



Audit of the Office of Justice Programs Victim
Assistance Funds Subawarded by the
Wisconsin Department of Justice to
Pathfinders Milwaukee, Inc.,
Milwaukee, Wisconsin



AUDIT DIVISION

25-036

FEBRUARY 2025



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Wisconsin Department of Justice to Pathfinders Milwaukee, Inc., Milwaukee, Wisconsin

Background

The U.S. Department of Justice (DOJ), Office of Justice Programs (OJP) provided funds to the Wisconsin Department of Justice (Wisconsin DOJ) to make subawards to support victim assistance programs in the state of Wisconsin. The Wisconsin DOJ awarded \$1,321,056 in crime victim assistance funds to Pathfinders Milwaukee, Inc. (Pathfinders) under two subawards covering October 2022 through September 2024. The purpose of Pathfinders' subawards was to provide advocacy, therapy, case management, and outreach services to youth victims of sexual violence and exploitation in Milwaukee, Wisconsin. As of January 31, 2024, the Wisconsin DOJ had reimbursed Pathfinders for a cumulative amount of \$897,700 for the subawards we reviewed.

Audit Objective

The objective of this DOJ Office of the Inspector General audit was to review how Pathfinders used Victims of Crime Act 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 Pathfinders used subaward funds to provide services to youth victims of sexual violence and exploitation in Milwaukee, Wisconsin. However, we found that Pathfinders should improve policies and procedures related to performance reporting and grant financial management. We also identified \$1,800 in dollar-related findings.

Program Performance Accomplishments

The audit concluded that Pathfinders provided therapeutic and clinical services to youth victims of sexual violence and exploitation. However, the audit also found that Pathfinders included inaccurate figures in the two performance reports we reviewed and that there are no written policies and procedures for the reporting process.

Financial Management

The audit concluded that Pathfinders lacked comprehensive, formal policies and procedures detailing the fiscal activities of the organization that ensure compliance with DOJ Grants Financial Guide and federal award requirements. In particular, Pathfinders did not have policies and procedures regarding the allocation of costs among applicable funding sources, and we found that Pathfinders did not allocate consultant costs appropriately. As a result, we identified \$1,800 in unsupported consultant expenses that were paid with subaward funds.

Recommendations

Our report contains three recommendations for OJP to work with the Wisconsin DOJ to assist Pathfinders in improving its subaward management and administration, as well as remedy the \$1,800 in dollar-related findings. We requested a response to our draft audit report from Pathfinders, the Wisconsin DOJ, and OJP officials. The responses can be found in Appendices 3, 4, and 5, respectively. Our analysis of those responses can be found in Appendix 6.

Table of Contents

Introduction	1
Pathfinders Milwaukee, Inc.....	2
OIG Audit Approach.....	2
Audit Results	3
Program Performance and Accomplishments.....	3
Program Implementation.....	3
Program Services.....	3
Financial Management.....	4
Fiscal Policies and Procedures.....	5
Subaward Expenditures.....	5
Conclusion and Recommendations	7
APPENDIX 1: Objective, Scope, and Methodology	8
Objective.....	8
Scope and Methodology.....	8
Internal Controls.....	9
APPENDIX 2: Schedule of Dollar-Related Findings	10
APPENDIX 3: Pathfinders Milwaukee, Inc. Response to the Draft Audit Report	11
APPENDIX 4: The Wisconsin Department of Justice Response to the Draft Audit Report	12
APPENDIX 5: The Office of Justice Programs Response to the Draft Audit Report	15
APPENDIX 6: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report	18

Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of victim assistance funds received by Pathfinders Milwaukee, Inc. (Pathfinders), which is in Milwaukee, Wisconsin. The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) provided this funding to the Wisconsin Department of Justice (Wisconsin DOJ) which serves as the state administering agency (SAA) for Wisconsin and makes subawards to direct service providers. As a direct service provider, Pathfinders received subawards on October 1, 2022, and October 1, 2023, from the Wisconsin DOJ; these two awards totaled \$1,321,056. The funds originated from the Wisconsin DOJ’s fiscal year (FY) 2021 and 2023 federal grants, as shown in Table 1.

Table 1

Audited Subawards to Pathfinders from the Wisconsin DOJ

Wisconsin DOJ Subaward Identifier	OJP Prime Award Number	Project Start Date	Project End Date	Subaward Amount
2021-VO/VO-A-01-17459	15POVC-21-GG-00606-ASSI	10/01/2022	09/30/2023	\$714,084
2021/2023-VO-A/VO-01-18227	15POVC-23-GG-00480-ASSI	10/01/2023	09/30/2024	\$606,972
Total:				\$1,321,056

Note: The Wisconsin DOJ also awarded Pathfinders funds through the American Rescue Plan Act (ARPA) under the same subaward identifiers. However, each subaward separately identifies the victim assistance funds and the ARPA funds. The subaward amounts in this table reflect only the victim assistance funds and are the funds we audited.

Source: JustGrants, Wisconsin DOJ, and Pathfinders

Established by the Victims of Crime Act (VOCA) of 1984, the Crime Victims Fund 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.

Pathfinders Milwaukee, Inc.

Pathfinders is a 501(c)(3) non-profit organization whose mission is to bring safety, hope, and healing to youth in crisis in Milwaukee, Wisconsin. Pathfinders was founded in 1970 as a shelter for runaway youth and has been a subrecipient of VOCA grants since 1997. Pathfinders is managed by a Chief Executive Officer and governed by a Board of Directors. Pathfinders uses VOCA funds to support two programs: (1) the Hand in Hand Program, which provides counseling services to youth between the ages of 6 and 18 who have experienced sexual abuse; and (2) the New Paths Program, which provides services to individuals between the ages of 11 and 25 who have experienced sexual exploitation and trafficking. Pathfinders' services also include a drop-in center and youth shelter, clinical services for youth with mental health or substance use treatment needs, education programs, supported housing, and street outreach programs.²

OIG Audit Approach

The objective of this audit was to review how Pathfinders used the VOCA funds received through subawards from the Wisconsin DOJ to assist crime victims and assess whether Pathfinders 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 the Wisconsin DOJ officials regarding Pathfinders' records of delivering crime victim services, accomplishments, and compliance with the Wisconsin DOJ's award requirements.³ We also 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; Wisconsin Sexual Assault Victim Services Grant Program Guidelines; 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. Appendix 2 presents the audit's Schedule of Dollar-Related Findings.

² Pathfinders' outreach efforts include a street outreach program that utilizes a mobile resource center to bring resources to the streets where survivors are and to help eliminate barriers to accessing victim services.

³ As an SAA, the Wisconsin DOJ is responsible for ensuring that Pathfinders' subawards are used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subawards; and that subaward performance goals are achieved. As such, we considered the results of our audit of victim assistance grants awarded to the Wisconsin DOJ in performing this separate review. See [Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Wisconsin Department of Justice, Madison, Wisconsin](#), Audit Report GR-50-19-003 (July 2019), oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-grants-awarded-wisconsin-department-justice.

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. Pathfinders received its VOCA funding from the Wisconsin DOJ to provide services to youth and young people who have experienced sexual violence. We obtained an understanding of Pathfinders' standard operating procedures in relation to the subaward-funded services. We also compared the subaward solicitations, project applications, and subaward agreements against available evidence of accomplishments to determine whether Pathfinders demonstrated adequate progress towards providing the services for which it was funded. Overall, we concluded that Pathfinders used subaward funds to provide services to victims of sexual violence. However, we found inaccuracies in Pathfinders performance data that it uses to submit the quarterly Performance Measurement Tool (PMT) reports, and that Pathfinders lacked written policies and procedures specific to performance reporting.

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 several Pathfinders officials who oversee the services provided to victims. We also requested Pathfinders' written policies and procedures that govern its VOCA-funded programs. Based upon the interviews we conducted and our review of Pathfinders' policies and procedures, we believe that Pathfinders had adequate internal controls in place to appropriately deliver services to victims. However, we did identify issues with Pathfinders' reporting of performance data, which is discussed in the subsequent section of this report.

Program Services

According to the objectives of the subawards, Pathfinders was to provide advocacy, therapy, case management, and outreach to youth survivors of sexual violence and exploitation in the Greater Milwaukee area. As noted in the Introduction of this report, Pathfinders used the subaward funds to support two programs—Hand in Hand and New Paths—that address the subaward objectives. Specifically, the Hand in Hand Program provides counseling services to youth between the ages of 6 and 18 who have experienced sexual abuse, and the New Paths Program provides services to youth victims between the ages of 11 and 25 who have experienced sexual exploitation and trafficking. Through our interviews with Pathfinders staff, tour of the facility, and review of victim records, we found that Pathfinders did provide services to youth victims of sexual violence and exploitation. However, we identified concerns with the accurate reporting of performance data.

Award recipients and subrecipients are required to provide relevant data by submitting quarterly performance metrics. These reports, which are submitted through PMT, contain details on victim services

provided, such as the number and type of specific services provided, population demographics, and types of victimization experienced. To further assess Pathfinders' provision of services to victims, we judgmentally selected one quarterly PMT report for each audited subaward. For each PMT report, Pathfinders provided underlying data used in completing the PMT reports. The underlying performance data showed the number of services provided by category, as well as number of survivors who received each category of services. We found that the number of victims who received certain services was inaccurate. We discussed these inaccuracies with Pathfinders officials who acknowledged the underlying data errors and informed us that the PMT reports were also inaccurate.

- For subaward 2021-VO/VO-A-01-17459, Pathfinders' underlying data for the quarterly PMT report for the period ending September 2023 stated that 34 victims received crisis intervention services and that Pathfinders accompanied or provided advocacy to 4 victims for law enforcement interviews. However, Pathfinders was unable to provide documentation to support 4 of the 34 victims who had received crisis intervention services and 1 of the 4 victims who were accompanied to or provided advocacy for law enforcement interviews.
- For subaward 2021/2023-VO-A/VO-01-18227, Pathfinders' underlying data for the quarterly report for the period ending December 2023 incorrectly categorized the services provided to a victim. Specifically, Pathfinders reported that it provided criminal justice advocacy/court accompaniment services to 19 victims. However, based upon our review of the supporting documentation, we found that one victim did not receive such services.

The OVC uses PMT data in reports and publications and to respond to inquiries from Congress and other governmental and non-governmental agencies. Therefore, it is imperative that grantees and subrecipients make every effort to report performance data accurately, thoroughly, and consistently. As part of this effort, we believe developing and implementing formalized policies and procedures would help ensure accurate, thorough, and consistent performance reporting. When talking to a Pathfinders official about the report inaccuracies we identified, the official attributed the errors to the inability of Pathfinders' database to filter on specific data points. In addition, this Pathfinders official told us that Pathfinders does not have a formal written policy for reporting PMT data, including the gathering of relevant information. We recommend that OJP and the Wisconsin DOJ ensure that Pathfinders has taken appropriate action to ensure its data system is capable of populating accurate reporting information and that Pathfinders develops and implements written policies and procedures on the reporting of PMT data.

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 reviewed subaward documents, examined policies and procedures, and performed expenditure testing to determine whether Pathfinders adequately accounted for the subaward funds we audited. Based upon our review, we determined that Pathfinders' financial management and internal controls could be improved by implementing formalized written policies and procedures, and we identified \$1,800 in dollar-related findings, which are discussed further in the subsequent sections.

Fiscal Policies and Procedures

We are concerned that Pathfinders has not established an adequate framework to ensure the proper accounting of awarded funds. Pathfinders' officials told us that they have a general description of its financial processes along with some handwritten financial desk procedures. However, Pathfinders does not have formal written policies and procedures detailing the comprehensive fiscal activities of the organization. For instance, one Pathfinders official told us they created their own procedure regarding their financial-related job function because none existed when they started their position. In addition, Pathfinders lacked policies and procedures regarding how expenditures are to be allocated to specific grants, contracts, or programs, as required by the DOJ Grants Financial Guide. We believe the lack of comprehensive financial policies and procedures, including for the allocation of expenses to appropriate funding sources, creates a heightened risk of grant mismanagement. In fact, as discussed in the Subaward Expenditures section of this report, we questioned \$1,800 in costs because Pathfinders was unable to support that the costs were properly allocated to VOCA-funded activities. Therefore, we recommend that OJP and the Wisconsin DOJ ensure that Pathfinders develops and implements comprehensive written financial policies and procedures that detail its fiscal activities, and the policies and procedures are in compliance with the DOJ Grants Financial Guide and federal award requirements. These policies and procedures should include guidance on the appropriate allocation of costs to applicable funding sources.

Subaward Expenditures

Pathfinders requested monthly reimbursements from the Wisconsin DOJ via its grant management system.⁴ For the subawards we audited, Pathfinders' approved budget categories included personnel, fringe benefits, staff development, travel, supplies and operating expenses, consultants, indirect, and other costs. As of January 2024, we found that the Wisconsin DOJ reimbursed Pathfinders a total of \$897,700 for costs incurred in these areas.

We reviewed a sample of Pathfinders' expenditures to determine whether the costs charged to the projects and paid with VOCA funds were accurate, allowable, supported, and in accordance with the VOCA program requirements. We judgmentally selected 39 transactions totaling \$42,539, which included personnel, staff development, travel, supplies and operating expenses, consultants, and other costs. Although most of the expenses we tested were accurate, allowable, supported, and in accordance with the VOCA program requirements, we did identify \$1,800 in questioned costs, as discussed below.

Three of the transactions we selected were related to a yoga consultant with the stated purpose of providing yoga therapy to Pathfinders' staff in prevention of secondary traumatic stress from working with victims having experienced severe trauma.⁵ We found that Pathfinders paid the full cost of these services with subaward funds although Pathfinders personnel stated that the yoga classes were available to all personnel, which would include personnel who work on projects benefitting victims but who were not working on the audited VOCA subawards. According to the Uniform Guidance, if a cost benefits two or more

⁴ Following the VOCA Fix to sustain the Crime Victims Fund Act of 2021 (VOCA Fix) (Public Law No: 117-27), the Wisconsin DOJ allowed its subrecipients to waive the requirement to provide matching funds. We confirmed that Pathfinders received a waiver, which was in effect for the life of the audited subawards.

⁵ OJP and OVC personnel told us that they believe yoga therapy expenses for direct service staff are reasonable and would be allowable. As a result, we did not take exception to the general allowability of these services being charged to the subawards.

projects, the cost must be allocated to the projects based upon the proportional benefit. Therefore, we believe that Pathfinders should have used subaward funds to pay only for the proportion of costs that directly benefitted those staff who were paid with VOCA subaward funds. However, we were unable to determine the specific amount that applied to VOCA-paid staff who attended the yoga sessions because Pathfinders did not track attendance at these sessions. Therefore, we consider these costs to be unsupported. As a result, we are questioning \$1,800, which is the total amount for yoga consultant expenses paid with subaward funds through January 2024.⁶ We recommend that OJP and the Wisconsin DOJ remedy the \$1,800 in unsupported yoga consultant costs charged to the subawards through January 2024, as well as identify and remedy any additional unsupported yoga consultant costs charged to the subawards after January 2024.

⁶ The \$1,800 is the total amount of yoga consultant services charged to the subawards through January 2024, not just the total of the original three yoga consultant transactions we selected.

Conclusion and Recommendations

As a result of our audit testing, we concluded that Pathfinders provided services to victims of sexual abuse, exploitation, and trafficking. However, we found that certain Pathfinders' performance reports that we reviewed included inaccurate figures and that Pathfinders lacked written policies and procedures specific to reporting performance data. We also found that Pathfinders lacked formalized written financial management policies and procedures, such as the allocation of costs among various funding sources, to help ensure its compliance with the DOJ Grants Financial Guide and federal award requirements. We provide three recommendations to OJP and the Wisconsin DOJ to address these deficiencies and remedy \$1,800 in questioned costs.

We recommend that OJP and the Wisconsin DOJ:

1. Ensure that Pathfinders develops and implements written policies and procedures on the reporting of PMT data, and has taken appropriate action to ensure its data system is capable of populating accurate reporting information.
2. Ensure that Pathfinders develops and implements comprehensive written financial policies and procedures that detail its fiscal activities and ensure compliance with the DOJ Grants Financial Guide and federal award requirements. These policies and procedures should include guidance on the appropriate allocation of costs to applicable funding sources.
3. Remedy the \$1,800 in unsupported yoga consultant costs charged to the subawards through January 2024, as well as identify and remedy any additional unsupported yoga consultant costs charged to the subawards after January 2024.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to review how Pathfinders Milwaukee, Inc. (Pathfinders), used the Victims of Crime Act (VOCA) funds received through subawards from the Wisconsin Department of Justice (Wisconsin DOJ) 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 Pathfinders. These subawards, totaling \$1,321,056, were funded by the Wisconsin DOJ from primary VOCA grants 2021-15OVC-21-GG-00606-ASSI and 15POVC-23-GG-00480-ASSI awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of January 2024, the Wisconsin DOJ had reimbursed Pathfinders \$897,700 in subaward funds.

Our audit concentrated on, but was not limited to, the period of October 2022 to January 2024. 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; Wisconsin Sexual Assault Victim Services Grant Program Guidelines; and the OVC and Wisconsin DOJ award documents contain the primary criteria we applied during the audit.

To accomplish our objective, we tested compliance with what we considered to be the most important conditions of Pathfinders' activities related to the audited subawards. Our work included conducting interviews with Pathfinders' financial staff, examining policies and procedures, and reviewing subaward documentation and financial records. We performed sample-based audit testing of expenditures and performance report data. In this effort, we employed a judgmental sampling design to obtain broad exposure to numerous facets of the subawards reviewed. For our expenditure testing, we judgmentally selected 39 transactions totaling \$42,539, which consisted of 23 payroll transactions (\$33,456), 5 consultant transactions (\$2,600), and 11 other direct cost transactions (\$6,483). In addition, we judgmentally selected one quarterly programmatic report for each audited subaward. Our nonstatistical 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 System, as well as Pathfinders' financial and programmatic records, as well as data from the Wisconsin DOJ 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 Pathfinders to provide assurance on its internal control structure as a whole. Pathfinders' 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 Pathfinders' internal control structure as a whole, we offer this statement solely for the information and use of Pathfinders, the Wisconsin DOJ, and OJP.⁷

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 Pathfinders' 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. The internal control deficiencies we found are discussed in the Audit Results section of this report. 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.

⁷ This restriction is not intended to limit the distribution of this report, which is a matter of public record.

APPENDIX 2: Schedule of Dollar-Related Findings

Description	OJP Prime Number	SAA Subaward Identifier	Amount	Page
Questioned Costs: ⁸				
Unsupported Yoga Consultant Costs	15POVC-21-GG-00606-ASSI	2021-VO/VO-A-01-17459	\$1,800	5
TOTAL DOLLAR-RELATED FINDINGS			<u>\$1,800</u>	

⁸ **Questioned Costs** are expenditures that do not comply with legal, regulatory, or contractual requirements; are not supported by adequate documentation at the time of the audit; or are unnecessary or unreasonable. Questioned costs may be remedied by offset, waiver, recovery of funds, the provision of supporting documentation, or contract ratification, where appropriate.

APPENDIX 3: Pathfinders Milwaukee, Inc. Response to the Draft Audit Report



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MPS, Oliver Wendell Holmes School

Margaret Crowley
Community Volunteer

LaVerne Davis
Town Bank

Laura Emir
Community Volunteer

Wilton Johnson
Running Rebels

Ariam Kesete
AK Development

Carla Nealy
Perspectives Counseling and
Clinical Consultation Agency

President & CEO
Timothy R. Baack MS, LPC



October 29, 2024

Todd A. Anderson - Regional Audit Manager
U.S. Department of Justice - Office of the Inspector General
Chicago Regional Audit Office - U.S. Department of Justice
500 West Madison Street, Suite 1121 Chicago, Illinois 60661

Dear Mr. Anderson:

As it relates to the recently completed and issued Department of Justice (DOJ) Office of the Inspector General's (OIG) audit relative to our organization's receipt and use of the Victims of Crime Act (VOCA) funds received through subawards from the Wisconsin Department of Justice, we wish to include this formal response as part of the final OIG audit record. We accept the conclusion and recommendations noted on page 7 of the OIG's Draft Audit Report sent to us and received via email on October 9, 2024. The three recommendations noted in the OIG's draft audit report are as follows:

1. Developing and implementing written policies and procedures relative to our reporting of PMT data in order to ensure our data system accurately reports information.
2. Developing and implementing comprehensive written financial policies and procedures relative to ensuring compliance with DOJ Grants Financial Guide and federal award requirements.
3. Remedying \$1,800 in unsupported costs charged to our subawards through January 2024 and remedy and additional unsupported costs to the subawards occurring after January 2024.

On October 22, 2024, we met with our colleagues from the Wisconsin Department of Justice who are charged with oversight of our VOCA subaward and advised them of the following relative to the OIG's recommendations:

1. The data collection and reporting policies and procedures for reporting PMT information have been reviewed, updated, and expanded by our staff and will be forwarded to WI DOJ staff for their review and approval.
2. The financial policies and procedures, as well as relevant administrative controls, have been reviewed, updated, and expanded by our staff and will also be forwarded to WI DOJ staff for their review and approval.
3. We are prepared to issue repayment of \$1,800 to WI DOJ for the period identified in the draft report and have confirmed that no additional consultant expenses were included in cost reports in 2024.

We will continue to work collaboratively and cooperatively with representatives from WI DOJ, and with US DOJ OIG as needed to ensure full implementation of the recommendations noted in the draft audit.

Sincerely,

Timothy R. Baack
President & Chief Executive Officer

APPENDIX 4: The Wisconsin Department of Justice Response to the Draft Audit Report



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

Josh Kaul
Attorney General

Room 114 East, State Capitol
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(608) 266-1221
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October 31, 2024

SENT VIA EMAIL (Todd.A.Anderson@usdoj.gov)

Todd A. Anderson, Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General
U.S. Department of Justice
500 West Madison Street, Suite 1121
Chicago, IL 60661-2590

Re: Audit of the Office of Justice Programs Victim Assistance Grant to
WI DOJ and Subrecipient Pathfinders Milwaukee, Inc.

Dear Todd Anderson,

Thank you for the opportunity to respond to the recommendations in the draft audit report from the U.S. Department of Justice, Office of the Inspector General (OIG) regarding the Victim Assistance Grants Awarded to the Wisconsin Department of Justice (WI DOJ) and Pathfinders Milwaukee, Inc. (Pathfinders), a subrecipient of WI DOJ grant funds. We appreciate the knowledge and professionalism of your audit staff and the opportunity to improve and strengthen the grant management and administration process.

Listed below are the recommendations in the OIG draft report, followed by the responses from WI DOJ:

1. Ensure that Pathfinders develops and implements written policies and procedures on the reporting of performance measurement tool (PMT) data and has taken appropriate action to ensure its data system is capable of populating accurate reporting information.

WI DOJ Response: WI DOJ concurs. We will work with Pathfinders to develop written policies and procedures and ensure that accurate reporting data is reported. Pathfinders has informed WI DOJ that it has updated its data collection and reporting policies and procedures for PMT reporting. Pathfinders will forward these updated policies and procedures to WI DOJ for review.

Todd A. Anderson, Regional Audit Manager
Office of the Inspector General
U.S. Department of Justice
October 31, 2024
Page 2

2. Ensure that Pathfinders develops and implements comprehensive written financial policies and procedures that detail its fiscal activities and ensure compliance with the DOJ Grants Financial Guide and federal award requirements. These policies and procedures should include guidance on the appropriate allocation of costs to applicable funding sources.

WI DOJ Response: WI DOJ concurs. We will work with Pathfinders to develop comprehensive written policies and procedures that ensure compliance with U.S. Department of Justice rules and regulations, and that specifically address the allocation of costs. Pathfinders has informed WI DOJ that it has updated its financial policies and procedures, which it will forward to WI DOJ for review.

3. Remedy the \$1,800 in unsupported yoga consultant costs charged to the subawards through January 2024, as well as identify and remedy any additional unsupported yoga consultant costs charged to the subawards after January 2024.

WI DOJ Response: WI DOJ concurs. Pathfinders has recently submitted a refund to of previously reimbursed costs for the \$1,800 of unsupported costs. Upon depositing the funds, WI DOJ will reimburse the U.S. Department of Justice and revise any relevant financial reporting. Pathfinders has stated that no additional consultant costs will be paid with grant funds. WI DOJ will work with Pathfinders to help ensure that no additional costs are charged to the grant beyond January 2024.

We have met with Pathfinders to begin the process of resolving the audit recommendations. If you have any questions on our responses, please contact Darcey Varese, Finance Section Chief, directly at (608) 266-9653 or varesedl@doj.state.wi.us.

Sincerely,



Eric J. Wilson
Deputy Attorney General

EJW:DLV:alm

Todd A. Anderson, Regional Audit Manager
Office of the Inspector General
U.S. Department of Justice
October 31, 2024
Page 3

Cc (via email only):

Linda J Taylor, CPA
Lead Auditor, Office of Justice Programs (Linda.Taylor2@usdoj.gov)

Erin Welsh, Deputy Administrator
Office of Crime Victim Services, WI DOJ (welsheb@doj.state.wi.us)

Darcey Varese, Finance Section Chief
Bureau of Budget and Finance, WI DOJ (varesedl@doj.state.wi.us)

Tim Baack, President and Chief Executive Office
Pathfinders Milwaukee, Inc. (tbaack@pathfindersmke.org)

APPENDIX 5: The Office of Justice Programs Response to the Draft Audit Report



U.S. Department of Justice

Office of Justice Programs

Office of Audit, Assessment, and Management

Washington, D.C. 20531

November 6, 2024

MEMORANDUM TO: Todd Anderson
Regional Audit Manager
Chicago Regional Audit Office
Office of the Inspector General

FROM: Iyauta I. Green Iyauta Iyeesha
Director Green Digitally signed by Iyauta Iyeesha Green
Date: 2024.11.06 14:33:34 -05'00'

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Funds, Subawarded by the Wisconsin Department of Justice to Pathfinders Milwaukee, Inc., Milwaukee, Wisconsin*

This memorandum is in reference to your correspondence, dated October 9, 2024, transmitting the above-referenced draft audit report for Pathfinders Milwaukee, Inc. (Pathfinders). Pathfinders received subaward funds from the Wisconsin Department of Justice (Wisconsin DOJ), under the Office of Justice Programs' (OJP), Office for Victims of Crime (OVC), Victims of Crime Act (VOCA), Victim Assistance Formula Grant Program, Grant Numbers 15POVC-21-GG-00606-ASSI and 15POVC-23-GG-00480-ASSI. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **three recommendations** and **\$1,800** in questioned costs. The following is OJP's analysis of the draft audit report recommendations. For ease of review, the recommendations are restated in bold and are followed by OJP's response.

1. **We recommend that OJP and the Wisconsin DOJ ensure that Pathfinders develops and implements written policies and procedures on the reporting of PMT data, and has taken appropriate action to ensure its data system is capable of populating accurate reporting information.**

OJP agrees with the recommendation. In its response, dated October 31, 2024, the Wisconsin DOJ stated that it will work with Pathfinders to ensure the accurate reporting of data. The Wisconsin DOJ also stated that Pathfinders had informed them that it had updated its data collection and reporting for the Performance Measurement Tool (PMT).

Accordingly, we will coordinate with the Wisconsin DOJ to obtain a copy of Pathfinders' written policies and procedures, developed and implemented, to ensure adequate reporting of PMT data, and evidence that Pathfinders' data system can accurately populate reporting information.

- 2. We recommend that OJP and the Wisconsin DOJ ensure that Pathfinders develops and implements comprehensive written financial policies and procedures that detail its fiscal activities and ensure compliance with the DOJ Grants Financial Guide and federal award requirements. These policies and procedures should include guidance on the appropriate allocation of costs to applicable funding sources.**

OJP agrees with the recommendation. In its response, dated October 31, 2024, the Wisconsin DOJ stated that it will work with Pathfinders to develop comprehensive written policies and procedures to ensure compliance with the U.S. Department of Justice (DOJ) rules and regulations that specifically address the allocation of costs.

Accordingly, we will coordinate with the Wisconsin DOJ to obtain a copy Pathfinders' written grant financial management policies and procedures, developed and implemented, that detail its fiscal activities and ensure compliance with the DOJ Grants Financial Guide and Federal award requirements. At a minimum, we will require that the policies and procedures include specific guidance on the appropriate allocation of costs to applicable funding sources.

- 3. We recommend that OJP and the Wisconsin DOJ remedy the \$1,800 in unsupported yoga consultant costs charged to the subawards through January 2024, as well as identify and remedy any additional unsupported yoga consultant costs charged to the subawards after January 2024.**

OJP agrees with the recommendation. In its response, dated October 31, 2024, the Wisconsin DOJ stated that Pathfinders had submitted a refund for the \$1,800 in unsupported costs, and that they will remit these funds to the DOJ, once they are deposited. Additionally, the Wisconsin DOJ stated that it will work with Pathfinders to ensure that no additional consultant costs were charged to the subawards beyond January 2024.

Accordingly, we will review the \$1,800 in questioned costs, related to unsupported yoga consultant costs that were charged to Grant Number 15POVC-21-GG-00606-ASSI, and will work with the Wisconsin DOJ to remedy the costs, as appropriate. Additionally, we will coordinate with the Wisconsin DOJ to remedy any additional costs for yoga consultant services, which were charged to the subawards after January 2024.

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, of my staff, on (202) 598-0529.

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APPENDIX 6: Office of the Inspector General Analysis and Summary of Actions Necessary to Close the Audit Report

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) provided a draft of this audit report to the Office of Justice Programs (OJP), the Wisconsin Department of Justice (Wisconsin DOJ), and Pathfinders Milwaukee, Inc. (Pathfinders). OJP's response is incorporated in Appendix 5, the Wisconsin DOJ's response is incorporated in Appendix 4, and Pathfinders' response is incorporated in Appendix 3 of this final report. In response to our draft audit report, OJP agreed with our recommendations; and as a result, the status of the audit report is resolved. The Wisconsin DOJ stated it concurred with, and Pathfinders stated it accepted, the audit recommendations. The following provides the OIG analysis of the response and summary of actions necessary to close the report.

Recommendations for OJP to work with the Wisconsin DOJ to:

- 1. Ensure that Pathfinders develops and implements written policies and procedures on the reporting of Performance Measurement Tool (PMT) data, and has taken appropriate action to ensure its data system is capable of populating accurate reporting information.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Wisconsin DOJ to obtain a copy of Pathfinders' written policies and procedures, developed and implemented, to ensure adequate reporting of PMT data, as well as evidence that Pathfinders' data system can accurately populate reporting information. As a result, this recommendation is resolved.

The Wisconsin DOJ concurred with the recommendation and stated in its response that it will work with Pathfinders to develop written policies and procedures to help ensure accurate data reporting. In addition, the Wisconsin DOJ stated that according to Pathfinders, Pathfinders has updated its data collection and reporting policies and procedures for PMT reporting and will forward those policies and procedures to the Wisconsin DOJ for review.

Pathfinders accepted our recommendation and stated in its response that the data collection and reporting policies and procedures for reporting PMT information have been reviewed, updated, and expanded by staff. Pathfinders also stated that the policies and procedures will be forwarded to the Wisconsin DOJ for its review and approval.

This recommendation can be closed when we receive evidence that Pathfinders developed and implemented written policies and procedures on the reporting of PMT data and has taken appropriate action to ensure its data system is capable of populating accurate reporting information.

2. Ensure that Pathfinders develops and implements comprehensive written financial policies and procedures that detail its fiscal activities and ensure compliance with the DOJ Grants Financial Guide and federal award requirements. These policies and procedures should include guidance on the appropriate allocation of costs to applicable funding sources.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Wisconsin DOJ to obtain a copy of Pathfinders' written grant financial management policies and procedures, developed and implemented, that detail its fiscal activities and ensure compliance with the DOJ Grants Financial Guide and federal award requirements. Additionally, OJP stated that it will require that the policies and procedures include specific guidance on the appropriate allocation of costs to applicable funding sources. As a result, this recommendation is resolved.

The Wisconsin DOJ concurred with the recommendation and stated in its response that it will work with Pathfinders to develop comprehensive written policies and procedures that ensure compliance with DOJ rules and regulations, and that specifically address the allocation of costs. Further, the Wisconsin DOJ stated that according to Pathfinders, Pathfinders has updated their financial policies and procedures and will forward those policies and procedures to the Wisconsin DOJ for review.

Pathfinders accepted our recommendation and stated in its response that the financial policies and procedures, as well as relevant administrative controls, have been reviewed, updated, and expanded by staff. Pathfinders also stated that the policies and procedures will be forwarded to the Wisconsin DOJ for its review and approval.

This recommendation can be closed when we receive evidence that Pathfinders developed and implemented written financial policies and procedures that detail fiscal activities and ensure compliance with the DOJ Grants Financial Guide and federal award requirements, including guidance on the appropriate allocation of costs to applicable funding sources.

3. Remedy the \$1,800 in unsupported yoga consultant costs charged to the subawards through January 2024, as well as identify and remedy any additional unsupported yoga consultant costs charged to the subawards after January 2024.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$1,800 in questioned costs related to the unsupported yoga consultant costs that were charged to Grant Number 15POVC-21-GG-00606-ASSI and will work with the Wisconsin DOJ to remedy the costs, as appropriate. Additionally, OJP stated that it will coordinate with the Wisconsin DOJ to remedy any additional costs for yoga consultant services, which were charged to the subawards after January 2024. As a result, this recommendation is resolved.

The Wisconsin DOJ concurred with the recommendation and stated in its response that Pathfinders recently submitted a refund of the previously reimbursed costs for the \$1,800 of unsupported costs. The Wisconsin DOJ stated that upon depositing the funds, they will reimburse DOJ and revise any relevant financial reporting. The Wisconsin DOJ also stated that Pathfinders informed the Wisconsin DOJ that no additional consultant costs would be paid with grant funds. The Wisconsin

DOJ stated it will work with Pathfinders to help ensure that no additional costs were charged to the grant beyond January 2024.

Pathfinders accepted our recommendation and stated in its response that it was prepared to issue a repayment of \$1,800 to the Wisconsin DOJ for the period identified in the report and confirmed that no additional consultant expenses were included in cost reports in 2024.

This recommendation can be closed when we receive evidence that OJP has remedied the \$1,800 in unsupported costs charged to the subawards through January 2024 and has remedied any additional unsupported costs to the subawards occurring after January 2024. As part of this evidence, OJP should include Pathfinders' accounting records showing the expenses incurred under subaward 15POVC-23-GG-00480-ASSI during January 2024 and beyond.