

Office of Inspector General U.S. Department of the Interior



ADVISORY REPORT

**COSTS CLAIMED BY THE
U.S. VIRGIN ISLANDS,
DEPARTMENT OF PLANNING
AND NATURAL RESOURCES,
DIVISION OF FISH AND
WILDLIFE, UNDER FEDERAL AID
GRANTS FROM THE U.S. FISH
AND WILDLIFE SERVICE FROM
OCTOBER 1, 1996 THROUGH
SEPTEMBER 30, 1998**

OCTOBER 2002

Report No. 2003-E-0001



United States Department of the Interior


OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

October 7, 2002

ADVISORY REPORT

Memorandum

To: Director
U.S. Fish and Wildlife Service

From: Roger La Rouche 
Assistant Inspector General for Audits

Subject: Final Advisory Report on Costs Claimed by the U.S. Virgin Islands, Department of Planning and Natural Resources, Division of Fish and Wildlife, Under Federal Aid Grants from the U.S. Fish and Wildlife Service from October 1, 1996 through September 30, 1998 (No. 2003-E-0001)

Introduction

This report presents the results of our performance of procedures to review another audit agency's work related to costs claimed by the U.S. Virgin Islands, Department of Planning and Natural Resources (Department), Division of Fish and Wildlife (Division) under Federal Aid grants from the U.S. Fish and Wildlife Service (FWS) for the period from October 1, 1996 to September 30, 1998.

Background and Scope

The Federal Aid in Wildlife Restoration Act, as amended (16 U.S.C. § 669) and the Federal Aid in Sport Fish Restoration Act, as amended (16 U.S.C. § 777) (the Acts) authorize FWS to cooperate with the Governor of the U.S. Virgin Islands to provide Federal Aid grants to the U.S. Virgin Islands to enhance its sport fish and wildlife programs. The Acts provide that FWS cannot require the Virgin Islands to pay an amount which will exceed 25 percent of the costs of any project. Additionally, the Acts specify that hunting and fishing license revenues cannot to be used for any purpose other than the administration of the Virgin Island's fish and game agency, which is the Division of Fish and Wildlife. In addition, FWS provides grants to the Division under the Clean Vessel Act and the Endangered Species Act.

In February 2001, another audit agency issued a preliminary draft report entitled “Audit of Virgin Islands Federal Aid Program Grants and Payments Awarded by the U.S. Fish and Wildlife Service, Division of Federal Aid, Fiscal Years 1997 and 1998.” The scope of its audit work, as stated in the announcement letter to the Department, was to evaluate (1) the adequacy of the Division of Fish and Wildlife’s purchasing system and related internal controls as they pertain to the FWS Federal Aid program; (2) the adequacy and reliability of the accounting system as it relates to the accumulation, billing and reporting of grant costs; and (3) the accuracy and eligibility of direct costs claimed on grants during the audit period. The audit was also to include an analysis of other issues considered to be sensitive and/or significant to the FWS. The audit work at the Division covered \$1.9 million in FWS grants that were open during its fiscal years ended September 30, 1997 and 1998 (see Appendix 1). The Department submitted its response to the draft report in May 2001. However, the audit agency’s agreement with FWS expired prior to the issuance of a final report.

From 1996 through September 2001, the audit agency conducted audits of Federal Aid grants under a reimbursable agreement with FWS. The FWS did not renew or extend its agreement with the audit agency. At the time of expiration, final audit reports on several uncompleted audits had not been issued and the audits were in various stages of the audit and reporting processes. The audit agency indicated in a September 28, 2001 memorandum that although the supervisory and management reviews of the Virgin Islands draft report had been completed, the audit assignment was considered incomplete because the supervisory and management reviews of the final report and supporting working papers had not been completed.

On September 20, 2001, FWS and the Office of Inspector General (OIG) entered into an Intra-Departmental Agreement under which FWS requested OIG to (1) review the audit work performed by the audit agency including its working papers, summaries, and draft reports for these audits and (2) issue reports on the findings that were supported by the working papers. Accordingly, our review was limited to performing the agreed-upon procedures set forth in the Agreement and the conclusions presented in the report are limited to the findings substantiated by the working papers. We did not perform any additional audit work of the Division’s records and the limited work performed under these agreed-upon procedures does not constitute an audit by the OIG in accordance with Generally Accepted Government Auditing Standards.

Major issues impacting the Virgin Islands’ administration of the Federal Aid program are presented in the body of the report and other management issues are presented in Appendix 2. In addition, we have included in Appendix 3 a list of all findings included in the draft report, along with the results of our own corresponding analysis.

Results of Review

The results of our review of the audit agency's working papers disclosed the following:

- The eligibility for reimbursement of costs totaling \$212,322 was questioned. The questioned costs consisted of costs billed for hunter education (\$105,273) even though there is no hunting program in the Virgin Islands, for a waste pump out service for boats (\$88,640) that was not provided, for costs incurred outside of approved grant periods (\$17,701), and for a duplicate claim for an unused portion of a travel advance (\$708).
- The Division's accounting system was not being reconciled with the Virgin Islands' official accounting system, which increases the risk for errors in accumulating and claiming costs for reimbursement.
- The Division's property management system did not adequately identify, record, and safeguard equipment purchased under Federal Aid grants.
- The Virgin Islands did not have legislation that assented to the provisions of the Sport Fish Restoration Act.

A. Questioned Costs

The working papers identified questioned costs of \$212,322 pertaining to ineligible costs claimed for hunter education (\$105,273), a waste pump out service (\$88,640), activities conducted outside of approved grant periods (\$17,701), and for an unused portion of a travel advance claimed twice as a cost (\$708).

1. Hunter Education. Costs of \$105,273 were questioned because the Department used hunter education funds for environmental issues. Such use is contrary to provisions of the Federal Aid in Wildlife Restoration Act, the Code of Federal Regulations, and Federal Aid Manual. The Act states that each grantee may use the funds apportioned to it to pay for the costs of a hunter safety program and the construction, operation, and maintenance of public target ranges as a part of such program; the Code [50 CFR § 80.5(a)(2)] requires that education projects must have as their purpose the education of hunters and archers; and the Manual [Part 522 FW 13.2 (A)] states that hunter education projects must have as their purpose the education of hunters to develop the skills, knowledge, and attitudes necessary to be responsible hunters. However, hunter education grants FW-6-10 and FW-6-11 provided funding for environmental issues in the Virgin Islands. The funds were used to pay staff and develop and print posters of various birds. According to the education manager, the Virgin Islands had no formal hunter education program.

Both the FWS and the Department acknowledged that these grants were to be funded with hunter education and aquatic education funds. The grant proposal for grant FW-6-11 identified the following as its objectives: familiarity and respect for the environment by Virgin Islanders; the protection, preservation, and restoration of natural ecosystems while increasing public access; and the exposure of school children to fish and wildlife resources, habitats, and

environmental issues. The titles of the grants were “Environmental Issues in the V.I.” The law and regulations governing the use of aquatic education funds allow for this kind of program to be funded but not the law and regulations governing the use of hunter education funds. Accordingly, the percentage share of costs associated with hunter education incurred under these two grants was questioned, as shown in the following schedule:

Grant Number	Year	Hunter Education Portion of Grant Budget	Amount Claimed	Amount Questioned	Note
FW-6-10	1997	\$73,393	\$61,484	\$61,484	(1)
FW-6-11	1998	\$48,068	\$43,789	\$43,789	(2)
	Total			<u>\$105,273</u>	

Notes:

- (1) The Division prepared a Financial Status Report, SF-269, for grant FW-6-10 using the allocation percentage (63 percent hunter education) contained in the grant agreement for the hunter education portion of the costs incurred. The Division applied the 63 percent to the total costs recorded (\$97,593) to calculate the \$61,484 claimed.
- (2) The Division did not prepare an SF-269 that identified the hunter education portion of costs incurred for grant FW-6-11 separately from the aquatic education costs. Based on the 40 percent estimate of hunter education costs to total costs contained in the grant agreement, the auditors calculated \$43,789 as the hunter education share of the total claim by applying the 40 percent contained in the grant agreement to the total costs recorded (\$109,473).

Department’s Response

The Department stated that the program was discussed extensively with Federal Aid staff, it was developed with their consent, the Assistant Regional Director approved the grants, and the grants clearly indicated that hunter education funds would be used for these activities. Additionally, the Department stated that once it was made aware that hunter education funds could not be used for wildlife environmental education, the Division stopped using hunter education funds for the environmental education program.

Office of Inspector General Comments

FWS should determine whether this situation represented an appropriate use of hunter education funds and inform all of its regions of its decision.

Recommendation

We recommend that the FWS resolve the \$105,273 in questioned costs.

2. Waste Pump Out Service. Under grant V-3-1, the Department agreed to fund the construction and operation of a boat that would provide a waste pump out service for boats in the mooring fields of St. Thomas and St. John during the period from October 1, 1997 to December 31, 1998. To carry out the provisions of the grant, the Department entered into a 5-year Memorandum of Agreement with the University of the Virgin Islands (UVI) and advanced \$84,000 to UVI. The UVI submitted bills to the Department for \$62,391 consisting of \$62,219 paid to Universal Environmental Systems to provide the service and \$172 for travel. All costs were incurred after the end of the grant period. In addition, the Department reported that it incurred costs of \$4,640, thus making the total costs incurred under the grant \$67,031. The working papers did not identify any other recorded costs even though \$88,640 was claimed for reimbursement.

UVI agreed to provide monthly reports that identified the areas serviced, the number of boats serviced, the total amount of sewage pumped out, and where the recovered sewage was placed. Even though most of the \$90,000 grant has been spent, there is no indication that this service has been implemented in the Virgin Islands. Accordingly, claimed costs of \$88,640 were questioned.

Department's Response

The Department stated that if it is determined that funds should be returned to the FWS, it would do so immediately.

Office of Inspector General Comments

None.

Recommendation

We recommend that the FWS resolve the \$88,640 in questioned costs.

3. Out of Period. The Department claimed out-of-period costs for a retroactive pay raise (\$14,435) and for obligations that were liquidated well after the closure of the grants (\$3,266).

The Department claimed and was reimbursed for a retroactive pay increase for the Division Director that covered the period from January 19, 1995 through September 30, 1997. The costs were claimed, however, under grants that did not begin until October 1, 1996. Office of Management and Budget Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, Attachment A, Part C, states that to be allowable, costs must conform to any limitations or exclusions set forth in Federal laws and terms and conditions of the Federal award. The Federal Aid agreements identify specific grant periods.

The Senior Resources Ecologist acted as the Director of the Division of Fish and Wildlife from January 19, 1995 to September 30, 1997. In September 1997, a retroactive pay increase was approved to compensate the individual for the time spent as the acting Director. The pay increase was charged to several grants that began on or after October 1, 1996. The retroactive pay increase was \$3.37 per hour for 5,624 hours worked during the period from January 19, 1995 through September 30, 1997. The working papers estimated that 2,080 hours of the 5,624 hours were attributable to the period from October 1, 1996 through September 30, 1997 and would be allowable under the grants from which the costs were claimed. However, the remaining 3,544 hours related to periods prior to the grant periods to which the pay increase was charged.

The working papers calculated the questioned labor costs by applying the proportion of the pay relating to prior periods to the amounts charged to each grant with the following results:

<u>Grant Number</u>	<u>Period of Performance</u>	<u>Amount Claimed</u>	<u>Amount Questioned</u>
F-7-12	10/1/96-9/30/97	\$ 471	\$ 297
F-8-6	10/1/96-9/30/97	189	119
F-9-7	3/1/97-2/28/99	943	594
FW-14-5	10/1/96-9/30/97	19,241	12,125
FW-15-5	10/1/96-9/30/97	1,603	1,010
E-1-13	10/1/96-9/30/97	<u>461</u>	<u>290</u>
Totals		<u>\$ 22,908</u>	<u>\$14,435</u>

On grants E-1-14 and FW-14-6, the Department claimed costs after the grants' close out periods. According to the Code of Federal Regulations [43 CFR § 12.63 (b)], "A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period... The Federal agency may extend the deadline at the request of the grantee." Under grant E-1-14, the Department incurred costs of \$21,000 to obtain data on Leatherback, Green and Hawksbill turtles. The final payment of \$1,000 was made on March 21, 2000, well after the December 29, 1998 end of the funding period and without a request for a time extension. Therefore, these costs were questioned as out-of-period costs. Under grant FW-14-6, the Department made a final payment of \$2,266 for a computer on or after February 25, 1999. This payment was after the December 29, 1998 end of the funding period and also without a request for a time extension. Obligations paid through December 29, 1998 would be accepted within the typical 90-day closing process permitted under the Code of Federal Regulations [43 CFR § 12.63 (b), Period of availability of funds], but this payment was made well beyond the grant's period of performance plus the 90-day close out period.

Department's Response

Regarding the retroactive pay raise, the Department stated that it viewed the charge as an appropriate personnel charge for the period and although the raise was not approved until September 1997, the decision to honor this cost was ongoing since 1995. Regarding the \$1,000

out-of-period costs, the Department said that the \$21,000 was encumbered on March 20, 1998, and the final invoice was submitted for payment on November 1, 1998. Payments as of December 1998 totaled \$20,000, leaving an unencumbered balance of \$1,000. In March 2000, the subcontractor wrote to the Department to inform it that “they had neglected to bill...for \$1,000.” Because an unliquidated obligation existed, the final billing was honored and paid. The Department did not respond to the remaining out-of-period questioned costs of \$2,266.

Office of Inspector General Comments

The Department’s response acknowledged that the costs were incurred outside the grant periods but did not contain sufficient information to justify an exception.

Recommendations

We recommend that the FWS:

1. Resolve the retroactive pay adjustment questioned costs of \$14,435.
2. Resolve the out-of-period questioned costs of \$3,266.

4. Duplicate Claim. Under grant FW-14-6, the Department claimed \$354 of travel costs twice. An employee received a travel advance of \$1,169 for the estimated costs of attending a workshop that was charged to the grant. When the employee prepared the travel voucher, it identified \$815 in travel expenses and \$354 due the Department. The Department should have credited the \$354 on its expenditure report for grant FW-14-6, but instead it erroneously charged the amount to the grant, resulting in a duplicate claim of \$354 for which no costs were incurred. Thus, the grant was overcharged by \$708.

Department’s Response

The Department did not respond to this finding.

Office of Inspector General Comments

None.

Recommendation

We recommend that the FWS resolve the questioned costs of \$708.

B. Accounting System

The Division used a Lotus Spreadsheet-based accounting subsystem for the accumulation and reporting of costs on Federal Aid grants during fiscal years 1997 and 1998. The subsystem was used to collect, bill and report on grant costs by cost element and by grant. The working papers indicated that during the audit agency’s testing of transactions, individual expense items

were traced from the subsystem to the official accounting system maintained by the Department of Finance and to originating source documentation. However, the Department had no reconciliations to the official accounting system to identify differences between the two systems. In that regard, the working papers identified one grant for which the subsystem reported total costs as \$109,473 for fiscal year 1998 and the official accounting system reported total costs as \$144,523.

In addition, the working papers noted that the Division posts purchase orders to the sub-system as expenses based on the cost estimates contained in the purchase orders. This practice increases the risk of recording inaccurate purchase amounts because the subsequent invoiced amount may be different due to a change in pricing or in the number of items shipped, or because of the substitution of another kind of item for the one that was ordered. The working papers disclosed that the differences were tracked manually with no formal process in place to ensure that proper adjustments were made to the sub-system. The working papers also noted that the sub-system did not provide actual cost information in the same level of detail as presented in approved grant documents.

The draft report recommended that the FWS require the Department to reconcile and maintain records of its reconciliations of its Lotus-based accounting subsystem to the official Department of Finance accounting records on a monthly basis.

Department's Response

The Department stated that it “contends that the accounting system in place during the audit period FY 1997 and 1998 more than adequately meets the criteria of the generally accepted accounting principles (GAAP) and is in accordance with the Territory of the Virgin Islands’ rules and regulations.” It also stated that the accounting system meets the requirements of the “Common Rule” (43 CFR § 12.60), and that the system is reconcilable with cost ledgers produced by the Department of Finance. The Department’s response also explained the posting methods, which result in some of the timing differences discussed above. Regarding the level of accounting, the Department stated that the Division “has not been required by Federal Aid to provide accounting for projects at the job level,” and that it accounts for costs at the grant level.

Office of Inspector General Comments

The Department stated that the sub-system is reconcilable to the official accounting system, but it did not furnish any support for its position. The working papers indicate that reconciliation was requested but not provided during the site work. The Department also stated that postings are controlled and adjustments are made prior to payment. However, no support for its statement was included with the reply. During the audit, one instance was found where a proper adjustment was not made. Regarding the level of accounting detail, FWS must determine how much cost information it needs from the Department to monitor grant activity.

Recommendations

We recommend that the FWS:

1. Require the Division to reconcile its sub-system to the Department of Finance records on a monthly basis.
2. Advise the Division to post purchase orders to an encumbrance, obligations, undelivered orders, accounts payable or some other type of intermediate account instead of posting directly to expenses in the sub-system upon receipt of a purchase order.
3. Advise the Division as to what level of accounting it must record grant expenditures to satisfy FWS oversight responsibility.

C. Property Management

The Division's property management system did not adequately identify, record, and safeguard equipment purchased under Federal Aid grants. Specifically, the property listings maintained by the Division's field offices did not separately identify equipment that was purchased with Federal Aid funds, equipment was not tagged with a control number to identify it as Federal Aid-acquired assets, and an inventory of assets purchased with Federal Aid had not been independently conducted.

The Code of Federal Regulations [43 CFR § 12.72(b)], Equipment, requires states (which includes insular areas) to use, manage, and dispose of equipment acquired under a grant in accordance with state laws and procedures. However, the working papers show that the Division had not provided any written policies and procedures for the use, management, and disposal of equipment. An adequate system for managing property acquired with Federal assistance should at a minimum include property records that contain a property description, identification number, acquisition date, cost, and source of the property; location, use, and condition of the property; and disposition data. The system should also provide for periodic physical inventories and reconciliations to the property records.

The draft report recommended that the Division prepare written policies and procedures to ensure adequate internal controls over property as described above. In addition, it recommended that all property be properly tagged for identification to the Federal Aid program and that the property be identified to the grant under which it was acquired.

Department's Response

The Department agreed that there were deficiencies in its asset management in some areas such as monitoring inventory. It also said that there was an annual inventory, but that inventory "is not always reconciled with the DPNR's Property Manager's inventory." The Department added that this process had been improved for fiscal years 1999 and 2000 and it included an inventory list in its response.

Office of Inspector General Comments

Although the Department's response indicated there were some improvements, it did not agree to implement an adequate property management system.

Recommendation

We recommend that the FWS require the Division to implement a property management system that adequately controls equipment purchased with Federal Aid funds.

D. Assent Legislation

The Virgin Islands had implemented assent legislation related to the Wildlife Restoration Act, which was adequate; however, it had not implemented legislation that assented to the provisions of the Sport Fish Restoration Act. According to the Code of Federal Regulations (50 CFR § 80.3, Assent legislation), a state may participate in the benefits of the Act(s) only after it has passed legislation that assents to the provisions of the Act. In the absence of proper assent legislation, the Virgin Islands would be ineligible to participate in the sport fish program of the FWS and to receive its apportionment of funds under the Sport Fish Restoration Act.

The draft report recommended that the FWS take immediate action to ensure that the Virgin Islands implements complete and adequate assent legislation.

Department's Response

The Department's response included draft sport fish assent legislation that it claimed had been submitted to the Department's Commissioner for review and processing.

Office of Inspector General Comments

The draft legislation appeared adequate, but it was dated October 2000 and had not been finalized.

Recommendation

We recommend that the FWS require the Division to enact the required legislation to ensure continued participation in the sport fish restoration program.

In accordance with the Departmental Manual, (360 DM 5.3), please provide us with your written comments by January 10, 2003 regarding the questioned costs and other issues discussed in this report. Copies of documentation related to the final disposition of the questioned costs and other issues should be provided with your response. If you have any questions regarding this report, please contact Mr. Gary Dail, Federal Assistance Audit Coordinator, at 703-487-8011.

This advisory report is intended solely for the use of grant officials of the U.S Fish and Wildlife Service, and is not intended for, and should not be used by anyone who is not cognizant of the procedures that were applied and who agreed to the sufficiency of those procedures.

cc: Regional Director, Region 2
U.S. Fish and Wildlife Service

U. S. VIRGIN ISLANDS
DEPARTMENT OF PLANNING AND NATURAL RESOURCES
DIVISION OF FISH AND WILDLIFE
SCHEDULE OF CLAIMED AND QUESTIONED COSTS
OCTOBER 1, 1996, THROUGH SEPTEMBER 30, 1998

Grant Agreement	Amount Claimed	Costs Questioned
<u>Fiscal Year 1997:</u>		
FW-14-5	\$380,058	\$ 12,125
FW-15-5	77,831	1,010
FW-6-10	97,593	61,484
W-11-1	16,239	
W-12-1	14,653	
W-5-12	22,987	
W-7-6	12,146	
W-10-4	15,265	
F-10-6	57,987	
F-7-12	80,568	297
F-8-6	63,763	119
F-9-7	13,230	594
E-1-13	37,866	290
V-3-1	0	
<u>Fiscal Year 1998:</u>		
FW-14-6	443,758	2,974
FW-15-6	78,952	
FW-6-11	109,473	43,789
W-11-2	21,078	
W-12-2	17,264	
W-5-13	27,248	
W-7-8	10,380	
F-10-7	55,307	
F-7-13	84,828	
F-8-7	72,504	
F-9-7	3,432	
E-1-14	44,734	1,000
V-3-1	88,640	88,640
Totals	<u>\$1,947,784</u>	<u>\$212,322</u>

MANAGEMENT ISSUES

A. Labor Reporting System

Field interviews disclosed that employees did not typically record hours worked by grant on their labor distribution timesheets until the end of the biweekly payroll period. Additionally, employees did not maintain formal, standardized logbooks to help ensure the accuracy of hours recorded when the timesheets were completed. A reconciliation by individual was performed by the Division each pay period between the Lotus-based labor sub-system maintained by the Division and the official payroll record maintained by the Department of Finance, but the record of the reconciliation was not kept, and the total payroll amounts for each system for each pay period were not reconciled.

The draft report recommended that the Division issue written timekeeping procedures which include the requirement for daily input of hours by grant. At a minimum, the Division should consider developing and maintaining a standardized activity logbook to support the recorded labor effort by grant. In addition, the procedures should address the completion and submission requirements of the labor distribution timesheets, proper methods of making corrections, and the requirement to record hours based on actual labor effort versus budgeted amounts. The draft report also recommended that the Division develop and document a process to reconcile the total labor costs per its Lotus-based subsystem to official Virgin Island payroll records to ensure the accuracy of the recorded and billed labor amounts.

The Department agreed that employees should record time to grants on a daily basis. It also referred to memorandums attached to its response to show some measures that it had taken. The memorandums, however, were not included with its response.

The Department's response did not address the audit recommendations regarding the need for general timekeeping procedures. Further, the Department did not address the issue of reconciliation of the Division's payroll to the official payroll records. As we stated above, a reconciliation by individual was performed by the Department but not documented, and the total payroll amount could not be directly reconciled to the Department of Finance's records. Although the Department agreed with the need to record time daily, the referenced memorandums were not included with their response. Therefore, we believe the Department should provide the memorandums to the FWS for its consideration.

B. Grant Reporting

The working papers disclosed that the Department generally did not submit its final Financial Status Reports, SF 269s, in a timely manner. In accordance with the Code of Federal Regulations [43 CFR § 12.81 (b) (4)], final reports are due 90 days after the termination of the grants. Most of the SF-269(s) for fiscal year 1997 were dated either on

MANAGEMENT ISSUES

January 20, 1998 or February 2, 1998, more than 90 days after the end of the grant period which was September 30, 1997. Furthermore, the Department did not request an extension for filing.

The draft report recommended that the Department implement a procedure to ensure that Financial Status Reports are submitted in a timely manner. It also recommended that extension requests be submitted if the Financial Status Reports could not be submitted within the required time.

The Department's response agreed that in the past, some required Financial Status Reports had not been filed timely. The response stated that a policy to improve the timely submission of these reports had been implemented; however, a copy of the policy was not provided.

Although the issuance of a policy to improve the timely submission of the Financial Status Reports is a good step, the FWS should follow up on this issue to determine if the policy has resulted in the Department's timely filing of the Financial Status Reports.

C. Federal Signs

The Code of Federal Regulations (50 CFR § 80.26) and the Federal Aid Handbook (Part 522 FW 7.9) require that Federal Aid projects be marked with appropriate signs, directional markers, or maps to inform the public. The working papers indicated that the required signs were found at most wildlife sites, but signs were not posted at fishery locations and boat ramps as follows:

Boat ramps on St. Thomas and St. Croix

Hull Bay Boat Ramp

Fishery areas consisting mostly of marshlands, salt ponds, back bays and reefs on St. Thomas and St. Croix

The draft report recommended that the Division implement a process to ensure appropriate signs are properly posted and maintained at all project sites. In its response, the Department stated that signs would be posted appropriately at sites funded by sport fish restoration funds. The FWS should verify that the appropriate signs have been placed at sport fish funded sites.

CROSSWALK OF FINDINGS FROM THE DRAFT TO THE FINAL REPORT

Findings Contained in the February 2001 Preliminary Draft Report	Results of the OIG Review
QUANTIFIABLE ISSUES	
1. Hunter Education (Grants FW-6-10 and FW-6-11).	Included in this report as Finding A.
2. Clean Vessel (Grant V-3-1).	Included in this report as Finding A.
3. Out of Period Labor.	Included in this report as Finding A.
4. Additional Questioned Costs.	Included in this report as Finding A.
COMPLIANCE ISSUES	
1. Accounting System.	Included in this report as Finding B.
2. Purchasing System.	Excluded from this report because the cited Federal requirements cannot be imposed on states, including the Virgin Islands.
3. Asset Management.	Included in this report as Finding C.
4. Labor Reporting System.	Included in this report in Appendix 2 as Management Issue A.
5. License Certifications.	Excluded from this report because not enough evidence existed to report on this issue.
6. Draw Downs (Billing System).	Excluded from this report because not enough evidence existed to report on this issue.

CROSSWALK OF FINDINGS FROM THE DRAFT TO THE FINAL REPORT

Findings Contained in the February 2001 Preliminary Draft Report	Results of the OIG Review
COMPLIANCE ISSUES - Continued	
7. Source and Use of Funds.	Excluded from this report because not enough evidence existed to report on this issue.
8. Assent Legislation.	Included in this report as Finding D.
9. In-Kind Contributions.	Excluded from this report because not enough evidence existed to report on this issue.
10. Grant Reporting.	Included in this report in Appendix 2 as Management Issue B.
OTHER MATTERS TO BE REPORTED	
1. Nuisance Animals.	Excluded from this report because not enough evidence existed to report on this issue.
2. Project Development.	Excluded from this report because not enough evidence existed to report on this issue.
3. Coordination Grant.	Excluded from this report because not enough evidence existed to report on this issue.
4. Federal Aid Signs.	Included in this report in Appendix 2 as Management Issue C.
5. Sub-grant Monitoring.	Excluded from this report because not enough evidence existed to report on this issue.
6. Indirect Rates.	Excluded from this report because no positive or negative issue was reported.

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