



Audit of the Office of Justice Programs Victim
Assistance Funds Subawarded by the Tennessee
Department of Finance and Administration to the
Memphis Leadership Foundation,
Memphis, Tennessee



AUDIT DIVISION

25-052

MAY 2025



EXECUTIVE SUMMARY

Audit of the Office of Justice Programs Victim Assistance Funds Subawarded by the Tennessee Department of Finance and Administration to the Memphis Leadership Foundation, Memphis, Tennessee

Background

The U.S. Department of Justice (DOJ) Office of Justice Programs (OJP) provided funds to the Tennessee Department of Finance and Administration (Tennessee DFA) to make subawards to support victim assistance programs in the state of Tennessee. The Tennessee DFA awarded \$286,300 in crime victim assistance funds to the Memphis Leadership Foundation (Foundation) under two subawards to provide services to victims of human trafficking. Those subawards ended in June 2021 and June 2022. In November 2023, the Tennessee DFA awarded the program funding to a different organization.¹ The Tennessee DFA had reimbursed the Foundation a cumulative amount of \$284,652 for the subawards we reviewed.

Audit Objective

The objective of this DOJ Office of the Inspector General audit was to review how the Foundation 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 Foundation provided services to human trafficking victims in Tennessee. However, we also concluded the Foundation should strengthen its controls for reporting accurate performance data and retaining adequate supporting documentation for personnel costs.

Program Performance Accomplishments

While the audit concluded that the Foundation accomplished its subaward goals and objectives, the audit also found that the Foundation did not always accurately report its performance data.

Financial Management

The audit concluded that the Foundation did not always maintain time and attendance records with evidence of supervisory review and approval or time spent working on VOCA-related activities, despite a policy that requires such records maintenance. As a result, we questioned as unsupported \$18,983 in reimbursed personnel costs.

Recommendations

Our report contains two recommendations for OJP to work with the Tennessee DFA to assist the Foundation in improving its award management and administration. We provided our draft audit report to the Foundation, Tennessee DFA, and OJP, and their responses can be found in Appendices 3, 4, and 5, respectively. Our analysis of those responses can be found in Appendix 6.

¹ We conducted a separate audit of Freed Life, Inc. See Audit of Office of Justice Programs Victim Assistance Funds Subawarded by the Tennessee Department of

Finance and Administration to Freed Life, Inc., Memphis, Tennessee, Audit Report 25-053 (May 2025), <https://oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-funds-subawarded-tennessee-department-1>

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Introduction

The U.S. Department of Justice (DOJ) Office of the Inspector General (OIG) completed an audit of victim assistance funds received by the Memphis Leadership Foundation (Foundation), which is in Memphis, Tennessee. The Office of Justice Programs (OJP) Office for Victims of Crime (OVC) provided this funding to the Tennessee Department of Finance and Administration (Tennessee DFA), which serves as the state administering agency (SAA) for Tennessee to make subawards to direct service providers. As a direct service provider, the Foundation received two subawards from the Tennessee DFA totaling \$286,300 between July 2020 and June 2022. These funds originated from federal grants awarded to the Tennessee DFA in fiscal years (FY) 2018 and 2019, as shown in Table 1.

Table 1

Audited Subawards to the Foundation from the Tennessee DFA

Tennessee DFA Subaward Identifier ^a	OJP Prime Award Numbers	Project Start Date	Project End Date	Subaward Amount
44203	2018-V2-GX-0024	4/15/2021	6/30/2021	\$36,300
41718	2019-V2-GX-0043	7/1/2020	6/30/2022	\$250,000
Total:				\$286,300

^a The Tennessee DFA's fiscal year spans from July 1 through June 30. Subaward 44203 had a 2½-month project period. The purpose of the subaward was to purchase equipment. The Tennessee DFA awarded subaward 41718 for 2 years but created separate budgets for each year. Our audit scope for subaward 41718 was for the period of July 1, 2021, through June 30, 2022.

Source: JustGrants and the Tennessee DFA

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.² According to OJP's program guidelines, eligible victim assistance programs provide services and efforts that: (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, or (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.

² 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.

Memphis Leadership Foundation

Located in Memphis, Tennessee, the Foundation is a non-profit organization that seeks to equip and empower grassroots urban leaders. The Foundation provides various levels of support through its operational programs, partnerships, and affiliations by providing comprehensive back-office support so that non-profit leaders can focus on the needs of their community. According to the Foundation, it is the largest member of the global network of local leadership foundations, which are organizations working to transform the communities they serve.

Prior to November 2023, the Foundation received subaward funds to provide certain victim services but in November 2023, a portion of its operations broke off into a new organization focused on providing such services and the Foundation then was no longer a VOCA subrecipient.

OIG Audit Approach

The objective of this audit was to review how the Foundation used the VOCA funds received through subawards to assist crime victims and assess whether the subrecipient 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 Tennessee DFA officials regarding the Foundation's records of delivering crime victim services, accomplishments, and compliance with Tennessee DFA 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; Tennessee DFA 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. Appendix 2 presents the audit's Schedule of Dollar-Related Findings.

³As an SAA, the Tennessee DFA is responsible for ensuring that the Foundation's subawards are 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. We considered the results of our audit of victim assistance grants awarded to the Tennessee DFA in performing this separate review. See U.S. Department of Justice Office of the Inspector General [Audit of the Office of Justice Programs Victim Assistance Grants Awarded to the Tennessee Department of Finance and Administration, Nashville, Tennessee](#), Audit Report GR-40-19-002 (May 2019) oig.justice.gov/reports/audit-office-justice-programs-victim-assistance-grants-awarded-tennessee-department-finance

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 Foundation received its VOCA funding from the Tennessee DFA to provide services to victims of human trafficking. We obtained an understanding of the Foundation's standard operating procedures in relation to the subaward-funded services. We also compared the subaward agreement against available evidence of accomplishments to determine whether the Foundation demonstrated progress towards providing the services for which they were funded. Overall, we concluded that the Foundation provided victim services for which it was funded but did not always report accurate performance data, as detailed below.

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 interviewed the Foundation's Chief Executive Officer and other employees. We also requested and reviewed the Foundation's written policies and procedures that governed the VOCA-funded program. As discussed below, we found that the Foundation's policies and procedures contained no requirement for maintaining supporting documentation of subaward performance data.

According to the goals and objectives of the audited subawards, the Foundation was to provide residential and non-residential services to human trafficking survivors in west Tennessee that included food, clothing, shelter, medical care, substance abuse treatment, counseling, training, and other services. Additionally, the Foundation was to provide transitional housing to human trafficking victims. We tested whether selected subaward goals and objectives were accomplished and reported accurately. To determine whether the Foundation achieved its objectives, we judgmentally selected eight objectives and we assessed whether the Foundation maintained adequate documentation to support its related activities. We determined that the activities reported in support of the tested objectives were supported.

Performance Measurement Tool Reporting

Award subrecipients are required to provide relevant data by submitting quarterly performance metrics through the Performance Measurement Tool (PMT). We reviewed the Foundation's quarterly PMT reports for each subaward. To determine whether the organization submitted accurate performance data, we judgmentally selected five performance categories of data reported in PMT during two reporting periods (the first and third quarters of FY 2022). As shown in Table 2, we found discrepancies.

Table 2

OIG Analysis of the Foundation’s Reporting of Select Performance Data

	Q1/ FY 2022	Q3/ FY 2022
Total Number of Victims Served		
Reported in PMT	74	86
Supported in Entity Records	62	84
Difference	12	2
Providing Services to Demographic 1		
Reported in PMT	10	19
Supported in Entity Records	1	18
Difference	9	1
Providing Services to Demographic 2		
Reported in PMT	3	1
Supported in Entity Records	0	0
Difference	3	1
Referral to Other Services		
Reported in PMT	192	390
Supported in Entity Records	192	259
Difference	0	131
Individual Counseling		
Reported in PMT	361	327
Supported in Entity Records	364	331
Difference	(3)	(4)

Source: OIG analysis of Foundation performance records

According to a former Foundation official, the organization did not maintain documentation to support its identification or calculation of figures reported on a quarterly basis through PMT, the commercial database the Foundation used to complete its PMT reporting was continually updated, and historical point-in-time data was not saved. Moreover, the Foundation did not have a policy requiring the retention of supporting documentation for reported program accomplishments. OVC uses PMT data in reports and publications and to respond to inquiries from Congress and other entities; therefore, it is imperative that subrecipients report performance data accurately, thoroughly, and consistently. Although the Foundation had no active VOCA subawards as of November 2023, we believe the potential for the organization to receive future subawards makes it necessary for the Foundation to strengthen its controls for ensuring accurate performance data reporting. Therefore, we recommend that OJP work with the Tennessee DFA to ensure that the Foundation updates its written policies and procedures to ensure performance data reported in PMT is accurate and supporting records are maintained.

Financial Management

According to the DOJ Grants Financial Guide, all subrecipients are required to establish and maintain adequate accounting systems and financial records to accurately account for awarded funds. We interviewed Foundation officials, examined policies and procedures, reviewed subaward documents, and performed expenditure testing to determine whether the Foundation adequately accounted for the subaward funds we audited. To further evaluate the Foundation’s financial management of VOCA victim

assistance subawards, we reviewed the Foundation's Single Audit Report for FY 2022 and FY 2023. These single audits did not identify any federal audit findings related to the Foundation's VOCA funding.⁴

Fiscal Policies and Procedures

The Foundation used commercially available financial management software for accounting services, and its payroll was processed by a third-party entity. The organization tracked subaward funds by a designated project or account number. We reviewed the Foundation's VOCA policies and procedures and determined the Foundation's policies and procedures demonstrated an ability to account for federal funds and track expenditures; however, as detailed below, the Foundation did not retain time keeping records as required by its policy. In our judgment, this increases the risk that VOCA funds could be mismanaged. Although the Foundation had no active VOCA subawards as of November 2023, we believe the potential for the organization to receive future subawards makes it necessary for the Foundation to strengthen its controls for retaining adequate supporting documentation for personnel costs. Consequently, we recommend that OJP work with the Tennessee DFA to ensure that prior to awarding future subawards to the Foundation, that the Foundation institute controls to enforce the Foundation's written policies and procedures requiring the retention of time and attendance records with evidence of supervisory review and approval that detail time spent on VOCA-related activities.

Subaward Expenditures

The Foundation requested reimbursements from the Tennessee DFA through monthly invoices submitted electronically. For the subawards audited, the Foundation's approved budget included personnel, employee benefits, supplies and equipment, specific assistance to individuals, and indirect costs. As of June 2024, we found that the Tennessee DFA reimbursed the Foundation \$284,652 for the funds we reviewed for subawards 41718 and 44203.

We reviewed a sample of the Foundation's expenditure transactions for personnel, equipment, and indirect costs 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 for testing, a total of \$36,504 in expenditure transactions for the Foundation. As described below, we identified unsupported personnel costs and, as a result, questioned a total of \$18,983. Unless noted below, the transactions tested were allowable and adequately supported.

Personnel Costs

According to the DOJ Grants Financial Guide, charges made to federal awards for salaries, wages, and fringe benefits must be supported by a system of internal controls that provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Additionally, charges must be based on records that accurately reflect the work performed and comply with the established policies and practices of the organization. According to the Tennessee DFA's and the Foundation's own policies and procedures, accurate

⁴The FY 2022 Single Audit Report did identify that Foundation management needed to hire and retain qualified accounting personnel in order to provide timely management and operational data to the entity.

time and attendance records, with evidence of supervisory review and approval, are required to be maintained for all personnel whose salary is charged to a project.

The largest cost area for which the Foundation received reimbursement was personnel costs. The Tennessee DFA reimbursed the Foundation \$209,790 (or 74 percent of total reimbursements for the subawards in our scope). We judgmentally tested 28 personnel transactions totaling \$36,500 over 2 non-consecutive pay periods from subaward 41718. For 17 transactions totaling \$18,983, the Foundation could not provide thorough time and attendance records. Additionally, the records contained no information about time some staff members, whose salaries were partially paid from non-VOCA funds, spent working on VOCA-related activities. Of the five staff members who worked on multiple projects, several staff members had timesheets that were missing signatures, dates, or a supervisor's approval. A Foundation staff accountant told us they believed the organization was not required to keep the supporting records. The Foundation's policies and procedures required the retention of time and attendance records—with evidence of supervisory review and approval—that detail time spent on VOCA-related activities. Without time and attendance records to support personnel costs, the Tennessee DFA and OJP cannot ensure funds were used for the authorized purposes. Therefore, we also recommend OJP work with the Tennessee DFA to remedy \$18,983 in unsupported personnel costs for subaward 41718.

Conclusion and Recommendations

As a result of our audit testing, we concluded that the Memphis Leadership Foundation (Foundation) provided services to human trafficking victims in Tennessee. Although the Foundation had no active VOCA subawards as of November 2024, the potential for the organization to receive future subawards makes it necessary for the Foundation to strengthen its controls for reporting accurate performance data and retaining adequate supporting documentation for personnel costs. We provide two recommendations to the Office of Justice Programs (OJP) and the Tennessee Department of Finance and Administration (Tennessee DFA) to address these deficiencies.

We recommend that OJP work with the Tennessee DFA to:

1. Ensure that prior to awarding future subawards to the Foundation, that the Foundation: (a) updates its written policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained, and (b) institutes controls to enforce its written policies and procedures requiring the retention of time and attendance records with evidence of supervisory review and approval that detail time spent on VOCA-related activities.
2. Remedy \$18,983 in unsupported personnel costs for subaward 41718.

APPENDIX 1: Objective, Scope, and Methodology

Objective

The objective of this audit was to review how the Memphis Leadership Foundation (Foundation) used the Victims of Crime Act (VOCA) funds received through a subaward from the Tennessee Department of Finance and Administration (Tennessee DFA) 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 Foundation. These subawards, totaling \$286,300, were funded by the Tennessee DFA from primary VOCA grants 2018-V2-GX-0024 and 2019-V2-GX-0043 that was awarded by the Office of Justice Programs (OJP) Office for Victims of Crime (OVC). As of June 2022, the Tennessee DFA had reimbursed the Foundation \$284,652 in subaward funds.

Our audit concentrated on, but was not limited to, the period of April 2021 through June 2022. 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; Tennessee DFA guidance; and the OVC and Tennessee DFA 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 the Foundation's activities related to the audited subawards. Our work included conducting interviews with the Foundation's financial staff, examining policies and procedures, and reviewing subaward documentation and financial records. We performed sample-based audit testing for subaward expenditures including payroll and fringe benefit charges, indirect costs, and equipment. In this effort, we employed a judgmental sampling design. 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 System, as well as the Tennessee DFA's financial management system, the Foundation's financial management and payroll management systems, and 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 Foundation to provide assurance on their internal control structures as a whole. Because we do not express an opinion on the Foundation's internal control structures as a whole, we offer this statement solely for the information and use of the Foundation, the Tennessee DFA, 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 Foundation's policies and procedures. We also tested the implementation and operating effectiveness of specific controls over award 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.

⁵This 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:⁶				
Unsupported Personnel and Fringe Benefits	2019-V2-GX-0043	41718	\$18,983	6
TOTAL DOLLAR-RELATED FINDINGS			<u>\$18,983</u>	

⁶ **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: Memphis Leadership Foundation Response to the Draft Audit Report



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March 18, 2025

Ronald G. Williams
Assistant Director; Quality Assurance
Office of Criminal Justice Programs
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Ave., 18th Floor
Nashville, TN 37243-1102

Dear Mr. Williams:

Memphis Leadership Foundation appreciates the opportunity to provide a response to the recommendations identified in the draft audit report for subawards 44203 and 41718 made by the Office of Criminal Justice Programs (OCJP) under the Office of Justice Programs' Victims of Crime Act, Victim Assistance Formula Grant Program.

Recommendation 1: Ensure that prior to awarding future subawards to the Foundation, that the Foundation: (a) updates its written policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained, and (b) institutes controls to enforce its written policies and procedures requiring the retention of time and attendance records with evidence of supervisory review and approval that detail time spent on VOCA-related activities.

Memphis Leadership Foundation acknowledges this recommendation and concurs.

Memphis Leadership Foundation no longer contracts with Freed Life. The contract ended on November 1, 2023. Freed Life has its own policies and procedures.



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Recommendation 2: Remedy \$18,933 in unsupported personnel costs for subaward 41718.

Memphis Leadership Foundation have had a 100% turnover from the CEO, CFO and Controller positions as well as a new payroll system in place for the review period of October 2021 and April 2022. The payroll system in place at that time was Paycom which required electronic signatures. The system would not process until all required signatures were approved. As well as Restored Corps/Freed Life moved from Memphis Leadership Foundation on November 1, 2023. This grant was for them.

Sincerely,

A handwritten signature in black ink that reads "Robert Baker".

Robert Baker

CFO

APPENDIX 4: Tennessee Department of Finance and Administration Response to the Draft Audit Report



March 18, 2025

Regional Audit Manager B. Allen Wood
U.S. Department of Justice
Office of the Inspector General
950 Pennsylvania Avenue NW
Washington, DC 20530-0001

Dear Mr. Wood:

The State of Tennessee, Department of Finance and Administration (Tennessee DFA) appreciates the opportunity to provide a response to the recommendations identified in the draft audit report for subawards 44203 and 41718 made by the Office of Criminal Justice Programs (OCJP) under the Office of Justice Programs' Victims of Crime Act, Victim Assistance Formula Grant Program to Memphis Leadership Foundation.

Recommendation 1: Ensure that prior to awarding future subawards to the Foundation, that the Foundation: (a) updates its written policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained, and (b) institutes controls to enforce its written policies and procedures requiring the retention of time and attendance records with evidence of supervisory review and approval that detail time spent on VOCA-related activities.

Tennessee DFA acknowledges this recommendation and concurs.

Tennessee DFA no longer contracts with the Memphis Leadership Foundation. The Tennessee DFA will require Freed Life to submit policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained. The Tennessee DFA will follow up with the agency and require policies and procedures for this finding to be submitted no later than April 1, 2025. The Tennessee DFA will submit our determination of compliance to the OIG by April 11, 2025.



Recommendation 2: Remedy \$18,933 in unsupported personnel costs for subaward 41718.

Tennessee DFA acknowledges this recommendation and concurs.

A payment plan is due to the Tennessee DFA by April 1, 2025.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. Neubert'.

Eugene Neubert, Deputy Commissioner
Department of Finance and Administration

cc: Thomas Murphy
Senior Audit Liaison Specialist
Audit Coordination Branch
Audit and Review Division
Office of Audit, Assessment, and Management
Office of Justice Programs

Jennifer Brinkman, Director
Department of Finance and Administration, Office of Criminal Justice Programs

Brandis Leverette
Board President
Memphis Leadership Foundation

Robert Baker
Chief Finance Officer
Memphis Leadership Foundation

Teonna Evans
Controller
Memphis Leadership Foundation

Katherine Person
Accountant
Memphis Leadership Foundation

APPENDIX 5: 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

April 11, 2025

MEMORANDUM TO: B. Allen Wood
Regional Audit Manager
Atlanta Regional Audit Office
Office of the Inspector General

FROM: Iyauta I. Green
Director

Iyauta Iyeesha Green

Digitally signed by Iyauta Iyeesha Green
Date: 2025.04.11 11:57:26 -04'00'

SUBJECT: Response to the Draft Audit Report, *Audit of the Office of Justice Programs Victim Assistance Funds, Subawarded by the Tennessee Department of Finance and Administration to the Memphis Leadership Foundation, Memphis, Tennessee*

This memorandum is in reference to your correspondence, dated March 5, 2025, transmitting the above-referenced draft audit report for the Memphis Leadership Foundation (Foundation). The Foundation received subaward funds from the Tennessee Department of Finance and Administration (Tennessee DFA), 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 2018-V2-GX-0024 and 2019-V2-GX-0043. We consider the subject report resolved and request written acceptance of this action from your office.

The draft report contains **two recommendations and \$18,983 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 work with the Tennessee DFA to ensure that prior to awarding future subawards to the Foundation, that the Foundation: (a) updates its written policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained, and (b) institutes controls to enforce its written policies and procedures requiring the retention of time and attendance records with evidence of supervisory review and approval that detail time spent on VOCA-related activities.**

OJP agrees with the recommendation. In its response, dated March 18, 2025, the Tennessee DFA stated that it no longer contracts with the Foundation. The Tennessee DFA then stated that it will ask a different subgrantee, Freed Life, to submit policies and procedures to ensure performance data reported in the Performance Measurement Tool is accurate and supporting records are maintained.

Accordingly, we will coordinate with the Tennessee DFA to collect documentation affirming that they no longer contract with the Foundation, and they will require that future subgrantees maintain policies and procedures to ensure that performance data reported in the Performance Measuring Tool is accurate and that supporting records are maintained, and that time and attendance records are retained with evidence of supervisory review and approval that detail time spent on VOCA-related activities.

2. We recommend that OJP work with the Tennessee DFA to remedy \$18,983 in unsupported personnel costs for subaward 41718.

OJP agrees with the recommendation. To remedy the \$18,983 in questioned costs, related to unsupported personnel costs, charged to Grant Number 2019-V2-GX-0043, the Tennessee DFA stated that a payment plan was due to its office by April 1, 2025.

Accordingly, we will review the \$18,983 in questioned costs, related to unsupported personnel and fringe benefits that were charged to Grant Number 2019-V2-GX-0043, and will work with the Tennessee DFA to remedy the costs, as appropriate.

We appreciate the opportunity to review and comment on the draft audit report. If you have any questions or require additional information, please contact Michael Freed, Acting Deputy Director, Audit and Review Division, of my staff, on (202) 598-7964.

cc: Maureen A. Henneberg
Deputy Assistant Attorney General

LeToya A. Johnson
Senior Advisor
Office of the Assistant Attorney General

Michael Freed
Acting Deputy Director, Audit and Review Division
Office of Audit, Assessment, and Management

Katherine Darke Schmitt
Acting Director
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James Simonson
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Jeffrey Nelson
Deputy Director of Operations, Budget, and
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cc: Willie Bronson
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Joel Hall
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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 Tennessee Department of Finance and Administration (Tennessee DFA), and the Memphis Leadership Foundation (Foundation). OJP's response is incorporated in Appendix 5, the Tennessee DFA's response is incorporated in Appendix 4, and the Foundation's 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 Tennessee DFA concurred with two recommendations. The Foundation concurred with the first recommendation and did not state whether it concurred with the second recommendation. 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 Tennessee DFA to:

- 1. Ensure that prior to awarding future subawards to the Foundation, that the Foundation: (a) updates its written policies and procedures to ensure performance data reported in the Performance Measurement Tool (PMT) is accurate and supporting records are maintained, and (b) institutes controls to enforce its written policies and procedures requiring the retention of time and attendance records with evidence of supervisory review and approval that detail time spent on VOCA-related activities.**

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will coordinate with the Tennessee DFA to collect documentation affirming that it no longer contracts with the Foundation and will require that future subgrantees maintain policies and procedures to ensure that performance data reported in the PMT is accurate, supporting records are maintained, and that time and attendance records are retained with evidence of supervisory review and approval that detail time spent on VOCA-related activities. As a result, this recommendation is resolved.

The Tennessee DFA concurred with our recommendation and stated that it no longer contracts with the Foundation. The Foundation concurred with our recommendation and stated that it no longer contracts with the organization that received the VOCA funding.

This recommendation can be closed when we receive evidence that OJP has ensured the Tennessee DFA requires future subgrantees (including the Foundation, as appropriate): (a) maintain written policies and procedures to ensure performance data reported in PMT is accurate and supporting records are maintained, and (b) institute controls to enforce written policies and procedures requiring the retention of time and attendance records with evidence of supervisory review and approval that detail time spent on VOCA-related activities.

2. Remedy \$18,983 in unsupported personnel costs for subaward 41718.

Resolved. OJP agreed with our recommendation. OJP stated in its response that it will review the \$18,983 in questioned costs, related to unsupported personnel and fringe benefits that were charged to Grant Number 2019-V2-GX-0043, and will work with the Tennessee DFA to remedy the costs, as appropriate. As a result, this recommendation is resolved.

The Tennessee DFA concurred with our recommendation and stated that the Foundation must submit a payment plan to the Tennessee DFA.

The Foundation did not state whether it concurred with this recommendation and referenced organizational changes that had occurred. Additionally, the Foundation stated that its payroll system in operation at the time required signatures; however, as noted in our report, 17 of 28 payroll transactions we tested lacked signatures, dates, or a supervisor's approval and a Foundation staff accountant told us they believed the organization was not required to keep records.

This recommendation can be closed when we receive evidence that the \$18,983 in unsupported personnel costs for subaward 41718 has been remedied in an appropriate manner.