



STATE OF ILLINOIS

OFFICE OF THE AUDITOR GENERAL

PERFORMANCE AUDIT

**STATE MONIES PROVIDED TO THE
ILLINOIS VIOLENCE PREVENTION AUTHORITY
FOR THE
NEIGHBORHOOD RECOVERY INITIATIVE**

FEBRUARY 2014

WILLIAM G. HOLLAND

AUDITOR GENERAL

SPRINGFIELD OFFICE:
ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222 • TTY: 888/261-2887
FRAUD HOTLINE: 1-855-217-1895



CHICAGO OFFICE:
MICHAEL A. BILANDIC BLDG. • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006
FRAUD HOTLINE: 1-855-217-1895

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

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

This is our report of the Performance Audit of the State moneys provided by or through the Illinois Violence Prevention Authority to the Neighborhood Recovery Initiative under contracts or grant agreements in Fiscal Year 2011 and in Fiscal Year 2012.

The audit was conducted pursuant to House of Representatives Resolution Number 1110, which was adopted May 31, 2012. This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310.

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

A handwritten signature in blue ink, appearing to read "William G. Holland".

WILLIAM G. HOLLAND
Auditor General

Springfield, Illinois
February 2014



STATE OF ILLINOIS
OFFICE OF THE
AUDITOR GENERAL

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

**STATE MONEYS PROVIDED TO THE ILLINOIS VIOLENCE PREVENTION
AUTHORITY FOR THE NEIGHBORHOOD RECOVERY INITIATIVE**

PERFORMANCE AUDIT

Release Date: February 2014

SYNOPSIS

The Neighborhood Recovery Initiative (NRI) is a program designed to reduce risk factors associated with violence in 23 communities in Cook County. In August 2010, the Governor's Office gave the Illinois Violence Prevention Authority (IVPA) the responsibility to develop a framework for the program as well as administer and oversee the program. In each of the 23 communities, IVPA contracted with a lead agency which was responsible for managing the NRI program in their community. The 23 lead agencies contracted with 99 coordinating partners and 120 providing partners (community partners) to provide NRI services.

Our audit of the first two years of the \$54.55 million NRI program found pervasive deficiencies in IVPA's planning, implementation, and management of the NRI program.

- The NRI program was **hastily implemented**, which limited the time IVPA had to adequately plan for and implement the program.
- **No documentation** existed showing how IVPA selected the NRI communities, and **not all the most violent Chicago communities were included** in the program.
- **IVPA did not exercise due diligence** in the selection of the lead agencies.
- Contracts with community partners were **not timely approved** by IVPA.
- **IVPA failed to adequately implement** two critical financial control mechanisms: **initial budgets and quarterly fiscal reports**.
 - Required lead agencies' **initial budgets** were routinely revised, even after the end of the budget year; and
 - **Quarterly reports** required to be submitted by lead agencies and community partners were late and frequently revised.
- **IVPA also failed to approve reallocation of funds.**
- Contractually required **staffing levels were not met** by community partners.
- Required **timesheets were not consistently maintained** by community partners.
- Lead agencies changed NRI personnel and **contractually required IVPA notification was not documented.**
- **IVPA did not adequately monitor the expenses** incurred by lead agencies and community partners. Auditors selected 23 NRI agencies for site visits (2 went out of business, so only 21 were visited) and found that in many instances the supporting documentation provided did not support the expenditure amount reported by the agency on their close-out report. In other instances, expenses were unallowable. Auditors questioned \$673,674 in expenditures because two providers went out of business and auditors were unable to verify the appropriateness of their expenditures. **In total, auditors questioned \$1.8 million of the \$4.4 million (40 percent) charged by these agencies to the NRI program.**
- **IVPA utilized an inadequate process to recover unspent NRI funds** from lead agencies and community partners.

AUDIT CONCLUSIONS AND RECOMMENDATIONS

NRI utilized 23 lead agencies, 99 coordinating partners, and 120 providing partners to serve 23 Chicago communities.

The Neighborhood Recovery Initiative (NRI) is a program designed to reduce risk factors associated with violence. In August 2010, the Governor's Office gave the Illinois Violence Prevention Authority (IVPA) the responsibility to develop a framework for the program as well as administer and oversee the program. The program served 23 communities in Cook County. In each of these communities, IVPA contracted with a lead agency which was responsible for managing the NRI program in its community and partnering and subcontracting with other community organizations to implement the various program components. The 23 lead agencies contracted with 99 coordinating partners and 120 providing partners (community partners) to provide NRI services.

IVPA received \$55 million in funding for Years 1 and 2 of NRI.

IVPA received \$54.55 million for Years 1 and 2 of the NRI program (from October 2010 through October 2012), \$44.55 million of which came from Governor's Discretionary appropriations in FY11; the remaining \$10 million were General Revenue funds appropriated in FY12. The monies were used to fund the four major NRI program components designed to rebuild "Illinois' most vulnerable neighborhoods and protect youth by offering more jobs and education opportunities." The four components were: 1) Mentoring Plus Jobs – provide youth with part-time jobs, mentoring, and social/emotional skills and support; 2) Parent Leadership – provide parents with skills that would enable them to be community leaders, educators, and mentors for other parents; 3) School-Based Counseling – provide funding for community providers to provide school-based early intervention and trauma-informed counseling services for students; and 4) Reentry – provide Reentry services for youth and young adults returning to the community from youth and adult correctional facilities.

The majority of NRI funds were from Governor's Discretionary appropriations.

Our audit of the NRI program found pervasive deficiencies in IVPA's planning, implementation, and management of the NRI program. The NRI program was hastily implemented which limited the time IVPA had to adequately plan for and implement the program. On August 13, 2010, the Governor attended a violence prevention conclave in Roseland where ministers requested he declare a State of Emergency on the current violence problem. Five days later, on August 18, 2010, IVPA was informed that the Governor's Office wanted to invest at least \$20 million in violence prevention and was directed to develop a framework for the NRI program. Less than two months later, on October 6, 2010, the Governor announced the NRI program; the program had increased to a cost of \$50 million for Chicago communities.

NRI developed after Governor attended violence prevention meeting in Roseland.

NRI framework increased from \$20 million to \$50 million in less than two months.

Lack of Documentation on the Selection of Communities

IVPA had no documentation to support community selection.

According to the former IVPA Director, IVPA selected the communities to be served by NRI based on an analysis performed by the Department of Human Services (DHS) for the Safety Net Works program. However, IVPA and DHS **could not locate** the analysis used nor could IVPA provide any other documentation to auditors showing how Chicago communities were selected to participate in NRI. Additionally, the communities selected for NRI **were not all the most violent** in terms of crime in the Chicago area. Our comparison of NRI communities to the violent crime totals published by the Chicago Police found **7 Chicago neighborhoods** that were among the 20 most violent neighborhoods **that did not receive** NRI funding. In Year 3 of NRI, another Chicago community, Hermosa, was added to the NRI program. This community **ranked 48th** in violent crime from 2005-2010. (pages 37, 71-75)

Seven of the top twenty Chicago communities for violent crime totals did not receive NRI funds.

Lack of Due Diligence in Selection of Lead Agencies

NRI lead agencies were not competitively selected for State funds.

Rather than using a competitive Request for Proposal process that may have gathered multiple interested and qualified parties, IVPA sought recommendations from non-State agency personnel (Chicago aldermen) for organizations to serve as lead agencies for the NRI program. IVPA failed to conduct its due diligence to document that the decisions related to the selection of lead agencies were free of any conflict of interest, the appearance of conflict of interest, or that the agencies selected were the best entities to provide the needed services.

IVPA allowed Chicago aldermen to recommend and select lead agencies for NRI.

While IVPA issued an RFP for a “Governor’s Neighborhood Recovery Plan” on September 8, 2010, to select agencies to administer the program, **the RFP was only sent to those agencies recommended by aldermen five days earlier.** Furthermore, auditors’ review of IVPA’s scoring of the RFP submissions identified numerous deficiencies, including evaluation forms with inconsistent criteria, unscored criteria, changed scoring, and undated evaluations.

An official with the Governor’s Office made selections of providers for Year 3 from a hasty, incomplete report.

The lead agencies were then responsible for selecting the NRI community partners after consultation with various religious groups. For Year 3 of the NRI program, an **official from the Governor’s Office** made changes to the provider makeup based in part on an analysis that IVPA officials reported was “hastily” constructed and incomplete. (pages 34-38)

IVPA not Adequately Staffed

The Governor’s Office provided the 11 member IVPA staff with over \$92 million for NRI and other grant programs.

IVPA had a budgeted headcount of 11 full-time equivalent positions for FY11. During FY11, the **Governor transferred \$92.35 million** from his discretionary appropriation to IVPA for NRI and other special grant programs. Many of the IVPA staff responsible for critical NRI program functions, such as monitoring and administration, were **hired between 91 and 406 days after** the NRI program was announced by the Governor on October 6, 2010. Embarking on an initiative of

the size and complexity of NRI without key personnel in place is illustrative of IVPA's inadequate planning for the NRI program. (pages 51-52)

IVPA Untimely Approval of Contracts

IVPA failed to timely approve contracts for NRI services with community partners. IVPA approval was required in the contractual agreements between lead agencies and their community partners. Our analysis found:

- 40 percent of the contracts (265 of 663) were approved by IVPA **after the contract was executed** by the lead and community partners – 29 days was the **average** number of days between contract execution and IVPA approval – **271 days passed** between execution and IVPA approval for a contract for School-Based Counseling services in West Garfield Park. **Thirty-three of the contracts had either no execution date or no approval by IVPA.**
- IVPA allowed community partners to work on NRI activities prior to execution of the contractual agreement. One provider, Albany Park Community Center, worked **244 days** on School-Based Counseling activities prior to the execution of the contract. (pages 75-76)
- Our review of the contracts determined that for Years 1 and 2 of the NRI program, IVPA agreements with the **23 lead agencies totaled \$52.5 million**, of which **\$43 million** (82 percent) was to be distributed by the lead agencies to the community partners for the day-to-day activities for NRI. (pages 23-24)
- Our review of yearly closeout fiscal reports for Years 1 and 2 of the program found that **lead agencies** reported expending **\$46.2 million** on NRI activities, which included \$37.4 million in grants to community partners. Salaries and benefits of lead agency staff accounted for over \$6.5 million. Community partners reported spending \$31.6 million, \$26.4 million of which went for salaries and benefits. (pages 24-25)

33 NRI contracts had either no execution date or no approval by IVPA.

Lead agencies expended \$46.2 million for NRI – over \$37 million was for day-to-day activities.

Financial Control Deficiencies

IVPA established two important financial reporting mechanisms, which if implemented correctly, would have provided IVPA with critical information to monitor community agencies' spending of grant funds. These two mechanisms were: 1) **annual budgets**, which laid out how the agencies were planning on spending the funds, and 2) **quarterly reports**, which showed how the funds were actually spent. **Our review of both the budgeting and quarterly reporting process concluded that they were ineffectively implemented by many of the community agencies and not effectively monitored by IVPA, thereby significantly reducing their usefulness as an IVPA management control.**

IVPA continued to revise Year 1 budgets with lead agencies after the completion of the year.

- **Budgets Revised After Year-End:** After Year 1 of the NRI programs ended, IVPA continued to amend the

In Pilsen-Little Village the lead agency Year 1 budget was changed 342 after the end of Year 1.

Quarterly expense reports were untimely.

An Albany Park provider revised a Year 1 report 475 after it was due.

An Englewood Reentry provider submitted a revised Year 2 expense report 469 days after it was due.

budgets for Year 1 funds. IVPA paid all the Reentry and School-Based Counseling monies to each of the lead agencies, but the lead agencies did not pay, nor contract for the total amount of the component to the community partners in Year 1 because the two components were **late in being rolled out**. For example, the lead agency for the Pilsen-Little Village community had three budget changes to its Year 1 budget **after** the end of Year 1, the last being on September 21, 2012, **342 days after Year 1 was completed and just a month before the end of Year 2**. (pages 32-34)

- **Quarterly reports were submitted late and were inaccurate:** Quarterly progress reports served two purposes for the NRI program: as a monitoring mechanism for the lead agencies and IVPA; and as a mechanism to trigger the next payment to the providing agency. We found that both NRI lead agencies and community partners **failed to timely submit** quarterly progress reports. In addition, even though agencies certified that **“all the information in this report is accurate,”** we found that agencies made multiple revisions to the quarterly reports. Specifically, for **lead agencies** we found:
 - **62 percent** (113 of 181) of the reports **originally submitted** by lead agencies were late based on due dates established for the report; the **average** number of days the 113 reports from lead agencies were late was 21 days. The Year 1 closeout report from Albany Park Community Center was **246 days late**.
 - **121 quarterly reports were subsequently revised** by lead agencies, even though they had originally certified the accuracy of the earlier submission. Albany Park Community Center revised its Year 1-Quarter 2 report, originally due April 30, 2011, on August 17, 2012, **475 days after the report was originally due**.

Likewise, for **coordinating and providing partners** we found:

- **42 percent** (458 of 1,085) of the reports **originally submitted** by the partners were late based on due dates established for the report; the **average** number of days the 458 reports were late was 16 days. The Year 2 closeout report from Community Assistance Programs, a provider of Mentoring Plus Jobs services in Roseland, was **173 days late**.
- **233 quarterly reports were subsequently revised** by coordinating and providing partners, even though they had originally certified the accuracy of the earlier submission. Teamwork Englewood, a Reentry providing partner in the Englewood community, revised its Year 2-Quarter 1 report, originally due March 9, 2012, on June 21, 2013, **469 days after the report was originally due**. (pages 77-81)

IVPA failed to adequately monitor reallocations of State NRI funds by providers.

Reallocation requests lacked justifications and IVPA approvals.

IVPA failed to monitor providers' ability to maintain contractually required staffing levels.

- **Reallocations Unapproved by IVPA:** IVPA failed to enforce contractual provisions which required IVPA approval before agencies could reallocate their funds to other expense lines. Our review of community files identified 278 reallocations totaling \$1,054,031. Our review concluded that:
 - 70 percent (195 of 278) of the reallocations lacked documentation to show **that IVPA had approved** the reallocation.
 - 17 percent (46 of 278) **failed to contain justifications** as to why the reallocations were needed.
 - 49 days was the average number of days for IVPA to approve the reallocations that it actually **did approve** for the lead agencies (32 days for partner reallocation requests). The longest approval time for IVPA was 251 days after the request was submitted. (pages 89-93)

Community Partners' Staffing Levels Not Met

Our review of quarterly reports found that community partners did not maintain the number of staff required by their contracts with IVPA. We found no documentation to show that IVPA took steps necessary to correct the staffing deficiencies.

- Mentoring Plus Jobs providers in Chicago area communities were to hire **80 youth** for NRI. During the first two years of NRI, the average number of youth employed was **only 66 per period** in the Chicago communities. Agencies were **only able to meet** the staffing requirement 21 percent of the time (28 out of 135 total reporting periods).
- Mentoring Plus Jobs providers in Chicago area communities were required to have **16 adult** mentors. During the first two years of NRI, the average number of adults employed was **15 per period** in the Chicago communities. Agencies were **only able to meet** the staffing requirement 36 percent of the time (48 out of 135 total reporting periods).
- The Parent Leadership component required 50 low income parents in Chicago communities to be hired. We examined all the coordinating partner reports and found agencies were **only able to meet** the staffing requirement **21 percent** of the time (19 out of 90 reporting periods). Agencies **failed** to hit the required staffing level 70 percent of the time (63 of 90). In five reporting periods the number hired **exceeded** contractual limits; and in another three periods, auditors could not determine the staffing level because a quarterly report **was not submitted**. (pages 57-60)

Agencies Failed to Maintain Timesheets

IVPA failed to enforce contractual provisions regarding the maintenance of timesheets for Mentoring Plus Jobs and Parent

Only 30 percent of sampled providers maintained timesheets for staff paid with State NRI funds.

Leadership staff. At 23 randomly selected NRI agencies, we found: 30 percent of the agencies (7 of 23) **maintained** timesheets on their staff; 35 percent of the agencies (8 of 23) **did not maintain** timesheets; 22 percent (5 of 23) **had partial support** for timesheets (for example, timesheets on the parents that worked in the program but not on their own agency staff); and 13 percent (3 of 23) were either not tested due to the agencies closing (Southwest Youth Collaborative and Metropolitan Area Group for Igniting Civilization (MAGIC)) or had no salary charges to the NRI program. (pages 60-62)

Failure to Monitor Lead Agency Personnel

IVPA failed to monitor lead agency personnel, as detailed in contractual requirements, assigned to the NRI grant. The lack of monitoring resulted in \$1.4 million in questioned personnel costs charged to the State grants.

\$1.4 million in questioned staff charged to State NRI funds by lead agencies.

The IVPA contract required lead agencies to notify IVPA within 10 business days of personnel substitutions, additions, or subtractions. Additionally, IVPA developed the quarterly fiscal reporting forms, which included a “Personnel Expenses Detail Chart,” for lead agencies to provide for monitoring purposes. The Chart lists the individuals charged to the grant along with the salary and fringe amounts for the quarter for each individual. We examined all community lead agency quarterly reports, compared the staff to those detailed in the contract, and noted the following exceptions:

- We identified instances where lead agency staff detailed in the contract with IVPA for NRI services were either changed or not included on the quarterly fiscal report forms submitted by the lead agencies. Auditors saw no indication that IVPA questioned these individuals not identified, or not identified timely, in their monitoring of the NRI program. There were questioned payments of **\$483,879** for instances where an individual appeared on the Personnel Detail Chart that had not been identified in the contract with IVPA or had not been reported as hired on previous quarterly reports. While lead agencies may have reported the individual on a current quarterly report, **that report was not submitted until after** the end of the quarter; therefore, auditors considered that an exception in that it did not meet the requirement of the contract.
- At some time during the first two years of NRI, lead agencies in **all 23 communities failed to provide** the Personnel Expenses Detail Chart to some degree. Absent this information in the quarterly reports, IVPA staff would have been **unable to determine** who was being paid with State grant funds. For those quarters in which the Charts were not submitted for review, lead agencies charged **\$885,169** in salary and fringe benefits to the State NRI grants. (pages 55-56)

Provider Staff Charged to Multiple Projects

Auditors identified instances where it appears the State paid for more than 100 percent of an individual's time.

IVPA had no documentation to show that these cases had been identified or evaluated.

IVPA failed to monitor provider staff that worked for either multiple providers or for providers that provided services in multiple settings to ensure the State was not paying for more than 100 percent of the individual's time. During our review of lead agency and community partner files maintained at IVPA, we identified instances where it appeared individuals were being compensated by State dollars **in excess of 100 percent of their time**. While there may be explanations as to various work arrangements (for example, working overtime or working hours past the regular day on additional NRI activities), the IVPA files **did not contain evidence that the exceptions noted above had been evaluated** and that IVPA had approved the time. (pages 62-65)

Other Monitoring Issues

Our audit identified other instances where IVPA did not adequately monitor the performance of the lead agencies and community partners:

NRI providers served a population for Reentry outside the contractual limit.

- **Reentry Services:** IVPA allowed providers of Reentry services to serve a population that was **in violation** of the contractual agreement for NRI. Based on documentation provided to auditors, the age of participants that received services ranged from 7 to 49. Twelve percent (65 of 548) of those that received Reentry services **fell outside the contractually required age range (17-24)** to receive services.
- **Failure to meet required caseloads:** Contractual agreements for **Reentry services** detailed that each case manager was to maintain a caseload of 15-20 participants. Utilizing the participant numbers reported by the University of Illinois at Chicago that they obtained from the NRI database we found that **78 percent (18 of 23)** of the NRI communities **failed to maintain the caseloads required** by the contracts. (pages 81-85)
- **Failure to obtain required background checks:** During our site testing we found that 38 percent (94 of 245) of the required background checks **were not completed or not maintained** in the agency files. (pages 86-89)

38 percent of required background checks in our sample not completed.

Inadequate Expense Monitoring and Documentation

Only 7 of 23 communities required expense support for State NRI funds from their providers.

IVPA delegated responsibility for fiscal monitoring of community partners to NRI lead agencies. Only 30 percent of lead agencies (7 of 23) required partners to submit support for claimed expenses on quarterly reports. Auditors randomly selected 23 NRI providers and reviewed the documentation on-site to support the expenses charged to the NRI program for the applicable time the provider was in the program.

Our review of 23 randomly selected providers found \$1.8 million in questioned expenses.

- **Auditors questioned 40 percent of the NRI expenses (\$1,771,522 of \$4,398,464) at these 23 providers.** In many cases the supporting documentation supplied to auditors by the providers (payroll ledgers or receipts and

invoices) did not total to the amounts included on the closeout reports. In other instances there were expenses that were not allowable based on criteria for the program developed by IVPA.

2 of 23 sampled providers had closed their doors without IVPA recovering unspent funds.

- Two of the 23 agencies selected for testing were no longer in business. Southwest Youth Collaborative closed its doors in February 2013. ICJIA was still attempting to recover funds from Southwest Youth Collaborative as of November 1, 2013. MAGIC closed sometime after it left the NRI program after Year 1, and IVPA had no contact information for MAGIC. The lead agency that oversaw MAGIC, The Woodlawn Organization, also closed its doors. We saw no documentation to show IVPA collected the unexpended funds from this provider nor did IVPA examine any support for the expenses self-reported by MAGIC. Thus, without access to these records, auditors were unable to verify the appropriateness of \$673,674 in State funds provided to these two providers. (pages 94-99)

Inadequate Grant Recovery Process

Year 2 closeout documents showed \$2 million in unspent funds that had not been recovered by IVPA.

IVPA utilized a process that **failed to timely recover unspent NRI funds** for the State. IVPA allowed unspent grant funds from Year 1 of NRI to be carried over for provider use in Year 2 of the program. Eighty-two percent of the providers in Year 1 did not expend all of their NRI funds and 77 percent of the providers in Year 2 did not expend all of their NRI funds. For Year 2, our analysis of IVPA files showed that some providers and lead agencies **repaid** unspent funds. However, as of January 2014, **50 agencies**, both lead agencies and providing partners, had **\$2 million** in unspent funds for NRI in Year 2 which IVPA did not provide documentation to show they had collected. (pages 100-102)

Lack of Oversight of Program's Evaluation

No evaluation completed relative to impact of State NRI funds on violence rates.

IVPA failed to enforce provisions of an intergovernmental grant agreement with the University of Illinois at Chicago relative to an NRI Evaluation Project. IVPA had not required the University to submit the deliverables outlined in the grant agreement or to follow the timeline for providing the deliverables. Additionally, data which was required to be submitted by community partners under NRI for evaluation was not always submitted. Further, IVPA **did not require the University to assess whether NRI had been effective in reducing violence** in the communities in which State funds were expended. (pages 43-47)

RECOMMENDATIONS

This audit report contains 19 recommendations directed towards the Illinois Criminal Justice Information Authority as the agency responsible for the continuation of the Neighborhood Recovery Initiative. The Authority generally agreed with the recommendations. Appendix F to the report contains the full agency responses.



WILLIAM G. HOLLAND
Auditor General

WGH:MJM

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

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ACRONYMS & GLOSSARY

IVPA	Illinois Violence Prevention Authority
ICJIA	Illinois Criminal Justice Information Authority
DHS	Illinois Department of Human Services
NRI	Neighborhood Recovery Initiative. A program implemented by the State in October 2010, and administered by IVPA, to reduce risk factors and promote protective factors associated with violence.
SNW	Safety Net Works. A program implemented by the State in December 2007, originally administered by DHS and later IVPA, to prevent violence by addressing a wide range of individual, family and community factors that keep young people from reaching their full potential and engage communities in comprehensive violence prevention activities through a coalition approach.
M+J	Mentoring Plus Jobs. NRI component that was to provide 80 youth in each community with part time jobs, mentoring and social/emotional skills and support. Mentors (16) and coordinators (2-3) would be hired part time. The youth jobs would be as Peer Leaders and Educators.
PLAN	Parent Leadership in Action Network. NRI component that was to provide 50 parents in each community with leadership, empowerment and self-care skills that would enable them to be community leaders, educators and mentors for other parents. Participating parents and 1-2 coordinators would be hired part time.
Reentry	NRI component that was to provide/expand reentry services for youth and young adults returning to the community from youth and adult correctional facilities.
SBC	School-Based Counseling. NRI component that was to provide funding for community providers to provide school-based early intervention and trauma-informed counseling services for students.
ILAACP	Illinois African American Coalition for Prevention. Contractor hired to manage the technical assistance part of NRI.
Lead Agency	Community organization that managed NRI in its community by partnering and subcontracting with other community organizations to implement the various program components.
Coordinating Partner	Community organization responsible for oversight of day-to-day operation of each component element of NRI.
Provider Partner	Community organization that assists in the delivery of day-to-day services for NRI.

Chapter One

INTRODUCTION & BACKGROUND

REPORT CONCLUSIONS

The Neighborhood Recovery Initiative (NRI) is a program designed to reduce risk factors associated with violence. In August 2010, the Governor's Office gave the Illinois Violence Prevention Authority (IVPA) the responsibility to develop a framework for the program as well as administer and oversee the program. The program served 23 communities in Cook County. In each of these communities, IVPA contracted with a lead agency which was responsible for managing the NRI program in its community and partnering and subcontracting with other community organizations to implement the various program components. The 23 lead agencies, in turn, contracted with 99 coordinating partners and 120 providing partners (community partners) to provide NRI services.

IVPA received \$54.55 million for Years 1 and 2 of the NRI program (from October 2010 through October 2012), \$44.55 million of which came from Governor's Discretionary appropriations in FY11; the remaining \$10 million were General Revenue funds appropriated in FY12. The monies were used to fund the four major NRI program components designed to rebuild "Illinois' most vulnerable neighborhoods and protect youth by offering more jobs and education opportunities." The four components were: 1) Mentoring Plus Jobs – provide youth with part-time jobs, mentoring, and social/emotional skills and support; 2) Parent Leadership – provide parents with skills that would enable them to be community leaders, educators, and mentors for other parents; 3) School-Based Counseling – provide funding for community providers to provide school-based early intervention and trauma-informed counseling services for students; and 4) Reentry – provide Reentry services for youth and young adults returning to the community from youth and adult correctional facilities.

Our audit of the NRI program found pervasive deficiencies in IVPA's planning, implementation, and management of the NRI program. The NRI program was hastily implemented which limited the time IVPA had to adequately plan for and implement the program. On August 13, 2010, the Governor attended a violence prevention conclave in Roseland where ministers requested he declare a State of Emergency on the current violence problem. Five days later, on August 18, 2010, IVPA was informed that the Governor's Office wanted to invest at least \$20 million in violence prevention and was directed to develop a framework for the NRI program. Less than two months later, on October 6, 2010, the Governor announced the NRI program; the program had increased to a cost of \$50 million for Chicago communities.

Lack of Documentation on the Selection of Communities

According to the former IVPA Director, IVPA selected the communities to be served by NRI based on an analysis performed by the Department of Human Services (DHS) for the Safety Net Works program. However, IVPA and DHS **could not locate** the analysis used nor could IVPA provide any other documentation to auditors showing how Chicago communities were selected to participate in NRI. Additionally, the communities selected for NRI **were not all the**

most violent in terms of crime in the Chicago area. Our comparison of NRI communities to the violent crime totals published by the Chicago Police found **7 Chicago neighborhoods** that were among the 20 most violent neighborhoods **that did not receive** NRI funding. In Year 3 of NRI, another Chicago community, Hermosa, was added to the NRI program. This community **ranked 48th** in violent crime from 2005-2010.

Lack of Due Diligence in Selection of Lead Agencies

Rather than using a competitive Request for Proposal process that may have gathered multiple interested and qualified parties, IVPA sought recommendations from non-State agency personnel (Chicago aldermen) for organizations to serve as lead agencies for the NRI program. IVPA failed to conduct its due diligence to document that the decisions related to the selection of lead agencies were free of any conflict of interest, the appearance of conflict of interest or that the agencies selected were the best entities to provide the needed services.

While IVPA issued an RFP for a “Governor’s Neighborhood Recovery Plan” on September 8, 2010, to select agencies to administer the program, **the RFP was only sent to those agencies recommended by aldermen five days earlier.** Furthermore, auditors’ review of IVPA’s scoring of the RFP submissions identified numerous deficiencies, including evaluation forms with inconsistent criteria, unscored criteria, changed scoring, and undated evaluations.

The lead agencies were then responsible for selecting the NRI community partners after consultation with various religious groups. For Year 3 of the NRI program, **an official from the Governor’s Office** made changes to the provider makeup based in part on an analysis that an IVPA official reported was “hastily” constructed and incomplete.

IVPA not Adequately Staffed

IVPA had a budgeted headcount of 11 full-time equivalent positions for FY11. During FY11, the **Governor transferred \$92.35 million** from his discretionary appropriation to IVPA for NRI and other special grant programs. Many of the IVPA staff responsible for critical NRI program functions, such as monitoring and administration, were **hired between 91 and 406 days after** the NRI program was announced by the Governor on October 6, 2010. Embarking on an initiative of the size and complexity of NRI without key personnel in place is illustrative of IVPA’s inadequate planning for the NRI program.

IVPA Untimely Approval of Contracts

IVPA failed to timely approve contracts for NRI services with community partners. IVPA approval was required in the contractual agreements between lead agencies and their community partners. Our analysis found:

- 40 percent of the contracts (265 of 663) were approved by IVPA **after the contract was executed** by the lead and community partners – 29 days was the **average** number of days between contract execution and IVPA approval – **271 days passed** between execution and IVPA approval for a contract for School-Based Counseling services in West Garfield Park. **Thirty-three of the contracts had either no execution date or no approval by IVPA.**

- IVPA allowed community partners to work on NRI activities prior to execution of the contractual agreement. One provider, Albany Park Community Center, worked **244 days** on School-Based Counseling activities prior to the execution of the contract.
- Our review of the contracts determined that for Years 1 and 2 of the NRI program, IVPA agreements with the **23 lead agencies totaled \$52.5 million**, of which **\$43 million** (82 percent) was to be distributed by the lead agencies to the community partners for the day-to-day activities for NRI.
- Our review of yearly closeout fiscal reports for Years 1 and 2 of the program found that **lead agencies** reported expending **\$46.2 million** on NRI activities, which included \$37.4 million in grants to community partners. Salaries and benefits of lead agency staff accounted for over \$6.5 million. Community partners reported spending \$31.6 million, \$26.4 million of which went for salaries and benefits.

Financial Control Deficiencies

IVPA established two critical financial reporting mechanisms, which if implemented correctly, would have provided IVPA with critical information to monitor community agencies' spending of grant funds. These two mechanisms were: 1) **annual budgets**, which laid out how the agencies were planning on spending the funds, and 2) **quarterly reports**, which showed how the funds were actually spent. **Our review of both the budgeting and quarterly reporting process concluded that they were ineffectively implemented by many of the community agencies and not effectively monitored by IVPA, thereby significantly reducing their usefulness as an IVPA management control.**

- **Budgets Revised After Year-End:** After Year 1 of the NRI programs ended, IVPA continued to amend the budgets for Year 1 funds. IVPA paid all the Reentry and School-Based Counseling monies to each of the lead agencies, but the lead agencies did not pay, nor contract for the total amount of the component to the community partners in Year 1 because the two components were **late in being rolled out**. For example, the lead agency for the Pilsen-Little Village community had three budget changes to its Year 1 budget **after** the end of Year 1, the last being on September 21, 2012, **342 days after Year 1 was completed and just a month before the end of Year 2**.
- **Quarterly reports were submitted late and were inaccurate:** Quarterly progress reports served two purposes for the NRI program: as a monitoring mechanism for the lead agencies and IVPA; and as a mechanism to trigger the next payment to the providing agency. We found that both NRI lead agencies and community partners **failed to timely submit** quarterly progress reports. In addition, even though agencies certified that **“all the information in this report is accurate,”** we found that agencies made multiple revisions to the quarterly reports. Specifically, for **lead agencies** we found:
 - **62 percent** (113 of 181) of the reports **originally submitted** by lead agencies were late based on due dates established for the report; the **average** number of days the 113 reports from lead agencies were late was 21 days. The Year 1 closeout report from Albany Park Community Center was **246 days late**.
 - **121 quarterly reports were subsequently revised** by lead agencies, even though they had originally certified the accuracy of the earlier submission. Albany Park

Community Center revised its Year 1-Quarter 2 report, originally due April 30, 2011, on August 17, 2012, **475 days after the report was originally due.**

Likewise, for **coordinating and providing partners** we found:

- **42 percent** (458 of 1,085) of the reports **originally** submitted by the partners were late based on due dates established for the report; the **average** number of days the 458 reports were late was 16 days. The Year 2 closeout report from Community Assistance Programs, a provider of Mentoring Plus Jobs services in Roseland, was **173 days late.**
- **233 quarterly reports were subsequently revised** by coordinating and providing partners, even though they had originally certified the accuracy of the earlier submission. Teamwork Englewood, a Reentry providing partner in the Englewood community, revised its Year 2-Quarter 1 report, originally due March 9, 2012, on June 21, 2013, **469 days after the report was originally due.**
- **Reallocations Unapproved by IVPA:** IVPA failed to enforce contractual provisions which required IVPA approval before agencies could reallocate their funds to other expense lines. Our review of community files identified 278 reallocations totaling \$1,054,031. Our review concluded that:
 - 70 percent (195 of 278) of the reallocations lacked documentation to show **that IVPA had approved** the reallocation.
 - 17 percent (46 of 278) **failed to contain justifications** as to why the reallocations were needed.
 - 49 days was the average number of days for IVPA to approve the reallocations that it actually **did approve** for the lead agencies (32 days for partner reallocation requests). The longest approval time for IVPA was 251 days after the request was submitted.

Community Partners' Staffing Levels Not Met

Our review of quarterly reports found that community partners did not maintain the number of staff required by their contracts with IVPA. We found no documentation to show that IVPA took steps necessary to correct the staffing deficiencies.

- Mentoring Plus Jobs providers in Chicago area communities were to hire **80 youth** for NRI. During the first two years of NRI, the average number of youth employed was **only 66 per period** in the Chicago communities. Agencies were **only able to meet** the staffing requirement 21 percent of the time (28 out of 135 total reporting periods).
- Mentoring Plus Jobs providers in Chicago area communities were required to have **16 adult** mentors. During the first two years of NRI, the average number of adults employed was **15 per period** in the Chicago communities. Agencies were **only able to meet** the staffing requirement 36 percent of the time (48 out of 135 total reporting periods).
- The Parent Leadership component required 50 low income parents in Chicago communities to be hired. We examined all the coordinating partner reports and found agencies were **only able to meet** the staffing requirement **21 percent** of the time (19 out

of 90 reporting periods). Agencies **failed** to hit the required staffing level 70 percent of the time (63 of 90).

Agencies Failed to Maintain Timesheets

IVPA failed to enforce contractual provisions regarding the maintenance of timesheets for Mentoring Plus Jobs and Parent Leadership staff. At 23 randomly selected NRI agencies, we found: 30 percent of the agencies (7 of 23) **maintained** timesheets on their staff; 35 percent of the agencies (8 of 23) **did not maintain** timesheets; 22 percent (5 of 23) **had partial support** for timesheets (for example, timesheets on the parents that worked in the program but not on their own agency staff); and 13 percent (3 of 23) were either not tested due to the agencies closing (Southwest Youth Collaborative and Metropolitan Area Group for Igniting Civilization (MAGIC)) or had no salary charges to the NRI program.

Failure to Monitor Lead Agency Personnel

IVPA failed to monitor lead agency personnel, as detailed in contractual requirements, assigned to the NRI grant. The lack of monitoring resulted in \$1.4 million in questioned personnel costs charged to the State grants.

The IVPA contract required lead agencies to notify IVPA within 10 business days of personnel substitutions, additions, or subtractions. Additionally, IVPA developed the quarterly fiscal reporting forms, which included a “Personnel Expenses Detail Chart,” for lead agencies to provide for monitoring purposes. The Chart lists the individuals charged to the grant along with the salary and fringe amounts for the quarter for each individual. We examined all community lead agency quarterly reports, compared the staff to those detailed in the contract, and noted the following exceptions:

- We identified instances where lead agency staff detailed in the contract with IVPA for NRI services were either changed or not included on the quarterly fiscal report forms submitted by the lead agencies. Auditors saw no indication that IVPA questioned these individuals not identified, or not identified timely, in their monitoring of the NRI program. There were questioned payments of **\$483,879** for instances where an individual appeared on the Personnel Detail Chart that had not been identified in the contract with IVPA or had not been reported as hired on previous quarterly reports. While lead agencies may have reported the individual on a current quarterly report, **that report was not submitted until after** the end of the quarter; therefore, auditors considered that an exception in that it did not meet the requirement of the contract.
- At some time during the first two years of NRI, lead agencies in **all 23 communities failed to provide** the Personnel Expenses Detail Chart to some degree. Absent this information in the quarterly reports, IVPA staff would have been **unable to determine** who was being paid with State grant funds. For those quarters in which the Charts were not submitted for review, lead agencies charged **\$885,169** in salary and fringe benefits to the State NRI grants.

Provider Staff Charged to Multiple Projects

IVPA failed to monitor provider staff that worked for either multiple providers or for providers that provided services in multiple settings to ensure the State was not paying for more than 100 percent of the individual's time. During our review of lead agency and community partner files maintained at IVPA, we identified instances where it appeared individuals were being compensated by State dollars **in excess of 100 percent of their time**. While there may be explanations as to various work arrangements (for example, working overtime or working hours past the regular day on additional NRI activities), the IVPA files **did not contain evidence that the exceptions noted above had been evaluated** and that IVPA had approved the time.

Other Monitoring Issues

Our audit identified other instances where IVPA did not adequately monitor the performance of the lead agencies and community partners:

- **Reentry Services:** IVPA allowed providers of Reentry services to serve a population that was **in violation** of the contractual agreement for NRI. The age of participants that received services ranged from 7 to 49. Twelve percent (65 of 548) of those that received Reentry services **fell outside the contractually required age range** (17-24) to receive services.
- **Failure to meet required caseloads:** Contractual agreements for **Reentry services** detailed that each case manager was to maintain a caseload of 15-20 participants. Utilizing the participant numbers reported by the University of Illinois at Chicago that they obtained from the NRI database we found that **78 percent** (18 of 23) of the NRI communities **failed to maintain the caseloads required** by the contracts.
- **Failure to obtain required background checks:** During our site testing we found that 38 percent (94 of 245) of the required background checks **were not completed or not maintained** in the agency files.

Inadequate Expense Monitoring and Documentation

IVPA delegated responsibility for fiscal monitoring of community partners to NRI lead agencies. Only 30 percent of lead agencies (7 of 23) required partners to submit support for claimed expenses on quarterly reports. Auditors randomly selected 23 NRI providers and reviewed the documentation on-site to support the expenses charged to the NRI program for the applicable time the provider was in the program.

- **Auditors questioned 40 percent of the NRI expenses (\$1,771,522 of \$4,398,464) at these 23 providers.** In many cases the supporting documentation supplied to auditors by the providers (payroll ledgers or receipts and invoices) did not total to the amounts included on the closeout reports. In other instances there were expenses that were not allowable based on criteria for the program developed by IVPA.
- Two of the 23 agencies selected for testing were no longer in business. Southwest Youth Collaborative closed its doors in February 2013. ICJIA was still attempting to recover funds from Southwest Youth Collaborative as of November 1, 2013. MAGIC closed sometime after it left the NRI program after Year 1, and IVPA had no contact

information for MAGIC. The lead agency that oversaw MAGIC, The Woodlawn Organization, also closed its doors. We saw no documentation to show IVPA collected the unexpended funds from this provider nor did IVPA examine any support for the expenses self-reported by MAGIC. Thus, without access to these records, auditors were unable to verify the appropriateness of \$673,674 in State funds provided to these two providers.

Inadequate Grant Recovery Process

IVPA utilized a process that **failed to timely recover unspent NRI funds** for the State. IVPA allowed unspent grant funds from Year 1 of NRI to be carried over for provider use in Year 2 of the program. Eighty-two percent of the providers in Year 1 did not expend all of their NRI funds and 77 percent of the providers in Year 2 did not expend all of their NRI funds. For Year 2, our analysis of IVPA files showed that some providers and lead agencies **repaid** unspent funds. However, as of January 2014, **50 agencies**, both lead agencies and providing partners, had **\$2 million** in unspent funds for NRI in Year 2 which IVPA did not provide documentation to show they had collected.

Lack of Oversight of Program’s Evaluation

IVPA failed to enforce provisions of an intergovernmental grant agreement with the University of Illinois at Chicago relative to an NRI Evaluation Project. IVPA had not required the University to submit the deliverables outlined in the grant agreement or to follow the timeline for providing the deliverables. Additionally, data which was required to be submitted by community partners under NRI for evaluation was not always submitted. Further, IVPA **did not require the University to assess whether NRI had been effective in reducing violence** in the communities in which State funds were expended.

INTRODUCTION

On May 31, 2012, the Illinois House of Representatives adopted Resolution 1110 (see Appendix A), which directs the Auditor General to conduct a performance audit of the State moneys provided by or through the Illinois Violence Prevention Authority (IVPA) to the Neighborhood Recovery Initiative (NRI) under contracts or grant agreements in Fiscal Year 2011 and in Fiscal Year 2012. We were asked to determine:

- the purposes for which State moneys were provided to the Authority for NRI;
- the relationship between the Safety Net Works (SNW) program and NRI;
- the nature and extent of monitoring by IVPA of how NRI used the State-provided moneys and whether certain residential communities of similar crime rates were excluded;
- the actual use of the State moneys by IVPA, including the identity of any sub-recipients and the amounts and purposes for employment;
- the number of positions paid through NRI by organizational unit, job title, function, and salary and whether employees completed and filled out appropriate timesheets;

- the number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position;
- whether, through a review of available documentation, NRI has met or is meeting the purposes for which the State moneys were provided, with specific information concerning NRI staffing levels, hiring procedures, and its compensation of employees; and,
- whether NRI is in compliance with the applicable laws, regulations, contracts, and grant agreements pertaining to its receipt of State moneys.

During the audit, Public Act 97-1151, signed into law on January 25, 2013, transferred staff, functions, funds, etc. from the IVPA to the Illinois Criminal Justice Information Authority (ICJIA). ICJIA began to provide oversight of NRI for Year 3 of the program. This report covers activities by IVPA during the first two years of NRI, a period which ended in October 2012. Recommendations relative to the NRI program are directed to ICJIA as the oversight responsibility going forward.

NEIGHBORHOOD RECOVERY INITIATIVE

In an October 6, 2010 press release, Governor Quinn announced the start of a comprehensive effort to help strengthen Illinois' urban communities. NRI, estimated at a cost of \$50 million, was to focus on **rebuilding Illinois' most vulnerable neighborhoods** and protecting youth by offering more job and educational opportunities.

The goal (see inset) of NRI is to be accomplished through:

- The creation of jobs for community youth, adults and professionals that promote community wellness and healthy behaviors, youth and parent leadership, and healthy, caring community environments.
- The provision of a wide range of community-based services for youth and young adults including: social, emotional and job skill development; case management, trauma-informed counseling for students in need of early intervention; mentoring; Reentry services; and tutoring and other school supports that enhance young people's ability to succeed in school, in their community and in life.

Neighborhood Recovery Initiative

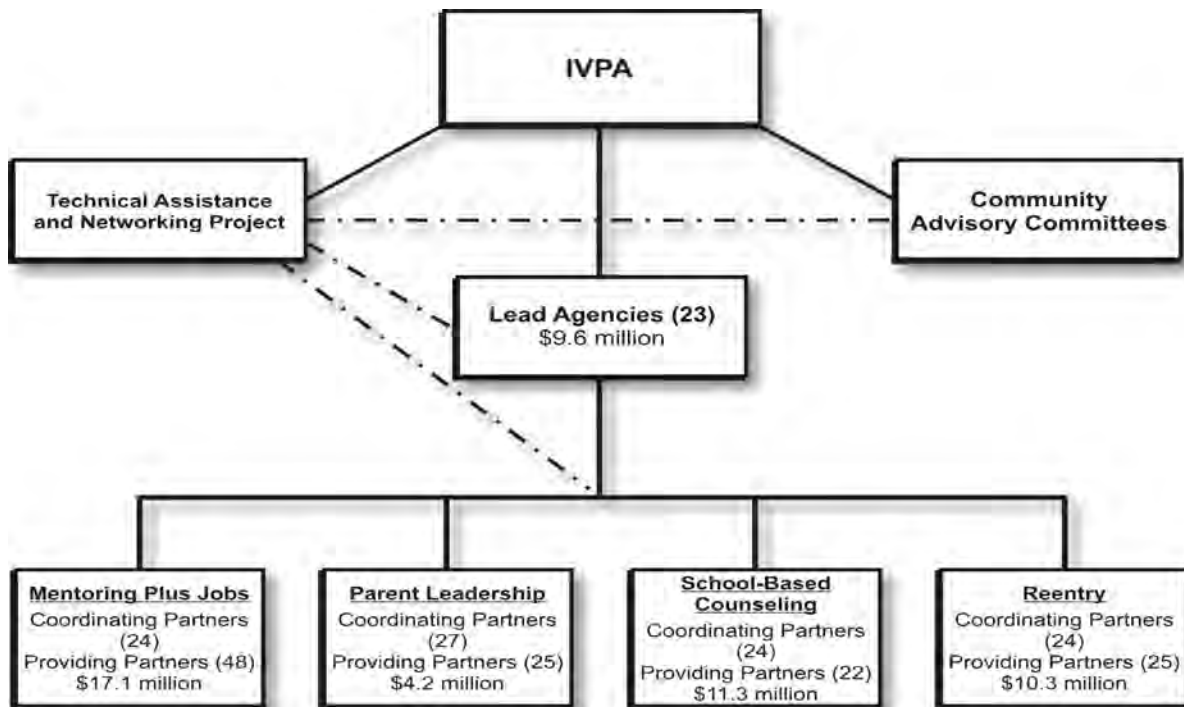
The goal of the Initiative is to reduce risk factors and promote protective factors associated with violence.

Source: IVPA.

Organizational Structure

NRI is a program that utilizes lead agencies, component coordinating partners and component providing partners in the community setting. Exhibit 1-1 presents the organizational structure of NRI during the first two years of the program, including the component parts of the program, which would appear in each of the 23 communities.

Exhibit 1-1
NEIGHBORHOOD RECOVERY INITIATIVE COMMUNITY STRUCTURE
 Years 1 and 2



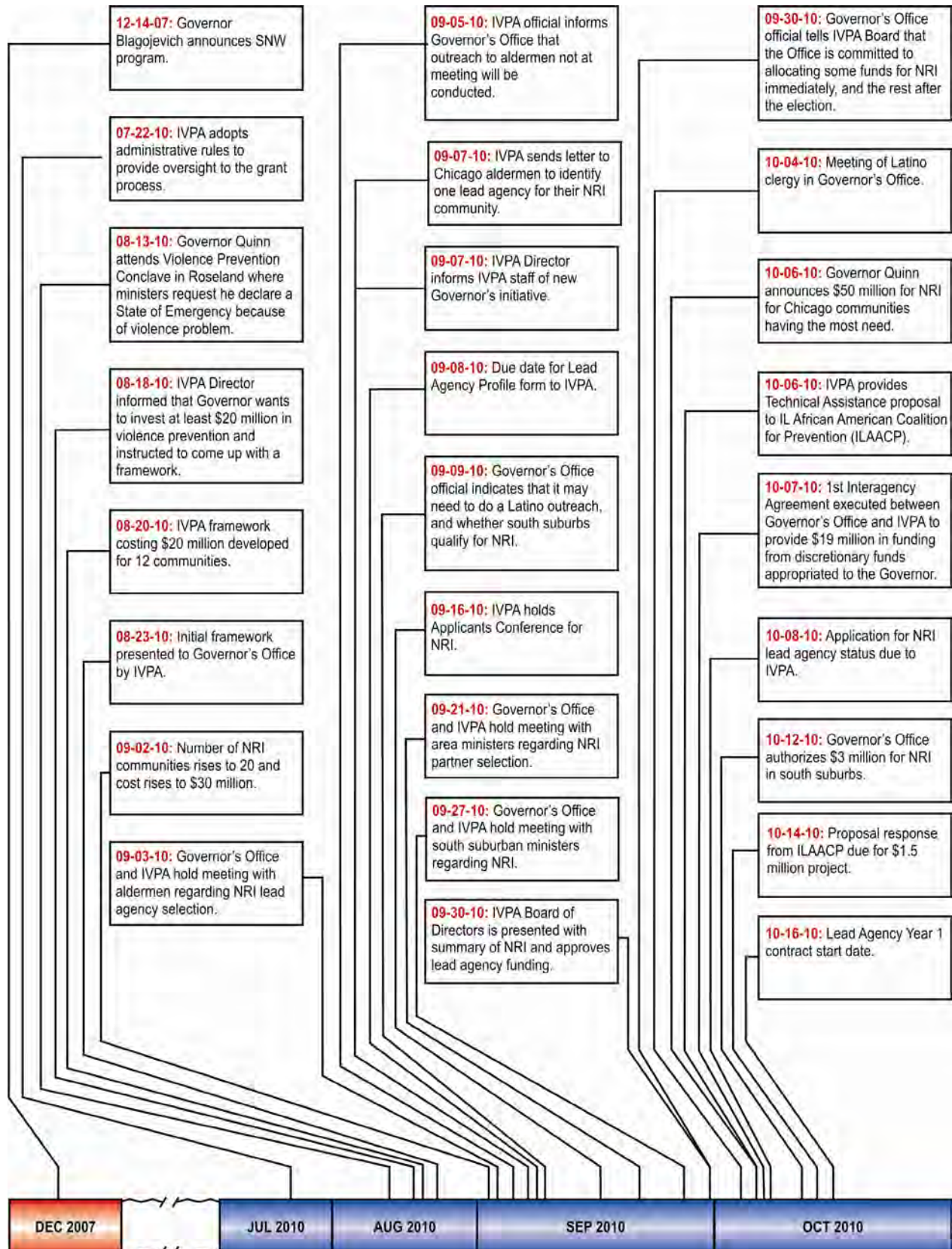
Notes: Figures in parentheses represent number of the type of provider across all communities. Dollar figures represent the contractual totals for the **entire** Neighborhood Recovery Initiative for Years 1 and 2 by component and lead agencies.

Source: OAG summary of IVPA information.

On November 5, 2010, IVPA contracted with the Illinois African American Coalition for Prevention (ILAACP) to provide technical assistance for NRI. For the first two years of NRI, the total contract was for **\$2.8 million**. The majority of this funding was to go to subcontractors for the various NRI components. ILAACP did complete a proposal for its services; however, this was not a competitive procurement of services by IVPA. The ILAACP Director stated that the Coalition was approached by the IVPA Director to become part of the program. As part of the technical assistance project, ILAACP subcontracted certain services, once again in a non-competitive procurement manner, to vendors that were suggested by the IVPA Director. According to the ILAACP Director, his assumption was that IVPA may not have thought it easier to contract with for-profit organizations.

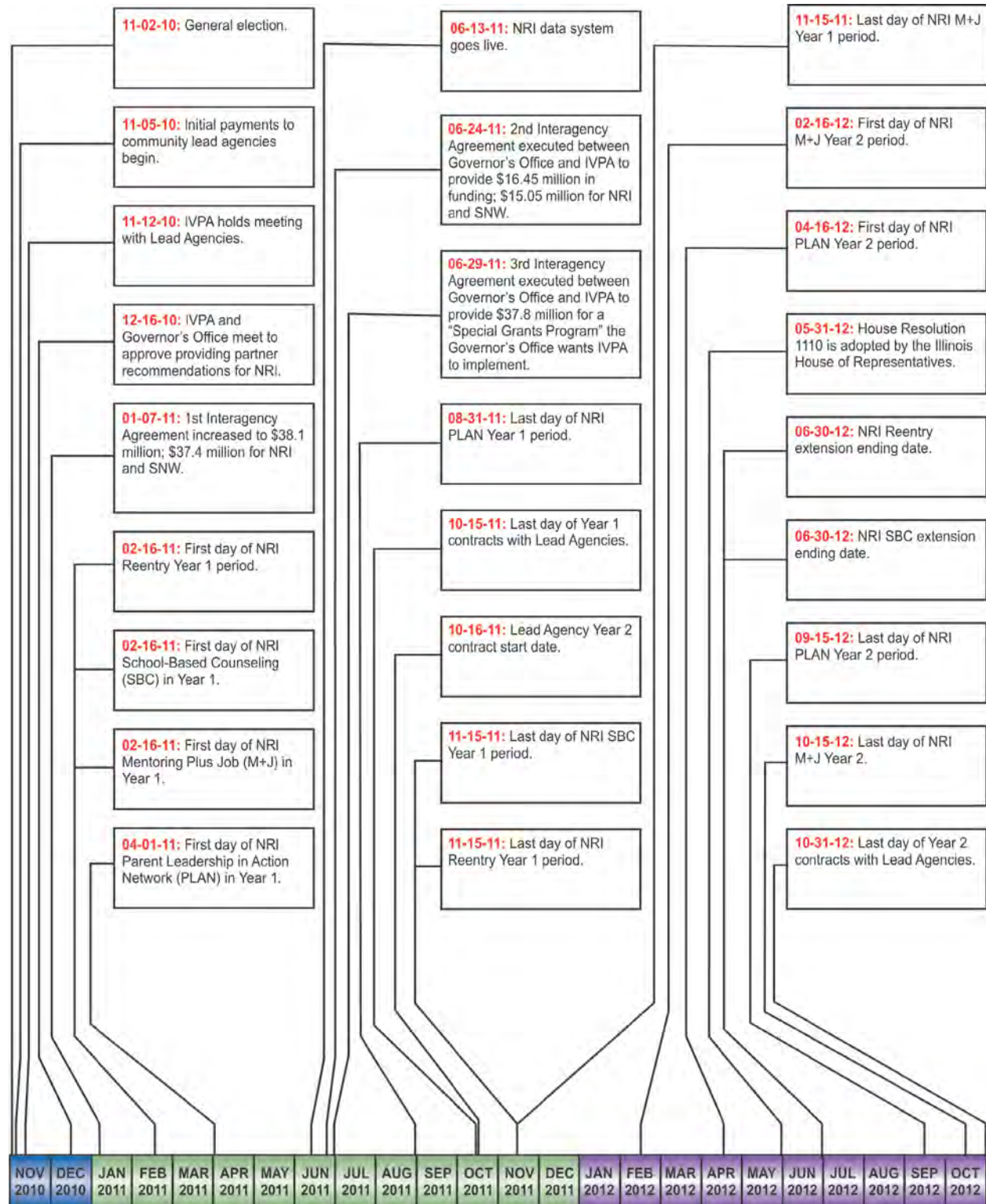
ILAACP subcontracted with a number of groups to provide technical assistance for NRI. These subcontracts were not competitively procured. These groups included MEE Productions of Philadelphia for M+J and PLAN components (paid \$1.2 million during the first two years of NRI) and Children’s Memorial Hospital in Chicago for the SBC component (\$381,815). Additionally, ILAACP contracted with an individual consultant to provide Reentry services (\$82,830) and another consultant for SBC services (\$25,800). Exhibit 1-2 provides a timeline of major events in the development of NRI.

**Exhibit 1-2
NEIGHBORHOOD RECOVERY INITIATIVE TIMELINE OF EVENTS**



Source: OAG developed.

**Exhibit 1-2
NEIGHBORHOOD RECOVERY INITIATIVE TIMELINE OF EVENTS**



Source: OAG developed.

Twenty-three **lead agencies** entered into contracts with IVPA to provide services and administer the grants in the local communities. Lead agencies were required generally to:

- Operate a program in accordance with the application submitted to IVPA.
- Use the grant funds in accordance with the budget detailed in the contract with IVPA.
- Maintain an accounting system that utilized generally accepted standards of accounting, including obtaining an annual independent audit, and follow all State and federal regulations regarding allowable costs and accounting procedures.
- Submit to IVPA quarterly financial and activity reports covering the previous three month period. Such reports are to be on forms specified by IVPA. All reports must be received by IVPA no later than 15 days following the end of the report period and 30 days following the end of the grant. The reports were to detail activities conducted, participants involved, expenditures, and revisions, if any, of timetables and activities to reflect the current program status and future activity. Failure to comply within said 15-day period may have resulted in the delay of subsequent award installments or termination of the contract. In addition to the quarterly reports, the lead agency agrees to render to IVPA, **upon demand of IVPA**, a complete and satisfactory accounting of any and all monies granted to lead agency pursuant to the contract.
- Permit agents of IVPA to inspect the financial records of the lead agency as they relate to the contract. Permit agents of IVPA to enter the premises of the lead agency to observe the operation of the program.
- Indemnify and hold IVPA and the State of Illinois harmless from all claims, suits, judgments, and damages arising from the conduct of the lead agency, its agents and volunteers in the performance of the contract and in providing services described in the contract.
- Comply with all laws, statutes, ordinances, rules, and regulations of all federal, State, county, and municipal authorities now in force, or may be in force, pertaining to the performance of the contract.

IVPA developed contractual agreements for lead agencies to utilize in contracting with **coordinating and providing partners**. Coordinating partners (99 total for all NRI components and communities) have the responsibility of delivery of services to individuals as well as managing/monitoring the other providing partners in the delivery of NRI services. Providing partners (120 total for all components and communities) **assist** in delivery of day-to-day NRI services.

Program Components

Documentation from IVPA detailed the program components that each community was to utilize **for the specified amounts of funds** allocated to each program component. IVPA and the lead agencies were to develop program budgets for each of the components during the first 8-10 weeks of the grant period. The program components of NRI are summarized in Exhibit 1-3.

Exhibit 1-3 NEIGHBORHOOD RECOVERY INITIATIVE Program Components	
Program Component	Description
Mentoring Plus Jobs	Provide 80 youth in each community with part time jobs, mentoring and social/emotional skills and support. Mentors (16) and coordinators (2-3) would be hired part time. Youth jobs would be as peer leaders and educators.
Parent Leadership	Provide 50 parents in each community with leadership, empowerment and self-care skills that would enable them to be community leaders, educators and mentors for other parents. Participating parents and 1-2 coordinators would be hired part time.
Reentry Programs	Provide/expand Reentry services for youth and young adults returning to the community from youth and adult correctional facilities.
School-Based Counseling	Provide funding for community providers to provide school-based early intervention and trauma-informed counseling services for students.
Safety Net Works	Expand Safety Net Works youth violence prevention programming in existing communities and add the program in communities that do not have it.
Source: IVPA.	

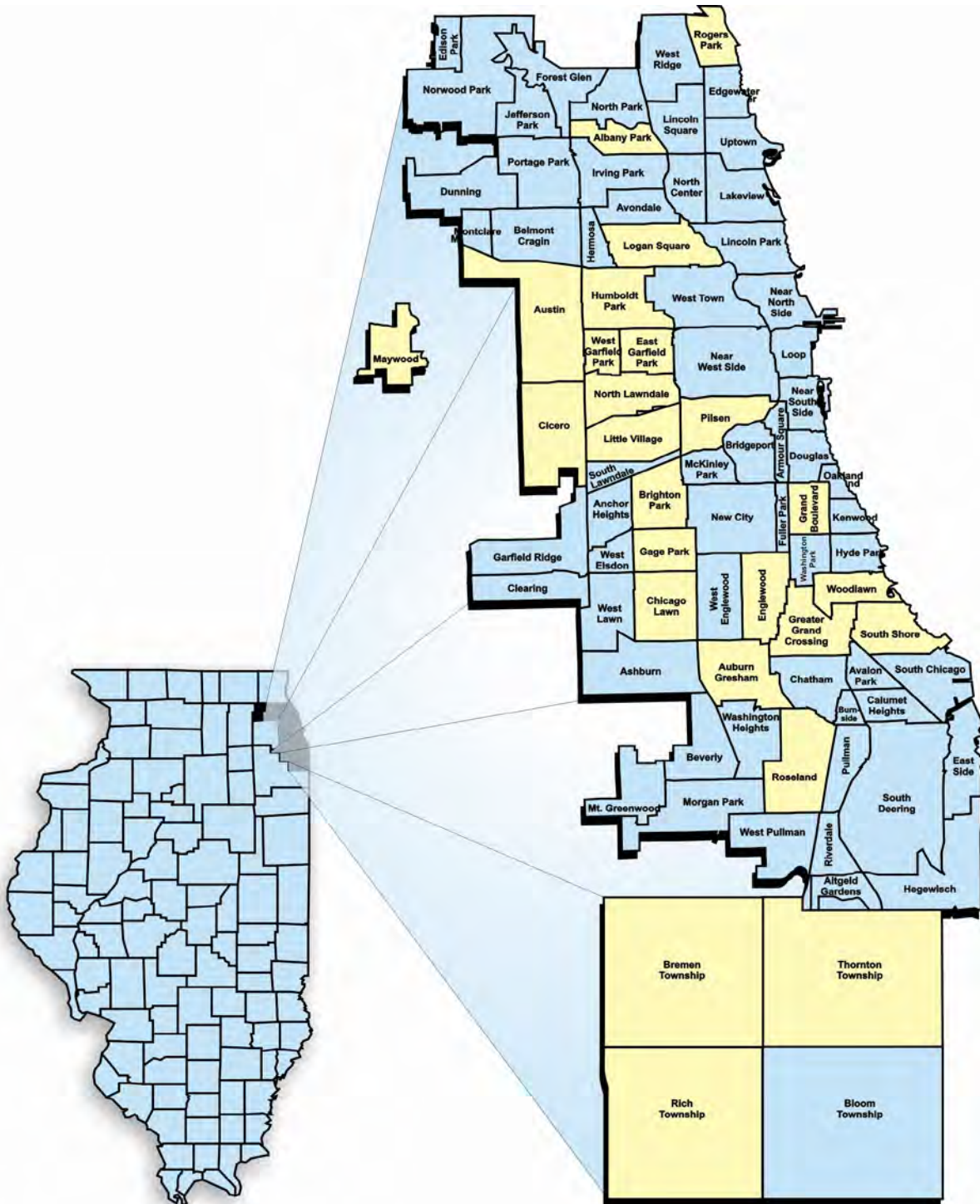
Target Communities

According to an IVPA official, target communities for NRI were submitted by IVPA to the Governor based on an analysis conducted by the Department of Human Services (DHS) when developing SNW during the Blagojevich administration. The IVPA official additionally reported that not all DHS recommended SNW communities received SNW funding. SNW communities extended to downstate communities; NRI originally was set up in just Chicago.

After target communities for NRI were determined, the south suburbs requested to the Governor’s Office that its area be included in the Initiative. The Governor’s Office agreed and three townships were added. Exhibit 1-4 lists the locations of the target communities for NRI.

NRI is comprised of a significant number of community agencies working to provide services. During the initial two-year period of NRI operation, there were **242 total agencies** involved in the programs (some agencies provide more than one component service).

Exhibit 1-4
NEIGHBORHOOD RECOVERY INITIATIVE COMMUNITIES



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

Source: OAG developed from NRI documentation.

Lead Agencies

NRI activities were overseen through the use of community lead agencies. The lead agencies **were identified and recommended by local aldermen and village/town officials** based on criteria provided by IVPA. The lead agencies were responsible for managing NRI in their communities and partnering and subcontracting with other community organizations to implement the various program components. Exhibit 1-5 provides a listing of the lead agencies responsible for NRI in the 23 communities during the first two years of the program.

Exhibit 1-5 NEIGHBORHOOD RECOVERY INITIATIVE Lead Agencies	
Community	Grantee
Albany Park	Albany Park Community Center
Auburn Gresham	Catholic Bishop of Chicago-St. Sabina
Austin	Circle Family HealthCare Network
Brighton Park	Pilsen Wellness Center
Cicero	Corazon Community Services
East Garfield Park	Mt. Vernon Baptist Church
Englewood	Children's Home and Aid Society
Grand Boulevard	Chicago Area Project
Greater Grand Crossing	Greater Auburn Gresham Development Corporation
Humboldt Park	Chicago Commons
Logan Square	Alliance of Local Service Organizations
Maywood	Village of Maywood
North Lawndale	Better Boys Foundation
Pilsen-Little Village	Enlace Chicago
Rogers Park	Organization of the North East
Roseland	Community Assistance Programs
South Shore	Black United Fund of IL
West Chicago	Southwest Youth Collaborative
West Garfield Park	Chicago Area Project
Woodlawn	The Woodlawn Organization
Bremen Township/Bloom Township	Grand Prairie Services
Rich Township/Bloom Township	Southland Health Care Forum
Thornton Township	Healthcare Consortium of IL
Source: OAG developed from IVPA documentation.	

AUDIT SCOPE AND METHODOLOGY

This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The audit methodology for our fieldwork testing is presented in Appendix B.

The audit objectives for this audit were those as delineated in House Resolution Number 1110 (see Appendix A), which directed the Auditor General to conduct a performance audit of the State moneys provided by or through IVPA to NRI under contracts or grant agreements in Fiscal Year 2011 and in Fiscal Year 2012. The majority of fieldwork for the audit was completed between February 2013 and September 2013.

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

During the audit, we interviewed staff from IVPA that provided oversight to NRI and SNW. Additionally, we interviewed staff from the Governor's Office, and the Departments of Human Services and Commerce and Economic Opportunity. We interviewed evaluators from the University of Illinois at Chicago and reviewed evaluation reports of NRI developed by the individuals. We also interviewed staff from the Illinois Criminal Justice Information Authority who became responsible for NRI in Year 3.

We examined all documentation maintained by IVPA for the 23 communities that participated in NRI. This included lead agencies and coordinating and providing partners. The information is summarized and detailed in the following chapters of this report.

We reached out to lead agencies in all 23 communities to provide information relevant to the audit. All 23 communities responded to our inquiry. Additionally, we reached out to the coordinating and providing partners for audit information. All of the agencies responded to our inquiry. We reached out to all IVPA Board members to provide their views on NRI. We sent out 21 requests to Board members; we conducted eight interviews based on our request.

We selected a random sample of 23 agencies that provided NRI services during the first two years of the program and went on-site to determine whether documentation existed to support expenditures charged to State grants, as well as whether other contractual deliverables were maintained.

House Resolution Number 1110 asked us to determine the number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position. During the audit we examined the community files which contained all provider documentation and did not find documentation

that would allow us to answer the determination. During site work at provider agencies we attempted to gather information to answer the determination. However, the starting point, organizational charts, was problematic. We randomly selected 23 providers to conduct site work. Two agencies had gone out of business and we were unable to gather documentation from those providers. Only 8 of the remaining 21 providers (38 percent) were able to provide auditors with an organizational chart. Only 3 of the 8 charts showed the NRI program as an organizational component.

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

REPORT ORGANIZATION

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

- **Chapter Two** examines the planning process utilized to develop and implement NRI.
- **Chapter Three** examines the personnel hired and utilized for activities of NRI.
- **Chapter Four** examines the monitoring of NRI as well as contract compliance issues found during the audit.
- **Appendices** presenting House Resolution Number 1110 (Appendix A), our Audit Methodology (Appendix B), a listing of all agencies receiving State grant funds for NRI in Years 1 and 2 (Appendix C), interagency funding agreements between the Governor's Office and IVPA for NRI (Appendix D), Lead Agency and Providers Unspent Uncollected Grant Funds from Year 2 of NRI (Appendix E), and Agency Responses (Appendix F) are provided at the end of the report.

Chapter Two

NEIGHBORHOOD RECOVERY INITIATIVE - PLANNING

CHAPTER CONCLUSIONS

Fifty-four days from when the Governor attended a meeting with ministers in Roseland, on August 13, 2010, until his announcement of the program, the Illinois Violence Prevention Authority (IVPA) developed what became the Neighborhood Recovery Initiative (NRI). The program started with a price tag of \$20 million and eventually grew to \$50 million.

During the first two years of NRI, IVPA received **\$54.55 million** for the NRI program. Eighty-two percent of the funding (\$44.55 million) came from Governor's Discretionary appropriations in FY11 pursuant to two interagency agreements. The other \$10 million was a FY12 General Revenue Fund direct appropriation to IVPA for NRI.

Neither interagency agreement specifically addressed NRI. An IVPA official told auditors that there was an "understanding" with the Governor's Office on the uses of the funds.

We examined the **budgeted uses** of the NRI funds by examining the 48 contractual budgets between IVPA and the lead agencies as well as the 375 agreements between the lead agencies and coordinating and providing partners. For Years 1 and 2 of NRI we found:

- IVPA and **lead agencies'** agreements in the 23 communities **totaled \$52.5 million**;
- 82 percent of these funds (\$43 million) were **to be used** by the lead agencies for subcontractor grants to coordinating and providing providers of day-to-day activities for NRI;
- Another \$7.2 million was to be used for salaries and benefits of lead agency staff;
- **Coordinating and providing partners** had budgets totaling \$40 million for NRI;
- 79 percent of the budgeted funds (\$31.6 million) were for salaries and benefits for the various providers;
- Contractual services such as rent, contractual/professional employment, training costs, conference registration and postage totaled \$5.4 million of the total budgets for provider organizations.

We examined the self-reported **actual uses** of the NRI funds by examining the 48 yearly closeout fiscal reports of the lead agencies as well as the 375 yearly closeout fiscal reports between the lead agencies and coordinating and providing partners. For Years 1 and 2 of NRI we found:

- **Lead agencies** reported expending **\$46.2 million** on NRI activities;
- Over \$37.4 million in subcontractor grants was included in the closeout fiscal reports for NRI;
- Salaries and benefits of lead agency staff accounted for over \$6.5 million;

- Coordinating and providing partners reported spending 79 percent of the budgeted NRI funds (\$31.6 million of \$40 million) they received;
- Salaries and benefits were the largest self-reported expense by the providers, accounting for 84 percent (\$26.4 million) of the two-year expenses.

Safety Net Works (SNW) and NRI provide a number of similar services to communities. The main difference is that SNW was semi-statewide with funding for communities in downstate communities such as East St. Louis, Decatur and Peoria. NRI, while reported to be expanded to other areas of the State in Governor Quinn's announcement, has only provided services in the Chicago and south suburbs during the first two years of the program. The State expended **\$23.2 million** for SNW between FY08 and FY12. **Ninety-nine percent** of the funds have been in the form of grants to community partners.

IVPA sought recommendations from non-State agency personnel on what agencies would be named as leads for the individual NRI communities. We found:

- IVPA documentation showed IVPA allowed these personnel to **make the decision on who was selected** as lead agencies;
- IVPA failed to conduct its due diligence to document that the decisions related to the selection of lead agencies and providers were free of any appearance of conflict of interest;
- For Year 3 of the NRI program an **official from the Governor's Office** made changes to the provider makeup based in part on an analysis that IVPA officials reported was "hastily" constructed and incomplete;
- Agencies that were to provide day-to-day NRI services were selected by lead agencies after consultation with various religious groups. Finally, even though IVPA and the Governor's Office did not conduct any evaluations of provider agencies, they apparently met to discuss whether to approve or not approve the decision of those who did evaluate the providers.

The hasty implementation schedule for NRI created several problems for vendors, including not being allowed in Chicago schools due to a lack of contractual agreements. Our analysis found:

- The budget process IVPA utilized for NRI resulted in making multiple changes to the first year budget **after the budget year had concluded**. For example, in the case of the lead agency for the Pilsen-Little Village community, there were three budget changes to its Year 1 budget **after** the end of Year 1, the last being on September 21, 2012, **342 days after Year 1 was completed and just a month before the end of Year 2**.
- IVPA failed to completely evaluate all lead agencies' proposals for NRI as detailed in a Request for Proposals. On September 8, 2010, IVPA issued an RFP for a "Governor's Neighborhood Recovery Plan" **to select agencies** to administer the program. Applications were to be received **by IVPA by October 8, 2010**. However, the lead agencies **were already selected for NRI by the time the RFP was issued** because only those agencies recommended by aldermen five days earlier received the RFP.
- IVPA utilized a payment plan for NRI that relied on agencies to submit accurate quarterly fiscal data in order to receive their next payment. We found that while agencies certified

that **“all the information in this report is accurate,”** that was not always the case because multiple revisions were made to the quarterly reports. For example, Corazon Community Services, lead agency for Cicero, was paid \$306,250 on November 12, 2010, as the first payment for NRI. On February 7, 2011, IVPA received the 1st quarterly report which showed \$43,471 in expenses for the quarter. Apparently after a review of this report, which **contained no detailed support** for the expenses, IVPA then authorized a second payment of \$306,250 to Corazon on February 24, 2011. However:

- **122 days after** the 1st quarter report was due, Corazon **revised** the expenses for the 1st quarter down to \$26,323 on June 6, 2011; then,
- **129 days after** the 1st quarter report was due, Corazon **again revised** the expenses for the 1st quarter to \$30,061 on June 13, 2011; and finally,
- **209 days after** the 1st quarter report was due, Corazon **again revised** the 1st quarter expenses to \$31,006 on September 1, 2011.
- On June 10, 2011, IVPA processed and the Comptroller issued the 3rd payment of \$306,250 to Corazon even though the 2nd quarter report had not been received. Documentation in the IVPA files indicated it did not receive the 2nd quarter report until July 21, 2011 (82 days late). The early payment was a violation of the contract between Corazon and IVPA. Before receiving the 2nd quarter report, IVPA had paid Corazon \$918,750 and had only seen **self-reported expenses** totaling just over \$43,000, expenses that were repeatedly revised as explained above.
- IVPA failed to enforce provisions of an intergovernmental grant agreement with the University of Illinois at Chicago relative to an NRI Evaluation Project. IVPA had not required the University to submit the deliverables outlined in the grant agreement nor follow the timeline for providing the deliverables. Additionally, data which was required to be submitted by community partners under NRI for evaluation was not always submitted. Further IVPA **did not require the University to assess whether NRI had been effective in reducing violence** in the communities in which State funds were expended.

INTRODUCTION

House Resolution Number 1110 directed the Auditor General to examine the purposes for which State moneys were provided to IVPA for NRI. Additionally, the Resolution asked us to examine the relationship between NRI and the Safety Net Works program. Finally, the Resolution asked us to determine the actual use of the moneys by IVPA, including the identity of any sub-recipients and the amounts and purposes for employment.

NEIGHBORHOOD RECOVERY INITIATIVE FUNDING

During the first two years of NRI, IVPA received \$54.55 million for the NRI program. Eighty-two percent of the funding (\$44.55 million) came from Governor’s Discretionary appropriations in FY11. The other \$10 million was a FY12 direct appropriation to IVPA for NRI.

Funding from the Governor

IVPA had already received its FY11 appropriation by the time the Governor announced NRI on October 6, 2010. The original **appropriation did not include** monies for NRI.

Through the use of two Interagency Agreements, the Governor’s Office provided the Authority with **\$54.55 million in Governor’s discretionary funds** based on the authority granted to the Governor by Public Act 96-0959. IVPA officials indicated \$44.55 million was to be utilized for NRI. The highlights of the agreements are provided in Exhibit 2-1.

Exhibit 2-1 FUNDING AGREEMENT SUMMARY WITH GOVERNOR’S OFFICE FY11	
1 st Interagency Agreement	2 nd Interagency Agreement
<ul style="list-style-type: none"> • Effective October 7, 2010 • \$19 million in funding • Term from effective date through end of FY11 lapse period • Limited expenditure of funds by the Authority through <u>end of FY11 lapse period</u>. • Signed by Governor’s chief of staff and IVPA Director • Amount amended to \$38.1 million on January 7, 2011 	<ul style="list-style-type: none"> • Effective June 22, 2011 • \$16.45 million in funding • Term from effective date through end of FY11 lapse period • Limited expenditure of funds by the Authority through <u>end of FY11 lapse period</u>. • Signed by Governor’s chief of staff and IVPA Director
Source: OAG summary of IVPA documentation.	

Neither of the interagency agreements specifically references NRI. According to IVPA officials, the 1st interagency agreement, as amended to \$38.1 million, allocated \$33.5 million to NRI, \$3.9 million to SNW and the final \$700,000 to other IVPA grants. IVPA officials indicated that the figures above represented an “understanding” between IVPA and the Governor’s Office of Management and Budget (GOMB) that these were the budgeted amounts for the programs. The 2nd interagency agreement provided to auditors contained a funds allocation spreadsheet indicating that \$11.05 million of the \$16.45 million was to go towards NRI, another \$4 million was for SNW and the remaining \$1.4 million was for IVPA operations and grants. Exhibit 2-8 presents a comparison of NRI and SNW. Appendix D contains copies of the interagency agreements.

These lump sum funds from the Governor’s Office were deposited into a non-appropriated fund maintained by IVPA, the IVPA Special Projects Fund. Expenditures to lead agencies as well as other expenditures were paid in FY11 from this fund. Other IVPA grant program expenditures were also paid from this fund. IVPA received an additional \$37.8 million from the Governor’s Discretionary Appropriations which, according to IVPA staff, was for special project grants the Governor’s Office asked IVPA to implement but which were distinct from NRI and SNW.

IVPA officials reported that the monies provided by the Governor could be utilized in both FY11 and FY12. The interagency agreements clearly limit expenditures through the end of the FY11 lapse period. Lapse period for FY11 would have been for billings to the Comptroller by August 31, 2011.

General Revenue Fund Appropriation

For FY12, IVPA received a **direct appropriation** for NRI of \$10 million. The monies were for all costs associated with NRI. The funds were appropriated from the General Revenue Fund and came from a lump sum appropriation. IVPA had a wide range of monthly expenditures from this appropriation during the year. Exhibit 2-2 provides the FY12 breakdown of expenditures from the appropriation.

During FY12, IVPA expended 98 percent of the GRF appropriation for NRI. The vast majority of expenditures, 97 percent, were for grants to lead agencies. Another 3 percent went for salary and benefits of IVPA staff. The University of Illinois at Chicago received over \$248,000 for evaluation purposes and the Illinois African American Coalition for Prevention received almost \$64,000 for coordinating training services.

Exhibit 2-2 NEIGHBORHOOD RECOVERY INITIATIVE GENERAL REVENUE FUND EXPENDITURES FY12	
Purpose	Expenditures
Personal services	\$252,159
Contribution to social security	\$18,118
Printing	\$95
Office supplies	\$88
Office and library equipment	\$257
EDP supplies (1685)	\$283
Intergovernmental transactions	\$739
Grants	\$9,540,698
Total	\$9,812,437
Source: OAG developed from Comptroller information.	

NEIGHBORHOOD RECOVERY INITIATIVE FUNDING USES

IVPA and **lead agencies** memorialized the activities to be completed for NRI through grant agreements which detailed the services to be performed by the lead agencies as well as the personnel who would perform those activities. The agreements also included a project budget. The agreement stated that the “Grantee shall use grant funds in accordance with the budget as specified in Exhibit A attached to this agreement.”

Budgeted Uses for NRI Funding – Lead Agencies

We reviewed and summarized all 48 agreements between the lead agencies and IVPA for NRI activities. During the first two years of NRI, IVPA entered into agreements with lead agencies in the 23 communities **totaling \$52.5 million**. Eighty-two percent of these funds (\$43 million) were to be used by the lead agencies for subcontractor grants to providers of day-to-day activities for NRI. Grants were generally designed to be distributed to each lead agency as follows:

- \$400,000 for Mentoring Plus Jobs (M+J) component activities in Chicago communities (\$250,000 in south suburb communities);
- \$100,000 for Parent Leadership in Action (PLAN) component activities in Chicago communities (\$50,000 in south suburb communities);
- \$250,000 for Reentry component activities in Chicago communities (\$150,000 in south suburb communities); and
- \$275,000 for School-Based Counseling (SBC) component activities in Chicago communities (\$150,000 in south suburb communities).

The remaining funds were to be utilized by the lead agencies for their own operating expenses such as salaries, rent, telephone, and travel. Exhibit 2-3 breaks down the budgeted totals for the first two years of NRI.

Exhibit 2-3 LEAD AGENCY BUDGET SUMMARY Years 1 and 2		
Category	Budget Total	% of Total
Personnel Services	\$7,242,057	13.78%
Contractual Services	\$1,829,624	3.48%
Grants to Coordinating and Providing Partners	\$42,927,479	81.71%
Supplies	\$289,037	0.55%
Travel	\$97,424	0.19%
Equipment	\$148,738	0.28%
Indirect Cost	\$3,000	0.01%
Total	\$52,537,359	100.00%
Source: OAG summary of NRI lead agency budgets.		

Actual Uses of NRI Funding – Lead Agencies

Lead agencies’ expenses were reported to IVPA utilizing the quarterly fiscal reports. IVPA did not require supporting documentation be submitted to verify the self-reported expense figures by the lead agencies. Not until after auditors questioned the practice did IVPA start looking at support for the last quarterly report for Year 2 of NRI.

We examined the 48 yearly closeout reports of lead agencies’ expenses to ascertain what they reported as actual uses for the State-funded NRI grants. We found in the first two years of NRI lead agencies reported expending \$46.2 million on NRI activities.

Exhibit 2-4 LEAD AGENCY EXPENSES REPORTED Years 1 and 2		
Category	Expenses	% of Total
Personnel Services	\$6,533,018	14.14%
Contractual Services	\$1,828,670	3.96%
Grants to Coordinating and Providing Partners	\$37,437,126	81.05%
Supplies	\$208,221	0.45%
Travel	\$68,932	0.15%
Equipment	\$111,340	0.24%
Indirect Cost	\$3,000	0.01%
Total	\$46,190,307	100.00%
Source: OAG summary of lead agency closeout reports.		

Once again the self-reported subcontractor grants topped the list of expenses by the lead agencies. Over \$37.4 million in grants were included in the closeout reports for NRI. Salaries and benefits accounted for over \$6.5 million. The Ark of St. Sabina, lead agency in Auburn Gresham, reported \$3,000 in indirect expenses for the period. St. Sabina is the only lead to include an indirect expense line in its budget. Lead agencies reported expenses less than budgeted amounts in all expense categories. Exhibit 2-4 shows the self-reported expenses by lead agencies in the first two years of NRI.

Budgeted Uses for NRI Funding – Coordinating and Providing Partners

Lead agencies and the **providing partners** also entered into contractual agreements relative to funding for NRI activities. These agreements also detailed the services the partner agency would conduct on a day-to-day basis as well as the payment schedule and reporting requirements. The services included the hiring plan to be conducted by the partner agency for the component service of NRI. Budgets were again an integral part of these agreements in that they laid out the specific funding requests that had to be approved by the lead agencies and IVPA.

We reviewed and summarized all 375 agreements between the lead agencies and providing partners for Years 1 and 2 of NRI. Providing partners had budgets totaling \$40 million for NRI in the first two years of the program. Seventy-nine percent of the budgeted funds (\$31.6 million) were for salaries and benefits for the various providers. This would include provider staff, as well as those youth hired in M+J and adults hired for mentoring services in M+J and PLAN.

Contractual services such as rent, contractual/professional employment, training costs, conference registration and postage totaled \$5.4 million of the total budgets for provider organizations. Exhibit 2-5 categorizes our summary of providing partner budgets for the first two years of NRI.

Exhibit 2-5 COORDINATING AND PROVIDING PARTNER BUDGET SUMMARY Years 1 and 2		
Category	Budget Total	% of Total
Personnel Services	\$31,556,595	78.98%
Contractual Services	\$5,380,541	13.47%
Supplies	\$1,230,733	3.08%
Travel	\$1,412,972	3.54%
Equipment	\$374,019	0.94%
Total	\$39,954,860	100.00%
Note: Difference in Budget Total above and Grants to Coordinating and Providing Partners from Exhibit 2-3 due to IVPA changing Year 1 budget figures at the end of Year 2.		
Source: OAG summary of NRI providing partner budgets.		

Actual Uses of NRI Funding – Coordinating and Providing Partners

Providing partners also submitted self-reported expenses to lead agencies as part of the NRI reporting process. IVPA also received a copy of the quarterly fiscal reports for its files from the lead agencies.

In the first two years of NRI, providing partners reported spending 79 percent of the budgeted NRI funds (\$31.6 million of \$40 million) they received. Just as with the providing partners budgets, salaries and benefits were the vast self-reported expense by the providing partners, accounting for 84 percent (\$26.4 million) of the two-year expenses. Exhibit 2-6 shows the self-reported expenses by providing partners in the first two years of NRI.

NRI services were conducted by a total of 242 agencies in the first two years of the program. This included:

- 23 lead agencies;
- 72 M+J provider agencies;
- 52 PLAN provider agencies;
- 49 Reentry provider agencies; and,
- 46 SBC provider agencies.

Some providers provided multiple services either in the same community or across multiple communities. Appendix C provides a listing of community lead agencies, coordinating partners and providing partners of NRI services and how much each received in State grant funds during Years 1 and 2 of NRI. The payment figures were provided to auditors from a request for payment information from lead agencies.

Exhibit 2-6 COORDINATING AND PROVIDING PARTNER EXPENSES REPORTED Years 1 and 2		
Category	Expenses	% of Total
Personnel Services	\$26,393,577	83.53%
Contractual Services	\$3,468,731	10.98%
Supplies	\$814,329	2.58%
Travel	\$619,514	1.96%
Equipment	\$301,681	0.95%
Total	\$31,597,832	100.00%
Source: OAG summary of NRI providing partner closeout reports.		

NEIGHBORHOOD RECOVERY INITIATIVE & SAFETY NET WORKS

Safety Net Works (SNW) and the Neighborhood Recovery Initiative (NRI) provide a number of similar services to communities. The main difference is that SNW was semi-statewide with funding for communities in downstate communities such as East St. Louis, Decatur and Peoria. NRI, while reported to be expanded to other areas of the State in Governor Quinn’s October 6, 2010 announcement, only provided services in the Chicago and south suburbs during the first two years of the program.

SNW was announced by Governor Blagojevich and Department of Human Services (DHS) officials on December 14, 2007, as a multi-agency initiative to stop violence and killing in communities across the State. SNW was designed to work hand-in-hand with community organizations, religious leaders and legislators to get resources and support directly into communities.

The State expended **\$23.2 million** for SNW between FY08 and FY12. **Ninety-nine percent** of the funds have been in the form of grants to community partners. Exhibit 2-7 provides a breakdown of expenditures for SNW.

Exhibit 2-7 SAFETY NET WORKS EXPENDITURES FY08-FY12					
Purpose	FY08	FY09	FY10	FY11	FY12
Personal Services	\$0	\$0	\$26,565	\$45,837	\$85,884
Fringe	\$0	\$0	\$9,739	\$28,720	\$59,019
Contractual	\$0	\$0	\$10	\$0	\$2,297
Commodities	\$0	\$0	\$0	\$0	\$386
Travel	\$0	\$0	\$0	\$14	\$255
Telecom	\$0	\$0	\$0	\$0	\$194
EDP	\$0	\$0	\$0	\$0	\$737
Repairs/Maintenance	\$0	\$0	\$0	\$0	\$107
Grants	\$2,053,000	\$4,020,277	\$3,787,898	\$4,570,522	\$8,526,763
Total	\$2,053,000	\$4,020,277	\$3,824,212	\$4,645,093	\$8,675,642

Source: OAG developed from IVPA information.

IVPA officials and the NRI program outline designated the SNW program as an integral part of NRI. The NRI design necessitated an expansion (increased grant amounts) of SNW youth violence prevention programming in existing communities and an addition of grant monies for SNW in the communities that did not have SNW. Exhibit 2-8 provides a **comparison** of the two violence prevention programs from the perspective of goals, components and framework for implementation. **SNW was not provided funding during the third year of NRI (beginning November 1, 2012) and has been discontinued.**

Exhibit 2-8 COMPARISON OF NEIGHBORHOOD RECOVERY INITIATIVE AND SAFETY NET WORKS	
Neighborhood Recovery Initiative	Safety Net Works
GOALS	
<ol style="list-style-type: none"> 1. Creation of jobs for community youth, adults and professionals that promote community wellness and healthy behaviors, youth and parent leadership, and healthy, caring community environments. 2. Provision of a wide range of community-based services for youth and young adults including: social, emotional and job skill development; case management, trauma - informed counseling for students in need of early intervention; mentoring; and tutoring and other school supports that enhance young people's ability to succeed in school, in their community and in life. 	<ol style="list-style-type: none"> 1. Engage communities in comprehensive, coordinated youth violence prevention activities through a coalition approach that involves state-funded human service providers and non-traditional community-based organizations working together to accomplish SNW Program goals; 2. Address a wide range of individual, family and community factors that keep young people from reaching their full potential, by providing services, interventions and supports that build healthy environments that allow youth to thrive; 3. Promote youth engagement and leadership in all aspects of the Initiative.
COMPONENTS	
<ol style="list-style-type: none"> 1. Mentoring plus Jobs (M+J): Provides youth in each community with part time jobs, mentoring, and social/emotional skills and support. 2. Parent Leadership (PLAN): Provides parents in each community with leadership, empowerment and self-care skills that enable them to be community leaders, educators, and mentors for other parents. 3. School-Based Counseling (SBC): Provides funds for community providers to provide school-based early intervention and trauma-informed counseling services for students. 4. Reentry: Provides/expands reentry services for youth and young adults returning to the community from correctional facilities. 	<ol style="list-style-type: none"> 1. Community Coalition: Tasked with identifying community needs, developing and implementing priority action strategies, and coordinating the SNW program in the community. Coalition membership included the NRI lead agency and two NRI Advisory Committee members beginning in fiscal Year 2011. 2. Direct Services: Designed to serve youth ages 10-24 with early intervention and support services including: <ul style="list-style-type: none"> • Parent and family based strategies; • Social-cognitive strategies; • Mentoring strategies; • Economic, vocational and educational strategies; and • Community oriented safety strategies. 3. Youth leadership: Assigned to the Youth Organizer who is responsible for implementing youth organizing and engagement activities.
IMPLEMENTATION FRAMEWORK	
<ol style="list-style-type: none"> 1. <i>Lead Agency</i>: Responsible for the overall management of NRI. The lead agency could also implement two of the components in Year 1 and one component in Year 2. 2. <i>Coordinating Agency</i>: Serve as the subcontracted partner under the lead agency. Each component has a coordinating agency to which all partner agencies report. 3. <i>Partner Agency</i>: Serve as a subcontracted partner under the coordinating agency. 	<ol style="list-style-type: none"> 1. <i>Lead Agency</i>: Responsible for budgeting and implementing the entire program. The lead agency also implements the Youth Leadership and Coalition Building components. 2. <i>Partner Agency</i>: Implements the direct services component under the direction of the lead agency.
Source: OAG summary of IVPA information.	

IMPLEMENTATION SCHEDULE FOR THE NEIGHBORHOOD RECOVERY INITIATIVE

Fifty-four days from when the Governor attended a meeting with ministers in Roseland, on August 13, 2010, until his announcement of the program, IVPA developed what became NRI. The program started with a price tag of \$20 million and eventually grew to \$50 million. The hasty implementation schedule created several problems for vendors, including not being allowed in Chicago schools due to a lack of contractual agreements.

Based on auditors' interviews with officials from the Governor's Office, the idea of what became NRI started with the Governor's attendance at a Violence Prevention Conclave in Roseland on August 13, 2010. The implementation process then involved:

- Five days later, on August 18, 2010, IVPA had been given the responsibility by the Governor's Office to develop a framework that invests \$20 million in addressing the violence problem.
- Two days later, on August 20, 2010, IVPA developed a framework costing \$20 million for 12 communities. After this was reviewed by Governor's Office, NRI was expanded to 20 communities and \$30 million 13 days later. We saw **no documentation to support why the program grew** from the original directive.
- After meetings with aldermen, ministers, and NRI lead agency applicants that were named by the aldermen, the Governor announced the now \$50 million NRI program on October 6, 2010. Again, we saw **no documentation at IVPA that showed any analysis as to why the increase** in program funding, or who made the decision.
- Even before the official NRI announcement there was concern raised by IVPA Board members about funding for a new program when the State had been slow in paying for existing programs. According to IVPA Board meeting minutes, an official from the Governor's Office told the IVPA Board on September 30, 2010, that **"the Governor's Office is committed to allocating some of the funds for this Initiative immediately and will allocate the rest after the election."** (emphasis added)

According to our review of the IVPA Director's email, the Director had some prior dealings with a number of outside contractors that became a part of NRI. On September 1, 2010, the IVPA Director informed the Governor's Office that an official from MEE Productions would be attending the meeting with aldermen scheduled for two days later. Additionally, an official from the Illinois African American Coalition for Prevention would also attend as his organization would be involved in the technical assistance part of the program.

The lack of adequate planning impeded effective program implementation as evidenced by concerns expressed by providing agencies. Our review of quarterly report documentation showed that:

- Grand Prairie Services reported on July 8, 2011, that a barrier to the program was *"[L]ast minute cancellations and rescheduling of training and meeting,"* and *"[M]anaging school relations with the NRI lack of readiness for training and implementation."*

- On February 8, 2011, Southland Health Care Forum reported a challenge was “*the frustration of partner agencies with the inconsistencies in information due to revisions and changes related to the project.*”
- Telpochcalli Community Education Project, in its Year 1-Quarter 1 progress report stated, “*Another challenge faced with the program was MEE Productions’ inability to provide Spanish material. MEE Productions was not prepared to work with the Latino community. None of the MEE Productions’ materials were in Spanish or addressed Latino related issues.*”
- Black United Fund of Illinois officials on June 24, 2011, reported that “*The Overhead/Project Costs Box on the second page of the budgets of each of the NRI Program components was extremely frustrating, due to the absence of written instructions and/or guidelines....Some of the information provided by IVPA staff during the budget preparation and revision process was incorrect and/or inconsistent.*” This was **eight months after the lead agencies’ contracts began.**
- Proviso Leyden Council for Community Action officials reported “*As of 6/20/11, we have not received outreach materials.*” This was **80 days after the contract began and 72 days before the end of the contract** for Year 1.
- St. Sabina Church officials in their Year 1-Quarter 1 lead agency progress report explained “*The NRI partner application deadline followed shortly after the deadline to establish the advisory committee, which shortly followed the appointment of the project manager. The quick turn-around time resulted in a number of organizations that might have been potentially promising partners being eliminated from consideration.*”
- Association House of Chicago officials reported “*Planning for service delivery had been challenging due to the changing timeline for the start of the program and the NRI-IVPA program design. It was challenging for all staff to attend every day of the Reentry training when the final training schedule was provided so last minute.*”
- Safer Foundation officials reported “*Grant timeline has been changed repeatedly due to external factors. Handout materials were often unavailable. Speakers were knowledgeable and engaging, but several made it clear that they had been brought into the [NRI] program at the last minute and were unable to answer specific questions about the expectations of the grant. Several of the questions from the group could not be addressed in sufficient depth because the portions of the project they asked about have not yet been worked out.*” This report was completed by the provider on June 22, 2011, eight months after NRI began.
- Alliance of Local Service Organizations officials stated “*The challenges we encountered were both related to timing, specifically when we learned the details of the program components and the speed at which decisions needed to be made.*”

The implementation of the School-Based Counseling (SBC) component, while delayed, **was also not fully planned out** prior to implementation. Documentation showed that:

- Youth Service Project officials reported in their Year 1-Quarter 1 progress report “*The biggest challenge of this quarter was that initially there was an urgency to get the program up and running, but then it was progressively halted.*”
- Mt. Carmel Parish Community Center in describing the barriers encountered stated “*On October 10, 2011, SBC clinicians were placed into the identified schools.*” This was **236**

days after the contract began and 36 days prior to the end of Year 1 services. This report was completed by the provider on December 15, 2011.

- Youth Guidance officials in their Year 1 closeout report described the barriers encountered, *“The greatest challenge has been not being able to provide clinical services in schools despite the great need for these services because we do not have a returned and executed contract with CPS as of yet.”* This report was submitted December 12, 2011, which was **21 days after the contract for Year 1 NRI services ended**. The **provider expended 72 percent of the contract funds** without seeing any children in the Chicago Public Schools.
- Alternatives, Inc. officials reported *“Challenges occurred because clinicians were not allowed to start their jobs in Chicago Public Schools this Spring because of contract issues between IVPA and CPS Administration....Also, for those schools that we contacted, it was confusing to first tell them that we were hoping to start services during the Spring and then have to go back to them stating that we couldn’t provide services until the next school year.”*
- Amani-Trinity United Community Health Corporation officials reported in their Year 2-Quarter 1 progress report that *“The SBC program’s ability to provide services in the schools remains on hold.”* This report was completed by the provider on March 1, 2012 - **356 days after the execution of the contract** for SBC started between Amani and the lead agency (Black United Fund of Illinois).

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies, including the Authority, to establish and maintain a system, or systems, of internal fiscal and administrative controls. These controls should provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law. These controls should include taking the time to adequately plan for the expenditure of State grant dollars for a new program.

The IVPA Director told aldermen in a September 7, 2010 correspondence asking them to identify a lead agency for their community that *“The Initiative is on a very fast track, so we are requesting that you respond immediately to this request.”* The same official, in an October 13, 2010 correspondence to three lead agency leaders said that *“we need to operate on a very fast track to integrate the South Suburbs sites into the cohort of 20 other Lead Agencies.”* Implementing NRI without complete planning increases the likelihood that providing agencies are not adequately versed in how the program is to operate, increasing the chances that State funds are not efficiently expended.

IMPLEMENTATION SCHEDULE FOR THE NEIGHBORHOOD RECOVERY INITIATIVE	
RECOMMENDATION NUMBER 1	<i>ICJIA should ensure that any changes to the NRI program are adequately planned, documented and communicated, before implementation.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this

<p>Response (continued)</p>	<p>performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the planning process undertaken by IVPA. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.</p> <div style="border: 2px solid black; padding: 10px; margin: 10px 0;"> <p><i>Auditor Comment #1</i></p> <p><i>Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report is “not sufficient to fully describe and give context to the planning process undertaken by IVPA.” ICJIA was first provided this finding and recommendation on October 15, 2013. At the exit conference on January 15, 2014, ICJIA requested we add additional explanation regarding the planning process. Given that ICJIA <u>provided no documentation</u> at the exit conference that fully supported these activities, we communicated to ICJIA if they wanted additional planning details included in the audit report, they were free to include these additional details in its written responses, which ICJIA chose not to do.</i></p> </div>
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BUDGET PROCESS FOR THE NEIGHBORHOOD RECOVERY INITIATIVE

The budget process IVPA utilized for NRI resulted in making multiple changes to the first year budget after the budget year had concluded. Additionally, IVPA approved the transfer of unspent Year 1 funds to Year 2 without increasing the workload for the providers of Reentry and SBC services.

After Year 1 ended IVPA **continued to amend the budgets for Year 1** funds. IVPA paid all the Reentry (\$250,000 in Chicago and \$150,000 in south suburbs) and SBC (\$275,000 in Chicago and \$150,000 in south suburbs) monies to each of the lead agencies, but the leads did not pay, nor contract for the total amount of the component to the providing partners in Year 1 because the two components were **late in being rolled out**.

According to IVPA officials budget revisions were necessary because the community providing partners did not receive all of the funds for Reentry and SBC that were in the initial budget. However, auditors noted that the providing partners only worked part of Year 1 on these activities. Adding more into the budgets for Year 2 would not result in additional SBC counseling to a child **from Year 1**. Nor would there be any additional reentry participants that would have received services **in Year 1**.

Even though providing partners did not receive all the funds for Reentry and SBC in Year 1, they also did not perform any additional work in Year 2 for those funds that were rolled into the Year 2 budgets. What did result was the **lead agencies being overpaid** and IVPA not collecting the overpayment as required by the Grant Funds Recovery Act. Instead, IVPA took that amount out of what was owed to the lead agencies in Year 2 payments. For example, our review of the community file in Cicero showed that in Year 1 the number of full time case managers was set at three with an average caseload of 15-20 youth or young adults. In the Year 2 agreement for reentry, the staffing level of case managers remained at three with the same average case load. Likewise, for the SBC component, the Year 1 contract called for 1.5 FTE provider clinicians, the same requirement as for Year 2. Additionally, other staffing issues such as clinical supervision and trainings remained the same from one year to the next.

This process resulted in multiple amendments to funding agreements with lead agencies. In the case of the lead agency for the Pilsen-Little Village community, there were three budget changes to its Year 1 budget **after** the end of Year 1, the last being on September 21, 2012, **342 days after Year 1 was completed and just a month before the end of Year 2**. See Exhibit 2-9 for example of budget amendment changes in the Pilsen-Little Village community.

Exhibit 2-9 NRI LEAD AGENCY CONTRACTUAL AMENDMENTS EXAMPLE PILSEN-LITTLE VILLAGE (ENLACE)			
# Days After End of Year 1 That Year 1 Budget Was Changed	Year 1 Budget Amount (10/16/10-10/15/11)	Year 2 Budget Amount (10/16/11-10/31/12)	Contract Execution Date
-	\$306,250	N/A	10/28/10
-	\$1,225,000	N/A	03/04/11
18	\$1,225,000	\$838,545	11/02/11
31	\$1,093,750	\$969,795	11/15/11
256	\$950,999	\$1,211,462	06/27/12
342	\$950,892	\$1,211,462	09/21/12
Source: OAG developed from IVPA information.			

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies, including the Authority, to establish and maintain a system, or systems, of internal fiscal and administrative controls. These controls should provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law. These controls should include setting budgets from year to year that don't require extensive adjustments for grantees of the NRI program.

An IVPA official indicated that the budgets were adjusted to better reflect how the money was spent in Year 1. She said this was done to give agencies spending authority in Year 2. She said that this meant that lead agencies did not have the authority to spend the extra money from Year 1 as it was rolled over. She said that IVPA forgot to include this extra amount and that the second round of budget changes reflected this amount and the lead agencies then had the authority to provide the subcontracted agencies with the funds. Constantly changing a budget from Year 1 to Year 2 of the NRI program **defeats the purpose of developing a budget** for guidance to the providers and oversight for IVPA.

BUDGET PROCESS FOR THE NEIGHBORHOOD RECOVERY INITIATIVE	
RECOMMENDATION NUMBER 2	<i>ICJIA should accurately develop budgets for <u>each year</u> of NRI and not make changes to previous year budgets after that year is completed.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

SELECTION OF NEIGHBORHOOD RECOVERY INITIATIVE AGENCIES

IVPA sought recommendations from non-State agency personnel on what agencies would be named as leads for the individual NRI communities. Additionally, according to IVPA documentation, IVPA allowed these personnel to make the decision on who was selected as lead agencies. Also, IVPA failed to conduct its due diligence to document that the decisions related to the selection of lead agencies and providers was free of any appearance of conflict of interest. Finally, for Year 3 of the NRI program an official from the Governor’s Office made changes to the provider makeup based in part on an analysis that IVPA officials reported was “hastily” constructed and “incomplete.”

Lead agencies have been charged with the responsibility by IVPA for oversight and management of the NRI program. Lead agencies contract with providing agencies to deliver NRI services. Additionally, lead agencies receive quarterly progress reports and certify the information as accurate before sending a copy to IVPA officials. During the audit we examined how agencies were selected for NRI.

Lead Agency Selection

As opposed to putting out a competitive Request for Proposal that may have gathered multiple interested and qualified parties, IVPA and the Governor’s Office sought out non-State personnel to recommend what agencies to utilize as leads.

For competitive grants IVPA requires the reviewers of the grant applications to sign a conflict of interest disclosure. The disclosure is not required for non-competitive grants. NRI was a non-competitive grant. There was no documentation in the IVPA files to show that IVPA had **conducted any due diligence** on the individuals they asked to recommend lead agencies to determine whether they had any potential conflicts in the recommendations that were made. It appears that the recommendations were largely utilized by IVPA in naming lead agencies. Exhibit 2-10 lists the timeline for lead agency selection activities for NRI.

Exhibit 2-10
LEAD AGENCY SELECTION ACTIVITIES

- On August 18, 2010, IVPA was tasked with developing a framework for a program that the Governor wanted to invest \$20 million in regarding violence prevention. A Governor's Office official told auditors that since the goal was to cut down on violence, the Governor's Office thought IVPA would be the right place to house this effort. This assignment occurred **less than a month** after IVPA adopted administrative rules to provide oversight to the grant process.
- On September 3, 2010, officials from IVPA and the Governor's Office met with Chicago area aldermen and local elected officials regarding NRI and lead agency selection at the Governor's Office in the Thompson Center in Chicago.
- On September 5, 2010, IVPA officials informed the Governor's Office that outreach to aldermen that could not make the meeting two days earlier would be performed.
- On September 7, 2010, IVPA sent correspondence to Chicago aldermen asking them to **identify one lead agency for their NRI community.**
- An IVPA official indicated *"[we] do not have a sign in sheet from the initial NRI meeting nor do we have documentation of conversations with aldermen."* **[Auditor Note: On January 5, 2014, 495 days after we first requested (on August 28, 2012) documentation on the meeting with aldermen and 82 days after we provided this finding to it, ICJIA provided a sign-in sheet for the alderman meeting held on September 3, 2010, stating it had been "misfiled" even though the IVPA staff provided the quote in this bullet to us on September 12, 2012.]**
- An Alderman from the Auburn Gresham community wrote to IVPA on September 9, 2010, stating *"my support and recommendation of the ARK of St. Sabina value as Lead Agency for the Governor's Neighborhood Recovery Plan."*
- On September 13, 2010, IVPA sent an email to a number of community organizations that had apparently submitted a profile to IVPA to be a lead agency stating *"The Aldermen in your community **chose a different lead organization to be the Lead Applicant.** Your attendance at the Sept 16th meeting is not required. Please do not attend as this meeting is just for the lead applicants."*
- Also, on September 5, 2010, the IVPA Director informed an official from the Governor's Office that she had just spoken with the Alderman from Austin and that the Alderman was *"going to pull together the other aldermen from Austin and together they will make the decision about the Lead Agency."*
- An Alderman from the North Lawndale community wrote to the Governor on December 14, 2010, that *"I have designated the Better Boys Foundation (BBF) as the lead agency for North Lawndale's Neighborhood Recovery Initiative (NRI)."*

Source: OAG developed from NRI documentation.

After recommendations were made, IVPA then sent RFP documentation to the recommended leads to complete and return to IVPA. IVPA was referring to a list of lead agencies in mid-September 2010, **prior to scoring the RFP responses** in October 2010.

Auburn Gresham Development Corporation officials in their Year 1-Quarter 1 lead agency progress report described one of the barriers encountered. The officials reported, *“Lastly, and one of the most challenging aspects of the launch of the program was, and is, the Political environment which, due to the imminent election, reached a fever pitch. This barrier continues into the second quarter reporting period. [Incumbent] alderman and challengers alike are vying for space and involvement in the launch.”* The progress report was submitted to IVPA on February 4, 2011.

Provider Agency Selection

Agencies that were to provide day-to-day NRI services were selected by lead agencies after consultation with various religious groups. Also, there were different levels of documentation for those selections in the sample of lead agencies we contacted. Finally, even though IVPA and the Governor’s Office did not conduct any evaluations of provider agencies, they apparently met to discuss whether to approve or not approve the decision of those who did evaluate the providers.

On September 21, 2010, IVPA and Governor’s Office officials met with Chicago area ministers regarding NRI partner selection process. The same day IVPA sent an email titled Important Message to Lead Agencies notifying them of the results of the ministers meeting. The IVPA Director explained that the ministers *“are interested in being involved in the local Advisory Committees and recommending partner organizations to assist in implementing the Initiative. They expressed concern about ‘lead agencies picking their same old friends’ to be part of the Initiative...In addition to encouraging them to participate on advisory committees, we provided a form for them to submit to IVPA to recommend potential partners.”*

Six days later, on September 27, 2010, IVPA and the Governor’s Office met with south suburban ministers regarding NRI. On October 4, 2010, there was a meeting of Latino clergy in the Governor’s Office regarding NRI. Lead agencies were notified by IVPA on October 3, 2010, that *“Partner decisions should not be made unilaterally by the Lead Agency. It is very important (and required) that you get input from your Advisory Committees and from interested ministers and community organizations as we move forward.”*

The IVPA Director sent a correspondence on December 13, 2010, to officials in the Governor’s Office about an upcoming meeting where *“we will review and approve (or not) the Lead Agencies’ Provider Partner recommendations.”* Given that documentation showed IVPA had delegated the responsibility for partner decisions to the lead agencies and the fact that any evaluations of the partners **would not have been conducted by IVPA or the Governor’s Office**, auditors are not clear as to what criteria IVPA and Governor’s Office would use in their approval of the partner agencies. Again, there was no documentation in the IVPA files to show that IVPA had **conducted any due diligence** on the individuals that recommended partners for NRI.

We selected five lead agencies that provided NRI services during the first two years of the program, requested all provider evaluations and reviewed documentation to determine who evaluated provider applications and made the decisions to select the partners. None of the five conducted the same type of evaluation. We found:

- Circle Family Healthcare submitted evaluations conducted on only the six agencies that were selected for the NRI program, none for the losing providers. Additionally: the evaluations were not dated; one evaluator was not on the agency provided list of evaluators; there were no guidelines on what constituted a recommendation on the forms; there was no recommendation noted for 5 of 22 evaluations; and 2 recommendations were “not to fund” yet the organizations did receive an award.
- Children’s Home and Aid Society submitted evaluation scoring documents that provided numerical ratings for each provider, both those selected and those not selected. However, some providers that did not receive an NRI sub-grant had more total evaluation points than others that did receive a sub-grant.
- The Greater Auburn-Gresham Development Corporation submitted evaluations but they were not signed by the evaluator. Additionally, some criteria on the forms were not completed and there were differing numbers of evaluations among the vendors that proposed on the individual component.
- The Village of Maywood submitted consensus sheets signed by Advisory Committee members. There were no criteria-based evaluations completed nor were there consensus sheets for agencies that applied but were not selected.
- Chicago Area Project (CAP), as the lead agency in West Garfield Park, reported that it provided NRI participant recommendations to IVPA for evaluation and approval. There was no documentation to show how CAP developed such a listing.
- Four agencies reported that none of the evaluators signed a conflict of interest disclosure. The fifth, Chicago Area Project, responded that this was not applicable.

An official from the Governor’s Office could “not recall who made the decision to ask Aldermen for recommendations” regarding the lead agencies for the beginning of the program. An IVPA official reported that “*elected officials had no role in the application/budget review or in the final decision about grant awards.*” This is inconsistent with an email from IVPA to some agencies that had submitted a lead agency applicant profile on September 13, 2010. The State Records Act (5 ILCS 160/8) requires the head of each agency to preserve records containing adequate and proper documentation of decisions of the agency.

Allowing non-State personnel to make the decisions on what agencies are given lead status increases the likelihood that the program could be perceived as directed to certain vendors that may have ties to the persons making the recommendations. Failure to require conflict of interest disclosures for decision makers makes it impossible for IVPA to know whether the decision maker had any real or perceived conflict of interest.

Agency Selection in Year Three of NRI

There were multiple changes to the makeup of the providers, both lead agencies and providing partners, for Year 3 of the NRI program. An ICJIA official reported that the decision to make changes to the leads and providing partners was made by an official from the

Governor’s Office based on an **analysis** conducted by an IVPA official. However, another IVPA official, in describing the analysis to auditors stated *“These documents are not comprehensive, don’t evaluate all providers, and don’t contain backup information substantiating the information provided. They were created hastily upon the Gov. Office request.”*

SELECTION OF NEIGHBORHOOD RECOVERY INITIATIVE AGENCIES	
RECOMMENDATION NUMBER 3	<p><i>ICJIA should ensure that decisions regarding the NRI program are adequately documented. Additionally, if decisions are to be made by non-State personnel, ICJIA should require conflict of interest disclosures be completed for any non-State personnel that are involved in the decision making process for the NRI program.</i></p>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	<p>ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the selection process undertaken by IVPA to identify lead and provider agencies. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.</p> <div style="border: 2px solid black; padding: 10px; margin-top: 10px;"> <p><i>Auditor Comment #2</i></p> <p><i>Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report is not sufficient to “fully describe and give context to the selection process” IVPA utilized to identify lead and provider agencies. The audit report discloses the use of non-State personnel (Chicago aldermen) as an integral part of that selection process. The audit report also accurately describes that <u>IVPA took no steps</u> to ensure that the non-State personnel involved in the selection process were free of any real or perceived conflicts of interest.</i></p> </div>

NEIGHBORHOOD RECOVERY INITIATIVE AGENCY PROPOSAL EVALUATIONS

IVPA failed to completely evaluate all lead agencies’ proposals for NRI as detailed in a Request for Proposals (RFP). On September 8, 2010, IVPA issued an RFP for a “Governor’s Neighborhood Recovery Plan” to **select agencies** to administer the program. Applications were to be received by IVPA by **October 8, 2010**. However, the lead agencies **were already identified for NRI by the time the RFP was issued** in that aldermen had been asked for recommendations at a meeting five days earlier. Auditor examination of the 23 individual

community files maintained at IVPA for NRI found no evidence of any such RFP evaluations. On February 15, 2013, IVPA provided score sheets filled out by two IVPA evaluators for each of the 23 communities for Year 1 of NRI that matched the point criteria outlined in the RFP. Our examination of these evaluations found:

- 87 percent (40 of 46) of the **evaluation scoring forms** did not contain all of the criteria for evaluators to mark. For example, on the evaluation forms “Agency Qualifications & History of Past Performance,” only six forms contained the **criterion** “*The applicant adequately describes their [sic] willingness to implement the Governor’s Neighborhood Recovery Initiative program design and participate in technical assistance, training, networking and evaluations activities as required.*” The forms utilized for the other 40 evaluations **did not contain** this criterion.
- 51 criteria that **had no marking** on various evaluations.
- 46 percent (21 of 46) of the evaluations had scoring in the “Compliance with Program Requirements” category **that had been changed**. Original marks in the 6 criteria were crossed out and changed to reflect all the scores being made in the “Excellent” column. There was no documentation or explanation as to who changed the scoring or why.
- 13 percent (6 of 46) of the evaluations were **undated** which did not allow auditors to be able to determine if the evaluations were conducted and scored prior to or after the applications were submitted. These evaluations were for Pilsen Wellness Center, Auburn-Gresham Community Development Corporation, Southwest Youth Collaborative, and the Woodlawn Organization.
- 70 percent (16 of 23) of the communities necessitated follow up by IVPA staff to the application materials sent in by the proposer. This **follow up occurred after the proposals were scored**, a violation of the evaluation process stated in the RFP.
- The evaluation form contained scoring guidelines that showed the appropriate number of points for each scored criteria (poor, fair, good, very good, and excellent). We saw instances where the marks given by the evaluator and the points assigned **did not follow scoring guidelines** for the Greater Grand Crossing and Maywood proposals.
- For a West Garfield Park evaluation conducted by one of the two IVPA staff, none of the five budget sub-criteria were checked by the evaluator; the evaluator did not note any strengths of the budget but did note as a weakness “some errors” as part of the evaluation. The evaluator scored the Chicago Area Project at the maximum 5 points for an excellent budget.
- While proposals were due October 8, 2010, we noted that **some evaluations were completed prior to that due date** and other proposals were not submitted by the due date.

An IVPA official indicated that the scoring process allowed IVPA to identify any proposers that did not have the ability to go forward as a lead agency. The official indicated that this was found for two proposers. However, auditors were not provided with any such evaluation forms for these two proposers.

Section IV of the NRI RFP detailed the scoring and award criteria. See inset for the evaluation criteria. The same section of the RFP also details the multi-stage selection process. The process was:

- Applications will be reviewed for completeness. Any information **will be immediately requested**. Missing information or delays in responses to requests for missing information may result in a late or reduced award or no award. (emphasis added)
- Each application will be reviewed and scored on the extent to which the requested information was provided, the appropriateness of the narrative, and whether a satisfactory budget was submitted. A minimum of two reviewers will review each application.
- Applications meeting a minimum fundable score will be considered for funding.
- IVPA may negotiate with applicants the final grant award amount or any specific line items listed in the budget page.

NRI Proposal Evaluation Criteria	
Agency Qualifications and History of Past Performance	25 points maximum
Community Area and Population to be Served	15 points maximum
Compliance with Program Requirements	30 points maximum
Management and Staffing Plan	25 points maximum
Budget	5 points maximum

IVPA also provided auditors in February 2013 a spreadsheet and support for two Year 1 subpartner reviews. The first was a “Partner Application Review Form.” The form contained various criteria including whether the applicant was a not-for-profit and whether it had received public funds in the past five years. The Partner Application Review Forms were not signed by anyone for IVPA nor were they dated. Additionally, IVPA was only able to provide 18 percent (36 of 204) of these reviews.

The other review was the “Subcontract Budget Review Form.” These forms were related to how the subpartners’ budgets were completed. These forms did show an IVPA official was assigned the individual providers to review. However, IVPA only was able to provide 80 percent (163 of 204) of the forms to auditors.

For Year 2, IVPA provided renewal review forms to auditors. Our review showed that 34 provider renewal reviews were not documented by IVPA. Despite this lack of documentation of the review, the providers had Year 2 NRI subcontracts. Seven of those 34 were lead agencies.

An IVPA official reported that the scoring form was revised and it appeared that some staff members inadvertently used the wrong form. Relative to following scoring guidelines, an IVPA official stated that “*Scoring forms are not individually reviewed or proofed.*” Failing to consistently score all evaluations creates skepticism of the evaluation process for selecting NRI lead agencies.

NEIGHBORHOOD RECOVERY INITIATIVE AGENCY PROPOSAL EVALUATIONS	
RECOMMENDATION NUMBER 4	<i>ICJIA should follow scoring award criteria and complete the same evaluations for all NRI community agencies.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	<p>ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report do not make an appropriate distinction between a competitive selection process and a non-competitive selection process, as IVPA employed. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p><i>Auditor Comment #3</i></p> <p><i>Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “make an appropriate distinction between a competitive selection process and a non-competitive selection process.” The audit report clearly notes that a competitive process <u>was not required</u> and that a competitive process <u>was not used</u>. The report does note, however, that once the lead agencies were selected, for reasons that were not documented, IVPA issued an RFP to select agencies for the NRI program and <u>only sent it to those agencies which were already selected by the non-competitive process</u>. The audit also noted that IVPA’s scoring of the proposals had numerous deficiencies.</i></p> </div>

NEIGHBORHOOD RECOVERY INITIATIVE AGENCY PAYMENT METHOD

IVPA utilized a payment plan for NRI that relied on agencies to submit accurate quarterly fiscal data in order to receive its next payment. The method resulted in agencies holding large sums of State dollars that had not been expended.

During our examination of the NRI contractual agreements and community files, we found that agency payments under the program were triggered by the submission of a quarterly progress and fiscal report. IVPA developed contractual documents between itself and the lead agencies in the 23 NRI communities. These agreements laid out a payment schedule on how and

when IVPA would make payments under the program. The payments were to be made **after receipt and review** of the various quarterly reports.

Likewise, IVPA developed contractual agreements for the lead agencies to utilize when contracting for NRI services with providing partners. These agreements also laid out a payment schedule based on **receipt and approval** of the various quarterly reports.

Our examination of the quarterly reports submitted to IVPA by the lead agencies and by the providing partners to the lead agencies **did not uncover** where the reports were “approved” by anyone. Additionally, we found that while agencies certified that **“all the information in this report is accurate,”** that was not always the case because multiple revisions were made to the quarterly reports.

Payment documentation in Year 1 of NRI showed that 4 equal payments were made by IVPA to lead agencies. These amounts were \$306,250 for the Chicago communities and \$200,000 for the south suburb communities. Year 2 of NRI showed payments to agencies by IVPA that did not appear to follow any set amount in that the payments differed extensively. There was no documentation to show why the payments were for differing amounts. The result is that agencies were allowed to hold significant amounts of State funds. For example:

- Corazon Community Services, lead agency for Cicero, was paid \$306,250 on November 12, 2010, as the first payment for NRI. On February 7, 2011, IVPA received the 1st quarterly report which showed \$43,471 in expenses for the quarter. Apparently after a review of this report, that **contained no detailed support** for the expenses, IVPA then authorized a second payment of \$306,250 to Corazon which was issued February 24, 2011. However:
 - **122 days after** the 1st quarter report was due, Corazon **revised** the expenses for the 1st quarter down to \$26,323 on June 6, 2011; then,
 - **129 days after** the 1st quarter report was due, Corazon **again revised** the expenses for the 1st quarter to \$30,061 on June 13, 2011; and finally,
 - **209 days after** the 1st quarter report was due, Corazon **again revised** the 1st quarter expenses to \$31,006 on September 1, 2011.
 - On June 10, 2011, IVPA processed and the Comptroller issued the 3rd payment of \$306,250 to Corazon even though the 2nd quarter report had not been received. Documentation in the IVPA files indicated it did not receive the 2nd quarter report until July 21, 2011 (82 days late). The early payment is a violation of the contract between Corazon and IVPA. Before receiving the 2nd quarter report, IVPA had paid Corazon \$918,750 and had only seen **self-reported expenses** totaling just over \$43,000, expenses that were revised as explained above.
- Our review of over 300 lead agency quarterly reports saw no indication of a signed review by IVPA staff. IVPA files **did not contain** supporting documentation for the quarterly reports it received from lead agencies. Absent this support, IVPA has to rely on the **self-reported information** from the lead agencies.

Section 3 of the contract with lead agencies for NRI outlines the payment schedule for NRI activities. Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies, including the Authority, to establish and maintain a system, or

systems, of internal fiscal and administrative controls. These controls should provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law. These controls should include making grant payments only after finalized expense reports have been submitted by grantees.

An NRI contract monitor said NRI contract monitors do not have specific policies and procedures. Another IVPA official stated IVPA started a process of initialing reports as they were reviewed, but she was not sure that was ever formalized. The official also indicated that when lead agencies were oriented to the program, IVPA encouraged the lead agencies to get the fiscal back-up from the community partners and spot check.

Allowing agencies to hold significant excess State funds increases the likelihood that grant funds may be simply expended during the last quarter to use up the State dollars. Tying payments to the submission of quarterly reports is ineffective if the certified quarterly reports are simply changed in later periods.

NEIGHBORHOOD RECOVERY INITIATIVE AGENCY PAYMENT METHOD	
RECOMMENDATION NUMBER 5	<i>ICJIA should utilize a payment method for NRI that is tied to actual expenditures of State dollars and not quarterly reports that are subsequently revised. Additionally, ICJIA should ensure that payments for NRI are only made pursuant to the contractual agreement.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

EVALUATION CONTRACT WITH THE UNIVERSITY OF ILLINOIS

IVPA failed to enforce provisions of an intergovernmental grant agreement with the University of Illinois at Chicago (University) relative to an NRI Evaluation Project. IVPA had neither required the University to submit the deliverables outlined in the grant agreement nor followed the timeline for providing the deliverables. Additionally, data which was required to be submitted by community partners under NRI for evaluation was not always submitted. Further **IVPA did not require the University to assess whether NRI had been effective in reducing violence** in the communities in which State funds were expended, a major goal of the NRI program.

On June 28, 2011, IVPA entered into an intergovernmental grant agreement with the University “for purposes of data analysis and evaluation of the Neighborhood Recovery Initiative.” The agreement, as amended, required IVPA to pay \$498,351 for the evaluation

services. IVPA made two payments, on June 30, 2011 and June 22, 2012, to satisfy the payment terms of the agreement. Our analysis of available documentation and interviews with staff at IVPA and the University found:

- The agreement’s Scope of Work section contained a schedule and timeline for 23 project deliverables. The deliverables and submission dates for the deliverables are detailed in Exhibit 2-11.
- The University did submit Quarterly Process Reports to IVPA on the project. However, as of November 2012, **not all of the reports were submitted** and others were either not submitted in the stated timeframe as delineated in the agreement or contained insufficient information for us to determine when they were submitted. For instance:
 - The report for June-September 2011 **was not provided** to auditors by IVPA.
 - The report for April-June 2012 was due to IVPA on July 15, 2012. IVPA received this report **40 days late** on August 24, 2012.
 - The other three reports we received **had no dates** to indicate when IVPA received the reports.
- On May 15, 2013, auditors were provided copies of reports for Year 1 and Year 2 of the NRI program. This was **562 days after** the end of Year 1 and **196 days after** the end of Year 2 of NRI.
- The University submitted “drafts” of the Services and Outcomes Reports for all four components to NRI. These drafts were due to IVPA on January 1, 2012. While 2 of 4 reports were undated, the other two reports were dated July and August of 2012 - **over six months late**. Our examination of these reports found that there was a **significant amount of missing data** for which to conduct the evaluations. To illustrate:
 - The M+J component to NRI required the communities to provide jobs for 1,840 youth across the 23 communities. The draft report for M+J had data for only 74 percent (17 of 23) of the NRI communities and for 43 percent (792 of 1,840) of the total participants for M+J.
 - Likewise, the PLAN component required the communities to provide jobs for 1,060 low-income parents across the 23 communities. The draft report for PLAN had data for 87 percent (20 of 23) of the NRI communities and for only 49 percent (521 of 1,060) of the total participants for the PLAN component.
 - According to IVPA staff, the community partners are required to enter data into the database designed by Social Solutions, an external vendor for NRI.

Exhibit 2-11 NRI DATA AND EVALUATION PROJECT DELIVERABLES			
Deliverable	Contract Due Date	Actual Submission Date	IVPA Comments
Assist data users and facilitate modifications to data system	Ongoing	Ongoing	No report needed. Occurred on an ongoing basis.
Develop Project Work Plan	10/15/2011	None	Tasks were laid out in scope.
Develop Data Analysis Plan	10/30/2011	12/12/2011	
Monthly Basics Report	Monthly	None	We intended to delete this from deliverables.
Draft Community Wide Impact Survey	11/01/2011	None	Had meeting with community to discuss, nothing progressed past that meeting.
Quarterly Report: June-September 2011	11/15/2011	8/2012	
Quarterly Report: October-December 2011	01/15/2012	9/2012	
Quarterly Report: January-March 2012	04/15/2012	8/2012	
Quarterly Report: April-June 2012	07/15/2012	8/2012	
Quarterly Report: July-September 2012	10/15/2012	8/2012	
Quarterly Report: October-November 2012	12/15/2012	12/18/2012	
Draft Report All Components	01/01/2012	7/2012	
IVPA/NRI Review and Comments on All Components	01/15/2012	None	Verbal feedback.
Final Report: M+J	02/01/2012	12/07/2012	Additional revisions needed.
Final Report: PLAN	02/01/2012	12/07/2012	Additional revisions needed.
Final Report: School-Based Counseling	03/01/2012	12/07/2012	Additional revisions needed.
Final Report: Reentry	03/01/2012	12/07/2012	Additional revisions needed.
Draft Community Assessment of Impact Report	04/01/2012	None	Had meeting with community to discuss, nothing progressed past that meeting.
IVPA Review and Comments on Impact Report	04/15/2012	None	Had meeting with community to discuss, nothing progressed past that meeting.
Final Community Assessments on Impact Report	05/01/2012	None	Had meeting with community to discuss, nothing progressed past that meeting.
Draft NRI Data and Evaluation Project	06/01/2012	None	Purpose of report unclear. Since all original parties no longer present it was determined the report was unnecessary.
IVPA Review and Comment on Evaluation Project Report	06/15/2012	None	Purpose of report unclear. Since all original parties no longer present it was determined the report was unnecessary.
Final NRI Data and Evaluation Project Report	07/01/2012	None	Purpose of report unclear. Since all original parties no longer present it was determined the report was unnecessary.
<p>Note: On May 15, 2013, IVPA provided 12 other deliverables not outlined in the contract. Auditors cannot verify this information because there were no contract amendments to support these changes.</p>			
<p>Source: OAG developed from IVPA NRI documentation.</p>			

Community NRI service providers reported to auditors (see inset) and to IVPA (see below) through the quarterly reporting process multiple concerns about the evaluation process.

- In the Reentry closeout report for YMCA of Metro Chicago in the Pilsen community, the community partner indicated that its outreach team had full access to the NRI database as of November 28, 2011. This was 13 days **after the end of the first year** of the contract. The ETO database, which was to be utilized by providers to enter pre- and post-test documentation, was developed by Social Solutions as part of an amendment in the contract IVPA had with the University.
- A community partner (WES Health System) responsible for School-Based Counseling in the Woodlawn community reported in its quarterly activity report for the period December 16, 2011 to March 15, 2012, that *“No data was entered on ETO because WES Health System is not in receipt of the signed and executed NRI contract.”* This partner was apparently working on NRI activity for **77 days before** the grant agreement was executed. Our review of the IVPA files did not uncover any information to show that IVPA addressed the lack of data problem reported by the agency.

Provider Concerns Regarding Evaluation

“There was delay in accessing the data system which often reported inconsistent data. Data input into the system was rarely captured which made the outcome data unreliable.” Grand Prairie Services

“The ETO data system is not equipped to provide regular data to enable agencies to effectively evaluate results of programming. Additionally, agencies have received no feedback from IVPA reporting on the overall effectiveness of the NRI program. Overall, it seems there is under-utilization of the data system.” Corazon Community Services

“As a Providing Partner was not allowed by MEE Productions to be trained to enter data in their Data Entry System where information was being transmitted to them or IVPA weekly or monthly. At the end of the program, we filled out a questionnaire and submitted it to the Lead agency along with the budget. We had no access to any of the parent’s information.” Antioch Community Social Services

The University investigator for the evaluation agreed the University reports do not address if NRI had an impact on violence. The official stated he is working with ICJIA staff for Year 3 to hopefully provide some information on violence levels. He added that the measures collected for NRI in the first two years didn’t include violence issues and weren’t included in the questions that had to be answered in the pre- and post-tests during data collection. That information was more of a process evaluation.

Representatives from the Governor’s Office told auditors that the Governor’s Office wanted the Crime Lab at the University of Chicago to do evaluation work for NRI. An official of the Crime Lab indicated that they were interested in conducting the evaluation, including a cost/benefit analysis on the program all on a pro bono basis. An IVPA official declined the

offer. A different IVPA official explained that the crime lab uses very elaborate evaluations with control groups. She said that this was not the type of evaluation IVPA wanted.

The contract between IVPA and the University for NRI evaluation contained a scope of work which includes project deliverables **and due dates** for submission of those deliverables. Community partners signed contracts, which were developed by IVPA, with the lead agency for providing NRI services. In Section II - Services to be Provided, item seven states the partner will *“Provide required reporting and evaluation data in a format prescribed by IVPA.”*

An IVPA official reported that there had been verbal discussions with University officials about making changes to the deliverables schedule for the NRI evaluation agreement. However, we must note that IVPA and the University did not memorialize these discussions into an amendment to the evaluation agreement. According to the principal investigator for the University on the NRI evaluation, the project had been delayed. The University experienced a change from the original lead principal investigator for the project, evaluation team turnover; and longer than expected amount of time for Social Solutions to “clean” the data.

IVPA officials indicated that, when dealing with community partners, it is sometimes difficult to get them to enter evaluation data due to different levels of technological expertise. We note that the contractual agreement signed by the partners **requires** the submission of data for evaluation purposes. Additionally, we note that IVPA has paid almost \$2.8 million over the two years of the NRI program to a consultant to schedule a training program for community partners.

During the two year period covered by the NRI program, IVPA paid \$44.55 million to community partners for program activities. Not having completed evaluations to determine if NRI was having an impact lessens IVPA’s ability to know if Year 2 funds were being utilized in the most efficient manner. Failure to submit deliverables and meet deliverable timelines is a violation of the contract agreement between IVPA and the University. IVPA paid the contract in its entirety without having a final report on the evaluation of NRI. Additionally, failure to submit evaluation data by community partners is a violation of contractual agreements.

EVALUATION CONTRACT WITH THE UNIVERSITY OF ILLINOIS	
RECOMMENDATION NUMBER 6	<i>ICJIA should take the steps necessary to enforce provisions of contractual agreements involving evaluation of the NRI program. Further, ICJIA should require community partners to comply with contractual agreements and submit the required data for evaluation or seek to remove the community partners from the program. ICJIA should also consider tying payments to contractual deliverables to ensure work is not only completed but also completed according to the agreed upon dates. Given the investment the State has in the NRI program, ICJIA should conduct an evaluation of how effective the NRI program has been in reducing violence levels in the applicable communities that received funding.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with this recommendation in part. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were

<p>Response (continued)</p>	<p>managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA has evaluated and will continue evaluations of the ICJIA CVPP program which is the successor to NRI. ICJIA will hold lead and provider agencies to their contractual obligations regarding data reporting and will take progressive corrective action up to and including termination of a contract if other corrective actions are unsuccessful. ICJIA will ensure that contractual obligations regarding evaluation contracts will be enforced and if circumstances require, will enter into contract amendments to document any agreements to modify the original contract terms and schedules. ICJIA will require lead and subcontracting provider agencies to submit data as called for in contracts. ICJIA will further tie payments to deliverables. ICJIA does not agree that <u>overall</u> community violence levels are an appropriate measure of the effectiveness of a discrete program such as NRI or CVPP. NRI provided direct services in the way of jobs and mentoring to about 1700 youth and jobs to 1600 adults per year, parenting skills services to roughly 1,000 parents per year, counseling services to over 3600 youth over the two years, and re-entry services to almost 600 young people returning to the community from correctional facilities. NRI services were provided to between 1 and 2 per cent of the population in the NRI communities. ICJIA is in the process of developing a long term outcome evaluation to determine whether individuals participating in the CVPP have lower rates of criminal involvement and other measures of improved social outcomes.</p> <div style="border: 2px solid black; padding: 10px; margin-top: 10px;"> <p><i>Auditor Comment #4</i></p> <p><i>The audit report <u>does not recommend</u> using “overall community violence levels” to measure the effectiveness of the NRI program. The only place overall community violence levels are discussed in the report is to determine, as required by House Resolution No. 1110, whether residential communities with crime rates similar to communities selected to participate in the NRI program were excluded from the program.</i></p> <p><i>The audit report <u>does recommend</u> an evaluation of the effectiveness of the program in reducing violence. NRI was a violence prevention program. The IVPA had a \$498,000 contract with the University of Illinois “for purposes of data analysis and evaluation” of the NRI program. The U of I contract did not require an assessment of the program’s impact on violence. In a discretionary program as large as the NRI program, <u>simple logic would suggest management would want to know, and should be able to show, whether the \$55 million program was having its desired impact.</u></i></p> </div>
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Chapter Three

NEIGHBORHOOD RECOVERY INITIATIVE - PERSONNEL

CHAPTER CONCLUSIONS

In the Illinois State Budget for the fiscal year beginning July 1, 2010, the Illinois Violence Prevention Authority (IVPA) had an FY11 headcount recommended at **eleven** full-time equivalent positions. During FY11, the **Governor transferred \$92.35 million** from his discretionary appropriation to this agency of 11 staff for the Neighborhood Recovery Initiative (NRI) and other special grant programs. Many of the IVPA staff, responsible for critical functions such as monitoring and administering the NRI program, were **hired between 91 and 406 days after** the NRI program was announced by the Governor on October 6, 2010. Embarking on an initiative of the size and complexity of NRI without key personnel in place is symptomatic of IVPA's inadequate planning for, and implementation and management of, the NRI program.

NRI was designed to implement a staffing plan required in contractual agreements between IVPA, the lead agencies and the providing partners. Design requirements included:

- Mentoring Plus Jobs (M+J) was designed to provide employment to a total of 1,720 youth, 23 administrative coordinators, 69 lead coordinators, and 344 adult mentors.
- Parent Leadership in Action (PLAN) was designed to hire 23 administrative coordinators, 43 lead coordinators, and 1,060 low income parents.
- Reentry was designed to have a minimum half-time project coordinator in each of the 23 communities. We found, on average, 1.5 full-time equivalent (FTE) case managers in Chicago (1.0 FTE in the south suburbs).
- School-Based Counseling (SBC) was designed to have a minimum half-time project coordinator hired and clinicians (3 FTE in Chicago and 1.5 FTE in the south suburbs) to provide the SBC activities.

Not all providers maintained the contractually required number of positions for the M+J and PLAN components and there was no documentation to show that IVPA took any steps to correct the staffing deficiencies.

M+J Chicago communities were to hire **80 youth** (and 40 in the south suburbs) for NRI. During the first two years of NRI our analysis found:

- The average number of youth employed was **only 66 per period** in the Chicago communities and an **average of 35** in the south suburbs.
- Agencies were **only able to meet** the staffing requirement 21 percent of the time (28 out of 135 total reporting periods).
- Agencies **failed** to hit the required staffing level 67 percent of the time (90 of 135).
- There were 29 instances where providers reported hiring youth for the program yet also reported \$0 in wages paid during the same quarter. These instances occurred in the first reporting period of each year of NRI.

There was also a staffing requirement for M+J **adult program component mentors**. Chicago area communities were required to have 16 mentors (8 in south suburbs). For the first two years of NRI we found:

- The average number of adults employed was 15 per period in the Chicago communities and an average of 7 in the south suburbs.
- Agencies were **only able to meet** the staffing requirement 36 percent of the time (48 out of 135 total reporting periods).
- Agencies **failed** to hit the required staffing level 38 percent of the time (51 of 135).
- There were 8 periods where agencies reported hiring mentors yet there were no youth hired in those same quarters. Additionally, there were 15 instances, all in the first reporting period of Year 1, where agencies said they hired adult mentors but there were no corresponding wages reported for these hires.

The PLAN component also required certain staffing levels, 50 low income parents in Chicago communities (20 in the south suburbs). We examined all the coordinating partner reports and found:

- Agencies were **only able to meet** the staffing requirement 21 percent of the time (19 out of 90 reporting periods).
- Agencies **failed** to hit the required staffing level 70 percent of the time (63 of 90).
- There were 13 instances where providers reported hiring adults for the program yet also reported \$0 in wages paid during the same quarter. These instances occurred in the first reporting period of each year of NRI.

IVPA failed to enforce contractual provisions regarding the maintenance of timesheets for M+J and PLAN staff. During audit site work at 23 randomly selected NRI agencies we found:

- 30 percent of the agencies (7 of 23) **did maintain** timesheets on their staff. Some agencies, such as Chicago Youth Centers (as Reentry coordinating partner), that were not required by contract to have timesheets still did maintain them. However, for The Network Room, a PLAN coordinating partner in Rich Township, while we did see timesheets there were also a number of timesheets with pre-filled-in signatures and no time recorded.
- 35 percent of the agencies (8 of 23) **did not maintain** timesheets on their staff. This included Instituto del Progreso Latino, a M+J coordinating partner in Pilsen-Little Village that was required to pursuant to its contract.
- 22 percent of the agencies (5 of 23) **had partial support** for timesheets. Three of these five agencies had timesheets on the parents that worked in the program but not on their own agency staff.
- 13 percent of the agencies (3 of 23) were either not able to be tested due to the agencies closing (Southwest Youth Collaborative and MAGIC) or, in the case of Cicero Area Project, had no salary charges to the NRI program.

IVPA failed to monitor lead agency personnel, as detailed in contractual requirements, assigned to the NRI grant. The lack of monitoring resulted in **\$1.4 million in questioned personnel costs** charged to the State grants.

IVPA failed to monitor provider staff that worked for either multiple providers or for providers that provided services in multiple settings to ensure the State was not paying for more

than 100 percent of the staff's time. During our review of lead agency and providing partner files maintained at IVPA we identified instances where it appeared individuals were being compensated by State dollars **in excess of 100 percent of their time**. While there may be explanations as to various work arrangements (for example, working overtime or working hours past the regular day on additional NRI activities) the IVPA files **did not contain evidence that the exceptions noted had been evaluated** and that IVPA had approved the time.

INTRODUCTION

House Resolution Number 1110 directed the Auditor General to examine the number of positions paid through the Neighborhood Recovery Initiative by organizational unit, job title, function, and salary and whether employees completed and filled out appropriate timesheets. Additionally, we were to determine whether, through a review of available documentation, the Initiative has met or is meeting the purposes for which the State moneys were provided, with specific information concerning the Initiative staffing levels, hiring procedures, and its compensation of employees. Finally, we were asked to determine the number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position.

IVPA NEIGHBORHOOD RECOVERY INITIATIVE POSITIONS

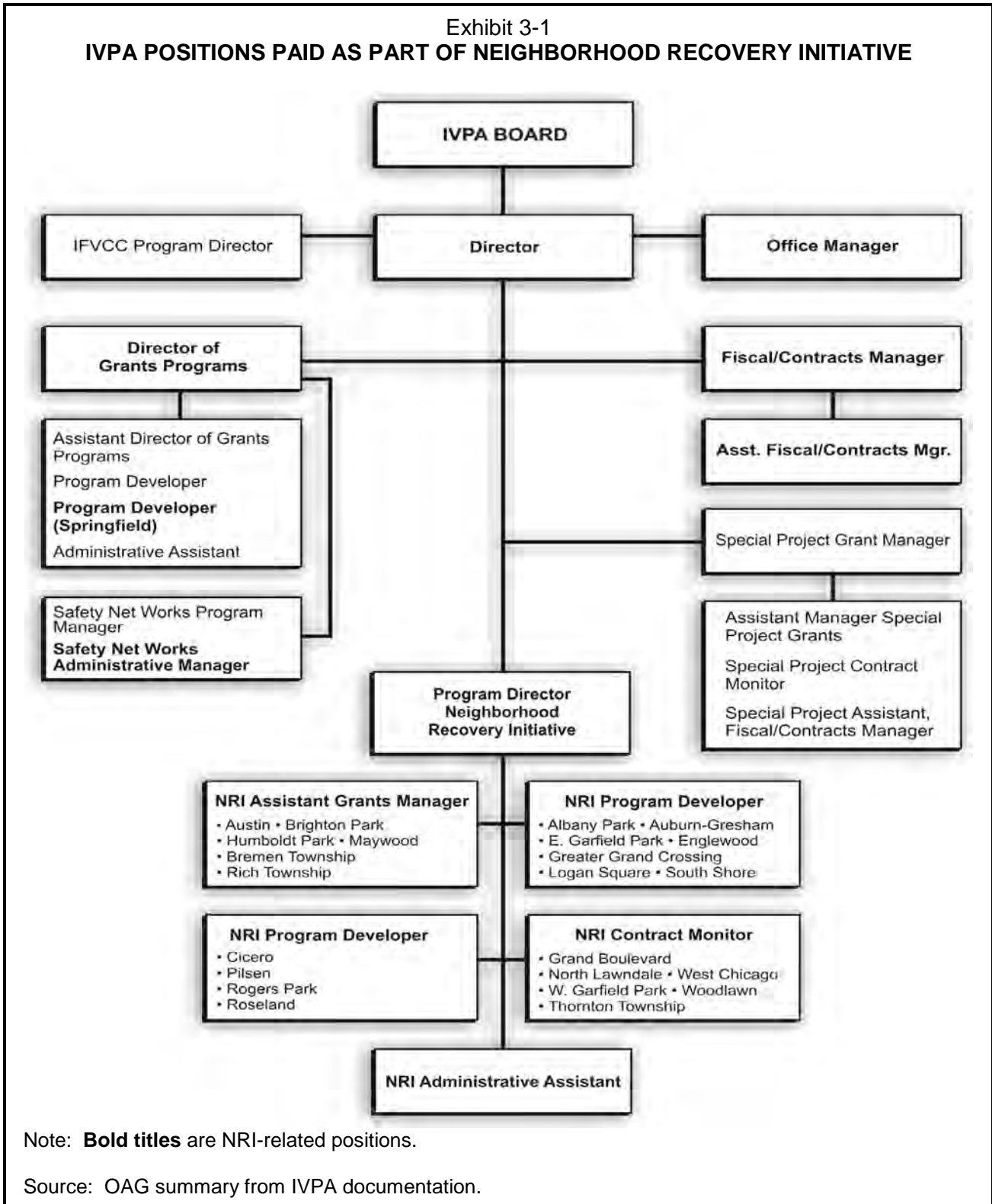
In the Illinois State Budget for the fiscal year beginning July 1, 2010, IVPA had an FY11 headcount recommended at **eleven** full-time equivalent positions. During FY11, the **Governor transferred \$92.35 million** from his discretionary appropriation to this agency of 11 staff for NRI and other special grant programs. NRI staff charged with monitoring the program were **hired between 91 and 406 days after** the NRI program was announced by the Governor on October 6, 2010. Embarking on an initiative of the size and complexity of NRI without key personnel in place is symptomatic of IVPA's inadequate planning for, and implementation and management of, the NRI program.

IVPA had 13 staff paid for their involvement with NRI in some respect. Exhibit 3-1 provides an organizational chart with NRI staff in bold. The Exhibit also provides which staff had responsibility for monitoring each community.

The NRI component staff of IVPA was hired well after the program was initiated. Our review of hire dates showed:

- The NRI Program Director was hired on January 5, 2011, **91 days after** the program was announced by the Governor on October 6, 2010.
- The NRI Assistant Grants Manager was hired on November 16, 2011, **406 days after** the announcement. This position had responsibility for oversight of six NRI communities.
- A Program Developer position was hired on April 1, 2011, **177 days after** the announcement. This position was responsible for oversight of seven NRI communities.
- A second Program Developer position was hired on November 1, 2011, **391 days after** the announcement. This position was responsible for oversight of four NRI communities.
- A Contract Monitor was hired on September 1, 2011, **330 days after** the announcement. This position was responsible for oversight of six NRI communities.

- An Administrative Assistant position for NRI, the individually initially hired part-time, became a full-time position on September 1, 2011, **330 days after** the announcement.



STAFFING LEVEL DESIGN NEIGHBORHOOD RECOVERY INITIATIVE

NRI was designed to implement a staffing plan required in contractual agreements between IVPA, the lead agencies and the providing partners. These staffing plans were developed for all components of NRI.

Mentoring Plus Jobs (M+J) Component

M+J is a component of NRI where youth, organized in community action teams (CATs) provide street outreach to peers by pitching health, social and educational messages in a variety of public settings that allow for brief contact and dialogue. M+J was developed by a subcontractor in the technical assistance area of NRI. While the program was designed to provide employment to a total of 1,720 youth, we report later in this chapter that providers could not maintain such a staffing level. Exhibit 3-2 shows how the M+J component staffing plan was designed by community.

The youth should be between 15 and 21 years of age and adequately document their paperwork so they can earn wages for their participation. As shown in Exhibit 3-2, the youth positions were designed to work approximately 25 percent time, or potentially earning \$2,210 if the youth worked the entire 26 weeks of the program. In addition to the youth, each community had to hire an administrative coordinator and three lead coordinators.

Exhibit 3-2 MENTORING PLUS JOBS STAFF DESIGN Year 1					
Position	Contract Requirement	Weekly Hours	Hourly Wage	Total Weeks	Total Positions by Community
Chicago Communities					
Administrative Coordinators	1	30	\$15.00	35	20
Lead Coordinators	3	20	\$12.50	30	60
Low Income Youth	80	10	\$8.50	26	1,600
Adult Mentors	16	10	\$11.25	30	320
South Suburb Communities					
Administrative Coordinators	1	30	\$15.00	35	3
Lead Coordinators	3	20	\$12.50	30	9
Low Income Youth	40	10	\$8.50	26	120
Adult Mentors	8	10	\$11.25	30	24
Total					2,156
Source: OAG developed from NRI contractual information.					

A technical assistance subcontractor, MEE Productions, expressed concern about a barrier to M+J in a Year 1 progress report. The subcontractor stated *“In particular, because the budget allows limited hours for participating youth, there may be concern that the component is not providing quality ‘jobs’ that will keep youth off the streets....we are concerned that community stakeholders will believe that NRI has not ‘delivered’ on the promise to provide real jobs to youth as a way to prevent violence....A high churn rate will impact our effectiveness in the community.”*

Parent Leadership in Action Network (PLAN) Component

PLAN, also developed by the technical assistance subcontractor, was designed to: identify low-income parents that had dealt with their own life struggles; hire them for community outreach to their peers; provide training and communication materials; and, prepare the individuals to be resources in their neighborhoods.

While the coordinator positions for PLAN were to be half-time positions, the low income parents were only designed to work eight hours per week on PLAN activities. Exhibit 3-3 shows the PLAN staffing design for Year 1 of NRI. Later in this chapter we discuss the ability of providers to maintain this staffing level.

Exhibit 3-3 PARENT LEADERSHIP IN ACTION NETWORK STAFF DESIGN Year 1					
Position	Contract Requirement	Weekly Hours	Hourly Wage	Total Weeks	Total Positions by Community
Chicago Communities					
Administrative Coordinators	1	20	\$15.00	18	20
Lead Coordinators	2	20	\$11.25	18	40
Low Income Parents	50	8	\$9.75	12	1,000
South Suburb Communities					
Administrative Coordinators	1	20	\$15.00	16	3
Lead Coordinators	1	20	\$11.25	16	3
Low Income Parents	20	8	\$9.50	10	60
Total					1,126
Source: OAG developed from NRI contractual information.					

MEE Productions expressed concerns about the power of coordinators to pick the best parents for PLAN in its Year 1-Quarter 2 progress report. The subcontractor explained that “one woman said her agency already had a list of parents they wanted to hire, without them having gone through the screening/interview process. She was concerned that these choices may be forced down her throat, whether appropriate or not, because ‘promises had been made’ to certain members of the community.”

A mid-training assessment conducted by MEE Productions on the PLAN administrative coordinators showed that the administrative coordinator in Logan Square did not have an office, desk, computer, or secure file cabinet. This administrative coordinator was working out of her car for Year 2 of the PLAN component due to a lack of space at the coordinating partner in Logan Square, the Logan Square Neighborhood Association. Logan Square Neighborhood Association, in its Year 2 contract for PLAN, budgeted and charged \$1,200 in total rent to the State grant yet did not have space for this administrative coordinator.

Reentry Component

The Reentry component was designed to have a minimum half-time project coordinator hired in each of the 23 communities. This salaried position was to work for nine months on reentry and the contractual budget showed the amount of salary that was to be charged to this grant component. Likewise, communities were to hire case managers for reentry. While the numbers varied across communities (from 1 to 4), the average number of case managers in Chicago communities in Year 1 was 1.5 full-time equivalents. The south suburbs had an average of one case manager for reentry.

School-Based Counseling (SBC) Component

Just like Reentry, SBC was designed to have a minimum half-time project coordinator hired in each of the 23 communities. This salaried position was to work for nine months on SBC and the contractual budget showed the amount of salary that was to be charged to this grant component. Communities were to hire clinicians to provide the SBC activities. The total number of clinicians in Chicago communities had to total to 3 FTE staff. For south suburb communities this number was 1.5 FTE clinicians.

MONITORING OF LEAD AGENCY PERSONNEL

IVPA failed to monitor lead agency personnel assigned to the NRI grant. The lack of monitoring resulted in \$1.4 million in questioned personnel costs charged to the State grants.

During our review of lead agency files maintained at IVPA, we identified instances where staff detailed in the contract with IVPA for NRI services were either changed or not included on the quarterly fiscal report forms submitted by the lead agencies. We examined all community lead agency quarterly reports, compared the staff to those detailed in the contract, and noted the following exceptions:

- IVPA staff developed the contractual agreements for the lead agencies. Additionally, IVPA developed the quarterly fiscal reporting forms, which includes a “Personnel Expenses Detail Chart,” for lead agencies to provide for monitoring purposes. The Chart lists the individuals charged to the grant along with the salary and fringe amounts for the quarter for each individual.
- At some time during the first two years of NRI, lead agencies in all 23 communities **failed to provide** the Personnel Expenses Detail Chart to some degree. Without the Chart, auditors were unable to determine who was charged to the State grant. Absent this information in the quarterly reports, IVPA staff would also have been **unable to determine** who was being paid with State grant funds.
- For those quarters in which the Charts were not submitted for review, lead agencies charged \$885,169 in salary and fringe benefits to the State NRI grants.

- There were additional questioned payments of \$483,879 for instances where an individual appeared on the Personnel Detail Chart that had not been identified in the contract with IVPA or had not been reported as hired on previous quarterly reports. While lead agencies may have reported the individual on a current quarterly report, **that report was not submitted until after** the end of the quarter; therefore, we would have called that an exception in that it did not meet the requirement of the contract.
- The IVPA files did not contain any evidence of the notifications of new hires coming in a form other than on the quarterly reports. Additionally, IVPA files did not contain timesheets to show specifically when individuals charged to the NRI grants worked on those activities.
- Auditors saw no indication that IVPA questioned these individuals not identified, or not identified timely, in their monitoring of the NRI program.

Section 7 of the original contracts with lead agencies for NRI required the grantees to appoint, assign and commit specific individuals to implement the activities of the grant. The contract goes on to state, “[I]f for any reason, Grantee finds it necessary or desirable to substitute, add, or subtract personnel to conduct activities under this Agreement, Grantee **shall submit a written notice to Authority within ten (10) business days** of the personnel substitution, addition, or subtraction. Such notice must include the name or names of any substituted or additional personnel, together with such person’s resume and the reason for such personnel substitution, addition, or subtraction.” (emphasis added)

An IVPA official told auditors that the fiscal reports contain personnel salary and fringe payments; however, the files do not contain payroll and timesheet detail. Failure of lead agencies to report all personnel changes to IVPA is a violation of the contractual agreement for the State grant. Also, failure of IVPA staff to enforce the provision of the contract increases the likelihood that State funds are expended on individuals not duly approved by IVPA.

MONITORING OF LEAD AGENCY PERSONNEL	
RECOMMENDATION NUMBER 7	<i>ICJIA should enforce provisions of the NRI contracts with lead agencies and ensure it is aware of the staff assigned to conduct NRI activities under the State grant.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the staff monitoring process undertaken by IVPA. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP. However, ICJIA generally only identifies individuals hired under grants by job title and not by name to avoid any appearance that ICJIA favors certain individuals in its grant process.

<p>Response (continued)</p>	<p><i>Auditor Comment #5</i></p> <p><i>Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “fully describe and give context to the staff monitoring process undertaken by IVPA.” IVPA developed the contractual requirement that staffing changes were to be reported within 10 days. Our analysis found that <u>providers did not comply with this contractual requirement and it was not enforced by IVPA.</u></i></p>
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PARTICIPATION RATES - MENTORING PLUS JOBS AND PARENT LEADERSHIP COMPONENTS

Not all providers maintained the contractually required number of positions for the M+J and PLAN components. Additionally, while IVPA developed the design for the number of staff to be required in each community, there was no documentation to show that IVPA took any steps to correct the staffing deficiencies. In fact, auditors saw a correspondence which stated that IVPA implemented a hiring freeze for M+J in the summer of 2012.

Our discovery review of IVPA community files initially showed an underutilization of the required staffing levels for M+J and PLAN components. We analyzed all communities through the staffing numbers reported by the coordinating partners for each community.

Mentoring Plus Jobs - Youth

For M+J, Chicago communities were to hire 80 **youth** that needed to be employed for NRI. The south suburbs were to hire 40 youth to meet the contractual requirements of participation in the program. During the first two years of NRI our analysis found:

- The average number of youth employed was **only 66 per period** in the Chicago communities and an **average of 35** in the south suburbs.
- Agencies were **only able to meet** the staffing requirement 21 percent of the time (28 out of 135 total reporting periods).
- Agencies **failed** to hit the required staffing level 67 percent of the time (90 of 135).
- In 7 percent of the reporting periods (9 of 135), agencies **hired more than the required** number of youth. This would be problematic in that dollars spent on these additional youth were not part of the component design.
- 6 percent of the time (8 of 135) auditors **could not determine** if the staffing level was achieved because either the coordinating partner did not report the staff hired or the quarterly report was not submitted to IVPA.
- There were 29 instances where providers reported hiring youth for the program yet also reported \$0 in wages paid during the same quarter. These instances occurred in the first reporting period of each year of NRI.

Mentoring Plus Jobs - Adult Mentors

M+J also had a staffing requirement for **adult program component mentors**. Chicago area communities were required to have 16 mentors and south suburb communities were to have 8 mentors. Again for the first two years of NRI we found:

- The average number of adults employed was 15 per period in the Chicago communities and an average of 7 in the south suburbs.
- Agencies were **only able to meet** the staffing requirement 36 percent of the time (48 out of 135 total reporting periods).
- Agencies **failed** to hit the required staffing level 38 percent of the time (51 of 135).
- In 4 percent of the reporting quarters (6 of 135), agencies **hired more than the required** number of adults. This would be problematic in that dollars spent on these additional adults were not part of the component design.
- 22 percent of the time (30 of 135) auditors **could not determine** if the staffing level was achieved because either the coordinating partner did not report the staff hired or the quarterly report was not submitted to IVPA.
- There were 8 periods where agencies reported hiring mentors yet there were no youth hired in those same quarters. Additionally, there were 15 instances, all in the first reporting period of Year 1, where agencies said they hired adult mentors but there were no corresponding wages reported for these hires.

Parent Leadership in Action Network

The PLAN component also required certain staffing levels based on the program design and contract executed with the agencies that provided the services. Fifty low-income adults were to be hired in Chicago area communities and 20 in the south suburbs. We examined all the coordinating partner reports and found:

- The average number of adults employed under PLAN was 40 per quarter in the Chicago communities. South suburb agencies reported hiring the required average of 20 adults for PLAN.
- Agencies were **only able to meet** the staffing requirement 21 percent of the time (19 out of 90 reporting periods).
- Agencies **failed** to hit the required staffing level 70 percent of the time (63 of 90).
- In six percent of the periods (5 of 90), agencies **hired more than the required** number of adults. This would be problematic in that dollars spent on these additional adults were not part of the component design.
- For three percent of the reporting periods (3 of 90) auditors **could not determine** if the staffing level was achieved because either the coordinating partner did not report the staff hired or the quarterly report was not submitted to IVPA.
- There were 13 instances where providers reported hiring adults for the program yet also reported \$0 in wages paid during the same quarter. These instances occurred in the first reporting period of each year of NRI.

IVPA instituted a hiring freeze of youth in the M+J component during the 2nd quarter of Year 2. Agency staff expressed frustration from time to time in quarterly reports with the M+J and PLAN staffing issues:

- Auburn Gresham Development Corporation officials in their Year 2-Quarter 2 PLAN progress report described a barrier encountered: *“The challenges were that parents had to quit the program because the little money they obtained was affecting their Child support, unemployment & disability benefits.”*
- La Capilla del Barrio officials, a M+J provider, reported in Year 2 that *“There appears to be a great deal of nepotism in the hiring which has resulted in some receiving preferential treatment. Unbeknown to us, individuals with close family or friend ties have been hired.”*
- The Puerto Rican Cultural Center, another M+J provider, reported in its Year 1-Quarter 2 M+J progress report that *“There isn’t much to report in terms of accomplishments since **we have not yet really touched base with the lead agency during this quarter.**”* (emphasis added) This provider did charge a third of the yearly budget to the NRI grant, all for salaries and wages.
- Youth Peace Center officials in their Year 2-Quarter 3 fiscal report stated *“Moving forward, if it’s going to be required to continue to use adults from the community that have criminal backgrounds, limited education and limited work experience...there needs to be more...extensive pre-employment and mentoring training.”*
- Instituto del Progreso Latino reported in its Year 1-Quarter 3 progress report that in speaking to the youth recruiting process for M+J, officials indicated that *“it is very difficult, if not near impossible to hire and retain youth that are from the community that may have had questionable dealings in the streets (ex. gang affiliations - even if they are attempting to leave the life or have given it up) or are troubled/nearly unemployable, as MEE Productions has encouraged us to do.”*

Section II of the contracts for M+J in Chicago details the services that are to be provided by the coordinating partner. Subsection A.5. required the provider to hire and train 80 local low-income urban youth/young adults at \$8.50/hour to conduct peer to peer outreach to deliver messages to their community in Community Action Teams. The same requirement is detailed in south suburb community with the number of youth to be hired set at 40. Subsection A.6. required the hiring and training of 16 adult coordinators/mentors for the M+J program for Chicago and 8 adult coordinators for the south suburbs.

Section II of the contracts for PLAN in Chicago/Maywood/Cicero details the services that are to be provided by the coordinating partner. Subsection A.5. required the provider to hire and train 50 local low-income parents at \$9.75/hour to conduct peer engagement, outreach and education activities related to mental health promotion, violence prevention and healthy parenting. The hiring requirement is detailed in south suburb community with the number of parents to be hired set at 20.

IVPA officials were aware of these issues as they received copies of all the quarterly reports. We saw nothing in the community files to show that IVPA had addressed these issues relative to not meeting staffing levels by providers.

When agencies do not meet required contractual staffing levels the impact of the program design can suffer. Failure to take action when providers do not meet contractual staffing levels shows a lack of monitoring responsibility and accountability for State funds on the part of IVPA.

PARTICIPATION RATES - MENTORING PLUS JOBS AND PARENT LEADERSHIP COMPONENTS	
RECOMMENDATION NUMBER 8	<p><i>ICJIA should either ensure that providers hire the required number of positions for NRI or determine if other levels need to be memorialized in contractual agreements. Additionally, when quarterly reports show problems with hiring practices, ICJIA should document how those problems are resolved.</i></p>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	<p>ICJIA agrees, in part, with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the hiring of NRI staff and participants. ICJIA further notes that the recommendation is generally consistent with current ICJIA practices. However, with regard to service programs, ICJIA sets goals in its contracts rather than absolute contractual requirements for numbers of participants and requires agencies to provide an explanation when such goals are not met, and will do the same with regard to CVPP.</p> <div style="border: 1px solid black; padding: 10px; margin-top: 10px;"> <p><i>Auditor Comment #6</i></p> <p><i>Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “fully describe and give context to the hiring of NRI staff and participants.” The IVPA developed contracts and design of Mentoring Plus Jobs and Parent Leadership in Action Network components <u>required</u> the providers to hire certain specific staffing levels. The State fulfilled its end of the agreement by providing the funding for the full amount of the staffing design to the lead agencies. IVPA failed to enforce these contractual requirements.</i></p> </div>

TIMESHEETS

IVPA failed to enforce contractual provisions regarding the maintenance of timesheets for M+J and PLAN staff. Additionally, IVPA developed contracts which required the use of timesheets for some of the NRI components but not in others.

During the audit we randomly selected 23 agencies to conduct site work at to verify expenses charged to State funds as part of the NRI grant. We also tested to see if timesheets were maintained pursuant to contractual agreements.

The contracts for M+J and PLAN require the **coordinating agencies** to maintain timesheets for payroll purposes. Contracts for providing partners, Reentry, SBC, and the lead agencies are silent on the maintenance of timesheets.

During our site work we reviewed whether timesheets were available at the various agencies. We found:

- 30 percent of the agencies (7 of 23) **did maintain** timesheets on their staff. Some agencies, such as Chicago Youth Centers (as Reentry coordinating partner), that were not required by contract to have timesheets still did maintain them. However, for The Network Room, a PLAN coordinating partner in Rich Township, while we did see timesheets there were also a number of timesheets with pre-filled-in signatures and no time recorded.
- 35 percent of the agencies (8 of 23) **did not maintain** timesheets on their staff. This included Instituto del Progreso Latino, a M+J coordinating partner in Pilsen-Little Village, that was required to maintain timesheets pursuant to its contract.
- 22 percent of the agencies (5 of 23) **had partial support** for timesheets. Three of these five agencies had timesheets on the parents that worked in the program but not on their own agency staff.
- 13 percent of the agencies (3 of 23) were either not able to be tested due to the agencies closing (Southwest Youth Collaborative and MAGIC) or, in the case of Cicero Area Project, had no salary charges to the NRI program.

Section II.A. of the contracts between lead agencies and coordinating partners for M+J and PLAN describes the services to be provided by the coordinating partner. One of those services is to “Maintain fiduciary/infrastructure capacity to collect, verify and submit to payroll, participant timesheets on a weekly basis.”

An IVPA official said there was nothing in the grant agreements which required timesheets. She said that IVPA does receive payroll documentation which supports time spent on certain activities. Auditors would note the official’s explanation was not consistent with contractual agreements reviewed during the audit.

Failure of certain coordinating partners to maintain timesheets violates provisions of their contracts for NRI services. Additionally, absent timesheets for verification, it would appear to be impossible for either a lead agency or IVPA to ensure that State grant dollars were actually expended on NRI activities.

TIMESHEETS	
RECOMMENDATION NUMBER 9	<i>ICJIA should ensure that NRI providers maintain contractually required timesheets on staff that perform NRI activities. Additionally, ICJIA should be consistent with respect to timesheets in all contractual agreements for NRI.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA partially agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA, particularly as to the youth and parents who participate in the program. As to providers, ICJIA will evaluate whether each provider’s current timekeeping policy and documentation is sufficient under the grants.

STAFF WORK UNDER MULTIPLE GRANTS

IVPA failed to monitor provider staff that worked for either multiple providers or for providers that provided services in multiple settings to ensure the State was not paying for more than 100 percent of the staff’s time.

During our review of lead agency and providing partner files maintained at IVPA we identified instances where it appeared individuals were being compensated by State dollars **in excess of 100 percent of their time**. We tested five agencies’ grants files, for IVPA grants as well as grants from other State agencies, to see if individuals had worked for multiple providers or had worked for the same provider but in different components or in different communities. Our examination found:

- Vision of Restoration. The State paid **in excess of 100 percent** of the time for a staff member while she was working on two components in the NRI program in Maywood.
 - Between February 16, 2011, and November 15, 2011, she was charged at 100 percent time, based on the contract with the lead agency, as the project coordinator for the reentry component.
 - Additionally, during the same period, she was charged at 10 percent as the executive director/project coordinator for the work the agency did in the M+J component.
 - During the period July 1, 2010, through December 31, 2011, the same individual, working for Vision of Restoration, was being charged at 5 percent of her time to a DCEO grant.
 - Vision of Restoration was a providing partner for the Reentry component of NRI at the same time it was providing advocacy services for the Department of Corrections for its parolees.
- The Link and Option Center. The State paid **in excess of 100 percent** of the time for a staff member while she was working on multiple components in multiple communities for NRI in the south suburbs and another special project grant overseen by IVPA.
 - Between February 16, 2011, and November 15, 2011, she was charged at 50 percent time, based on the contract with the lead agency, as the program coordinator for the reentry component in Thornton Township.

- During the **same period** she was paid at 50 percent time for her work as the project coordinator for the SBC component in the same community.
- Additionally, **during that same** February 16, 2011, and November 15, 2011, she was paid at 50 percent time for her work as the program coordinator for Reentry in Rich Township.
- She was **also paid at** a 12 percent rate for work in SNW during the period July 1, 2011, through June 30, 2012, under another grant overseen by IVPA.
- In year 2 of NRI, a period that extended the program until June 30, 2012, the same individual was paid for 50 percent and 20 percent time, respectively, for being a program coordinator in Thornton Township for the same components identified above.
- Her rate of reimbursement for the SNW grant increased to 20 percent during the period that extended to October 31, 2012.
- The **lack of timesheets** in IVPA files **made it impossible** for us, or IVPA, to know if this individual was working on the State funded grants at the same time or not.
- Proviso Leyden Council for Community Action. Due to a **lack of timesheets** in the files at IVPA, we were unable to determine whether the work **overlapped** for an individual that worked for multiple NRI providers.
 - The individual was listed as a coordinator for the PLAN component of NRI at a 50 percent time for the period April 1, 2011, through August 31, 2011.
 - She was also listed as the Executive Director for The Answer, Inc., which provided PLAN component services during the same period at 10 percent time for her work at this agency.
 - She was also paid at 50 percent time rate for her work by The Answer, Inc. on its SNW grant that ran from July 1, 2011 through October 31, 2012.
 - Finally, she was paid at a 75 percent rate by The Answer, Inc. for her work as a project manager on another IVPA special project grant that ran from November 1, 2011, through October 31, 2012.
- The Answer Inc. An individual provided services for a SNW grant for a provider and services for an IVPA special project grant for a different provider during the same period.
 - Beginning November 30, 2011, she was hired by The Answer, Inc. to work on its SNW grant.
 - She was also listed in the Vision of Restoration contract for a special project grant that operated between November 1, 2011, and October 31, 2012.
 - We were unable to determine whether the work overlapped **since there were no timesheets** included in the IVPA files.
- Proviso Leyden Council for Community Action. Due to a **lack of timesheets** in the files at IVPA, we were unable to determine whether the work **overlapped** for an individual that worked for multiple NRI providers.
 - An individual was listed by Proviso Leyden Council for Community Action as a coordinator for the PLAN component of NRI at 50 percent time for the period April 1, 2011, through August 31, 2011.

- She was also listed as the Director for Operation Safe Child which provided PLAN component services during the same period at 10 percent time for her work at this agency.
- Vision of Restoration. The **State paid in excess of 100 percent** of the time for a staff member while she was working on the SNW grant and a DCEO grant during the same period.
 - Between July 1, 2011, and June 30, 2012, personnel detail sheets show the individual was working as a case manager at 100 percent of her time for the SNW program, a program overseen by IVPA.
 - During the period July 1, 2010, through December 31, 2011, the same individual, working for Vision of Restoration, was being charged at 69 percent of her time to a DCEO grant.
- Multiple Sources. An individual provided SBC services for NRI for multiple sources in the same time period.
 - For the period February 16, 2011, through November 15, 2011 she was the project coordinator at 50 percent time in the Woodlawn community for DBCC Organization providing SBC services for NRI.
 - During the period February 16, 2011, through May 15, 2012 she was listed in fiscal reports and on contractual documents as the supervising clinician, at 6 percent time, for Passages Alternative Living Program, an NRI SBC provider in Grand Boulevard.
 - During the same time period, June 13, 2011, through November 18, 2011, she worked as a consultant for the Illinois African American Coalition for Prevention in the area of SBC for the NRI program. Timesheets at ILAACP showed she worked half time (20 hours per week) during the consulting contract.
 - Documentation also showed she was a consultant for SBC services for Children's Memorial Hospital starting March 15, 2011. Children's Memorial had a subcontract with ILAACP to provide training for SBC for the NRI program.
- Southland Health Care Forum. Due to a **lack of timesheets** in the files at IVPA, we were unable to determine whether the work **overlapped** for an individual that worked for multiple NRI providers.
 - Documentation showed an individual charged to NRI in Year 2 working in Rich Township was a **full-time employee** for that organization. Timesheets showed she was charged up to 85 percent of her time for State grants for NRI and SNW.
 - The same individual, again during Year 2, was charging 5 percent of her time at Victory Christian Assembly to the NRI grant.
 - Finally, the same individual worked for Grand Prairie Services on NRI in Bremen Township during Year 2 with 6 percent of her time charged to the NRI grant.

While there may be explanations as to various work arrangements (for example, working overtime or working hours past the regular day on additional NRI activities) the IVPA files **did not contain evidence that the exceptions noted above had been evaluated** and that IVPA had approved the time.

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

fiscal and administrative controls. These controls should provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law. These controls should include that the State **not pay for more than 100 percent** of an individual’s time.

Some IVPA staff told auditors that there are some checks of provider staff between SNW and NRI programs. Other staff indicated there were no checks between programs. Allowing individuals to be paid for more than 100 percent of their time without explanation or documentation is a waste of State resources.

STAFF WORK UNDER MULTIPLE GRANTS	
RECOMMENDATION NUMBER 10	<i>ICJIA should take the necessary steps to gather and monitor information to ensure that individuals are not paid in excess of 100 percent of their time for work on NRI and other State grant programs.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with this recommendation generally but does note that there may be instances, as the Audit Report notes, where an individual may legitimately be putting in more than full time employment (more than 40 hours per week) but ICJIA will monitor such situations carefully. ICJIA will require that it be notified whether any individual employed as a result of ICJIA’s CVPP is being paid under more than one grant from ICJIA or other granting agency and will require that those individuals submit timesheets to ICJIA so that any potential abuses may be identified.

MANAGEMENT SUPERVISION

House Resolution Number 1110 asked us to determine the number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position. During the audit we examined the community files which contained all provider documentation and did not find documentation that would allow us to answer the determination.

During site work at provider agencies we attempted to gather information to answer the determination. However, the starting point, organizational charts, was problematic. We randomly selected 23 providers to conduct site work. Two agencies had gone out of business and we were unable to gather documentation from those providers. Only 8 of the remaining 21 providers (38 percent) were able to provide auditors with an organizational chart. Only 3 of the 8 charts showed the NRI program as an organizational component.

Chapter Four

NEIGHBORHOOD RECOVERY INITIATIVE - MONITORING

CHAPTER CONCLUSIONS

Shortly after House Resolution Number 1110 passed, IVPA undertook a review of its NRI program files according to the former Director. IVPA discovered a number of discrepancies and missing documents. This forced IVPA, which has ultimate responsibility for oversight of NRI, to go to its providers to obtain documentation to support the program. For example, IVPA sent the lead agency in Humboldt Park (Chicago Commons) a request on June 14, 2012, stating “*we are missing the following documents from your agency.*”

- For Year 1 for providers Blocks Together and West Humboldt Park Development Corporation (both PLAN providers in Humboldt Park), IVPA was missing the mid-year program and fiscal reports. These two reports were due June 25, 2011. IVPA was requesting these documents **355 days later**.
- IVPA also requested the Year 1-Quarter 1 SBC program and fiscal report for Community Counseling Center of Chicago. This report was originally due May 31, 2011. IVPA was requesting these documents **380 days later**.

IVPA could not provide supporting analysis for the Chicago communities selected to participate in NRI. Additionally, the communities selected for NRI by IVPA and the Governor’s Office **were not all the most violent** in terms of crime in the Chicago area. Our comparison of NRI communities to the violent crime totals published by the Chicago Police found 7 Chicago neighborhoods that were among the 20 most violent neighborhoods **that did not receive** NRI funding. In Year 3 of NRI another Chicago community, Hermosa, was added to the NRI program. This community **ranked 48th** in violent crime from 2005-2010.

IVPA failed to timely approve contracts for NRI services with service agencies. Our analysis found:

- 32 percent of the contracts (211 of 663) between lead agencies and providing partners were approved by IVPA the **same day** the contract was executed. IVPA approval was required in the contractual agreements.
- 40 percent of the contracts (265 of 663) were approved by IVPA **after the contract was executed** by the lead and providing agencies.
 - **271 days passed** between execution and IVPA approval for a contract for SBC services in West Garfield Park.
 - 29 days was the **average** number of days between contract execution and IVPA approval.
 - 33 of the contracts had either **no execution date or no approval** by IVPA.
- 5 percent of the contracts (32 of 663) had either no evidence of approval by IVPA or may have had an approval signature but were not dated, not allowing auditors to determine when the approval was made.

- IVPA allowed service agencies to work on NRI activities prior to execution of the contractual agreement. One provider, Albany Park Community Center, worked **244 days** on SBC activities prior to the execution of the contract.

NRI partners, both lead agencies and providing partners, **failed to timely submit** quarterly progress reports to either the lead agencies or IVPA. Specifically, for lead agencies we found:

- 62 percent (113 of 181) of the **originally submitted** reports submitted by lead agencies were late based on due dates established for the report.
- The **average** number of days the 113 reports from lead agencies were late was 21 days. The Year 1 closeout report from Albany Park Community Center was **246 days late**.
- Lead agencies had 121 quarterly reports that **were subsequently revised** by lead agencies even though they had originally certified the accuracy of the earlier submission. One hundred eleven of the revised reports were late. The average number of days the 111 reports were late was 137 days. Albany Park Community Center revised its Year 1-Quarter 2 report, originally due April 30, 2011, on August 17, 2012, **475 days after the report was originally due**.

Likewise for **coordinating and providing partners** we found:

- 42 percent (458 of 1,085) of the **originally submitted** reports submitted by providing partners were late based on due dates established on the report.
- The **average** number of days the 458 reports were late was 16 days. The Year 2 closeout report from Community Assistance Programs, a provider of M+J services in Roseland, was **173 days late**.
- Coordinating and providing partners had 233 quarterly reports that **were subsequently revised** by coordinating and providing partners even though they had originally certified the accuracy of the earlier submission. Two hundred thirteen reports were late by an average of 133 days. Teamwork Englewood, a Reentry providing partner in the Englewood community, revised its Year 2-Quarter 1 report, originally due March 9, 2012, on June 21, 2013, **469 days after the report was originally due**.

IVPA allowed providers of Reentry services to serve a population that was **in violation** of the contractual agreement for NRI. The age of participants that received services ranged from 7 to 49. Twelve percent (65 of 548) of those that received Reentry services **fell outside the contractually required age range** (17-24) to receive services.

Contractual agreements for Reentry services detailed that each case manager was to maintain a caseload of 15-20 participants. Utilizing the participant numbers reported by the University of Illinois at Chicago that they pulled from the NRI database developed by Social Solutions we found that **78 percent** (18 of 23) of the NRI communities **failed to maintain the caseloads required** by the contracts.

Required background checks were not always completed on the adults that worked in the NRI program. During our site testing we found that 38 percent (94 of 245) of the required background checks **were not completed or not maintained** in the agency files.

IVPA failed to enforce provisions of contractual agreements for the expenditure of grant funds for NRI related to **the reallocation of funds** for specific line item expenditures. We found:

- 278 reallocations totaling \$1,054,031 were contained in the community files.
- 70 percent (195 of 278) lacked documentation to show **that IVPA had approved** the reallocation.
- 17 percent (46 of 278) **failed to contain justifications** as to why the reallocations were needed.
- 49 days was the average number of days for IVPA to approve the reallocations that it actually **did approve** for the lead agencies (32 days for provider reallocation requests). The longest approval time for IVPA was 251 days after the request was submitted.
- 75 days was the average number of days for IVPA to approve the reallocations that it actually did approve, **but approved after the end of the contract term date** for lead agencies (104 days for provider reallocation requests after the contract term). The longest approval time for IVPA was 319 days after the end of the contract term.
- 18 percent (38 of 211) of the reallocations **were not approved by the lead agency**. The lead agency was responsible for monitoring the fiscal records of the providing partners.

IVPA has not requested any of the equipment purchased with State grant funds for the NRI program from former providers or lead agencies be returned for failure to comply with grant agreements or after the providers left the NRI program. We examined all NRI provider files and found:

- Unlike the agreements between IVPA and the lead agencies, **there is no section** in the agreements between the lead agencies and sub partners detailing use and possession of equipment.
- There were 242 partners in Years 1 and 2 of NRI.
- 17 percent of the providers (41 of 242) only participated in Year 1 of NRI.
- 37 percent of the providers (89 of 242) left the NRI program after Year 2.
- Providers that participated in NRI but left the program by the end of Year 2 reported \$192,562.30 in capital expenditures charged to State grants. Two lead agencies, The Woodlawn Organization in Year 1 and Southwest Youth Collaborative in Year 2, were out of the NRI program by the end of the second year. These two agencies expended \$5,506.71 on capital purchases that should have been recovered by IVPA pursuant to the contract for NRI services.

IVPA delegated responsibility for fiscal monitoring of provider partners to NRI lead agencies. Only 30 percent of lead agencies (7 of 23) required provider partners to submit support for claimed expenses on quarterly reports. We randomly selected 23 NRI providers, went on-site, and reviewed the documentation to support the expenses charged to the NRI program for the applicable time the provider was in the program. We found:

- The total expenses reported on the closeout reports for the 23 providers were \$4,398,464.
- Our review led us to question 40 percent of the expenses (\$1,771,522).
- We were only able to test 21 of the 23 agencies as Southwest Youth Collaborative and Metropolitan Area Group for Igniting Civilization (MAGIC) both went out of business.

MAGIC closed sometime after it left the NRI program after Year 1. We saw no documentation to show IVPA collected the unexpended funds from this provider nor did IVPA examine any support for the expenses self-reported by MAGIC. The lead agency that oversaw MAGIC, The Woodlawn Organization, also closed its doors. Southwest Youth Collaborative closed its doors in February 2013. IVPA had no contact information for MAGIC. ICJIA was still attempting to recover funds from Southwest Youth Collaborative as of November 1, 2013. Thus, without access to these records, we are unable to verify the appropriateness of \$673,674 in State funds provided to these two providers.

- In many cases the supporting documentation supplied to auditors by the providers (payroll ledgers or receipts and invoices) did not total to the amounts included on the closeout reports. In other instances there were expenses that were not allowable based on criteria for the program developed by IVPA.

IVPA utilized a process for recovering unspent grant funds that has failed to timely recover unspent NRI funds for the State. IVPA allowed unspent grant funds from Year 1 of NRI to be carried over for provider use in Year 2 of the program. Eighty-two percent of the providers in Year 1 did not expend all of their NRI funds and 77 percent of the providers in Year 2 did not expend all of their NRI funds. For Year 2, the analysis of IVPA files showed that some providers and lead agencies **did repay** unspent funds. Our analysis showed **50 agencies**, both lead agencies and providing partners, had over **\$2 million** in unspent funds for NRI in Year 2 which IVPA did not provide documentation to show they had collected. This was as of mid-January 2014.

INTRODUCTION

House Resolution Number 1110 directed the Auditor General to determine the nature and extent of monitoring by IVPA of how NRI used the State-provided moneys and whether certain residential communities of similar crime rates were excluded. Additionally, we were asked to determine whether NRI is in compliance with the applicable laws, regulations, contracts, and grant agreements pertaining to the Initiative's receipt of State moneys.

NEIGHBORHOOD RECOVERY INITIATIVE FILE AUDIT BY IVPA

Shortly after House Resolution Number 1110 passed, IVPA undertook a review of its NRI program files according to the former Director. IVPA discovered a number of discrepancies and missing documents. This forced IVPA, who has ultimate responsibility for oversight of NRI, to go to its providers to obtain documentation to support the program.

For example, IVPA sent the lead agency in Humboldt Park (Chicago Commons) a request on June 14, 2012, stating "*we are missing the following documents from your agency.*"

- For Year 1 for providers Blocks Together and West Humboldt Park Development Corporation (both PLAN providers in Humboldt Park), IVPA was missing the mid-year program and fiscal reports. These two reports were due June 25, 2011. IVPA was requesting these documents **355 days later**.

- IVPA also requested the Year 1-Quarter 1 SBC program and fiscal report for Community Counseling Center of Chicago. This report was originally due May 31, 2011. IVPA was requesting these documents **380 days later**.

The IVPA audit documents showed a number of file problems in Year 1 of NRI including: multiple versions of the same report; over expenditures on individual line items; unspent funds letters and quarterly reports not matching; missing signatures; and, applications not completed.

In one instance, the file for Christian Love Missionary Baptist Church, a PLAN provider in East Garfield Park, contained different figures for unspent Year 1 funds. A Year 1 file spreadsheet stated that per the former IVPA Director on July 31, 2012, “*we need a reallocation, corrected letter, revised report, and a copy of the check being sent to the sub.*” All of this documentation was developed in August 2012, **nine months after the Church left the NRI program** as it was only a Year 1 provider.

Given that IVPA did not undertake this file review until after the passage of the audit Resolution, it is unclear if these discrepancies would have ever been discovered by IVPA if the Resolution directing this audit had not passed.

SUPPORT FOR COMMUNITY SELECTION

IVPA could not provide supporting analysis for the Chicago communities selected to participate in NRI. Additionally, the communities selected for NRI by IVPA and the Governor’s Office **were not all the most violent** in terms of crime in the Chicago area. Our comparison of NRI communities to the violent crime totals published by the Chicago Police found seven Chicago neighborhoods that were among the 20 most violent neighborhoods **that did not receive** NRI funding. In Year 3 of NRI another Chicago community, Hermosa, was added to the NRI program. This community **ranked 48th** in violent crime from 2005-2010.

During the audit we found:

- The NRI press release stated, “The initiative will begin in a number of Chicago neighborhoods the Illinois Violence Prevention Authority **has identified** as having the most need.” (emphasis added)
- According to the former Director, IVPA utilized the analysis conducted by the Department of Human Services (DHS) for the Safety Net Works (SNW) Program, an initiative of the Blagojevich Administration, to determine which communities to fund for the NRI program.
- While IVPA **could not provide** the analysis, the SNW Application Framework which summarizes the SNW initiative, includes the following communities **outside** of the City of Chicago deemed eligible to respond to the SNW Request for Application: Alexander-Union Counties, Cook-Cicero, Cook-Maywood, Kane-Aurora, Lake-North Chicago, Lake-Waukegan, Macon-Decatur, Peoria-Peoria, Sangamon-Springfield, St. Clair-East St. Louis, Vermillion-Danville, and Winnebago-Rockford. With the exception of Cicero and Maywood, **none of these communities received NRI funds** yet they were communities **worthy** of SNW funds.

- In each of years 2005 through 2010, there were Chicago neighborhoods not receiving NRI funds, but having **higher violent crime totals** than Chicago neighborhoods receiving NRI funds.
 - Auditors used Chicago Police Department Annual Reports from 2005-2010 to analyze violent crime rates for 77 Chicago neighborhoods.
 - Of the top twenty Chicago neighborhoods having the highest violent crime totals, there were **6 neighborhoods in the top twenty in all 6 years analyzed that did not receive NRI funding**. Those communities included: West Englewood, Chatham, West Town, New City, West Pullman, and South Chicago. Additionally, there were two neighborhoods, Near West Side and Near North Side, that were in the top twenty neighborhoods having the highest violent crime rates in 5 out of 6 of the years analyzed that **also did not receive NRI funds**. Exhibit 4-1 presents our analysis of the six-year violent crime totals.
- Email documentation on September 9, 2010, showed that an official from the Governor’s Office in communication with others in the Governor’s Office thought “*There were [sic] a list of communities based on violence statistics above the norm. That is my understanding.*”

Exhibit 4-1 VIOLENT CRIME ANALYSIS FOR NRI NEIGHBORHOODS 2005-2010		
Ranking	Neighborhood	Violent Crime 6-Year Totals
1	Austin	13,887
2	West Chicago	9,248
3	South Shore	8,288
4	West Englewood	8,092
5	Auburn Gresham	7,853
6	Englewood	7,773
7	Greater Grand Crossing	7,248
8	Roseland	7,054
9	Humboldt Park	6,989
10	North Lawndale	6,407
11	Chatham	5,717
12	Pilsen-Little Village	5,678
13	New City	5,181
14	South Chicago	4,881
15	West Town	4,704
16	Woodlawn	4,678
17	Near West Side	4,439
18	West Garfield Park	4,425
19	East Garfield Park	4,413
20	West Pullman	4,298
22	Logan Square	3,725
24	Grand Boulevard	3,330
26	Rogers Park	3,038
33	Brighton Park	1,940
39	Albany Park	1,534
Note: <i>Bold italic</i> communities are not part of the NRI program.		
Source: OAG summary of Chicago Police Department crime statistics.		

We inquired as to whether the practice of a lack of documentation in selecting communities has continued into Year 3 of the NRI program. ICJIA officials reported that a new community, Hermosa, was added to the NRI program in Year 3. Hermosa was ranked 48th based

on violent crime totals from 2005-2010. We asked ICJIA officials on June 26, 2013, whether there was any analysis to support the addition of this community. Additionally, we inquired whether ICJIA or the Governor's Office made the decision to add this community to NRI. On October 22, 2013, an ICJIA official responded that Hermosa was not selected by ICJIA staff nor did ICJIA know who specifically added Hermosa. Hermosa was added to the program in the fall of 2012 based on a list provided to ICJIA by officials from the Governor's Office.

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

When asked about the target communities and supporting analysis, the former IVPA Director said:

- The targeted communities were initially identified by the former Department of Human Services Secretary as part of SNW.
- IVPA did not have the actual analysis, just the listing of eligible communities that resulted from the analysis which was used as the basis of selection for the NRI target communities.
- The south suburb communities were an addition to the list after they appealed to the Governor's Office for inclusion.
- *"IVPA does not have a copy of the analysis-and never did have it."*

When asked about the supporting analysis, DHS' audit liaison said the analysis was conducted over six years ago and may have been shredded. In a written response to auditors regarding the original SNW analysis which resulted in a list of SNW target communities, DHS stated, *"We have not been able to find any analysis of the communities, this information has not been found."*

On August 17-18, 2012, auditors reviewed approximately 20 boxes of SNW documentation at DHS' Chicago office. Auditors **did not find** any documentation to support the analysis DHS conducted as part of the SNW to determine which communities were eligible to participate in SNW.

During the two year period covered by the NRI program, IVPA paid \$44.55 million to community partners for program activities. Failure to maintain an analysis which supports the selection of communities chosen to receive NRI funding raises the question why certain communities were selected and whether other communities may have been better served through the funding and **decreases transparency** over the selection process.

SUPPORT FOR COMMUNITY SELECTION	
RECOMMENDATION NUMBER 11	<i>ICJIA should ensure it has documentation to support how communities are selected for NRI State grant monies before expending funds on any programs.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with the recommendation with respect to any additional communities that might be added to CVPP. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. As to existing CVPP communities, they have already been selected and ICJIA is not contemplating terminating services in those areas in light of the infrastructure and community organization collaborations which have been built up in the last several years. ICJIA has begun and will continue efforts to have organizations in the existing communities formally expand their catchment areas to provide services to individuals from other communities in need, though not presently a named CVPP community, a practice which some agencies have already begun.

APPROVAL FOR NEIGHBORHOOD RECOVERY INITIATIVE CONTRACTS

IVPA failed to timely approve contracts for NRI services with service agencies. Additionally, some contractual documents contained no indication that IVPA had approved the agreements. Finally, IVPA allowed service agencies to work on NRI activities prior to execution of the contractual agreement.

During our review of community files maintained at IVPA we identified instances where the approval of contractual agreements by IVPA was not timely. IVPA approval was required in the contractual agreements. We examined all 663 contractual agreements maintained in the NRI files at IVPA and found:

- **Approval:**
 - 5 percent of the contract approvals (32 of 663) had either no evidence of approval by IVPA (25 instances) or may have had an approval signature but was not dated (7 instances), not allowing auditors to determine when the approval was made.
- **Approval and Agreement Execution:**
 - 23 percent of the contracts (154 of 663) were approved by IVPA **prior to execution** of the contract between the lead agency and the providers.
 - 32 percent of the contracts (211 of 663) were approved by IVPA the **same day** the contract was executed.
 - 40 percent of the contracts (265 of 663) were approved by IVPA **after the contract was executed** by the lead and providing agencies.
 - **271 days passed** between execution and IVPA approval for a contract for SBC services in West Garfield Park.

- 29 days was the **average** number of days between contract execution and IVPA approval.
- 33 of the contracts had either **no execution date or no approval** by IVPA.
- **Work Time Prior to Execution:**
 - The average number of days providers **worked prior to execution** of the contract was 13 days.
 - One provider, Albany Park Community Center, worked **244 days** on SBC activities prior to the execution of the contract.

Section I.B. Services to be Provided by Lead Agency section of contracts with service providers states, “Before entering into the Agreement, the Lead Agency **will obtain IVPA approval of this Agreement** or any modifications or amendments. The Lead Agency will then submit a copy of this Agreement to IVPA immediately upon execution of the Agreement or any modification or amendments.” (emphasis added)

An IVPA official said that the agencies were allowed to begin work on a grant prior to execution, but that they would only be reimbursed if the contract was executed. Allowing agencies to start chargeable services to the NRI grant absent an executed agreement exposes both the grantee and the State to increased risk. Failure to document the contract approval by IVPA is a violation of the contractual agreement itself and shows a lack of oversight for a \$55 million State grant program.

APPROVAL FOR NEIGHBORHOOD RECOVERY INITIATIVE CONTRACTS	
RECOMMENDATION NUMBER 12	<i>ICJIA should ensure that approval of all contracts for NRI services is maintained and that timely approvals are completed. Additionally, ICJIA should only allow providers to initiate NRI services after an executed contract has been approved.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with this recommendation, in part, for the CVPP. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA’s practice does require approval of contracts for all its grants including the CVPP contracts through a multi-level approval process. Delays in approval may occasionally result from negotiating details of the contract budget or its narrative description of the program to be implemented, delays in grantees returning grant contracts or providing other required information or material to ICJIA such as Civil Rights and EEOC Certifications, proof of 501 (c)(3) status, DUNS registration and similar materials in the pre-execution review process or at execution stage, delays in returning contracts executed by the grantee for execution by ICJIA, occasional periods during ICJIA’s yearly grant cycle when many grants are being processed for signature at the same time or other occasional staffing issues. ICJIA respectfully disagrees with the recommendation that providers only be allowed to initiate services after an executed contract has been approved. While this is a requirement

<p>Response (continued)</p>	<p>under the Illinois Procurement Code for most procurements, grants are exempt from that Code requirement. There are cogent reasons for this exclusion. Often, as is the case with CVPP, grant contracts are being processed that are continuation grants for programs that are in operation. When there are delays in execution of a continuation contract for whatever reason, it would not be good policy to require the grantee to halt the program until the contract can be executed. ICJIA’s grant contract sets forth the performance period for the grant and provides that ICJIA may reimburse a grantee for grant project activities engaged in before execution of the contract, as long as those activities are within the performance period. In the case of such a continuation grant, but most especially with respect to new grant programs, a grantee or potential grantee that engages in grant program activities before a contract is actually executed does so at its own risk. In the event that no contract is executed, ICJIA will not and is not required to provide reimbursement for activities undertaken in expectation of a grant. The type of obligations under ICJIA’s grant contracts are covered by the Statute of Frauds which require that certain types of contracts be in writing to be enforceable, and prohibits enforcement of alleged verbal agreements. In its approximate 30 years of existence, ICJIA has never been subject to such a claim.</p> <div data-bbox="609 913 1409 1465" style="border: 2px solid black; padding: 10px;"> <p><i>Auditor Comment #7</i></p> <p><i>While ICJIA officials indicate that delays in grant approvals may happen “occasionally,” auditors would not characterize the failure to timely approve 40 percent of agreements as “occasional”. Furthermore, ICJIA’s response does not explain the 32 NRI contracts that showed no evidence of IVPA approval. Programs should be properly planned and staffed so that the need to allow grantees to begin work before a contract is approved does not even become an issue. Allowing a grant provider to work without an executed approved agreement, even though it is not prohibited by the Procurement Code, is a <u>bad business practice</u> and exposes both the State and the grantee to unnecessary risks (such as if State funds are not spent as intended).</i></p> </div>
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TIMELY SUBMISSION OF QUARTERLY REPORTS

NRI partner agencies failed to timely submit quarterly progress reports to either the lead agencies or IVPA. Additionally, the accuracy of the quarterly reports was questionable in some instances. There was no indication in the community files that IVPA or the lead agency questioned the accuracy issues.

Quarterly progress reports served two purposes for the NRI program: as a **monitoring mechanism** for the lead agencies and IVPA; and as a mechanism to trigger the next payment to the providing agency. Lead agencies received the quarterly reports from providers within their

designated communities. They forwarded copies to IVPA after receipt and approval of the report. Lead agencies submitted their quarterly reports directly to IVPA for review. During our review of community files maintained at IVPA we examined all original and revised quarterly reports to ascertain how timely these reports were submitted so that monitoring could be achieved.

Lead Agency Timeliness in Submitting Reports

IVPA community files contained **181 originally submitted** quarterly reports by lead agencies. Our review found:

- 62 percent (113 of 181) of the reports **were late** based on due dates established on the report.
- The **average** number of days the 113 reports were late was 21 days. The Year 1 closeout report from Albany Park Community Center was **246 days late**.
- The files contained **121 quarterly reports that had been revised** by agencies even though they had originally certified the accuracy of the earlier submission.
 - 92 percent (111 of 121) of the reports **were late** based on the due date for submission of the report for the applicable quarter.
 - The average number of days the 111 reports were late was 137 days. Albany Park Community Center revised its Year 1-Quarter 2 report, originally due April 30, 2011, on August 17, 2012, **475 days after the report was originally due**.
 - Exhibit 4-2 shows the number of revisions made to quarterly reports in each community.
- Even though agencies certified the original reports were accurate, IVPA allowed the revisions to the amounts expended under the various line items.

Coordinating and Providing Partner Timeliness in Submitting Reports

IVPA community files contained **1,085 originally submitted** quarterly reports by providing partners. Our review found:

- 42 percent (458 of 1,085) of the reports **were late** based on due dates established on the report.
- The **average** number of days the 458 reports were late was 16 days. The Year 2 closeout report from Community Assistance Programs, a M+J provider in Roseland, was **173 days late**.
- 14 percent (154 of 1,085) of the original reports were either unsigned (4 instances), undated (138 instances), or unsigned and undated (12 instances) making it **impossible to determine** when the reports were completed.
- The files contained **233 quarterly reports that had been revised** by providing partners even though they had originally certified the accuracy of the earlier submission.
 - 91 percent (213 of 233) of the reports **were late** based on the due date for submission of the report for the applicable quarter.
 - The average number of days the 213 reports were late was 133 days. Teamwork Englewood, a Reentry providing partner in the Englewood community, revised its Year 2-Quarter 1 report, originally due March 9, 2012, on June 21, 2013, **469 days after the report was originally due**.

- 8 percent (18 of 233) of the revised reports were either unsigned (1 instance), undated (1 instance), or unsigned and undated (16 instances) making it **impossible to determine** when the reports were completed.
- Absent lead agency certification of the accuracy of the reports it is questionable that any review was conducted on the quarterly reports given that IVPA did not collect information on the detail behind the expenses.

Exhibit 4-2 REVISIONS TO QUARTERLY REPORTS BY NRI AGENCIES Years 1 and 2		
Community	# Revisions by Lead Agencies	# Revisions by Providing Partners
Albany Park	5	7
Auburn Gresham	7	12
Austin	7	11
Brighton Park	2	14
Cicero	9	15
East Garfield Park	6	9
Englewood	3	11
Grand Boulevard	3	11
Greater Grand Crossing	6	19
Humboldt Park	6	16
Logan Square	4	7
Maywood	5	5
North Lawndale	6	13
Pilsen-Little Village	2	17
Rogers Park	2	9
Roseland	13	8
South Shore	6	14
West Chicago	5	12
West Garfield Park	6	1
Woodlawn	2	8
Bremen Township	1	2
Rich Township	9	11
Thornton Township	6	1
Total	121	233
Source: OAG summary of IVPA information.		

Accuracy of Quarterly Reports

Lead agencies were responsible for certifying the accuracy of the quarterly reports. Twelve percent (129 of 1,085) of the originally submitted quarterly reports **were certified as accurate on the same day** by the lead agency as the day the information was certified by the providing partner. This questions the amount of oversight monitoring of these reports by the lead agency.

Same Fiscal Report Submitted for Two Different Periods

New Life Knew Solutions, a partner agency for M+J in East Garfield Park **submitted the same fiscal closeout form** to the lead agency, Mt. Vernon Baptist Church, **in Year 2 as it did for Year 1**. The line item amounts were **exactly the same** for both years. New Life Knew Solutions certified the accuracy of the report and submitted it to Mt. Vernon Baptist Church. Three officials for Mt. Vernon Baptist Church certified the accuracy of New Life Knew Solutions' Year 2 closeout form also on March 1, 2013, even though it is **unlikely** that New Life Knew Solutions expended the exact same amounts on the line items across both years of the program. IVPA received this report on April 11, 2013, and **did not question** the accuracy of the report.

Line Items Equally Expensed Across All Quarters

Latino Cultural Exchange Coalition, a partner agency for Reentry in Humboldt Park, submitted its Year 2 closeout to the lead agency, Chicago Commons, which included the **exact same amounts in each of the four quarters** of the program. The Year 2 closeout dated January 10, 2013, was 56 days **past the due date** of November 15, 2012. Changes to the first quarter were 346 days past the original due date; changes to the second quarter were 255 days past the due date; and changes to the third quarter were 164 days past the due date. Latino Cultural Exchange Coalition certified the accuracy of the report and submitted it to Chicago Commons. Three officials for the lead agency, Chicago Commons, in Humboldt Park certified the accuracy of the Latino Cultural Exchange Coalition's Year 2 closeout form. It is **unlikely** that Latino Cultural Exchange Coalition expended the exact same amount in each of the quarters of Year 2 of the Program. IVPA received this report on January 10, 2013, and did not question the accuracy of the report.

Section II.B. Services to be Provided by Partner Agency section of contracts between lead and partner agencies states, *"The Partner Agency shall submit to the Lead Agency quarterly data and quarterly fiscal reports by the 10th of the month following the end of the quarter."* Section I.B. Services to be Provided by Lead Agency section of contracts between lead and partner agencies states, *"The Lead Agency will enter into, manage, and monitor all subcontracts with specified provider partner agencies, including maintaining a system for partner agencies to report fiscal and program activities pursuant to the terms of the subcontract."* When submitting the IVPA developed fiscal reporting forms, lead and partner agencies attest to the following statement: *"I certify that all the information in this report is accurate,"* which must be signed by officials from the providing partner and lead agencies. Administrative rules state (89 Ill. Adm. Code 1400.120(e)), in order to receive renewal grants from IVPA, applicants must have complied with previous grant agreements.

When asked if IVPA assumes that the lead agency has reviewed and approved community partner quarterly reports and determined that information is correct prior to the lead agency submitting the quarterly reports to IVPA, an IVPA official said that IVPA encouraged the lead agencies to get the fiscal back-up from the community partners and spot check. She mentioned that lead agencies are required to review the program reports.

Failure by lead agencies to monitor all subcontracts with partner agencies and failure by partner agencies to submit quarterly reports timely are violations of the contractual agreement and shows a lack of oversight for a \$55 million State grant program. Certifying inaccurate information is a violation of the fiscal reporting form developed by IVPA to monitor the use of State grant monies.

TIMELY SUBMISSION OF QUARTERLY REPORTS	
<p>RECOMMENDATION NUMBER</p> <p>13</p>	<p><i>ICJIA should ensure that lead agencies are appropriately monitoring partner agencies. ICJIA should ensure that lead agencies require partner agencies to submit quarterly reports that are timely and accurately approved and certified. Additionally, ICJIA should consider collecting and reviewing all supporting documentation to ensure State resources are appropriately expended on the NRI program.</i></p>
<p>ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE</p>	<p>ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA, that it should ensure that lead agencies are appropriately monitoring partner agencies. ICJIA further agrees with the recommendation that lead agencies require partner agencies to submit reports that are timely and accurately approved and certified. ICJIA has considered the question of whether it should (and can) collect and review all supporting documentation and has determined that it would simply not be feasible to do so with existing grant and other staff. However, ICJIA will be requiring lead agencies to assume a more active role in monitoring activities of provider agencies. In addition to reviewing quarterly provider fiscal and program progress reports, lead agencies will continue to be required to have monthly site meetings with each of their provider agencies. ICJIA will require lead agencies to document those meetings and the matters discussed. The lead agencies will be required for each such meeting to pick one area of expenditures, to discuss the expenditures with the provider agency, and to require that supporting documentation be produced to support the claimed expenditure.</p>

REENTRY SERVICES PARTICIPANTS

IVPA allowed providers of Reentry services to serve a population that was in violation of the contractual agreement for NRI. Additionally, many providers did not fulfill contractual obligations for the number of program participants to be served under the Reentry component.

During our examination of the NRI contractual agreements and community files we saw that some providers reported serving a different population of youth than what was prescribed in

the contract. Additionally, summary documentation developed by the University of Illinois at Chicago confirmed this finding. Also, providers were not serving the required number of clients for the staffing approved by IVPA. We found:

- The University of Illinois at Chicago, in July 2012, provided a services and outcomes report for the Reentry component from **Year 1** of the program. There were 585 recorded participants for Reentry in Year 1. Of the 585, 37 Reentry participants **did not have an age recorded** in the database. The age of participants that received services ranged from 7 to 49. Twelve percent (65 of 548) of those that received Reentry services fell outside the contractually required age range (17-24) to receive services.
- In Year 2 of the program, the University of Illinois report was a two-year compilation of results due to the fact that someone may have been a participant in Year 1 and continued into Year 2. Unfortunately, the age breakdown utilized in the University report for Year 2 **was not consistent** with what was reported in Year 1. For example, in Year 1 there are six participants listed ages 32 and above. Those same categories **are not even included** in the University's Year 2 "compiled" figures. Exhibit 4-3 shows an age breakdown of participants from the University report.

Exhibit 4-3 AGE BREAKDOWN FOR REENTRY SERVICES Years 1 and 2				
Age	Year 1 Number of Participants	Year 1 Percentage	Year 2 Number of Participants	Year 2 Percentage
7	1	0.2	-	-
9	-	-	1	0.1
14	-	-	1	0.1
15	6	1.0	11	0.8
16	29	5.0	34	2.5
17	61	10.4	123	8.9
18	78	13.3	159	11.5
19	80	13.7	176	12.7
20	78	13.3	187	13.5
21	59	10.1	202	14.6
22	44	7.5	133	9.6
23	43	7.4	100	7.2
24	40	6.8	111	8.0
25	21	3.6	99	7.1
26	-	-	14	1.0
27	2	0.3	3	0.2
28	-	-	3	0.2
29	-	-	1	0.1
32	2	0.3	-	-
37	1	0.2	-	-
38	1	0.2	-	-
41	1	0.2	-	-
49	1	0.2	-	-
Missing	37	6.3	28	2.0
Total	585	100.0	1,386	100.0
Note: The contractually required ages for Reentry are 17-24 as shown in the blue figures. Year 2 figures may include participants that were also included in Year 1 of the NRI program.				
Source: OAG developed from IVPA NRI documentation.				

- Contractual agreements for Reentry services for NRI detailed the number of full-time equivalent case managers that were to be hired as part of the staff plan. Each case manager was to maintain a caseload of 15-20 participants. Utilizing the participant numbers reported by the University that they pulled from the database developed by Social Solutions, we found that **78 percent** (18 of 23) of the NRI communities **failed to maintain the caseloads required** by the contracts. Exhibit 4-4 shows a summary of case loads of Reentry managers in Year 1.

Exhibit 4-4 REENTRY CASELOAD BREAKDOWN Year 1				
Community	Year 1 # Full Time Case Managers	Year 1 Total Required Caseload for Managers	Year 1 Actual Number of Participants	Year 1 Actual vs Contract
Albany Park	2.00	30	23	-7
Auburn Gresham	4.00	60	37	-23
Austin	3.00	45	29	-16
Brighton Park	3.00	45	20	-25
Cicero	3.00	45	11	-34
East Garfield Park	2.00	30	37	7
Englewood	2.00	30	22	-8
Grand Boulevard	2.00	30	16	-14
Grand Crossing	2.14	32	46	14
Humboldt Park	3.00	45	25	-20
Logan Square	3.00	45	27	-18
Maywood	2.00	30	9	-21
North Lawndale	3.00	45	15	-30
Pilsen-Little Village	2.00	30	19	-11
Rogers Park	2.00	30	32	2
Roseland	2.65	40	27	-13
South Shore	2.00	30	38	8
West Chicago	3.00	45	16	-29
West Garfield Park	3.00	45	7	-38
Woodlawn	2.00	30	21	-9
Bremen Township	1.75	26	8	-18
Rich Township	2.00	30	24	-6
Thornton Township	2.00	30	46	16
Total			555	
Note: Total caseload for managers figured utilizing lower of the range stated in contract. The University report showed that 30 participants could not be matched to an individual community and are not included in the figures above.				
Source: OAG developed from IVPA NRI documentation.				

- Officials from Proviso Leyden Council for Community Action reported in their Year 1-Quarter 3 Reentry progress report that “Agency still provided services to those [participants] that did not fall within NRI guidelines.” The contract provides criteria on what population should be served by Reentry partners.
- Officials from Healthcare Alternative Systems in their Year 1-Quarter 2 Reentry progress report explained that “To date we have only been referred 2 individuals. There is also confusion on the requirements for eligibility for the NRI Program.” This provider reported this on August 30, 2011, 195 days after the contract started and just 77 days prior to the end of the contract for Year 1. The provider had expended 45 percent of the Year 1 funds yet had only two referrals.

- Officials from New Life Centers of Chicagoland reported in their Year 1-Quarter 1 Reentry progress report: *“The biggest barrier for NLC was the waiting period from the hire date (March) until the required three-week training (May). We were instructed, until we have received the training, we could not move forward with the grant process (providing actual client services).”* This meant the provider had no Reentry clients during the 1st reporting period which ended May 5, 2011.

The same provider, on its Year 1-Quarter 2 Reentry progress report, stated *“Our contract stipulates we need to have a case load of 15-20 youth for our full time case worker, and 7-10 for our part-time case worker. Our concern and frustration is how can we meet these contractual obligations when Little Village/Pilsen does not have many youth on parole?”* The provider had **1 client** in June and 7 during the period ending August 15, 2011.

Section I of the contracts for Reentry details the services that are to be provided. Subsection A.3. required the provider to engage a target population of juveniles returning to the community from Department of Juvenile Justice (DJJ) youth centers, and 17-24 year old youth and young adults re-entering from Department of Corrections correctional facilities. This pool includes: (a) juveniles released from DJJ youth centers and currently on aftercare; (b) juveniles reentering from DJJ youth centers during the program period; and, (c) 17-24 year olds reentering from DOC facilities. Subsection A.6 of the contract required the agency to implement a staffing plan for Reentry services. Part of the staffing plan required case managers to maintain an average caseload of 15-20 youth or young adults at any given time.

IVPA officials were aware of these issues as they received copies of all the quarterly reports. We saw nothing in the community files to show that IVPA had addressed these issues with service of Reentry participants. Allowing agencies to serve populations outside the design of the Reentry component not only violates contractual agreements, it undermines the stated goal and purposes of the program. Failure to require providers to serve the contractually designated case loads could affect the effectiveness of the program by providers expending funds on non-participant services.

REENTRY SERVICES PARTICIPANTS	
RECOMMENDATION NUMBER 14	<i>ICJIA should enforce contractual provisions for the population of Reentry participants that should be served by providing partners for the NRI program. Additionally, ICJIA should examine which providers are not serving the contractually required number of Reentry participants and look to adjust funding to levels that are more appropriate to actual service levels.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA however notes that certain assertions of fact, implications and

<p>Response (continued)</p>	<p>conclusions contained in the Audit Report are not sufficient to fully describe and give context to the reentry payment process by IVPA. ICJIA is working with the Department of Corrections and the Department of Juvenile Justice and will work with probation departments to determine as accurately as possible the number of reentry eligible participants that can be expected in each community. ICJIA notes that recordkeeping by some of those entities is by zip code rather than community and zip codes may overlap one or more community areas which may present difficulties in absolutely accurate determinations. ICJIA has expanded the range of ages eligible for CVPP services and will enforce those age limits for reimbursement claims by the provider agencies.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p><i>Auditor Comment #8</i></p> <p><i>Despite having this finding for 106 days, ICJIA <u>fails to provide details and documentation</u> supporting its assertion that the audit report does not “fully describe and give context to the reentry payment process by IVPA.”</i></p> </div>
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BACKGROUND CHECKS

Required background checks were not always completed on the adults that worked in the NRI program. Additionally, IVPA did not require background checks on the youth employed in the program even though the providing agencies had expressed concerns regarding the make up of the youth on numerous occasions.

During the audit, we selected 23 agencies for site visits to examine supporting documentation for expenses charged to State grant funds and to examine the deliverables required under contractual agreements. We found that not all required background checks were conducted pursuant to contractual agreements. Specifically, we found:

- During our site testing we found that 38 percent (94 of 245) of the required background checks **were not completed or not maintained** in the agency files. Exhibit 4-5 presents the results of our testing on background checks.
- For the background checks we did review, we found no evidence that they turned up instances of child abuse or sex offenses. However, while the **grant agreements did not prohibit hiring the adults for other offenses**, we did see instances where staff were hired that had convictions in their background check such as: aggravated financial identification theft; possession of a controlled substance; armed robbery; neglect of a child; battery; theft; burglary; and, prostitution. We would note that these adults hired in the NRI program are to be **acting in a mentoring role and working with youth**.

Exhibit 4-5 BACKGROUND CHECK SUMMARY OAG Sample				
Community	Provider	Service	# Checks Required	# Checks Missing
Woodlawn	MAGIC	M+J	19	19
Pilsen-Little Village	Instituto del Progreso Latino	M+J	30	2
Rogers Park	Organization of the Northeast	M+J	27	22
Rich Township	The Network Room	PLAN	20	1
East Garfield Park	Christian Love MB Church	PLAN	35	35
South Shore	South Shore Chamber	PLAN	77	4
Grand Boulevard	Chicago Youth Centers	Reentry	5	0
West Chicago	Youth Guidance	SBC	4	0
Rogers Park	Howard Area Community Center	Reentry	7	1
South Shore	Black United Fund of Illinois	Reentry	7	7
South Shore	Amani Trinity United Health Corp	SBC	9	0
Bremen Township	Bremen Youth Services	SBC	5	3
Total			245	94

Source: OAG developed from IVPA NRI documentation and provider file information.

- Email correspondence from a South Shore resident to IVPA questioned the benefit of the NRI program because **two youth that were part of M+J** in South Shore were involved in a home invasion in August 2012 that resulted in one youth accidentally shooting and killing the other youth. In attempting to respond to the resident concerns, a MEE Production official stated *“As regrettable as these events were, the call to dismantle prevention-focused programs such as the Neighborhood Recovery Initiative is unjustified. The conditions that feed into young people making uninformed and dangerous choices call for more support for such program, not less.”*

We saw no evidence of copies of any background checks in IVPA’s files. We found numerous concerns about the individuals hired as part of NRI in provider files.

- Youth Peace Center (M+J provider in Roseland) officials in their Year 2-Quarter 3 fiscal report stated *“Moving forward, if it’s going to be required to continue to use adults from the community that have criminal backgrounds, limited education and limited work experience...there needs to be more...extensive pre-employment and mentoring training.”*
- Instituto del Progreso Latino (M+J provider in Pilsen) in its Year 1-Quarter 3 progress report explained, about the recruiting process for M+J, that *“it is very difficult, if not near impossible to hire and retain youth that are from the community that may have had*

questionable dealings in the streets (ex. gang affiliations - even if they are attempting to leave the life or have given it up) or are troubled/nearly unemployable, as MEE Productions has encouraged us to do.”

- United Church of Rogers Park officials stated in their Year 2-Quarter 1 progress report that *“Many of the challenges are external from the environment in which we operate. Some of the youth have gang ties and are going out of their territory.”*
- ABJ Community Services officials in their Year 2-Quarter 1 progress report for M+J that *“At the request of partner agencies, we have enrolled more re-entry and juvenile offenders this year. A number of the youth are in drug programs. One young man has been imprisoned, and other youth are facing uncertainty after they attend pending court dates.”*
- South Shore Planning & Preservation Coalition officials stated in their Year 2-Quarter 2 progress report for M+J that *“The potential threats of violence we experience during outreach because of the history of some of our CATs (Youth).”*
- Teamwork Englewood officials stated in their Year 2-Quarter 1 progress report for Reentry *“Due to the violence surge there were some clients that were unable to attend services due to their gang or neighborhood affiliations.”*

Section II of the contracts for M+J, PLAN and Reentry details the services that are to be provided by the **coordinating partner**. Subsection A.2 required the provider to “Ensure that a background check is conducted for all adults hired under the project and that anyone with a record of child abuse or sex offense conviction is automatically excluded from hire.” Additionally, for the Reentry component, agencies that provide direct services, under the staffing plan in section 6 of the contract, will “conduct background checks on Case Managers and exclude applicants with history of sex offenses.” Likewise, for the SBC component, Section II.A.3 of the contract requires the coordinating partner to “Ensure that all clinicians working in schools have a federal (fingerprint) background check and are TB free.”

An IVPA official stated that *“There is no background check for minors; their records are sealed. Youth recruited to the program may have delinquent records as this program was geared to high risk youth.”* The official also reported that IVPA does not maintain copies of background checks. The grantees were required to conduct them and maintained their own records.

Agencies not completing the required background checks not only violates the contract but increases the risk that an adult works in the program that is a threat to youth. Failure of IVPA to require copies of background checks to be submitted to IVPA for review weakens the oversight process. Not requiring any form of check on youth participating in NRI increases the likelihood that State funds are being paid to youth with criminal or gang-related backgrounds. This type of individual may not be the best ambassador for a program designed to decrease violence rates.

BACKGROUND CHECKS	
<p>RECOMMENDATION NUMBER</p> <p>15</p>	<p><i>ICJIA should ensure that all required background checks have been completed for the NRI program by developing procedures to check, at least on a test basis, provider compliance with this contractual provision. Additionally, ICJIA should consider requiring some form of background check on the youth employed in the program to ensure that they are individuals that can truly assist the NRI program goal to decrease violence.</i></p>
<p>ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE</p>	<p>ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA however does not accept all assertions of fact, implications and conclusions contained in the Audit Report as to requiring background checks with respect to all adults or all youth employed by the program. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.</p> <div style="border: 2px solid black; padding: 10px; margin-top: 10px;"> <p><i>Auditor Comment #9</i></p> <p><i>Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that it does not accept the report’s conclusions as to “requiring background checks with respect to all adults or all youth employed by the program.” Regarding background checks on adults, the audit report simply recommends that background checks <u>required by the contract</u> be done. Regarding youth, the audit report recommends that ICJIA <u>should consider performing some sort of background check</u>. Its non-acceptance of the report’s conclusions on this matter is puzzling given that in its response, ICJIA states it agrees with the recommendation and that it is consistent with current ICJIA practices.</i></p> </div>

BUDGET REALLOCATION APPROVALS

IVPA failed to enforce provisions of contractual agreements for the expenditure of grant funds for NRI related to the reallocation of funds for specific line item expenditures. Further, IVPA policy on reallocations was inconsistent with contractual provisions which the parties agreed to when signing the contract to accept State grant funds.

Our examination of IVPA community NRI documentation uncovered multiple reallocations of NRI budgets by the lead agencies and providing partners. Some of these reallocations were with the consent of IVPA, others were not. The IVPA policy, using dollar

thresholds, distinguishes between those reallocations that require IVPA approval with those that do not. However, these thresholds are not delineated in contractual agreements with the lead agencies and community service providers. In some instances IVPA approved the Year 1 reallocations after the end of the contract term for Year 1 of the NRI program. Exhibit 4-6 provides the results of our review of the files for the first two years of NRI.

Lead agencies approved reallocations without requiring the providers to submit supporting documentation for the expenses charged to the NRI grants. Only 30 percent (7 of 23) of lead agencies reported to auditors that supporting documentation was required to be submitted. **IVPA did not require** lead agencies to submit detailed support for the expenses they reported quarterly.

As an example, **Alivio Medical Center** provided SBC services in the Pilsen community for NRI in both years of the program. After the Year 1 fiscal report was closed out, Alivio and Enlace (the lead agency) **both certified the fiscal report as accurate** on December 15, 2011; a budget reallocation was then submitted on March 28, 2012, for that same Year 1 time period. IVPA approved the \$1,684.10 reallocation request on April 12, 2012 - **149 days after the end of the contract term**. The **lead agency**, who is responsible for certifying that the fiscal reports are accurate, **did not sign the reallocation request** to show its approval. The quarterly closeout report was then changed to reflect the new budget numbers. The process followed by IVPA **violates its own policy** which stated that the reallocation request *“must receive IVPA approval prior to spending the grant funds.”*

In another example, on January 10, 2013, Centro Romero submitted a budget reallocation request to the Rogers Park lead agency, Organization of the Northeast, to move \$1,218.38 in NRI funds among line items. Documentation showed the lead agency approved the request **174 days before the request was dated** by Centro Romero.

At a February 14, 2012 south suburbs NRI Advisory Board meeting, the minutes show that there was discussion on IVPA

Exhibit 4-6
REALLOCATION ANALYSIS SUMMARY

- 278 reallocations totaling \$1,054,031 were contained in the community files.
- 70 percent (195 of 278) lacked documentation to show **that IVPA had approved** the reallocation.
- 17 percent (46 of 278) **failed to contain justifications** as to why the reallocations were needed.
- 49 days was the average number of days for IVPA to approve the reallocations that it actually **did approve** for the lead agencies (32 days for provider reallocation requests). The longest approval time for IVPA was 251 days after the request was submitted.
- 75 days was the average number of days for IVPA to approve the reallocations that it actually did approve, **but approved after the end of the contract term date** for lead agencies (104 days for provider reallocation requests after the contract term). The longest approval time for IVPA was 319 days after the end of the contract term.
- 18 percent (38 of 211) of the reallocations **were not approved by the lead agency**. The lead agency was responsible for monitoring the fiscal records of the providing partners.
- 53 percent (148 of 278) of the reallocations were utilized for the quarterly fiscal reporting process in the form of “last approved budget” **without approval from IVPA**.

Source: OAG analysis of IVPA file information.

grants. One Board member stated *“I have several grants with [IVPA]...try and meet with your grant monitor. They [IVPA] will work with you. They don’t want the money to come back. They will tell you how to reallocate funds.”*

There were multiple sources of guidance on reallocations, including:

- Section V of the contract, developed by IVPA, between the lead agencies and subpartners states “No alteration, amendment, modification, variation, addition or deletion of any provision of this contract shall be effective unless it is in writing, **approved by IVPA** and signed by both parties to this Agreement.” (emphasis added) The line item budgets are a part of those contractual agreements.
- Section III - Award of the contract with the subpartners also states that “All requests for line item reallocations shall be submitted in writing and must be approved **in advance** by both the Lead Agency and IVPA.” (emphasis added)
- Section 6 - Modification of Program and Budget of the contract, developed by IVPA, between IVPA and the lead agencies states “Grantee shall not change, modify, revise, alter, amend, or delete any part of the activities it has agreed to conduct...**unless it shall have first obtained the written consent** for such change...from [IVPA].” (emphasis added)
- IVPA Policy on Reallocation of IVPA Grant Funds has as one of its overarching policies that “Reallocations will not be permitted to revise prior quarterly report expenses.” Additionally, in Section D. Reallocation Explanation/Justification, the provider must provide an “explanation of how the activities originally proposed will be executed despite the decrease in one or more budget lines.”

An IVPA official reported that the reallocations were used to make up for “underages and overages” on the fiscal reports. The official also stated that IVPA *“allowed reallocations that hadn’t been approved ahead of time in order to accurately reconcile to agencies’ actual expenses with approved budgets.”* We note, however, that while IVPA approved these reallocations, it did so **without examining the actual expense documentation** reported by the NRI partners. Exhibit 4-7 shows a breakdown by NRI community of the number of reallocations and whether the lead agency required detailed support for expenses claimed on the quarterly report.

Exhibit 4-7 NUMBER OF REALLOCATIONS BY COMMUNITY FOR NRI Years 1 and 2				
Community	# Reallocations by Lead and Provider Agencies	Communities Where Lead Agencies Required Expense Support		
		Yes	No	Unknown
Albany Park	2		✓	
Auburn Gresham	16		✓	
Austin	13		✓	
Brighton Park	20		✓	
Cicero	7	✓		
East Garfield Park	4		✓	
Englewood	9		✓	
Grand Boulevard	2		✓	
Greater Grand Crossing	15		✓	
Humboldt Park	10	✓		
Logan Square	14		✓	
Maywood	10		✓	
North Lawndale	16		✓	
Pilsen-Little Village	15		✓	
Rogers Park	14		✓	
Roseland	13	✓		
South Shore	20	✓		
West Chicago	7	✓		
West Garfield Park	11		✓	
Woodlawn	6			✓
Bremen Township	27	✓		
Rich Township	18	✓		
Thornton Township	9		✓	
Total	278	7	15	1
Note: IVPA cancelled its agreement with the lead for Woodlawn effective February 23, 2012. Auditors contacted the lead's attorney six times to obtain the information but as of February 2014 we have yet to receive a response.				
Source: OAG summary of IVPA information.				

Failing to enforce reallocation approvals violates provisions of contractual agreements between the State and providers of services for NRI. When reallocations are not approved by IVPA or the lead agency it increases the risk that State funds were not expended as intended for the NRI program. Simply allowing providers to make up for “underages and overages” does not force providers to be responsible for the line item budgets that IVPA had previously approved for the agencies.

BUDGET REALLOCATION APPROVALS	
RECOMMENDATION NUMBER 16	<i>ICJIA should follow the contractual provisions detailed in NRI contracts when processing/approving budget reallocations. Further, ICJIA should take the necessary steps to make the guidance for reallocation approvals consistent with contractual provisions.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA will continue to follow its current budget revision practices, which are compliant with this recommendation.

CAPITAL EQUIPMENT

IVPA has not requested any of the equipment purchased with State grant funds for the NRI program from former providers or lead agencies be returned for failure to comply with grant agreements or after the providers left the NRI program.

During our review of the various NRI community files maintained at IVPA we identified instances where lead agencies had left the NRI program. Additionally, there were providing partners that also left the program. Some lead agencies had expended State grant monies on capital equipment according to the quarterly fiscal reports. These expenditures were for equipment such as computers and office furniture. We examined all NRI provider files and found:

- Unlike the agreements between IVPA and the lead agencies, **there is no section** in the agreements between the lead agencies and sub-partners detailing use and possession of equipment.
- There were 242 partners in Years 1 and 2 of NRI.
- 17 percent of the providers (41 of 242) only participated in Year 1 of NRI.
- 37 percent of the providers (89 of 242) left the NRI program after Year 2.

For all providers that participated in NRI but left the program by the end of Year 2, there was a total of \$192,562.30 reported for capital expenditures charged to State grants. Two lead agencies, The Woodlawn Organization in Year 1 and Southwest Youth Collaborative in Year 2, were out of the NRI program by the end of the second year. These two agencies expended \$5,506.71 on capital purchases that should have been recovered by IVPA pursuant to the contract for NRI services.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires resources to be utilized efficiently, effectively, and in compliance with applicable law; and, funds, property, and other assets and resources be safeguarded against waste, loss, unauthorized use, and

misappropriation. Section 9 of the grant agreements between IVPA and the lead agencies details the use and possession of equipment. Section 9 specifically states: “Any and all capital equipment purchased with grant funds shall be used exclusively by the grantee to conduct the agreed upon activities. If at any time during the term of the grant agreement, the grantee ceases to use such capital equipment to perform the agreed upon services, the grantee shall immediately deliver and turn over to the Authority such item or items of capital equipment.”

An IVPA official reported that Section 9 of the lead agency grant agreements (regarding use and possession of equipment) was not included in the subcontract template. The IVPA official further stated that “*We have not requested any of the equipment from former sub grantees or lead agencies be returned.*” Failure to exercise the State’s rights outlined in the grant agreements between IVPA and lead agencies to recover capital equipment puts grant funds at risk of being misused. Failure to include a section in grant agreements between lead agencies and sub-partners covering the use of capital equipment purchased with grant funds reduces State protection in the event a sub-partner leaves the NRI program.

CAPITAL EQUIPMENT	
RECOMMENDATION NUMBER 17	<i>ICJIA should include sections in all grant agreements for NRI, including those between lead agencies and sub-partners, to protect the State against misuse of State funds and should exercise the State’s right to request capital equipment be returned to the State when it is no longer used for its intended purposes.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. For its grants, ICJIA contracts do address capital equipment. These contracts indicate that ICJIA has discretion to allow the grantee to keep the equipment past the end of the grant period if it is going to be used for a purpose consistent with the purpose of the grant. Similar provisions will apply to CVPP.

EXPENSE MONITORING

IVPA delegated responsibility for fiscal monitoring of provider partners to NRI lead agencies. Only 7 of 23 lead agencies required provider partners to submit support for claimed expenses on quarterly reports. Our testing at a sample of NRI agencies found instances of unsupported expenses and unallowable expenses.

During the audit IVPA staff reported that **there was no requirement** for supporting documentation to be submitted by NRI partner agencies to verify the expenses reported on their quarterly reports. In essence, this would result in the reviewer of the quarterly expense report to simply trust the self-reported expense data.

While agencies certified the quarterly reports as accurate, our analysis found many instances of those figures changing even though they had been “reviewed” and certified by the applicable lead agency. There were 121 lead agency, and 233 providing partner, fiscal reports that had been revised.

Seven lead agencies reported to us that they required support for expenses from the providers they oversee. Fifteen lead agencies reported that documentation to support the expenditures was not required. The lead agency for Woodlawn had its contract cancelled by IVPA in February 2012. The Woodlawn attorney did not provide a response to our request for information on several occasions.

We randomly selected 23 NRI providers, went on-site, and reviewed the documentation to support the expenses charged to the NRI program for the applicable time the provider was in the program. We found:

- The total expenses reported on the closeout reports for the 23 providers were \$4,398,464.
- Our review indicated that **40 percent of the expenses (\$1,771,522)** were either not supported by detailed backup documentation or appeared to be unallowable based on IVPA expense criteria. Exhibit 4-8 summarizes the expense testing we performed at the agencies.
- We were only able to test 21 of the 23 agencies as Southwest Youth Collaborative and MAGIC both went out of business. MAGIC closed sometime after it left the NRI program after Year 1. We saw no documentation to show IVPA collected the unexpended funds from this provider nor did IVPA examine any support for the expenses self-reported by MAGIC. The lead agency that oversaw MAGIC, the Woodlawn Organization, also closed its doors. Southwest Youth Collaborative closed its doors in February 2013. IVPA had no contact information for MAGIC. ICJIA was still attempting to recover funds from Southwest Youth Collaborative as of November 1, 2013. Thus, without access to these records, we are unable to verify the appropriateness of \$673,674 in State funds provided to these two providers.
- In many cases the supporting documentation supplied to auditors by the providers (payroll ledgers or receipts and invoices) did not total to the amounts included on the closeout reports. In other instances there were expenses that were not allowable based on criteria for the program developed by IVPA. Specific expenses questioned included:
 - Christian Love MB Church spent \$75,203 as a PLAN coordinating agency in Year 1 of NRI in East Garfield Park. When we went on-site the provider had no documentation to support any of the expenditures or any payroll documentation to support wages paid. A provider official certified to auditors the lack of documentation. The provider only had activity sheets for the parent activities.
 - Healthcare Consortium of Illinois, the lead agency in Thornton Township, paid \$1,000 on April 21, 2011, for a golf outing in Glenwood, Illinois put on by Victory Christian International Ministries. We could not find evidence as to how this related to NRI activities. Healthcare Consortium also charged \$289 in gratuities to NRI funds, an expense that is non-allowable per IVPA guidelines.
 - Youth Guidance, a SBC provider in five communities, made three payments totaling \$2,938 from NRI funding on October 31, 2012, the last day of Year 2 of the program.

Youth Guidance was not brought back for Year 3 due to the cancellation of SBC as a program component. Payment specifics are below:

- \$680 was spent for three ponies and for a petting zoo at an event to be held November 17, 2012, **17 days after the end of the program.**
- \$700 was spent on program materials the last day of the program even though the provider knew the SBC component was not going forward in Year 3.
- \$1,558 was spent for the “purchase of training materials for continuity and sustainability of NRI interventions.” The quote for these purchases was not issued to Youth Guidance until 4:07 pm on October, 31, 2012, with emails showing the discussion of this purchase occurring in the morning of the same day.
- Chicago Youth Centers, a Reentry provider in Grand Boulevard, paid \$812 for video games (for example, Madden NFL 12, Just Dance 3, etc.) and accessories in June 2012. Video games were not detailed in the budgets submitted by Chicago Youth Centers in either of the first two years of NRI.
- Organization of the Northeast, a M+J provider in Year 1 of NRI, had \$3,754 paid in reimbursements that lacked approval signatures and dates as required on the provider’s internal purchase form. Absent this approval auditors could not determine if the expenses were authorized by provider management.
- Mt. Vernon Baptist Church, the lead agency in East Garfield Park, paid \$1,582 to a reverend on February 24, 2012. The only support was a cancelled check with “2011 Taxes-for 1099 NRI” on the memo line. The reverend does not appear in the contract, payroll, personnel detail or closeout reports. Mt. Vernon also paid one of its subcontractors (People’s Development) \$11,160 on December 3, 2012, over a month after the end of Year 2, with the only support being a cancelled check with “NRI Balance” in the memo column.
- South Shore Chamber, a PLAN provider in Years 1 and 2, had a \$260 payment from the Executive Director’s personal checking account made out to Rainbow Push on July 18, 2011. The memo line states the payment is for “Breakfast 7/23/11” and the State NRI monies are charged for the expense.
- Better Boys Foundation charged \$171.18 as a lead agency to the NRI program for a portion of its unpaid back taxes and interest from 2008, when the NRI program did not begin until October 2010. The payment was made in July 2012.

Auditors first questioned the practice of not requiring support for expenses in August 2012. IVPA then decided, in October 2012, to have NRI agencies submit expense support for the last quarter of Year 2 of the program.

Technical Assistance Subcontractors

In late November and mid-December 2012, the head of the technical assistance program (ILAACP) emailed subcontractors informing them that IVPA was requiring subcontractors to provide supporting documentation for expenses for the period July 1, 2012, through October 31, 2012. Our review of files at ILAACP found that subcontractors complied with the request. However, there were problems with the support.

- Lurie Children’s Hospital of Chicago signed a contract for the period totaling \$72,371 that contained a clause stating the contractor “agrees to expend all funds within the terms”

of the agreement. The fiscal report for the period showed that the subcontractor expended all of the funds. The scope of work section in the contract largely only listed hours and hourly rates for specific staff at \$100 per hour. Supporting documentation submitted by the subcontractor included a ledger with a payroll code. However, there were no timesheets to allow a reviewer make the determination if the subcontractor complied with the hourly rate stated in the contract. The support also included multiple documents related to refreshments and travel by staff. These types of expenditures were not detailed in the contract. Additionally, many of the travel expenses were for a period prior to the contract start date of July 1, 2012.

- MEE Productions signed a contract for the period totaling \$142,864 that contained a clause stating the contractor “agrees to expend all funds within the terms” of the agreement and in conjunction with the budget. The fiscal report for the period showed that the subcontractor expended all of the funds. The budget presented in the contract listed only personnel costs, with an hourly rate between \$25 and \$115 per hour, and 35 percent overhead rate for costs in Philadelphia (where the subcontractor was based). Supporting documentation submitted by the subcontractor included a payroll register. However, the register does not show how the hourly rate in the contract tied to the payments to the individuals in the payroll register or how many hours the staff worked. There were no timesheets showing when the staff specifically worked on the program paid from State grant dollars.
- The ILAACP Director stated that the supporting documentation requested by IVPA was forwarded to IVPA but that IVPA did not communicate any need to gather additional documentation from the two subcontractors or did not request ILAACP to collect any funds for unsupported expenses. Absent timesheets, auditors cannot understand how IVPA could have called the expenses adequately documented.

Exhibit 4-8 SUMMARY OF EXPENSE SITE TESTING Years 1 and 2				
Provider	Community	Closeout Total Expenses	Questioned Expenses	Percent Questioned
Southwest Youth Collaborative	West Chicago	\$376,335	\$376,336	100%
Mt. Vernon Baptist Church	East Garfield Park	\$403,153	\$183,882	46%
Healthcare Consortium of IL	Thornton Township	\$338,985	\$125,822	37%
Better Boys Foundation	North Lawndale	\$388,803	\$177,695	46%
Grand Prairie Services	Bremen Township	\$367,692	\$237,399	65%
Organization of the Northeast	Rogers Park	\$247,974	\$45,728	18%
MAGIC	Woodlawn	\$297,338	\$297,338	100%
Instituto del Progreso Latino	Pilsen-Little Village	\$411,404	\$56,233	14%
Southland Hispanic Leadership	Rich Township	\$18,922	\$1,810	10%
Totally Positive Productions	Englewood	\$9,435	\$4,468	47%
Youth Crossroads	Cicero	\$39,394	\$6	0%
South Shore Chamber	South Shore	\$193,535	\$46,393	24%
Christian Love MB Church	East Garfield Park	\$75,203	\$75,203	100%
The Network Room	Rich Township	\$32,345	\$4,025	12%
Neighborscapes	Bremen Township	\$8,975	\$3,098	35%
Cicero Area Project	Cicero	\$8,000	\$0	0%
Kids Off the Block	Roseland	\$7,850	\$3,955	50%
Chicago Youth Centers	Grand Boulevard	\$178,641	\$926	1%
Black United Fund of IL	South Shore	\$221,195	\$68,549	31%
Howard Area Community Center	Rogers Park	\$186,372	\$6,459	3%
Youth Guidance	West Chicago	\$131,484	\$2,572	2%
Bremen Youth Services	Bremen Township	\$17,337	\$1,270	7%
Amani Trinity United Health	South Shore	\$438,090	\$52,355	12%
Total		\$4,398,462	\$1,771,522	40%
Note: Mt. Vernon Baptist Church did not have support for an additional \$14,646 in payments to one subpartner. Southwest Youth Collaborative had no support for an additional \$128,936 in payments to subpartners.				
Note: Southwest Youth Collaborative and MAGIC both went out of business which did not allow us to go on-site to test expenses for these providers.				
Source: OAG developed from site analysis.				

The contracts **between IVP and the lead agencies** do not contain a requirement that the lead agency monitor the providers for expense verification. Section I of the contracts between the lead agencies and providing partners does outline services to be provided by the lead

agencies. Specifically, the lead agency will enter into, manage, and monitor all subcontracts with specified provider partner agencies, including maintaining a system for partner agencies to report fiscal and program activities pursuant to the terms of the subcontract.

An IVPA official said that when lead agencies were oriented to the program, IVPA encouraged the lead agencies to get the fiscal back-up from the community partners and spot check. She mentioned that lead agencies are required to review the program reports.

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

EXPENSE MONITORING	
RECOMMENDATION NUMBER 18	<i>ICJIA should develop procedures for its own review of expense support for NRI activities as well as procedures for lead agencies to utilize in monitoring expenses for NRI.</i>
ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE	<p>ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that it has such policies in place for all of its grants and is in the process of refining those for CVPP after its first year of experience with the program. While it is not feasible for ICJIA or the lead agencies to require the submission of all supporting documentation for all expenditures, ICJIA will be requiring site visits by the lead agencies to the individual providers, and for the lead agency to examine, on a test basis, a reported expenditure and to examine supporting documentation for the expenditures, and to provide ICJIA with documentation that the procedure has been followed.</p> <div style="border: 2px solid black; padding: 10px; margin-top: 10px;"> <p><i>Auditor Comment #10</i></p> <p><i>Contrary to our recommendation, ICJIA’s response indicates that its planned action will be to <u>continue to delegate its expenditure monitoring responsibilities to lead agencies</u>, with ICJIA only receiving documentation that lead agencies are following established procedures. Our recommendation calls for ICJIA to become more proactive in its oversight of the expenditure of State funds by developing “<u>procedures for its own review of expense support for NRI activities . . .</u>” [emphasis added], in addition to improving lead agencies’ expense review procedures. During the audit period, IVPA delegated expenditure review responsibility to the lead agencies. Based</i></p> </div>

Response (continued)	<i>on site visits conducted by OAG auditors, which found insufficient supporting documentation for 40 percent of expenditures incurred by 23 provider agencies, auditors concluded that ICJIA needed to significantly improve its oversight of expenditures. Clearly, relying solely on lead agencies to review NRI expenses has not been an effective control.</i>
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RECOVERY OF UNSPENT GRANT FUNDS

IVPA utilized a process for recovering unspent grant funds that has failed to timely recover unspent NRI funds for the State. IVPA allowed unspent grant funds from Year 1 of NRI to be carried over for provider use in Year 2 of the program.

We analyzed how timely IVPA was in collecting the unspent grant funds for Year 2 of NRI in compliance with contractual provisions. We found:

- Our analysis of unspent funds by **providing partners** totaled **\$8.3 million** for the first two years of NRI (\$5.2 million in Year 1 and \$3.1 million for Year 2).
 - 82 percent of the providers in Year 1 did not expend all of their NRI funds.
 - 77 percent of the providers in Year 2 did not expend all of their NRI funds. Exhibit 4-9 shows the number of providers that had varying levels of unspent funds during the first two years of NRI.

Exhibit 4-9 PROVIDER NRI UNSPENT FUNDS ANALYSIS Years 1 and 2				
Category	# Providers Year 1	% Total Year 1	# Providers Year 2	% Total Year 2
Providers with Unspent Funds 0%	37	18.23	40	23.26
Providers with Unspent Funds <1%	9	4.43	11	6.40
Providers with Unspent Funds 1-25%	75	36.95	97	56.40
Providers with Unspent Funds 26-50%	67	33.00	21	12.21
Providers with Unspent Funds 51-75%	11	5.42	3	1.74
Providers with Unspent Funds 76-100%	4	1.97	0	0.00
Total	203	100.00	172	100.00

Source: OAG developed from IVPA information.

- For Year 2, the analysis of IVPA files showed that some providers and lead agencies **did repay** unspent funds. Documentation provided by IVPA to auditors during the course of the audit showed the **collection of very little** NRI funds.
 - Our analysis showed **50 agencies**, both lead agencies and providing partners, which had unspent funds that needed to be repaid pursuant to contractual provisions.

- These 50 agencies had over **\$2 million** in unspent funds for NRI in Year 2 which IVPA did not provide documentation to show it had collected, as of mid-January 2014. Appendix E lists the agencies and unspent fund amounts that were reported on the closeout reports for Year 2 of NRI.

Timely analysis of unspent funds by IVPA was lacking during the audit period. For example:

- Westside Association for Community Action (Westside) conducted Reentry services for Better Boys Foundation (BBF) in North Lawndale. In Year 1, BBF determined Westside did not spend \$11,407 from Year 1 funds for NRI. IVPA instructed BBF to either deduct the amount of unspent funds from Year 2 payments to Westside or have Westside return the funds to BBF. This instruction was on September 10, 2012, **one and one-half months prior to the end of Year 2** of NRI.
- In another example, the disposition of unspent funds report for Maywood for Year 1 of NRI was finalized in a correspondence dated September 12, 2012. This was **11 months after** the end of Year 1 **and 1 month before** the end of Year 2 of NRI. IVPA policy to allow for unspent funds to be deducted from Year 2 payments to the lead agencies would appear to be unproductive when the unspent fund analysis is not completed until after all State payments were made. In the case of Maywood, the last Year 2 payment was vouchered June 22, 2012.
- In November 2012, an official with the lead agency in Thornton Township reported to auditors that IVPA doesn't have **any formal policies/procedures or instructions in place to aid lead agencies with recouping unspent/misspent/owed funds for NRI**. The official reported that they had been seeking assistance since 2011 on the issue and finally had to turn to the legal department at the Department of Public Health (DPH).
- At least one lead agency appeared more interested in recovering unspent funds than IVPA. The Village of Maywood informed a community partner (Vision of Restoration) regarding its unspent funds from Year 1 that *“No payments will be made on your Year Two subcontract until the full refund has been received.”* We saw no such ultimatum presented by IVPA in recovery attempts.

Based on contractual provisions, Year 2 of NRI ended October 31, 2012. Unspent funds were to then be submitted to the State by December 15, 2012. Auditors were still receiving Year 2 closeout reports in September 2013 making recovery based on the 45 days **impossible**.

Section 3, Grant Award, of the contracts with the lead agencies for Year 2 of NRI states that “All funds not expended by the end of Year One (October 15, 2011) in accordance with the budget...will be applied to the extended grant period...Pursuant to Section 4, all funds not expended by the end of the term of this grant amendment, must be returned to the Authority **within 45 days after the end of the term** of the grant amendment.” (emphasis added) Additionally, contracts (Section IV Term (B)) between lead agencies and providing partners detail that “All funds not expended by the end of the grant period are to be returned to the Lead Agency within thirty (30) days of the end of the grant period, unless the parties have agreed in writing to do otherwise.” Lead agency contracts state that the grant agreement is subject to the Illinois Grant Funds Recovery Act (30 ILCS 705/1 et.seq.).

Lead agencies were notified by IVPA, as late as January 2013, three months after the end of Year 2, that it had determined that it was the lead agency’s responsibility to recover unspent funds from partner agencies. IVPA also stated that *“If the Lead Agency fails to take all appropriate actions in a timely manner, IVPA may be left with no choice but to take recovery actions against the Lead Agency. If the Lead Agency takes timely and appropriate legal action but is unable to recover the funds, then IVPA may waive the debt, provided that the lead agency is clearly not at fault.”*

Failure to recover unspent grant funds in a timely manner is a violation of the contractual agreements for the NRI program. Additionally, failure to collect these unspent funds does not allow the State to utilize the funds for other purposes.

RECOVERY OF UNSPENT GRANT FUNDS	
<p>RECOMMENDATION NUMBER</p> <p>19</p>	<p><i>ICJIA should enforce contractual provisions relative to collection of unspent grant funds for the NRI program to ensure all unspent funds are returned to the State in a timely manner. Also, ICJIA should reconsider any NRI policy which allows rollover of unspent funds from a year to a subsequent year for NRI activities.</i></p>
<p>ILLINOIS CRIMINAL JUSTICE INFORMATION AUTHORITY RESPONSE</p>	<p>ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes the recommendations are consistent with its normal grant practices. ICJIA notes that it is actively pursuing collection activities for unspent, unreturned NRI funds including use of Grant Fund Recovery Act proceedings where appropriate.</p> <div style="border: 2px solid black; padding: 10px; margin-top: 10px;"> <p><i>Auditor Comment #11</i></p> <p><i>The audit report acknowledges ICJIA’s recovery efforts. However, 22 of the 50 providers (as detailed in Appendix E) that owed unspent funds back to the State (totaling \$1.2 million) at the end of Year 2 were still in the Program during Year 3. It is concerning that these amounts would still be uncollected as of January 15, 2014, 396 days after they were due based on contractual agreements and the Grant Funds Recovery Act.</i></p> </div>

APPENDICES

APPENDIX A
HOUSE OF REPRESENTATIVES RESOLUTION
1110

STATE OF ILLINOIS
HOUSE OF REPRESENTATIVES
97TH GENERAL ASSEMBLY

HOUSE RESOLUTION NO. 1110

OFFERED BY REPRESENTATIVES DAVID REIS-JOHN D. CAVALETTO-DWIGHT KAY-PAUL EVANS-JIM SACIA, BILL MITCHELL, ADAM BROWN, WAYNE ROSENTHAL, THOMAS MORRISON, JIM WATSON, PAM ROTH, MICHAEL G. CONNELLY AND JERRY L. MITCHELL

WHEREAS, The Neighborhood Recovery Initiative is a program under the Illinois Violence Prevention Authority; and

WHEREAS, In October 2010, the Governor launched the Neighborhood Recovery Initiative; and

WHEREAS, The Neighborhood Recovery Initiative, the Illinois Violence Prevention Authority, or both have received at least \$93 million in State funding from the General Revenue Fund in FY11 and at least \$53.1 million in State funding so far in FY12; and

WHEREAS, In administering that initiative, the Authority is to work closely with its local government officials; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SEVENTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General is directed to conduct a performance audit of the State moneys provided by or through the Illinois Violence Prevention Authority to the Neighborhood Recovery Initiative under contracts or grant agreements in Fiscal Year 2011 and in Fiscal Year 2012; and be it further

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


- (1) the purposes for which State moneys were provided to the Authority for the Neighborhood Recovery Initiative;
- (2) the relationship between the Safety Net Works program and the Initiative;
- (3) the nature and extent of monitoring by the Illinois Violence Prevention Authority of how the Initiative used the State-provided moneys and whether certain residential communities of similar crime rates were excluded;
- (4) the actual use of State moneys by the Authority, including the identity of any sub-recipients and the amounts and purposes for employment;
- (5) the number of positions paid through the Initiative by organizational unit, job title, function, and salary and whether employees completed and filled out appropriate timesheets;
- (6) the number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position;
- (7) whether, through a review of available documentation, the Initiative has met or is meeting the purposes for which the State moneys were provided, with specific information concerning the Initiative staffing levels, hiring procedures, and its compensation of employees; and
- (8) whether the Initiative is in compliance with the applicable laws, regulations, contracts, and grant agreements pertaining to the Initiative's receipt of State moneys; and be it further

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

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

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

Adopted by the House of Representatives on May 31, 2012.


TIMOTHY D. MAPES
CLERK OF THE HOUSE




MICHAEL J. MADIGAN
SPEAKER OF THE HOUSE

APPENDIX B
AUDIT METHODOLOGY

Appendix B

AUDIT METHODOLOGY

This audit was conducted in accordance with generally accepted government auditing standards and the audit standards promulgated by the Office of the Auditor General at 74 Ill. Adm. Code 420.310. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The audit objectives for this audit were those as delineated in House Resolution Number 1110, which directed the Auditor General to conduct a performance audit of the State moneys provided by or through IVPA to NRI under contracts or grant agreements in Fiscal Year 2011 and in Fiscal Year 2012. The majority of fieldwork for the audit was completed between February 2013 and September 2013.

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

During the audit, we interviewed staff from IVPA that provided oversight to NRI and SNW. Additionally, we interviewed staff from the Governor's Office, and the Departments of Human Services and Commerce and Economic Opportunity. We interviewed evaluators from the University of Illinois at Chicago and reviewed evaluation reports of NRI developed by the individuals. We also interviewed staff from the Illinois Criminal Justice Information Authority who became responsible for NRI in Year 3.

We examined all documentation maintained by IVPA for the 23 communities that participated in NRI. This included lead agencies and coordinating and providing partners. The information is summarized and detailed in the following chapters of this report.

We reached out to lead agencies in all 23 communities to provide information relevant to the audit. All 23 communities responded to our inquiry. Additionally, we reached out to the coordinating and providing partners for audit information. All of the agencies responded to our inquiry. We reached out to all IVPA Board members to provide their views on NRI. We sent out 21 requests to Board members; we conducted eight interviews based on our request.

We selected a random sample of 23 agencies that provided NRI services during the first two years of the program and went on-site to determine whether documentation existed to support expenditures charged to State grants, as well as whether other contractual deliverables were maintained.

House Resolution Number 1110 asked us to determine the number of positions supervised or managed by each management position and whether any of those employees are supervised or managed by more than one management position. During the audit we examined the community files which contained all provider documentation and did not find documentation that would allow us to answer the determination. During site work at provider agencies we attempted to gather information to answer the determination. However, the starting point, organizational charts, was problematic. We randomly selected 23 providers to conduct site work. Two agencies had gone out of business and we were unable to gather documentation from those providers. Only 8 of the remaining 21 providers (38 percent) were able to provide auditors with an organizational chart. Only 3 of 8 charts showed the NRI program as an organizational component.

Site Work Selection Methodology

Agencies' expenses reported for both years of NRI were examined by auditors. Due to the M+J and PLAN components having a number of agencies providing services under small dollar grants, we split those components into two categories – coordinating partners with large dollar grants and providing partners that may have small dollar grants. Reentry and SBC grants are generally very close in dollar value for an agency, whether coordinating or providing partner, so those were considered as one category for selection purposes. The breakdown of agencies selected is:

- 5 lead agencies;
- 3 agencies that are coordinating partners for M+J component;
- 3 agencies that are providing partners for M+J component;
- 3 agencies that are coordinating partners for PLAN component;
- 3 agencies that are providing partners for PLAN component;
- 3 agencies that provide services for the Reentry component; and,
- 3 agencies that provide services for the SBC component.

We utilized the Summary of Lead Agencies and Subpartners for NRI to provide the universe of NRI agencies in both years of the program. Using Appendix B of the survey audit plan, we identified which agencies were coordinating partners and which were providing partners of NRI services. A listing of random numbers was generated and selections were made to fill the categories listed above.

APPENDIX C

NEIGHBORHOOD RECOVERY INITIATIVE

RECIPIENTS OF STATE GRANT FUNDS

**COMMUNITY LEAD AGENCIES,
COORDINATING PARTNERS, AND PROVIDING
PARTNERS**

YEARS 1 & 2

Appendix C
RECIPIENTS OF STATE NRI FUNDS
Years 1 & 2

L: Lead; M+J: Mentoring Plus Jobs; PLAN: Parent Leadership
R: Reentry; SBC: School-Based Counseling
Green indicates Coordinating Partner, Red indicates Providing Partner

Community	Agency	Component	Payments
Albany Park	Albany Park Community Center	L	\$387,423.39
	Albany Park Neighborhood Council	M+J	\$759,998.00
	Our Lady of Mercy	M+J	\$19,999.00
	Jesus House of Chicago	M+J	\$19,999.00
	Family Focus Nuestra Familia	PLAN	\$199,999.00
	Community Human Services	R	\$212,468.00
	Youth Outreach Services	R	\$86,277.00
	Alternatives	SBC	\$98,600.00
	Albany Park Community Center	SBC	\$243,136.00
	Albany Park Community Total		
Auburn Gresham	St. Sabina Church	L	\$440,059.48
	Changing Life Education Initiative	M+J	\$20,000.00
	St. Sabina Church	M+J	\$780,000.00
	A Knock at Midnight	PLAN	\$196,000.00
	GRAND Families Program of Chicago	PLAN	\$4,000.00
	Target Area Development Corp	R	\$249,900.69
	UCAN	SBC	\$185,035.26
	WES Health Systems	SBC	\$145,802.58
	Auburn Gresham Community Total		
Austin	Circle Family Healthcare Network	L	\$556,232.08
	Kingdom Community	M+J	\$780,000.00
	African American Mentoring Group	M+J	\$16,666.63
	Westside Health Authority	PLAN	\$132,000.00
	Learning Network Center	PLAN	\$4,000.00
	Living Word Christian Center Prison Ministry	R	\$147,686.81
	Campaign for a Drug Free Westside	R	\$109,277.07
	Circle Family Healthcare Network	SBC	\$378,125.00
	Austin Community Total		
Brighton Park	Pilsen Wellness Center	L	\$390,914.84
	SGA Youth and Family Services	M+J	\$789,999.99
	Our Lady of Fatima Church	M+J	\$9,999.99
	Brighton Park Neighborhood Council	PLAN	\$191,250.00
	Instituto Jose Maria de Yermo	PLAN	\$7,975.00
	BUILD	R	\$225,843.00
	WES Health Systems	R	\$118,619.01
	Brighton Park Neighborhood Council	SBC	\$144,447.99
	Youth Guidance	SBC	\$108,715.01
	WES Health Systems	SBC	\$113,117.01
Brighton Park Community Total			\$2,100,881.84
Cicero	Corazon Community Services	L	\$232,915.31

	Catholic Charities of the Archdiocese of Chicago	M+J	\$760,000.01
	Youth Crossroads	M+J	\$39,999.98
	Family Focus	PLAN	\$192,000.00
	Cicero Area Project	PLAN	\$8,000.00
	Corazon Community Services	R	\$343,990.00
	Family Services and Mental Health Center of Cicero	SBC	\$246,381.43
	Youth Crossroads, Inc.	SBC	\$176,684.77
	Cicero Community Total		\$1,999,971.50
East Garfield Park	Mt. Vernon Baptist Church	L	\$410,203.66
	New Baptist Ministers Fellowship	M+J	\$760,000.10
	New Life Knew Solutions	M+J	\$35,300.02
	Christian Love M.B. Church	PLAN	\$96,000.00
	Priscy's Production Outreach Program	PLAN	\$3,999.96
	People's Community Development Corporation	R	\$251,678.27
	Mt. Vernon Baptist Church	R	\$103,825.00
	WES Health Systems	SBC	\$236,789.98
	UCAN	SBC	\$153,161.85
	People's Community Development Corporation	PLAN	\$96,000.00
	New Baptist Ministers Fellowship	PLAN	\$6,000.00
	East Garfield Park Community Total		\$2,152,958.84
Englewood	Children's Home & Aid Society of IL	L	\$283,745.26
	Changing Life Education Initiative	M+J	\$769,067.00
	K.L.E.O. Community Family Life Center	M+J	\$20,000.00
	Totally Positive Productions	M+J	\$10,000.00
	The Sky is the Limit Recovery Facilities	M+J	\$3,333.00
	Christ Center of Truth	PLAN	\$96,000.00
	Antioch Community Social Services	PLAN	\$8,000.00
	Teamwork Englewood	R	\$234,127.00
	Access Community Health Network	R	\$117,744.53
	Children's Home & Aid Society of IL	SBC	\$469,779.00
	A Knock at Midnight	PLAN	\$96,000.00
	Englewood Community Total		\$2,107,795.79
Grand Boulevard	Chicago Area Project	L	\$477,492.52
	Bright Star Community Outreach	M+J	\$19,999.99
	Changing Life Education Initiative	M+J	\$19,999.99
	Chicago Area Project	M+J	\$760,000.00
	Centers for New Horizons	PLAN	\$100,000.00
	Chicago Youth Centers/Elliott Donnelley	R	\$116,280.00
	Greater Harvest Missionary Baptist Church	R	\$108,623.99
	Institute for Positive Living	SBC	\$180,449.10
	Passages Alternative Living Programs	SBC	\$224,012.09
	Center for Social Adjustment/Reentry	R	\$28,533.00
	Grand Boulevard Community Total		\$2,035,390.68
Greater Grand Crossing	Greater Auburn Gresham Development	L	\$329,758.64

	Corp		
	Alliance for Community Peace	M+J	\$760,000.00
	South Central Community Services	M+J	\$21,255.00
	Exodus Unlimited	M+J	\$21,250.00
	Revere C.A.R.E.	PLAN	\$8,000.00
	Greater Auburn Gresham Development Corp	PLAN	\$192,000.00
	Lakeside Community Committee	R	\$314,427.87
	Safer Foundation	R	\$41,100.00
	Gilead Behavioral Health	SBC	\$278,361.60
	Beatrice Caffrey Youth Services	SBC	\$56,849.33
	Unity Parenting and Counseling	SBC	\$103,706.98
	Greater Grand Crossing Community Total		\$2,126,709.42
Humboldt Park	Chicago Commons	L	\$218,737.55
	Chicago Youth Centers	M+J	\$20,000.00
	Erie Neighborhood House	M+J	\$20,000.00
	Puerto Rican Cultural Center	M+J	\$20,000.00
	Chicago Commons	M+J	\$738,000.00
	BUILD	PLAN	\$96,000.00
	Blocks Together	PLAN	\$99,000.00
	West Humboldt Park Development Council	PLAN	\$6,000.00
	Association House	R	\$201,533.01
	Latino Cultural Exchange Coalition	R	\$83,540.97
	New Life Knew Solutions	R	\$75,444.01
	Youth Guidance	SBC	\$164,693.01
	Youth Service Project	SBC	\$117,958.01
	Community Counseling Centers of Chicago	SBC	\$123,823.01
	Humboldt Park Community Total		\$1,984,729.57
Logan Square	Alliance of Local Service Organizations	L	\$247,112.48
	BUILD	M+J	\$760,000.00
	Voice of the City	M+J	\$20,000.00
	La Capilla del Barrio	M+J	\$16,666.00
	Logan Square Neighborhood Association	PLAN	\$200,000.00
	Healthcare Alternatives Systems	R	\$267,562.95
	New Saints of Humboldt Park	R	\$125,620.00
	Youth Guidance	SBC	\$191,735.07
	Association House	SBC	\$100,517.64
	Community Counseling Centers of Chicago	SBC	\$115,101.84
	Logan Square Community Total		\$2,044,315.98
Maywood	Village of Maywood	L	\$501,257.35
	Vision of Restoration	M+J	\$20,000.01
	Maywood Youth Mentoring	M+J	\$19,999.99
	Village of Maywood	M+J	\$506,666.67
	Proviso Leyden Council for Community Action	PLAN	\$188,000.00
	Operation Safe Child	PLAN	\$6,000.00

	The Answer	PLAN	\$6,000.00
	Vision of Restoration	R	\$255,724.99
	Proviso Leyden Council for Community Action	R	\$117,715.31
	Mt. Carmel Parish Community Center	SBC	\$411,199.53
	Maywood Community Total		\$2,032,563.85
North Lawndale	Better Boys Foundation	L	\$678,249.83
	Sinai Community Institute	M+J	\$619,053.68
	AMACHI Mentoring Program	M+J	\$15,480.00
	Young Men's Educational Network	M+J	\$4,000.00
	Lawndale Christian Legal Center	M+J	\$12,980.00
	St. Agatha Family Empowerment	M+J	\$12,980.00
	Healthy Families Chicago	PLAN	\$150,000.00
	Sinai Community Institute	R	\$189,516.85
	Lawndale Christian Legal Center	R	\$72,813.25
	Westside Association Community Action	R	\$24,375.25
	Youth Guidance	SBC	\$322,016.37
	North Lawndale Community Total		\$2,101,465.23
Pilsen-Little Village	Enlace Chicago	L	\$228,897.97
	Instituto del Progreso Latino	M+J	\$760,000.03
	Latinos Progresandro	M+J	\$20,000.00
	Boys & Girls Club of Chicago/General Wood Unit	M+J	\$20,000.00
	Telpochcalli Community Education Project	PLAN	\$8,000.00
	Enlace Chicago	PLAN	\$192,000.00
	New Life Centers of Chicagoland	R	\$250,998.01
	YMCA of Metro Chicago/Street Intervention Program	R	\$131,366.00
	Alivio Medical Center	SBC	\$266,368.01
	Project VIDA	SBC	\$129,382.18
	Pilsen-Little Village Community Total		\$2,007,012.20
Rogers Park	Organization of the Northeast	L	\$204,096.40
	Howard Area Community Center	M+J	\$9,999.99
	Housing Opportunities for Women	M+J	\$9,999.99
	Organization of the Northeast	M+J	\$380,000.00
	A Safe Haven	M+J	\$379,999.99
	United Church of Rogers Park	M+J	\$9,999.99
	New Beginnings North Shore Congregation	M+J	\$9,999.99
	Good News Partners	PLAN	\$96,000.00
	Housing Opportunities for Women	PLAN	\$4,000.00
	Howard Area Community Center	R	\$220,476.97
	A Safe Haven	R	\$123,899.31
	Alternatives	SBC	\$232,580.52
	Community Counseling Centers of Chicago	SBC	\$187,103.48
	Centro Romero	PLAN	\$96,000.00
	A Work of Faith Ministries	PLAN	\$4,000.00

	Rogers Park Community Total		\$1,968,156.63
Roseland	Community Assistance Programs	L	\$291,505.38
	The Youth Peace Center	M+J	\$37,822.35
	Community Assistance Programs	M+J	\$764,177.00
	Developing Communities Projects	PLAN	\$192,000.00
	Kids Off the Block	PLAN	\$8,000.00
	Lights of Zion Ministries	R	\$259,900.59
	Roseland Cease Fire	R	\$144,895.35
	SGA Youth and Family Services	SBC	\$347,138.48
	Roseland Community Total		\$2,045,439.15
South Shore	Black United Fund of IL	L	\$309,846.53
	Coalition for Improved Education in South Shore	M+J	\$385,000.00
	ABJ Community Services	M+J	\$394,333.32
	Impact Ministries	M+J	\$9,999.99
	South Shore Planning & Preservation	M+J	\$9,999.99
	South Shore Chamber	Plan	\$198,000.00
	Serving At Risk Families	Plan	\$2,000.00
	Black United Fund of IL	R	\$181,942.85
	A Safe Haven Foundation	R	\$109,571.56
	Amani Trinity United Health Corporation	SBC	\$451,806.61
	South Shore Community Total		\$2,052,500.85
West Chicago	Southwest Youth Collaborative	L	\$211,181.17
	St. Gall Parish	M+J	\$9,999.99
	Southwest Youth Collaborative	M+J	\$765,000.00
	YMCA of Metro Chicago	M+J	\$3,333.33
	Arab American Action Network	M+J	\$15,000.00
	Latino Organization of the Southwest	Plan	\$96,518.00
	St. Gall Parish	Plan	\$2,000.00
	The Sky is the Limit Recovery Facilities	R	\$175,383.33
	Agape	R	\$65,424.99
	Metropolitan Family Services	SBC	\$270,786.17
	Youth Guidance	SBC	\$121,694.71
	Santa Teresa De Avila Episcopal Church	PLAN	\$100,000.00
	Healthcare Alternative Systems	R	\$83,333.33
	West Chicago Community Total		\$1,919,655.02
West Garfield Park	Chicago Area Project	L	\$414,268.16
	Better Life for Youth	M+J	\$19,998.99
	Fathers Who Care	M+J	\$19,999.65
	Dream Catchers	M+J	\$3,333.33
	Chicago Area Project	M+J	\$750,000.00
	New Mt. Pilgrim M.B. Church	PLAN	\$192,000.00
	Community Counseling Centers of Chicago	PLAN	\$0.00
	Illinois One Family, One Child	R	\$164,215.25
	TASC	R	\$81,750.67
	Primo Center for Women and Children	SBC	\$418,312.00
	Introspect Youth Services, Inc.	SBC	\$58,600.00
	West Garfield Park Community Total		\$2,122,478.05

Woodlawn	The Woodlawn Organization	L	\$783,183.33
	Metropolitan Area Group for Igniting Civilization	M+J	\$260,000.00
	Kamp Around Kids	M+J	\$6,666.67
	Sunshine Gospel Ministries	PLAN	\$148,000.00
	Hyde Park Career Academy	PLAN	\$0
	Woodlawn Preservation & Investment Corporation	R	\$82,100.00
	The Woodlawn Organization	R	\$65,425.00
	Diversity Behavioral Comprehensive Care Organization	SBC	\$75,625.00
	WES Health Systems	SBC	\$240,627.00
	Woodlawn Community Total		\$1,661,627.00
Bremen Township	Grand Prairie Services	L	\$610,651.76
	Bremen Youth Services	M+J	\$378,400.00
	South Suburban Disproportionate Minority Contract	M+J	\$22,300.00
	Youth Adult Preparatory School	M+J	\$22,300.00
	Bremen Youth Services	PLAN	\$65,568.00
	Neighborscapes	PLAN	\$12,576.00
	Victory Christian Assembly	R	\$93,867.08
	International Pentecostal Assembly Ecumenical	R	\$41,065.35
	TASC	R	\$41,182.36
	The Network Room	SBC	\$77,376.00
	Bremen Youth Services	SBC	\$18,700.00
	Grand Prairie Services	SBC	\$69,653.00
	Bremen Township Community Total		\$1,453,639.55
Rich Township	Southland Health Care Forum	L	\$453,436.02
	Rich Township	M+J	\$308,000.00
	Southland Hispanic Leadership Council	M+J	\$15,832.00
	Bethel Community Facility	M+J	\$15,832.00
	The Network Room	PLAN	\$46,000.00
	International Pentecostal Assembly Ecumenical	PLAN	\$4,000.00
	The Link & Option Center	R	\$149,367.68
	Greater Faith Baptist Church	R	\$26,955.02
	YMCA of Metro Chicago Suburban Center	SBC	\$110,884.41
	The Network Room	SBC	\$61,490.00
	Southland Hispanic Leadership Council	PLAN	\$50,000.00
	Rich Township Community Total		\$1,241,797.13
Thornton Township	Healthcare Consortium of IL	L	\$348,171.61
	Thornton Township	M+J	\$466,545.00
	Building Our Own Community	M+J	\$14,250.00
	The Success Center	PLAN	\$92,000.00
	Harvey Public School District #152	PLAN	\$4,000.00
	The Link & Option Center	R	\$118,523.51
	Project Hope	R	\$15,770.49

	Healthcare Consortium of IL	PLAN	\$4,000.00
	The Link & Option Center	SBC	\$103,600.00
	Sadie Waterford Assessment Center	SBC	\$31,400.00
	Healthcare Consortium of IL	M+J	\$19,000.00
	The Network Room	SBC	\$6,416.66
	Thornton Township Community Total		\$1,223,677.27
	Total for 23 Communities for Two Years		\$44,555,450.54
Source: OAG summary of NRI community provider, IVPA, and Comptroller information.			

APPENDIX D
INTERAGENCY FUNDING AGREEMENTS

GOVERNOR'S OFFICE
AND
ILLINOIS VIOLENCE PREVENTION
AUTHORITY

INTERAGENCY AGREEMENT

The Office of the Governor and the Illinois Violence Prevention Authority (“IVPA”) execute this Interagency Agreement, (the “Agreement”) effective as of the 7th of October, 2010.

- A. **AUTHORITY:** This Agreement is entered into pursuant to the laws of the State of Illinois, including without limitation, the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.), and shall be governed in all respects by the laws of the State of Illinois.
- B. **PURPOSE AND AMOUNT:** Pursuant to appropriation made by the 96th General Assembly for Fiscal Year 2011 (“FY11”) as set forth in Public Act 96-0956, Article 41, Section 15 (the “Act”), and in accordance with the authority granted by Public Act 96-0959, Article 1, Section 1-10, not less than the sum of \$19,000,000 or so much thereof as may be necessary to effect the purposes of such Act, is delegated by the Office of the Governor to IVPA for use by IVPA for the purposes of such appropriation.
- C. **AGREEMENT PERIOD:**
1. The term of this Agreement shall begin as of the effective date and shall terminate on the last day of the FY11 lapse period.
 2. Delegated funds may be expended by IVPA from the effective date through the end of the FY11 lapse period.
- D. **RELEASE OF FUNDS:** Consistent with Public Act 96-0959, Article 1, Section 1-10, the Director of IVPA, or his or her designee, shall have signature authority for the disbursement of monies by the Illinois Office of the Comptroller (the “Comptroller”) from the above-described appropriations, and shall be responsible for the preparation of all documents required by the Comptroller for the disbursement of monies from the above-described appropriations. The disbursement of monies from the above-described appropriations is subject to all applicable laws and regulations of the State of Illinois, including, without limitation, Public Act 96-0959, 30 ILCS 105/35, and all such laws and regulations that provide for the oversight, management and/or audit of matters related to the use of delegated funds.
- E. **BOOKS AND RECORDS:** The Office of the Governor shall maintain for a minimum of three years after completion of this agreement, a copy of its written notice to the Comptroller of its delegation of appropriations included in Sections 10 or 15 of Article 41 of the Act to IVPA. IVPA shall maintain for a minimum of three years after completion of this agreement, adequate books, records and supporting documents to verify the amounts, recipients and uses of all

disbursements of funds passing in conjunction with this Agreement. IVPA agrees to cooperate fully with any audit conducted by the Auditor General of the State of Illinois in connection with the use of funds disbursed under this Agreement and to provide full access to all relevant materials when sought by the Auditor General. This Agreement shall be available for review and audit by each party and the Auditor General.

- F. **MULTIPLE COUNTERPARTS:** This Agreement may be executed in one or more counterparts, all of which shall be considered to be one and the same agreement, binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterpart.
- G. **TERMINATION OR AMENDMENT:** This Agreement may only be amended or terminated in writing signed by the Governor and agency head of the respective parties or by their designees.

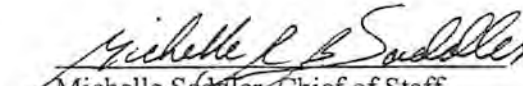
WHEREFORE the parties hereby execute this Interagency Agreement as of the date first set forth above.

Office of the Governor

Illinois Violence Prevention
Authority

By:

By:


Michelle Suddles, Chief of Staff


Barbara Shaw, Director

AMENDMENT TO INTERAGENCY AGREEMENT
BETWEEN
THE OFFICE OF THE GOVERNOR
AND
THE ILLINOIS VIOLENCE PREVENTION AUTHORITY

This Amendment to Interagency Agreement, dated as of January 7, 2011 (this "Amendment"), is entered into by and between the Office of the Governor and the Illinois Violence Prevention Authority ("IVPA") and hereby amends the Interagency Agreement, effective as of October 7, 2010, by and between the Office of the Governor and the IVPA (the "Agreement"), on the terms set forth herein.

NOW THEREFORE, the Office of the Governor and IVPA mutually agree as follows:

Section B, PURPOSE AND AMOUNT, of the Agreement is hereby amended and restated in its entirety as follows:

"B. PURPOSE AND AMOUNT: Pursuant to the authority granted by the 96th General Assembly for Fiscal Year 2011 ("FY11") as set forth in Public Act 96-0956, Article 41, Section 15 (the "Act"), and in accordance with the authority granted by 96-0959, Article 1, Section 1-10, not less than the sum of \$38,100,000 or so much thereof as may be necessary to effect the purposes of such Act, is delegated by the Office of the Governor to IVPA for use by IVPA for the purposes of such appropriation."

IN WITNESS WHEREOF, each of the Office of the Governor and IVPA has caused this Amendment to be executed by its duly authorized representative on the respective dates shown below.

OFFICE OF THE GOVERNOR

ILLINOIS VIOLENCE PREVENTION
AUTHORITY

By: 

Jack Levin
Chief of Staff

By: 

Barbara Shaw
Director

Date: 1/7/11

Date: 1/7/11

INTERAGENCY AGREEMENT

The Office of the Governor and the Illinois Violence Prevention Authority ("IVPA") execute this Interagency Agreement, (the "Agreement") effective as of June 22, 2011.

- A. **AUTHORITY:** This Agreement is entered into pursuant to the laws of the State of Illinois, including without limitation, the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.), and shall be governed in all respects by the laws of the State of Illinois.
- B. **PURPOSE AND AMOUNT:** Pursuant to the appropriation set forth in Public Act 96-0956, Article 41, Section 15 (the "Act"), and in accordance with the authority granted by Public Act 96-0959, Article 1, Section 1-10, not less than the sum of \$16,450,000 or so much thereof as may be necessary to effect the purposes of such Act, is delegated by the Office of the Governor to IVPA for use by IVPA for the purposes of such appropriation.
- C. **AGREEMENT PERIOD:**
1. The term of this Agreement shall begin as of the effective date and shall terminate on the last day of the FY11 lapse period.
 2. Delegated funds may be expended by IVPA from the effective date through the end of the FY11 lapse period.
- D. **RELEASE OF FUNDS:** Consistent with Public Act 96-0959, Article 1, Section 1-10, the Director of IVPA, or his or her designee, shall have signature authority for the disbursement of monies by the Illinois Office of the Comptroller (the "Comptroller") from the above-described appropriations, and shall be responsible for the preparation of all documents required by the Comptroller for the disbursement of monies from the above-described appropriations. The disbursement of monies from the above-described appropriations is subject to all applicable laws and regulations of the State of Illinois, including, without limitation, Public Act 96-0959, 30 ILCS 105/35, and all such laws and regulations that provide for the oversight, management and/or audit of matters related to the use of delegated funds.
- E. **BOOKS AND RECORDS:** The Office of the Governor shall maintain for a minimum of three years after completion of this agreement, a copy of its written notice to the Comptroller of its delegation of appropriations included in Section 15 of Article 41 of the Act to IVPA. IVPA shall maintain for a minimum of three years after completion of this agreement, adequate books, records and supporting documents to verify the amounts, recipients and uses of all disbursements of funds passing in conjunction with this Agreement. IVPA agrees to cooperate fully with any audit conducted by the Auditor General of the State of Illinois in

connection with the use of funds disbursed under this Agreement and to provide full access to all relevant materials when sought by the Auditor General. This Agreement shall be available for review and audit by each party and the Auditor General. The obligations set forth under this Section E shall survive termination of the Agreement pursuant to Section C.

F. **MULTIPLE COUNTERPARTS:** This Agreement may be executed in one or more counterparts, all of which shall be considered to be one and the same agreement, binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterpart.

G. **TERMINATION OR AMENDMENT:** This Agreement may only be amended or terminated in writing signed by the Governor and agency head of the respective parties or by their designees.

WHEREFORE the parties hereby execute this Interagency Agreement as of the date first set forth above.

Office of the Governor

Illinois Violence Prevention Authority

By:  _____
6/23/11

By:  _____
6/24/11

APPENDIX E
LEAD AGENCY AND PROVIDERS UNSPENT
UNCOLLECTED FUNDS

YEAR 2

Note: Unspent amounts were compiled from provider reported expenses on Year 2 closeout reports. Any collection documentation (for example, checks) was obtained from IVPA/ICJIA staff.

Appendix E			
LEAD AGENCY AND PROVIDER NRI UNSPENT UNCOLLECTED FUNDS			
YEAR 2			
Community	Agency	Component	Unspent Uncollected
Albany Park	Albany Park Community Center	Lead	\$193,184.50
Albany Park	Community Human Services	Reentry	\$6,609.43
Albany Park	Youth Outreach Services	Reentry	\$26,103.91
Albany Park	Albany Park Community Center	SBC	\$14,269.90
Auburn Gresham	St. Sabina Church	Lead	\$222,766.76
Austin	Circle Family Healthcare	Lead	\$38,649.47
Austin	Kingdom Community	M+J	\$12,685.41
Austin	Campaign for a Drug Free Westside	Reentry	\$16,320.38
Austin	Circle Family Healthcare Network	SBC	\$39,806.76
Cicero	Corazon Community Services	Lead	\$41,092.03
East Garfield Park	Mt. Vernon Baptist Church	Lead	\$38,761.45
East Garfield Park	New Baptist Ministers Fellowship	M+J	\$6,566.75
East Garfield Park	WES Health Systems	SBC	\$38,279.94
East Garfield Park	UCAN	SBC	\$16,064.85
Englewood	Children's Home & Aid Society of IL	Lead	\$49,077.12
Englewood	Children's Home & Aid Society of IL	SBC	\$25,397.81
Grand Boulevard	Chicago Youth Centers	Reentry	\$32,438.85
Grand Boulevard	Passages Alternative Living Programs	SBC	\$1,675.03
Grand Crossing	Greater Auburn Gresham Development Corp	Lead	\$51,058.70
Humboldt Park	Latino Cultural Exchange Coalition	Reentry	\$1,952.00
Logan Square	Alliance of Local Service Organizations	Lead	\$20,827.40
Logan Square	La Capilla del Barrio	M+J	\$2,595.23
North Lawndale	Better Boys Foundation	Lead	\$108,131.96
North Lawndale	Sinai Community Institute	Reentry	\$42,120.53
North Lawndale	Lawndale Christian Legal Center	Reentry	\$21,082.21
North Lawndale	Youth Guidance	SBC	\$58,452.27
Pilsen-Little Village	Enlace Chicago	Lead	\$3,250.06
Roseland	Community Assistance Programs	Lead	\$83,725.87
Roseland	The Youth Peace Center	M+J	\$211.10
Roseland	Community Assistance Programs	M+J	\$70,419.04
Roseland	Developing Communities Projects	PLAN	\$18,621.16
Roseland	Kids Off the Block	PLAN	\$75.00
Roseland	Lights of Zion Ministries	Reentry	\$9,231.20
Roseland	Roseland Cease Fire	Reentry	\$3,388.91
Roseland	SGA Youth and Family Services	SBC	\$11,491.69
West Chicago	Southwest Youth Collaborative	Lead	\$55,051.21
West Chicago	Southwest Youth Collaborative	M+J	\$107,353.44
West Chicago	The Sky is the Limit Recovery Facilities	Reentry	\$77,237.34
West Garfield Park	Chicago Area Project	Lead	\$144,765.46

Appendix E LEAD AGENCY AND PROVIDER NRI UNSPENT UNCOLLECTED FUNDS YEAR 2			
Community	Agency	Component	Unspent Uncollected
West Garfield Park	TASC	Reentry	\$19,574.72
Woodlawn	Woodlawn Preservation & Investment Corporation	Lead	\$1.68
Bremen Township	Grand Prairie Services	Lead	\$36,067.77
Bremen Township	International Pentecostal Assembly Ecumenical	Reentry	\$645.37
Bremen Township	The Network Room	SBC	\$19,574.52
Rich Township	Southland Health Care Forum	Lead	\$86,715.17
Rich Township	The Link & Option Center	Reentry	\$26,580.07
Rich Township	Greater Faith Baptist Church	Reentry	\$2,469.48
Thornton Township	The Link & Option Center	Reentry	\$26,104.04
Thornton Township	The Link & Option Center	SBC	\$23,907.27
Thornton Township	The Network Room	SBC	\$11,877.06
Total			\$1,963,769.28
Source: OAG summary of IVPA documentation.			

APPENDIX F
AGENCY RESPONSES



CRIMINAL JUSTICE INFORMATION AUTHORITY

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

January 29, 2014

Honorable William G. Holland
Auditor General
State of Illinois
Hes Park Plaza
740 East Ash
Springfield, IL 62703-2887

Dear Auditor General Holland,

Enclosed please find the Illinois Criminal Justice Information Authority's (ICJIA) responses to the recommendations contained in the Performance Audit of the Illinois Violence Prevention Authority's Neighborhood Recovery Initiative.

I would note that ICJIA agrees with almost the entirety of the recommendations which are largely consistent with ICJIA's grant practices. There are some portions of some of the recommendations with which ICJIA must respectfully disagree.

Yours truly,

A handwritten signature in cursive script that reads "Jack Cutrone".

Jack Cutrone
Executive Director

Overall Auditor Comment

While ICJIA generally agrees with many of the report's recommendations, ICJIA's responses to several recommendations contain a statement "ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to [the subject matter of the finding]." The inclusion of this language in ICJIA's response is troubling.

Auditors provided ICJIA with draft findings in October 2013. ICJIA requested, and the Auditor General approved, an additional 3 weeks to review and provide written comments to the draft report. In total, ICJIA had over 3 months to communicate areas of concern to the auditors and provide documentation supporting their position. In the two instances where ICJIA provided documentation, auditors made requested changes to the audit report. In all other instances where ICJIA is now questioning the audit report, for whatever reason, ICJIA decided to make an unsubstantiated, general statement about the sufficiency of the report, rather than providing any specific documentation to support their "assertion."

Any failure to "describe and give context to [the subject matter of the finding]" can only be attributed to the failure by the Illinois Violence Prevention Authority to properly develop, implement and manage the NRI program. Further, ICJIA's failure to provide specifics prevents users of the report from assessing the validity of ICJIA's claims.

CRIMINAL JUSTICE INFORMATION AUTHORITY

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



Illinois Criminal Justice Information Authority Responses to the Audit of the Illinois Violence Prevention Authority's Neighborhood Recovery Initiative

Chapter 2 - Neighborhood Recovery Initiative – Planning

Recommendation 1: ICJIA should ensure that any changes to the NRI program are adequately planned, documented and communicated before implementation.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the planning process undertaken by IVPA. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

Auditor Comment #1

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report is "not sufficient to fully describe and give context to the planning process undertaken by IVPA." ICJIA was first provided this finding and recommendation on October 15, 2013. At the exit conference on January 15, 2014, ICJIA requested we add additional explanation regarding the planning process. Given that ICJIA provided no documentation at the exit conference that fully supported these activities, we communicated to ICJIA if they wanted additional planning details included in the audit report, they were free to include these additional details in its written responses, which ICJIA chose not to do.

Recommendation 2: ICJIA should accurately develop budgets for each year of NRI and not make changes to previous year budgets after that year is completed.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority

(IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

Recommendation 3: ICJIA should ensure that decisions regarding the NRI program are adequately documented. Additionally, if decisions are to be made by non-State personnel, ICJIA should require conflict of interest disclosures be completed for any non-State personnel that are involved in the decision making process for the NRI program.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the selection process undertaken by IVPA to identify lead and provider agencies. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

Auditor Comment #2

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report is not sufficient to "fully describe and give context to the selection process" IVPA utilized to identify lead and provider agencies. The audit report discloses the use of non-State personnel (Chicago aldermen) as an integral part of that selection process. The audit report also accurately describes that IVPA took no steps to ensure that the non-State personnel involved in the selection process were free of any real or perceived conflicts of interest.

Recommendation 4: NRI Proposal Agency Proposal Evaluations – ICJIA should follow scoring criteria and complete the same evaluations for all NRI community agencies.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report do not make an appropriate distinction between a competitive selection process and a non-competitive selection process, as IVPA employed. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

Auditor Comment #3

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “make an appropriate distinction between a competitive selection process and a non-competitive selection process.” The audit report clearly notes that a competitive process was not required and that a competitive process was not used. The report does note, however, that once the lead agencies were selected, for reasons that were not documented, IVPA issued an RFP to select agencies for the NRI program and only sent it to those agencies which were already selected by the non-competitive process. The audit also noted that IVPA’s scoring of the proposals had numerous deficiencies.

Recommendation 5 – ICJIA should utilize a payment method for NRI that is tied to actual expenditures of State dollars and not quarterly reports that are subsequently revised. Additionally, ICJIA should ensure that payments for NRI are only made pursuant to the contractual agreement.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

Recommendation 6 – ICJIA should take the steps necessary to enforce provisions of contractual agreements involving evaluation of the NRI program. Further, ICJIA should require community partners to comply with contractual agreements and submit the required data for evaluation or seek to remove the community partners from the program. ICJIA should also consider tying payments to contractual deliverables to ensure work is not only completed but also completed according to the agreed upon dates. Given the investment the State has in the NRI program, ICJIA should conduct an evaluation of how effective the NRI program has been in reducing violence levels in the applicable communities that received funding.

ICJIA Response: ICJIA agrees with this recommendation in part. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA has evaluated and will continue evaluations of the ICJIA CVPP program which is the successor to NRI. ICJIA will hold lead and provider agencies to their contractual obligations regarding data reporting and will take progressive corrective action up to and including termination of a contract if other corrective actions are unsuccessful. ICJIA will ensure that contractual obligations regarding evaluation contracts will be enforced and if circumstances require, will enter into contract amendments to document any agreements to modify the original contract terms and schedules. ICJIA will require lead and subcontracting provider agencies to submit data as called for in contracts. ICJIA will further tie

payments to deliverables. ICJIA does not agree that overall community violence levels are an appropriate measure of the effectiveness of a discrete program such as NRI or CVPP. NRI provided direct services in the way of jobs and mentoring to about 1700 youth and jobs to 1600 adults per year, parenting skills services to roughly 1,000 parents per year, counselling services to over 3600 youth over the two years, and re-entry services to almost 600 young people returning to the community from correctional facilities. NRI services were provided to between 1 and 2 per cent of the population in the NRI communities. ICJIA is in the process of developing a long term outcome evaluation to determine whether individuals participating in the CVPP have lower rates of criminal involvement and other measures of improved social outcomes.

Auditor Comment #4

The audit report does not recommend using “overall community violence levels” to measure the effectiveness of the NRI program. The only place overall community violence levels are discussed in the report is to determine, as required by House Resolution No. 1110, whether residential communities with crime rates similar to communities selected to participate in the NRI program were excluded from the program.

The audit report does recommend an evaluation of the effectiveness of the program in reducing violence. NRI was a violence prevention program. The IVPA had a \$498,000 contract with the University of Illinois “for purposes of data analysis and evaluation” of the NRI program. The U of I contract did not require an assessment of the program’s impact on violence. In a discretionary program as large as the NRI program, simple logic would suggest management would want to know, and should be able to show, whether the \$55 million program was having its desired impact.

Chapter 3 – Neighborhood Recovery Initiative – Personnel

Recommendation 7: ICJIA should enforce provisions of the NRI contracts with lead agencies and ensure it is made aware of staff assigned to conduct NRI activities under the State grant.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the staff monitoring process undertaken by IVPA. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP. However, ICJIA generally only identifies individuals hired under grants by job title and not by name to avoid any appearance that ICJIA favors certain individuals in its grant process.

Auditor Comment #5

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “fully describe and give context to the staff monitoring process undertaken by IVPA.” IVPA developed the contractual requirement that staffing changes were to be reported within 10 days. Our analysis found that providers did not comply with this contractual requirement and it was not enforced by IVPA.

Recommendation Number 8 – ICJIA should either ensure that providers hire the required number of positions for NRI or determine if other levels need to be memorialized in contractual agreements. Additionally, when quarterly reports show problems with hiring practices, ICJIA should document how those problems are resolved.

ICJIA Response: ICJIA agrees, in part, with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the hiring of NRI staff and participants. ICJIA further notes that the recommendation is generally consistent with current ICJIA practices. However, with regard to service programs, ICJIA sets goals in its contracts rather than absolute contractual requirements for numbers of participants and requires agencies to provide an explanation when such goals are not met, and will do the same with regard to CVPP.

Auditor Comment #6

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “fully describe and give context to the hiring of NRI staff and participants.” The IVPA developed contracts and design of Mentoring Plus Jobs and Parent Leadership in Action Network components required the providers to hire certain specific staffing levels. The State fulfilled its end of the agreement by providing the funding for the full amount of the staffing design to the lead agencies. IVPA failed to enforce these contractual requirements.

Recommendation Number 9 - ICJIA should ensure that NRI providers maintain contractually required timesheets on staff that perform NRI activities. Additionally, ICJIA should be consistent with respect to timesheets in all contractual agreements for NRI.

ICJIA Response: ICJIA partially agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA, particularly as to the youth and parents who participate in the program. As to providers, ICJIA will evaluate whether each provider’s current timekeeping policy and documentation is sufficient under the grants.

Recommendation 10 - ICJIA should take the necessary steps to gather and monitor information to ensure that individuals are not paid in excess of 100 percent of their time for work on NRI and other State grant programs.

ICJIA agrees with this recommendation generally but does note that there may be instances, as the Audit Report notes, where an individual may legitimately be putting in more than full time employment (more than 40 hours per week) but ICJIA will monitor such situations carefully. ICJIA will require that it be notified whether any individual employed as a result of ICJIA's CVPP is being paid under more than one grant from ICJIA or other granting agency and will require that those individuals submit timesheets to ICJIA so that any potential abuses may be identified.

Chapter 4 - Neighborhood Recovery Initiative - Monitoring

Recommendation 11: ICJIA should ensure it has documentation to support how communities are selected for NRI State grant monies before expending any funds on any programs.

ICJIA Response: ICJIA agrees with the recommendation with respect to any additional communities that might be added to CVPP. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. As to existing CVPP communities, they have already been selected and ICJIA is not contemplating terminating services in those areas in light of the infrastructure and community organization collaborations which have been built up in the last several years. ICJIA has begun and will continue efforts to have organizations in the existing communities formally expand their catchment areas to provide services to individuals from other communities in need, though not presently a named CVPP community, a practice which some agencies have already begun.

Recommendation 12: ICJIA should ensure that approval of all contracts for NRI services is maintained and that timely approvals are completed. Additionally, ICJIA should only allow providers to initiate NRI services after an executed contract has been approved.

ICJIA Response: ICJIA agrees with this recommendation, in part, for the CVPP. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA's practice does require approval of contracts for all its grants including the CVPP contracts through a multi-level approval process. Delays in approval may occasionally result from negotiating details of the contract budget or its narrative description of the program to be implemented, delays in grantees returning grant contracts or providing other required information or material to ICJIA such as Civil Rights and EEOC Certifications, proof of 501 (c)(3) status, DUNS registration and similar materials in the pre-execution review process or at execution stage, delays in returning contracts

executed by the grantee for execution by ICJIA, occasional periods during ICJIA's yearly grant cycle when many grants are being processed for signature at the same time or other occasional staffing issues. ICJIA respectfully disagrees with the recommendation that providers only be allowed to initiate services after an executed contract has been approved. While this is a requirement under the Illinois Procurement Code for most procurements, grants are exempt from that Code requirement. There are cogent reasons for this exclusion. Often, as is the case with CVPP, grant contracts are being processed that are continuation grants for programs that are in operation. When there are delays in execution of a continuation contract for whatever reason, it would not be good policy to require the grantee to halt the program until the contract can be executed. ICJIA's grant contract sets forth the performance period for the grant and provides that ICJIA may reimburse a grantee for grant project activities engaged in before execution of the contract, as long as those activities are within the performance period. In the case of such a continuation grant, but most especially with respect to new grant programs, a grantee or potential grantee that engages in grant program activities before a contract is actually executed does so at its own risk. In the event that no contract is executed, ICJIA will not and is not required to provide reimbursement for activities undertaken in expectation of a grant. The type of obligations under ICJIA's grant contracts are covered by the Statute of Frauds which require that certain types of contracts be in writing to be enforceable, and prohibits enforcement of alleged verbal agreements. In its approximate 30 years of existence, ICJIA has never been subject to such a claim.

Auditor Comment #7

While ICJIA officials indicate that delays in grant approvals may happen "occasionally," auditors would not characterize the failure to timely approve 40 percent of agreements as "occasional". Furthermore, ICJIA's response does not explain the 32 NRI contracts that showed no evidence of IVPA approval. Programs should be properly planned and staffed so that the need to allow grantees to begin work before a contract is approved does not even become an issue. Allowing a grant provider to work without an executed approved agreement, even though it is not prohibited by the Procurement Code, is a bad business practice and exposes both the State and the grantee to unnecessary risks (such as if State funds are not spent as intended).

Recommendation 13: ICJIA should ensure that lead agencies are appropriately monitoring partner agencies. ICJIA should require that lead agencies require partner agencies to submit reports that are timely and accurately approved and certified. Additionally, ICJIA should consider collecting and reviewing all supporting documentation to ensure State resources are appropriately expended on the NRI program.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA, that it should ensure that lead agencies are appropriately monitoring partner agencies. ICJIA further agrees with the recommendation that lead agencies require partner agencies to submit reports that are timely and accurately approved and certified. ICJIA has considered the question of whether it should (and can) collect and review all supporting documentation and has determined that it would simply not be feasible to do so with existing grant and other staff. However, ICJIA will be requiring lead agencies to assume a more active role in monitoring activities of provider

agencies. In addition to reviewing quarterly provider fiscal and program progress reports, lead agencies will continue to be required to have monthly site meetings with each of their provider agencies. ICJIA will require lead agencies to document those meetings and the matters discussed. The lead agencies will be required for each such meeting to pick one area of expenditures, to discuss the expenditures with the provider agency, and to require that supporting documentation be produced to support the claimed expenditure.

Recommendation 14: ICJIA should enforce contractual provisions for the population of reentry participants that should be served by providing partners for the NRI program. Additionally, ICJIA should examine which providers are not serving the required number of reentry participants and look to adjust funding to levels that are more appropriate to actual service levels.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA however notes that certain assertions of fact, implications and conclusions contained in the Audit Report are not sufficient to fully describe and give context to the reentry payment process by IVPA. ICJIA is working with the Department of Corrections and the Department of Juvenile Justice and will work with probation departments to determine as accurately as possible the number of reentry eligible participants that can be expected in each community. ICJIA notes that recordkeeping by some of those entities is by zip code rather than community and zip codes may overlap one or more community areas which may present difficulties in absolutely accurate determinations. ICJIA has expanded the range of ages eligible for CVPP services and will enforce those age limits for reimbursement claims by the provider agencies.

Auditor Comment #8

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that the audit report does not “fully describe and give context to the reentry payment process by IVPA.”

Recommendation 15: ICJIA should ensure that all required background checks have been completed for the NRI program by developing procedures to check, at least on a test basis, provider compliance with this contractual provision. Additionally, ICJIA should consider requiring some form of background check on the youth employed in the program to ensure that they are individuals that can truly assist the NRI program goal to decrease violence.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA however does not accept all assertions of fact,

implications and conclusions contained in the Audit Report as to requiring background checks with respect to all adults or all youth employed by the program. ICJIA further notes that the recommendation is consistent with current ICJIA practices and will be with regard to CVPP.

Auditor Comment #9

Despite having this finding for 106 days, ICJIA fails to provide details and documentation supporting its assertion that it does not accept the report’s conclusions as to “requiring background checks with respect to all adults or all youth employed by the program.”

Regarding background checks on adults, the audit report simply recommends that background checks required by the contract be done. Regarding youth, the audit report recommends that ICJIA should consider performing some sort of background check. Its non-acceptance of the report’s conclusions on this matter is puzzling given that in its response, ICJIA states it agrees with the recommendation and that it is consistent with current ICJIA practices.

Recommendation 16: ICJIA should follow the contractual provisions detailed in NRI contracts when processing/approving budget reallocations. Further, ICJIA should take the necessary steps to make guidance for reallocation approvals consistent with contractual provisions.

ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. ICJIA will continue to follow its current budget revision practices, which are compliant with this recommendation.

Recommendation 17: ICJIA should include sections in all grant agreements for NRI, including those between lead agencies and sub partners, to protect the State against misuse of State funds and should exercise the State’s right to request capital equipment be returned to the state when it is no longer used for its intended purposes.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA’s rights and responsibilities were transferred to ICJIA by that Act. For its grants, ICJIA contracts do address capital equipment. These contracts indicate that ICJIA has discretion to allow the grantee to keep the equipment past the end of the grant period if it is going to be used for a purpose consistent with the purpose of the grant. Similar provisions will apply to CVPP.

Recommendation 18: ICJIA should develop procedures for its own review of expense support for NRI activities as well as procedures for lead agencies to utilize in monitoring expenses for NRI.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes that it has such policies in place for all of its grants and is in the process of refining those for CVPP after its first year of experience with the program. While it is not feasible for ICJIA or the lead agencies to require the submission of all supporting documentation for all expenditures, ICJIA will be requiring site visits by the lead agencies to the individual providers, and for the lead agency to examine, on a test basis, a reported expenditure and to examine supporting documentation for the expenditures, and to provide ICJIA with documentation that the procedure has been followed.

Auditor Comment #10

Contrary to our recommendation, ICJIA's response indicates that its planned action will be to continue to delegate its expenditure monitoring responsibilities to lead agencies, with ICJIA only receiving documentation that lead agencies are following established procedures. Our recommendation calls for ICJIA to become more proactive in its oversight of the expenditure of State funds by developing "procedures for its own review of expense support for NRI activities . . ." [emphasis added], in addition to improving lead agencies' expense review procedures. During the audit period, IVPA delegated expenditure review responsibility to the lead agencies. Based on site visits conducted by OAG auditors, which found insufficient supporting documentation for 40 percent of expenditures incurred by 23 provider agencies, auditors concluded that ICJIA needed to significantly improve its oversight of expenditures. Clearly, relying solely on lead agencies to review NRI expenses has not been an effective control.

Recommendation 19: ICJIA should enforce contractual provisions in collection of unspent grant funds for the program to ensure all unspent funds are returned to the state in a timely manner. Also ICJIA should reconsider any NRI policy which allows rollover of unspent funds from a year to a subsequent year for NRI activities.

ICJIA Response: ICJIA agrees with the recommendation with respect to the Community Violence Prevention Program (CVPP) currently administered by ICJIA. As the OAG states, the first two years of what was previously titled the Neighborhood Recovery Initiative (which are the subject of this performance audit), were managed by the Illinois Violence Prevention Authority (IVPA). The IVPA was terminated by P.A. 97-1151 and all of IVPA's rights and responsibilities were transferred to ICJIA by that Act. ICJIA notes the recommendations are consistent with its normal grant practices. ICJIA notes that it is actively pursuing collection activities for unspent, unreturned NRI funds including use of Grant Fund Recovery Act proceedings where appropriate.

Auditor Comment #11

The audit report acknowledges ICJIA's recovery efforts. However, 22 of the 50 providers (as detailed in Appendix E) that owed unspent funds back to the State (totaling \$1.2 million) at the end of Year 2 were still in the Program during Year 3. It is concerning that these amounts would still be uncollected as of January 15, 2014, 396 days after they were due based on contractual agreements and the Grant Funds Recovery Act.