



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

AUDIT REPORT

**COSTS CLAIMED BY THE
STATE OF LOUISIANA,
DEPARTMENT OF WILDLIFE AND
FISHERIES, UNDER FEDERAL
ASSISTANCE GRANTS FROM
THE U.S. FISH AND WILDLIFE
SERVICE FROM JULY 1, 2000,
THROUGH JUNE 30, 2002**

**Report No. R-GR-FWS-0023-2003
DECEMBER 2003**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

External Audits Division
12030 Sunrise Valley Drive, Suite 230
Reston, VA 20191

December 22, 2003

AUDIT REPORT

Memorandum

To: Director,
U.S. Fish and Wildlife Service

From: Joe Ansnick
Director of External Audits

Subject: Final Audit Report on Costs Claimed by the State of Louisiana, Department of Wildlife and Fisheries, under Federal Assistance Grants from the U.S. Fish and Wildlife Service from July 1, 2000, through June 30, 2002
(No. R-GR-FWS-0023-2003)

Introduction

This report presents the results of our audit of costs claimed by the State of Louisiana, Department of Wildlife and Fisheries (Department) Under Federal Assistance grants from the U.S. Fish and Wildlife Service (FWS) for the period July 1, 2000, through June 30, 2002.

Background and Scope

The Pittman-Robertson Wildlife Restoration Act, as amended (16 U.S.C. 669), and the Dingell-Johnson Sport Fish Restoration Act, as amended (16 U.S.C. 777) (the Acts), authorize FWS to provide Federal Assistance grants to states to enhance their sport fish and wildlife programs. The Acts provide for FWS to reimburse the states up to 75 percent of the eligible costs incurred under the grants. The Acts specify that state hunting and fishing license revenues cannot be used for any purpose other than the administration of the state's fish and game agencies.

As requested by FWS, we performed a financial and compliance audit of Federal Assistance grants to the State of Louisiana. The objective of our audit was to evaluate: (1) the adequacy of the Department's accounting system and related internal controls; (2) the accuracy and eligibility of the direct and indirect costs claimed under the Federal Assistance grant agreements with FWS; (3) the adequacy and reliability of the Department's hunting and fishing license fee collection and disbursement process; (4) the adequacy of the Department's asset management system and related internal controls with regard to purchasing, maintenance, control and disposal and (5) the adequacy of the Department's compliance with the Acts' assent

legislation requirements. The audit was also to include an analysis of other issues considered sensitive and/or significant to FWS. The audit work at the Department covered claims totaling approximately \$24 million on FWS grants that began after June 30, 2000, and were open during the State's fiscal years ended June 30, 2001, and 2002 (see Appendix 1).

Our audit was performed in accordance with the government auditing standards issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances. Our tests included an examination of evidence supporting selected expenditures charged by the Department to the grants; interviews with employees to ensure that all personnel costs charged to the grants were supportable; and a review of the Department's use of fishing and hunting license revenues to determine whether the revenues had been used for program purposes. We did not evaluate the economy, efficiency, and effectiveness of the Department's operations.

Our audit was performed at the Louisiana Department of Wildlife and Fisheries headquarters in Baton Rouge, Louisiana. We also visited the Lacombe hatchery and several wildlife management areas and boat ramps (see Appendix 2).

Prior Audit Coverage

On November 6, 1998, we issued audit report No. 99-E-84, "Audit of U.S. Fish and Wildlife Service Federal Aid Grants to the State of Louisiana, Department of Wildlife and Fisheries for Fiscal Years Ended June 30, 1995 and 1996." On June 26, 2002, the Legislative Auditor for the State of Louisiana issued a Procedural Report covering various aspects of the Department. In addition, the Department's Internal Auditor issued several reports during the period covered by our review. We reviewed these reports and followed up on all significant findings to determine whether they had been resolved prior to our review. We included two areas in this report because they had not been addressed satisfactorily: the charging of common costs and certain unallowable costs.

Results of Audit

Our review disclosed the following:

- Costs of \$167,463 (Federal share) were questioned because they were: not supported by in-kind contributions (\$97,064), not applicable to the Federal Assistance grants (\$52,540), and claimed for a project that was not completed (\$17,859).
- The Department did not report program income of \$479,657.
- The State of Louisiana's assent legislation allows for the transfer of license revenues from the Conservation Fund to other funds where they may be used for purposes other than the administration of the Department of Wildlife and Fisheries.

- Improvements are needed in the Department's annual license certifications, project level accounting, asset management, charging of common costs, and posting of Federal Assistance signs.

The Department responded to a draft of this report on September 9, 2003, addressing each of the findings listed below. Based on the Department's responses, we modified the findings and recommendations as necessary to clarify the issues and to incorporate any additional information provided. We have included the responses after our recommendations to resolve each finding. The FWS did not respond to the draft of this report.

A. Questioned Costs

1. In-Kind Contributions. The Department did not maintain supporting records for all in-kind contributions. Department officials could only find Volunteer Instructor Time and Activity Record(s) to support 1,593 hours for the Aquatic Education Program Grant (F-65-13). As a result, the Department could not support \$200,663 of in-kind contributions.

According to 43 CFR § 12.64(b)(6), costs must be verifiable to the grantees records, and to the extent feasible, volunteer services should be supported by the same methods the organization uses to support regular personnel costs. Since source documentation could be provided for only \$24,692 of in-kind contributions for this grant (applicable to the 1,593 hours supported), only \$74,076 of Federal share was matched by in-kind contributions (the agreed upon cost split was 25 percent State and 75 percent Federal). We have questioned the \$97,064 difference between the \$74,076 supported by in-kind contributions and the \$171,140 Federal share drawn down.

Recommendations

We recommend that the U.S. Fish and Wildlife Service (FWS):

- a. Resolve the \$97,064 of questioned costs.
- b. Determine whether the documentation for the subject in-kind contributions is accurate and sufficient to support the applicable Federal share drawn down.

Department Response

Departmental officials stated that the supporting records for the subject in-kind contributions have been located and they attached copies of that documentation to their response. In addition, the Department contended that the questioned costs should have been calculated as \$32,355, the difference between the \$24,692 of in-kind contributions supported and the \$57,047 required match for the \$171,140 drawn down.

Office of Inspector General Comments

Since the Department's response indicated that the supporting documentation has been located, we have revised our Recommendation A.1.b. Accordingly, FWS should review the

documentation and determine whether the records are accurate and adequate to support the Federal share drawn down. We do not agree, however, that the questioned costs were calculated incorrectly as they pertain to the Federal share drawn down and not the State share (in-kind contributions). Since only \$24,692 of in-kind contributions was supported, only \$74,076 of Federal share was matched. As a result, the questioned costs were properly calculated as \$97,064, the difference between the \$74,076 supported by in-kind contributions and the \$171,140 Federal share drawn down. FWS should resolve the finding and implement the recommendations.

2. Unallowable Costs. The State of Louisiana's Single Audit for State fiscal year (SFY) 2001 disclosed that, based on an internal audit conducted by the Department, a senior official of the Department made \$52,540 in questionable purchases charged to the Sport Fish Restoration grants (the specific grants involved were not identified). A criminal investigation revealed that the purchases occurred over several years and involved the collusion of a private vendor, and the total amount misappropriated was never accurately determined. As a result of the investigation, the official was terminated, paid restitution of \$36,382 to the Department and \$40,000 in fines, and was sentenced to 18 months imprisonment. The Department did not reimburse FWS for any of the Federal Assistance grants charged. Federal Assistance funds should be applied only to activities or purposes approved by the Regional Director of FWS according to 50 CFR § 80.14(a). If otherwise applied, they must be reimbursed. Therefore, \$52,540 of questionable purchases should be recovered by the FWS.

Recommendation

We recommend that the FWS resolve the \$52,540 of questioned costs.

Department Response

The Department agreed that FWS should resolve the issue of questionable purchases but took exception to the amount, indicating that the amount in question has never been proven to be correct.

Office of Inspector General Comments

The response clarifies the discrepancy between the \$52,540 of questioned costs contained in the Single Audit and the restitution paid by the senior official. Because the restitution was not related to the questionable purchases, it makes it clearer that the \$52,540 is the correct amount to question. However, the Department claimed that some of the questionable purchases were legitimate but it did not identify those purchases. If the Department believes that some of the purchases were for eligible costs of the grants, it should identify those costs and the grants to which the Department believes they apply. The FWS can then consider those costs as part of its resolution of the \$52,540 in questioned costs. Therefore, FWS should resolve the finding and implement the recommendation.

3. Delhi Shooting Range Development. The Department obtained grant W-65-2 to construct a shooting range at the Delhi Range Project. The project was never completed. Although it obtained \$17,859 in Federal Assistance, the Department only bought some clay target throwers and constructed a dirt foundation. Even though \$33,400 was reported as the

recipient's share of net outlays, there was no record of costs having been incurred or contributions having been received for the matching portion of this grant. We questioned the amount of Federal Assistance drawn under the grant because the shooting range was not completed and the Department did not incur or receive as a contribution its required matching share.

Recommendation

We recommend that the FWS resolve the \$17,859 of questioned costs.

Department Response

The Department stated that while the funds were drawn and expended in good faith the project was unable to be completed. The Department indicated that FWS has given verbal approval to use the clay target throwers on another project. In addition, the \$33,400 reported as recipient outlays represented the value of land on which the range was to be located and would represent an in-kind match for the grant.

Office of Inspector General Comments

Under the terms of the grant agreement, the Department was required to provide a shooting range. Since the project was not completed, the Department was not entitled to the Federal funds drawn down. As a result, we questioned the entire amount of Federal funds drawn down. A portion of the funds drawn were used for clay target throwers. If the FWS approves the Department's acquisition of the clay target throwers, under the provisions of 43 CFR 12.72(f), title to the clay target throwers would vest with the FWS. Therefore, the clay target throwers should be classified as FWS property in the property records of the Department as contrasted with the other classes of property already maintained by the Department such as license fee and general fund property. The response did not address the questioned costs for the dirt work, or the issue of title to the clay target throwers. FWS should resolve the finding and implement the recommendation.

B. Additional Findings

1. Program Income. The Department deposited \$479,657 in revenues to the Conservation Fund that were generated on wildlife management areas receiving Federal Assistance funds for their operation and maintenance. Sources of the revenue included rights-of-way, land rental, oil and gas royalties, timber sales, alligator harvesting, and seismic testing. These revenues were not identified as program income in grant agreements W-55-15 and W-55-16 or reported on the respective Financial Status Reports (SF-269s). According to 43 CFR § 12.65, program income is gross income directly generated by a grant-supported activity received by a grantee. We concluded that revenue produced from wildlife management areas should be considered program income whenever grants for the operation and maintenance of those wildlife management areas have been awarded.

The Department did not report revenue from rights-of-way, land rental, oil and gas royalties, alligator harvesting or seismic testing because these areas were never discussed with

FWS. FWS Region 4 indicated that revenues from timber sales were not considered program income because most Department land was purchased with State funds and therefore would not be subject to Federal Assistance policies. As a result, revenue from timber sales was not reported as program income. A schedule of revenues generated for the period covered by our review follows.

	W-55-15	W-55-16	Total
Rights of Way	\$100	\$ 32,152	\$32,252
Land Rental	3,693	33,282	36,975
Oil and Gas	2,951	1,811	4,762
Timber Sales	166,135	166,874	333,009
Alligator Harvest	35,515	28,234	63,749
Seismic Testing	-0-	8,910	8,910
Totals	\$208,394	\$271,263	\$479,657

We believe these revenues should be reported as program income on the wildlife management areas cited above. In addition, program income should have been estimated in the proposals for these grants.

Recommendations

We recommend that the FWS:

- a. Resolve the \$479,657 of unreported program income.
- b. Require the Department to disclose program income in future grant proposals.

Department Response

Based on discussions with FWS and review of the pertinent regulations, the Department agreed that revenue generated on Wildlife Management Areas managed with Federal Assistance funds should be considered program income. However, the Department believed that revenues from rights-of-way should be considered as proceeds from the sale of real property. The Department will include program income and record such income appropriately in the future.

Office of Inspector General Comments

We did not analyze each right-of-way to determine if the revenue generated from them represented proceeds from the sale of real property or if it represented program income. The Federal Assistance Manual (522 FW 6.7D) states that while minerals, oil, gas, timber, grazing rights and other real property are normally considered part of the land, these interests may be separated from the land by sale, lease, easement or other method of transfer and revenues from the sale, lease or easement may be considered program income (emphasis added). We suggest that the FWS request advice from the Solicitor's Office as to the proper classification of revenues generated from the granting of these rights-of-way. The Department's response did not

address the resolution of the unreported program income for the period reviewed. FWS should resolve the finding and implement the recommendation.

The Department agreed with Recommendation B.1.b and stated that in the future, it will include program income in grant proposals and financial reports as required. We consider this action appropriate and FWS should address this recommendation in the Corrective Action Plan.

2. Assent Legislation. In November 2002 the State passed a constitutional amendment authorizing the State legislature to make budget adjustments necessary to avoid deficits by transferring up to five percent of the appropriation or allocation from the fund to other funds. The State deposits most of its license fees into the Conservation Fund. Both of the Acts require that before any monies are apportioned to a State, the State assent to the provisions of the Acts and pass laws that include a prohibition against the diversion of hunting and fishing license fees for any purpose other than the administration of the State game and fish department (16 USC 669 and 16 USC 777). Since the Conservation Fund was not excluded from coverage by the amendment, it appears that hunting and fishing license fees are not prohibited from being used for purposes other than the administration of the State fish and game department.

Recommendations

We recommend that the FWS determine whether:

- a. The constitutional amendment allows for the diversion of license fees.
- b. The Department may continue to participate in the Federal Assistance program.

Department Response

The Department's response included a detailed recital of events, including the subject amendment to the State's constitution and a discussion of the triggering mechanism under which funds could be transferred. The Department stated that in fiscal year 2002, license fee revenues represented only 47 percent of the total revenues deposited into the Conservation Fund. It also stated that as long as other revenue to the Fund each year exceeded five percent of the appropriations from the Fund by the State Legislature, license revenues would remain protected. The Department concluded that because at present over half of the revenue deposited to the Conservation Fund each year comes from sources other than hunting and fishing licenses, there is no danger in the foreseeable future that the constitutional amendment could cause license fees to be used for anything other than administration of the Department.

Office of Inspector General Comments

We do not consider this response sufficient to resolve this matter because the constitutional amendment allows for the transfer of funds from the Conservation Fund for purposes other than administration of the State fish and wildlife agency in any year where there is a deficit in any other fund. The use of one year's results does not indicate what the results will be for all future years. We do not know how much other revenue has been deposited into the Conservation Fund in the past, whether such other revenue will continue to be deposited there, and the amount of any such future deposits. We concluded that because there is no prohibition

against using the Conservation Fund for purposes other than the administration of the Department, then there is no prohibition against using fishing and hunting license revenue for purposes other than the administration of the Department. The law states that such a prohibition is required in order for the State to participate in the Federal Assistance program. Accordingly, FWS should resolve the finding and implement the recommendations.

3. Annual License Certification. The Department completed and submitted annual License Certifications for license years (LYs) 2000 and 2001. The certification for LY 2001 indicated that some licenses were issued to handicapped and disabled individuals at no cost to the applicant and thus, did not generate any revenue. First available in LY 2001, these licenses were for fishing and combination hunting and fishing. According to 50 CFR § 80.10(c)(2), licenses that do not return net revenue to the State shall not be included in the annual certification. While the fishing licenses were not included in the certification, the combination hunting and fishing licenses were included. As a result, the annual license certification for 2001 was overstated by 1,774 licenses.

The annual License Certifications also indicated that lifetime licenses, which are valid for more than 1 year, were sold during LYs 2000 and 2001. These multi-year licenses have been sold since 1992. According to 50 CFR § 80.10(c)(3), licenses valid for more than one year may be counted in each of the years for which they are valid, provided that the net revenue from each license is commensurate with the period for which hunting or fishing privileges are granted, and sampling or other techniques are used to determine whether the licensee remains a license holder in the year of certification. While a method is used to allocate revenue annually for each lifetime license over the period for which it is included in the annual certification, the Department does not perform sampling or other techniques to determine whether the licensees were valid license holders in each year of certification. As a result, the number of lifetime licenses certified by the Department in LYs 2000 and 2001 may be inaccurate.

To prepare the annual license certifications, the Department used percentages based on a survey conducted in 1993 to eliminate duplicate non-resident hunting and fishing licenses. According to 522 FW 2.7(1), when surveys are used to eliminate duplicate licenses, a new survey should be conducted every 5 years. Due to the outdated survey data that the Department used to eliminate duplicate non-resident licenses, the number of non-resident licenses certified in LYs 2000 and 2001 may be inaccurate.

Recommendations

We recommend that the FWS ensure that the Department:

- a.** Include only those licenses that generate net revenue in its annual license certifications.
- b.** Develop appropriate techniques to determine that multi-year licensees were valid license holders in the year of certification.
- c.** Conduct a new survey or establish another technique to validate the annual adjustment for duplicate non-resident license holders.

Department Response

The Department concurred with the finding. The Department stated that licenses that do not return net revenue were only included in the count of licensees for fiscal year 2001 and accordingly, no further action regarding the counting of no net revenue licenses was warranted. In order to determine if multi-year licenses should be included in the certifications, the Department stated that the State Federal Assistance coordinators will work with the Department's economic staff to develop a method for determining valid license holders to be used in the 2004 license year. Finally, the Department stated that duplicate non-resident license holders were eliminated from the fiscal year 2003 certifications by using actual data from the Department's automated license system. Accordingly, it believed that this weakness had been corrected.

Office of Inspector General Comments

We believe the Department's proposed corrective action is appropriate. FWS should resolve the finding and implement the recommendations.

4. Project Level Accounting. Some Federal Assistance grants with the Department were comprised of jobs, with each job having a separate budget. However, the Department did not accumulate the actual costs of these jobs and compare those costs to the corresponding budgeted amount. Although the regulations permit the grantee to re-budget among identified budgeted costs to meet unanticipated requirements, 43 CFR § 12.70(c) requires grantees to accumulate the costs of projects (the Department projects were called jobs), compare them to the project level budgets contained in the grant, and obtain the prior approval of the awarding agency whenever such transfers between separately budgeted projects are expected to exceed ten percent of the total approved budget. This regulation applies where the awarding agency's share exceeds \$100,000. The following is a list of grants for which the Federal share exceeded \$100,000.

Grant No.	Description	Grant Amount	Federal Share
W-55-15	Research and Development	\$3,522,353	\$2,641,765
W-55-16	Research and Development	3,539,200	2,654,400
W-1-26	Hunter Education	1,000,000	750,000
W-1-27	Hunter Education	1,000,000	750,000
F-95-03	Sport Fish Habitat Management	1,315,600	986,700
F-95-04	Sport Fish Habitat Management	1,349,840	1,012,380
F-65-13	Aquatic Education	433,333	325,000
F-65-14	Aquatic Education	433,333	325,000
F-97-2	Stock Assessment—Marine Finfish	324,272	243,204
F-97-3	Stock Assessment—Marine Finfish	324,272	243,204
Totals		\$13,242,203	\$9,931,653

Since the actual costs of each job were not monitored, we had no assurance that the amount budgeted for a specific job was an accurate representation of the funds necessary to

accomplish the work required. Also, there was no way to verify whether the budgeted amounts were exceeded or whether amounts were transferred between jobs within a particular grant.

Recommendation

We recommend that the FWS ensure that the Department accumulates and compares actual costs to the amounts budgeted for individual jobs within grant agreements.

Department Response

The Department stated accounting for costs at the job level was not performed because it was not required by FWS. Beginning with the current fiscal year, costs will be accounted for at the budget level for the appropriate grants as required by the regulations.

Office of Inspector General Comments

We believe the Department's proposed corrective action is appropriate. FWS should resolve the finding and implement the recommendation.

5. Asset Management. The Department identified personal (moveable) property in four categories: Federal, Conservation, Rockefeller, and Marsh Island. Federal Assistance property must be identified and controlled in order to properly manage the property in accordance with 50 CFR § 80.18(c). In addition, Federal Assistance property must be used only for Federal Assistance activities. Since the Department did not specifically identify Federal Assistance personal property (it was categorized only as Federal property), we could not determine whether Federal Assistance property was being used for the purpose for which it was originally acquired.

The Department conducts an annual physical inventory of moveable property. However, the moveable property inventory was not accurate. Five items totaling \$3,845 were no longer in use, or the status needed to be updated (the item had been moved to another site, or was listed as "unfound," but was found during our visit). An additional 29 items, totaling \$210,846, were found at locations we visited but were not identified for those locations (the item location code had not been updated or the item had never been added to the inventory). The inventory records were inaccurate because they were not updated based on the results of the annual physical inventories, or the annual physical inventories were not conducted properly. The Louisiana Administrative Code, Title 34, Part VII requires that all items of moveable property valued at \$1,000 or more be placed on the statewide inventory system; a property location index be established and maintained to track the location of property; and that an annual inventory be taken. The Property Control Section has taken corrective action for these items.

Recommendations

We recommend that the FWS ensure that the Department:

a. Account for Federal Assistance property to assure that it serves the purpose for which it was acquired.

b. Accurately update the moveable property inventory for additions, deletions, and location changes.

Department Response

The Department stated that the State has implemented a new asset management system which should allow for the required accounting for Federal Assistance property once the reporting components of the system are constructed.

Office of Inspector General Comments

The Department's proposed corrective action is appropriate and FWS should resolve the finding and implement the recommendations.

6. Labor – Common Costs. As a result of a finding in the prior Federal Assistance audit, the Department modified the manner in which common costs (paid time off and fringe benefits) were charged to Federal Assistance grants. To resolve that finding, the Department stated that it would charge these costs to State funds until an allocation method was developed. At the time of our review, an allocation method had not yet been developed. However, we found 11 instances where employees charged paid time off to Federal Assistance grants during the period covered by our audit. OMB Circular A-87, Attachment B, Section 11.d.2, indicates that the costs of authorized absences, such as holidays, annual leave and sick leave, are allowable if they are equitably allocated to all related activities including Federal awards. Since the Department has not issued a policy or implemented a method of allocating these costs equitably, we cannot determine whether Federal Assistance grants were charged equitably for common costs.

Recommendation

We recommend that the FWS provide assistance to enable the Department to issue a policy and implement a method of allocating common costs equitably to Federal Assistance grants.

Department Response

The Department concurred with the finding and pointed out that the majority of the costs for paid leave are funded by the State and as a result, Federal grants are under-billed for these costs. The Department also agreed that a leave policy is needed and that this matter will be addressed.

Office of Inspector General Comments

It is not required that a share of common costs be paid out of Federal Assistance and license fee funds; however, the Department would be eligible for reimbursement of a share of common costs. FWS should resolve the finding and implement the recommendation.

7. Posting of Federal Assistance Signs. The provisions of 50 CFR § 80.26 and the Federal Assistance Handbook (Part 522 FW 7.11) indicate that Federal Assistance projects should be marked with appropriate signs. During our site visits, we found that 5 of the 18 locations visited did not display the authorized Federal Assistance logos. Those locations were Bayou Bonfouca Boat Ramp, South Shore Harbor Marina (pump-out station), and the Manchac, Fort Polk and Alexandria Forest wildlife management areas. Department officials explained that it was difficult to keep the signs posted as they are often taken as souvenirs.

Recommendation

We recommend that FWS ensure that the Department properly post and maintain the appropriate signs at all project sites.

Department Response

The Department stated that, although it is difficult, every effort is made to ensure that the appropriate signage is posted at Federal Assistance sites.

Office of Inspector General Comments

FWS should resolve the finding and implement the recommendation.

8. Overstated Outlays Reported on Financial Status Report. The Department reported the same costs to two grants (F-64-13 and F-64-14, Louisiana Cooperative Fish Disease Projects) in SFYs 2001 and 2002. OMB Circular A-87 states that costs should be charged in accordance with benefits received, and that any cost allocable to a particular Federal award may not be charged to other Federal awards. Therefore, costs allocable to one grant may not be charged to another grant. Since the costs were paid at the end of SFY 2001, both grants were mistakenly charged for the same costs. The total outlays reported on the final Financial Status Report for Grant F-64-14 were \$4,460 more than actual costs. The error has been corrected, reducing the state's portion of outlays on a revised SF-269 dated March 20, 2003. The resulting State and Federal outlay percentages remained in accordance with the grant agreement and the Acts.

Recommendation

We recommend that the FWS accept the revised Financial Status Report as the final Financial Status Report for grant F-64-14.

Department Response

The Department stated that the revised Financial Status Report appears to have been accepted by the FWS.

Office of Inspector General Comments

FWS should resolve this finding and implement the recommendation.

In accordance with the Departmental Manual (360 DM 5.3), please provide us with your written response by March 24, 2004, to the recommendations included in this report. Your response should include information on actions taken or planned, including target dates and titles of officials responsible for implementation. If you have any questions regarding this report, please contact me or Mr. Owen Nicholson, Audit Team Leader, at (703) 487-5345.

cc: Regional Director, Region 4
U.S. Fish and Wildlife Service

LOUISIANA DEPARTMENT OF WILDLIFE AND FISHERIES

FINANCIAL SUMMARY OF REVIEW COVERAGE

Grant Number	Grant Amount	Claimed Costs	Questioned Costs		Notes
			Total	Federal Share	
W-1-26	\$1,000,000	\$1,103,961			
W-1-27	1,000,000	1,003,912			
W-10-55	50,000	28,672			
W-10-56	50,000	43,534			
W-55-15	3,522,353	3,965,975			
W-55-16	3,539,200	3,776,601			
W-65-2	66,000	51,259	\$17,859	\$17,859	1
FW-3-29	132,000	242,574			
FW-3-30	132,000	253,658			
F-3-47	346,112	348,671			
F-3-48	359,960	420,746			
F-18-31	8,000	8,000			
F-18-32	8,000	8,000			
F-23-29	100,000	44,323			
F-23-30	100,000	73,099			
F-53-14	60,000	65,620			
F-53-15	60,000	55,388			
F-60-14	1,206,000	1,076,726			
F-60-15	1,206,000	1,343,102			
F-61-14	682,500	409,566			
F-61-15	682,500	743,662			
F-64-13	23,920	34,685			
F-64-14	24,880	37,984	4,460		2
F-65-13	433,333	396,495	297,727	97,064	3
F-65-14	433,333	425,839			
F-69-12	36,000	37,807			
F-69-13	36,000	38,610			
F-90-7	20,000	213			
F-90-8	20,000	196			
F-95-3	1,315,600	1,455,667			
F-95-4	1,349,840	1,450,095			
F-96-2	80,000	83,994			
F-96-3	80,000	85,786			
F-97-2	324,272	212,114			
F-97-3	324,272	292,376			
F-98-1	607,168	0			
F-99-1	322,000	0			

Grant Number	Grant Amount	Claimed Costs	Questioned Costs		Notes
			Total	Federal Share	
F-100-1	149,000	0			
F-101-1	100,000	117,159			
F-102-1	329,471	0			
F-103-1	134,252	0			
F-104-1	76,882	0			
F-105-1	25,000	0			
F-106-1	455,897	470,113			
F-107-1	72,109	81,817			
F-108-1	1,335,000	19,250			
F-109-1	212,000	0			
F-111-1	117,925	0			
F-112-1	880,125	0			
F-113-1	63,747	0			
F-114-1	351,000	0			
F-116-1	255,847	0			
Sub-totals	\$24,299,498	\$20,307,249	\$320,046	\$114,923	
Unspecified				52,540	4
Totals	\$24,299,498	\$20,307,249	\$320,046	\$167,463	

Notes:

1. The entire \$17,859 Federal share drawn down for the Delhi Shooting Range project was questioned because the project was not completed (see Questioned Costs, 3. Delhi Shooting Range Development).
2. The \$4,460 was questioned because it was included in total outlays for this grant and the prior grant. The Federal share was not affected and the final Financial Status Report has been adjusted (see Additional Findings, 9. Overstated Outlays Reported on Financial Status Report).
3. The questioned amounts pertain to in-kind hours that were unsupported. Provided source documentation supported only \$24,692 of in-kind contributions for this grant; therefore, only \$74,076 of the Federal share was matched by in-kind contributions. The questioned costs were calculated as shown below (see Questioned Costs, 1. In-Kind Contributions).

	Federal Share	State Share	Totals
Outlays	\$171,140	\$225,355	\$396,495
Less: Amount Supported	74,076	24,692	98,768
Amount Unsupported	\$97,064	\$200,663	\$297,727

4. The \$52,540 pertains to questionable purchases which were charged to Sport fish grants but could not be identified to specific grants (see Questioned Costs, 2. Unallowable Costs).

LOUISIANA DEPARTMENT OF WILDLIFE AND FISHERIES

SITES VISITED

Frenier Boat Ramp
Reserve Boat Ramp
Bonnet Carre Boat Ramp
Lac Des Allemands Boat Ramp
Bayou Bonfouca Boat Ramp
Mandeville Boat Ramp
Madisonville Boat Ramp
Iatt Lake Boat Ramp
Cotile Lake Boat Ramp
Lake Buhlow Boat Ramp
South Shore Harbor Marina
Lacombe Hatchery
Pearl River Wildlife Management Area
Manchac Wildlife Management Area
Sandy Hollow Wildlife Management Area
Fort Polk Wildlife Management Area
Alexandria Forest Wildlife Management Area
District Three Office, Alexandria, LA
Headquarters Office, Baton Rouge, LA

How to Report Fraud, Waste, Abuse and Mismanagement

Fraud, waste, and abuse in government are the concern of everyone – Office of Inspector General staff, Departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and abuse related to Departmental or Insular Area programs and operations. You can report allegations to us by:

Mail: U.S. Department of the Interior
Office of Inspector General
Mail Stop 5341-MIB
1849 C Street, NW
Washington, DC 20240

Phone:	24-Hour Toll Free	800-424-5081
	Washington Metro Area	202-208-5300
	Hearing Impaired (TTY)	202-208-2420
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Internet: www.oig.doi.gov/hotline_form.html



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