative to contract deliverables. ICJIA, as the successor agency for the program, agreed with the recommendation and stated that it would **“tie payments to deliverables.”**
 - On June 30, 2013, ICJIA entered into a contract with the University for the purposes of data analysis and evaluation for CVPP. The contract was for calendar 2013 and was for \$199,556. The contract included a scope of work section with activities the University and its subcontractor would complete, including a draft and final report for the Services and Outcomes component.

- ICJIA processed payments to the University in August and December 2013 for the total amount of the contract. The University was required to submit quarterly fiscal reports to ICJIA. These reports were between on time and 183 days late.
- A University official informed ICJIA on January 9, 2014, that “*we will not have an evaluation report by January 30th because we don’t have a complete database.*” The same University official, on January 31, 2014, reported to ICJIA that “*As we have discussed...our understanding is that ICJIA will work through the raw data, create a final database and then we will work on an evaluation report.*” These communications were after the end of the contract performance period.
- An ICJIA official said it was ICJIA’s decision to use the University in Year 3 and payment was made from the non-appropriated 318 Fund. The official added that ICJIA did not renew the contract in Year 4 because there were still issues with the data used for the evaluation. Further, the University’s subcontractor was supposed to revamp their data collection based on the issues from Years 1 and 2. However, some of the same issues carried over from Years 1 and 2 into Year 3. The official said the University received full payment, **but provided nothing in terms of the deliverables.**

Section 9 of the contract between ICJIA and the lead agencies, and the same section 9 in the contracts between the lead agencies and the component service providers, states “The [Agency] agrees to comply with the Authority’s request for information related to an evaluation of the program. The [Agency] agrees to report any additional information required by the Executive Director of the Authority.” Also, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. These controls should include developing a means for evaluation of a program for which State funds are expended and requiring contractors to comply with contractual provisions.

An ICJIA official told auditors regarding deliverables that “*there were issues with [contractor] that prevented UIC from obtaining a complete and adequate database to perform their analysis.*”

Not having complete information to conduct an evaluation of the \$17.5 million spent on NRI/CVPP in Year 3 **increases the likelihood** that Year 4 funds may not be spent in the most appropriate manner to have an effect on violence prevention. Failure to submit deliverables is a **violation** of the contract agreement between ICJIA and the University. Failure to submit evaluation data by community partners is also violation of contractual agreements.

NRI/CVPP EVALUATION EFFORTS	
RECOMMENDATION NUMBER 12	<i>ICJIA should require all vendors to comply with information requests necessary to conduct complete evaluation of State grant programs. Further, ICJIA should look to implement penalties on vendors who fail to comply with these information requests. Finally, ICJIA should require evaluation contractors to comply with contractual requirements and submit required deliverables or seek to recover funds if those deliverables are not submitted.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	FSUPP details the proper process for the execution of agreements prior to their start date. ICJIA will initiate an internal program audit process to review all required program deliverables on a quarterly basis, in addition to currently updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. OGC is currently investigating the use of grant funds from this evaluation contract. The matter is currently in the informal hearings stage of GFRA proceedings.

NRI/CVPP TIMEKEEPING CONTRACT

ICJIA failed to collect \$213,400 in unspent funds from a timekeeping contract for the YEP component of the NRI/CVPP program in Year 3 of the program, **a violation of the contract**. Additionally, an ICJIA official allowed some of these unspent funds to be applied to another grant to the timekeeping provider for activities outside the scope of the timekeeping agreement, also **a violation of the contract**. The time lag in applying the funds to a Year 4 NRI/CVPP community contract **had a negative impact** on the provider being able to accomplish the goals related to the program. The net unspent funds were part of a settlement agreement for reimbursement between the timekeeping contractor and ICJIA that was executed **545 days after** the funds should have originally been returned.

We examined the contract file for timekeeping services provided as part of the YEP component in Year 3 of the NRI/CVPP program and interviewed ICJIA and provider officials. We found:

- ICJIA contracted with Community Assistance Programs (CAPs) for the period November 1, 2012 through October 31, 2013 to provide timekeeping services for the YEP component of NRI/CVPP. The former Executive Director said CAPs received **\$3.5 million** for payroll work in Year 3.
- The former ICJIA Executive Director told auditors that one reason ICJIA chose CAPs to operate the timekeeping system was because they already had the system in place. He said he and another ICJIA official went to CAPs for a demonstration of the system and that ICJIA thought there would be a lack of time for an RFP.
- The former Executive Director stated ICJIA did not have problems with the automated timekeeping. He said the problems were with the use of the bank cards, which are used by CAPs. ICJIA decided they could accomplish accountability without CAPs and put funding back into the lead budgets to pay the youth for the YEP services in Year 4.

- The three NRI/CVPP communities under funding to Chicago Area Project were **not required** to use CAPs for timekeeping and payroll disbursement. The former Executive Director explained that the Chicago Area Project requested not to use the system.
- The contract was executed by ICJIA on May 20, 2013.
- CAPs, for the period ended June 30, 2012 (just prior to the contract period with ICJIA), reported financial difficulties as a going concern on its Annual Report filing with the Illinois Attorney General. **Net assets reported by CAPs were a negative \$228,297.**
- CAPs was also a lead agency in the Roseland community for NRI/CVPP for Years 3 and 4 of the program.
- After the Year 3 timekeeping contract ended, ICJIA documentation showed that CAPs had **\$213,400 in funds paid to CAPs under that contract that needed to be paid back.**
- Based on the Closeout Requirement section of the contract, CAPs should have paid back the unspent funds in 30 days, or on November 30, 2013.
- Instead of recovering those funds pursuant to provision in the contract, the former ICJIA Executive Director allowed \$129,000 to be applied towards the CAPs Roseland contract for Year 4.
- The remaining \$84,400 was listed as cash on hand for the timekeeping contract in a settlement agreement executed on May 29, 2015; **545 days after the refund should have been processed by CAPs** under the agreement.
- CAPs, in a Year 4 progress report submitted on September 2, 2014, stated, *“The program was initiated in November 2013; however, no funding was received until six months later in May 2014 and at that time, we only received a miniscule amount instead of the full grant amount....Unfortunately, we were severely limited with all of our projected objectives due to the shortfall in our proposed budget....It is a sad turn of events that we were unable to complete our objectives because we failed to receive the support we expected.”*

Section 12 of the grant agreement between ICJIA and CAPs required that *“Within 30 days of the expiration date of this agreement...the following documents must be submitted...(d) any refund of unexpended funds...”* Section 2 of the grant agreement states that ICJIA is not responsible for any costs incurred before or after the performance period of the agreement.

An ICJIA official told auditors that CAPs did not provide the services in FY14 and **there was no evaluation done.** The official explained ICJIA did not renew the contract in Year 4 based on information received from the leads. Finally, the official reported that **ICJIA never verified the payments from CAPs to the youth.** The former ICJIA Executive Director made the decision to allow monies from one grant to be utilized for another grant.

Failing to require the repayment of unspent funds and applying funds to another contract **violates the contractual agreement** in multiple ways and may result in the State not recovering funds in a timely manner. Decisions that circumvent contractual requirements, no matter who made the decisions, **weaken internal controls** in an organization.

NRI/CVPP TIMEKEEPING CONTRACT	
RECOMMENDATION NUMBER 13	<i>ICJIA should enforce contract requirements relative to recovery of unspent funds. Additionally, ICJIA should ensure that contractual controls are not circumvented by the decisions of any ICJIA official, including the chief executive.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA’s Fiscal Department and OGC will review dollar amounts to verify the dollars spent outside of the grant terms and initiate the process to recover any such funds.

NRI/CVPP EXPENSE TESTING

ICJIA failed to effectively monitor expenses charged by providers of NRI/CVPP services in Years 3 and 4 of the program. ICJIA had **delegated responsibility** for fiscal monitoring of provider partners to NRI/CVPP lead agencies. ICJIA and the lead agencies **relied on self-reported figures** from the service providers for expenses claimed against the grant. Only 7 of 25 lead agencies reported **requiring** providers to submit support for claimed expenses on quarterly reports. Our sample site work called into question the claims for some of the 18 other lead agencies. Our testing at a sample of NRI/CVPP agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$289,000** in expenses charged to State grant funds.

During the audit:

- Auditors **randomly** selected 20 NRI/CVPP providers to test for documentation to back up expenses charged to the State grant funds. We then went on site to the providers and requested **all** documentation to support the Years 3 and 4 claimed expenses under the program. After scanning all the documentation provided, we compared the line item expense levels reported on the closeout fiscal reports to the supporting documentation obtained at the provider locations. Finally, we sent our completed testing results to the providers and asked if they had any additional documentation or explanation they wanted us to consider.
- The 20 providers selected claimed \$8.48 million in NRI/CVPP expenses in Years 3 and 4. Our examination, as presented in Exhibit 2-14, **questioned \$289,962** (3.42 percent) of those expenses. Additionally, we found and **questioned \$114,083** in some line items that were over ICJIA approved budgets maintained in the grant agreements.
- While 72 percent of lead agencies said they collected supporting documentation from their sub-partners, our testing of expenses questioned a number of the sub-partners of those communities because of a lack of adequate support. For example:
 - The Black United Fund of Illinois, the lead agency in South Shore said they collected supporting documentation; however, we questioned 67 percent of expenses at Impact Ministries, a YEP sub-partner;
 - Chicago Commons, the lead agency in Humboldt Park said they collected supporting documentation; however, we questioned 27 percent of expenses at Blocks Together, a

- Parent Program sub-partner, and 100 percent of expenses at Latino Cultural Exchange, a Reentry sub-partner; and
- St. Sabina Church, the lead agency in Auburn Gresham said they collected supporting documentation; however, we questioned 25 percent of expenses at the Beloved Community, a Reentry sub-partner.

Exhibit 2-14 NRI/CVPP PROGRAM SUMMARY OF EXPENSE SITE TESTING Program Years 3 and 4					
	<i>Provider</i>	<i>Closeout Total Expenses</i>	<i>Questioned Expenses</i>	<i>Percent Questioned</i>	<i>Amount Over Approved Budget</i>
1	Pilsen Wellness Center	\$850,598.38	\$23,177.15	2.72%	\$4,904.21
2	Children’s Home and Aid Society of Illinois	\$1,266,817.12	\$18,478.34	1.46%	\$124.37
3	Corazon Community Services	\$926,892.00	\$12,191.14	1.32%	\$0.00
4	Goodcity NFP	\$1,277,744.46	\$6,462.41	0.51%	\$15,026.12
5	Chicago Commons	\$1,114,894.91	\$11,279.47	1.01%	\$0.00
6	Ebenezer Community Outreach	\$256,896.01	\$10,831.89	4.22%	\$0.00
7	The Miracle Center	\$86,899.40	\$8,111.80	9.33%	\$0.00
8	Impact Ministries	\$16,847.87	\$11,263.44	66.85%	\$0.00
9	Centro Sin Fronteras	\$536.33	\$.80	0.15%	\$0.00
10	Chicago Area Project	\$449,240.79	\$27,315.69	6.08%	\$0.00
11	The Answer, Inc.	\$11,420.50	\$383.87	3.36%	\$0.00
12	Blocks Together	\$124,843.66	\$15,160.43	12.14%	\$2,541.88
13	Developing Communities Project	\$72,512.75	\$4,021.83	5.55%	\$0.00
14	Enlace Chicago	\$163,815.97	\$3,977.00	2.43%	\$0.00
15	Greater Auburn Gresham Development Corporation	\$1,290,624.30	\$6,314.63	0.49%	\$67,456.23
16	New Life Knew Solutions	\$86,082.83	\$14,669.36	17.04%	\$0.00
17	Mt. Vernon Baptist Church	\$84,800.80	\$3,446.87	4.06%	\$0.00
18	The Beloved Community	\$341,993.53	\$86,222.11	25.21%	\$24,029.69
19	Latino Cultural Exchange	\$22,122.10	\$22,122.10	100.00%	\$0.00
20	Treatment Alternatives for Safe Communities	\$37,988.64	\$4,531.54	11.93%	\$0.00
Total		\$8,483,572.35	\$289,961.87	3.42%	\$114,082.50

Source: OAG developed from site analyses.

Section 35 of the grant agreements between ICJIA and the lead agencies states that the lead agency certifies that it, and its subcontractors, shall use NRI/CVPP funds only for allowable services, activities and costs, as described in Exhibit A [scope of work]. The section further states the lead certifies that only those costs listed in Exhibit B [budget] shall be paid pursuant to this agreement. Service providers also had similar requirements in its grant agreements.

The Financial Guidelines for Federal Grants (April 2012), which an ICJIA official reported were applicable to the State grants subject to this audit, states that to be allowable costs they must be necessary and reasonable as well as adequately documented. Also, the Fiscal Control and Internal Auditing Act requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; and, (2) that

funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation (30 ILCS 10/3001 (1) and (3)).

The Associate Director of the Federal and State Grants Unit told auditors that for the first year ICJIA had the NRI/CVPP program it took a long time to hire grant monitors. During Year 3 of the program ICJIA had three monitors but that number decreased to two monitors in Year 4 of the program.

While ICJIA delegated its monitoring responsibility for providing partners to lead agencies **ICJIA is still ultimately responsible** for the State funds it distributed under the NRI/CVPP program. Failure to require, or examine, supporting documentation for expenses increases the likelihood that State dollars were spent inappropriately or may not have served the purposes and goals of the NRI/CVPP program.

NRI/CVPP EXPENSE TESTING	
RECOMMENDATION NUMBER 14	<i>ICJIA should review expense testing exceptions found by auditors, determine whether repayments of funds is appropriate, and seek recoveries from providers of unallowable or undocumented expenses from the NRI/CVPP program. Additionally, ICJIA should consider some form of risk-based testing of expenses that are self-reported by providing agencies to better safeguard State monies.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA’s Fiscal Department will verify CVPP undocumented expenses of cited lead and providing agencies. OGC will then initiate recovery actions under the GFRA against any agencies with unallowable or undocumented amounts. Expenditures and fund requests from ICJIA’s approved appropriation is thoroughly reviewed by ICJIA’s Fiscal Unit.

NRI/CVPP USE OF SEPARATE ACCOUNTS FOR GRANT FUNDS

ICJIA’s policies and procedures **do not require** grantees to **maintain separate accounts** for grant funds. We found two instances where repayment agreements with providers were executed even though the providers agreed with the unspent amount of grant funds, indicating that the NRI/CVPP grant funds were spent on non-NRI/CVPP-related activities **or the funds would have been readily available** to be repaid.

We found:

- Section 4 of the grant agreements for NRI/CVPP **allows** the grantee to deposit NRI/CVPP funds into an account separate from any of its other bank accounts, or treat such funds as separate line items in the audited financial statements.
- Commingling of funds within the same account makes it more difficult to determine how grant funds are being spent and can limit transparency.
- ICJIA asked lead agencies to fill out a “Fiscal Information Sheet” which questioned how the fiscal account/fund for the program will be maintained.

- Lead agencies or providers that needed to enter into a repayment agreement because they had unspent grant funds which could not be **immediately** repaid, would appear to have spent the grant funds on non-grant related activities.
- **According to ICJIA documentation**, ICJIA had six repayment agreements for unspent funds for both Years 3 and 4 of NRI/CVPP:
 - Fellowship Connection, the lead agency in Pilsen-Little Village, had a repayment agreement for \$126,331 with ICJIA dated April 10, 2014, for a Year 3 grant, a grant that ended on October 31, 2013. The monies should have been returned within 30 days, or by November 30, 2013. The Year 3 closeout fiscal report submitted by Fellowship Connection on November 27, 2013, showed the \$126,331 cash balance. The repayment agreement was entered into **131 days after** the funds should have been repaid. The final payment on the agreement was received on October 22, 2014, **326 days after the monies should have been returned.**
 - Developing Communities Project, a Year 3 provider in Roseland, had a settlement agreement for \$13,887 with ICJIA dated May 14, 2014, for a Year 3 grant, a grant that ended on October 31, 2013. The monies should have been returned within 30 days or by November 30, 2013. The Year 3 closeout fiscal report submitted by Developing Communities Project on November 18, 2013, showed the \$13,887 cash balance. The agreement was entered into **165 days after** the monies should have been repaid. As of October 20, 2015, **689 days after the monies should have been returned, there was still an outstanding balance due to ICJIA.**
- If the organizations above followed the grant agreements requiring repayment within 30 days of the end of the grant, the funds would have been recovered timely without the need for repayment plans. Further, if the providers **utilized separate accounts** for the NRI/CVPP monies, they should not have had the opportunity to expend those monies on non-NRI/CVPP expenses, again increasing the timeliness of recovery by ICJIA.
- We conducted an analysis to determine whether ICJIA had recovered all unspent funds. Our analysis found **\$2,212,705** in funds that were not recovered by ICJIA from **84 providers** that had either unspent funds or spent over the approved budget lines in Years 3 and 4 of the NRI/CVPP program. Once ICJIA reviews these providers and determines the amounts of unspent or overspend on budget lines, the monies not immediately collected will be subject to repayment agreements.

Section VI of the Financial Guidelines for Federal Grants addresses accounting, fiscal and reporting procedures. Section E details that commingling of funds and states “*Funds specifically budgeted and/or received for one project may not be used to support another.*”

ICJIA required lead agencies to complete a Fiscal Information Sheet which inquired whether the NRI/CVPP funds would be maintained in a separate fiscal account/fund. Section 35 of the grant agreements between ICJIA and the lead agencies states that the lead agency certifies that it, and its subcontractors, shall use NRI/CVPP funds only for allowable services, activities and costs, as described in Exhibit A [scope of work]. The section further states the lead certifies that only those costs listed in Exhibit B [budget] shall be paid pursuant to this agreement. Service providers also had similar requirements in its grant agreements.

ICJIA provided funds in excess of what Fellowship Connection, the lead agency in Pilsen-Little Village, expended on the NRI/CVPP program in Year 3 which was not repaid to

ICJIA within 30 days **as required by contract**. When asked if Fellowship Connection spent funds in excess of what was used on the NRI/CVPP program on other activities, an ICJIA Deputy General Counsel responded “*It appears that Fellowship Connection Inc. used the unspent grant funds from [the NRI/CVPP grant] for expenses unrelated to [the grant]; it appears that the funds were used to pay for grant expenses under [the subsequent year NRI/CVPP grant] before funds under that grant were made available.*” (emphasis added) Further, the same official said ICJIA sent an unspent funds letter to Fellowship Connection. ICJIA’s grant monitor received a request from Fellowship Connection’s Executive Director for an extension of time to return the unspent funds **citing various cash-flow problems**.

When an agency has been overpaid in the NRI/CVPP grant program, and the funds to repay the unspent monies are not available, then **apparently the funds were spent outside the grant budget** which is a violation of the contract. Requiring the agencies to maintain separate accounts for the grant funds could help ensure that unspent funds are **timely returned** to the State.

NRI/CVPP USE OF SEPARATE ACCOUNTS FOR GRANT FUNDS	
RECOMMENDATION NUMBER 15	<i>ICJIA should consider revising its policies and require agencies to account for grant funds in separate accounts to increase the timeliness in repayment of unspent amounts and ensure the funds are not spent on non-grant purposes.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA’s grant agreements require grantees to maintain generally accepted standards of accounting. This allows easy and transparent review and reconciliation of expenditures against grant funds to ensure the funds are not spent on non-grant purposes. Additionally, ICJIA will initiate a grantee audit process to verify that proper policies are in place to ensure unspent amounts are repaid in a timely fashion and funds are not spent on non-grant purposes.

NRI/CVPP RECOVERY EFFORTS

ICJIA was **not timely** in recovery of NRI/CVPP unspent grant funds and funds spent in excess of approved budgets. Grant agreements required providers to submit a refund of unexpended funds within 30 days of the end of the grant period. Our analysis showed **over \$2.2 million in unrecovered** NRI/CVPP funds in Years 3 and 4 of the program.

We conducted an analysis to determine whether ICJIA had recovered all unspent funds. For the analysis:

- We requested and received **from the lead agencies** (as ICJIA did not have this information) **all the payments** made under the NRI/CVPP contracts;
- We gathered **all State/ICJIA payments** to the lead agencies from the Comptroller’s website;
- We then compared the payments to the expenses claimed on the closeout reports for all lead agencies and providers for both years to determine the amount of unspent funds;
- We calculated a net unspent amount after taking into account any repayments from lead agencies and/or providers; and,

- We also compared the individual line item expenses to what was approved by ICJIA, taking into account all approved budget revisions, no matter how late in the program period. If the lead agency or provider claimed more than what was approved by ICJIA, we deemed that an exception amount.

Our analysis found **\$2,212,705** in funds that were not recovered by ICJIA for **84 providers** that had either unspent funds or spent over approved budget lines in Years 3 and 4 of the NRI/CVPP program. These providers and amounts are summarized in Exhibit 2-15. Specifically:

- In Year 3, we calculated **\$334,991 in unspent funds** that we saw no indication were repaid to ICJIA by lead agencies and service providers. In some instances, the lead agencies had been repaid but we saw no check to ICJIA forwarding the funds. For example, in Year 3 for West Chicago, the lead agency (Goodcity, NFP) was repaid by a provider (Santa Teresa) unspent funds totaling \$8,424.13. We saw no documentation to show that the amount was then forwarded to ICJIA/State.
- In Year 3, we calculated **\$118,185 in expenses claimed over ICJIA approved** budget line items. For example, Healthcare Consortium of Illinois, the lead agency in Thornton Township, claimed expenses of \$38,763 more in the contractual line than what was approved in the grant budget by ICJIA.
- In Year 4, we calculated **\$1,414,140 in unspent funds** that we saw no indication were repaid to ICJIA by lead agencies and providers. Again, in some instances, the lead agency had been repaid but we saw no check to ICJIA forwarding the funds. For example, in Year 4 for Albany Park, the lead agency (Albany Park Community Center) was repaid by a provider (Albany Park Neighborhood Council) unspent funds totaling \$28,453.54. We saw no documentation to show that the amount was then forwarded to ICJIA/State. This exception category includes the lead agency for Woodlawn (Woodlawn Children’s Promise) owing \$244,304 in unspent funds based on the State/ICJIA payments less expenses on closeout fiscal reports.
- In Year 4, we calculated **\$345,389 in expenses claimed that were over ICJIA approved** budget lines. For example, Black United Fund of Illinois, the lead agency in South Shore, claimed expenses of \$174,856 more in the personnel line than what was approved in the grant budget by ICJIA.

Even when funds were returned to ICJIA they were not always returned in compliance with the grant agreement criteria. For example:

- Fellowship Connection (FC), the lead agency in Pilsen-Little Village in Year 3, was supposed to return unspent funds by November 30, 2013. FC returned \$207,872 on October 20, 2014, which was **324 days after the refund was due**. The amount returned was 46 percent of the total paid by ICJIA to this lead (\$450,000) in Year 3 for the program.
- Blocks Together (BT), a provider in Humboldt Park in Year 3, was supposed to return unspent funds by November 30, 2013. BT returned \$11,152 on November 25, 2014, **360 days after the refund was due**.
- Developing Communities Project (DCP), a provider in Roseland in Year 3, was supposed to return unspent funds by November 30, 2013. DCP returned \$4,500 on October 17, 2014, **321 days after the refund was due**. The amount returned was

part of a repayment agreement with ICJIA. The grant funds recovery settlement agreement called for seven monthly payments ending on November 14, 2014. DCP made 2 of 7 payments (execution payment and October 2014 payment) but was delinquent on all other payments.

Exhibit 2-15
NRI/CVPP PROGRAM
SUMMARY OF UNSPENT FUNDS AND EXPENSES OVER APPROVED BUDGETS
Program Years 3 and 4

<i>Community</i>	<i>Provider</i>	<i>Lead (L) or Sub (S)</i>	<i>Unspent/Over Approved Budget</i>
Albany Park	Albany Park Community Center	L	\$31,317.63
Albany Park	Albany Park Neighborhood Council	S	\$1,690.78
Albany Park	Family Focus Nuestra Familia	S	\$476.74
Albany Park	Community Human Services	S	\$4,500.00
Auburn Gresham	Catholic Bishop of Chicago-St. Sabina	L	\$61,087.98
Auburn Gresham	Catholic Bishop of Chicago-St. Sabina	S	\$37,418.95
Auburn Gresham	Target Area Development Corporation	S	\$5,385.60
Auburn Gresham	The Beloved Community, Inc.	S	\$26,319.19
Austin	Proviso Leyden Council for Community Action	L	\$92,276.94
Austin	Circle Family Healthcare Network	L	\$91,450.46
Austin	Kingdom Community, Inc.	S	\$174,501.81
Austin	African American Mentoring Group	S	\$228.66
Austin	Living Word Christian Center	S	\$12,977.91
Bloom/Rich Township	Southland Health Care Forum	L	\$11,095.95
Brighton Park	Pilsen Wellness Center	L	\$4,904.21
Brighton Park	SGA Youth and Family Services	S	\$1,759.89
Brighton Park	Brighton Park Neighborhood Council	S	\$6,342.14
Cicero	Catholic Charities	S	\$171,908.79
Cicero	Youth Crossroads, Inc.	S	\$8,125.00
East Garfield Park	Uhlich Children's Advantage Network	L	\$81,174.84
East Garfield Park	New Life Knew Solutions	S	\$5,165.04
East Garfield Park	People's Community Development Association	S	\$55.82
East Garfield Park	New Baptist Ministers Fellowship	S	\$3,600.00
East Garfield Park	People's Community Development Association	S	\$24,614.55
East Garfield Park	Mt. Vernon Baptist Church	S	\$8,944.29
Englewood	Children's Home and Aid Society of Illinois	L	\$124.37
Englewood	Changing Life Education Initiative, Inc.	S	\$6,120.33
Englewood	A Knock at Midnight	S	\$1,127.86
Englewood	Teamwork Englewood	S	\$2,294.37
Englewood	Access Community Health Network	S	\$5,482.52
Grand Boulevard	Chicago Area Project	L	\$34,922.77
Grand Boulevard	Bright Star Community Outreach, Inc.	S	\$963.95
Grand Boulevard	Chicago Youth Centers, Elliott Donnelley	S	\$1,100.48
Grand Boulevard	Center for Social Adjustment and Reentry	S	\$14,733.20
Greater Grand Crossing	Greater Auburn Gresham Development Corporation	L	\$67,456.23
Greater Grand Crossing	Gary Comer Youth Center, Inc.	S	\$11,533.13
Greater Grand Crossing	Exodus Unlimited	S	\$1,337.65
Greater Grand Crossing	Target Area Development Corporation	S	\$6,875.07
Hermosa	Fellowship Connection	L	\$216.00
Hermosa	The Miracle Center	S	\$7,370.56
Hermosa	Youth Service Project	S	\$2,092.50
Hermosa	United Latinos for Empowerment, Education, and Development	S	\$2,264.10
Hermosa	Rincon Family Services	S	\$958.13

**Exhibit 2-15
NRI/CVPP PROGRAM
SUMMARY OF UNSPENT FUNDS AND EXPENSES OVER APPROVED BUDGETS
Program Years 3 and 4**

<i>Community</i>	<i>Provider</i>	<i>Lead (L) or Sub (S)</i>	<i>Unspent/Over Approved Budget</i>
Humboldt Park	Chicago Commons	L	\$5,286.58
Humboldt Park	Blocks Together	S	\$2,541.88
Humboldt Park	Latino Cultural Exchange	S	\$22,122.10
Logan Square	Alliance of Local Service Organizations	L	\$4,255.70
Logan Square	BUILD, Inc.	S	\$73,471.48
Logan Square	Logan Square Neighborhood Association	S	\$840.10
Logan Square	Healthcare Alternatives Systems, Inc.	S	\$4,403.58
Maywood	Proviso Leyden Council for Community Action	L	\$29.69
Maywood	Vision of Restoration	S	\$3,732.80
Maywood	Maywood Youth Mentoring	S	\$4,858.00
North Lawndale	Sinai Community Institute	L	\$8,937.08
North Lawndale	Chicago Lawndale Amachi Mentoring	S	\$1,085.00
North Lawndale	Lawndale Christian Legal Center	S	\$1,640.00
North Lawndale	Catholic Bishop of Chicago-St. Agatha	S	\$370.24
North Lawndale	Healthy Families Chicago	S	\$27,152.53
North Lawndale	Lawndale Christian Legal Center	S	\$1,959.19
Pilsen-Little Village	Fellowship Connection	L	\$188,175.71
Pilsen-Little Village	Pilsen Neighbors Community Council	S	\$308.28
Pilsen-Little Village	Universidad Popular	S	\$1,485.43
Pilsen-Little Village	Centro Sin Fronteras	S	\$536.33
Pilsen-Little Village	Enlace Chicago	S	\$682.50
Rogers Park	Organization of the North East	L	\$17,101.36
Rogers Park	A Safe Haven Foundation	S	\$12,742.00
Rogers Park	United Church of Rogers Park	S	\$524.32
Roseland	The Youth Peace Center	S	\$34,050.00
Roseland	Developing Communities Project	S	\$9,387.25
South Shore	Black United Fund of Illinois, Inc.	L	\$190,997.83
South Shore	ABJ Community Services, Inc.	S	\$2,407.10
South Shore	South Shore Planning and Preservation Coalition	S	\$24.24
South Shore	South Shore Chamber, Inc.	S	\$792.83
Thornton Township	Healthcare Consortium of Illinois	L	\$63,388.20
Thornton Township	Thornton Township Youth Committee	S	\$4,097.55
Thornton Township	Treatment Alternatives for Safe Communities	S	\$700.48
West Chicago	Goodcity NFP	L	\$60,647.40
West Chicago	Healthcare Alternatives Systems, Inc.	S	\$4,156.16
West Garfield Park	Chicago Area Project	L	\$8,580.72
West Garfield Park	Fathers Who Care	S	\$2,308.82
West Garfield Park	Better Life for Youth	S	\$5,250.00
West Garfield Park	Treatment Alternatives for Safe Communities	S	\$3,583.72
Woodlawn	Woodlawn Children's Promise	L	\$251,794.87
Woodlawn	Woodlawn Public Safety Alliance	S	\$152,000.00
Total			\$2,212,705.44

Source: OAG developed from NRI/CVPP information.

NRI/CVPP contracts between ICJIA and lead agencies and the lead agencies and the providing agencies detail reporting requirements for close-out of the agreements. Within 30 days of the expiration date of the agreement, the agency **must submit to ICJIA**: (1) final financial status report, (2) final progress reports, (3) property inventory report, **(4) any refund of unexpended funds**, and (5) other documents required.

The Federal & State Grants Unit (FSGU) Policies and Procedures manual dated December 2012 addresses budget revisions. The Policy defines a “10 percent rule” by stating “*Changes in individual lines within an approved budget of 10 percent or less can be made without a budget revision **after written notification** has been given to the Grant Specialist.*” (emphasis added)

An official from ICJIA’s legal department, in responding to auditor questions for a specific provider that spent in excess of approved budget lines, stated that the amount owed was after allowing for the ICJIA 10 percent rule (pursuant to ICJIA FSGU Policy and Procedure). We saw no written documentation from the provider in the file requesting the revision.

Two other ICJIA officials told auditors, in reference to providers returning funds to lead agencies and how lead agencies would account for those funds that in Year 3 ICJIA would not have known because they would not have seen any documentation. One official stated that ICJIA relied on the good faith efforts of the lead agencies in accounting for the funds and notifying ICJIA.

Failure to enforce budget revision policies can result in State funds being spent inappropriately. Failure to require providers to comply with grant agreements and submit unspent funds in a timely manner increases the likelihood that State funds will not be recovered. Having the providers return funds to the lead agencies and not directly to ICJIA can result in funds not making it back to the State as the lead agencies expense payments out to the providers but do not account for the returns on expense reports that ICJIA is provided.

NRI/CVPP RECOVERY EFFORTS	
RECOMMENDATION NUMBER 16	<i>ICJIA should confirm amounts of unspent funds and amounts over approved budget line items from the NRI/CVPP program in Years 3 and 4. Additionally, ICJIA should take expedient action to collect these State funds. Finally, ICJIA should enforce provisions of its policies relative to revising approved budget lines in order for State resources to be utilized only for ICJIA approved activities.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA’s Fiscal Department will verify CVPP unspent funds and amounts over budget line items. Then, OGC will initiate recovery actions under the GFRA against lead and providing agencies for all unspent funds and amounts over budget line items. Grants administered by ICJIA follow the requirements of FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update, we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal

Response (continued)	program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds.
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Chapter Three

AFTER-SCHOOL PROGRAM

CHAPTER CONCLUSIONS

The After-School Program (ASP) was an initiative for which ICJIA received \$10 million in appropriated funds in FY14. The General Revenue Fund appropriation was *for grants and administrative expenses associated with after-school programs*. ICJIA had not requested the funding. ICJIA **awarded 21 agencies** ASP monies in FY14. Sixteen agencies received funds from a competitive evaluation process. Four other agencies received ASP funds based on ICJIA knowledge of the work those agencies performed. The Department of Human Services (DHS) also received \$300,000 in ASP funding from ICJIA.

In November 2013, ICJIA issued a Request for Proposals to solicit responses from non-profit and government entities to implement after-school programs for students in grades K-12 with an emphasis on youth aged 11-17 with a priority to serve 28 counties around the State. ICJIA funding decisions resulted in **16 grantees being awarded from only 8 of the 28 counties in the “priority” areas** being served by the ASP funding. The 16 selected providers were from eight counties: 8 from Cook County, 2 from St. Clair County; and 1 each from Alexander, Kane, Lake, Madison, Stephenson, and Vermilion counties. In the grant budgets for FY14 funding, the 20 non-State agencies that provided ASP services reported 385 positions dedicated to the program.

During FY14, ICJIA **expended \$6.69 million** on ASP activities. The expenses were mainly awarding grants to provider organizations. ICJIA **lapsed \$3.31 million** of the \$10 million appropriated for ASP funding.

ICJIA **failed to timely execute** contracts for the ASP with grantee agencies, allowing two grantees **to go the entire grant period without an executed contract** in place, finally executing the contract on the last day of the grant period. Further, four grants were signed more than six months after the start of the grant, in **violation of ICJIA’s agreement process policy**. Additionally, ICJIA allowed grantee agencies to work on ASP activities prior to execution of the contractual agreement.

ASP grantee agencies **failed to timely submit** quarterly fiscal reports to ICJIA. Additionally, ICJIA failed to maintain quarterly program reports in its files on all agencies despite a **contractual requirement** that these reports be submitted to ICJIA.

ICJIA violated its policy by not completing site visits to ASP agencies. Even though ASP was a new program for ICJIA, it **did not conduct any site visits**.

ICJIA failed to enforce a provision of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment for the ASP in FY14. Our analysis showed that over **\$26,000 in equipment was purchased outside the time frame delineated in the contracts** and guidelines.

ICJIA failed to effectively monitor expenses charged by providers of ASP services in FY14. ICJIA **did not go on site**, even on a test basis, to monitor expenses and **relied on self-reported figures** from the service providers. Our testing at a sample of ASP agencies found

instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$532,000** in expenses charged to State grant funds.

INTRODUCTION

House Resolution Number 888 directed the Auditor General to examine the purposes for which State moneys were provided to ICJIA for the After-School Program (ASP). Additionally, the Resolution asked us to determine how ICJIA used the funds, including what agencies were provided funding as well as the amount of funds to these agencies. We were to examine whether timesheets were completed for the positions related to the ASP. Also, we were to determine the actual use of the moneys and the extent of monitoring by ICJIA on the ASP and whether communities were excluded from the program that had similar crime rates. We were to examine whether the program met the purposes for which the funding was provided. Finally, the Resolution asked us to determine if the programs were in compliance with applicable laws, regulations, contracts and grant agreements. For purposes of the report, the ASP constituted the program ICJIA conducted pursuant to a specific appropriation in FY14.

AFTER-SCHOOL PROGRAM AT ICJIA

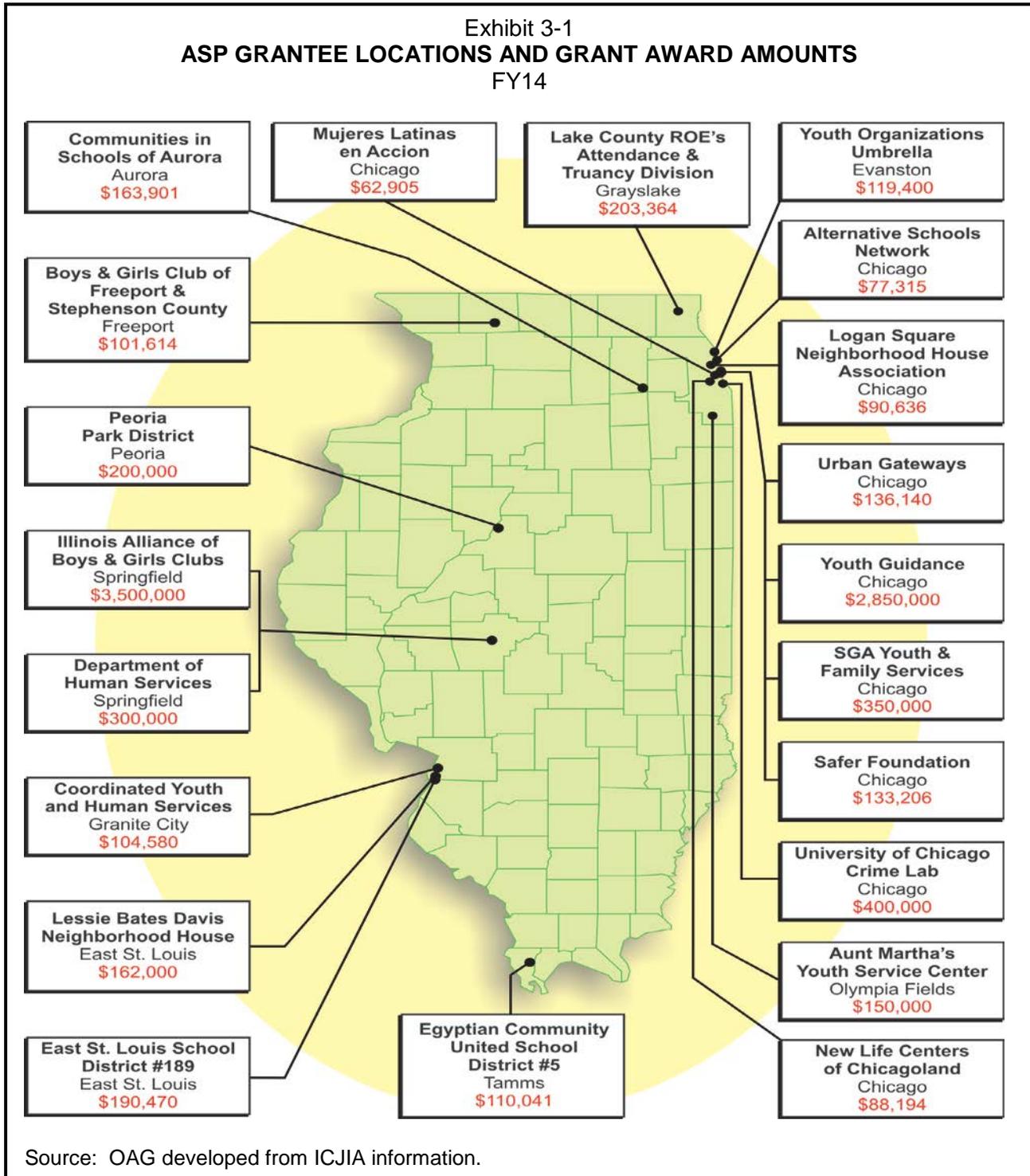
The ASP was an initiative for which ICJIA received \$10 million in appropriated funds from the General Assembly in FY14. The appropriation, from the General Revenue Fund, was *for grants and administrative expenses associated with after-school programs*. ICJIA had not requested the funding and the former Executive Director said he had been surprised by the inclusion of the funds into the ICJIA budget.

Overall, ICJIA awarded 21 agencies ASP monies in FY14. Sixteen agencies received funds from a competitive evaluation process. Four other agencies (Youth Guidance, the University of Chicago Crime Lab, Illinois Alliance of Boys & Girls Clubs, and Peoria Park District) received ASP funds based on ICJIA knowledge of the work those agencies performed in the after-school arena. The Department of Human Services also received \$300,000 in ASP funding from ICJIA. Exhibit 3-1 provides a map of where the grantees for ASP were located around the State.

In November 2013, ICJIA issued a Request for Proposals (RFP) to solicit responses from non-profit and government entities to implement after-school programs for students in grades K-12 with an emphasis on youth aged 11-17 with a priority to serve the following counties: Alexander, Boone, Bureau, Champaign, Cook, Franklin, Gallatin, Greene, Hardin, Henry, Jackson, Kane, Kankakee, Lake, Macon, Madison, Marion, Peoria, Pope, Pulaski, Rock Island, Saline, Sangamon, Stephenson, St. Clair, Union, Vermilion, and Winnebago. According to ICJIA documentation, those counties were determined by ICJIA's analysis of communities and schools with several risk factors. The factors included high crime, chronic truancy rates, poor attendance, and school performance rates.

ICJIA decisions resulted in only 8 of the 28 counties in the "priority" areas being served by the ASP funding. The 16 selected providers were from eight counties: 8 from Cook County, 2 from St. Clair County; and 1 each from Alexander, Kane, Lake, Madison, Stephenson, and

Vermilion counties. The decision to not extend grant services to other counties in the “priority” areas is confusing given that ICJIA lapsed \$3.31 million in the funding.



Expenditures

During FY14, ICJIA awarded \$9.49 million in ASP grants. However, the total amount expended on ASP activities by ICJIA was only \$6.69 million of the \$10 million appropriated for

ASP activities. The expenses were mainly grants to provider organizations. However, in addition to funding supplied to DHS, ICJIA expended over \$79,000 in ASP funding for administrative activities at ICJIA. Exhibit 3-2 breaks out all the FY14 expenditures by Agency.

Exhibit 3-2 ASP EXPENDITURES FY14			
	<i>Implementing Agency</i>	<i>Grant Award Amount</i>	<i>Total Payments from State/Expenses</i>
1	Youth Guidance	\$2,850,000	\$2,631,552
2	University of Chicago Crime Lab	\$400,000	\$362,046
3	Illinois Alliance of Boys & Girls Clubs	\$3,500,000	\$1,316,812
4	<i>Egyptian Community United School District #5</i>	\$110,041	\$110,039
5	<i>New Life Centers of Chicagoland</i>	\$88,194	\$71,892
6	<i>Logan Square Neighborhood House Association</i>	\$90,636	\$74,047
7	<i>Mujeres Latinas en Accion</i>	\$62,905	\$62,905
8	<i>SGA Youth & Family Services</i>	\$350,000	\$262,500
9	<i>Safer Foundation</i>	\$133,206	\$52,643
10	<i>Youth Organizations Umbrella</i>	\$119,400	\$119,400
11	<i>Alternative Schools Network</i>	\$77,315	\$40,740
12	<i>Urban Gateways</i>	\$136,140	\$70,558
13	<i>Communities in Schools of Aurora</i>	\$163,901	\$130,400
14	<i>Lake County ROE's Attendance & Truancy Division</i>	\$203,364	\$180,000
15	<i>Coordinated Youth and Human Services</i>	\$104,580	\$102,444
16	<i>East St. Louis School District #189</i>	\$190,470	\$190,470
17	<i>Lessie Bates Davis Neighborhood House</i>	\$162,000	\$162,000
18	<i>Boys & Girls Club of Freeport & Stephenson County</i>	\$101,614	\$100,174
19	<i>Aunt Martha's Youth Service Center</i>	\$150,000	\$92,230
20	Peoria Park District	\$200,000	\$178,104
21	Illinois Department of Human Services	\$300,000	\$300,000
	ICJIA Administrative Expenses	N/A	\$79,510
	<i>Total</i>	\$9,493,766	\$6,690,466
	<i>Total Appropriation</i>		\$10,000,000
	<i>Total Unexpended</i>		\$3,309,534
Note: <i>Bold Italic</i> agencies were awarded based on competitive RFP by ICJIA.			
Source: OAG developed from Comptroller data and ICJIA information.			

ASP FUNDING USES

ICJIA and ASP **agencies** memorialized the activities to be completed for the program through grant agreements which detailed the services to be performed by the agencies as well as the types of positions that would perform those activities. The agreements also included a project budget.

Budgeted Uses for ASP Funding

We reviewed and summarized all 21 agreements between the ASP agencies and ICJIA for program activities. This included the funds that were transferred to DHS. During FY14, ICJIA entered into agreements with agencies **totaling \$9.45 million**. Over half of the ASP funds, \$5.48 million, were to go for contractual expenses of the providing agencies which included telephone service, pager service, and subcontractor staff. The other substantial planned use of the ASP funds, personnel services, accounted for over 34 percent of the ASP budgeted funding.

Exhibit 3-3 ASP AGENCY BUDGET SUMMARY FY14		
Category	Budget Total	% of Total
Personnel Services	\$3,261,084	34.49%
Equipment	\$85,266	0.90%
Commodities	\$486,258	5.14%
Travel	\$135,705	1.44%
Contractual	\$5,478,013	57.94%
Indirect Cost	\$8,332	0.09%
Total	\$9,454,658	100.00%
Source: OAG summary of ASP agency budgets.		

The remaining funds were to be utilized by the agencies for operating expenses such as equipment, commodities, travel, and indirect expenses. Exhibit 3-3 breaks down the budgeted totals for ASP in FY14.

Actual Uses of ASP Funding

While agencies had budgeted over \$9.45 million for program activities, actual expenses reported by the agencies were significantly lower, totaling \$6.06 million. Expenses were reported to ICJIA utilizing the quarterly fiscal reports. ICJIA did not require supporting documentation be submitted to verify the self-reported expense figures by the agencies.

We examined all 21 agencies' yearly closeout fiscal report expenses (see Exhibit 3-4) to ascertain what they **reported as actual uses** for the State-funded ASP grants. We found ASP agencies reported expending \$6.06 million in FY14 on program activities. This was 36 percent less than what the same agencies budgeted for the ASP activities.

Exhibit 3-4 ASP AGENCY EXPENSES REPORTED FY14		
Category	Expenses	% of Total
Personnel Services	\$2,868,070	47.34%
Equipment	\$67,798	1.12%
Commodities	\$360,219	5.95%
Travel	\$53,795	0.89%
Contractual	\$2,699,880	44.57%
Indirect Cost	\$8,199	0.14%
Total	\$6,057,961	100.00%
Note: Percentage may not add due to rounding.		
Source: OAG summary of ASP agency closeout reports.		

Self-reported personnel services expenses and contractual expenses accounted for 92 percent of all ASP expenses. The University of Chicago, which had an ASP grant to assist Youth Guidance in the evaluation of the Youth Guidance intervention model, reported \$8,199 in indirect expenses for the period. The University of Chicago was the only agency to include an indirect expense line in its budget.

ASP FUNDING TIMESHEETS AND BACKGROUND CHECKS

House Resolution Number 888 asked whether employees completed appropriate timesheets for grant activities. During our onsite testing of expenses, we found that the five sampled grantees all maintained timesheets.

Background checks were not required in the grant agreements between ICJIA and ASP providers. In our site testing at the five ASP providers we found that: Mujeres Latinas en Accion did provide us background checks on staff; Coordinated Youth and Human Services required Illinois State Police background checks on all employees and volunteers who worked with youth; and, Peoria Park District did require background checks for all staff who work with youth.

ASP FUNDING STAFFING

The 20 non-State agencies that provided ASP activities based on grants with ICJIA had agreements that contained a personnel element for both salary and benefits. All of the grant budgets detailed the position titles that the provider was going to charge to the grant funds although ICJIA did not require the names that matched the position titles.

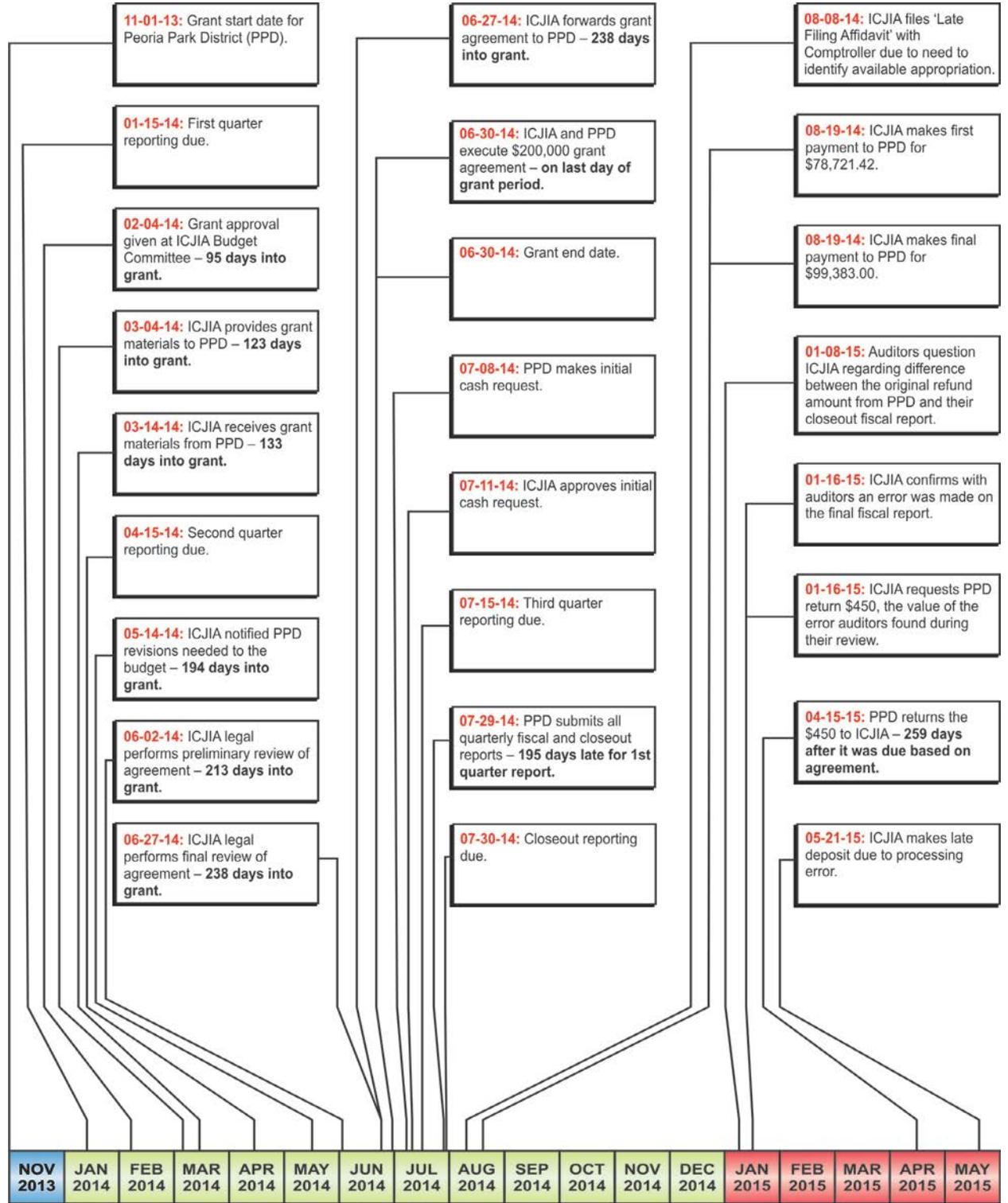
In the grant budgets for FY14 funding, the providers reported 385 positions that would be funded from the monies it received from ICJIA. Exhibit 3-5 lists how many positions each provider budgeted for the ASP funding.

Exhibit 3-5 BUDGETED STAFFING LEVELS – ASP GRANTS FY14		
<i>Agency</i>		<i>Positions</i>
1	Youth Guidance	68
2	University of Chicago Crime Lab	4
3	Illinois Alliance of Boys & Girls Clubs	6
4	Egyptian Community United School District #5	9
5	New Life Centers of Chicagoland	10
6	Logan Square Neighborhood House Association	18
7	Mujeres Latinas en Accion	7
8	SGA Youth & Family Services	78
9	Safer Foundation	4
10	Youth Organizations Umbrella	10
11	Alternative Schools Network	12
12	Urban Gateways	28
13	Communities in Schools of Aurora	11
14	Lake County ROE's Attendance & Truancy Division	24
15	Coordinated Youth and Human Services	7
16	East St. Louis School District #189	20
17	Lessie Bates Davis Neighborhood House	10
18	Boys & Girls Club of Freeport & Stephenson County	32
19	Aunt Martha's Youth Service Center	19
20	Peoria Park District	8
Total		385
Source: OAG developed from grant information.		

ASP ACTIVITIES TIMELINE

Our examination of the ASP activities for all the grants involved review of all reporting requirements for the grants, as well as the testing of expenditures to ensure they complied with grant agreements. In this chapter we report on a number of significant deficiencies in the oversight of the funding provided for ASP by ICJIA in FY14. Exhibit 3-6 provides an example of a timeline of the activities surrounding the ASP grant to one provider, the Peoria Park District.

Exhibit 3-6 AFTER-SCHOOL PROGRAM PEORIA PARK DISTRICT TIMELINE OF EVENTS FY14



Source: OAG summary from After-School Program documentation.

ASP CONTRACT EXECUTION TIMELINESS

ICJIA **failed to timely execute** contracts for the ASP with grantee agencies, allowing two grantees **to go the entire grant period without an executed contract** in place, finally executing the contract on the last day of the grant period. Further, four grants were signed more than six months after the start of the grant, in **violation of ICJIA's agreement process policy**. Additionally, ICJIA allowed grantee agencies to work on ASP activities prior to execution of the contractual agreement.

During our review of ASP grantee files maintained at ICJIA we analyzed the execution of contractual grant agreements by ICJIA and found that execution to not be timely. See Exhibit 3-7 for the results of our analysis. We examined all 21 contractual agreements maintained in the ASP files at ICJIA and found:

- In FY14, ICJIA was appropriated \$10 million for grants and administrative expenses associated with ASPs.
- Final action on the Public Act making this appropriation ended July 23, 2013. The first non-government agency agreement was executed 267 days later, on April 16, 2014.
- In all, ICJIA executed 21 agreements with agencies, including an interagency agreement with the Department of Human Services, to provide ASP activities.
- Agreements were structured with grant periods beginning at four different times throughout FY14. The monies were paid to the agencies upon execution of the grant agreement.
 - The majority of the grants had a start date beginning February 1, 2014. Because these agreements had a clause that allowed the providers to begin work before the agreement was executed, 16 providers worked, on average, **107 days without an executed grant agreement** in place. The least amount of time a provider worked without an executed grant agreement was 94 days. The average amount of grant period elapsed without an executed agreement in place was 72 percent.
 - Three other grants had a start date of October 1, 2013. These three providers worked an **average of 204 days without an executed grant** agreement.
 - One provider started the grant on November 1, 2013. It took **ICJIA the complete grant period** to execute the grant agreement.
 - The grant for the Department of Human Services began on February 7, 2014, the same day it was executed.
- Despite knowing that ICJIA would be responsible for the ASP grants effective July 1, 2013, ICJIA did not execute 2 of the 21 grant agreements until June 30, 2014, **364 days after becoming aware of the funding for the program**.
- For the 20 ASP grants awarded by ICJIA in FY14 to non-State agencies, four were **signed in violation of ICJIA policy**. The Alliance of Boys and Girls Clubs grant was signed **197 days after the start date** for the grant. The University of Chicago Crime Lab grant was signed **216 days** after the start date for the grant. The Youth Guidance grant was signed **198 days** after the start date for the grant. The Peoria Park District grant was signed **241 days** after the grant start date.

Exhibit 3-7 ASP CONTRACT EXECUTION ANALYSIS FY14					
ASP Grantee	Grant Period		Grant Execution	Days Without Agreement	% Grant Elapsed
	Start Date	End Date			
New Life Centers of Chicagoland	02/01/14	06/30/14	06/02/14	121	81%
Alternative Schools Network	02/01/14	06/30/14	05/12/14	100	67%
Aunt Martha's Youth Service Center	02/01/14	06/30/14	06/30/14	149	100%
Boys & Girls Clubs of Freeport & Stephenson County	02/01/14	06/30/14	05/12/14	100	67%
Communities in Schools of Aurora	02/01/14	06/30/14	05/06/14	94	63%
East St. Louis School District #189	02/01/14	06/30/14	06/11/14	130	87%
Egyptian Community United School District #5	02/01/14	06/30/14	05/14/14	102	68%
Lake County ROE's Attendance & Truancy Division	02/01/14	06/30/14	05/06/14	94	63%
Lessie Bates Davis Neighborhood House	02/01/14	06/30/14	05/12/14	100	67%
Logan Square Neighborhood House Association	02/01/14	06/30/14	05/06/14	94	63%
Mujeres Latinas en Accion	02/01/14	06/30/14	05/12/14	100	67%
Safer Foundation	02/01/14	06/30/14	06/11/14	130	87%
Urban Gateways	02/01/14	06/30/14	05/14/14	102	68%
Youth Organizations Umbrella	02/01/14	06/30/14	05/12/14	100	67%
Coordinated Youth and Human Services	02/01/14	06/30/14	05/06/14	94	63%
SGA Youth & Family Services	02/01/14	06/30/14	05/12/14	100	67%
Number of Days in Grant Period	149		Maximum	149	
			Minimum	94	
			Average	107	
			Average Grant Elapsed		72%
Illinois Alliance of Boys & Girls Clubs	10/01/13	06/30/14	04/16/14	197	72%
University of Chicago Crime Lab	10/01/13	06/30/14	05/05/14	216	79%
Youth Guidance	10/01/13	06/30/14	04/17/14	198	73%
Number of Days in Grant Period	272		Maximum	216	
			Minimum	197	
			Average	204	
			Average Grant Elapsed		75%
Peoria Park District	11/01/13	06/30/14	06/30/14	241	100%
Number of Days in Grant Period	241				
DHS Interagency Agreement	02/07/14	06/30/14	02/07/14	0	0%
Number of Days in Grant Period	143				
Source: OAG developed from ICJIA ASP documentation.					

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies, including ICJIA, to establish and maintain a system, or systems, of internal fiscal and administrative controls. These controls should include the timely execution of grant agreements and not allowing grantees to begin work on a grant without an agreement agreed to by both parties in an executed form.

The Federal & State Grants Unit (FSGU) Policies and Procedures manual dated December 2012 addresses the process of agreement processing by ICJIA. The Policy statement states that the policy of FSGU is “*that all grant agreements shall be processed by virtue of clear and reasonable timelines.*” The policy further states “**No agreement more than six month past its start date will be signed.**” (emphasis added)

During the entrance conference, the former ICJIA Executive Director said there was a delay in contract execution. He said between the prior NRI audit, staff turnover, and only one grant supervisor and two grant monitors, it was unlikely ICJIA would spend down the dollars, but they were trying.

ICJIA expended \$6.7 million dollars on the ASP program in FY14. Allowing agencies to start chargeable services to the ASP grant absent an executed agreement increases the likelihood that State resources are expended on activities that are not relevant to the ASP program.

ASP CONTRACT EXECUTION TIMELINESS	
RECOMMENDATION NUMBER 17	<i>ICJIA should ensure that there is timely execution of all contracts, including those for ASP services. Further, ICJIA should either follow its own policies and not allow the contracts to be signed after six months or change ICJIA policy. Additionally, ICJIA should consider only allowing service providers to initiate services, including ASP services, after an executed contract has been approved.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	FSUPP details the proper process for the execution of agreements prior to their start date. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP when executing these contracts. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. Additionally, ICJIA will implement an update before the end of the 2nd Quarter 2016 to the FSUPP with additional grant monitoring requirements that will streamline and add efficiencies. Finally, ICJIA will initiate an internal program audit process to review all pending and outstanding agreements on a quarterly basis.

ASP QUARTERLY REPORTING

ASP grantee agencies **failed to timely submit** quarterly fiscal reports to ICJIA. Additionally, ICJIA failed to maintain quarterly program reports in its files on all agencies despite a **contractual requirement** that these reports be submitted to ICJIA.

Quarterly fiscal reports served an important purpose for the ASP program as a **monitoring mechanism** for ICJIA. During our review of ASP grantee agency files maintained at ICJIA, we examined all original and revised quarterly reports to ascertain how timely these reports were submitted so that monitoring could be achieved. Our results are summarized in Exhibit 3-8. We found:

- 81 percent (17 of 21) of grants had a performance period of February through June 2014 with two quarters of required reporting;
- 95 percent (20 of 21) of contracts were not executed until the last quarter of FY14;

- First payments to the ASP grantee agencies (excluding DHS) were not issued until May 1, 2014, 30 days after the start of the last quarter; final payments were issued as late as August 22, 2014, **53 days after the performance period ended.**
- Per the interagency agreement between ICJIA and DHS, **DHS was not required to submit a single quarterly program report** for the ASP funds received from ICJIA.
- After we analyzed all the available **quarterly fiscal reports** for timeliness we concluded that:
 - There was no required fiscal reporting in the first quarter even though providers could begin work without an executed agreement in place;
 - 100 percent (4 of 4) of ASP grantee agencies **failed to timely submit** in the second quarter;
 - 100 percent (21 of 21) of ASP grantee agencies **failed to timely submit** in the third quarter;
 - 33 percent (7 of 21) of ASP grantee agencies **failed to timely submit** in the fourth quarter; and,
 - 14 percent (3 of 21) of ASP grantee agencies **failed to timely submit** the closeout report.
- After we analyzed all the available **quarterly program reports** for timeliness we concluded that:
 - There was no required program reporting in the first quarter even though providers could begin work without an executed agreement in place;
 - 75 percent (3 of 4) of ASP grantee agencies **failed to timely submit** the program report to ICJIA in the second quarter of the grant period. In one instance we could not determine timeliness because the **report was not signed or dated** in the second quarter.
 - 90 percent (18 of 20) of ASP grantee agencies **failed to timely submit** the program report to ICJIA in the third quarter of the grant period. In two instances we could not determine timeliness because the **report was not signed or dated** in the third quarter.
 - 70 percent (14 of 20) of ASP grantee agencies **failed to timely submit** the program report to ICJIA in the fourth quarter of the grant period. In one instance we could not determine timeliness because **no report was provided** in the fourth quarter.
 - 70 percent (14 of 20) of ASP grantee agencies **failed to timely submit** the program report to ICJIA for the closeout period of the grant. In one instance we could not determine timeliness because **no report was submitted** for the closeout.

Exhibit 3-8 ASP QUARTERLY REPORTING ANALYSIS FY14		
	Grantee Agencies	Percent of Total
Total Number of Quarterly Fiscal Reports Required	67	100%
Fiscal Reports Submitted Timely:		
Yes	32	48%
No	35	52%
No Date/Signature or No Report Provided	0	0%
Total Number of Quarterly Program Reports Required:	64	100%
Yes	10	16%
No	49	77%
No Date/Signature or No Report Provided	5	8%
Note: Percentages may not add due to rounding.		
Source: OAG developed from quarterly reporting forms.		

ASP grantee agency contracts with ICJIA have a section on Reporting and Evaluation Requirements. It **requires** the submission on a quarterly basis by the ASP grantee agency by the 15th day of each month following the previous quarter of a fiscal report detailing financial expenditures for the previous quarter. Agencies are also to submit reports on the progress towards achieving the performance indicators of the program. The agencies were further required to submit a final financial status report as well as comply with any other reporting requirements from ICJIA.

The contracts further detail reporting requirements for close-out of the agreements. Within 30 days of the expiration date of the agreement the agency **must submit to ICJIA:** (1) final financial status report, (2) final progress reports, (3) property inventory report, (4) any refund of unexpended funds, and (5) other documents required.

The Associate Director of the Federal and State Grants Unit confirmed that grantees were required to submit quarterly reporting, but only after contract execution. Grantees did have to report on quarters that passed, but the actual submission of those reports occurred after the contract was executed. We would note that the grant agreements do not detail the process described by the ICJIA official. ASP grantee agencies did not receive the spreadsheet with the fiscal reporting worksheets via e-mail until May 8, 2014; **96 days after** the performance period began for the competitively awarded grantees.

Not requiring fiscal and program reporting while the agencies are working without an executed contract **weakens the controls** needed to ensure that State tax dollars are spent in the most efficient manner. Failure by grantee agencies to submit quarterly reports timely are violations of the contractual agreement itself and shows **a lack of oversight** for the \$10 million in State grant funds appropriated as part of the ASP program. Considering the shorter period of performance, the late contract execution, and the late payments to ASP grantee agencies, it was important for the timely submission of quarterly reports be enforced to ensure State dollars were being properly spent.

ASP QUARTERLY REPORTING	
RECOMMENDATION NUMBER 18	<i>ICJIA should enforce provisions of grant agreements and require timely fiscal reporting by grantees. ICJIA should always collect quarterly fiscal reports from all program providers to not only comply with contract provisions but to maintain adequate oversight of State dollars.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	FSUPP requires fiscal reports on a quarterly basis. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement to make these reports. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. In addition, ICJIA has and will continue to enforce the provisions of the grant agreements and require timely fiscal reports. In order to add efficiency, ICJIA is currently developing an RFP for a new grant system that will provide better oversight and control of the submittals from the grantees and allow timely communication and identification of any fiscal or contractual issues.

ASP SITE VISITS

ICJIA violated its policy by not completing site visits to ASP agencies. Even though ASP was a new program for ICJIA, it **did not conduct any site visits**. Twenty-one agencies from around the State received ASP grant monies from ICJIA in FY14. Total State payments were \$6.7 million.

During the audit we examined all the community files for the ASP program for FY14 and **did not find evidence** that ICJIA conducted any site visits to the agencies. Section 38 of the ICJIA grant agreements with ASP providers details site visits. The agreement requires the ASP providers to allow ICJIA to enter the premises “*to observe the operation of Implementing Agency’s program.*” ASP was a new program for ICJIA. The former Executive Director told auditors that he had not requested this program in his budget submission.

The Federal & State Grants Unit (FSGU) Policies and Procedures manual dated December 2012 addresses the process of site visits by ICJIA. The policy statement states that FSGU Grant Specialists will conduct site visits to monitor State and local programs funded with State or federal funds administered by ICJIA. The policy further states “*Site visits shall be conducted within six months of new program inception, and every 24 months thereafter, at minimum.*” (emphasis added)

An ICJIA official reported to auditors that site visits were not performed on the ASP grants. Failure to conduct site visits or complete visits later than 180 days into the grant period is a violation of ICJIA policy. Additionally, not conducting site visits can result in multiple oversight issues with providers that are new to ASP.

ASP SITE VISITS	
RECOMMENDATION NUMBER 19	<i>ICJIA should comply with its policy and conduct timely site visits of new program grantees for effective monitoring of the programs.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	FSUPP details the proper process for conducting site monitoring, which ICJIA now follows. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement and its own policies. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. In addition, ICJIA requires site visits within 6 months of new program inception and every 24 months thereafter, at a minimum.

ASP EQUIPMENT PURCHASES

ICJIA failed to enforce a provision of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment for the ASP in FY14. Our analysis showed that over **\$26,000 in equipment was purchased outside the time frame delineated in the contracts** and guidelines.

During the audit we examined the Property/Inventory Reports that were required to be submitted with the final fiscal closeout reports for the FY14 ICJIA-monitored ASP to determine when equipment was purchased. We found:

- Grantees were allowed by ICJIA to commence activity and charge expenses from the beginning of the performance period even in the absence of an executed grant agreement. However, the grant agreement details that ICJIA is not responsible for costs incurred before or after the period of performance in the agreement.
- For equipment purchases, grantees had to have a purchase order within 90 days after the start date of the agreement.
- In FY14, 25 percent (5 of 20) of the grantees in the ASP purchased equipment totaling \$26,112.60 outside the first 90 days of the grant period.
 - The Peoria Park District made \$12,359.30 in equipment purchases after the 90-day period including \$8,500 in walkie-talkies on June 27, 2014, **three days prior to the end of the grant**. Peoria Park District and ICJIA executed the grant agreement on the last day of the grant period, June 30, 2014. The District submitted all of its fiscal reports on July 29, 2014, **29 days after the end of the grant period**. It is unlikely for ICJIA to have known of the equipment purchases within the first 90 days of the grant period.
 - SGA Youth and Family Services made \$5,915 in equipment purchases after the 90-day period. Five laptops and a laser jet printer were purchased on May 29, 2014 (**after 79 percent of the grant period elapsed**) and June 19, 2014 (**after 93 percent of the grant period elapsed**). The grant period ended on June 30, 2014. ICJIA did decline the purchase of a 2nd printer on September 8, 2014, and the grantee wrote a check for the expense claimed. However, ICJIA did not decline the late purchases.

- Lessie Bates Davis Neighborhood House charged \$4,126.19 in equipment purchases on Quarterly Fiscal Report forms. However, the grantee did not submit, or the ICJIA files did not have a copy of, the Property Inventory Report for the grant so we were unable, just as ICJIA staff would have been unable, to determine when the equipment purchases were made.
- The Boys and Girls Club of Freeport and Stephenson County made \$2,747.11 in equipment purchases for a portable stage and transport dolly after the 90 day period.
- The Lake County Regional Office of Education’s Attendance and Truancy Division purchased a \$965 refrigerator after the 90-day period.
- Our review of ICJIA files did not disclose any correspondence from the ASP grantees to explain why the equipment was not purchased within 90 days of the start of the grant performance period.

Section 39 of the ASP grant agreements between ICJIA and the grantees states “*If, for an item of equipment ...the Implementing Agency does not have a purchase order dated within 90 days after the start date of the agreement, the Implementing Agency shall submit a letter to the Authority explaining the delay in the purchase of equipment.*”(emphasis added)

The ICJIA Financial Guidelines for Federal Grants state all equipment being purchased with either federal or match funds and listed in the budget and budget narrative **must be purchased within 90 days of the start of the grant**. If the equipment is not purchased in 90 days the implementing agency must submit in writing the reason for the delay.

ICJIA’s Associate Director of the Federal and State Grants Unit told auditors that the requirement for purchases being 90 days from the beginning of the performance period “*was not strictly enforced.*” The official added that ideally ICJIA would have liked to have letters from providers but due to the length of time it took to open up grants it was well after the 90-day timeframe. However, we note that ICJIA, through a clause in the contract, allowed providers to begin work on the grant at the beginning of the performance period even if an executed contract was not in place.

Not maintaining or requiring documentation to support the purchase of equipment is a **violation** of contracts and ICJIA guidelines. Failure to enforce contractual agreements **puts the State at risk** at not recovering misspent funds should ICJIA determine that providing agencies did not spend funds in accordance with their intended purposes.

ASP EQUIPMENT PURCHASES	
RECOMMENDATION NUMBER 20	<i>ICJIA should enforce provisions of grant agreements and ICJIA guidelines relative to the purchase of equipment by providing agencies of the After-School Program. ICJIA should either require the mandatory correspondence and maintain that in its files, or not allow the purchase expenses by the grantees. Finally, ICJIA should determine whether the dollar amount of the exceptions noted by auditors should be recovered from the grantees and seek all necessary recoveries.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update we are revising the type and submittal schedules for

<p>Response (continued)</p>	<p>the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the equipment purchased with grant funds and any payment, procurement or budget discrepancies. FSUPP prohibits grant expenditures outside of the grant term. We will develop a procedure that requires grantees to provide confirmation of equipment purchases within the stated timeframes of the grant agreement. ICJIA's Fiscal Department will verify ASP unallowable equipment expenditures. OGC will then initiate recovery actions under the GFRA against providing agencies for any unallowable or undocumented equipment expenditures.</p>
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ASP EXPENSE TESTING

ICJIA failed to effectively monitor expenses charged by providers of ASP services in FY14. ICJIA **did not go on site**, even on a test basis, to monitor expenses and **relied on self-reported figures** from the service providers. Our testing at a sample of ASP agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$532,000** in expenses charged to State grant funds.

During the audit:

- Auditors **randomly** selected five ASP providers to test for documentation to back up expenses charged to the State grant funds. We then went on site to the providers and requested **all** documentation to support the FY14 claimed expenses under the program. After scanning all the documentation provided, we utilized the line items expense levels reported on FY14 closeout fiscal reports and compared to the supporting documentation obtained at the provider locations. Finally, we sent our completed testing results to the providers and asked if they had any additional documentation or explanation they wanted us to consider.
- The five providers selected claimed \$3.067 million in ASP expenses in FY14. Our examination **questioned \$532,000** (17.35 percent) of those expenses. Most of the amount questioned was due to a lack of documentation from the providers. Additionally, we questioned \$11,782 in some line items that were over the ICJIA approved budgets maintained in the grant agreements. Our results are summarized in Exhibit 3-9.
- Types of expenses claimed, whether questioned by auditor or not, included:
 - Mujeres Latinas en Accion expended \$4,500 on Ventra Ride Cards for Youth on June 30, 2014. This purchase, **on the last day of the program**, totaled seven percent of total claimed expenses for this provider.
 - Mujeres Latinas en Accion charged \$3,238 in travel to send two staff to a conference in California in February 2014. Out of State travel had to be pre-approved by ICJIA. **No documentation was provided** to auditors to show the pre-approval. The contract between Mujeres and ICJIA was not executed until May 12, 2014.

- Mujeres Latinas en Accion provided \$4,900 in participant stipends at the end of the program (June 24, 2014). These stipends were gift cards purchased at Target and Walgreens and represented eight percent of the entire grant award.
- Mujeres Latinas en Accion closeout fiscal report showed \$8,345 claimed as expenses **over the approved budget amounts** from the grant.
- Coordinated Youth and Human Services expended \$2,000 for pool memberships that were purchased **on the last day of the grant period**. The provider did not supply the names of the individuals who received the memberships. Additionally, while the expense is at the end of the grant period, it appears the activity would be outside the funded grant performance period.
- Coordinated Youth and Human Services spent \$1,600 to purchase 2,325 promotional pens/pencils for the ASP. This purchase was made on June 5, 2014, **25 days prior to the end of the grant period**.
- Peoria Park District charged \$2,396 in travel to send staff to a conference in California in January 2014. Out of State travel had to be pre-approved by ICJIA. **No documentation** was provided to auditors granting the pre-approval.
- Peoria Park District purchased \$10,907 worth of basketballs, scrimmage vests, and uniforms on June 30, 2014, not only **the last day of the grant performance period** but the same day the grant agreement was executed.
- Peoria Park District claimed \$8,509 in expenses for walkie talkies purchased on July 31, 2014, **31 days after the grant period ended**.
- Peoria Park District charged \$100 for a putting contest to the grant.

Exhibit 3-9 ASP SUMMARY OF EXPENSE SITE TESTING FY14				
<i>Provider</i>	<i>Closeout Total Expenses</i>	<i>Questioned Expenses</i>	<i>Percent Questioned</i>	<i>Amount Over Approved Budget</i>
Youth Guidance	\$2,631,551.77	\$452,451.73	17.19%	\$0.00
Mujeres Latinas en Accion	\$62,905.00	\$12,383.65	19.69%	\$8,345.44
Coordinated Youth and Human Services	\$102,443.73	\$4,780.08	4.67%	\$0.00
Aunt Martha's Youth Service Center	\$92,230.43	\$5,163.13	5.60%	\$0.00
Peoria Park District	\$177,654.42	\$57,244.19	32.22%	\$14.06
Total	\$3,066,785.35	\$532,022.78	17.35%	\$8,359.50
Note: Alternative Schools Network (\$307.77) and Lessie Bates Davis Neighborhood House (\$3,115.09), while not part of our onsite testing group, had \$3,422.86 in spending claimed over the approved budgets.				
Source: OAG developed from site analyses.				

The ASP contracts state, “[ICJIA] shall not be responsible for costs incurred before or after the period of performance of this agreement.” Additionally, the Financial Guidelines for Federal Grants (April 2012), which a ICJIA official reported were applicable to the State grants subject to this audit, states that to be allowable, costs must be necessary and reasonable as well as adequately documented.

Finally, the Fiscal Control and Internal Auditing Act requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with

applicable law; and, (2) that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation (30 ILCS 10/3001 (1) and (3)).

When asked about pre-approval for the travel charged by Mujeres, a ICJIA official reported there was no pre-approval for the travel. Relative to the spending over the approved budget lines, the same official stated *“the close-out is being referred to our Office of General Counsel for follow-up for grants fund recovery.”* This correspondence was on June 18, 2015, **after** auditors raised the issue with ICJIA and **353 days after the grant period ended**.

If ICJIA does not go on site to providers to examine expenses, or have the documentation submitted to them as part of the quarterly fiscal reporting process, it cannot determine whether State funds were appropriately expended. Failure to require, or examine, supporting documentation for expenses increases the likelihood that State dollars were spent inappropriately or may not have served the purposes and goals of the ASP program.

ASP EXPENSE TESTING	
<p>RECOMMENDATION NUMBER</p> <p>21</p>	<p><i>ICJIA should review expense testing exceptions found by auditors, determine whether repayment of funds is appropriate, and seek recoveries from providers of unallowable or undocumented expenses from the ASP program. Additionally, ICJIA should consider some form of risk-based testing of expenses that are self-reported by providing agencies to better safeguard State monies.</i></p>
<p>ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE</p>	<p>ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds.</p> <p>Additionally, we are developing a risk assessment form that we will use to as part of our internal program audit process which will identify the risk level of the grantee along with specific program requirements. The level of risk identified could prompt a desk review or audit of the grantee’s activities.</p> <p>ICJIA’s Fiscal Department will verify ASP unspent funds and amounts over budget line items. OGC will then initiate recovery actions under the GFRA against providing agencies for remaining unallowable or undocumented amounts. Expenditures and fund requests from ICJIA's approved appropriation is thoroughly reviewed by ICJIA's Fiscal Unit.</p>

Chapter Four

CHICAGO AREA PROJECT FUNDING

CHAPTER CONCLUSIONS

In the **FY13** State appropriations bill, ICJIA received \$5 million in General Revenue Funds *for grants to the Chicago Area Project (CAP)*. State payments to CAP under this appropriation amounted to \$4.2 million during FY13. In the **FY14** State appropriations bill, ICJIA again received \$5 million in GRF funds *for administrative costs and grants to the Chicago Area Project*. Overall in FY14, CAP received \$4.9 million from the State under the grant agreement between CAP and ICJIA.

ICJIA reported to auditors that half the monies were to go toward NRI/CVPP and the other half for additional grants outside of NRI/CVPP. NRI/CVPP funds expended by CAP are presented in Chapter Two of this report.

CAP funded five violence prevention programs, outside of the NRI/CVPP activities, with a total budget of \$3.6 million for the two-year period FY13 and FY14. The five providers, and the two-year budgets, were:

- Latino Organization of the Southwest – budget of \$953,333;
- DuPage County Area Project – budget of \$641,670;
- CAP Community Youth Development – budget of \$970,800;
- St. Sabina Employment Resource Center – budget of \$254,667; and,
- ARK of St. Sabina – budget of \$781,594.

CAP officials stated that there was no analysis to determine whether there was a reduction in violence; rather, the programs were assessed based on whether the objectives outlined in the contracts were met.

CAP grantees did maintain timesheets on the staff that charged to the grants. Background checks were not required of staff even though the grant programs provided services to youth from birth to age 21. In the grant budgets for FY13 funding, the five providers reported 100 positions that would be funded from the moneys it received from CAP. For the FY14 funding, the number of positions was 94 individuals.

During FY13 and FY14, ICJIA and/or CAP entered into agreements with agencies **with budgets totaling \$3.6 million**. Seventy-one percent of these funds (\$2.6 million) were to be **used** by the agencies for personnel services. Agencies self-reported **actual uses** of over \$2.21 million in salary and benefit expenses on the closeout reports for the agencies that receive non-NRI/CVPP grants from the CAP funding. Contractual expenses accounted for over \$819,000 in FY13 and FY14.

ICJIA officials allowed CAP to shorten a FY13 grant agreement period **without documenting** the change in the grant agreements, raising the question of whether the program was actually completed for funds provided in FY13. The ICJIA payment schedule allowed CAP to hold between \$1 million and \$2 million during the course of the grant. Finally, ICJIA **never executed a budget for FY14**, choosing instead to use the FY13 budget as a placeholder in order to get CAP paid. This budget included funding for providers that were not part of the NRI/CVPP program in FY14.

ICJIA failed to require the **identification of individuals** who were to be paid with CAP grant funds. Our examination found eight instances where the salaries **listed in grant budgets** were higher than what the individuals holding those position titles actually were paid by the providers, **as reported by the providers** on a report to the Attorney General. **While there may be explanations for differences, ICJIA did not seek those explanations.** When the State pays a rate higher than the individual actually earns, State moneys may not be expended for program purposes.

Agencies provided with ICJIA/State grant funds by CAP **failed to timely submit** quarterly fiscal reports to either CAP or ICJIA. Additionally, ICJIA failed to maintain fiscal reports on all the providers in the FY13 funding year of the program despite a **contractual requirement** that these reports be submitted to ICJIA. Finally, in FY14, ICJIA **weakened the control** over fiscal monitoring by removing the requirement from grant agreements to submit the fiscal reports to ICJIA.

ICJIA failed to enforce a provision of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment for the grants made by CAP to providers funded in FY13 and FY14. Our analysis showed that **\$22,781 in equipment was purchased outside the time frame delineated in the contracts** and guidelines.

ICJIA failed to effectively monitor expenses charged by providers that received funding from CAP for the moneys CAP received from ICJIA. ICJIA **did not go on site**, not even on a test basis, to monitor expenses and **relied on self-reported figures** from the service providers. Our testing at a sample of CAP funded agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$318,000** in expenses charged to State grant funds, with an **additional \$79,944** in claimed line items over ICJIA approved levels.

ICJIA delegated responsibility for oversight of State funds to CAP. Additionally, ICJIA was **not timely** in recovery of grants to CAP relative to unspent grant funds and funds spent in excess of approved budgets. Grant agreements required providers to submit a refund of unexpended funds within 30 days of the end of the grant period. Our analysis showed **almost \$427,000 in unrecovered** CAP grant funding in FY13 and FY14.

ICJIA has not collected all funds owed to the State from CAP for funding received in FY13 and FY14. Our examination showed that **\$1.53 million could not be reconciled with CAP-provided information.** For FY13, ICJIA relied on CAP and a CAP spreadsheet to determine how much to recover in FY13. Our examination of that documentation showed a **number of inaccuracies and/or inconsistencies** with the documentation.

INTRODUCTION

House Resolution Number 888 directed the Auditor General to examine the purposes for which State moneys were provided to ICJIA for CAP. Additionally, the Resolution asked us to determine how ICJIA used the funds, including what agencies were provided funding as well as the amount of funds to these agencies. We were to examine whether timesheets were completed for the positions related to the CAP funding. Also, we were to determine the actual use of the moneys and the extent of monitoring by ICJIA of the CAP funding. We were to examine whether the program conducted by CAP funding met the purposes for which the funding was provided. Finally, the Resolution asked us to determine if the programs were in compliance with applicable laws, regulations, contracts and grant agreements. For purposes of this report, the CAP funding constituted the five non-NRI/CVPP grants that received the funding from CAP. CAP, and the funding it received, was an organization that participated in NRI/CVPP in three communities. We include an examination of those funds in Chapter Two of this Report.

CHICAGO AREA PROJECT

Chicago Area Project, located at 55 East Jackson in Chicago, Illinois, was founded in 1934 by a University of Chicago sociologist. CAP information shows it has a network of 40 grassroots organizations and special projects aimed at promoting positive youth development and preventing juvenile delinquency through community-building. CAP works with its community partner affiliates to prioritize neighborhood-specific issues, seek effective solutions, and identify available resources to address them. CAP information further states it empowers a broad base of community stakeholders through a three pronged approach: community organizing, direct services, and advocacy. See Exhibit 4-1 for CAP mission, philosophy, and goals information.

CAP is overseen by a Board of Directors and its Executive Director. CAP, in its Annual Report for the period ended June 30, 2012 (period immediately preceding the audit period), reported \$8.2 million in revenues. Over 96 percent of that revenue was obtained from government grants and membership dues. Total expenditures at June 30, 2012 were \$9 million.

Exhibit 4-1 CHICAGO AREA PROJECT – MISSION, PHILOSOPHY, GOALS	
Mission	To work toward the prevention and eradication of juvenile delinquency through the development and support of affiliated local community self-help efforts in communities where the need is greatest.
Philosophy	To improve the quality of neighborhood life with a special focus on solving problems faced by young people and their families.
Goals	To develop special projects and establish locally controlled organizations that implement the directives put forth in the CAP mission and philosophy.
Source: Chicago Area Project.	

ICJIA APPROPRIATIONS TO CAP

In the **FY13** State appropriations bill, ICJIA received \$5 million in General Revenue Funds *for grants to the Chicago Area Project*. State payments under this appropriation amounted to \$4.2 million during FY13. The former ICJIA Executive Director stated that for FY13, ICJIA was presented with a budget from GOMB near the end of session. He said CAP was included on the appropriation bill from the General Assembly. He added that ICJIA had not requested this funding.

The CAP Executive Director told auditors that CAP did not specifically request State funding, nor was CAP approached by the State, and that CAP became aware of the direct appropriation to them when CAP read the budget book which included a line item separating them from ICJIA’s allocation for NRI/CVPP.

In the **FY14** State appropriations bill, ICJIA again received \$5 million in GRF funds *for administrative costs and grants to the Chicago Area Project*. Overall in FY14, CAP received \$4.9 million from the State under the grant agreement between CAP and ICJIA. Between September 2013 and May 2014, ICJIA paid CAP 77 percent, or over \$3.8 million, of the GRF appropriated funds. During FY14, ICJIA paid an additional \$1.03 million to CAP for the grant from a non-appropriated Special Projects Fund (Fund 318) controlled by ICJIA.

An ICJIA official reported that half of the CAP monies were to go toward NRI/CVPP. The other half was for additional grants, by CAP, outside of NRI/CVPP.

CAP FUNDING USES

CAP and agencies that provided non-NRI/CVPP grant activities memorialized those activities to be completed through grant agreements which detailed the services to be performed by the five agencies, as well as the personnel who would perform those activities. The agreements also included a project budget.

Budgeted Uses for Non-NRI/CVPP CAP Funding

We reviewed and summarized all five agreements between the agencies and CAP for non-NRI/CVPP activities. During FY13 and FY14, ICJIA and/or CAP entered into agreements with agencies **with budgets totaling \$3.6 million**. Seventy-one percent of these funds (\$2.6 million) were to be used by the agencies for personnel services (salary and benefits). Exhibit 4-2

Exhibit 4-2 NON-NRI/CVPP CAP FUNDING AGENCY BUDGET SUMMARY November 2012 – August 2014		
<i>Category</i>	<i>Budget Total</i>	<i>% of Total</i>
Personnel	\$2,562,183	71.13%
Services		
Equipment	\$29,588	0.82%
Commodities	\$171,870	4.77%
Travel	\$29,880	0.83%
Contractual	\$808,543	22.45%
Total	\$3,602,064	100.00%
Source: OAG summary of non-NRI/CVPP agency budgets.		

presents the budgeted figures for the five line items the program was broken into in the grant agreements. Agencies planned on spending 22 percent of the funding (\$808,543) on contractual expenses.

Actual Uses of non-NRI/CVPP CAP Funding

Agencies’ expenses were reported to CAP and ICJIA utilizing the quarterly fiscal reports. ICJIA did not require supporting documentation be submitted to **verify the self-reported** expense figures by the lead agencies.

We examined all five yearly closeout reports of the agencies’ expenses to ascertain what they reported as actual uses for the State-funded non-NRI/CVPP grants. We found in Years 3 and 4 that the lead agencies reported expending \$3.18 million on these activities.

Exhibit 4-3 NON-NRI/CVPP CAP FUNDING AGENCY EXPENSES REPORTED November 2012 – August 2014		
<i>Category</i>	<i>Expenses</i>	<i>% of Total</i>
Personnel Services	\$2,210,236	69.58%
Equipment	\$20,484	0.64%
Commodities	\$99,462	3.13%
Travel	\$27,148	0.85%
Contractual	\$819,273	25.79%
Total	\$3,176,603	100.00%

Source: OAG summary of non-NRI/CVPP agency closeout reports.

Again, the self-reported personnel expenses topped the list of expenses by the agencies. Over \$2.21 million in salary and benefit expenses were included in the closeout reports for the agencies that receive non-NRI/CVPP grants from the CAP funding. Contractual expenses accounted for over \$819,000. Exhibit 4-3 shows the self-reported expenses by agencies in FY13-FY14 funding years for the non-NRI/CVPP program.

CAP GRANTS FROM ICJIA FUNDING

CAP funded five violence prevention programs, outside of the NRI/CVPP activities, with a total budget of \$3,602,064.36 for the two-year period FY13 and FY14. See Exhibit 4-4 for a breakout. The grant performance period started November 1, 2012 and ended August 31, 2014.

When asked about the effectiveness of these programs, CAP officials stated that there was no analysis to determine whether there was a reduction in violence; rather, the programs were assessed based on whether the objectives outlined in the contracts were met. The following five programs received violence prevention funds through CAP in the two-year period:

Exhibit 4-4 CAP VIOLENCE PREVENTION FUNDING November 2012 – August 2014		
	<i>FY13</i>	<i>FY14</i>
LOS	\$520,000.00	\$433,333.33
DuCAP	\$350,000.00	\$291,669.67
CAP – CYD	\$485,400.13	\$485,400.13
St. Sabina ERC	\$106,215.55	\$148,451.45
St. Sabina ARK	\$445,518.66	\$336,075.46
Total	\$1,907,134.34	\$1,694,930.04

Source: OAG prepared from Chicago Area Project and St. Sabina documentation.

- Latino Organization of the Southwest (LOS) – Through the Living Out Success violence prevention program, LOS

was to assist youth with their mental health and social development and help youth develop skills to be successful academically and professionally. The contract between CAP and LOS was for \$520,000 in FY13 and \$433,333.31 in FY14.

- DuPage County Area Project (DuCAP) – Through the Providing Resources Impacting Development and Education (PRIDE) program, DuCAP was to provide needed resources and impact the community through the development of a neighborhood action club and educate youth of ways to make better choices of life. The contract between CAP and DuCAP was for \$350,000 in FY13 and \$291,669.67 in FY14.
- CAP Community Youth Development (CYD) – CYD is overseen by CAP and its purpose is to organize youth, parents, and local residents to develop and operate programs for youth to address major problems through local controlled CAP affiliates. The budget for this program in each of FY13 and FY14 was \$485,400.13.
- St. Sabina Employment Resource Center (ERC) – The purpose of the ERC at St. Sabina is to support and encourage individuals to find employment to achieve self-sufficiency and an improved overall quality of life. The contract amount for this program was for \$106,215.55 in FY13 and \$148,451.45 in FY14.
- Ark of St. Sabina (ARK) Youth Leadership Program – The purpose of the youth leadership development program at St. Sabina is to offer creative arts, educational, and recreational activities. The contract amount for this program was for \$445,518.66 in FY13 and \$336,075.46 in FY14.

CAP FUNDING TIMESHEETS AND BACKGROUND CHECKS

House Resolution Number 888 asked whether employees completed and filled out appropriate timesheets. During our onsite testing of expenses, we found that the five grantees all maintained timesheets.

Background checks were neither required in the grant agreement between ICJIA and CAP, or between CAP and the providers. While ICJIA did have a background check policy for the NRI/CVPP program, ICJIA did not require background checks for the CAP non-NRI/CVPP grant even though the providers were working with youth in the programs. The scope of work section of the grant agreements identified the age groups the providers would work with. These groups are summarized in Exhibit 4-5.

Exhibit 4-5 AGES SERVED – CAP GRANTS November 2012 – August 2014	
<i>Agency</i>	<i>Ages Served</i>
LOS	Birth – 19
DuCAP	6 – 17
CAP – CYD	7 – 17
St. Sabina ERC	14 – 21
St. Sabina ARK	7 – 18
Source: OAG developed from grant information.	

CAP FUNDING STAFFING

The five non-NRI/CVPP grants paid from the CAP funding contained a personnel element for both salary and benefits. All of the grant budgets detailed the position titles that the provider was going to charge to the grant funds. ICJIA did not require the names that matched the position titles.

In the grant budgets for FY13 funding, the five providers reported 100 positions that would be funded from the monies it received from CAP. For the FY14 funding, the number of positions was 94 individuals. Exhibit 4-6 lists how many positions each provider budgeted for the CAP funding.

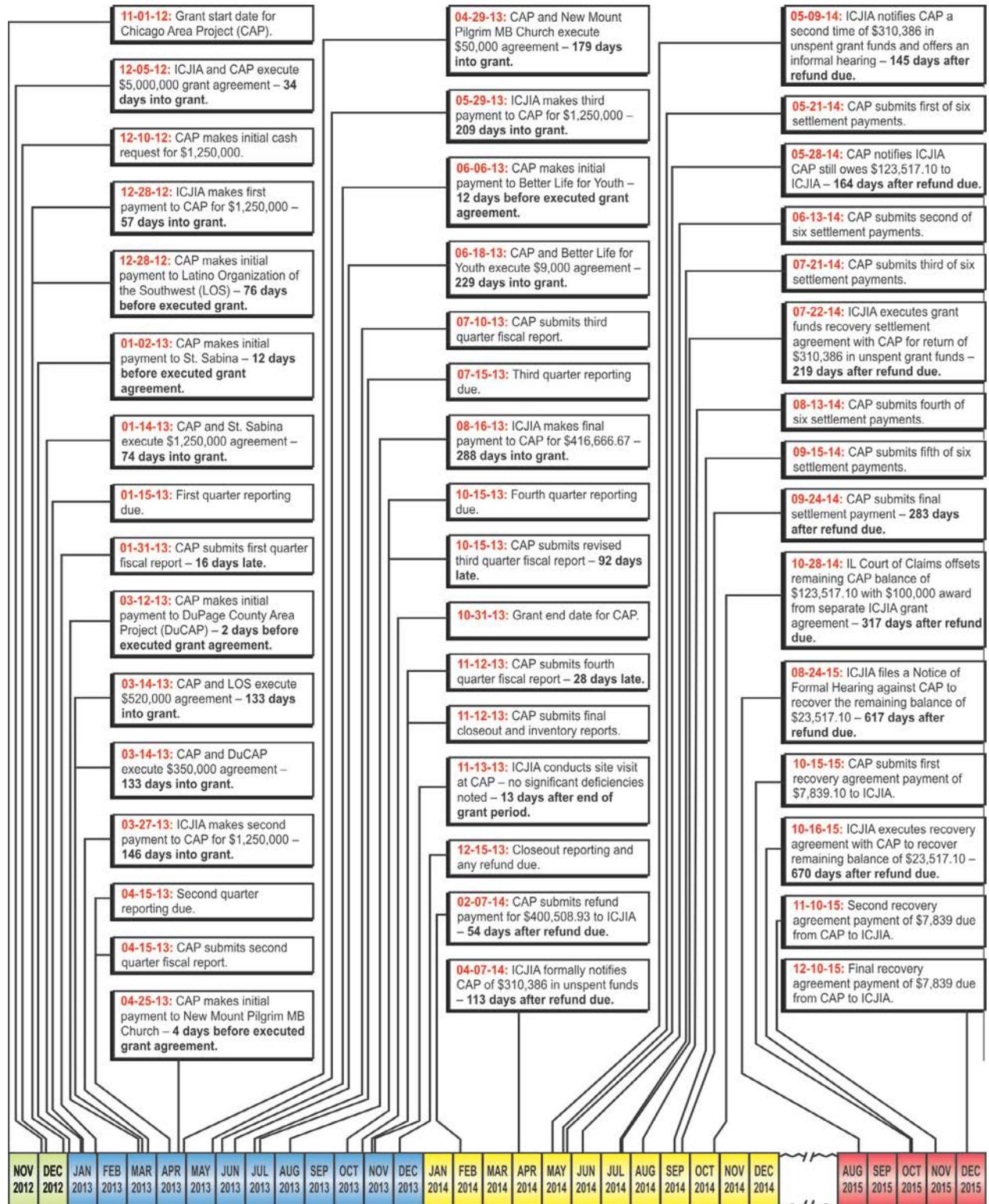
Exhibit 4-6 BUDGETED STAFFING LEVELS – CAP GRANTS November 2012 – August 2014		
<i>Agency</i>	<i>FY13</i>	<i>FY14</i>
LOS	29	19
DuCAP	20	23
CAP – CYD	17	17
St. Sabina ERC	6	9
St. Sabina ARK	28	26
Total	100	94
Source: OAG developed from grant information.		

LOS budgeted to charge positions from the Executive Director of the agency to stress relief coaches to student interns. DuCAP also charged its Executive Director to the grant along with a number of student mentors, violence prevention assistants, and program coordinators. CAP-CYD mainly charged program staff such as program coordinators and program assistants to the grant. The CAP Contract and Compliance Director was also charged to the grant. The ERC at St. Sabina budgeted for the Executive Director, Director of Community Employment, and front desk assistant, as part of the 15 staff over the two-year period. The ARK of St. Sabina budgeted for a number of administrative personnel to the grant including the Executive Director, Operations Manager, and Fiscal Manager. Other program positions such as dance instructor, music apprenticeship instructor, and sound engineer were budgeted to the grant.

CAP ACTIVITIES TIMELINE

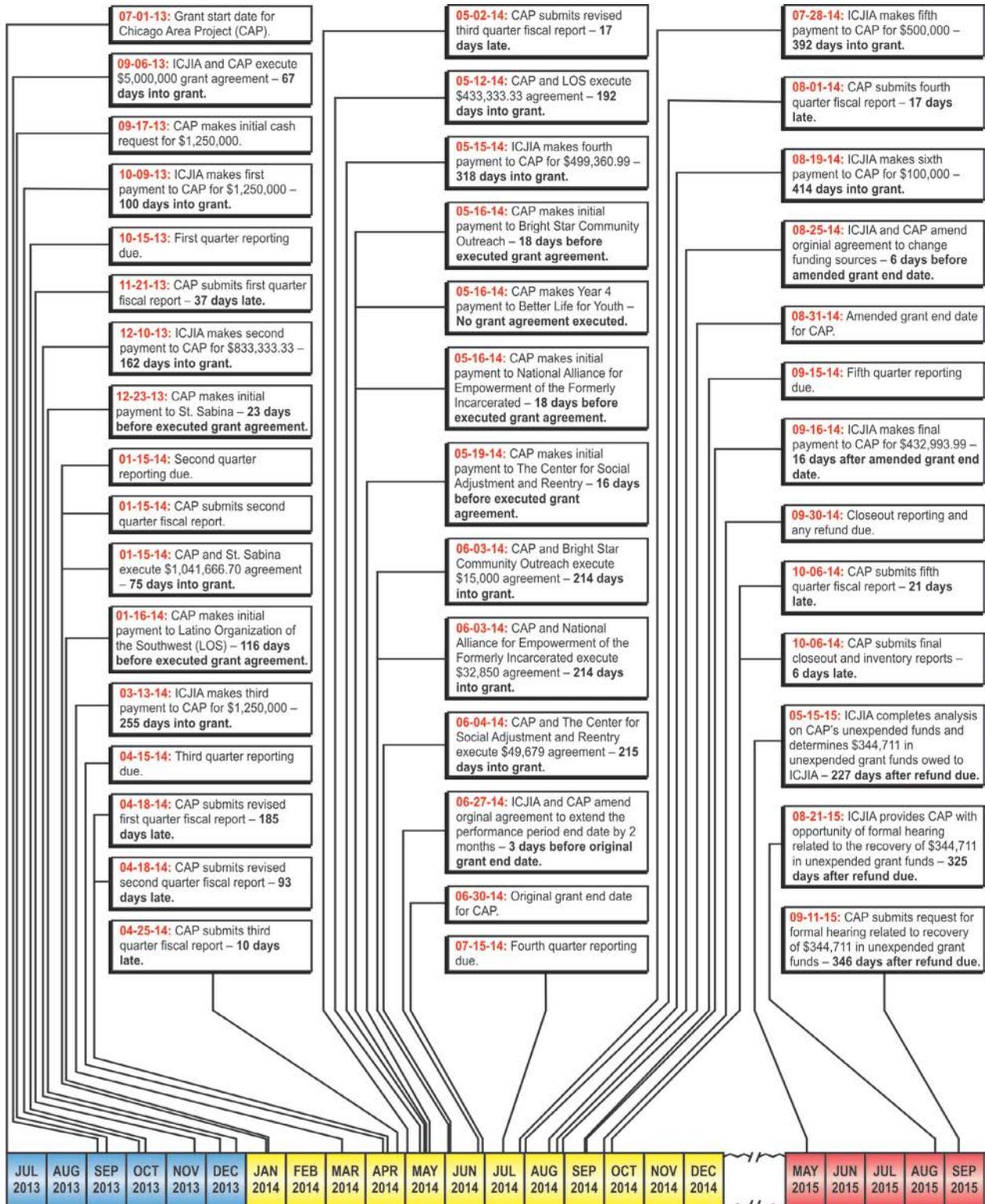
Our examination of the CAP activities for the five non-NRI/CVPP grants involved review of all reporting requirements for the grants, as well as the testing of expenditures to ensure they complied with grant agreements. In this chapter we report a number of significant deficiencies in the oversight of the funding provided to CAP by ICJIA in FY13 and FY14. Exhibits 4-7 and 4-8 provide a timeline of the activities surrounding the CAP grant. The timeline activities include providers that were from the NRI/CVPP program and reported in Chapter 2 of this report.

Exhibit 4-7 TIMELINE OF ACTIVITIES – CHICAGO AREA PROJECT FUNDING FY13 Funding Year



Source: OAG developed from ICJIA and CAP documentation.

**Exhibit 4-8
TIMELINE OF ACTIVITIES – CHICAGO AREA PROJECT FUNDING
FY14 Funding Year**



Source: OAG developed from ICJIA and CAP documentation.

CAP FUNDING GRANT AGREEMENT

ICJIA officials allowed CAP to shorten a FY13 grant agreement period **without documenting** the change in the grant agreements, questioning whether the program was actually completed for funds provided in FY13. The ICJIA payment schedule allowed CAP to hold between \$1 million and \$2 million during the course of the grant. Finally, ICJIA **never executed a budget for FY14**, choosing instead to use the FY13 budget as a placeholder in order to get CAP paid. This budget included funding levels for providers that were not part of the NRI/CVPP program in FY14.

We examined the CAP grant agreements for the \$10 million in appropriated funds through ICJIA in FY13 and FY14. We found:

- The FY13 grant performance period was November 1, 2012 through October 31, 2013. ICJIA executed the grant agreement on December 5, 2012.
- According to the Comptroller's payment data, in FY13, \$4.2 million was paid to CAP under the appropriation code that detailed the \$5 million in funding.
- An ICJIA official told auditors the FY13 amount paid was partly a result of the **change in scope of the grant**. The official said **CAP wanted full payment and requested that ICJIA change the grant period**. Also, ICJIA's agreement with CAP was stopped prior to the end of the FY13 grant period. Auditors **could not find a change** in Year 3 **scope** in any amendment to the grant agreement.
- Despite the claim by the ICJIA official, the grant agreement **was not amended** to show the grant period had changed or that any funds were reduced in the maximum allowable payment under the grant agreement.
- The CAP Executive Director told auditors that the change in ending date actually hurt CAP because the money was planned for 12 months, but when it was reduced by a few months all of the money could not be spent so money had to be returned. An attorney for CAP said that ICJIA didn't give CAP notice that the FY13 ending date was being changed until August 2013.
- **CAP did not change the grant period between itself and the providers** it contracted for service. Those grants continued to operate through October 31, 2013, for providers in Grand Boulevard, West Garfield Park, St. Sabina, LOS, and DuCAP.
- The grant agreement **does not outline a payment schedule** for the grant. Instead, after an initial cash request of \$1.25 million by CAP on December 10, 2012 (5 days after grant execution), payments were based on expenses reported on quarterly fiscal reports from CAP to ICJIA.
- CAP received four payments under the grant for the FY13 funds. Additionally, CAP was allowed to **hold a significant amount of funding** by ICJIA prior to expenditure. ICJIA allowed CAP to generally hold between \$1 million and \$2 million in State funds based on the expenses charged on quarterly fiscal reports. Exhibit 4-9 shows the payments and balances to CAP during the two-year grant period.
- The FY14 appropriation of \$5 million in the ICJIA budget for CAP had a performance period of July 1, 2013 through June 30, 2014. The grant was executed by ICJIA on September 6, 2013. This **overlapped the FY13 grant, which ran until October 31, 2013, by 122 days**.

- The FY14 grant agreement had a scope of work section and budget that were **exactly the same** as the FY13 grant agreement. The FY14 budget for NRI/CVPP in West Garfield Park contained monies for three providers (New Mt. Pilgrim, TASC, and Illinois One Family One Child) **that were not part of the NRI/CVPP program** in FY14.
- The CAP Executive Director said the FY14 contract had to be back dated to July 1. Another CAP official told auditors that ICJIA stated in an email that the July 1 start date for FY14 was a mistake by ICJIA. The official added that ICJIA and CAP had a meeting about changing the ending of FY13 and beginning of FY14 and that ICJIA told CAP to use the same budget in the contract as a place holder during FY14 that they used in FY13 so they could get a signed agreement, and then they would amend the budget at a later date. However, when FY14 started, ICJIA told CAP that it could not amend the budget and could not spend more than what was in the budget originally submitted for FY14.
- On June 27, 2014, **3 days prior to the end of the grant period**, ICJIA executed an amendment to the grant agreement extending the performance period to August 31, 2014.
- On August 25, 2014, **6 days prior to the end of the extended performance period**, ICJIA again amended the grant agreement. This time, while there were no budget changes, the payment section was modified. However, the total maximum **was greater than the amount appropriated** by the General Assembly for CAP in FY14.

Exhibit 4-9 CHICAGO AREA PROJECT PAYMENTS AND BALANCES November 2012 – August 2014			
<i>Date</i>	<i>Action</i>	<i>Amount</i>	<i>Balance at CAP</i>
FY13			
12/28/12	Initial State Payment	\$1,250,000.00	\$1,250,000.00
01/31/13	Expenses for quarter ended 12/31/12	\$467,657.71	\$782,342.29
03/27/13	Second State Payment	\$1,250,000.00	\$2,032,342.29
04/15/13	Expenses for quarter ended 03/31/13	\$572,356.03	\$1,459,986.26
05/29/13	Third State Payment	\$1,250,000.00	\$2,709,986.26
07/10/13	Expenses for quarter ended 06/30/13	\$1,403,622.31	\$1,306,363.95
08/16/13	Final State Payment	\$416,666.67	\$1,723,030.62
11/12/13	Expenses for quarter ended 08/31/13	\$1,082,052.41	\$640,978.21
FY14			
10/09/13	Initial State Payment	\$1,250,000.00	\$1,250,000.00
11/21/13	Expenses for quarter ended 09/30/13	\$203,461.11	\$1,046,538.89
12/10/13	Second State Payment	\$833,333.33	\$1,879,872.22
01/15/14	Expenses for quarter ended 12/31/13	\$1,048,145.60	\$831,726.62
03/13/14	Third State Payment	\$1,250,000.00	\$2,081,726.62
04/25/14	Expenses for quarter ended 03/31/14	\$836,255.70	\$1,245,470.92
05/15/14	Fourth State Payment	\$499,360.99	\$1,744,831.91
07/28/14	Fifth State Payment	\$500,000.00	\$2,244,831.91
08/01/14	Expenses for quarter ended 06/30/14	\$1,658,426.12	\$586,405.79
08/19/14	Sixth State Payment	\$100,000.00	\$686,405.79
09/16/14	Seventh State Payment	\$432,993.99	\$1,119,399.78
10/06/14	Expenses for quarter ended 08/31/14	\$694,173.21	\$425,226.57
Source: OAG developed from ICJIA documentation.			

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative

controls, which provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law and are safeguarded against waste and loss. These controls should include setting payment schedules for grantees that do not allow for significant amounts of State funds to be held before expenses are charged. Additionally, the controls should include ensuring that all grants have the correct budget and scope of work sections.

In an April 23, 2015 memo to auditors, ICJIA stated that “...the previous year’s budget was used for SFY14 in an effort to expedite the contract execution with the mutual understanding that there would be a budget revision proposed by CAP to be reviewed and approved by ICJIA. There were multiple revision iterations proposed by CAP during the course of the performance period, however, CAP failed to present a budget that was able to be approved by ICJIA. Therefore, no changes to the budget had been filed with the Comptroller’s Office prior to the end of the contract.”

On September 28, 2012, ICJIA’s Associate Director of the Federal and State Grants Unit notified CAP that “There is no approval needed from ICJIA regarding your budget and with whom you wish to contract. Also, regarding the payment please let me know how you would prefer the payment and that is how we will handle it.” The CAP official responded **that they would prefer the payment in one lump sum**. Both of these conversations were before CAP even submitted application documents.

An official from the ICJIA legal department stated that while ICJIA tried to get an approved budget with CAP for the FY14 contract period, it never was able to be finalized. Therefore, ICJIA is holding CAP to the budget line items in the FY14 contract agreement.

On May 7, 2015, an ICJIA official told auditors that the amount over the appropriated figure in the CAP FY14 grant agreement (\$50,882.46) was a clerical error by ICJIA. ICJIA was processing a lot of amendments based on where the monies were coming from, GRF versus the 318 Fund.

Failure to negotiate and document a budget in a grant agreement increases the likelihood that State dollars are not expended according to program goals. When providers are allowed to hold significant State grant funds in excess of current expenses the funds can be commingled and utilized for non-grant activities.

CAP FUNDING GRANT AGREEMENT	
RECOMMENDATION NUMBER 22	<i>ICJIA should memorialize all changes to grant agreements. Additionally, ICJIA should consider changing its policy on grant payments to ensure that providers do not simply hold large sums of State dollars prior to expending the monies. Finally, ICJIA should ensure that all grants have up to date budgets and scope of work sections to safeguard State monies.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	FSUPP details the proper process for the review and execution of grantee agreements and any agreement amendments. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement to properly review and execute grant agreements and

Response (continued)	amendments. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. In addition, ICJIA will initiate an internal program audit process to review all pending and outstanding agreements on a quarterly basis in addition to currently updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016.
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CAP FUNDING SALARY DIFFERENCES

ICJIA failed to require the **identification of individuals** who were to be paid with Chicago Area Project (CAP) grant funds. Our examination found eight instances where the salaries **listed in grant budgets** were higher than what the individuals holding those position titles actually were paid by the providers, **as reported by the providers** on a report to the Attorney General. **While there may be explanations for differences, ICJIA did not seek those explanations.** When the State pays a rate higher than the individual actually earns, State monies may not be expended for program purposes.

During the audit we **examined the budgets of all non-NRI/CVPP grants that were part of the CAP** and maintained in the files at ICJIA, as well as communicated with agencies that had received CAP funds provided by ICJIA. We found:

- CAP funding went to providers that were part of the NRI/CVPP program and to other grantees outside of NRI/CVPP.
- During the first two years of the NRI program, the Illinois Violence Prevention Authority (IVPA) required providers to **identify** what individuals and position titles would be charged to the grant agreements. IVPA further developed a monitoring of positions as part of the quarterly fiscal reporting which identified the positions by name. The grant agreements themselves required a notice to IVPA if the provider found it desirable to change or add staff to the grant.
- The **budgets** developed by ICJIA for use by CAP grantees outside of the NRI/CVPP program only required the identification of position titles charged to the grant by the providers along with a brief description for each line of the personnel services budget. The budget requires for each job title: the **annual salary**, number of months on the program, percent of time on the program, and a **calculation of how much of the salary will be charged** to the NRI/CVPP grant.
- The **quarterly fiscal reports** developed by ICJIA require no identification as to the individuals, or position titles, that the provider charged to the grant in the reporting period. There was simply a budget line with the amount of expense for personnel charged that period to the grant.
- We saw no documentation in the files to identify the individuals whose salaries were charged to the grants.
- CAP **entered into grant agreements** with the providers of the non-NRI/CVPP grants. Additionally, ICJIA **had to approve the grant agreements** between CAP and these providers.
- We performed a comparison, the results of which are presented in Exhibit 4-10, between the salary figures listed in the grant budgets and the salary figures reported by the providers for the same job titles on the Illinois Charitable Organization Annual Report

maintained by the Illinois Attorney General. We found **eight instances** where the **salary in the budget for the grant was higher than the salary listed as paid compensation** on the Annual Reports.

- These differences would result in ICJIA-funded grants **being in excess of what was paid as wages** to the individuals in those job titles. For example:
 - Latino Organization of the Southwest (LOS) entered into a grant agreement with CAP to carry out violence prevention programming in 2014. The program was to begin on November 1, 2013.
 - One of the “salaried” personnel to be charged to the grant budget was for an Executive Director. The individual was not identified by name.
 - In the budget, the Executive Director position lists an annual salary of \$88,000, with the grant picking up 55 percent of that salary for a 10 month period. **The total charged to the grant was to be \$40,333** in salary.
 - The Illinois Charitable Organization Annual Report for the period ended June 30, 2013 (right before the beginning of the grant period between LOS and CAP), listed an individual holding the title of Executive Director for Latino Organization of the Southwest. **His salary was reported as \$24,000.**
 - When calculating his earned salary at the rate of 55 percent for 10 months, the grant would appear to **be funding \$11,000 of his annual earnings.**
 - **The difference between what the grant paid and what the individual should have earned was \$29,333.** The budget does not explain how the difference is expended by the provider.
 - There were limitations to our comparison. For instance, the Illinois Charitable Organization Annual Report only lists the “COMPENSATION TO THE (3) HIGHEST PAID PERSONS DURING THE YEAR” so there would have been a number of budget position titles that we could not compare to the Attorney General information. If we had more salaries and the identification of the individuals that matched those salaries, the number of exceptions may increase. We were only able to compare providers that actually were on file with the Attorney General.
- **While there may be explanations for differences in the reported numbers, ICJIA did not seek those explanations based partly on not knowing the identity of the individuals charged to the grant.**

Exhibit 4-10					
CHICAGO AREA PROJECT GRANTS - SALARY DIFFERENCES					
November 2012 – August 2014					
	<i>Provider</i>	<i>Year</i>	<i>Position</i>	<i>Budget Salary</i>	<i>Annual Report Salary</i>
1	DuPage County Area Project	3	Executive Director	\$86,400	\$76,400
2	DuPage County Area Project	4	Executive Director	\$86,400	\$78,067
3	DuPage County Area Project	3	Area Project Supervisor	\$56,500	\$45,000
4	DuPage County Area Project	4	Area Project Supervisor	\$50,000	\$46,719
5	DuPage County Area Project	3	Area Project Supervisor	\$56,500	\$45,000
6	DuPage County Area Project	4	Area Project Supervisor	\$62,000	\$46,719
7	Latino Organization of the Southwest	3	Executive Director	\$41,500	\$24,000
8	Latino Organization of the Southwest	4	Executive Director	\$88,000	\$24,000

Source: OAG developed from grant agreements and Annual Reports on file at the Attorney General's Office.

Section 35 of the grant agreements between CAP and the provider states that the provider certifies that it, and its subcontractors, shall use CAP funds only for allowable services, activities and costs, as described in Exhibit A [scope of work]. The section further states the provider certifies that only those costs listed in Exhibit B [budget] shall be paid pursuant to this agreement.

The Financial Guidelines for Federal Grants (April 2012), which an ICJIA official reported were applicable to the State grants subject to this audit, states that to be allowable, costs must be necessary and reasonable as well as adequately documented. Further, the Fiscal Control and Internal Auditing Act requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; and, (2) that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation (30 ILCS 10/3001 (1) and (3)).

ICJIA’s Associate Director of the Federal and State Grants Unit reported that ICJIA did not require specific names for personnel because personnel change. She said ICJIA only requires titles which reduces the number of budget revisions.

Failure to require the identification of individuals charged to the CAP grants in both the budget and on fiscal reports makes it impossible for ICJIA to know that the experience levels it approved as part of the grant agreement were actually provided. The absence of this documentation also **increases the likelihood** that State dollars were spent inappropriately or may not have served the purposes and goals of the grants that were funded.

CAP FUNDING SALARY DIFFERENCES	
RECOMMENDATION NUMBER 23	<i>ICJIA should consider revising its grant process to require the identification of individuals who are to be charged to the grant. Additionally, ICJIA should consider revising its fiscal reporting to have grantees report the identities of the staff charged to the grant funds on a quarterly basis. Finally, ICJIA should revise its process to ensure that providers do not charge grant funds in excess of the amounts the providers actually pay the staff who work on the grant.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	Grants administered by ICJIA follow the requirements of FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update, we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the person paid with grant funds and any payment or budget discrepancies.

CAP FUNDING QUARTERLY REPORTING

Agencies provided with ICJIA/State grant funds by CAP **failed to timely submit** quarterly fiscal reports to either CAP or ICJIA. Additionally, ICJIA failed to maintain fiscal reports on all the providers in the FY13 funding year of the program despite a **contractual requirement** that these reports be submitted to ICJIA. Finally, in FY14, ICJIA **weakened the control** over fiscal monitoring by removing the requirement from grant agreements to submit the fiscal reports to ICJIA.

Quarterly fiscal and program reports, developed by ICJIA, served an important purpose for the grant funds provided to CAP which were in turn distributed to grant providers. The fiscal and program reports are a **monitoring mechanism** for oversight of the State dollars provided for the grant programs. The CAP providers were to submit their quarterly fiscal and program reports to both CAP and ICJIA during the FY13 funding period. During our review of community files maintained at ICJIA, and the documents we had to request from program agencies due to fiscal reports not being in the ICJIA files, **we examined all original and revised quarterly reports** to ascertain how timely these reports were submitted so that monitoring could be achieved. Those results are summarized in Exhibit 4-11. We found:

- There were four grantees that CAP funded during the audit period: DuPage County Area Project, Latino Organization of the Southwest, the ARK of St. Sabina, and the St. Sabina Employment Resource Center. Additionally, CAP used State funding from ICJIA for its own grant program, Community Youth Development. While CAP submitted a single report on a quarterly basis, that report was a compilation of both CYD and the activities associated with NRI/CVPP.
- While all five organizations had executed contracts, it appears the providers were able to work without an executed agreement in place. Four of the five providers in FY13 (and three of five in FY14) were paid by CAP prior to the execution of the grant between the provider and CAP.
- In the FY13 funding period for the funding provided to CAP, the providers were to report on fiscal matters **directly to ICJIA**. However, **ICJIA did not have these reports in its program files**.
 - An ICJIA official told auditors the community files contain the contract, including the budget and the final fiscal report, but that the interim providing agencies' fiscal reports were maintained at the lead agencies.
 - Another ICJIA official told auditors that the changes in boilerplate language from FY13 to FY14 regarding submission of fiscal reports to ICJIA was because he wanted to make improvements to the documentation within the program. He said he **wanted to make the process and the practice the same and that the change was in line with what ICJIA was doing**. We would note that the "process" in FY13 was in violation of the grant agreements because reports were not provided directly to ICJIA.
- After we analyzed all the available quarterly reports for timeliness we concluded that:
 - 64 percent (16 of 25) of the reports for the FY13 funding period **were either not timely submitted** or did not date the fiscal report;
 - 30 days was the **average** number of days that the reports were late in FY13 – with Latino Organization of the Southwest submitting its Quarter 1 report **85 days late**;

- 60 percent (15 of 25) of the quarterly fiscal reports failed to have the two required signatures in FY13, a criteria of the reporting form;
- For FY13 funding, providing agencies failed to submit the required program report in 28 percent (7 of 25) of the cases;
- 76 percent (19 of 25) of the reports for the FY14 funding period **were not timely submitted, were not submitted at all, or were undated**;
- 17 days was the **average** number of days late that the reports were late in FY14 – with both St. Sabina grantees submitting their Quarter 1 report **59 days late**;
- 32 percent (8 of 25) of the quarterly fiscal reports failed to have the two required signatures in FY14, a criteria of the reporting form;
- For FY14 funding, providing agencies failed to submit the required program report in 40 percent (8 of 20) of the cases.

Exhibit 4-11 CAP FUNDING QUARTERLY REPORTING ANALYSIS November 2012 – August 2014				
	<i>FY13</i>		<i>FY14</i>	
Total Number of Quarterly Reports Required	25	---	25	---
Fiscal Report Submitted Timely:				
Yes	9	36%	6	24%
No	6	24%	13	52%
Unknown/Undated	10	40%	5	20%
No Report Submitted	0	0%	1	4%
Maximum Numbers of Days Late	85	---	59	---
Average Number of Days Late	30	---	17	---
Required Two Different Signatures				
Yes	10	40%	17	68%
No	15	60%	7	28%
No Report	0	0%	1	4%
Program Report Submitted				
Yes	18	72%	12	60%
No	7	28%	8	40%

Source: OAG developed from quarterly reporting forms.

Grant agreements between CAP and the providers (as well as the agreement between CAP and ICJIA) have a section on Reporting and Evaluation Requirements. It **requires** the quarterly submission, by the 10th day (15th day for CAP to ICJIA) of each month following the previous quarter, of fiscal reports detailing financial expenditures for the previous quarter. Agencies are also to submit progress reports on the progress towards achieving the performance indicators of the program. The agencies were further required to submit a final financial status report as well as comply with any other reporting requirements from ICJIA.

The contracts further detail reporting requirements for close-out of the agreements. Within 30 days of the expiration date of the agreement the agency **must submit to CAP**: (1) final financial status report, (2) final progress reports, (3) property inventory report, (4) any refund of unexpended funds, and (5) other documents required.

On September 14, 2012, prior to the start of Year 3 of the NRI/CVPP program, ICJIA presented training where it told providers that “*Completed fiscal reports must be signed by the person completing the report and reviewed and approved by a supervisor.*” CAP was a provider of NRI/CVPP services in both Years 3 and 4 of the program.

During the audit we saw that one of the ICJIA monitors informed some of the lead agencies for NRI/CVPP on January 10, 2014, that “*Due to the delay in executing contracts for FY14, you will not be required to submit fiscal and program reports to ICJIA on the prescribed due date of 1/15/14. The reports covering the performance period of November 1-December 31st are still required but will be due at a later date.*” We have to note that this directive **was not memorialized in the contracts** that were eventually executed after the January 14, 2014 correspondence.

Allowing lead agencies and providing partners to work without an executed contract places State dollars at risk of being expended in inappropriate manner. Not requiring fiscal and program reporting while the agencies are working without an executed contract **further weakens the controls** needed to ensure that State tax dollars are spent in the most efficient manner. Failure by ICJIA and lead agencies to monitor all subcontracts with partner agencies and failure by partner agencies to submit quarterly reports timely are violations of the contractual agreements and shows **a lack of oversight** for State grant funds.

CAP FUNDING QUARTERLY REPORTING	
<p>RECOMMENDATION NUMBER</p> <p>24</p>	<p><i>ICJIA should enforce provisions of grant agreements and require timely fiscal reporting by providers that contain accurate approved budget numbers and explanations when the expenses change. Additionally, ICJIA, when it delegates its responsibility for community oversight to another agency, should implement the necessary controls to ensure that agency enforces contract provisions relative to timely fiscal reporting. Finally, ICJIA should always collect quarterly fiscal reports from all program providers to not only comply with contract provisions but to maintain adequate oversight of State dollars.</i></p>
<p>ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE</p>	<p>FSUPP requires fiscal reports on a quarterly basis. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement to make these reports. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. In addition, ICJIA has and will continue to enforce the provisions of the grant agreements and require timely fiscal reports. In order to add efficiency to our process, ICJIA is currently developing a RFP for a new grant system that will provide better oversight and control of the submittals from the grantees and allow timely communication and identification of any fiscal or contractual issues.</p>

CAP FUNDING EQUIPMENT PURCHASES

ICJIA failed to enforce a provision of grant agreements and ICJIA guidelines regarding a time restriction on the purchase of equipment for the grants made by Chicago Area Project (CAP) to providers funded in FY13 and FY14. Our analysis showed that **\$22,781 in equipment was purchased outside the time frame delineated in the contracts** and guidelines.

We examined the Property/Inventory Reports that were required to be submitted with the final fiscal closeout reports for the FY13 and FY14 grants paid from the CAP funds to determine when equipment was purchased. We found:

- Grantees were allowed by CAP, through ICJIA, to commence activity and charge expenses from the beginning of the performance period even in the absence of an executed grant agreement. However, the grant agreement detailed that ICJIA is not responsible for costs incurred before or after the period of performance in the agreement.
- For equipment purchases, the purchases had to have a purchase order dated within 90 days after the start day of the agreement.
- In FY13, the Latino Organization of the Southwest made \$20,992 in equipment purchases after the 90 day period including 14 computers, a projector, and a television.
- In FY14, the ARK of St. Sabina claimed \$1,789 in equipment expenses on its final closeout report for the grant period. The ARK did not include the Property/Inventory report with the final closeout so auditors were unable to determine when the equipment was purchased.

Our review of ICJIA files did not uncover any correspondence from the providers to explain why the equipment was not purchased within 90 days of the start of the grant performance period.

Section 37 of the FY14 grant agreements between CAP and the grantees states *“If, for an item of equipment ...the Sub-grantee does not have a purchase order dated within 90 days after the start date of the agreement, the Sub-grantee **shall submit a letter** to [CAP] explaining the delay in the purchase of equipment.”* (emphasis added)

The ICJIA Financial Guidelines for Federal Grants (April 2012), which an ICJIA official reported were applicable to the State grants subject to this audit, state all equipment being purchased with either federal or match funds and listed in the budget and budget narrative **must be purchased within 90 days of the start of the grant**. If the equipment is not purchased in 90 days, the implementing agency must submit in writing the reason for the delay.

ICJIA’s Associate Director of the Federal and State Grants Unit told auditors that the requirement for purchases being 90 days from the beginning of the performance period *“was not strictly enforced.”* The official added that ideally ICJIA would have liked to have letters from providers but due to the length of time it took to open up grants it was well after the 90-day timeframe. However, we note that ICJIA, through a clause in the contract, allowed providers to begin work on the grant at the beginning of the performance period even if an executed contract was not in place.

Not maintaining or requiring documentation to support the purchase of equipment is a **violation** of contracts and ICJIA guidelines. Failure to enforce contractual agreements **puts the State at risk** of not recovering misspent funds should ICJIA determine that providing agencies did not spend funds in accordance with their intended purposes.

CAP FUNDING EQUIPMENT PURCHASES	
<p>RECOMMENDATION NUMBER</p> <p>25</p>	<p><i>ICJIA should enforce provisions of grant agreements and ICJIA guidelines relative to the purchase of equipment by providing agencies of the ICJIA funding to Chicago Area Project. ICJIA should either require the mandatory correspondence and maintain that in its files, or not allow the purchase expenses by the grantees. Finally, ICJIA should determine whether the dollar amount of the exceptions noted by auditors should be recovered from the grantees and seek all necessary recoveries.</i></p>
<p>ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE</p>	<p>Grants administered by ICJIA follow the requirements of FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the equipment purchased with grant funds and any payment or budget discrepancies.</p> <p>FSUPP prohibits grant expenditures outside of the grant term. As it relates to Site Monitoring, ICJIA has a requirement to conduct a site visit within 6 months of new program inception and every 24 months thereafter, at minimum. ICJIA’s Fiscal Department will verify CAP’s unallowable equipment expenditures. OGC will then initiate recovery actions under the GFRA against CAP for any unallowable or undocumented equipment expenditures.</p>

CAP FUNDING EXPENSE TESTING

ICJIA failed to effectively monitor expenses charged by providers that received funding from CAP for the moneys CAP received from ICJIA. ICJIA **did not go on site**, not even on a test basis, to monitor expenses and **relied on self-reported figures** from the service providers. Our testing at a sample of CAP funded agencies found instances of unsupported expenses and unallowable expenses. In total, we **questioned over \$318,000** in expenses charged to State grant funds, with an **additional \$79,944** in claimed line items over ICJIA approved levels.

We selected all five providers that received monies from CAP in 2013-2014 for grant programs funded through ICJIA to test for documentation to back up expenses charged to the State grant funds. We then went on site to the providers and requested **all** documentation to support the 2013-2014 claimed expenses under the program. We compared the line items’

expense levels reported on 2013-2014 closeout fiscal reports as a comparison to the supporting documentation obtained at the provider locations. Finally, we sent our completed testing results to the providers and asked if they had any additional documentation or explanation they wanted us to consider.

The five providers selected **claimed \$3.177 million in grant expenses** in 2013-2014. Our examination **questioned \$318,058** (10 percent) of those expenses. Questionable expenses, as summarized in Exhibit 4-12, took the form of claimed expenses not having adequate support or the expense not being allowable under ICJIA guidelines. Additionally, we **questioned \$79,944** in some line items that were **over the ICJIA approved budgets** maintained in the grant agreements.

Exhibit 4-12 CAP NON-NRI/CVPP GRANTS SUMMARY OF EXPENSE SITE TESTING November 2012 – August 2014				
Provider	Closeout Total Expenses	Questioned Expenses	Percent Questioned	Amount Over Approved Budget
DuPage County Area Project	\$430,853.72	\$81,018.95	18.80%	\$4,951.54
Latino Organization of the Southwest	\$873,982.51	\$75,564.68	8.65%	\$0.00
St. Sabina Employment Resource Center	\$285,223.94	\$78,196.59	27.42%	\$46,894.45
ARK of St. Sabina	\$720,675.46	\$64,079.54	8.89%	\$28,097.90
Chicago Area Project	\$865,867.06	\$19,198.28	2.22%	\$0.00
Total	\$3,176,602.69	\$318,058.04	10.01%	\$79,943.89

Source: OAG developed from site analyses.

The contracts for the non-NRI/CVPP grants state, “*The Implementing Agency [CAP] shall not be responsible for costs incurred before or after the period of performance of this agreement.*” Additionally, the Financial Guidelines for Federal Grants (April 2012), which an ICJIA official reported were applicable to the State grants subject to this audit, states that to be allowable, costs must be necessary and reasonable as well as adequately documented.

The ICJIA Guidelines also state all equipment being purchased with either federal or match funds and listed in the budget and budget narrative **must be purchased within 90 days of the start of the grant**. If the equipment is not purchased in 90 days the implementing agency must submit in writing the reason for the delay.

The Fiscal Control and Internal Auditing Act requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; and, (2) that funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation (30 ILCS 10/3001 (1) and (3)).

An ICJIA official told auditors because CAP was listed in the appropriations bill, ICJIA only monitored CAP; CAP monitored the subcontractors. If ICJIA does not go on site to providers to examine expenses, or receive documentation as part of the quarterly fiscal reporting process, it cannot determine whether State funds were appropriately expended.

Failure to require, or examine, supporting documentation for expenses increases the likelihood that State dollars were spent inappropriately or may not have served the purposes and goals of the grants that were funded by the ICJIA appropriations to Chicago Area Project.

CAP FUNDING EXPENSE TESTING	
<p>RECOMMENDATION NUMBER</p> <p>26</p>	<p><i>ICJIA should review expense testing exceptions found by auditors, determine whether repayment of funds is appropriate, and seek recoveries from providers of unallowable or undocumented expenses from the Chicago Area Project Non-NRI/CVPP program. Additionally, ICJIA should consider some form of risk-based testing of expenses that are self-reported by providing agencies to better safeguard State monies.</i></p>
<p>ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE</p>	<p>Grants administered by ICJIA follow the requirements of FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update, we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the equipment paid with grant funds and any payment or budget discrepancies.</p> <p>Additionally, we are developing a risk assessment form that we will use as part of our internal program audit process which will identify risk level of the grantee along with specific program requirements. The level of risk identified could prompt a desk review or audit of the grantee's activities. As it relates to Site Monitoring, ICJIA has a requirement to conduct a site visit within 6 months of new program inception and every 24 months thereafter, at minimum. ICJIA's Fiscal Department will verify undocumented expenses of CAP. OGC will then initiate recovery actions under the GFRA against CAP for any unallowable or undocumented amounts.</p>

CAP FUNDING RECOVERY EFFORTS

ICJIA delegated responsibility for oversight of State funds to Chicago Area Project (CAP). Additionally, ICJIA was **not timely** in recovery of grants from funds provided to CAP relative to unspent grant funds and funds spent in excess of approved budgets. Grant agreements required providers to submit a refund of unexpended funds within 30 days of the end of the grant period. Our analysis showed **almost \$427,000 in unrecovered** CAP grant funding in FY13 and FY14.

We conducted an analysis to determine whether ICJIA had recovered all unspent funds for grants issued by CAP during FY13 and FY14 funding periods. ICJIA allowed CAP to monitor the subcontractors for the grant funding it received from ICJIA. For the analysis:

- we requested and received **from CAP** (as ICJIA did not have this information in its files) all the payments made under the non-NRI/CVPP contracts;
- we requested **all fiscal reports** including closeouts from the providers for both years to determine the amount of unspent funds;
- we calculated a net unspent after taking into account any repayments from the providers; and,
- we also compared the individual line item expenses to what was approved by ICJIA in the CAP agreement budgets with the providers, taking into account all approved budget revisions, no matter how late in the program period. If the provider claimed more than what was approved by CAP, we deemed that an exception amount.

Our analysis found **\$426,956** in funds that were not recovered by ICJIA relative to **four programs** that had either unspent funds or spent over approved budget lines in FY13 and FY14 funding periods for the non-NRI/CVPP program grants. These providers and amounts are summarized in Exhibit 4-13. Specifically:

- In the FY13 funding period, we calculated **\$62,272 in unspent funds** that we saw no indication funds were repaid to CAP by providers or that CAP repaid to the State/ICJIA.
- Also in the FY13 period, we calculated **\$32,944 in expenses claimed over ICJIA approved budget lines**.

Exhibit 4-13 CAP NON-NRI/CVPP SUMMARY OF UNSPENT FUNDS AND EXPENSES OVER APPROVED BUDGETS November 2012 – August 2014	
<i>Provider</i>	<i>Unspent/Over Approved Budget</i>
DuPage County Area Project	\$193,338.73
Latino Organization of the Southwest	\$94,332.01
ARK of St. Sabina	\$90,369.73
St. Sabina Employment Resource Center	\$48,915.21
Total	\$426,955.68
Source: OAG developed from Non-NRI/CVPP information.	

- In the FY14 funding period, we calculated **\$284,740 in unspent funds** that we saw no indication funds were repaid to CAP by providers or that CAP repaid to the State/ICJIA.
- Also in the FY14 period, we calculated **\$47,000 in expenses claimed over ICJIA approved budget lines**. For example, the ARK of St. Sabina, Youth Leadership Development Program, claimed expenses of \$20,697 more in the contractual line than what was approved in the grant budget by ICJIA.
- Even when funds were returned to CAP by the providers, the money was not always returned in compliance with **grant agreement criteria**. For example,
 - Latino Organization of the Southwest (LOS), a non-NRI/CVPP provider in the FY13 period, was supposed to return unspent funds by November 30, 2013. LOS returned \$77,844.76 on June 30, 2014, **212 days after the refund was due**. For the FY14 period, LOS returned \$1,490.05 on October 14, 2014, **14 days after the refund was due**. We calculated that LOS is delinquent in repayment of \$94,332 still owed for the FY14 period in unspent funds.
 - DuPage County Area Project (DuCAP), a non-NRI/CVPP provider in FY13, was supposed to return unspent funds by November 30, 2013. DuCAP returned \$168,957.44 on June 30, 2014, **212 days after the refund was due**. The amount returned was 48 percent of the total paid by CAP to this provider in FY13 for the

program. It would be unclear how this provider could accomplish the goals of the grant funding given the amount of funding expended and subsequently returned.

Grant agreements between CAP and grantees detail reporting requirements for close-out of the agreements. Within 30 days of the expiration date of the agreement grantees **must submit to CAP:** (1) final financial status report, (2) final progress reports, (3) property inventory report, (4) **any refund of unexpended funds**, and (5) other documents required.

The Federal & State Grants Unit (FSGU) Policies and Procedures manual dated December 2012 addresses budget revisions. The Policy defines a “10 percent rule” by stating “*Changes in individual lines within an approved budget of 10 percent or less can be made without a budget revision **after written notification** has been given to the Grant Specialist.*” (emphasis added)

A CAP official said ICJIA does not require them to submit any documentation for administrative expenses. Additionally, an official from the ICJIA legal department, in responding to auditor questions for a specific provider that spent in excess of approved budget lines stated that the amount owed was after allowing for ICJIA 10% rule (pursuant to ICJIA FSGU Policy and Procedure). We saw no written documentation from the provider in the ICJIA files requesting the revision.

Failure to enforce budget revision policies can result in State funds being spent inappropriately. Also, failure to require providers to comply with grant agreements and submit unspent funds in a timely manner increases the likelihood that State funds will not be recovered. Having the providers return funds to the lead agencies and not directly to ICJIA can result in funds not making it back to the State as the lead agencies expense payments out to the providers but do not account for the returns on expense reports that ICJIA is provided.

CAP FUNDING RECOVERY EFFORTS	
RECOMMENDATION NUMBER 27	<i>ICJIA should confirm amounts of unspent funds and amounts over approved budget line items for agencies receiving funds through CAP in Years 3 and 4. Additionally, ICJIA should then take expedient action to collect these State funds. Finally, ICJIA should enforce provisions of its policies relative to revising approved budget lines in order for State resources to be utilized only for ICJIA approved activities.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA’s Fiscal Department will verify CAP’s non-CVPP unspent funds and amounts over budget line items. Then, OGC will initiate recovery actions under the Grant Funds Recovery Act against CAP for all non-CVPP unspent funds and amounts over budget line items. Expenditures and fund request from ICJIA's approved appropriation is thoroughly reviewed by ICJIA's Fiscal Unit.

CAP FUNDING RECONCILIATION

ICJIA has not collected all funds owed to the State from CAP for funding received in FY13 and FY14. Our examination of the funds provided to CAP showed **\$1.53 million that we**

could not reconcile with CAP-provided information. For FY13, ICJIA relied on CAP and a CAP spreadsheet to determine how much to recover in FY13. Our examination of that documentation showed a **number of inaccuracies and/or inconsistencies** with the documentation.

In FY13 and FY14, ICJIA was appropriated \$10 million in GRF monies for administrative costs and grants to CAP. An ICJIA official reported that half the monies were to go toward NRI/CVPP and the other half for additional grants outside of NRI/CVPP.

The former ICJIA Executive Director told auditors that ICJIA received information from CAP on who would receive the monies and how much. Another official stated that CAP decided who received funding and how much, and they provided the intended use of funds to ICJIA. That official added that because CAP was listed in the appropriations bill, ICJIA questioned its control over deciding sub-grantees.

ICJIA did not maintain copies of payments from the grant funds by CAP to its providing partners. Since this was significant information needed to conduct the audit, we requested that lead agencies for NRI/CVPP, including CAP, provide us with **copies of all payment information** in addition to **all provider fiscal reports**. We compiled the payment information and **verified** our compilation with CAP during the audit.

CAP submitted one fiscal report each quarter which combined all of the programs and providers it funded using the monies received from ICJIA in FY13 and FY14. We requested, and **CAP provided**, a breakout of the **CAP expenses** in FY13 and FY14 for CAP as a lead agency and as a provider of services in both Grand Boulevard and West Garfield Park. CAP also provided an expense report for the Community Youth Development program which received grant funds in both years.

Since CAP was involved in both NRI/CVPP and a number of non-NRI/CVPP grants under the scope of this audit, we completed a reconciliation of the payments made and expenses claimed by CAP for the funds received from ICJIA. We concluded that **not all funds in FY13 and FY14 reconciled**.

Our reconciliation (see Exhibit 4-14) showed that the State paid CAP \$9.03 million in the two years of the program. The total of CAP checks to providers and the expense reports for CAP activities as the lead agency (administrative costs) or provider of services for the NRI/CVPP program totaled \$6.67 million. In Year 3, CAP made payments back to ICJIA of over \$834,000. State payments less the CAP-provided documentation for expenses and payments to providers and repayments by CAP leave **\$1.53 million in funds we could not reconcile for the two-year period**.

On March 10, 2015, auditors informed CAP of the discrepancies in the reconciliation. At that time, CAP officials indicated that auditors do not account for CAP administrative expenses in the reconciliation. However, our reconciliation document **did show** the administrative costs for CAP as the lead agency in the NRI/CVPP program. CAP officials stated they would review the reconciliation and respond.

On July 2, 2015, 114 days later, CAP provided a summary schedule of the expenditures for the grants in FY13 and FY14. CAP explained that the auditors' reconciliation did not contain the final closeout report summaries. However, other than the CAP expenses, **reports which CAP developed and provided to auditors, we utilized copies of checks actually written by CAP** to the providers.

The document provided by CAP: is divided into expenditures for FY13 and FY14 grants; has a summary of total payments to providers; and shows the balance of what CAP was paid by ICJIA less any payments to providers, the amount CAP has repaid to ICJIA, and, the amount still owed to ICJIA. We had a number of problems with the CAP document including:

- Payment Inconsistencies. The CAP document applied payments to three agencies for the **wrong contract years**. For example, for Latino Organization of the Southwest (LOS), CAP reported as paid to LOS in FY13 the amount of the contract in FY14, and the amount CAP reported as paid in FY14 is the amount of the contract in FY13. Additionally, CAP reported payments of \$433,333 in FY13 and \$520,000 in FY14. However, **based on copies of checks provided by CAP**, CAP paid \$519,997 in FY13 and \$527,665 in FY14.
- Providers Paid without Executed Agreement. Three providers in both FY13 and FY14 were paid \$23,723 by CAP even though each provider **only had executed contracts in the program in FY13**. For example, IL One Family, One Child was a provider in West Garfield Park. The CAP summary **shows this provider receiving \$11,903 in FY14**. CAP provided an **unsigned contract** for FY14. Further, there were **no FY14 quarterly reports** to support any funds that were paid. The last payment provided by CAP to IL One Family, One Child was dated October 17, 2013, which was during the FY13 performance period as outlined in the contract.
- Providers Paid in Excess of Maximum Grant Amount. CAP paid four providers \$244,003 in excess of the maximum allowable amount in the contracts. For example, based on checks from CAP, DuPage County Area Project was paid \$438,198 in FY14, which was \$146,532 **over the maximum allowable** amount of \$291,667.
- Lines without any Support. The CAP summary includes two lines which were either not in the contract or had no support provided to auditors. For example, **neither contract** between CAP and ICJIA includes a budget item for "Special Initiative." CAP **included** a line item in their summary of expenditures for a "Special Initiative" totaling \$237,991; \$107,388 in FY13; and \$130,602 in FY14. Additionally, auditors **did not receive** any support to document CAP administrative costs. The budgets for FY13 and FY14, are the same and allow for CAP administration. It also appears that ICJIA officials and CAP officials discussed on **May 29, 2014**, what to do with funds from two providers that departed from the program in FY14. One ICJIA official stated "*If you request that the funds go towards CAP administrative costs, only future costs for the months of June, July and August will be considered.*" The timing of this communication, speaking to a time outside the grant period (July and August 2014) is confusing, given that ICJIA did not amend the contract with CAP to lengthen the grant until a month later, on **June 27, 2014**.
- No Accounting for Repayments to CAP by Providers or Monies Owed to CAP by Providers. The CAP document does not present the \$412,453 in repayments from providers or the \$60,675 still owed to CAP by the providers in FY13 and FY14.

- ICJIA recovered funds from CAP from the FY13 grant. However, again some of the amounts collected are questionable. We believe that some of these figures were based on inaccurate information. At the end of FY13, CAP paid ICJIA based on figures in the closeout fiscal report. Then, on May 9, 2014, ICJIA notified CAP that it owed \$310,386 in unspent funds through the providers. CAP entered into a payment agreement and fulfilled that amount. However, the schedule which showed the amount due to ICJIA **does not match** with our analysis. ICJIA appears to have utilized figures from closeout reports for the amount received by the providers. Our analysis used **actual copies of checks paid** by CAP to the providers. We calculated that the amount repaid should **not have been \$310,386, but \$360,291**. Lastly, CAP informed ICJIA on May 28, 2014, that *“In reconciling our expenses with the relevant line items in the budget, we determined that our professional services expenditures would be more appropriately reallocated to administration. As a result, we will be submitting a check in the amount of \$123,517.10 for the adjustment.”* Relative to this amount:
 - CAP and ICJIA entered into a Grant Funds Recovery Settlement Agreement based on the outstanding amount to ICJIA **from CAP’s questioned summary spreadsheet provided to auditors**. Auditors question the amount CAP agreed to pay ICJIA to settle the FY13 grant. The numerous issues are noted in the above summary. CAP’s summary spreadsheet as of March 10, 2015 is their fiscal summary of expenditures and shows an outstanding balance of \$123,517 owed to ICJIA.
 - On October 16, 2015, **715 days after the end of the performance period for the FY13 grant**, ICJIA and CAP entered into a grant funds recovery settlement agreement **based on the amount of \$123,517**. The Court of Claims offset that amount by \$100,000 against a separate ICJIA grant, making \$23,517 the amount to be paid by CAP. CAP made that payment in three installments of \$7,839 each with the last one paid in December 2015.
 - ICJIA has not recovered any of the FY14 CAP funds. An ICJIA official told auditors on October 21, 2015, **416 days** after the end of the grant period for the FY14 CAP grant, that the formal hearing was going forward.

Exhibit 4-14 CAP FUNDING RECONCILIATION November 2012 – August 2014				
<i>Community/Action</i>	<i>FY13</i>	<i>FY14</i>	<i>Documentation</i>	<i>Source</i>
ICJIA/State Payments to CAP	\$4,166,666.67	\$4,865,688.31	State Warrants	Comptroller
LESS: Payments/Expenses				
Payments-LOS	\$519,996.66	\$527,665.34	Check Copies	CAP
Payments-DuCAP	\$350,000.03	\$438,198.35	Check Copies	CAP
Payments-St. Sabina Church	\$1,250,000.00	\$1,041,666.70	Check Copies	CAP
CAP-CYD Program	\$421,649.70	\$444,217.31	Fiscal Report	CAP
GB-CAP-Lead Agency Expenses	\$54,789.32	\$100,592.00	Fiscal Report	CAP
GB-CAP-YEP Provider Expenses	\$222,479.37	\$226,761.42	Fiscal Report	CAP
GB-Bright Star	\$18,000.00	\$15,830.36	Check Copies	CAP
GB-Chicago Youth Centers	\$135,157.60	\$90,104.66	Check Copies	CAP
GB-CSA/R	\$25,679.00	\$37,393.20	Check Copies	CAP
WGP-CAP-Lead Agency Expenses	\$52,164.92	\$98,830.96	Fiscal Report	CAP
WGP-CAP-YEP Provider Expenses	\$207,001.24	\$168,846.78	Fiscal Report	CAP
WGP-Fathers Who Care	\$9,000.00	\$9,808.82	Check Copies	CAP
WGP-Better Life for Youth	\$9,000.00	\$5,250.00	Check Copies	CAP
WGP-New Mt. Pilgrim	\$50,000.00	N/A	Check Copies	CAP
WGP-IL One Family One Child	\$71,415.00	N/A	Check Copies	CAP
WGP-TASC	\$39,420.00	N/A	Check Copies	CAP
WGP-NAEFI	N/A	\$31,096.49	Check Copies	CAP
BALANCE:	\$730,913.83	\$1,629,425.92		
<i>LESS: Repayment-Closeout</i>	\$400,508.93	\$0.00	Check Copies	ICJIA
<i>LESS: Repayment-Providers</i>	\$310,386.00	\$0.00	Check Copies	ICJIA
<i>LESS: Repayment-CAP</i>	\$123,517.10	\$0.00	Check Copies	ICJIA
AMOUNT NOT RECONCILED	(\$103,498.20)	\$1,629,425.92		
Note: LOS-Latino Organization of the Southwest; DuCAP-DuPage County Area Project; GB-Grand Boulevard; WGP-West Garfield Park; CAP-Chicago Area Project; YEP-Youth Employment Program; CYD-Community Youth Development program; CSA/R-Center for Social Adjustment/Reentry; TASC-Treatment Alternatives for Safe Communities; NAEFI-National Alliance for Empowerment of the Formerly Incarcerated.				
Source: OAG developed from ICJIA and CAP documentation.				

Grant agreements between ICJIA and CAP detail reporting requirements for close-out of the agreements. Within 45 days (30 days in FY14) of the expiration date of the agreement the agency **must submit to ICJIA**: (1) final financial status report, (2) final progress reports, (3) property inventory report, (4) **any refund of unexpended funds**, and (5) other documents required.

An ICJIA official told auditors that because CAP was listed in the appropriations bill, ICJIA questioned the control they have over deciding sub-grantees. The official said ICJIA only monitors CAP; CAP monitors the subcontractors.

On September 28, 2012, ICJIA’s Associate Director of the Federal and State Grants Unit notified CAP that *“There is no approval needed from ICJIA regarding your budget and with whom you wish to contract. Also, regarding the payment please let me know how you would prefer the payment and that is how we will handle it.”* The CAP official responded **that they would prefer the payment in one lump sum.** Both of these conversations were before CAP even submitted application documents.

Allowing CAP to report what is owed based on grant agreements without verifying the accuracy of the information does not fulfill ICJIA’s responsibility to ensure the safety of State funds entrusted to ICJIA. Given the issues between CAP and ICJIA during the grant period, the one site visit conducted by ICJIA on November 13, 2013, may not have been sufficient to provide oversight of the over \$9 million ICJIA paid to CAP for the grants.

CAP FUNDING RECONCILIATION	
RECOMMENDATION NUMBER 28	<i>ICJIA should conduct a complete review and account for the amount paid to CAP for grants in FY13 and FY14. Additionally, ICJIA should seek recovery of any amounts due back to the State based on its review.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	Expenditures and fund requests from ICJIA's approved appropriation are thoroughly reviewed by ICJIA's Fiscal Unit. As recommended by the OAG, ICJIA will undertake a full fiscal audit of the \$9 million received by CAP in state grants from FY13 and FY14. Once unallowable expenditures are verified, OGC will initiate recovery actions under the Grant Funds Recovery Act against CAP for all unallowable, undocumented, or unspent amounts.

APPENDICES

APPENDIX A
HOUSE OF REPRESENTATIVES
RESOLUTION NUMBER 888

STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES
98TH GENERAL ASSEMBLY

HOUSE RESOLUTION NO. 0888ENR

OFFERED BY REPRESENTATIVES DAVID REIS-JOHN D. CAVALETTO-DWIGHT KAY-RON SANDACK, JEANNE M IVES, MICHAEL W. TRYON, WAYNE ROSENTHAL, CHAD HAYS, JOHN D. ANTHONY AND JACK D. FRANKS

WHEREAS, The Neighborhood Recovery Initiative was a program launched in October of 2010 by the Governor and established under the Illinois Violence Prevention Authority from Fiscal Year 2011 to Fiscal Year 2012; and

WHEREAS, A performance audit, conducted by the Illinois Auditor General, of the first 2 years of the \$54,550,000 Neighborhood Recovery Initiative found pervasive deficiencies in the Illinois Violence Prevention Authority's planning, implementation, and management of the Neighborhood Recovery Initiative; and

WHEREAS, In Fiscal Year 2013, the Illinois Violence Prevention Authority was abolished and the Neighborhood Recovery Initiative was to be under the direction of the Illinois Criminal Justice Information Authority; and

WHEREAS, The Fiscal Year 2013 and Fiscal Year 2014 budgets do not contain appropriations to the Neighborhood Recovery Initiative, however, appropriations appear in the Illinois Criminal Justice Information Authority to programs similar to those of the Neighborhood Recovery Initiative, such as the community based violence prevention program, the After-School program, and the Chicago Area Project; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-EIGHTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is directed to conduct a performance audit of the State moneys provided by or through the Illinois Criminal Justice Information Authority to all community based violence prevention programs, the After-School program, and the Chicago Area Project, under contracts or grant agreements in Fiscal Year 2013 and Fiscal Year 2014; and be it further

RESOLVED, That this performance audit include, but not be limited to, the following determinations:

- (1) the purposes for which State moneys were provided to the Authority for the community based violence prevention programs, the After-School program, and the Chicago Area Project;
- (2) the nature and extent of monitoring by the Illinois Criminal Justice Information Authority of how the programs used the State-provided moneys and whether certain residential communities of similar crime rates were excluded;
- (3) the actual use of State moneys by the Authority, including the identity of any sub-recipients and the amounts and purposes for employment;
- (4) the number of positions paid through the programs by organizational unit, job title, function, and salary and whether employees completed and filled out appropriate time sheets;
- (5) the number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position;
- (6) whether, through a review of available documentation, the programs have met or is meeting the purposes for which the State moneys were provided, with specific information concerning the programs staffing levels, hiring procedures, and its compensation of employees; and
- (7) whether the programs are in compliance with the applicable laws, regulations, contracts, and grant agreements pertaining to the program's receipt of state moneys; and be it further

RESOLVED, That the Illinois Criminal Justice Information Authority and any other State agency or other entity or person that may have information relevant to this audit cooperate fully and promptly with the Auditor General's Office in its audit; and be it further

RESOLVED, That the Auditor General commence this audit as soon as practical and report its findings and recommendations upon completion in accordance with the provisions of Section 3-14 of the Illinois State Auditing Act; and be it further

RESOLVED, That a suitable copy of this resolution be presented to the Auditor General.

Adopted by the House of Representatives on April 7, 2014.

Timothy D. Mapes
TIMOTHY D. MAPES
CLERK OF THE HOUSE



Michael J. Madigan
MICHAEL J. MADIGAN
SPEAKER OF THE HOUSE

APPENDIX B
AUDIT METHODOLOGY

Appendix B

AUDIT METHODOLOGY

This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310. 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.

The audit objectives for this audit were those delineated in House Resolution Number 888 (see Appendix A), which directed the Auditor General to conduct a performance audit of the State moneys provided by or through the Illinois Criminal Justice Information Authority (ICJIA) to all community based violence prevention programs, the After-School Program, and the Chicago Area Project under contracts or grant agreements in Fiscal Year 2013 and in Fiscal Year 2014. The majority of fieldwork for the audit was completed between September 2014 and July 2015.

In conducting the audit, we reviewed applicable State laws, administrative rules, and ICJIA policies pertaining to the awarding and monitoring of State grants. We reviewed compliance with those laws and rules to the extent necessary to meet the audit's objectives. Any instances of non-compliance we identified or noted are included in this report.

During the audit, we interviewed staff from ICJIA that provided oversight to NRI/CVPP, the After-School Program, and the funding for the Chicago Area Project. Additionally, we interviewed staff from the Governor's Office, the Department of Human Services, the Chicago Area Project, and the Illinois African American Coalition for Prevention. We contacted evaluators from the University of Illinois at Chicago and reviewed evaluation reports of NRI/CVPP developed by the individuals and the staff at ICJIA. We also interviewed the current and former Executive Directors at ICJIA.

We examined all file documentation maintained by ICJIA for the NRI/CVPP communities that participated in the program during Years 3 and 4. This included lead agencies and coordinating and providing partners. The information is summarized and detailed in the chapters of this report. We also examined all information maintained by ICJIA relative to the After-School Program and the files relevant to the funding provided to the Chicago Area Project.

We reached out to lead agencies in all 23 communities to provide information relevant to the audit. All 23 communities responded to our inquiry. We reached out to all ICJIA Board members to provide their views on the three audit issue areas. We sent 24 requests to Board members; we conducted nine interviews.

We selected a random sample of 20 agencies that provided NRI/CVPP services during Years 3 and 4 of the program and went on-site to determine whether documentation existed to

support expenditures charged to State grants, as well as whether other contractual deliverables were maintained. The sample was stratified to obtain coverage of lead agencies, Youth Employment Program agencies, Parent Program agencies, and Reentry Program agencies. The purpose of our testing was to report on the agencies we selected and not to project our sample results to the entire population of participating agencies.

We selected a random sample of five agencies that provided After-School Program services in FY14 and went on-site to determine whether documentation existed to support expenditures charged to State grants, as well as whether other contractual deliverables were maintained. Again, the purpose of our testing was to report on the agencies we selected and not to project our sample results to the entire population of participating agencies.

We selected all five non-NRI/CVPP grants that were distributed by the Chicago Area Project in FY13 and FY14 and went on-site to determine whether documentation existed to support expenditures charged to State grants, as well as whether other contractual deliverables were maintained.

House Resolution Number 888 asked us to determine the number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position for the three audit issue areas. During the audit, we inquired from ICJIA whether it collected this type of information for the NRI/CVPP program, the After-School program, and the Chicago Area Project funding. A ICJIA official reported that ICJIA did not collect this type of information.

We also reviewed internal controls and assessed audit risk relating to the audit's objectives. A risk assessment was conducted to identify areas that needed closer examination. Any significant weaknesses in those controls are included in this report.

Site Work Selection Methodology – NRI/CVPP Grants

In order to test the expenditures for providers of NRI/CVPP services, we randomly selected a sample of 20 total agencies that participated in the NRI/CVPP program in either Year 3 and/or Year 4. Agency expenses for the entire reporting period for the randomly selected provider were examined by auditors.

In randomly selecting the sample elements and gathering the supporting documentation for testing we: (1) utilized an OAG developed summary of the universe of providers that were involved in the NRI/CVPP program in Year 3 and/or Year 4 of the program; (2) utilized a random number generator to identify 50 random numbers between 1 and 149 ; and, (3) matched the random number to the population of providers in the NRI/CVPP listing and selected the 20 providers (using a stratified selection to encompass the components of lead agency, Youth Employment Program provider, Parent Program provider, and Reentry Program provider) that coincided with the random numbers.

The specific providers, with NRI/CVPP communities and years of participation, were:

- Lead Agency: Pilsen Wellness Center-3/4 [Brighton Park]

- Lead Agency: Children’s Home and Aid Society of IL-3/4 [Englewood]
- Lead Agency: Corazon Community Services-3/4 [Cicero]
- Lead Agency: Goodcity-3/4 [West Chicago]
- Lead Agency: Chicago Commons-3/4 [Humboldt Park]
- YEP Provider: Ebenezer Community Outreach-4 [East Garfield Park]
- YEP Provider: The Miracle Center-4 [Hermosa]
- YEP Provider: Impact Ministries-3/4 [South Shore]
- YEP Provider: Centro Sin Fronteras-3 [Pilsen-Little Village]
- YEP Provider: Chicago Area Project-3/4 [Grand Boulevard]
- Parent Provider: The Answer-3/4 [Maywood]
- Parent Provider: Blocks Together-3/4 [Humboldt Park]
- Parent Provider: Developing Communities Project-3 [Roseland]
- Parent Provider: Enlace Chicago-3/4 [Pilsen-Little Village]
- Parent Provider: Greater Auburn Gresham Development Corporation-3/4 [Greater Grand Crossing]
- Reentry Provider: New Life Knew Solutions-3/4 [Humboldt Park]
- Reentry Provider: Mt. Vernon Baptist Church-3/4 [East Garfield Park]
- Reentry Provider: The Beloved Community-3/4 [Auburn Gresham]
- Reentry Provider: Latino Cultural Exchange-3 [Humboldt Park]
- Reentry Provider: Treatment Alternatives for Safe Communities-4 [Bloom/Rich Township].

Site Work Selection Methodology – After-School Program (ASP) Grants

In order to test the expenditures for providers of ASP services we randomly selected a sample of 5 agencies of the 20 non-State agency recipients of the funds from ICJIA in FY14. Agency expenses for the entire reporting period of FY14 were examined by auditors.

In randomly selecting the sample elements and gathering the supporting documentation for testing we: (1) utilized an OAG developed summary of payments from ICJIA to ASP recipients in FY14 to identify the listing of 20 providers that made up the population or universe of ASP grant recipients; (2) utilized a random number generator to identify 10 random numbers between 1 and 20; and, (3) matched the random number to the population of providers in the ASP listing and selected the five providers.

The five providers selected received 46 percent of the \$6,690,466 in total payments and expenses made by ICJIA during the FY14 grant program. The specific providers, with ICJIA payments in parentheses, were:

- Aunt Martha’s - (\$92,230.43)
- Peoria Park District - (\$178,104.42)
- Mujeres Latinas en Accion - (\$62,905.00)
- Youth Guidance - (\$2,631,551.77)
- Coordinated Youth and Human Services - (\$102,443.73).

Site Work Selection Methodology – Non NRI/CVPP Grants

In order to test the expenditures for providers for non-NRI/CVPP/ASP grants that were paid from the funds identified in HR888 we tested all five of the Chicago Area Project grant programs for all the expenses in both FY13 and FY14 claimed on the close out fiscal reports auditors collected from the various organizations that conducted the services under the grant agreements.

The five Chicago Area Project grants and organizations selected claimed a total of \$3,176,603 in expenses during the grant program performance periods. The specific providers, with claimed expense amounts in parentheses, were:

- DuPage County Area Project - (\$430,853.72)
- Latino Organization of the Southwest - (\$873,982.51)
- St. Sabina Employment Resource Center - (\$285,223.94)
- ARK of St. Sabina - (\$720,675.46)
- Chicago Area Project Community Youth Development - (\$865,867.06).

APPENDIX C

NRI/CVPP

**PARTICIPATING ORGANIZATIONS FOR
YOUTH EMPLOYMENT PROGRAM**

PROGRAM YEARS 3 & 4

Appendix C
NRI/CVPP - PARTICIPATING ORGANIZATIONS FOR YOUTH EMPLOYMENT PROGRAM
 Program Years 3 & 4

NOTE: ***Bold Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
Albany Park	3	<i>Albany Park Community Center</i>
	3	<i>Albany Park Neighborhood Council</i>
	3	Boost Mobile
	3	Cambodian Association
	3	Children's Palace Daycare
	3	<i>Community Human Services</i>
	3	Cutz N Nails
	3	Ecuador Unido
	3	Erie Family Health Center
	3	<i>Family Focus Nuestra Familia</i>
	3	Frankenstone Art Center
	3	<i>Jesus House of Chicago</i>
	3	Korean American Community Services
	3	Luna Park Daycare
	3	Murphy Elementary School
	3	North River Commission
	3	Nuevo Amanecer
	3	Our Lady of Mercy
	3	Patrick Henry Elementary School
	3	Princess Flowers
	3	Salam Restaurant
	3	Serenity Home Health Care
	3	State Farm
	3	Taqueria San Juanito
	3	Volta Elementary School
	4	<i>Albany Park Community Center</i>
	4	Boost Mobile
	4	Call Home Health Center
	4	Cambodian Association
	4	Children's Palace Daycare Center
	4	<i>Community Human Services</i>
	4	Cutz N Nails
	4	Erie Family Health Center
	4	<i>Family Focus Nuestra Familia</i>
	4	Frankenstone Art Center
	4	Funmi Adewole Foundation
	4	Galeria Universal Wireless
	4	Lindo Michoacan
	4	Luna Park Daycare
	4	Mary's Beauty Salon
	4	Mexico Solidarity Network
	4	Murphy Elementary School

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<i>Community</i>	<i>Year</i>	<i>Organization</i>
	4	North River Commission
	4	Our Lady of Mercy
	4	Roosevelt High School
	4	San Juanito Restaurant
	4	Serenity Home Health Care
Auburn Gresham	3	Adrianna Furs
	3	American Family Insurance
	3	Cook County Circuit Court
	3	Deluxe Florist
	3	Faith Temple Church of God Christ
	3	Fleck's Coffee Shop
	3	Gathering Point Community Council
	3	Integrity Nursing
	3	J&J Fish
	3	Jamba Juice
	3	Kham'ryn B. Shoes
	3	Kiddie Kottage
	3	Kids R First Learning Center
	3	Morrison's Soul Food
	3	Neighborhood Housing Services
	3	Onesa Aton Print and Copy
	3	Phoenix Therapy Services
	3	Raekwon's Learning Center
	3	Smart from the Start
	3	Southside Tacos
	3	Office of State Representative Elgie R. Sims, Jr. (34 th District)
	3	Subway
	3	Universal Health Clinic
	3	Women In Partnership
	3	Young Achiever's Academy
	4	Adrianna Furs
	4	Akira Boutique
	4	<i>Employment Resource Center (St. Sabina)</i>
	4	Frances Wright (Allstate)
	4	Integrity Nursing
	4	J&J Fish
	4	Jamba Juice
	4	James Orrington Dentist
	4	Kham'ryn B. Shoes
	4	Kids R First Learning Center
	4	Kusanya Café
	4	Maracas Restaurant
	4	MLK Center

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<i>Community</i>	<i>Year</i>	<i>Organization</i>
	4	Neighborhood Housing Services
	4	Onesa Aton Print and Copy
	4	Powell's Barbershop
	4	<i>Catholic Bishop of Chicago-St. Sabina</i>
	4	South Shore Hospital
	4	Office of State Representative Elgie R. Sims, Jr. (34 th District)
	4	Subway
	4	Urban Renewal Realty
<i>Austin</i>	3	Austin Coming Together
	3	Austin Weekly
	3	Bethel New Life
	3	<i>BUILD, Inc.</i>
	3	Channing Daycare
	3	<i>Circle Family Healthcare Network</i>
	3	Cook County Circuit Court
	3	DLV Printing
	3	Fresh Start Day Care
	3	<i>Goodcity</i>
	3	Hope Excel
	3	<i>Kingdom Community, Inc.</i>
	3	McDonald's
	3	Marshalls
	3	Office of Alderman Deborah Graham (29th Ward)
	3	Peace Corner
	3	St. Joseph
	3	T.J.Maxx
	3	Victorious
	4	<i>BUILD, Inc.</i>
	4	Channing Daycare
	4	Circle Urban Summer Camp
	4	DLV Printing
	4	Flower Shop Concepts
	4	Hair Mechanics
	4	Healing Temple Book Store
	4	<i>Kingdom Community, Inc.</i>
	4	Local Motion
	4	MacArthur's
	4	McDonald's
	4	Office of Alderman Deborah Graham (29th Ward)
	4	Office of Alderman Emma Mitts (37th Ward)
	4	Office of Alderman Jason C. Ervin (28th Ward)
	4	Safe Haven Kingdom
	4	St. Joseph

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<i>Community</i>	<i>Year</i>	<i>Organization</i>
Brighton Park	3	18th Street Development Corporation
	3	Adrienne Zipperman Shaps
	3	Advance Auto Parts
	3	Back to Health Chiropractic
	3	Body Shot Boxing Club
	3	Brighton Park Animal Hospital
	3	Café El Meson
	3	Check & Connect Monitor (SGA)
	3	Cook County Circuit Court
	3	Office of Cook County Commissioner Jesus Garcia (7 th District)
	3	Dulcelandia
	3	Early Headstart (SGA)
	3	Hour of Change Fitness, Inc.
	3	Kiddy Kare
	3	Little Village Environmental Justice Organization
	3	Lucy's Fashion
	3	Mich Auto Sales
	3	Office of Alderman George Cardenas (12 th Ward)
	3	Tierra Caliente Restaurant
	3	United Credit Union
	3	Victor Mauricio Salon
	4	Archer Animal Hospital
	4	Back to Health Chiropractic
	4	Body Shot Boxing Club
	4	Brighton Park Animal Hospital
	4	Café El Meson
	4	Deportes El Valle
	4	Dollar Tree
	4	Dulcelandia
	4	Early Advantage (SGA)
	4	Early Headstart (SGA)
	4	Family Life Skills (SGA)
	4	Kiddy Kare
	4	Little Village Environmental Justice Organization
	4	Lucy's Fashion
	4	Maxwell Auto Sales
	4	Miramar Travel
	4	Office of Alderman Ed Burke (14 th Ward)
	4	Precious Blood
	4	Rockstar Fades Barber Shop
	4	Rockstar Hair Boutique & Day Spa
	4	Tierra Caliente Restaurant
	4	United Credit Union

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<i>Community</i>	<i>Year</i>	<i>Organization</i>
	4	Workforce Development (SGA)
Cicero	3	Catholic Charities, Midwest Regional Office
	3	Catholic Charities, St. Mary of Celle
	3	Children's International Academy
	3	Community and Economic Development Association (CEDA)
	3	<i>Corazon Community Services</i>
	3	Fresh Start Daycare Center
	3	Gunderson Park District
	3	Interfaith Leadership Project
	3	Morton East High School
	3	REMAX
	3	Serco, Inc.
	3	Office of State Representative Elizabeth Hernandez (24th District)
	3	Through a Child's Eyes Pre-Kindergarten
	3	<i>Youth Crossroads, Inc.</i>
	4	Catholic Charities, St. Mary of Celle
	4	Catholic Charities, West Regional Office
	4	Clyde Park District
	4	Community and Economic Development Association (CEDA)
	4	<i>Corazon Community Services</i>
	4	Family Service and Mental Health Center of Cicero
	4	Fresh Start Daycare Center
	4	MJ's Fast Food, Inc.
	4	Morton East High School
	4	REMAX
	4	Serco, Inc.
	4	Office of State Representative Elizabeth Hernandez (24th District)
	4	Through a Child's Eyes Pre-Kindergarten
	4	United Way of Metro Chicago
	4	<i>Youth Crossroads, Inc.</i>
East Garfield Park	3	Christ Centered Ministries
	3	Cook County Circuit Court
	3	<i>Ebenezer Community Outreach</i>
	3	Greater Rock Missionary Baptist Church
	3	New Life
	3	Office of State Representative Derrick Smith (10 th District)
	3	People's Church of the Harvest
	3	Philadelphia Community Church
	4	Breakthrough Urban Ministries
	4	Christ Centered Ministries
	4	Divine Purpose Performing Arts Center
	4	<i>Ebenezer Community Outreach</i>

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<i>Community</i>	<i>Year</i>	<i>Organization</i>
	4	Grace & Peace Community Center
	4	Greater Rock Missionary Baptist Church
	4	New Life Holiness Church
	4	New Life Pilsen Church
	4	Office of Alderman Jason C. Ervin (28 th Ward)
	4	<i>People's Community Development Association of Chicago</i>
	4	Philadelphia Community Outreach Center
	4	Rhema Word Community Development
	4	<i>Uhlich Children's Advantage Network</i>
Englewood	3	<i>A Knock At Midnight</i>
	3	Ada Niles Senior Center
	3	Beauty One
	3	Bridging the Gap
	3	Busy Bee
	3	<i>Changing Life Education Initiative Inc.</i>
	3	Chicago Embassy Church
	3	<i>Children Home & Aid Society of IL</i>
	3	Cook County Circuit Court
	3	Elite House of Sober Living
	3	Enterprise Auto Paint
	3	Evergreen Racquet & Fitness
	3	Grand Families
	3	Harper High School
	3	Imagine Englewood
	3	Imani Muhammad Child Care
	3	Imani's Original Bean Pies
	3	A Joyous Occasion
	3	JPE Day Care Center
	3	Kids Are Us Learning Center
	3	Laflin Dy Cleaners
	3	Lez Enfants Academy
	3	Liberty High School
	3	MOL Infant Academy
	3	Music Lives Beyond Entertainment
	3	My Choice
	3	P&G Shoes
	3	Save Our Community Coalition
	3	Southside Auto Spa
	3	Spiritual Awakening Church
	3	Super Cell
	3	Superior Auto
	3	Tilman's Community Health Clinic
	3	<i>Totally Positive Productions</i>

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<i>Community</i>	<i>Year</i>	<i>Organization</i>
	3	Victory Outreach
	3	Vinmar
	4	Africa International House
	4	Beauty One
	4	Beginner's Depot
	4	Brain Box Learning
	4	Briez Entertainment
	4	Busy Bee
	4	<i>Changing Life Education Initiative, Inc.</i>
	4	Clean & Sparkle Janitorial
	4	Diva's N Dogs
	4	<i>Family Focus Nuestra Familia</i>
	4	GJM Home Health Care Agency
	4	Grant's Financial
	4	Hair Issues Bar & Beauty
	4	Harper High School
	4	Harry's Grill
	4	Indelible Impressions
	4	Jordan's Dreams
	4	JPE Day Care Center
	4	Just Like Home Child Care
	4	Kids Are Us Learning Center
	4	Kiwi's Boutique
	4	Lez Enfants Academy
	4	Mount Calvary M. B. Church
	4	Music Lives Beyond Entertainment
	4	Nail Spa Lounge
	4	National Black Wall St.
	4	Nchantment Shoes
	4	Neil's Food Store
	4	Norman's Bistro
	4	Nubian Nation
	4	Office of Alderman Toni L. Foulkes (15 th Ward)
	4	Paint On Me
	4	Sprint Store
	4	Stamp Lays
	4	St. Zone The Basement
	4	The Salvation Army Red Shield
	4	Tiny Tots
	4	Triple Jay's Restaurant
	4	Unity Parenting/Focus Hope
Grand Boulevard	3	Ain't She Sweet Café
	3	<i>Bright Star Community Outreach</i>

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<i>Community</i>	<i>Year</i>	<i>Organization</i>
	3	Caldwell Banker
	3	Cest Si Bon Café
	3	<i>Changing Life Education Initiative, Inc.</i>
	3	Cook County Circuit Court
	3	Dunkin Donuts
	3	Good Shepard Tower
	3	Marshalls
	3	Polished Pebbles
	3	T.J.Maxx
	3	University of Chicago
	3	Walgreens
	4	AJ Enterprises
	4	<i>Bright Star Community Outreach</i>
	4	Dust Em Clean
	4	Goldberg Law Group
	4	Good Shepard Tower
	4	Jimmy Jams Bakery
	4	Marshalls
	4	Neals Car Wash
	4	T.J.Maxx
	4	University of Chicago
	4	Walgreens
	4	XS Tennis
Greater Grand Crossing	3	Education, Learning Ideas & Assistance Services (E.L.I.A.S.)
	3	<i>Exodus Unlimited Inc.</i>
	3	Free Spirit Media
	3	Gallery Guichard
	3	Gary Comer College Prep
	3	<i>Gary Comer Youth Center</i>
	3	<i>Greater Auburn Gresham Development Corporation</i>
	3	Kenwood Oakland Community Organization
	3	Make Miracles Grow
	3	Revere Community Housing Development
	3	Shiloh Seventh Day Adventist Church
	3	South Shore Drill Team & Performing Arts Ensemble
	3	Office of State Representative Elgie R. Sims, Jr. (34 th District)
	3	The Community Builders – Oakwood Shores
	4	Chatham Business Association, SBDI
	4	Chicago SDA Elementary School
	4	Free Spirit Media
	4	Gary Comer College Prep
	4	<i>Gary Comer Youth Center</i>

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<i>Community</i>	<i>Year</i>	<i>Organization</i>
	4	<i>Greater Auburn Gresham Development Corporation</i>
	4	Kenwood Oakland Community Organization
	4	Mather LifeWays (Mather's-More Than a Cafe)
	4	Revere Community Housing Development
	4	Shiloh Seventh Day Adventist Church
	4	South Shore Drill Team & Performing Arts Ensemble
	4	The Community Builders - Oakwood Shores
Hermosa	3	American Family Insurance
	3	Astroz Construction
	3	Christian Fellowship Flock
	3	Cook County Circuit Court
	3	Friends of Luis Arroyo
	3	Iglesia Familiar Munde de Fe
	3	New Life Humboldt
	3	New Life Northwest
	3	River of Life
	3	<i>Segundo Ruiz Belvis Cultural Center</i>
	3	Storehouse Ministries
	3	The Agency Real Estate Brokerage
	3	<i>The Miracle Center</i>
	3	<i>United Latinos for Empowerment, Education, & Development (ULEED)</i>
	3	YMCA
	4	<i>Chicago Commons</i>
	4	Chicago Park District
	4	Chicago Springfield Accounting
	4	Child Development & High Quality Care
	4	Christian Fellowship Flock
	4	Clemente High School
	4	Doggone Fun
	4	Iglesia Familiar Mundo de Fe
	4	Liquid Gold Design
	4	Luther North College Prep
	4	Nail Fetish
	4	Nellie's
	4	New Life Centers
	4	North Grand High School
	4	Norwegian Hospital
	4	Project Rize
	4	St. Joseph Village of Chicago
	4	Storehouse Church
	4	<i>The Miracle Center</i>
	4	<i>United Latinos for Empowerment, Education, & Development (ULEED)</i>
	4	Vanilla Bean Coffee/Bake Shop

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<i>Community</i>	<i>Year</i>	<i>Organization</i>
	4	West Humboldt Park Development Council
	4	YMCA-Tribune/McCormick
	4	Youth Guidance - BAM
	4	<i>Youth Service Project - Art Camp</i>
Humboldt Park	3	Canine Crews
	3	<i>Chicago Commons (ETC)</i>
	3	Cook Brothers
	3	Cook County Circuit Clerk
	3	Graffiti Zone
	3	Judah International Ministries
	3	Kelly Hall YMCA
	3	Knock Box Café
	3	<i>Puerto Rican Cultural Center</i>
	3	Signal 88 Security
	3	West Humboldt Park Development Council
	3	West Town Bike
	3	Youth Guidance
	4	CeaseFire
	4	<i>Chicago Commons</i>
	4	Chicago Park District
	4	Chicago Springfield Accounting
	4	Child Development & High Quality Care
	4	Columbia College
	4	Doggone Fun
	4	Humboldt Park Advisory Council
	4	Lopez & Co CPAs
	4	<i>New Life Centers</i>
	4	Norwegian Hospital
	4	St. Joseph Village of Chicago
	4	Office of State Senator William Delgado (2nd District)
	4	<i>United Latinos for Empowerment, Education, & Development (ULEED)</i>
	4	West Humboldt Park Development Council
	4	Youth Empowering Strategies
	4	Youth Guidance
	4	<i>Youth Service Project</i>
Logan Square	3	<i>Alliance of Local Service Organizations (ALSO)</i>
	3	Chicago Park District – Mozart Park
	3	Elev8/Ames Middle School
	3	Funston Elementary School
	3	<i>Healthcare Alternatives Systems</i>
	3	Las Delicias de Morelia
	3	Little Achievers
	3	<i>Logan Square Neighborhood Association</i>

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NOTE: ***Bold Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
	3	Lutheran Day Nursery Association of Chicago
	3	Office of State Representative Maria A. Berrios (39 th District)
	3	Parent Program Summer 2013
	3	Purple Group
	3	United Way of Metropolitan Chicago
	3	<i>Voice of the City</i>
	3	<i>Youth Service Project</i>
	4	<i>Alliance of Local Service Organizations (ALSO)</i>
	4	Block Club Federation
	4	<i>BUILD, Inc.</i>
	4	Center for Changing Lives
	4	Chicago Park District – Mozart Park
	4	Dynamic Salon, Spa & Boutique
	4	Funston Elementary School
	4	<i>Healthcare Alternatives Systems</i>
	4	HPA Concession Stand
	4	<i>Logan Square Neighborhood Association</i>
	4	Lutheran Day Nursery & Preschool
	4	McAuliffe Elementary School
	4	North Grand High School
	4	United Way
	4	<i>Voice of the City</i>
Maywood	3	AfriWare Books
	3	Bellwood Sweet Shop
	3	Denora Reality
	3	Hathaway Insurance
	3	HIM Learning Center
	3	How To Foundation
	3	Kathy's Kitchen
	3	LaCoulton J. Walls & Associates
	3	Maple Tree Day Care
	3	Matt Mans
	3	Maybrook Courthouse
	3	Maywood Appliance
	3	Maywood Cleaners
	3	Moro Outlet
	3	Pee Wee Daycare
	3	<i>Proviso Leyden Council for Community Action (PLCCA)</i>
	3	2nd Baptist Church
	3	State Farm Insurance
	3	U.S. Bank
	3	Village of Broadview Park District
	3	Village of Broadview Public Works

Appendix C
NRI/CVPP - PARTICIPATING ORGANIZATIONS FOR YOUTH EMPLOYMENT PROGRAM
 Program Years 3 & 4

NOTE: ***Bold Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
	3	Village of Maywood Public Works
	3	Village of Melrose Park Public Works
	3	Vintage Realtors & Assoc.
	4	Brookfield Zoo
	4	Cook County Housing Authority
	4	Corner Café
	4	Little Achievers Daycare
	4	Magrey Daw Day Care
	4	Maywood Library
	4	Maywood Police Department
	4	Nate Comic
	4	<i>Proviso Leyden Council for Community Action (PLCCA)</i>
	4	U.S. Bank
	4	Village of Broadview Park District
North Lawndale	3	Blessed Sacrament Catholic Youth Center
	3	<i>Chicago Lawndale – AMACHI LAMP</i>
	3	Chicago Youth Centers ABC Polk Bros.
	3	Cook County Circuit Court
	3	Family Focus Lawndale
	3	Harmony Community Church
	3	<i>Lawndale Christian Legal Center</i>
	3	New Life Community Ministries
	3	North Lawndale Employment Network
	3	<i>St. Agatha Family Empowerment</i>
	3	<i>Sinai Community Institute</i>
	3	The Mirror Project
	3	We Have Dreams Home Day Care
	4	Blessed Sacrament Catholic Youth Center
	4	Carol Robertson Center for Learning
	4	<i>Chicago Lawndale – AMACHI LAMP</i>
	4	Chicago Youth Centers ABC Polk Bros.
	4	Family Focus Lawndale
	4	Greater Rock Missionary Baptist Church
	4	Harmony Community Church
	4	House of Branch Funeral Home
	4	<i>Lawndale Christian Legal Center</i>
	4	<i>St. Agatha Family Empowerment</i>
	4	<i>Sinai Community Institute</i>
	4	Sole Resale Boutique
	4	Solid Foundation Daycare Center
	4	Strategic Human Services – North Lawndale News
	4	StrickCom Energy
	4	The House Development (Fire House)

Appendix C
NRI/CVPP - PARTICIPATING ORGANIZATIONS FOR YOUTH EMPLOYMENT PROGRAM
 Program Years 3 & 4

NOTE: ***Bold Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
Pilsen-Little Village	3	All Star Kids Academy
	3	Casa Mexico
	3	<i>Centro Sin Fronteras</i>
	3	<i>Chicago Commons Guadalupano Family Center</i>
	3	Cook County Circuit Court
	3	Davila Bridal
	3	<i>Enlace</i>
	3	Foto Davila
	3	GenTech
	3	<i>Latinos Progresando</i>
	3	Marin Funeral Home
	3	Melendez Insurance
	3	Rainbow House
	3	Office of State Representative Silvana Tabares (21 st District)
	3	St. Augustine
	3	Su Familia Real Estate
	3	<i>Universidad Popular</i>
	3	Working Bikes
	3	Yollocalli
	4	Alivio Medical Center
	4	Boys and Girls Club
	4	Chicago Youth Boxing Club
	4	Hogar del Niño
	4	Erie
	4	Farragut
	4	Gamaliel
	4	Giron Spanish Book Distributors
	4	Jungman Elementary School
	4	La Catrina Café
	4	Liberty Tax Service
	4	Lake View High School
	4	Mercy Lower West Side Clinic
	4	New Life Pilsen
	4	Office of Alderman Danny Solis (25 th Ward)
4	Office of State Representative Silvana Tabares (21 st District)	
4	Pilsen Fitness Center	
4	<i>Pilsen Neighbors Community Council</i>	
4	Prosper Skate Shop	
4	Ruiz Elementary	
4	Spanish Coalition for Housing	
4	Yollocalli	
4	YMCA	

Appendix C
NRI/CVPP - PARTICIPATING ORGANIZATIONS FOR YOUTH EMPLOYMENT PROGRAM
 Program Years 3 & 4

NOTE: ***Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
Rogers Park	3	A Just Harvest
	3	<i>A Work of Faith Ministries</i>
	3	A-Z Home Improvement & General Contracting Inc.
	3	Care and Care Medical Center
	3	CeaseFire
	3	Chicago Public School
	3	Ciao Bella Cafe, Inc.
	3	Commission for the Community
	3	Elite Marketing and Productions Inc.
	3	Family Matters
	3	Freewill Church
	3	Good News Partners
	3	Great Expectations
	3	Gregory Fleming
	3	Hakuna Matata
	3	Hamdard Center for Health and Human Services
	3	High Ridge YMCA
	3	Howard Area Employment Center
	3	Khecari
	3	Kids Network Academy
	3	Korean American Resource and Cultural Center
	3	Lake Shore Schools
	3	Let's Go Chicago
	3	LITTLE MIRACLES
	3	Little People Day Care & Kindergarten, Inc.
	3	Office of State Representative Kelly Cassidy (14th District)
	3	Prologue
	3	Rogers Park Business Alliance
	3	Rogers Park Presbyterian Church
	3	Sol Cafe
	3	The Heartland Cafe
	3	The Moose Grill
	3	The Recyclery Collective
	3	Titan Builders, Inc.
	3	Urban Entertainment
	4	A Just Harvest
	4	<i>A Safe Haven</i>
	4	Asian Human Services LEAF Program
	4	Black Ensemble Theater
	4	Chicago Methodist Community Senior Services
	4	Chicagoland Games: Dice Dojo
	4	Circles & Ciphers
	4	Conn's Catering

Appendix C
NRI/CVPP - PARTICIPATING ORGANIZATIONS FOR YOUTH EMPLOYMENT PROGRAM
 Program Years 3 & 4

NOTE: ***Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
	4	Curt's Café
	4	EKF Martial Arts
	4	Ethiopian Community Association of Chicago
	4	Eyes on the Future
	4	Family Matters
	4	Ibeji Arts
	4	Let's Go Chicago
	4	Li'l Buds
	4	Little People
	4	Lulu Blossom
	4	<i>ONE Northside</i>
	4	PACTT Learning Center
	4	Raven Theater
	4	Rogers Park Presbyterian Church
	4	Royal Coffee
	4	The Recyclery Collective
	4	<i>United Church of Rogers Park</i>
Roseland	3	<i>Community Assistance Programs</i>
	3	Cook County Circuit Court
	3	Eric Greene
	3	Jazzy Nette's
	3	<i>Lights Of Zion Ministries</i>
	3	<i>Roseland Ceasefire</i>
	3	South Side Health Care
	3	Wade's World Foundation
	3	Youth Guidance
	4	Brainbox Learning Academy
	4	Busy Bumble Bee Academy
	4	Children's Corner Child Care
	4	<i>Community Assistance Programs</i>
	4	Creative Playhouse Daycare
	4	First Choice Daycare 2
	4	Great Beginning Daycare
	4	<i>Lights of Zion Ministries</i>
	4	Little People R Unique
	4	Lollipops & Bubbles Home Daycare
	4	Lord and Child Christian Daycare
	4	Lutheran Church of the Holy Spirit
	4	Mary's 1st Steps to Learning
	4	Means Daycare Merry Go Round
	4	Mother Jones Food Pantry
	4	Mother's Helper's Daycare
	4	Pentecostal Temple

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NRI/CVPP - PARTICIPATING ORGANIZATIONS FOR YOUTH EMPLOYMENT PROGRAM
 Program Years 3 & 4

NOTE: ***Bold Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
	4	<i>Roseland Ceasefire</i>
	4	Roseland Goodness Daycare
	4	Roseland Socks Corp
	4	Roseland Youth & Community
	4	South Side Help Center
	4	Yolanda's Home Daycare
	4	<i>Youth Peace Center</i>
South Shore	3	<i>ABJ Community Services, Inc.</i>
	3	Chicago Youth Centers – Rebecca K. Crown Center
	3	CMS Trophies
	3	Cook County Circuit Court
	3	Corazon a Corazon
	3	Parkways
	3	Ray of Hope Center of the Arts
	3	Scentuary
	3	<i>South Shore Planning & Preservation Coalition</i>
	4	<i>ABJ Community Services, Inc.</i>
	4	Alextronics Systems, Inc.
	4	Banana Leaf Restaurant
	4	Chicago Youth Centers – Rebecca K. Crown Center
	4	Christ Bible Church
	4	Classy Lady
	4	Color for Tots
	4	Corazon a Corazon
	4	Higher Learning Daycare Center
	4	Ray of Hope Center of the Arts
	4	<i>South Shore Planning & Preservation Coalition</i>
	4	Young Leaders Alliance
West Chicago	3	Allende Hardware
	3	Arab American Action Network
	3	Carson Elementary
	3	Cinco Estrella
	3	Cook County Circuit Court
	3	Eberhart Elementary School
	3	Envision Community Service
	3	Greater Southwest
	3	Lara Auto Services
	3	Martroy Electronics
	3	Nuevo Siglo Newspaper
	3	Peachtree Educational Daycare Center
	3	<i>Phalanx Family Services</i>
	3	St. Clare
	3	<i>Santa Teresa de Avila Episcopal Church</i>

Appendix C
NRI/CVPP - PARTICIPATING ORGANIZATIONS FOR YOUTH EMPLOYMENT PROGRAM
 Program Years 3 & 4

NOTE: ***Bold Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
	3	Sawyer Elementary
	3	State Farm
	3	Subway
	3	Tonti Elementary School
	4	A to Z Cellular
	4	Chicago Lawn United Methodist Church
	4	Come Get Crispy Cuts
	4	Complex Sports
	4	Costa Azul Travel Agency
	4	Creative House of Learning
	4	Don Murphy Agency Inc.
	4	Eberhart Elementary School
	4	Envision Community Service
	4	Greenlight Movement
	4	<i>Healthcare Alternatives Systems</i>
	4	La Canchita
	4	Lara Auto Services
	4	Little House on Rhodes Daycare Center
	4	Martroy Electronics
	4	Mayfair Academy
	4	Nannette McCullough Agency
	4	Nuevo Siglo Newspaper
	4	Oakwood Shores Community Service
	4	Peachtree Educational Daycare Center
	4	<i>Phalanx Family Services</i>
	4	Quality Beauty Supply
	4	<i>Santa Teresa de Avila Episcopal Church</i>
	4	Sobre El Fuego
	4	The Way of the Church Baptist
	4	Tonti Elementary School
	4	United Services
West Garfield Park	3	Cook County Circuit Court
	3	Contract Furniture Services
	3	<i>Fathers Who Care</i>
	3	Home Goods
	3	Kingdom Kids Early Learning
	3	Leamington Foods
	3	Margery Daw Daycare
	3	Marshalls
	3	Old Navy
	3	Salvation Army
	3	T.J.Maxx

Appendix C
NRI/CVPP - PARTICIPATING ORGANIZATIONS FOR YOUTH EMPLOYMENT PROGRAM
 Program Years 3 & 4

NOTE: ***Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
	3	Walgreens
	3	Withers Consulting
	4	<i>Fathers Who Care</i>
	4	Kingdom Kids Early Learning
	4	LaQuinta Inn & Suites
	4	Leamington Foods
	4	Marshalls
	4	Salvation Army
	4	T.J.Maxx
	4	Walgreens
Woodlawn	3	Apostolic Church Of God
	3	Chicago Child Care Society
	3	Christway
	3	Concord
	3	Cook County Circuit Court
	3	Creative Kid Care
	3	Evergreen
	3	Farmer's
	3	Future Ties
	3	Laura Lane
	3	19 Paul
	3	Office of Alderman Willie B. Cochran (20th Ward)
	3	PA Developers
	3	Robust Coffee
	3	University of Chicago
	3	UPA LL3
	3	WECAN
	3	<i>Woodlawn Children's Promise</i>
	3	<i>Woodlawn Public Safety Alliance</i>
	3	YMCA
	4	Apostolic Church Of God
	4	Busy Bumble Bee
	4	Chicago Child Care Society
	4	Christway
	4	Concord
	4	Dust Em Clean
	4	Future Ties
	4	Kidz Creative Concepts
	4	Owens Insurance
	4	Southside Credit Union
	4	Sunshine Gospel Ministries
	4	UPLL
	4	Walgreens

Appendix C
NRI/CVPP - PARTICIPATING ORGANIZATIONS FOR YOUTH EMPLOYMENT PROGRAM
 Program Years 3 & 4

NOTE: ***Bold Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
	4	<i>Woodlawn Public Safety Alliance</i>
	4	YMCA
Thornton Township	3	Advocate South Suburban Hospital
	3	Beggar's Pizza
	3	Building Our Own Community
	3	Dolton Park District
	3	Dolton Public Library
	3	Family Christian Health Center
	3	Hudson Academy Foundation
	3	Ink Spot Printing
	3	Last Minute Printing
	3	Law Office of William D. Moore
	3	Linear Laboratory
	3	Markham Courthouse
	3	NDB Marketing
	3	Office of State Representative Thaddeus M. Jones (29 th District)
	3	Omega Tax
	3	Place of Joy
	3	Quality Printing
	3	Restoration Ministries
	3	Right Start Outreach
	3	Robbins Community Center
	3	Robbins Park District
	3	Sadie Waterford Manor
	3	Simon Property Group, Inc.
	3	Tallgrass Systems, Ltd.
	3	Team USA Mortgage
	3	Village of Dolton
	3	Visions Salon Eyecare Associates
	3	Westwood College
	4	Advocate South Suburban Hospital
	4	City of Country Club Hills
	4	Family Christian Health Center
	4	Full Gospel Christian Assemblies, INC.
	4	Girlfriendz, Inc.
	4	Hudson Academy Foundation
	4	Leadership Development Institute
	4	Linear Laboratory
	4	Loving Arms Social Service Agency
	4	Markham Park District
	4	Office of State Representative Thaddeus M. Jones (29 th District)
	4	Quality Printing

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NRI/CVPP - PARTICIPATING ORGANIZATIONS FOR YOUTH EMPLOYMENT PROGRAM
 Program Years 3 & 4

NOTE: ***Red Italics indicates NRI/CVPP Lead or Provider Agency***

<i>Community</i>	<i>Year</i>	<i>Organization</i>
	4	Restoration Ministries
	4	Riverdale Park District
	4	Robbins Community Center
	4	Team USA Mortgage
	4	The Bridge Teen Center
	4	The Place of Joy
	4	Thornton Township High School, District 205
	4	Thornton Township Youth & Family Services
	4	Village of Robbins
	4	WBD Marketing
	4	Westwood College
	4	William Leonard Library
Bloom/Rich Township	3	American Family Insurance
	3	Aunt Martha's
	3	Cook County Circuit Court
	3	Franciscan St. James
	3	Harvest Time Catering
	3	Olympia Fields Park District
	3	Richton Park Summer Camp
	3	<i>Southland Hispanic Leadership Council</i>
	3	Walter Mosby Summer Camp
	4	American Family Insurance
	4	Aunt Martha's
	4	Franciscan St. James
	4	Harvest Time Catering
	4	Housing Authority of Cook County
	4	Last Minute Printing
	4	Olympia Fields Park District
	4	Red Dragon Martial Arts Academy
	4	<i>Southland Hispanic Leadership Council</i>
	4	Spectrum Computer Services
	4	Village of Richton Park/Police Department
	4	Village of Richton Park/Public Works Department

Source: OAG compiled from Lead Agency information.

APPENDIX D

NRI/CVPP

**PAYMENTS TO PARTICIPATING AGENCIES
AND
OTHER STATE PAYMENTS TO THE AGENCIES**

PROGRAM YEARS 3 & 4

Appendix D
NRI/CVPP & OTHER STATE PAYMENTS TO PARTICIPATING AGENCIES
Program Years 3&4

<i>NRI/CVPP Agency</i>	<i>Location</i>	<i>Year 3 NRI/CVPP Payments</i>	<i>FY13 Other State Payments</i>	<i>Year 4 NRI/CVPP Payments</i>	<i>FY14 Other State Payments</i>
A Knock at Midnight	Englewood	\$86,400.00	\$543,681.90	\$90,000.00	\$228,209.55
A Safe Haven Foundation	Rogers Park	\$171,093.00	\$834,377.00	\$362,136.38	\$792,602.19
A Safe Haven, LLC	Rogers Park	\$0.00	\$3,031,154.08	\$47,498.87	\$3,385,658.80
A Work of Faith Ministries	Rogers Park	\$90,000.00	\$0.00	\$0.00	\$0.00
ABJ Community Services	South Shore	\$88,756.96	\$2,009,820.51	\$101,008.00	\$782,463.50
Access Community Health Network	Englewood	\$62,760.82	\$46,707,351.83	\$55,745.99	\$37,925,623.70
African American Mentoring Group	Austin	\$8,898.66	\$0.00	\$0.00	\$0.00
Albany Park Community Center	Albany Park	\$118,934.00	\$2,079,842.63	\$100,272.99	\$1,871,370.15
Albany Park Neighborhood Council	Albany Park	\$143,329.00	\$0.00	\$369,114.82	\$58,000.00
Alliance of Local Service Organizations	Logan Square	\$140,246.84	\$0.00	\$136,298.94	\$0.00
ALSO/New Saints of Humboldt Park	Logan Square	\$50,460.99	\$0.00	\$0.00	\$0.00
Association House of Chicago	Humboldt Park	\$102,301.69	\$6,843,056.19	\$84,241.19	\$8,163,613.18
BUILD, Inc.	Multiple	\$190,237.50	\$213,247.77	\$381,803.84	\$222,511.93
Better Life for Youth	West Garfield Park	\$9,000.00	\$0.00	\$5,250.00	\$0.00
Black United Fund of Illinois	South Shore	\$174,369.14	\$1,063,375.68	\$424,761.00	\$1,048,709.98
Blocks Together	Humboldt Park	\$72,500.00	\$0.00	\$63,495.98	\$0.00
Bright Star Community Outreach	Grand Boulevard	\$18,000.00	\$162,737.00	\$15,830.36	\$119,937.07
Brighton Park Neighborhood Council	Brighton Park	\$86,855.14	\$539,712.03	\$77,648.71	\$815,997.33
Catholic Bishop of Chicago St. Agatha	North Lawndale	\$6,420.12	\$0.00	\$5,579.81	\$0.00
Catholic Bishop of Chicago St. Sabina	Auburn Gresham	\$413,578.89	\$1,472,928.08	\$412,833.11	\$1,161,281.42
Catholic Charities	Cicero	\$171,618.00	\$119,322,224.24	\$316,875.00	\$121,999,843.47
Center for Social Adjustment and Reentry	Grand Boulevard	\$25,679.00	\$0.00	\$37,393.20	\$0.00
Centro Sin Fronteras	Pilsen-Little Village	\$1,072.66	\$0.00	\$0.00	\$0.00
Changing Life Education Initiative, Inc.	Englewood	\$173,926.10	\$0.00	\$324,871.00	\$0.00
Chicago Area Project	Multiple	\$892,328.40	\$8,835,329.48	\$920,504.74	\$9,874,827.68
Chicago Commons	Humboldt Park	\$340,078.30	\$15,344,259.85	\$219,588.83	\$17,134,254.29
Chicago Youth Centers	Multiple	\$135,641.94	\$3,085,534.64	\$90,104.66	\$3,007,696.14
Chicago Lawndale Amachi Mentoring	North Lawndale	\$6,675.00	\$0.00	\$5,843.83	\$0.00
Children's Home and Aid Society of Illinois	Englewood	\$159,915.34	\$46,016,266.18	\$121,652.14	\$48,090,933.08
Circle Family Healthcare	Austin	\$232,774.50	\$2,550,314.10	\$0.00	\$1,497,705.72
Community Assistance Programs	Roseland	\$303,858.55	\$5,206,155.67	\$296,895.91	\$1,472,348.82
Community Human Services	Albany Park	\$0.00	\$1,011,700.00	\$60,000.00	\$199,470.29
Corazon Community Services	Cicero	\$89,219.00	\$291,030.03	\$276,539.40	\$291,666.23
Developing Communities Project	Roseland	\$86,400.00	\$338,600.00	\$0.00	\$62,500.00
Ebenezer Community Outreach	East Garfield Park	\$0.00	\$290,373.00	\$312,349.42	\$2,441.65

Appendix D
NRI/CVPP & OTHER STATE PAYMENTS TO PARTICIPATING AGENCIES
Program Years 3&4

<i>NRI/CVPP Agency</i>	<i>Location</i>	<i>Year 3 NRI/CVPP Payments</i>	<i>FY13 Other State Payments</i>	<i>Year 4 NRI/CVPP Payments</i>	<i>FY14 Other State Payments</i>
Enlace Chicago	Pilsen-Little Village	\$86,136.94	\$486,477.00	\$78,269.53	\$310,192.00
Exodus Unlimited	Greater Grand Crossing	\$17,800.00	\$88,168.00	\$0.00	\$80,973.07
Family Focus Nuestra Familia	Multiple	\$180,000.00	\$6,654,116.13	\$0.00	\$6,057,510.28
Family Guidance Center	Rogers Park	\$0.00	\$9,091,308.65	\$78,831.28	\$10,412,708.32
Fathers Who Care	West Garfield Park	\$9,000.00	\$18,750.00	\$9,808.82	\$6,250.00
Fellowship Connection	Multiple	\$497,618.19	\$341,452.75	\$547,306.94	\$462,276.38
Gary Comer Youth Center	Greater Grand Crossing	\$160,000.00	\$0.00	\$394,395.43	\$132,898.14
Goodcity	West Chicago	\$126,955.04	\$495,124.00	\$95,421.84	\$0.00
Greater Auburn Gresham Development Corporation	Greater Grand Crossing	\$243,584.28	\$188,913.38	\$134,969.54	\$0.00
Healthcare Alternatives Systems	Multiple	\$307,381.84	\$4,639,297.63	\$310,437.83	\$5,189,320.19
Healthcare Consortium of Illinois	Thornton Township	\$345,546.00	\$7,264,540.97	\$488,456.63	\$7,413,181.04
Healthy Families Chicago	North Lawndale	\$73,376.06	\$1,233,415.57	\$78,226.17	\$1,341,902.70
Illinois One Family One Child	West Garfield Park	\$71,415.00	\$252,001.00	\$0.00	\$347,301.66
Impact Ministries	South Shore	\$8,900.00	\$0.00	\$6,641.00	\$0.00
Jesus House Chicago	Albany Park	\$8,900.00	\$0.00	\$15,834.00	\$0.00
Kingdom Community	Austin	\$162,291.50	\$0.00	\$334,746.25	\$0.00
KLEO Community Family Life Center	Englewood	\$8,900.00	\$80,125.00	\$0.00	\$4,867.20
Latino Cultural Exchange	Humboldt Park	\$22,122.10	\$0.00	\$0.00	\$0.00
Latinos Progresando	Pilsen-Little Village	\$2,568.39	\$0.00	\$0.00	\$1,550.00
Lawndale Christian Legal Center	North Lawndale	\$67,876.87	\$0.00	\$49,998.02	\$0.00
Lights of Zion Ministries	Roseland	\$132,371.35	\$199,587.00	\$79,620.60	\$323,143.35
Living Word Christian Center	Austin	\$179,719.34	\$74,012.47	\$162,974.15	\$94,292.53
Logan Square Neighborhood Association	Logan Square	\$84,836.45	\$465,960.99	\$94,056.87	\$449,632.63
Maywood Youth Mentoring	Maywood	\$8,900.00	\$0.00	\$11,592.00	\$0.00
Mt. Vernon Baptist Church	East Garfield Park	\$53,244.47	\$276,246.98	\$45,461.82	\$58,437.81
National Alliance for Empowerment of the Formerly Incarcerated	West Garfield Park	\$0.00	\$0.00	\$31,096.49	\$0.00
New Baptist Ministers Fellowship	East Garfield Park	\$106,390.11	\$0.00	\$0.00	\$0.00
New Life Family Services	Hermosa	\$40,164.13	\$0.00	\$0.00	\$0.00
New Life Knew Solutions	Multiple	\$33,807.22	\$0.00	\$173,189.74	\$0.00
New Mt. Pilgrim	West Garfield Park	\$50,000.00	\$0.00	\$0.00	\$0.00
Organization of the Northeast	Rogers Park	\$89,200.33	\$98,668.00	\$0.00	\$165,867.00
People's Community Development Association	East Garfield Park	\$195,565.44	\$24,581.00	\$170,685.56	\$0.00
Phalanx Family Services	West Chicago	\$191,726.10	\$1,370,043.21	\$321,303.05	\$1,393,417.16
Pilsen Neighbors Community Council	Pilsen-Little Village	\$0.00	\$0.00	\$122,883.32	\$3,000.00
Pilsen Wellness Center	Brighton Park	\$131,647.66	\$7,325,437.67	\$201,479.76	\$9,087,940.88

Appendix D
NRI/CVPP & OTHER STATE PAYMENTS TO PARTICIPATING AGENCIES
Program Years 3&4

<i>NRI/CVPP Agency</i>	<i>Location</i>	<i>Year 3 NRI/CVPP Payments</i>	<i>FY13 Other State Payments</i>	<i>Year 4 NRI/CVPP Payments</i>	<i>FY14 Other State Payments</i>
Proviso Leyden Council for Community Action	Multiple	\$289,402.01	\$2,039,964.38	\$731,461.07	\$2,069,393.58
Puerto Rican Cultural Center	Humboldt Park	\$8,900.00	\$694,817.61	\$0.00	\$1,258,571.60
Revere C.A.R.E.	Greater Grand Crossing	\$3,600.00	\$0.00	\$0.00	\$0.00
Rich Township	Bloom Rich Township	\$96,373.00	\$67,017.64	\$210,268.74	\$64,003.70
Rincon Family Services	Hermosa	\$0.00	\$2,238,081.90	\$69,449.22	\$2,652,335.55
Roseland CeaseFire	Roseland	\$71,275.90	\$0.00	\$38,101.00	\$0.00
Santa Teresa de Avila Episcopal Church	West Chicago	\$89,256.76	\$0.00	\$109,512.18	\$0.00
Segundo Ruiz Belvis	Hermosa	\$22,187.88	\$5,000.00	\$0.00	\$225,000.00
SGA Youth and Family Services	Brighton Park	\$142,991.20	\$22,758.20	\$281,871.53	\$337,720.61
Sinai Community Institute	North Lawndale	\$428,448.10	\$3,606,260.88	\$424,655.12	\$3,995,622.84
South Shore Chamber	South Shore	\$90,000.00	\$12,500.00	\$65,465.00	\$4,634.91
South Shore Planning and Preservation Coalition	South Shore	\$8,900.00	\$0.00	\$8,125.00	\$0.00
Southland Health Care Forum	Bloom Rich Township	\$124,555.45	\$696,360.00	\$236,525.38	\$691,630.32
Southland Hispanic Leadership Council	Bloom Rich Township	\$106,910.00	\$0.00	\$106,491.24	\$0.00
Target Area Development Corporation	Multiple	\$200,214.37	\$161,848.81	\$163,880.03	\$173,108.02
Treatment Alternatives for Safe Communities	Multiple	\$39,420.00	\$15,016,868.12	\$83,702.49	\$14,789,993.51
Teamwork Englewood	Englewood	\$113,192.71	\$24,997.00	\$92,591.17	\$0.00
The Answer	Maywood	\$2,700.00	\$52,416.98	\$3,600.00	\$20,980.00
The Beloved Community	Auburn Gresham	\$217,327.38	\$174,813.07	\$126,887.92	\$58,250.00
The Miracle Center	Hermosa	\$0.00	\$346,143.73	\$94,269.96	\$247,218.23
The Success Center	Thornton Township	\$41,400.00	\$205,894.88	\$0.00	\$65,871.09
The Youth Peace Center	Roseland	\$17,800.00	\$0.00	\$16,250.00	\$0.00
Thornton Township Youth Committee	Thornton Township	\$111,786.00	\$0.00	\$4,097.55	\$0.00
Totally Positive Productions	Englewood	\$8,899.00	\$0.00	\$0.00	\$0.00
Uhlich Children's Advantage Network	East Garfield Park	\$149,254.53	\$25,755,205.38	\$139,258.28	\$29,442,067.40
ULEED	Hermosa	\$24,960.75	\$0.00	\$0.00	\$0.00
United Church of Rogers Park	Rogers Park	\$17,800.00	\$0.00	\$0.00	\$0.00
Universidad Popular	Pilsen-Little Village	\$125,291.06	\$834,128.98	\$91,514.32	\$813,270.97
Vision of Restoration	Maywood	\$8,900.00	\$192,350.00	\$0.00	\$328,940.08
Voice of the City	Logan Square	\$17,800.00	\$4,750.00	\$16,250.00	\$4,275.00
Woodlawn Children's Promise	Woodlawn	\$240,800.95	\$75,000.00	\$215,210.64	\$0.00
Woodlawn Public Safety Alliance	Woodlawn	\$0.00	\$0.00	\$152,000.00	\$0.00
Youth Crossroads	Cicero	\$17,800.00	\$250,210.05	\$8,125.00	\$259,359.43
Youth Service Project	Multiple	\$0.00	\$637,837.36	\$348,974.28	\$588,370.82
TOTALS		\$11,189,421.40	\$361,576,524.26	\$13,592,361.88	\$361,636,946.17
Note: The total amount of Year 3 NRI/CVPP Payments in this appendix is approximately \$20,000 higher than Exhibit 2-1 for Year 3, whose data came from a different source.					
Source: OAG Compilation of Comptroller data and Payment Information from Lead Agencies.					

APPENDIX E
AGENCY RESPONSES



**ILLINOIS
CRIMINAL JUSTICE
INFORMATION AUTHORITY**

300 W. Adams Street • Suite 200 • Chicago, Illinois 60606 • (312) 793-8550

March 16, 2016

Honorable Frank J. Mautino
Illinois Auditor General
Iles Park Plaza
740 East Ash Street
Springfield, IL 62703-3154

Re: HR 888 Audit

Dear Mr. Mautino:

On behalf of the entire staff of the Illinois Criminal Justice Information Authority, I thank you and your staff for the efforts undertaken to conduct an audit of the After School Program, the Community Violence Prevention Program, and grants made to Chicago Area Project.

I welcome the insights and the recommendations this audit provides us. Though the issues and shortcomings chronicled in the audit report are ones that arose under the prior administration and the prior leadership team of ICJIA, they are all issues that we are committed to remedying. ICJIA has a long and successful history of engaging in effective criminal justice policy work through our grants and our research. We will use the invaluable guidance in this audit report as another resource – in addition to the efforts already underway under the new administration – to leverage ICJIA's staff and its mandate to improve Illinois' criminal justice system.

Enclosed please find ICJIA's responses to the audit recommendations. Our commitment to improving Illinois' criminal justice system through well planned and well managed grant making and monitoring is reflected in our responses.

Sincerely,

John Maki
Executive Director



**ILLINOIS
CRIMINAL JUSTICE
INFORMATION AUTHORITY**

300 W. Adams Street • Suite 200 • Chicago, Illinois 60606 • (312) 793-8550

HR888 Audit Report Recommendations & Responses

Recommendation #1

ICJIA should conduct due diligence on providers that are to be part of its grant programs.

ICJIA Response:

Grants administered by ICJIA follow the requirements of The Federal & State Unit Policies and Procedures version December 2012 (FSUPP) which require funding recommendations based on a competitive bidding or needs-based allocation process. A competitive RFP is the standard method in which ICJIA identifies qualified grantees for grant fund designations. Despite these requirements being in place and a competitive RFP standard practice, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement that funding recommendations be based on a competitive bidding or needs-based allocation process.

Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. In addition, ICJIA's Federal and State Grants Units (FSGU), in partnership with ICJIA's Research & Analysis Unit (R&A) shall periodically perform an analysis of data indicating the greatest criminal justice and victim service priority issues and service gaps across Illinois. This analysis shall rely on objective data, such as crime statistics and victimization studies, demographic data, input from experts and system stakeholders, and a consideration of research studies and current efforts to address the priority issues and gaps in services identified. This analysis may also include the presentation of this information to an assembled Authority committee, such as the Victim Services ad-hoc Committee or the Budget Committee, when required by the grantor. The outcome of this analysis and the deliberations of such committees will help identify priority issues and service gaps that need to be addressed.

Finally, the Illinois Grant Accountability and Transparency Act (GATA), 30 ILCS 708/1 *et seq.*, requires that all grantees undergo a standardized fiscal and programmatic risk assessment. The implementation of GATA will allow ICJIA to better identify potential weaknesses that can either be addressed through more stringent oversight or by disqualifying certain grantees.

Recommendation #2

ICJIA should ensure full compliance with all interagency agreements. Additionally, it should take steps to ensure that funds being transferred to other State agencies for distribution to community based organizations do not overlap with the community based organizations' ICJIA funds for similar purposes.

ICJIA Response:

Grants administered by ICJIA follow the requirements of FSUPP. The document details the proper process for the execution of agreements prior to their start date. All proposed designations require Budget Committee oversight and approval. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement that funding recommendations be based on a competitive bidding or need- based allocation process and improperly appropriating these funds. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP.

In addition, FSGU has established a process that proposed designations are presented 4-6 weeks prior to program start. FSGU will communicate justifications for this process exception, which is normally due to meeting schedule coordination, to the Budget Committee. The Budget Committee has the authority to approve or deny the designation. Additionally, ICJIA will initiate an internal program audit process to review all pending and outstanding agreements on a quarterly basis in addition to currently updating the FSUPP with additional conditions and requirements for implementation in 2nd Quarter 2016.

Recommendation #3

ICJIA should ensure it has a proper understanding of the uses of its appropriations and payments for those obligations. Additionally, if the grant performance period for State grants is problematic ICJIA should always require the grant period to coincide with the end of the State fiscal year.

ICJIA Response:

ICJIA agrees with the finding. Under the current administration and current ICJIA leadership, ICJIA now has the proper understanding of the uses of its appropriations and payments for those appropriations. This action was made by the prior ICJIA leadership under the direction of the prior administration in the Governor's Office. It is not a standard practice to receive funds under general appropriation that is not marked solely for ICJIA's program activities. State grants administered by ICJIA typically coincide with the State fiscal year. Federal grants administered by ICJIA have grant periods that are set by the federal government.

Recommendation #4

ICJIA should require, approve, and maintain copies of all contractual agreements for all services funded by or through the agency regardless of the amount or purpose of the agreement.

ICJIA Response:

FSUPP details the proper process for management of agreements prior to and after execution. This process details the requirement to file the original signed agreement and any other original documents in a Masterfile stored in the ICJIA offices. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's

Office, disregarded FSUPP when executing these contracts. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. Additionally, ICJIA will implement an update before the end of the 2nd Quarter 2016 to FSUPP, with additional grant monitoring requirements that will streamline and add efficiencies to our operation. Finally ICJIA will initiate an internal program audit process to review all pending and outstanding agreements on a quarterly basis.

Recommendation #5

ICJIA should ensure that there is timely execution of all contracts for grant services, including the NRI/CVPP program. Further, ICJIA should follow its own policies and not allow the contracts to be signed if not executed within six months of the start date. Additionally, ICJIA should consider only allowing service providers to initiate grant services after an executed contract has been approved.

ICJIA Response:

FSUPP details the proper process for the execution of agreements prior to their start date. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP when executing these contracts. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of FSUPP. Additionally, ICJIA will implement an update before the end of the 2nd Quarter 2016 to FSUPP with additional grant monitoring requirements that will streamline and add efficiencies. Finally, ICJIA will initiate an internal program audit process to review all pending and outstanding agreements on a quarterly basis.

Recommendation #6

ICJIA should enforce provisions of grant agreements and require timely fiscal reporting by providers that contain accurate approved budget numbers and explanations when the expenses change. Additionally, ICJIA, when it delegates its responsibility for community oversight to lead agencies, should implement the necessary controls to ensure lead agencies enforce contract provisions relative to timely fiscal reporting. Finally, ICJIA should always collect and review quarterly fiscal reports from all program providers to not only comply with contract provisions but to maintain adequate oversight of State dollars.

ICJIA Response:

ICJIA's FSUPP requires fiscal reports on a quarterly basis. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement to make these reports. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of FSUPP. In addition, ICJIA has and will continue to enforce the provisions of the grant agreements and require timely fiscal reports.

Recommendation #7

ICJIA should consider revising its grant process to require the identification of individuals who are to be charged to the grant. Additionally, ICJIA should consider revising its fiscal

reporting to have grantees report the identities of the staff charged to the grant funds on a quarterly basis. Finally, ICJIA should revise its process to ensure that providers do not charge grant funds in excess of the amounts the providers actually pay the staff who work on the grant.

ICJIA Response:

Grants administered by ICJIA follow the requirements of FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation in 2nd Quarter 2016. As part of this update, we are revising the type of fiscal reports we require from our grantees and the fiscal reports due dates, thus allowing a more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports, in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the person paid with grant funds and any payment discrepancies.

Recommendation #8

ICJIA should comply with its policy and conduct timely site visits of new program grantees for effective monitoring of the programs.

ICJIA Response:

Grants administered by ICJIA follow the requirements of FSUPP. The document details the proper process for conducting site monitoring. ICJIA will adhere to those requirements. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement and its own policies. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of FSUPP. In addition, ICJIA maintains a requirement to conduct a site visit within 6 months of a new program inception, and every 24 months thereafter (at minimum).

Recommendation #9

ICJIA should ensure that all required background checks have been completed for all required grant programs, including the NRI/CVPP program. Additionally, ICJIA should consider requiring some type of background check or waiver for employer staff who participate in programs where the State is placing youth.

ICJIA Response:

Background checks are not a requirement of the current FSUPP. ICJIA, on program-by-program basis, will require background checks or some other validation method as a requirement for employee staff who participate in programs which place youth. ICJIA will assess the need for background checks based on the scope of the program and persons funded by the grant.

Recommendation #10

ICJIA should take the steps necessary to ensure that providers are complying with participation requirements of grant agreements and not simply delegating oversight to other entities. Additionally, ICJIA should review all reentry service providers for Years 3 and 4 of the NRI/CVPP program to determine if ineligible clients were served, whether the ineligibility was because of parole status, age, or type of crime. Finally, ICJIA should recover State grant funds that would have been spent on these ineligible clients from the service providers.

ICJIA Response:

Grants administered by ICJIA follow the requirements of the FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update we are revising the type and submittal schedules for the fiscal reports that will allow a more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports, in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the person paid with grant funds and any payment or contractual discrepancies.

ICJIA's Office of General Counsel (OGC) will investigate the providing agencies that served ineligible non-parolees in the Re-entry component of the CVPP program. Recovery actions under the GFRA will be initiated on a case-by-case basis after OGC evaluates the programmatic errors.

Recommendation #11

ICJIA should enforce provisions of grant agreements and ICJIA guidelines relative to the purchase of equipment by providing agencies. ICJIA should either require the mandatory correspondence and maintain that in its files, or not allow the purchase expenses by the providers. Finally, ICJIA should determine whether the dollar amount of the exceptions noted by auditors should be recovered from providing agencies.

ICJIA Response:

ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update we are revising the type of fiscal reports we require from our grantees and the fiscal reports due dates, thus allowing a more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the equipment purchased with grant funds and any payment, procurement or budget discrepancies. We will develop a procedure that requires grantees to provide confirmation of equipment purchases within the stated timeframes of the grant agreement. ICJIA's Fiscal Department will verify any prohibited CVPP equipment expenditures. OGC will then initiate recovery actions under the Grant Funds Recovery Act against providing agencies for any unallowable or undocumented equipment expenditures.

Recommendation #12

ICJIA should require all vendors to comply with information requests necessary to conduct complete evaluation of State grant programs. Further, ICJIA should look to implement penalties on vendors who fail to comply with these information requests. Finally, ICJIA should require evaluation contractors to comply with contractual requirements and submit required deliverables or seek to recover funds if those deliverables are not submitted.

ICJIA Response:

FSUPP details the proper process for the execution of agreements prior to their start date. ICJIA will initiate an internal program audit process to review all required program deliverables on a quarterly basis, in addition to currently updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. OGC is currently investigating the use of grant funds from this evaluation contract. The matter is currently in the informal hearings stage of GFRA proceedings.

Recommendation #13

ICJIA should enforce contract requirements relative to recovery of unspent funds. Additionally, ICJIA should ensure that contractual controls are not circumvented by the decisions of any ICJIA official, including the chief executive.

ICJIA Response:

ICJIA's Fiscal Department and OGC will review dollar amounts to verify the dollars spent outside of the grant terms and initiate the process to recover any such funds.

Recommendation #14

ICJIA should review expense testing exceptions found by auditors, determine whether repayments of funds is appropriate, and seek recoveries from providers of unallowable or undocumented expenses from the NRI/CVPP program. Additionally, ICJIA should consider some form of risk-based testing of expenses that are self-reported by providing agencies to better safeguard State monies.

ICJIA Response:

ICJIA's Fiscal Department will verify CVPP undocumented expenses of cited lead and providing agencies. OGC will then initiate recovery actions under the GFRA against any agencies with unallowable or undocumented amounts. Expenditures and fund requests from ICJIA's approved appropriation is thoroughly reviewed by ICJIA's Fiscal Unit.

Recommendation #15

ICJIA should consider revising its policies and require agencies to account for grant funds in separate accounts to increase the timeliness in repayment of unspent amounts and ensure the funds are not spent on non-grant purposes.

ICJIA Response:

ICJIA's grant agreements require grantees to maintain generally accepted standards of accounting. This allows easy and transparent review and reconciliation of expenditures against grant funds to ensure the funds are not spent on non-grant purposes. Additionally, ICJIA will initiate a grantee audit process to verify that proper policies are in place to ensure unspent amounts are repaid in a timely fashion and funds are not spent on non-grant purposes.

Recommendation #16

ICJIA should confirm amounts of unspent funds and amounts over approved budget line items from the NRI/CVPP program in Years 3 and 4. Additionally, ICJIA should take expedient action to collect these State funds. Finally, ICJIA should enforce provisions of its policies relative to revising approved budget lines in order for State resources to be utilized only for ICJIA approved activities.

ICJIA Response:

ICJIA's Fiscal Department will verify CVPP unspent funds and amounts over budget line items. Then, OGC will initiate recovery actions under the GFRA against lead and providing agencies for all unspent funds and amounts over budget line items. Grants administered by ICJIA follow the requirements of FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update, we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds.

Recommendation #17

ICJIA should ensure that there is timely execution of all contracts, including those for ASP services. Further, ICJIA should either follow its own policies and not allow the contracts to be signed after six months or change ICJIA policy. Additionally, ICJIA should consider only allowing service providers to initiate services, including ASP services, after an executed contract has been approved.

ICJIA Response:

FSUPP details the proper process for the execution of agreements prior to their start date. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP when executing these contracts. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. Additionally, ICJIA will implement an update before the end of the 2nd Quarter 2016 to the FSUPP with additional grant monitoring requirements that will streamline and add efficiencies. Finally, ICJIA will initiate an internal program audit process to review all pending and outstanding agreements on a quarterly basis.

Recommendation #18

ICJIA should enforce provisions of grant agreements and require timely fiscal reporting by grantees. ICJIA should always collect quarterly fiscal reports from all program providers to not only comply with contract provisions but to maintain adequate oversight of State dollars.

ICJIA Response:

FSUPP requires fiscal reports on a quarterly basis. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement to make these reports. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. In addition, ICJIA has and will continue to enforce the provisions of the grant agreements and require timely fiscal reports. In order to add efficiency, ICJIA is currently developing an RFP for a new grant system that will provide better oversight and control of the submittals from the grantees and allow timely communication and identification of any fiscal or contractual issues.

Recommendation #19

ICJIA should comply with its policy and conduct timely site visits of new program grantees for effective monitoring of the programs.

ICJIA Response:

FSUPP details the proper process for conducting site monitoring, which ICJIA now follows. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement and its own policies. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. In addition, ICJIA requires site visits within 6 months of new program inception and every 24 months thereafter, at a minimum.

Recommendation #20

ICJIA should enforce provisions of grant agreements and ICJIA guidelines relative to the purchase of equipment by providing agencies of the After-School Program. ICJIA should either require the mandatory correspondence and maintain that in its files, or not allow the purchase expenses by the grantees. Finally, ICJIA should determine whether the dollar amount of the exceptions noted by auditors should be recovered from the grantees and seek all necessary recoveries.

ICJIA Response:

ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the equipment purchased with grant funds and any

payment, procurement or budget discrepancies. FSUPP prohibits grant expenditures outside of the grant term. We will develop a procedure that requires grantees to provide confirmation of equipment purchases within the stated timeframes of the grant agreement. ICJIA's Fiscal Department will verify ASP unallowable equipment expenditures. OGC will then initiate recovery actions under the GFRA against providing agencies for any unallowable or undocumented equipment expenditures.

Recommendation #21

ICJIA should review expense testing exceptions found by auditors, determine whether repayment of funds is appropriate, and seek recoveries from providers of unallowable or undocumented expenses from the ASP program. Additionally, ICJIA should consider some form of risk-based testing of expenses that are self-reported by providing agencies to better safeguard State monies.

ICJIA Response:

ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds.

Additionally, we are developing a risk assessment form that we will use to as part of our internal program audit process which will identify the risk level of the grantee along with specific program requirements. The level of risk identified could prompt a desk review or audit of the grantee's activities.

ICJIA's Fiscal Department will verify ASP unspent funds and amounts over budget line items. OGC will then initiate recovery actions under the GFRA against providing agencies for remaining unallowable or undocumented amounts. Expenditures and fund requests from ICJIA's approved appropriation is thoroughly reviewed by ICJIA's Fiscal Unit.

Recommendation #22

ICJIA should memorialize all changes to grant agreements. Additionally, ICJIA should consider changing its policy on grant payments to ensure that providers do not simply hold large sums of State dollars prior to expending the monies. Finally, ICJIA should ensure that all grants have up to date budgets and scope of work sections to safeguard State monies.

ICJIA Response:

FSUPP details the proper process for the review and execution of grantee agreements and any agreement amendments. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement to properly review and execute grant agreements and amendments. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to

the requirements of the FSUPP. In addition, ICJIA will initiate an internal program audit process to review all pending and outstanding agreements on a quarterly basis in addition to currently updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016.

Recommendation #23

ICJIA should consider revising its grant process to require the identification of individuals who are to be charged to the grant. Additionally, ICJIA should consider revising its fiscal reporting to have grantees report the identities of the staff charged to the grant funds on a quarterly basis. Finally, ICJIA should revise its process to ensure that providers do not charge grant funds in excess of the amounts the providers actually pay the staff who work on the grant.

ICJIA Response:

Grants administered by ICJIA follow the requirements of FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update, we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the person paid with grant funds and any payment or budget discrepancies.

Recommendation #24

ICJIA should enforce provisions of grant agreements and require timely fiscal reporting by providers that contain accurate approved budget numbers and explanations when the expenses change. Additionally, ICJIA, when it delegates its responsibility for community oversight to another agency, should implement the necessary controls to ensure that agency enforces contract provisions relative to timely fiscal reporting. Finally, ICJIA should always collect quarterly fiscal reports from all program providers to not only comply with contract provisions but to maintain adequate oversight of State dollars.

ICJIA Response:

FSUPP requires fiscal reports on a quarterly basis. Despite these requirements being in place, the prior leadership of ICJIA, under the direction of the prior administration in the Governor's Office, disregarded FSUPP's requirement to make these reports. Under the current administration and current ICJIA leadership, ICJIA has and will continue to adhere to the requirements of the FSUPP. In addition, ICJIA has and will continue to enforce the provisions of the grant agreements and require timely fiscal reports. In order to add efficiency to our process, ICJIA is currently developing a RFP for a new grant system that will provide better oversight and control of the submittals from the grantees and allow timely communication and identification of any fiscal or contractual issues.

Recommendation #25

ICJIA should enforce provisions of grant agreements and ICJIA guidelines relative to the purchase of equipment by providing agencies of the ICJIA funding to Chicago Area Project. ICJIA should either require the mandatory correspondence and maintain that in its files, or not allow the purchase expenses by the grantees. Finally, ICJIA should determine whether the dollar amount of the exceptions noted by auditors should be recovered from the grantees and seek all necessary recoveries.

ICJIA Response:

Grants administered by ICJIA follow the requirements of FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the equipment purchased with grant funds and any payment or budget discrepancies.

FSUPP prohibits grant expenditures outside of the grant term. As it relates to Site Monitoring, ICJIA has a requirement to conduct a site visit within 6 months of new program inception and every 24 months thereafter, at minimum. ICJIA's Fiscal Department will verify CAP's unallowable equipment expenditures. OGC will then initiate recovery actions under the GFRA against CAP for any unallowable or undocumented equipment expenditures.

Recommendation #26

ICJIA should review expense testing exceptions found by auditors, determine whether repayment of funds is appropriate, and seek recoveries from providers of unallowable or undocumented expenses from the Chicago Area Project Non-NRI/CVPP program. Additionally, ICJIA should consider some form of risk-based testing of expenses that are self-reported by providing agencies to better safeguard State monies.

ICJIA Response:

Grants administered by ICJIA follow the requirements of FSUPP. ICJIA is currently in the process of updating the FSUPP with additional conditions and requirements for implementation 2nd Quarter 2016. As part of this update, we are revising the type and submittal schedules for the fiscal reports that will allow more granular review of details related to grantee expenses, income and match funds. These revised forms will be the foundation documents for the internal program audit process to review the fiscal reports in addition to the supplemental documents on personnel, equipment and other line item expenses with the use of grant funds. This review will identify the equipment paid with grant funds and any payment or budget discrepancies.

Additionally, we are developing a risk assessment form that we will use as part of our internal program audit process which will identify risk level of the grantee along with specific program requirements. The level of risk identified could prompt a desk review or audit of the grantee's activities. As it relates to Site Monitoring, ICJIA has a requirement to conduct a site visit within 6 months of new program inception and every 24 months thereafter, at minimum. ICJIA's Fiscal

Department will verify undocumented expenses of CAP. OGC will then initiate recovery actions under the GFRA against CAP for any unallowable or undocumented amounts.

Recommendation #27

ICJIA should confirm amounts of unspent funds and amounts over approved budget line items for agencies receiving funds through CAP in Years 3 and 4. Additionally, ICJIA should then take expedient action to collect these State funds. Finally, ICJIA should enforce provisions of its policies relative to revising approved budget lines in order for State resources to be utilized only for ICJIA approved activities.

ICJIA Response:

ICJIA's Fiscal Department will verify CAP's non-CVPP unspent funds and amounts over budget line items. Then, OGC will initiate recovery actions under the Grant Funds Recovery Act against CAP for all non-CVPP unspent funds and amounts over budget line items. Expenditures and fund request from ICJIA's approved appropriation is thoroughly reviewed by ICJIA's Fiscal Unit.

Recommendation #28

ICJIA should conduct a complete review and account for the amount paid to CAP for grants in FY13 and FY14. Additionally, ICJIA should seek recovery of any amounts due back to the State based on its review.

ICJIA Response:

Expenditures and fund requests from ICJIA's approved appropriation are thoroughly reviewed by ICJIA's Fiscal Unit. As recommended by the OAG, ICJIA will undertake a full fiscal audit of the \$9 million received by CAP in state grants from FY13 and FY14. Once unallowable expenditures are verified, OGC will initiate recovery actions under the Grant Funds Recovery Act against CAP for all unallowable, undocumented, or unspent amounts.

