



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

AUDIT REPORT

**U.S. Fish and Wildlife Service
Federal Assistance Grants
Administered by the American
Samoa Government,
Department of Marine and
Wildlife Resources, from
October 1, 2001, through
September 30, 2003**

Report No. R-GR-FWS-0013-2004

March 2005



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

External Audits


12030 Sunrise Valley Drive, Suite 230
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March 31, 2005

AUDIT REPORT

Memorandum

To: Director
U.S. Fish and Wildlife Service

From: Andrew Fedak 
Director of External Audits

Subject: Final Audit Report on the U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the American Samoa Government, Department of Marine and Wildlife Resources, from October 1, 2001, through September 30, 2003 (No. R-GR-FWS-0013-2004)

This report presents the results of our audit of costs incurred by the American Samoa Government (Samoa), Department of Marine and Wildlife Resources (Department), under its Federal Assistance grants from the U.S. Fish and Wildlife Service (FWS). The audit included costs totaling approximately \$2.9 million on FWS grants that were open during Samoa's fiscal years ended September 30, 2002 and 2003 (see Appendix I). The audit also covered the Department's compliance with certain laws, regulations, and FWS guidelines.

We questioned costs totaling about \$266,000 for excess drawdowns; unsupported, unallocable, unnecessary, or unreasonable salaries, purchases, and services; unsupported or unallocable travel costs; and unapproved indirect costs. We also identified compliance issues related to the accounting system and associated internal controls, project level accounting, asset management, and indirect costs. In addition, we identified two other matters related to project cost reporting and timing of equipment purchases. We previously reported three of the four compliance findings and the two other matters in our September 1999 audit report. We found that the conditions that caused the findings still existed during fiscal years 2002 and 2003.

The Department responded to a draft of this report on November 12, 2004, and the FWS responded on March 11, 2005. We summarized the FWS and Department responses after the recommendations and added our comments on the responses. The status of the recommendations is summarized in Appendix 3.

In accordance with the Departmental Manual (361 DM 1), please provide us with your written response to the recommendations included in this report by July 1, 2005. Your response should include the information requested in Appendix 3. If you have any questions regarding this report, please contact me at (703) 487-5345 or Mr. Robert Leonard, Audit Team Leader at (916) 978-5646.

cc: Regional Director, Region 1
U.S. Fish and Wildlife Service

Introduction

Background

The Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act (Acts)¹ authorize the U.S. Fish and Wildlife Service (FWS) to provide Federal Assistance grants to states and territories to enhance their sport fish and wildlife programs. The Acts provide for FWS to reimburse the states up to 75 percent and the territories up to 100 percent of the eligible costs incurred under the grants. They also specify that state and territory hunting and fishing license revenues cannot be used for any purpose other than the administration of the state's or the territory's fish and game agency.²

Scope, Objective, and Methodology

We performed our audit at the American Samoa Government (Samoa), Department of Marine and Wildlife Resources (Department) offices in Fagatogo, American Samoa. The audit work at the Department included claims that totaled approximately \$2.9 million on FWS grants that were open during Samoa's fiscal years ended September 30, 2002 and 2003 (see Appendix 1). The objective of our audit was to evaluate:

- the adequacy of the Department's accounting system and related internal controls;
- the accuracy and eligibility of the direct and indirect costs claimed under the Federal Assistance grant agreements with FWS;
- the adequacy of the Department's asset management system and related internal controls with regard to purchasing, maintenance, control, and disposal; and
- the adequacy of the Department's compliance with the Acts' assent legislation requirements.

We performed our audit 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 and interviews with employees to ensure that personnel costs charged to the grants were supportable. We did not evaluate the economy, efficiency, or effectiveness of the Department's operations.

¹ As amended 16 U.S.C. § 669 and 16 U.S.C. § 777

² The American Samoa Government's Department of Marine and Wildlife Resources does not sell any hunting or fishing licenses. As a result, we did not need to address the issue of whether license revenues were used for program purposes.

Prior Audit Coverage

On September 22, 1999, we issued audit report No. 99-E-925, “U.S. Fish and Wildlife Service Federal Aid Grants to the American Samoa Government, Department of Marine and Wildlife Resources, for Fiscal Years ended September 30, 1996 and 1997.” We reviewed this report and followed up on all significant findings to determine whether they had been resolved prior to our review. We determined that five of the previously reported issues had not yet been resolved. Our findings related to these issues are discussed in the Results of Audit section of this report. These issues involved the project cost reporting (project level accounting, see Finding E), accounting system and related internal controls (see Finding F), asset management (see Finding G), indirect costs (see Finding H), and timing of equipment purchases (see Finding I).

Results of Audit

Our review found that Samoa had adequate assent legislation in place that prohibited the use of license fees for any purpose other than the administration of the Department.

However, our audit identified questioned costs of \$265,749 as follows:

- A. Excessive drawdowns of \$19,574.
- B. Unsupported, unallocable, unnecessary, or unreasonable costs for salaries, purchases, and services of \$177,084.
- C. Unsupported or unallocable travel costs of \$55,192.
- D. Unapproved indirect costs of \$13,899.

Additionally, we found compliance issues related to:

- E. Project level accounting.
- F. The accounting system and related internal controls.
- G. Asset management.
- H. Indirect costs.
- I. Other matters related to project cost reporting and timing of equipment purchases.

Questioned Costs

We questioned costs totaling \$265,749 because the Department made excessive drawdowns and could not provide support for some salaries, purchases, services, travel, and indirect costs. These findings are discussed in the following paragraphs.

A. Excessive Drawdowns

The Department's drawdowns reported on the SF-269 financial status reports (claimed costs) exceeded the costs recorded in the Department of Treasury's (Treasury) accounting system for four grants. The drawdowns made by the Treasury should have been based on and supported by incurred costs, as required by the Service Manual (522 FW 1.10). As shown in the following schedule, the Department claimed a total of \$19,574 more than the costs recorded in the Treasury's accounting system.

Grant Number	Name	Claimed Costs	Treasury's Records	Difference
FW-1-C-16	Coordination	\$264,639	\$257,528	\$7,111
W-1-R-18	Wildlife Investigations	306,265	300,251	6,014
F-2-R-27	Fisheries Investigations	286,436	281,239	5,197
F-10-E-1	Aquatic Education	67,524	66,272	1,252
Total		\$924,864	\$905,290	\$19,574

The Treasury's Grants Division employees were responsible for comparing all of the annual Federal grant reports from grantees with the Treasury's accounting records to ensure accuracy. The Grants Division employees were supposed to stamp the reports with the Treasury's confirmation stamp before submitting the reports to the grantor agencies. Our review indicated that the Treasury employees did certify the financial status reports for the grants listed in the table above. However, this process may have been undermined by transfers of various costs to and from other grant accounts subsequent to submission of the financial status reports to FWS, which resulted in the excessive drawdowns noted above. The Department's Administrator told us that various cost transfers after the financial status reports were submitted to FWS have contributed to the differences between the claimed costs shown on the reports and the actual costs shown in the Treasury's records.

Recommendation

We recommend that the FWS resolve the issue of excessive drawdowns in the amount of \$19,574.

Department Response

The Department agreed that the drawdowns exceeded costs in the Treasury's accounting system report for the four grants. The Department stated that the costs in its accounting system supported the drawdowns and submitted a request to Samoa's Treasury to transfer expenditures to the four grants so that their records would reconcile.

FWS Response

The FWS stated that it did not review the documentation submitted by the Department that but it agreed with our finding.

OIG Comments

The request for transfer of funds by the Department to the projects with excessive drawdowns is not sufficient support to resolve the questioned costs. Based on the FWS response, and our review of documentation submitted by the Department, we consider this matter unresolved and the recommendation not implemented.

B. Salaries, Purchases, and Services

The Department charged costs identified as salaries, purchases, and services to the grants that were not supported by source documentation, not properly allocable to the grants, unreasonable, or unnecessary. As summarized in the following schedule, we questioned costs of \$177,084. (See Appendix 2 for details and the specific reasons we questioned each of the costs claimed.)

Grant Number	Name	Questioned Costs
F-4-B-6	O & M Boating	\$88,662
FW-1-C-16	Coordination	47,390
F-2-R-25	Fisheries Investigations	8,787
F-2-R-26	Fisheries Investigations	4,465
W-1-R-18	Wildlife Investigations	8,250
W-1-R-17	Wildlife Investigations	6,968
F-2-R-27	Fisheries Investigations	8,151
FW-1-C-15	Coordination	3,611
FW-2-E-13	Aquatic/Wildlife Education	800
Total		<u>\$177,084</u>

Title 50 CFR § 80.15 of the Code of Federal Regulations states that allowable costs are limited to those which are necessary and reasonable for accomplishment of approved project purposes and are in accordance with the cost principles of OMB Circular A-87. It also states that all costs must be supported by source documents or other records as necessary to substantiate the application of funds.

OMB Circular A-87, Attachment A, item C.3.a. states, “A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such a cost objective in accordance with relative benefits received.”

We believe these conditions occurred because the Department did not properly manage and control its grants. The Treasury performed oversight and advisory functions and provided the Department with monthly financial reports. The Department’s Administrator was responsible for monitoring the reports, reconciling these reports to Departmental records, and correcting all mistakes. In addition, Program Directors were responsible for ensuring that grant funds were spent in compliance with grant terms. However, Program Directors did not review and approve charges to the grants because the Administrator did not provide them with copies of the reports. Without these reports, the Program Directors were unable to carry out their responsibilities. As a result, salaries, purchases, and services charged to the grants were overstated by \$177,084.

Recommendations

We recommend that the FWS:

1. Resolve the \$177,084 of salaries, purchases, and services costs that were either unsupported or not allocable to the grants.
2. Ensure that the Department implements a process to adequately monitor and reconcile the Treasury reports.

Department Response

The Department indicated that it generally agreed with \$15,443 of the \$177,084 questioned but felt that a portion of the amount questioned should be charged to the grant or that the costs were legitimate even though they were incurred outside the grant period. The Department submitted documentation to support most of the remaining questioned costs.

FWS Response

The FWS agreed with our finding and stated that the Department must adequately identify and support the questioned costs.

OIG Comments

Our review of the documentation submitted by the Department found that the information was incomplete or not verifiable without additional documentation. For example, a handwritten Customer Order Form with a figure of \$26,500 was submitted as support for the purchase of a vehicle. Although the FWS agreed with the finding, we consider it unresolved and the recommendations unimplemented based on the Department's response and the documentation provided.

C. Travel Costs

Employee travel expense reports did not always contain sufficient documentation to support claimed costs or contained costs that were not allocable to the Federal Assistance program. Receipts for airline tickets, lodging, car rentals, registration fees, and sign-in sheets or certifications of completion for training or meetings were often missing. In addition, some travel costs were for travel unrelated to the grants charged. Many of these issues were addressed previously in our September 1999 audit report. Despite the fact that the Department issued appropriate criteria to correct the deficiencies, problems continued to persist. As summarized in the following schedule, we questioned travel costs of \$55,192. We are providing the details of the questioned costs to the FWS under separate cover.

Grant Number	Name	Questioned Costs
FW-1-C-15	Coordination	\$14,339
F-2-R-26	Fisheries Investigations	14,118
F-2-R-27	Fisheries Investigations	8,321
FW-2-E-13	Aquatic/Wildlife Education	5,518
W-1-R-17	Wildlife Investigations	4,736
FW-1-C-16	Coordination	4,160
F-2-R-25	Fisheries Investigations	4,000
TOTAL		\$55,192

Title CFR 50 §§ 80.15 and 80.19(a) require that all costs must be supported by source documents or other records necessary to substantiate the application of funds. In addition, the Director of the Department of Marine and Wildlife Resources' April 12, 2002 memorandum³ discusses travel expense reports and states that travelers "must provide original receipts for airline tickets, hotel, car rental (if authorized in advance by the Director), meeting registration fees, and any other reimbursable expenses."

We believe that travel expense reports did not contain sufficient support for several reasons. Primarily, Department officials were not enforcing the regulations or the Director's memorandum. As a result, many Department employees did not submit documentation to support the claimed costs and to show that the trips were actually taken. However, without copies of the airline receipts or boarding passes, lodging receipts, and rental car receipts there was little, if any, documentation to corroborate the claims that the trips were actually taken and the costs were incurred by the travelers. Employee travel expense reports should not be approved unless accompanied by original receipts and other documentation to confirm that the costs were actually incurred by the travelers. These requirements should be documented and distributed to every traveler and potential traveler in the Department.

Recommendations

We recommend that the FWS:

1. Resolve the questioned travel costs of \$55,192 that were either unsupported or used for purposes unrelated to the grants under which they were claimed.
2. Require the Department to distribute a notification to all employees that beginning immediately it will require all staff to provide receipts for travel and lodging in order to obtain reimbursement.

³ Policies and Procedures, Part V.2

Department Response

The Department stated that it did not dispute the report regarding questioned costs for travel but stated that "... it is our opinion that all travel listed under various grants were completed." The Department also provided documentation as support for the travel expense reports.

FWS Response

The FWS concurred with the finding and recommendations.

OIG Comments

Most of the documentation submitted by the Department was comprised of trip itineraries, which are not sufficient documentation to resolve the questioned costs. Based on the documentation provided by the Department as support for the questioned travel costs, we consider the finding unresolved and the recommendation not implemented.

D. Indirect Costs

Indirect costs were charged to the fiscal year 2003 grants without an approved indirect cost rate. Samoa was required to submit a certified indirect cost rate proposal for fiscal year 2003 as a condition for seeking reimbursement of indirect costs under its Federal grants. Although Samoa did not submit the required proposal, the Department claimed indirect costs using a rate of 3 percent of direct salaries and wages, as follows:

Grant Number	Name	Indirect Costs
FW-1-C-16	Coordination	\$4,540
F-2-R-27	Fisheries Investigations	4,135
W-1-R-18	Wildlife Investigations	3,871
F-10-E-1	Aquatic Education	701
F-4-B-7	O&M Boating Access	652
TOTAL		\$13,899

OMB Circular A-87 "Cost Principles for State and Local Governments and Indian Tribal Governments" requires government entities to prepare an indirect cost rate proposal that provides a basis for allocating indirect costs to Federal programs. Samoa should have submitted its cost allocation plan and indirect cost rate proposal⁴ to its cognizant Federal agency for approval annually. Thus, no indirect costs should have been reimbursed unless Samoa or the Department had an approved rate.

⁴ Samoa is required to prepare a proposal on a prospective basis using actual financial data from prior years. Costs included in the proposal must be properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. The indirect cost negotiation agreement for fiscal years 2000 through 2002 required that within 6 months after year end, a final rate be submitted based on actual costs.

Samoa negotiated a fixed indirect cost rate for fiscal year 1999 and provisional indirect cost rates for fiscal years 2000 through 2002. However, as of May 2004, Samoa had not negotiated an indirect cost rate for fiscal year 2003. The Treasurer told us that the indirect cost rate for fiscal year 2003 would be determined after the fiscal year 2001 Single Audit was completed.

Without an approved indirect cost rate, no indirect costs should have been charged to any of the fiscal year 2003 grants. Accordingly, we questioned the \$13,899 of indirect costs that were claimed by the Department as shown in the table above.

Recommendation

We recommend that the FWS resolve the \$13,899 of questioned indirect costs that were charged to the five grants identified above.

Department Response

The Department agreed that the indirect costs charged to the grants were without an approved indirect cost rate but stated that it believed that the 3 percent indirect cost claimed is required under the Federal Assistance grants.

FWS Response

The FWS agreed with finding and recommendation.

OIG Comments

The Department is not entitled to a 3 percent indirect cost rate as stated in its response. The Department apparently misinterpreted a provision of the Restoration Acts that place a restriction on the use of Federal Assistance funds. Specifically, the Acts require that a state may not use more than 3 percent of its annual apportionment of Federal Assistance funds for statewide central service costs. Although the FWS concurred with the finding and recommendation, it was not clear what actions would be taken. Therefore, we consider the finding unresolved and the recommendation not implemented.

Our draft report contained a second recommendation that Samoa submit a final indirect cost rate proposal for fiscal years 2000 through 2002 and make any adjustments, as necessary, based on the final rate. Based on the FWS response to the draft report, we have not included the recommendation in the final report.

Additional Findings

E. Project Level Accounting

The Department did not account for grant costs at the project level as required by three of its fiscal year 2003 grants (aquatic education, fisheries investigations, and wildlife investigations). For example, the wildlife investigations grant, W-1-R-18, was made up of eight separate project components, each having a separate budget. Instead of reporting costs for each component so that actual costs could be compared to budgeted costs, the Department accounted for and reported costs only in total for the entire grant.

Title 43 CFR § 12.60 requires the Department to account for costs in a manner that would enable FWS to compare actual project costs to budgeted project amounts contained in the grant agreement. However, the Department did not have an internal recordkeeping system to accumulate and track payroll and non-payroll costs at the project level. Although Department employees recorded the amount of time they spent on individual projects on their daily activity reports, the biweekly time cards that the Department submitted to Treasury's Payroll Division included only the number of hours employees worked on particular grants, not the number of hours spent on the individual projects within each grant. Non-payroll costs were also untraceable to grant projects. While we were able to determine which purchases were charged to the individual grants, neither the Treasury nor the Department maintained any records indicating for which grant projects the purchases were made.

As a result, the Department was unable to provide FWS with an accurate record of the total costs of each project for the three grants that required project level accounting.

Recommendation

We recommend that the FWS require the Department to implement a cost accounting system that is sufficient to account for and report grant costs at the project level.

Department and FWS Responses, and OIG Comments

The Department did not address this finding. Therefore, although the FWS concurred with the finding and recommendation, we consider the finding unresolved and the recommendation not implemented.

F. Accounting System and Related Internal Controls

The September 1999 audit report stated that the Department (1) did not have policies and procedures, as required by Title 43 CFR § 12.60, to identify, segregate, and remove unallowable, unallocable, and ineligible costs from claims for reimbursement; (2) was not in compliance with OMB Circular A-87, which required that fringe benefit costs be distributed on a basis that would produce equitable results; and (3) was not in compliance with Title 50 CFR § 80.15, which required that costs be supported by source documents or other records as necessary to

substantiate the costs because it did not document the purpose for making cost transfers between grants. The corrective action plan stated that the Department would prepare policies and procedures for ineligible costs, fringe benefit distribution, and cost transfers. However, the Department Director could not provide us copies of any such policies and procedures.

During our current audit, we again found unallowable, unallocable, and ineligible costs claimed under Federal Assistance grants (see findings B and C above). In addition, cost transfers were made without documentation of the nature and purpose of the transfer, without reference to the original transaction (where the original documents to support the costs were stored), and without other such information necessary to explain the need for the transfer.

A system of internal or management controls is necessary in order to ensure the accurate recording and reporting of financial data. Inherent in a system of internal controls are procedures to record, approve, check, and review the recording of transactions and the preparation of financial reports. Based on the significant number of errors identified in our testing of transactions and the reporting of financial data, we concluded that the Department lacked a strong, reliable system of internal controls.

Recommendations

We recommend that the FWS require the Department to:

1. Institute a system of internal controls to ensure that all costs recorded and billed to the FWS for Federal Assistance are allowable, allocable, and eligible for reimbursement.
2. Develop policies and procedures to equitably assign fringe benefits and other common costs to the FWS grants and other projects in compliance with OMB Circular A-87, Attachment B. Part 8.d (2).
3. Issue policies and procedures requiring that cost transfers are properly documented.

Department and FWS Responses, and OIG Comments

The Department did not address this finding. Therefore, although the FWS concurred with the finding and recommendations, we consider the finding unresolved and the recommendation not implemented.

G. Asset Management

The September 1999 report stated that the Department's asset management system did not adequately account for the assets purchased with Federal funds and that the Department did not have adequate procedures in place to safeguard its assets as required by the provisions of Title 43 CFR §§ 12.60 and 12.72, and 50 CFR § 80.18(c). The corrective action plan stated that the

Department would develop internal controls for plant and equipment purchases, perform a physical inventory, and assign responsibility for physical control of assets. However, the Department Director could not provide us evidence showing that these actions had been completed.

During our current audit, we also found that the annual property inventory lists still do not identify assets purchased with Federal Assistance funds, other Federal funds, or non-Federal funds. As a result, the Department could not provide assurance that property bought with Federal Assistance funds was being used for the purposes for which it was originally acquired.

Recommendations

We recommend that the FWS require the Department to:

1. Prepare a complete listing of all of its real and personal property that includes the identification of the funds (i.e., Federal Assistance, other Federal, or other sources) used in the acquisition of each item and to whom it is assigned.
2. Assign responsibility for the physical control of its assets to the staff that has possession and need of the assets.
3. Perform physical inventories of the real and personal property at least once every 2 years and use the results to update and correct any errors in the inventory database.
4. Document the system of internal controls over the acquisition, control, and disposal of real and personal property and require that the Department review and test the procedures to ensure the controls are being implemented.

Department and FWS Responses, and OIG Comments

The Department did not address this finding. Although the FWS concurred with the finding and recommendations, we consider the finding unresolved and the recommendations not implemented.

H. Indirect Costs

The September 1999 report stated that Samoa did not submit a certified indirect cost rate for fiscal years 1996 and 1997 until January 8, 1998, and that Samoa used the fiscal year 1993 indirect cost rates as the basis for 1996 and 1997 FWS grant drawdowns. The report concluded that indirect costs should not have been included in any of the drawdowns made during 1996 and 1997. The corrective action plan stated that the Department would develop policies and procedures requiring pre-approved indirect cost rates before billing. However, the Department Director could not provide copies of any such policies and procedures.

During our current audit, we found that indirect costs were charged to the fiscal year 2003 grants without an approved indirect cost rate.

Recommendation

We recommend that the FWS require the Department to provide its indirect cost negotiation agreement before it is allowed to bill and claim indirect costs.

Department and FWS Responses, and OIG Comments

The Department did not address this finding. Therefore, although the FWS agreed with the finding and recommendation, we consider the finding unresolved and the recommendation not implemented.

I. Other Matters

Project Cost Reporting. Our September 1999 audit report included a finding regarding project cost reporting. The report stated that the Department's annual performance reports did not include comparisons of planned or budgeted costs to recorded costs by grant agreement as required by Title 43 CFR § 12.80 and Part 522 of the Fish and Wildlife Manual. The corrective action plan stated that the Department would include budget and actual costs and planned and actual work in the fiscal year 1999 accomplishment reports. However, the Department Director could not provide us any evidence that these actions had been completed.

We found that project costs could not be reported to the FWS on the annual performance reports because the Department did not have a project cost accounting system.

Timing of Equipment Purchases. The September 1999 audit report included a finding regarding the timing of equipment purchases. The report stated that equipment needed for the FWS projects was unavailable for much of the grant period due partially to a slow procurement process, which resulted from Samoa's procurement and payment practices as well as the distant location of American Samoa from the sources of the equipment. The corrective action plan stated that the Department would establish a "test account" for Federal grant procurement.

However, the Department Director could not provide us any evidence that this action had been completed. Department officials also told us that slow procurement continues to be a problem.

Recommendations

We recommend that the FWS require the Department to:

1. Include comparisons of planned or budgeted costs to recorded costs by grant agreement once the project cost accounting system is implemented in accordance with the recommendation in finding E. For example, if the grant agreement

provided estimated costs by grant project, then the annual report should show recorded costs by grant project.

2. Develop a plan to procure necessary equipment so that, in the future, the equipment is available for use during the entire grant performance period.

Department and FWS Responses, and OIG Comments

The Department did not address this finding. Therefore, although the FWS concurred with the finding and recommendations, we consider the finding unresolved and the recommendations not implemented.

Appendix 1

AMERICAN SAMOA GOVERNMENT DEPARTMENT OF MARINE AND WILDLIFE RESOURCES FINANCIAL SUMMARY OF REVIEW COVERAGE

Grant Number	Amount	Incurred Costs	Claimed Costs	Questioned Costs ¹
F-2-R-25	\$601,170	\$492,860	\$492,860	\$12,787
F-2-R-26	517,141	458,660	458,663	18,583
F-2-R-27	537,996	281,239	286,436	25,805
F-4-B-6	488,379	582,402	471,857	88,662
F-4-B-7	74,000	24,329	0	652
F-10-E-1	91,516	66,272	67,524	1,953
FW-1-C-15	161,000	161,085	161,000	17,950
FW-1-C-16	182,000	257,528	264,639	63,201
FW-2-E-13	172,667	172,663	172,667	6,318
W-1-R-17	405,375	230,099	230,122	11,704
W-1-R-18	325,718	300,251	306,265	18,134
Total	\$3,556,962	\$3,027,388	\$2,912,033	\$265,749

¹ The questioned costs were for salaries, purchases, services, and travel that were either not supported, not allocable, unnecessary, or unreasonable. See Appendix 2 for the details of questioned costs for salaries, purchases, and services.

SCHEDULE OF QUESTIONED SALARIES, PURCHASES, AND SERVICES COSTS

GRANT NUMBER	DOCUMENT NUMBER	AMOUNT	DESCRIPTION
F-2-R-25	P14726	\$6,092	Represents the portion of a \$7,448 payment to a vendor for computer equipment for which the Department could not provide invoices or other supporting documentation.
	P14926	2,695	Represents a duplicate payment to a vendor for a computer.
	Subtotal	\$8,787	
F-2-R-26	GD20000296	\$2,000	Represents a portion of the \$4,800 the Department paid for employee memberships in a gym. According to the guidelines established in OMB Circular A-87, this cost was not necessary or reasonable for carrying out the purpose and objective of the grant.
	Q41198	1,265	Represents the portion of a \$2,500 payment to a contractor for photocopying services for which the Department could not provide invoices or other supporting documentation.
	P18188	1,200	Represents a payment to a vendor for mooring a buoy subsequent to the grant period.
	Subtotal	\$4,465	
F-2-R-27	P19963	\$6,900	Represents a payment to a vendor for wiring and installing air-conditioning units on the second floor of the Department's office building. The office space is occupied by employees who charge their time to other FWS Federal Assistance grants, non-Federal Assistance grants, and locally funded programs.
	01130DP	1,251	Represents fiscal year 2003 salary costs claimed for pay periods 13-0 (\$71), 13-2 (\$851), and 13-3 (\$329) that were shown in the Treasury's transaction listing reports but were not supported by the labor distribution reports.
	01132DP		
	01133DP		
	Subtotal	\$8,151	
F-4-B-6	P17052	\$88,662	Represents the portion of the total cost of \$149,273 for repairing and replacing parts for the floating dock in Malaloa Harbor for which the Department could not provide invoices or other supporting documentation.
	Subtotal	\$88,662	
FW-1-C-15	PP12-5	\$2,611	Represents net fringe benefit charges of the Assistant Director. The Administrator told us that this person did not perform work on any Federal Assistance grants.
	GD 20000296	1,000	Represents a portion of the \$4,800 the Department paid for employee memberships in a gym. According to the guidelines established in OMB Circular A-87, this cost was not necessary or reasonable for carrying out the purpose and objective of the grant.
	Subtotal	\$3,611	

SCHEDULE OF QUESTIONED SALARIES, PURCHASES, AND SERVICES COSTS

GRANT NUMBER	DOCUMENT NUMBER	AMOUNT	DESCRIPTION
FW-1-C-16	P22274	\$26,500	Represents the purchase of a new vehicle for which the Department could not provide an invoice or other supporting documentation.
	01041DP 01042DP	17,144	Represents fiscal year 2003 salary costs for pay periods 04-1 (\$8,400) and 04-2 (\$8,744) that were shown in the Treasury's transaction listing reports but could not be supported by the labor distribution reports.
	P19161	2,000	Represents the cost of cleaning floors in the Department's office building. Although a share of this cost could be borne by this grant, no allocation was made to the other FWS Federal Assistance grants, to the non-FWS Federal Assistance grants, or to the locally funded programs. It is not equitable to charge the total costs to this grant.
	PP 09-0	1,746	Represents net salary (\$1,052) and fringe benefit (\$694) charges of the Assistant Director. The Administrator told us that this person did not perform work on any FWS Federal Assistance grants.
	Subtotal	\$47,390	
FW-2-E-13	Q44734	\$800	Represents a portion of the \$4,800 the Department paid for employee memberships in a gym. According to the guidelines established in OMB Circular A-87, this cost was not necessary or reasonable for carrying out the purpose and objective of the grant.
	Subtotal	\$800	
W-1-R-17	13835 001	\$5,493	Represents November 2001 and January 2002 electricity charges of \$2,485 and \$3,008, respectively, for which the Department could not provide invoices or other supporting documentation. The Program Director told us that these costs should probably have been charged to the coordination grant.
	P17762	1,475	Represents a payment for repairs to a vehicle (MR 03). The Program Director told us that this vehicle was not assigned to or used by any of the Wildlife Division employees.
	Subtotal	\$6,968	
W-1-R-18	6334456	\$2,981	Represents April and August 2003 communications charges of \$1,510 and \$1,471, respectively, for which the Department could not provide invoices or other supporting documentation. The Program Director for the Wildlife Division told us that these costs should probably have been charged to the fish and wildlife coordination grant, not the wildlife investigations grant.
	13835 10435	2,666	Represents October and November 2002 electricity charges of \$2,424 and \$242, respectively, for which the Department could not provide invoices or other supporting documentation. The Program Director for the Wildlife Division told us that these costs should probably have been charged to the fish and wildlife coordination grant.

**SCHEDULE OF QUESTIONED
SALARIES, PURCHASES, AND SERVICES COSTS**

GRANT NUMBER	DOCUMENT NUMBER	AMOUNT	DESCRIPTION
	Q55655	1,803	Represents room rental and food costs for a workshop that were improperly charged to this wildlife investigations grant. The Program Director told us that the costs should have been charged to the Statewide Wildlife grant.
	Q57570 Q57575	800	Represents performance bonuses of \$500 and \$300 that were awarded and paid to two employees subsequent to the grant period.
	Subtotal	\$8,250	
GRAND TOTAL		<u>\$177,084</u>	

**AMERICAN SAMOA
DIVISION OF FISH AND WILDLIFE
STATUS OF AUDIT FINDINGS AND RECOMMENDATIONS**

Recommendation	Status	Action Required
A, B.1, B.2 C.1, C.2, D, E, F.1, F.2, F.3, G.1, G.2, G.3, G.4, H, I.1, and I.2	Findings Unresolved and Recommendations Unimplemented	Provide a corrective action plan that identifies the actions taken or planned to resolve the findings and implement the recommendations, or the basis for any disagreements and an alternative solution. The plan should also include the target date and the official responsible for implementation of the recommendation, or an alternative solution. Unresolved findings and unimplemented recommendations remaining at the end of 90 days (after July 1, 2005) will be referred to the Assistant Secretary for Policy, Management and Budget for resolution and/or tracking of implementation.

Report Fraud, Waste, Abuse, and Mismanagement



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