



Audit of the Office of Justice Programs Victim
Assistance Funds Subawarded by the
New Mexico Crime Victims Reparation
Commission to The Life Link,
Santa Fe, New Mexico



AUDIT DIVISION

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EXECUTIVE SUMMARY

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Background

The U.S. Department of Justice (DOJ), Office of Justice Programs (OJP) provided funds to the New Mexico Crime Victims Reparation Commission (New Mexico CVRC) to make subawards to support victim assistance programs in the state of New Mexico. New Mexico CVRC awarded \$476,143 in crime victim assistance funds to The Life Link under two subawards in October 2021 and October 2022. The purpose of The Life Link's subawards was to provide relocation assistance and advocacy to victims of human trafficking. As of December 2022, New Mexico CVRC had reimbursed The Life Link for a cumulative amount of \$302,235 for the subawards we reviewed.

Audit Objective

The objective of this DOJ Office of the Inspector General audit was to review how The Life Link used Victims of Crime Act (VOCA) funds to assist crime victims and assess whether it accounted for these funds in compliance with select award requirements, terms, and conditions.

Summary of Audit Results

We concluded that The Life Link provided relocation assistance to victims of human trafficking and employed advocates to assist those victims in the state of New Mexico. We provided a copy of this draft audit report to The Life Link, New Mexico CVRC, and OJP officials. Though our report does not have any recommendations, OJP provided a response, which can be found in Appendix 2. The Life Link and New Mexico CVRC elected not to provide a written response.

Program Performance Accomplishments

The audit concluded The Life Link adequately provided relocation assistance and advocacy services to victims of human trafficking.

Financial Management

The audit concluded The Life Link implemented adequate financial management controls and properly spent VOCA funds on budgeted advocacy staff and relocation assistance.

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Introduction

The Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of victim assistance funds received by The Life Link, which is located in Santa Fe, New Mexico. The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) provided this funding to the New Mexico Crime Victims Reparation Commission (New Mexico CVRC), which serves as the State Administering Agency (SAA) for New Mexico and makes subawards to direct service providers. As a direct service provider, The Life Link received two subawards from the New Mexico CVRC totaling \$476,143 between October 2021 and October 2022. These funds originated from New Mexico CVRC's FY 2019 and FY 2020 federal grants, as shown in Table 1.

Table 1

Audited Subawards to The Life Link from New Mexico CVRC

New Mexico CVRC Subaward Identifier	OJP Prime Award Numbers	Project Start Date	Project End Date	Subaward Amount
2023-VA-271	2020-V2-GX-0050	10/01/2022	09/30/2023	\$205,083
2022-VA-175	2019-V2-GX-0008	10/01/2021	09/30/2022	\$271,060
Total:				\$476,143

Source: JustGrants and New Mexico CVRC

Established by the Victims of Crime Act (VOCA) of 1984, the Crime Victims Fund (CVF) is used to support crime victims through DOJ programs and state and local victim assistance and compensation initiatives.¹ According to OJP's program guidelines, victim assistance services eligible to receive VOCA support must: (1) respond to the emotional and physical needs of crime victims, (2) assist victims of crime to stabilize their lives after a victimization, (3) assist victims to understand and participate in the criminal justice system, and (4) provide victims of crime with a measure of safety and security. Direct service providers receiving VOCA victim assistance subawards thus may provide a variety of support to victims of crime, to include offering help filing restraining orders, counseling in crises arising from the occurrence of crime, crisis intervention, and emergency shelter.

¹ The VOCA Victim Assistance Formula Grant Program is funded under 34 U.S.C. § 20101. Federal criminal fees, penalties, forfeited bail bonds, gifts, donations, and special assessments support the CVF. The total amount of funds that the OVC may distribute each year depends upon the amount of CVF deposits made during the preceding years and limits set by Congress.

The Life Link

The Life Link is a 501(c)(3) non-profit organization whose mission is to help hungry, homeless, and displaced individuals and families achieve self-sufficiency through emergency assistance, housing, employment, addiction, and mental health services in Santa Fe, New Mexico. The Life Link has been serving Santa Fe and the surrounding areas since 1987. It is committed to providing accessible, culturally appropriate, supportive, and effective services to persons experiencing homelessness and/or behavioral health challenges.² According to the VOCA grants administrator, The Life Link has been a subrecipient of VOCA grants since 2015.

OIG Audit Approach

The objective of this audit was to review how The Life Link used the VOCA funds received through two subawards from New Mexico CVRC to assist crime victims and assess whether The Life Link accounted for VOCA funds in compliance with select award requirements, terms, and conditions. To accomplish this objective, we assessed program performance and accomplishments and financial management.

To gain a further understanding of victim assistance subaward oversight, as well as to evaluate subrecipient performance and administration of VOCA-funded programs, we solicited feedback from New Mexico CVRC officials regarding The Life Link's records of delivering crime victim services, accomplishments, and compliance with New Mexico CVRC award requirements.³

We tested compliance with what we considered to be the most important conditions of the subawards. The DOJ Grants Financial Guide; VOCA Guidelines and Final Rule; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; New Mexico CVRC guidance; and the OVC and SAA award documents contain the primary criteria we applied during this audit.

The results of our analysis are discussed in detail in the following sections of this report. Appendix 1 contains additional information on this audit's objective, scope, and methodology.

² Background information on The Life Link was taken from the organization's website directly (unaudited).

³ As an SAA, New Mexico CVRC is responsible for ensuring that The Life Link's subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. As such, we considered the results of our audit of victim assistance grants awarded to New Mexico CVRC in performing this separate review. See [Audit of the Office of Justice Programs Victim Assistance and Victim Compensation Formula Grants Awarded to the New Mexico Crime Victims Reparation Commission, Albuquerque, New Mexico](#), Audit Report GR-60-17-006 (April 2017), oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-and-victim-compensation-formula-grants-1.

Audit Results

Program Performance and Accomplishments

As established by the VOCA legislation, VOCA subawards are available to subrecipients for the purpose of providing direct services to victims. The Life Link received its VOCA funding from New Mexico CVRC to provide relocation assistance to victims of human trafficking and to fund advocates to assist human trafficking victims within the state of New Mexico. We obtained an understanding of The Life Link's standard operating procedures in relation to the subaward funded services. We also compared the subaward solicitations, project proposal and applications, and subaward agreements against available evidence of accomplishments to determine whether The Life Link demonstrated adequate progress towards providing the services for which it was funded. Overall, we concluded that The Life Link adhered to the goals of its subawards, and we did not identify any instances of non-compliance.

Program Implementation

According to the DOJ Grants Financial Guide, recipients of federal awards should maintain a well-designed and tested system of internal controls. The DOJ Grants Financial Guide further defines internal controls as a process designed to provide reasonable assurance regarding the achievement of objectives in: (1) the effectiveness and efficiency of operations, (2) reliability of reporting for internal and external use, and (3) compliance with applicable laws and regulations.

To obtain an understanding of its standard operating procedures in relation to audited victim services, we conducted interviews with The Life Link's Chief Executive Officer, Chief Financial Officer, and Program Director. We also requested The Life Link's written policies and procedures that govern the VOCA-funded program. These individuals informed us of their program operations and procedures, which include receiving and reviewing victim referrals from law enforcement to determine if the victim qualifies for services. If qualified, The Life Link assists the victims in obtaining government services, identification, and safe housing. Once the victim obtains safe housing, The Life Link assists the victim with housing payments for up to 24 months. Based on our review, we found that The Life Link has adequate internal controls in place to appropriately deliver services to victims of crime.

Program Services

According to the goals and objectives of the subawards, The Life Link was to provide relocation assistance to victims of human trafficking and employ advocates to assist those victims within the state of New Mexico. We determined The Life Link used VOCA funds to assist victims with rental expenditures incurred as part of relocation. Additionally, The Life Link used VOCA funds for payroll expenditures related to victim advocates who connected victims to housing resources and assisted victims in obtaining access to public services such as the federal Supplemental Nutrition Assistance Program. We reviewed a judgmental sample of transactions related to housing for victims and payroll, interviewed The Life Link leadership, and reviewed programmatic documentation. Based on our analysis, we concluded that The Life Link provided the aforementioned services to crime victims.

Financial Management

According to the DOJ Grants Financial Guide, all grant recipients and subrecipients are required to establish and maintain adequate accounting systems and financial records to accurately account for awarded funds. We conducted interviews with officials; examined policies and procedures; reviewed award documents, including rental leases, check stubs, and forms indicating the victims were qualified for the program; and performed expenditure testing to determine whether The Life Link adequately accounted for the subaward funds we audited. Overall, we concluded The Life Link appropriately managed its finances related to the subawards and properly accounted for and documented award expenditures we tested.

Fiscal Policies and Procedures

To test fiscal policies and procedures, we reviewed The Life Link's policies related to subaward fiscal oversight, spoke with The Life Link officials regarding financial procedures, and verified the execution of activities in accordance with those procedures. We found that The Life Link's policies, procedures, and systems allow it to account for federal funds and track expenditures.

Subaward Expenditures

The Life Link requests payment from the New Mexico CVRC via an electronic request form. For the subawards we audited, The Life Link's approved budgets included personnel, employee benefits, contractors and consultants, and other costs, such as phone expenditures and safehouse rent. As of December 2022, we found that the New Mexico CVRC paid a total of \$302,235 to The Life Link with VOCA funds for costs incurred in these areas.

We reviewed a sample of The Life Link transactions to determine whether the costs charged to the project and paid with VOCA funds were accurate, allowable, supported, and in accordance with the VOCA program requirements. We judgmentally selected 25 expenditures and 3 payroll periods totaling \$36,872. The transactions we reviewed included costs in the following categories: personnel, employee benefits, contractors and consultants, and other direct costs.⁴ We did not identify any issues related to the tested expenditures.

Contractor and Consultant Costs

The largest cost area for which The Life Link received reimbursement was relocation assistance costs budgeted as contract expenses. We determined New Mexico CVRC reimbursed The Life Link \$203,646 of the total \$302,235 expended (approximately 67 percent of total reimbursements) for relocation assistance for the subawards in our scope. To test relocation costs charged to the subawards, we selected a sample of 22 relocation assistance transactions from The Life Link's accounting records. We judgmentally selected 12 transactions from the 2022 subaward, and 10 from the 2023 subaward. To perform verification testing of these expenditures, we reviewed accounting records and available supporting documentation. We found

⁴ Following guidance from the VOCA Fix to Sustain the Crime Victims Fund Act of 2021, the New Mexico CVRC allowed its subrecipients to waive the requirement to provide matching funds from non-federal sources. Therefore, we did not perform testing in this area except for verifying that the waiver was provided and in place for the life of this subaward.

that all relocation assistance transactions were fully supported, approved, and complied with subaward requirements.

Personnel Costs

We judgmentally sampled three pay periods totaling \$9,010 from the subawards in our scope. To perform verification testing of these expenditures, we reviewed accounting records and available supporting documentation. We found that all personnel costs and employee benefits were fully supported, approved, and complied subaward requirements.

Other Costs

We judgmentally sampled three other direct cost transactions totaling \$3,025. To perform verification testing of these expenditures, we reviewed accounting records and available supporting documentation. We found that all other direct cost transactions were fully supported, approved, and complied with subaward requirements.

Conclusion

As a result of our audit testing, we conclude that The Life Link used VOCA funds received through two subawards from New Mexico CVRC appropriately, achieved the subawards' stated goals and objectives by providing relocation assistance to victims of human trafficking, and employed advocates to serve victims in the state of New Mexico. We found that all tested expenditures were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and the terms and conditions of the subaward. Additionally, we found that The Life Link adhered to guidance related to program performance and accomplishments and grant financial management. Therefore, we do not make any recommendations in this report.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to review how The Life Link used the Victims of Crime Act (VOCA) funds received through two subawards from the New Mexico Crime Victims Reparation Commission (New Mexico CVRC) to assist crime victims and assess whether it accounted for VOCA funds in compliance with select award requirements, terms, and conditions. To accomplish this objective, we assessed program performance and accomplishments and grant financial management.

Scope and Methodology

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

This was an audit of two subawards to The Life Link. These subawards, totaling \$476,143, were funded by New Mexico CVRC from primary VOCA grants 2019-V2-GX-0008 and 2020-V2-GX-0050 awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of December 2022, New Mexico CVRC had reimbursed The Life Link \$302,235 in subaward funds.

Our audit concentrated on, but was not limited to, the period of October 2021 through April 2023. The Department of Justice (DOJ) Grants Financial Guide; the VOCA Guidelines and Final Rule; 2 C.F.R. § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; New Mexico CVRC guidance; and the OVC and New Mexico CVRC award documents contain the primary criteria we applied during the audit.

To accomplish our objectives, we tested compliance with what we considered to be the most important conditions of The Life Link's activities related to the audited grants. Our work included conducting interviews with The Life Link financial staff, examining policies and procedures, and reviewing grant documentation and financial records. We performed sample-based audit testing for personnel, employee benefits, contractors and consultants, and other direct costs. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the grants reviewed. This non-statistical sample design did not allow projection of the test results to the universe from which the samples were selected.

During our audit, we obtained information from DOJ's JustGrants, as well as accounting and case management systems specific to the management of DOJ funds during the audit period. We did not test the reliability of those systems as a whole, therefore any findings identified involving information from those systems were verified with documentation from other sources.

Internal Controls

In this audit, we performed testing of internal controls significant within the context of our audit objective. We did not evaluate the internal controls of The Life Link to provide assurance on its internal control structure as a whole. The Life Link's management is responsible for the establishment and maintenance of internal controls in accordance with 2 C.F.R. § 200. Because we do not express an opinion on The Life Link's internal control structure as a whole, we offer this statement solely for the information and use of The Life Link, New Mexico CVRC, and OJP.⁵

In planning and performing our audit, we identified internal control components and underlying internal control principles as significant to the audit objective. Specifically, we assessed the design and implementation of The Life Link's policies and procedures. We also tested the implementation and operating effectiveness of specific controls over subaward execution and compliance with laws and regulations in our audit scope. However, because our review was limited to those internal control components and underlying principles that we found significant to the objective of this audit, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

Finally, we reviewed The Life Link's single audit reports for fiscal years 2018 to 2021, which were the only single audit reports available within the scope of the audit subawards at the time of our audit. We determined that The Life Link previously had single audit findings and that those findings related to DOJ funds have been addressed.

⁵ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

June 8, 2023

MEMORANDUM TO: Kimberly L. Rice
Regional Audit Manager
Denver Regional Audit Office
Office of the Inspector General

FROM: Ralph E. Martin
Director *Ralph E. Martin*

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs, Victim Assistance Funds Subawarded by the New Mexico Crime Victims Reparation Commission to the Life Link, Santa Fe, New Mexico*

This memorandum is in response to your correspondence, dated May 10, 2023, transmitting the subject draft audit report for the Life Link. The Life Link received sub-award funds from the New Mexico Crime Victims Reparation Commission, under the Office of Justice Programs' (OJP), Victims of Crime Act, Victim Assistance Formula Grant Program, Grant Numbers 2019-V2-GX-0008 and 2020-V2-GX-0050. The draft audit report does not contain any recommendations directed to OJP. Accordingly, OJP has reviewed the draft audit report and does not have any comments.

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

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