

**Transcript: “Podcast: Two Reports on Allegations of Inappropriate Conduct Related to the Office of Juvenile Justice and Delinquency Prevention’s Title II Part B Formula Grant Program,” July 2017**

Stephanie Logan (SL): Welcome to the latest podcast from the Department of Justice Office of the Inspector General. I’m Stephanie Logan, and I am a Public Affairs Specialist in our office.

Our podcast will focus on two separate, but related reports released by our office today. These reports are related to allegations of inappropriate conduct within a grant program of the Office of Juvenile Justice and Delinquency Prevention, otherwise known as OJJDP.

I’m here with Elisa Lee, a Program Manager in our Audit Division, and Karen Rich, an Investigative Counsel in our Oversight and Review Division to discuss the findings of each report.

Elisa, I’d like to start by asking you to provide some background on the reviews. How were they initiated?

Elisa Lee (EL): First off, Stephanie, thank you for having me to discuss this important topic. And as you mentioned, the reports are related to a grant program in OJJDP, called the Title II Part B Formula Grant Program. This program makes awards to states and territories to develop programs intended to improve the juvenile justice system. In 2014, an OIG criminal investigator alleged that DOJ employees may have engaged in wrongdoing in relation to this grant program. The allegations were made to the U.S. Office of Special Counsel, or OSC. OSC referred the allegations to then-Attorney General Eric Holder, who in turn asked the OIG to investigate further.

Some of the allegations we received raised concerns about systemic issues in the management of the grant program. Our Audit Division looked into those. Other allegations raised concerns that were more investigative in nature, so our Oversight and Review Division handled those. That’s why we have two separate reports.

SL: And can you talk generally about the topics that the audit report looked at?

EL: Sure. There were two. First, we looked at whether or not OJJDP employees ensured that states complied with core protections required by law. And secondly, we looked at an allegation that a state had falsified data in order to receive federal funding, and that OJJDP employees failed to investigate the allegation.

SL: Can you tell me more about the core protections required by law?

EL: Well, the states that receive these Title II Part B grants are generally supposed to ensure that juveniles who have committed what are called “status” offenses are not placed in secure detention or correctional facilities. “Status” offenses are offenses that would not be criminal if committed by adults. Running away is a good example – adults can do that, but kids cannot. This policy is generally referred to as the deinstitutionalization of status offenders. States are also supposed to separate juveniles from adult inmates,

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remove juveniles from adult jails, and reduce the disproportionate contact of minority youth with the juvenile justice system.

SL: Okay, and so a piece of your audit was focused on determining if OJJDP assured compliance with those core protections of juveniles that you just mentioned.

EL: That’s correct.

SL: And what did you find?

EL: We found that OJJDP – which again is the part of the DOJ that was responsible for the grant program – was not routinely performing compliance monitoring audits. These audits are important to ensure that states comply with federal regulations and the important juvenile core protection requirements I just mentioned.

More specifically, OJJDP’s policy before October 2015 required states participating in the grant program to conduct compliance audits at least once every 5 years. But we found that 20 states or territories received only one audit between 2002 and 2014, which is a thirteen year span. And actually, in October 2015 while we were conducting our audit, OJJDP changed its policy to require a compliance audit every 3 years, rather than every 5.

We also found that OJJDP had not developed written policies governing its audit selections. We think that written policies and procedures would provide assurances that audits are selected uniformly, are consistent with DOJ policies, and are based on appropriate risk factors.

SL: And can you talk about the second allegation that a state had falsified data in order to receive federal funding? I understand there were two parts to this: the allegation of fraud, and also an allegation that OJJDP failed to investigate?

EL: Yes, that’s correct. There was a staff member who suspected that a state had submitted fraudulent data. We looked at this allegation but ultimately did not substantiate it. As to the alleged failure to investigate, we found that OJJDP managers did not investigate because they were not aware of the allegation. The staff member had shared the suspicions with other OJJDP employees, but not with management. I should note, however, that the employee did later come forward and tell the OIG about the concerns.

SL: Now, Karen, I’d like to discuss the Oversight and Review report with you. Generally, Elisa said that your report looked at allegations that were more investigative in nature. So what specifically did your report look at?

KR: Yes, the report looked at allegations that generally claimed that DOJ employees engaged in misconduct. For example, it was alleged employees issued legal opinions that were contrary to law so that a grantee – the State of Wisconsin – could circumvent grant

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requirements. Another allegation was that those same legal opinions led to the illegal detention of youth who had run away from state-ordered placements. And a third allegation was that OIG employees obstructed fact finding in an investigation of the Wisconsin grantee.

SL: Alright, so let's talk about the legal opinions first. What did your report find?

KR: Sure. We did not substantiate the allegations that the legal opinions were written in order to enable a grantee to circumvent grant requirements, or for any other improper purpose. We determined these legal opinions were based on a good faith legal analysis of complex statutory provisions, and the General Counsel's office encouraged OJJDP to inform states about the opinions through trainings and updates. Because we didn't find that the legal opinions were improper, we did not conclude that juveniles were being improperly detained as a result of those opinions.

I also want to add that we do think there is significant room for improvement in the administration of the formula grant program. For example, we found that OJJDP employees did not fully understand the legal opinions and, as a result, gave unclear and inconsistent guidance to state grantees. We also found that state grantees and other stakeholders were not adequately notified of a change in interpretation of the grant requirements. We make six recommendations to address these important issues.

SL: And what about the allegation of obstruction of fact finding? Can you talk a bit about what you found regarding that allegation?

KR: Sure. We did not substantiate the claim that OIG managers obstructed or improperly interfered with the investigation of alleged grant fraud. The lead investigator was removed from the investigation for reasons set forth in our report. She was replaced in late 2009 and other investigators and auditors continued the investigation. Ultimately, DOJ attorneys declined to bring a criminal or civil fraud action.

SL: And my last question: was there anything else that came of the investigation that might improve the operation of the grant program, or of OJJDP?

KR: Yes, and this is a very important point. Both of the OIG's reports identified issues of concern and made recommendations for improvement to OJJDP. We will follow up on those recommendations, and the OIG intends to initiate a separate audit to take an even closer look at OJJDP's administration of the grant program at an appropriate time in the future. That is one of the many reasons why we believe it was important that these concerns were brought forward and that we had an opportunity to thoroughly review them.

SL: Karen, Elisa, thank you so much for joining me.

KR/EL: Thanks for having us, Stephanie.

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SL: That's it for today. To read our reports, please visit our website [oig.justice.gov](http://oig.justice.gov). Thanks for joining us.