

Office of Inspector General City of Jacksonville, Florida



Report of Investigation Safety and Crime Reduction Small Grant Program 2024-0013

January 7, 2025

Matthew J. Lascell
Inspector General

Executive Summary

The Office of Inspector General (OIG) conducted an administrative review of the 2022-2023 Safety and Crime Reduction Small Grant Program, established under Ordinance Number 2022-0690-E and enacted by the City Council on October 11, 2022.

The legislation allocated \$330,000 from the Safety and Crime Reduction Contingency Account. It authorized grant agreements between the City of Jacksonville (COJ) and 41 nonprofit organizations (organizations). Additionally, an agreement was made with the Nonprofit Center of Northeast Florida, Inc. to provide compliance training for these organizations. The training was intended to help the organizations with budgeting and ensure they comply with the grant award requirements.

According to the Division of Grants and Contract Compliance (DGCC), 40 organizations were ultimately awarded grant agreements. The Safety and Crime Reduction Commission recommended and approved those 40 organizations to implement programs aimed at reducing crime throughout Duval County.

According to the DGCC, the grant was designated explicitly for small organizations that generally did not have significant assets. One requirement was that the organizations have an annual budget of \$75,000 or less to qualify for the grant. In the City's Safety and Crime Reduction Commission Mini-Grants Application, applicants were required to indicate whether their budget met this criterion by selecting "Yes" or "No." Organizations that responded with "No" were disqualified from receiving the grant.

According to the DGCC, the process for verifying an organization's annual budget relied exclusively on what the organization indicated in its application. It is essential to highlight that the verification process did not involve any evaluators from the COJ. As a result, no independent assessment was conducted to validate the accuracy of the organization's responses regarding its annual budget. As a result, the responsibility for ensuring that the \$75,000 budget criterion was correct fell solely on the applicant.

The organizations were required to adhere to specific guidelines per the grant agreement. Each organization was responsible for ensuring that all staff members and volunteers (except special event volunteers) who engaged with juveniles—defined as any unmarried individual under 18 whom a court has not emancipated—completed a criminal records check at their own expense. This stipulation applied to all roles that involved direct interaction with juveniles, youth, or vulnerable adults (e.g., elderly or physically, mentally, or emotionally disabled, including victims of crime.). DGCC was not required to verify whether the organizations completed criminal history checks.

For purposes of the agreement, a special event volunteer is someone who agrees to help with a specific event or project that lasts less than two consecutive weeks and where duties are performed under the supervision of staff members or certified volunteer leadership.

In addition, organizations were required to either (1) maintain a separate bank account for the City Funds or (2) implement a separate budgetary accounting system for the funds (provided they obtain prior approval from the Council Auditor). This ensured that the receipt and disbursement of the City Funds could be accurately tracked through the organization's accounting records. Maintaining a separate bank account would have been unnecessary if a separate accounting system had been in place.

The OIG conducted an administrative investigation to determine whether the 40 organizations met the eligibility requirement regarding their annual budget, their implementation of criminal history checks, the training they received from the Nonprofit Center of Northeast Florida, Inc., and whether any of the organizations sought prior approval from the Council Auditor's Office to establish a separate budgetary accounting system for the grant funds. This investigation intended to determine compliance with the appropriate policies and procedures of the grant agreement.

Based on this investigation, The OIG determined the following:

Two organizations received grant funds totaling \$16,440; however, they reported expenditures in their IRS Form 990 filings that significantly exceeded the \$75,000 threshold.

Thirty-two organizations received grant funds totaling \$256,800; however, they could not provide the OIG supporting documentation of completed background checks on their staff and volunteers who interacted with juveniles, youth, and vulnerable adults.

2022-2023 Safety and Crime Reduction Small Grant Program participants:

2nd Mile Ministries, Inc. \$7,440	Girl Power 1440 \$7,440	New Dimensional Ministries Cathedral \$9,000
Born 2 Excel, Inc. \$7,440	Girlz Talk, Boyz Talk, Inc. \$9,000	Next Level Community Solutions, Inc. \$7,440
Bridge Builders United, Inc. \$9,000	God's Ark of Safety Ministries, Inc. \$7,440	Northside Community Involvement, Inc. \$9,000
Bridge the Gap, Inc. \$9,000	Greater Love Development Christian Ctr. \$7,440	Pearls of Perfection., Inc. \$9,000
Curtis & Co. for Children Gone Too Soon \$7,440	Ground Zero Athletics, Inc. \$9,000	Quench the Violence \$7,440
Dem Kidz, Inc. \$9,000	Impact Outreach Ministries \$9,000	Shawn D. Delifus Foundation \$7,440
Experience Initiative Corp. \$7,440	It's a Girl Thing, Inc. \$9,000	Silent Women Speaking Foundation, Inc. \$7,440
Families of Slain Children, Inc. \$7,440	Jacksonville Youth Works, Inc. \$9,000	Taylor Belle Foundation \$7,440
Fitness and Character Education, Inc. \$7,440	Kappa Alpha Psi Jax Foundation, Inc. \$7,440	The 1Eighty Group, Inc. \$9,000
Florida Youth Maritime Training \$7,440	Kingdom of God Outreach Ministries \$7,440	The Sweet Squad, Inc. \$7,440
For Your Soul Gospel Int'l Ministries \$7,440	Knots4Kids, Inc. \$7,440	Us and Our Children dba Kash Kids, Inc. \$7,440
Forever Life Achiever, Inc. \$7,440	Literacy Pros of Jacksonville, Inc. \$9,000	Zeta Youth Auxiliary: Omega Zeta Zeta \$9,000
Gabriel's Wing \$7,440	Made a Way Foundation, Inc. \$9,000	

Gameface 413 Training Academy \$7,440	Men In and Out of Schools, Inc. \$7,440	\$312,000
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Issues, Governing Directives, and Findings

Issues:

Determine whether the 40 organizations that qualified met the \$75,000 annual budget eligibility requirement. Verify if they adhered to the grant agreement's criminal history records check guidelines. Review the training provided to organizations by the Nonprofit Center of Northeast Florida, Inc., and verify if any of the organizations obtained prior approval from the Council Auditor to implement a separate budgetary accounting system for the funds.

Governing Directives:

COJ Safety and Crime Reduction Commission Mini-Grants Application

* Are you a nonprofit corporation located within Duval County, FL with an annual budget of \$75,000 or less?

Yes

No

Safety and Crime Reduction Commission Small Grant Program Grant Agreement

C. The Recipient represents that it will at its sole expense, require all staff and/or volunteers who work with juveniles or youth (any unmarried person under the age of 18 years and who has not been emancipated by order of a court of competent jurisdiction) and vulnerable adults (e.g. elderly or physically, mentally, or emotionally disabled, including victims of crime.) to submit to a criminal history records check. This applies to all positions involving direct contact with juveniles, youth or vulnerable adults with the exception of special event volunteers. For purposes of this Agreement, a special event volunteer is defined as a volunteer committed to assist on a specific event/project lasting less than two consecutive weeks and where duties are performed under supervision of staff or certified volunteer leadership.

D. Recipient must screen staff working in any programs involving children services in accordance with Sections 943.0502, 984.02, Chapter 435. 402, 39.001, and 1012.465 Florida Statutes as applicable. The Recipient must maintain staff personnel files which reflect that a screening result was received and reviewed to determine employment eligibility prior to employment.

D. The Recipient shall retain for such inspection all of its records and supporting documentation applicable to this Agreement for five (5) years after receipt of final payment from the City.

5. Recipient shall either (1) maintain a separate bank account to hold the City Funds or (2) maintain a separate budgetary accounting system for the City Funds (with prior approval from the Council Auditor) so that the receipt and disbursement of City Funds can be accurately and adequately determined by reference to the book of accounts of the recipient and a separate bank account need not be maintained.

Ordinance 2022-0690-E

A portion of the funding (\$6,000 total with an advance payment of \$3,000) will be used to pay the Nonprofit Center of Northeast Florida, Inc. to provide training for the organizations selected to assist them with budgeting and compliance with the grant award.


Findings:

Regarding the annual budget requirement of \$75,000 or less, the OIG reviewed three databases and focused on expenditures the 40 organizations reported to the IRS in 2021. The databases were IRS.gov, Candid's GuideStar¹ and Florida Department of Agriculture and Consumer Services' Check-A-Charity.²

Annual Budget

The OIG found that **17** organizations had documentation verifying that their budgets were \$75,000 or less. **Two** organizations reported expenditures significantly exceeding the \$75,000 threshold in their IRS Form 990 filings. The OIG could not find supporting evidence for the budgets of **21** organizations.

Listed are the two organizations' 2021 990 filings detailing their expenditures:

Form 990  Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations) ▶ Do not enter social security numbers on this form as it may be made public. ▶ Go to www.irs.gov/Form990 for instructions and the latest information.				
A For the 2021 calendar year, or tax year beginning 01-01-2021, and ending 12-31-2021					
C Name of organization 2ND MILE MINISTRIES INC	<table border="1"> <thead> <tr> <th>Prior Year</th> <th>Current Year</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">270,552</td> <td style="text-align: right;">333,450</td> </tr> </tbody> </table>	Prior Year	Current Year	270,552	333,450
Prior Year	Current Year				
270,552	333,450				
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)					

Form 990 Department of the Treasury Internal Revenue Service	Return of Organization Exempt From Income Tax Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations) ▶ Do not enter social security numbers on this form as it may be made public. ▶ Go to www.irs.gov/Form990 for instructions and the latest information.				
A For the 2021 calendar year, or tax year beginning 10-01-2021, and ending 09-30-2022					
C Name of organization NORTHSIDE COMMUNITY INVOLVEMENT INC	<table border="1"> <thead> <tr> <th>Prior Year</th> <th>Current Year</th> </tr> </thead> <tbody> <tr> <td style="text-align: right;">427,816</td> <td style="text-align: right;">518,639</td> </tr> </tbody> </table>	Prior Year	Current Year	427,816	518,639
Prior Year	Current Year				
427,816	518,639				
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)					

¹ Candid's GuideStar system provides the latest facts and insights to 1.8 million IRS-recognized tax-exempt organizations and thousands of faith-based nonprofits.

² Florida Department of Agriculture and Consumer Services Check-A-Charity is a resource that provides financial information that charitable organizations reported to the department.

Criminal History Records Check

Regarding whether the organizations conducted criminal history checks on their staff members and volunteers, the OIG requested a comprehensive list of all staff and volunteers from these organizations. The request included providing documents verifying that criminal history records checks were completed for all staff and volunteers who worked with juveniles, youth, and vulnerable adults.

The OIG communicated this request through a formal written memorandum and sent the memorandum to the organization's email address, which they had provided to COJ. Additionally, the OIG made efforts to obtain the requested information by contacting the organizations using the telephone numbers they had submitted to COJ.

The OIG issued administrative subpoenas for organizations that did not respond and attempted to deliver them in person. For those organizations that the OIG was unable to serve in person, the subpoenas were sent via certified mail through the United States Postal Service (USPS), using the address that the organization had registered with the Division of Corporations (SunBiz).

It is important to note that the OIG did not request criminal history records checks from organizations for special event volunteers, as these volunteers were exempt under the 2022-2023 Safety and Crime Reduction Small Grant Program.

In response to the OIG's request:

Eleven organizations provided the OIG with a list of their staff and volunteers. However, they failed to present records showing that criminal history records checks were conducted and completed for staff and volunteers who interacted with juveniles, youth, and vulnerable adults.³

5 organizations provided the OIG with a list of their staff and volunteers, stating that they did not interact with juveniles, youth, or vulnerable adults. As a result, criminal history records checks were not conducted. However, based on the applications they submitted to COJ, these organizations indicated their intention to provide services to either juveniles, youth, or vulnerable adults.

Seven organizations submitted lists of their staff and volunteers to the OIG and documentation confirming that criminal history records checks had been performed. However, the records appeared to indicate they were conducted after the program services had concluded. The required timeline for implementing the program services was from September 1, 2022, to August 31, 2023.

³ Several organizations contacted the Office of Inspector General (OIG), expressing that they were unaware of the requirement to conduct criminal history checks. Additionally, some organizations mentioned that their staff and volunteers were employed at other companies, indicating they had already undergone criminal history checks through their other employers.

Eleven organizations did not provide the OIG with a documented list of their staff and volunteers and failed to present criminal history records checks.⁴

Among the 40 organizations, **6** submitted the requested documentation to the OIG, which indicated they complied with the established guidelines for criminal history records checks detailed in the 2022-2023 Safety and Crime Reduction Commission Small Grant Program Agreement.

Nonprofit Center of Northeast Florida, Inc.

The Nonprofit Center of Northeast Florida provided the OIG with the Training Program Agenda, Presentation, and attendee list. The training focused on program and evaluation strategies, grant readiness, research, and writing. While reviewing the attendee list, it was noted that some organizations did not sign in. However, the Nonprofit Center of Northeast Florida confirmed to the OIG that all organizations were present at the training.

Council Auditor Office Separate Budgetary Accounting System

The OIG contacted the Council Auditor's Office to assess whether any of the organizations had established a distinct budgetary accounting system for their allocated funds. The Council Auditor's Office verified that none of the organizations sought authorization to implement a separate budgetary accounting system for City funds. Therefore, the organizations were mandated to maintain a separate bank account following the receipt of funding through 2022-690-E.

Recommended Corrective Actions

1. Strengthen the Safety and Crime Reduction Small Grant Program by requiring organizations to submit budget status records before qualifying.
2. Strengthen the Safety and Crime Reduction Small Grant Program by requiring organizations to notify DGCC when they have completed their Criminal History Checks.
3. Strengthen the Safety and Crime Reduction Small Grant Program by requiring the organizations to notify DGCC if the age group they plan to target changes.
4. Strengthen the Safety and Crime Reduction Small Grant Program by clearly communicating to the participating organizations the importance of compliance and policies, specifically regarding criminal record checks. This communication should emphasize that the organization is responsible for obtaining criminal record checks from the staff and volunteers who have already undergone criminal history checks through their employers significant time may have elapsed since their previous background check.
5. Communicate to the participating organizations the importance of retaining records for the duration specified in the grant.

⁴ Five administrative subpoenas were returned as undeliverable.

6. Incorporate this information into the training sessions provided by the Nonprofit Center of Northeast Florida for those organizations.

Management's Response

See the Attached Response

Inspector General Standards

This report/review has been conducted in accordance with the ASSOCIATION OF INSPECTORS GENERAL Principles and Quality Standards for Investigations.

"Enhancing Public Trust in Government Through Independent and Responsible Oversight"



A NEW DAY.

City of Jacksonville, Florida

Donna Deegan, Mayor

Department of Finance

Grants and Contract Compliance Division

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www.coj.net

January 7, 2025

Ms. Christina Gatto, MPA
Senior Program Coordinator
Accreditation Manager
Office of Inspector General
City of Jacksonville
231 East Forsyth Street, Suite 470
Jacksonville, FL 32202

Dear Ms. Gatto:

RE: Office of Inspector General Report of Investigation (Draft) 2024-0013

I am in receipt of the draft investigation report referenced above for a response to the findings. Thank you for the review and findings. Management's response to the recommended corrective actions is as follows:

As noted in your report, Safety and Crime Reduction Small Grant Program enacting legislation was approved by the City Council in October 2022, during a previous administration with oversight by the Grants and Contract Compliance Division. The application for the program was approved by the Safety and Crime Reduction Commission. At the time, the assigned grant monitor who worked in a different City department did not receive direction nor guidance regarding income verification for recipients.

We offer an important distinction in the creation of a small-grant program, the intent for which is to provide access to programmatic funding for smaller nonprofit organizations that may not have the sophisticated infrastructure to require and/or produce tax forms, financial statements, or external audit reports. Regardless of such distinction, we take note of the opportunity to implement additional safeguards to protect the integrity of the program and ensure taxpayer dollars were distributed in accordance with program guidelines.

As it relates to incorporating the information into training sessions, The Nonprofit Center of Northeast Florida was commissioned to provide training on "*Program Strategy and Evaluation*" and "*Grants Readiness, Research and Writing*". This information would not have aligned with those topics but could have been included in the grant orientation session conducted by Division staff and will be considered for future programs.

Effective June, 2024, the Division has new leadership and has implemented a comprehensive contract oversight program that includes establishing clear and accurate standard operating procedures (SOPs) to strengthen the City's contract compliance and oversight. We are committed to fully ensuring that processes are documented and followed consistently as we execute our duties of contract oversight. While the Safety and Crime Reduction Commission has officially been sunset effective December 31, 2024, the Grants and Contract Compliance Division is continuously improving. In that spirit, we appreciate your recommendations that serve to strengthen the City's contract compliance and oversight responsibilities and will thoughtfully consider implementing them for any applicable future grant programs the City may establish.

Sincerely,

A handwritten signature in black ink, appearing to read "Maribel Hernandez". The signature is fluid and cursive, with the first name "Maribel" being more prominent than the last name "Hernandez".

Maribel Hernandez, MBA, DTM, MFP
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