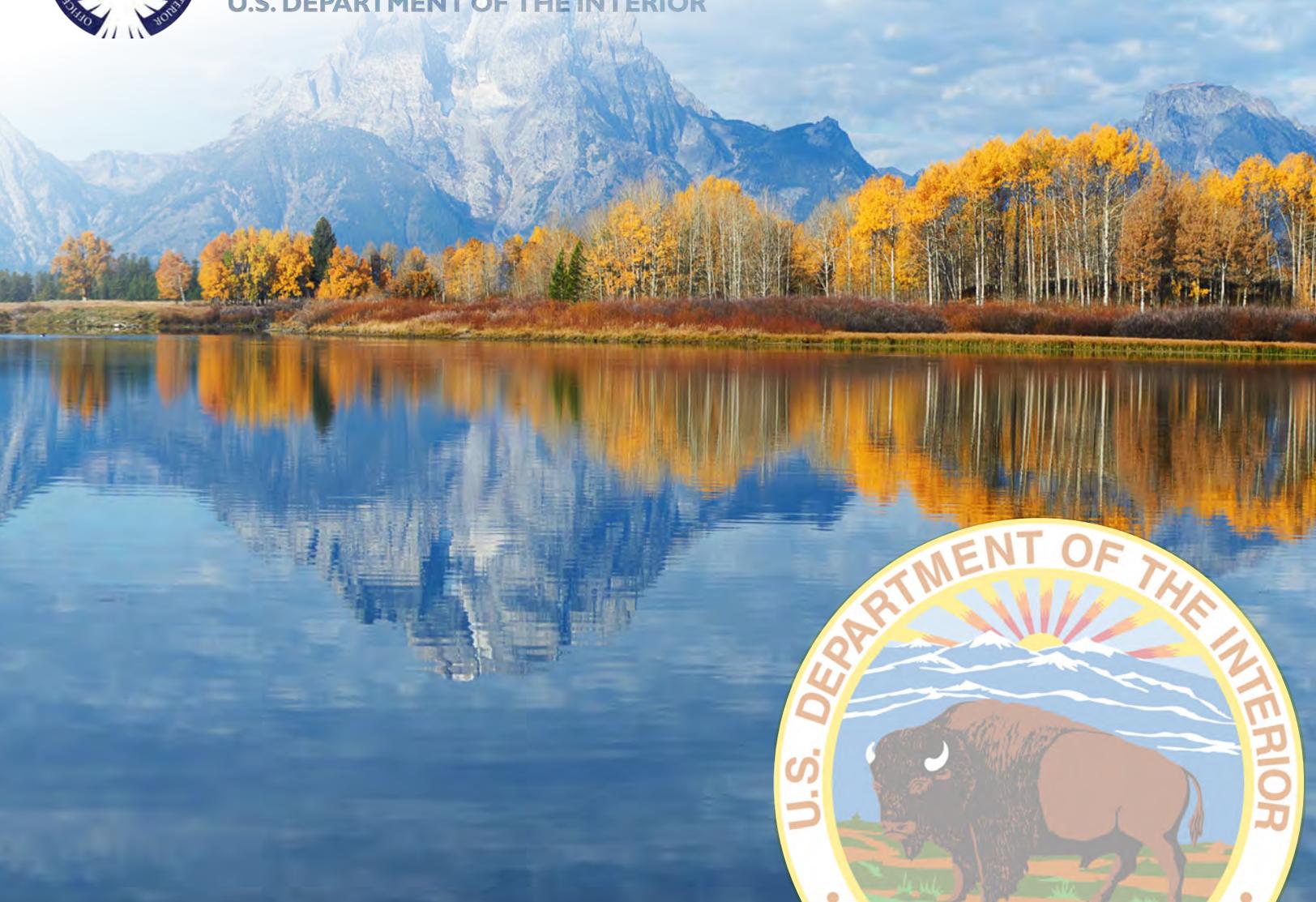




OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR



Audit



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

DEC 20 2024

Memorandum

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

From: Colleen Kotzmoyer 
Director, Contract and Grants Division

Subject: Final Audit Report – *U.S. Fish and Wildlife Service Grants Awarded to the State of Washington Under the Wildlife and Sport Fish Restoration Program*
Report No. 2023-CGD-030

This report presents the results of our audit of costs claimed by the Washington Department of Fish and Wildlife (Department) under grants awarded by the U.S. Fish and Wildlife Service (FWS) through the Wildlife and Sport Fish Restoration Program.

We provided a draft of this report to FWS. FWS concurred with all four recommendations and will work with the Department to implement corrective actions. The full responses from FWS and the Department are included in Appendix 4. In this report, we summarize the FWS and Department responses to our recommendations, as well as our comments on their responses. We list the status of the recommendations in Appendix 5.

We will track open recommendations for resolution and implementation. We will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions, please contact me at aie_reports@doioig.gov.

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Introduction

Objectives

In March 2021, we entered into an intra-agency agreement with the U.S. Fish and Wildlife Service (FWS) to conduct audits of State agencies receiving grant funds under the Wildlife and Sport Fish Restoration Program (WSFR). These audits assist FWS in fulfilling its statutory responsibility to oversee State agencies' use of these grant funds.

The objectives of this audit were to determine whether the Washington Department of Fish and Wildlife (Department) used grant funds and State hunting and fishing license revenue for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. The scope of our audit was State fiscal years (SFYs) ending June 30, 2021, and June 30, 2022.

See Appendix 1 for details about our scope and methodology. See Appendix 2 for sites we visited.

Background

FWS provides grants to States¹ through WSFR for the conservation, restoration, and management of wildlife and sport fish resources as well as educational and recreational activities. WSFR was established by the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act.² In general, the Acts and related Federal regulations allow FWS to reimburse grantees a portion of eligible costs incurred under WSFR grants—up to 75 percent for States and up to 100 percent for the Commonwealths, territories, and the District of Columbia. The reimbursement amount is called the Federal share, and the portion the States must match with their own funds is called the State share. To meet the State-share requirement, the Department used general license revenues, third-party matches, and in-kind contributions.³ The Acts require that hunting and fishing license revenue be used only for the administration of participating fish and wildlife agencies. In addition, Federal regulations require participants to account for any income earned from grant-funded activities and to spend this income before requesting grant reimbursements.

¹ Federal regulations define the term "State" as the 50 States; the Commonwealths of Puerto Rico and the Northern Mariana Islands; the territories of Guam, the U.S. Virgin Islands, and American Samoa; and the District of Columbia (Dingell-Johnson Sport Fish Restoration Act only).

² Formally known, respectively, as the Federal Aid in Wildlife Restoration Act, 16 U.S.C. § 669, as amended, and the Federal Aid in Sport Fish Restoration Act, 16 U.S.C. § 777, as amended.

³ License revenues are from the sale of hunting and fishing licenses or permits, third-party matches may consist of expenses that are waived by a subaward recipient, and in-kind contributions may be volunteer hours recorded in place of payroll expenses.

Results of Audit

We determined that the Department generally ensured that grant funds and State hunting and fishing license revenue were used for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. However, we noted internal control deficiencies related to the management of in-kind contributions and equipment usage rates.

We found the following:

- **Unsupported In-Kind Contributions.** The Department did not provide sufficient documentation to support 25,607 volunteer hours used as in-kind matching for its Hunter Education Program grant, which resulted in us questioning the \$2,996,019 in Federal share that the Department received in connection with the unsupported in-kind State share.
- **Unsupported Equipment Usage Rates.** The Department did not provide sufficient documentation to support equipment usage rates charged to WSFR grants, which caused us to question \$7,801 in Federal share.

See Appendix 3 for a statement of monetary impact.

Unsupported In-Kind Contributions

Federal regulations require all third-party in-kind contributions to be verifiable from the non-Federal entity's records.⁴ Additionally, costs must be adequately documented to be allowable under Federal awards.⁵ Furthermore, to the extent feasible, services donated to the non-Federal entity will be supported by the same methods used to support the allocability of regular personnel services.⁶

We found that for SFY 2021 and 2022, the Department did not maintain sufficient documentation to substantiate 25,607 volunteer hours contributed as in-kind contributions for the Washington Hunter Education Program (Grant No. F19AF00909 and Grant No. F21AF03982). Specifically, volunteers did not verify their own time. We reviewed the Department's valuation worksheets for in-kind volunteer hours to determine the number and value of the unsupported hours for state match by grant.

Because the Department used these unsupported volunteer hours—valued at \$998,673—to meet its 25-percent State share requirement, FWS reimbursed the Department \$2,996,019 in Federal share for other costs incurred under the WSFR grant (see Figure 1).⁷

⁴ 2 C.F.R. § 200.306(b)(1).

⁵ 2 C.F.R. § 200.403(g).

⁶ 2 C.F.R. § 200.434(d).

⁷ The Department was not eligible for the 75-percent Federal share without meeting its 25-percent State share requirement; however, this does not imply that the \$2,996,019 in costs that FWS reimbursed were disallowed.

**Figure 1: Unsupported In-Kind Contributions for
Grant Nos. F19AF00909 and F21AF03982 (SFYs 2021-2022)**

Grant No.	Hours Claimed	Hourly Rate	State Share	Federal Share
F19AF00909	18,008	\$39	\$702,312	\$2,106,936
F21AF03982	7,599	\$39	\$296,361	\$889,083
Totals	25,607		\$998,673	\$2,996,019

These issues occurred because the Department does not have written policy on how volunteer hours should be tracked, verified, and certified. Department leadership stated that chief instructors track volunteer time using “methods that work for them.” Based on that information, we asked one chief instructor about the method they use to track volunteer time. This chief instructor showed us their spreadsheet and explained that it is used to track all volunteer time. At the end of the class, and on behalf of the volunteers, the chief instructor enters the hours in the electronic timekeeping system.

Per the Department’s timekeeping practice for regular personnel, each employee needs to submit their own timesheets and verify that their hours accurately reflect actual hours worked. The supervisor then reviews and certifies the timesheet. Furthermore, the Department requires employees to verify hours worked if a supervisor enters time on the employee’s behalf. This process provides a key internal control mechanism in separating duties between the Department’s employees and supervisors, a mechanism that does not exist for volunteers and chief volunteer instructors.

As a result of the internal control deficiencies within the Department’s volunteer timekeeping processes, the Department did not fulfill the required 25 percent State share (\$998,673) for Grant Nos. F19AF00909 and F21AF03982. The Department was, therefore, not eligible for the 75 percent Federal share (\$2,996,019). As a result, we are questioning the \$2,996,019 in Federal share that the Department received in connection with the unsupported in-kind State share.

Recommendations
<p>We recommend that FWS require the Department to:</p> <ol style="list-style-type: none"> 1. Resolve the \$2,996,019 Federal share of questioned costs related to unsupported in-kind contributions. 2. Develop and implement Department-wide procedures for tracking, verifying, and certifying volunteer time that align with those of regular personnel services, including a requirement that individual volunteers verify their hours accurately reflect actual hours worked to ensure proper segregation of duties.

Unsupported Equipment Usage Rate Costs

Federal regulations state that costs must be necessary and reasonable for the performance of the Federal award in order to be allowable.⁸ Additionally, costs must be adequately documented in order to be allowable under Federal awards.⁹ Furthermore, in determining reasonableness of a given cost, consideration must be given to whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.¹⁰ Consideration must also be given to market prices for comparable goods or services for the geographic area.¹¹

U.S. Fish and Wildlife Service guidance titled, *Recovering Equipment Costs on a WSFR Grant*, states:¹²

- Recipients may use only one option for the same equipment use: Indirect, Direct, or Match/Cost Share.
- The State fish and wildlife agency must establish its own equipment rates based on its costs to acquire and operate the equipment. These rates must consider market prices for comparable goods or services in the geographic area and be based on actual allowable costs.
- Costs may be included in an equipment rate if it is not included as costs using the Indirect, Direct, and Match/Cost Share approaches.

We found that the Department utilized unsupported equipment rates on WSFR grants during SFYs 2021 and 2022. Department officials provided us with their equipment usage rates, which they told us are intended to offset fuel and maintenance costs. However, they informed us that they do not have the original calculations to support the rates.

The Department's process for equipment use allows for equipment to be used for multiple projects so long as the equipment use costs are tracked and reimbursed accordingly. Under this process, WSFR grants can receive both charges and credits for equipment use by applying equipment usage rates. The equipment usage rates are applied based on a unit of measurement commensurate with the type of equipment being used (e.g., miles, hours, days, etc.). For example, if a truck assigned to a WSFR project is used for a non-WSFR purpose, the WSFR project could recover (i.e., credit) costs by applying the rate to the miles driven for the non-WSFR project. Similarly, if a truck assigned to a non-WSFR project was used performed work on a WSFR project, the WSFR project would be charged for that mileage.

We totaled the charges and credits on WSFR grants for SFYs 2021 and 2022, and because the equipment usage rates are unsupported, we are questioning costs shown in Figure 2.

⁸ 2 C.F.R. § 200.403(a).

⁹ 2 C.F.R. § 200.403(g).

¹⁰ 2 C.F.R. § 200.404(a).

¹¹ 2 C.F.R. § 200.404(c).

¹² U.S. Fish and Wildlife Service (FWS) *Guidance on Recovering Equipment Costs on a Wildlife and Sport Fish Restoration (WSFR) Grant*, dated October 21, 2016

Figure 2: Federal Share of Questioned Costs Related to Equipment Usage Rates

Grant No.	Total Unsupported Credits	Total Unsupported Charges	Net Unsupported Costs
F21AF00582	–	\$7,652	\$7,652
F20AF12010	(\$1,745)	\$8,472	\$6,727
F21AF04124	(\$8,859)	\$12,185	\$3,326
F21AF00294	–	\$2,848	\$2,848
F19AF01141	–	\$2,668	\$2,668
F17AF00911	–	\$2,606	\$2,606
F19AF00861	(\$14,121)	\$15,088	\$967
F22AF00445	–	\$953	\$953
F19AF00681	–	\$818	\$818
F21AF00479	–	\$696	\$696
F22AF00446	–	\$678	\$678
F22AF00385	–	\$226	\$226
F21AF00297	–	\$187	\$187
F21AF03892	–	\$163	\$163
F19AF01244	–	\$124	\$124
F21AF03895	–	\$1	\$1
F21AF00298	–	\$1	\$1
F19AF00864	(\$400)	\$400	–
F19AF01161	(\$111)	–	(\$111)
F21AF03987	(\$9,230)	\$8,375	(\$856)
F21AF00480	(\$1,498)	\$372	(\$1,126)
F21AF03890	(\$29,872)	\$26,880	(\$2,992)
F21AF03893	(\$25,617)	\$21,732	(\$3,885)
F19AF00694	(\$30,114)	\$24,765	(\$5,349)
F19AF00680	(\$33,100)	\$24,579	(\$8,521)
Total Questioned	(\$154,667)	\$162,468	\$7,801

Additionally, the Department does not have a formalized process to develop, document, and update equipment usage rates in compliance with Federal criteria and FWS guidance, including the requirement for rates to be based on actual allowable costs and consider market price in the geographic area.

Because it cannot support the basis for its equipment usage rates, the Department received reimbursement for \$7,801 in unsupported costs charged to WSFR grants. Further, if it continues to use these equipment rates, the Department may charge future WSFR grants for additional unsupported costs. Moreover, because the rates are not based on actual allowable costs and considering market prices, WSFR grants are potentially not receiving the full benefit of the credits back to the program.

Recommendations

We recommend that FWS require the Department to:

3. Resolve the \$7,801 (Federal share) in costs associated with the unsupported equipment usage rates.
4. Develop and implement a formalized process to calculate, document, and update equipment usage rates that align with Federal criteria and FWS guidance.

Other Matters

Unfunded Pension Liabilities

In July 2023, our office issued a management advisory to FWS regarding unfunded pension liabilities that States were allocating to WSFR grants.¹³ This management advisory discussed issues with a State charging WSFR grants to help pay down the State's unfunded liabilities, which could potentially reduce the efficiency and effectiveness of the Federal grant in accomplishing its agreed-upon objectives.

Effective October 1, 2024, Federal regulations will require that Federal award recipients only charge unfunded pension costs directly to a Federal award if those unfunded pension costs are allocable to that award. In addition, the regulation states that the recipient must provide the Federal Government an equitable share of the allowed costs,¹⁴ which may be accomplished through the application of the indirect cost rate.

During our current audit of Washington, we estimated that during SFYs 2021 and 2022, Washington charged roughly \$1.9 million to WSFR grants to pay for the State's employer pension contributions, which represents approximately 8 percent of the Department's payroll. Unfunded pension liabilities are a portion of that 8 percent. Because FWS is currently working to address our recommendations in the management advisory, we did not perform any testing to validate the number the State reported or make additional recommendations. However, we are highlighting these costs, considering how upcoming changes in Federal regulations may affect their allocability to WSFR grants.

¹³ *Unfunded Liabilities for Wildlife and Sport Fish Restoration Program Grants* (Report No. 2020-ER-058-A), issued July 2023.

¹⁴ 2 C.F.R. § 200.431(g)(6)(vi) of the October 2024 update. As of June 2024, this pre-publication is only Office of Management and Budget guidance and not official Federal regulations.

Recommendations Summary

We provided a draft of this report to FWS for review. FWS concurred with all four recommendations. We consider Recommendations 1, 3, and 4 resolved and Recommendation 2 unresolved. Below we summarize the FWS and Department formal responses to our recommendations, as well as our comments on their responses. See Appendix 4 for the full text of the FWS and Department responses; Appendix 5 lists the status of each recommendation.

We recommend that FWS require the Washington Department of Fish and Wildlife to:

1. Resolve the \$2,996,019 Federal share of questioned costs related to unsupported in-kind contributions.

FWS Response: FWS concurred with the recommendation and the Department's proposed corrective action plan to address it.

Department Response: The Department stated it will repay \$436,272.09 for F19AF00909 and \$192,416.33 for F21AF03982 of the Federal share to resolve the questioned costs related to unsupported in-kind contributions, through administrative offset. The target date is February 14, 2026.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. While the target implementation date exceeds one year from the issuance of our final report, we have discussed the corrective actions the Department intends to take and are comfortable with the target date. FWS has agreed to the target date and the repayment amount. We will consider this recommendation implemented when FWS provides documentation to support how the Department and FWS have resolved the questioned costs.

2. Develop and implement Department-wide procedures for tracking, verifying, and certifying volunteer time that align with those of regular personnel services, including a requirement that individual volunteers verify their hours accurately reflect actual hours worked to ensure proper segregation of duties.

FWS Response: FWS concurred with the recommendation and the Department's proposed corrective action plan to address it.

Department Response: The Department stated it "will develop and implement Department-wide procedures for tracking, verifying, and certifying volunteer time." The target date is February 14, 2026.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation unresolved. We notified FWS that the target implementation date for this recommendation exceeded one year from the issuance of our final report and therefore needed to include a mitigating measure by the Department. At the time of issuance, FWS was still working internally to develop a mitigating measure. As such, we will consider this recommendation resolved when we receive documentation to support that a mitigating measure was implemented. We will consider this recommendation implemented once we obtain and review the Department's procedures for tracking, verifying, and certifying volunteer time to ensure it aligns with the procedures of regular Department personnel, including a requirement for individuals to verify the accuracy of hours volunteered.

3. Resolve the \$7,801 (Federal share) in costs associated with the unsupported equipment usage rates.

FWS Response: FWS concurred with the recommendation and the Department's proposed corrective action plan to address it.

Department Response: The Department stated it will provide support for the equipment usage rate or pay back the \$7,801 in costs associated with the unsupported equipment usage rates, by issuing a refund check to the FWS. The target implementation date is February 14, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented when FWS provides us with support for the equipment usage rates or documentation to support that the Department reimbursed FWS for the costs associated with the unsupported equipment usage rates.

4. Develop and implement a formalized process to calculate, document, and update equipment usage rates that align with Federal criteria and FWS guidance.

FWS Response: FWS concurred with the recommendation and the Department's proposed corrective action plan to address it.

Department Response: The Department stated it will develop and implement a formalized process to calculate, document, and update equipment usage rates that align with Federal criteria and FWS guidance. The target implementation date is July 14, 2025.

OIG Response: Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented once we obtain and review the Department's formalized process to calculate, document, and update equipment usage rates that align with Federal criteria and FWS guidance.

Appendix 1: Scope and Methodology

Scope

We audited Washington's Department of Fish and Wildlife (Department's) use of grants awarded by the U.S. Fish and Wildlife Service (FWS) under the Wildlife and Sport Fish Restoration Program (WSFR). We reviewed 43 grants that were open during the State fiscal years (SFYs) that ended June 30, 2021, and June 30, 2022. We also reviewed license revenue during the same period. The audit included expenditures of approximately \$64 million and related transactions. In addition, we reviewed historical records for the acquisition, condition, management, and disposal of real property and equipment purchased with either license revenue or WSFR grant funds.

Methodology

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We assessed whether internal control was significant to the audit objectives. We determined that the following related principles were significant to the audit objectives:

- Management should design control activities to achieve objectives and respond to risks.
- Management should implement control activities through policies.
- Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

We looked at the design, implementation, and operating effectiveness of internal controls over activities related to our audit objective. Our tests and procedures included:

- Examining the evidence that supports selected expenditures that the Department charged to the grants.
- Reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income.
- Interviewing Department employees.
- Inspecting equipment and other property.
- Reviewing equipment inventory and disposal records.
- Determining whether the Department used hunting and fishing license revenue for the administration of fish and wildlife program activities.
- Determining whether the State passed required legislation assenting to the provisions of the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act.
- Evaluating State policies and procedures for assessing risk and monitoring subawards.

- Reviewing the fringe benefits charged during the payroll process to understand the coding for payroll deductions and to determine whether the fringe benefit codes are allowable, allocable, and reasonable.
- Visiting sites throughout the State (see Appendix 2 for a list of sites visited).

We found deficiencies in internal control that we discuss in the “Results of Audit” section of our report and make recommendations to address these deficiencies.

Based on the results of our initial assessments, we assessed risk and selected for testing judgmental samples of grant program areas with activity during our audit period. This included grants for wildlife surveys and management, operation and maintenance, science and research, hunter education, hatcheries, habitat restoration, lands administration, and environmental protection.

Our review of these grants included assessments on the following:

- Budgeted and actual costs incurred.
- Grant claims and corresponding drawdowns.
- Application of the negotiated indirect cost rate agreement.
- Recognition and application of program income.
- Payroll allocations.
- Management of real property and equipment.
- Validation and application of in-kind contributions.
- Classification and administration of subawards.
- Progress of agreed-upon grant objectives.

We used auditor judgment and considered risk levels relative to other audit work performed to determine the degree of testing performed in each area. Our sample selections were not generated using statistical sampling, and therefore we did not project the results of our tests to the total population of transactions.

This audit supplements, but does not replace, the audits required by the Single Audit Act Amendments of 1996. Single audit reports address controls over Statewide financial reporting, with emphasis on major programs. Our report focuses on the administration of the Washington fish and wildlife agency, and that agency’s management of WSFR resources and license revenue.

The Department provided computer-generated data from its official accounting system and from informal management information and reporting systems. We tested the data by sampling expenditures and verifying them against WSFR reports and source documents such as purchase orders, invoices, and payroll documentation. While we assessed the accuracy of the transactions tested, we did not assess the reliability of the accounting system as a whole.

Prior Audit Coverage

OIG Audit Reports

We reviewed our last two audits of costs that the Department claimed on WSFR grants.¹⁵ The 2018 report did not have any recommendations. The 2013 report had two recommendations. The 2018 report reviewed the Department's corrective actions taken and found all recommendations to be implemented.

State Audit Reports

We reviewed the single audit reports for SFY 2021 and SFY 2022 to identify control deficiencies or other reportable conditions that affect WSFR. These reports did not contain any findings that would directly affect the WSFR grants.

¹⁵ U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Washington, Department of Fish and Wildlife, From July 1, 2010, Through June 30, 2012, (Report No. R-GR-FWS-0007-2013), issued June 2013.

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Washington, Department of Fish and Wildlife, From July 1, 2015, Through June 30, 2017 (Report No. 2018-WR-026), issued December 2018.

Appendix 2: Sites Visited

Wildlife Areas	Chelan – Swakane Unit Colockum L.T. Murray Olympic State Snoqualmie – Ebey Island Unit
Shooting Range	Chelan Wildlife Area – Swakane Unit
Fish Hatcheries	Chelan Hatchery Mossyrock Hatchery Puyallup Fish Hatchery
Shop	Lacey Construction Shop

Appendix 3: Monetary Impact

We reviewed 43 grants that were open during the State fiscal years (SFYs) that ended June 30, 2021, and June 30, 2022. The audit included expenditures of approximately \$64 million and related transactions. We questioned \$3,003,820 in Federal share as unsupported.

Monetary Impact: Unsupported Questioned Costs

Grant No.	Grant Title	Cost Category	Questioned Costs
F19AF00909	WA WR - Basic and Enhanced Hunter Education FY 2020	In-Kind Contributions	\$2,106,936
F21AF03982	WA - Hunter Education PR SFY22	In-Kind Contributions	\$889,083
F21AF00582	WA SFR - Fish Screen Maintenance FY 2021	Equipment Usage Costs	\$7,652
F20AF12010	Hatchery Trout Rearing & Stocking	Equipment Usage Costs	\$6,727
F21AF04124	WA - Game PR SFY22	Equipment Usage Costs	\$3,326
F21AF00294	Comprehensive Puget Sound Recreational Salmon Sampling	Equipment Usage Costs	\$2,848
F19AF01141	Comprehensive Puget Sound Recreational Salmon Sampling	Equipment Usage Costs	\$2,668
F17AF00911	Wildlife Areas Forest Restoration Program	Equipment Usage Costs	\$2,606
F19AF00861	Game Management Program FY 2020-21	Equipment Usage Costs	\$967
F22AF00445	WA SFR - Comprehensive Puget Sound Recreational Fisheries Sampling Program	Equipment Usage Costs	\$953
F19AF00681	Real Property Management SFY 2020	Equipment Usage Costs	\$818
F21AF00479	WA SFR - Status of Native Sport Fish in WA	Equipment Usage Costs	\$696
F22AF00446	WA - Status of Native Sport Fish in Washington	Equipment Usage Costs	\$678
F22AF00385	WA - Anadromous Sport Fish Management and Research (SFR FY2021)	Equipment Usage Costs	\$226
F21AF00297	WA 2020-21 Lake and Stream Rehabilitation (Rotenone Treatment) Program	Equipment Usage Costs	\$187

Grant No.	Grant Title	Cost Category	Questioned Costs
F21AF03892	Lands Real Estate Services Real Property Management SFY2022	Equipment Usage Costs	\$163
F19AF01244	Status of Native Sport Fish in WA	Equipment Usage Costs	\$124
F21AF03895	DJ Environmental Protection 21	Equipment Usage Costs	\$1
F21AF00298	WA - DJ Environmental Protection FY21	Equipment Usage Costs	\$1
F19AF01161	Anadromous Sport Fish Management and Research	Equipment Usage Costs	(\$111)
F21AF03987	WA - DJ Hatchery Trout FY22	Equipment Usage Costs	(\$856)
F21AF00480	WA SFR - Anadromous Sport Fish Management and Research	Equipment Usage Costs	(\$1,126)
F21AF03890	WA SFR - Boating Access Area Maintenance SFY2022	Equipment Usage Costs	(\$2,992)
F21AF03893	WA WR - Lands Wildlife Areas Program SFY2022	Equipment Usage Costs	(\$3,885)
F19AF00694	Boating Access Area Maintenance SFY 2020	Equipment Usage Costs	(\$5,349)
F19AF00680	Wildlife Areas Program SFY 2020	Equipment Usage Costs	(\$8,521)
Total			\$3,003,820

Appendix 4: Responses to Draft Report

The U.S. Fish and Wildlife Service and Department's formal response follows on page 16.



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Washington, D.C. 20240



In Reply Refer To:
FWS/AWSFR/FASO/DTS 081820

Memorandum

To: Regional Director, Region 1

From: Assistant Director, Office of Conservation Investment

Subject: Draft Corrective Action Plan for Draft Audit Report No. 2023-CGD-030, for the State of Washington, Department of Fish and Wildlife, From July 1, 2020, Through June 30, 2022

PAUL
RAUCH

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PAUL RAUCH
Date: 2024.10.28
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The Headquarters Office, Division of Financial Assistance Support and Oversight has reviewed the draft Corrective Action Plan (CAP) for the above referenced report. Based on our review of the information provided by Region 1, we conclude that the proposed corrective actions adequately address and resolve each recommendation. In accordance with USFWS Service Manual Chapters, 417 FW 1, and our review, we concur with this CAP.

Please finalize the CAP and submit a PDF copy to AIE_Reports@doioig.gov, Attn: Colleen Kotzmoyer, Director, Contract and Grants Division, and include a copy of this letter and your own transmittal letter in the CAP submission. Please copy Ord Bargerstock, Compliance Lead, Division of Financial Assistance Support and Oversight, on your CAP transmission.

If you have any questions concerning this matter or require further information, please contact Ord Bargerstock at (703) 358-1841.

Attachment



United States Department of the Interior



FISH AND WILDLIFE SERVICE
911 N.E. 11th Avenue
Portland, Oregon 97232-4181

In Reply Refer To:
FWS/R1/CI

Memorandum

October 25, 2024

To: Headquarters Office, Division of Financial Assistance Support and Oversight
Attn: Ord Bargerstock, Team Lead, Branch of Policy, and Compliance

From: Kelly Sliger, Acting Regional Manager,
Office of Conservation Investment, Region 1

 Digitally signed by KELLY
SLIGER
Date: 2024.10.25 15:17:43
-07'00

Subject: Corrective Action Plan for the U.S. Fish and Wildlife Service Office of
Conservation Investment Grants Awarded to the Washington Department of Fish
and Wildlife, from July 1, 2020, through June 30, 2022 (No. 2023-CGD-030)

Attached for your approval is the Draft Corrective Action that was prepared collaboratively by
the U.S. Fish and Wildlife Service, Region 1, Office of Conservation Investment and the
Washington Department of Fish and Wildlife (WDFW).

If you have any questions about the Corrective Action Plan, please contact Kelly Sliger, Grants
Fiscal Officer, at Kelly_Sliger@fws.gov.

Attachment

cc: Jean Kvaniska, Chief, Branch of Policy and Compliance, FASO

Final

CORRECTIVE ACTION PLAN

U.S. Department of the Interior (DOI)
Office of Inspector General's (OIG) Audit Report

U.S. Fish & Wildlife Service
Wildlife and Sport Fish Restoration Program Grants

Awarded to the
State of Washington,
Department of Fish and Wildlife
From July 1, 2020-June 30, 2022

Report No. 2023-CGD-030
Dated September 16, 2024

Corrective Action Plan
State of Washington
Department of Fish and Wildlife
Audit Report on the U.S. Fish and Wildlife Service
Wildlife and Sport Fish Restoration Program Grants
Report No. 2023-CGD-030

Auditors Findings and Recommendations:

Unsupported In-Kind Contributions

The auditors found that for SFY 2021 and 2022, the Department did not maintain sufficient documentation to substantiate 25,607 volunteer hours contributed as in-kind contributions for the Washington Hunter Education Program (Grant No. F19AF00909 and Grant No. F21AF03982). The auditor recommends that FWS work with the Department to:

1. Resolve the \$2,996,019 Federal Share Questioned costs related to unsupported in-kind contributions.
2. Develop and implement Department-wide procedures for tracking, verifying, and certifying volunteer time that align with those of regular personnel services, including a requirement that individual volunteers verify their hours accurately reflect actual hours worked to ensure proper segregation of duties.

Service Determination:

The Service concurs with the auditors' findings and recommendations.

Corrective Action:

1. The Department will repay \$436,272.09 for F19AF00909 and \$192,416.33 for F21AF03982 of the Federal share to resolve the questioned costs related to unsupported in-kind contributions, through administrative offset.

The responsible individual for resolving this issue is: Morgan Stinson and Mikayla Bentow

State Submission Date for Implementation: October 31, 2025

Regional Submission Date: December 31, 2025

HQ Submission Date: January 30, 2026

Target Date: February 14, 2026

2. The Department will develop and implement Department-wide procedures for tracking, verifying, and certifying volunteer time.

The responsible individual for resolving this issue is: Morgan Stinson

State Submission Date for Implementation: October 31, 2025

Regional Submission Date: December 31, 2025

HQ Submission Date: January 30, 2026

Target Date: February 14, 2026

Resolution:

1. The Service considers this corrective action resolved but not implemented. Upon an administrative payment offset totaling \$628,688.42 applied to current Hunter Education grant(s) and receipt of a revised Final Federal Financial Report, this finding will be considered resolved and implemented.
2. The Service considers this corrective action resolved but not yet implemented. Upon receipt, review, and acceptance of policy and procedures for tracking, verifying, and certifying volunteer time, the Service will consider this finding resolved and implemented.

Unsupported Equipment Usage Rate Costs

The auditors found that the Department utilized unsupported equipment rates on WSFR grants during SFYs 2021 and 2022.

The auditor recommends that FWS work with the Department to:

3. Resolve the \$7,801 (Federal share) in costs associated with the unsupported equipment usage rates.
4. Develop and implement a formalized process to calculate, document, and update equipment usage rates that align with Federal criteria and FWS guidance.

Service Determination:

The Service concurs with the auditors' findings and recommendations.

Corrective Action:

3. The Department will provide support for the equipment usage rate or payback the \$7,801 in costs associated with the unsupported equipment usage rates, by issuing a refund check to the Service.

The responsible individual for resolving this issue is: Morgan Stinson and Mikayla Bentow

State Submission Date for Implementation: October 31, 2024

Regional Submission Date: December 31, 2024

HQ Submission Date: January 31, 2025

Target Date: February 14, 2025

4. The Department will develop and implement a formalized process to calculate, document, and update equipment usage rates that align with Federal criteria and FWS guidance.

The responsible individual for resolving this issue is: Morgan Stinson

State Submission Date for Implementation: March 31, 2025

Regional Submission Date: May 30, 2025

HQ Submission Date: June 30, 2025

Target Date: July 14, 2025

Resolution:

3. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of support documentation for the equipment usage rate or payback of \$7,801 and providing a revised Final Federal Financial Report, the Service will consider the finding resolved and implemented.
4. The Service considers this corrective action resolved but not implemented. Upon receipt, review, and acceptance of an updated equipment usage rate that aligns with Federal criteria and FWS guidance and a Department Director memo to staff to reiterate the implementation, the Service will consider the Finding resolved and implemented.

Appendix 5: Status of Recommendations

Recommendation	Status	Action Required
2023-CGD-030-01 We recommend that the U.S. Fish and Wildlife Service (FWS) require the Washington Department of Fish and Wildlife (Department) to resolve the \$2,996,019 Federal share of questioned costs related to unsupported in-kind contributions.	Resolved: U.S. Fish and Wildlife Service concurred with the recommendation and will work with staff from the Washington Department of Fish and Wildlife (WDFW) to implement corrective actions.	We will track implementation.
2023-CGD-030-02 We recommend that FWS require the Department to develop and implement Department-wide procedures for tracking, verifying, and certifying volunteer time that align with those of regular personnel services, including a requirement that individual volunteers verify their hours accurately reflect actual hours worked to ensure proper segregation of duties.	Unresolved: Pending additional information.	We have requested documentation to support that a mitigating measure was implemented.
2023-CGD-030-03 We recommend that FWS require the Department to resolve the \$7,801 (Federal share) in costs associated with the unsupported equipment usage rates.	Resolved: FWS concurred with the recommendation and will work with staff from the WDFW to implement corrective actions	We will track implementation.
2023-CGD-030-04 We recommend that FWS require the Department to develop and implement a formalized process to calculate, document, and update equipment usage rates that align with Federal criteria and FWS guidance.		



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