



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



**Audit**



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

JAN 21 2026

## Memorandum

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

From: Colleen Kotzmoyer *Colleen Kotzmoyer*  
Director, Contract and Grant Audit Division

Subject: Final Audit Report – *Wildlife and Sport Fish Restoration Grants Awarded to the State of New Mexico by the U.S. Fish and Wildlife Service*  
Report No. 2024-CGD-037

This report presents the results of our audit of costs claimed by the New Mexico Department of Game and Fish (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 five 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 note that the process to finalize this report was delayed due to the Federal government shutdown.

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 regarding this report, please contact me at [aie\\_reports@doioig.gov](mailto:aie_reports@doioig.gov).

---

# Contents

Introduction.....	1
Objectives .....	1
Background.....	1
Results of Audit .....	2
Inequitable Leave Allocations—Questioned Costs of \$36,588 (\$27,443 Federal Share) .....	2
Unreported Subawards .....	4
Other Matters .....	5
Inadequate Equipment Records .....	5
Recommendations Summary.....	6
Appendix 1: Scope and Methodology .....	9
Scope.....	9
Methodology .....	9
Statistical Sampling Methodology.....	10
Payroll .....	10
Other Direct (Non-Payroll) Costs .....	11
Prior Audit Coverage.....	12
OIG Audit Reports .....	12
State Audit Reports .....	12
Appendix 2: Sites Visited.....	13
Appendix 3: Monetary Impact .....	14
Appendix 4: Responses to Draft Report.....	15
Appendix 5: Status of Recommendations .....	21

---

# 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 New Mexico Department of Game and Fish (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, 2023, and June 30, 2024.

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

## Background

FWS provides grants to States<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup> 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.

---

<sup>1</sup> 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).

<sup>2</sup> 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.

<sup>3</sup> License revenues are from the sale of hunting and fishing licenses or permits; third-party match are non-cash contributions, such as donated equipment or volunteer services; 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 question \$36,588 (\$27,443 Federal share) associated with inequitable leave allocations, as outlined in the Code of Federal Regulations (C.F.R.). Additionally, we identified deficiencies related to the Department's leave allocation process, as well as subaward and equipment management.

See Appendix 3 for a statement of monetary impact.

## Inequitable Leave Allocations—Questioned Costs of \$36,588 (\$27,443 Federal Share)

The C.F.R. states that if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefited projects on any reasonable documented basis.<sup>4</sup>

The C.F.R. also states that "the cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- They are provided under established written leave policies;
- The costs are equitably allocated to all related activities, including Federal awards; and
- The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the non-Federal entity or specified grouping of employees."<sup>5</sup>

To determine the allowability, allocability, and reasonableness of the Department's payroll (salary and fringe benefits) costs charged to WSFR grants, we interviewed employees and reviewed timesheets for 52 grant payroll transactions. These transactions were valued at \$217,352 (2.8 percent of the population) and were associated with the 12 grants we reviewed that were open during SFYs 2023 and 2024. Based on the results of our testing, we expanded our sample and analyzed all the Department's payroll charges to Federal grants during SFYs 2023 and 2024 to obtain further assurance that our results were not unique to one or two pay periods and instead, were evidence of a more systemic process. Below we note findings from our expanded review of payroll and from our sample testing, respectively. See Appendix 1 for additional details about our statistical sampling methodology.

We found that the Department overcharged leave on 47 percent of its Federal grants during SFYs 2023 and 2024. We identified that the Department had overcharged WSFR grants by more than \$230,000 by disproportionately charging leave to them rather than to other Federal grants and non-Federal projects. For example, one employee overcharged two WSFR grants by \$386 while undercharging three FWS

<sup>4</sup> 2 C.F.R. § 200.405(d).

<sup>5</sup> 2 C.F.R. § 200.431(b).

State Wildlife (non-WSFR) grants<sup>6</sup> by \$1,222 and two Bureau of Reclamation grants by more than \$8,000. Another employee overcharged one WSFR grant by more than \$8,000 and undercharged three State Wildlife grants by more than \$12,700.

We also found that Department employees inconsistently allocated leave to WSFR grants when they worked on more than one program grant. For the 52 timesheets we reviewed, we noted that only 40 had allowable leave<sup>7</sup> charged by employees during the pay period. Of these 40 timesheets, we identified that nine (23 percent) involved employees that worked on two or more Federal grants but charged all their allowable leave to one grant. For example, one employee charged work hours to six WSFR grants during one pay period. This same employee also took annual leave and sick leave during that pay period. However, rather than charge their leave hours proportionate to the time spent on each grant, the employee charged all their leave hours to one grant. This employee's leave allocation resulted in overcharges to one WSFR grant and undercharges to five WSFR grants. In another instance, an employee worked on three WSFR grants during one pay period but charged their holiday leave to the Department's license revenue fund instead of any of the WSFR grants worked on during that pay period, which resulted in undercharges to three WSFR grants.

When we considered undercharges by employees charging to WSFR grants that could possibly offset overcharges, we found a net overcharge of \$36,588 to seven WSFR grants (see Figure 1).<sup>8</sup>

**Figure 1: Net Overcharges for WSFR Grants Open During SFYs 2023 and 2024\***

Grant No.	Period of Performance Start	Period of Performance End	Net Overcharge
F23AF01376	7/1/2023	6/30/2024	\$17,189
F23AF01771	7/1/2023	6/30/2024	\$6,482
F23AF01575	7/1/2023	6/30/2024	\$4,900
F23AF00341	1/1/2023	12/31/2023	\$2,994
F23AF02612	7/1/2023	6/30/2024	\$2,921
F23AF02614	7/1/2023	6/30/2024	\$1,828
F23AF02626	7/1/2023	6/30/2024	\$274
<b>Total</b>			<b>\$36,588</b>

\*We only considered grants that had a period of performance that was covered entirely within our audit scope.

These issues occurred because the Department was unaware of the Federal regulations pertaining to leave allocations until a Spring 2024 regional meeting with Federal aid coordinators from other states. Additionally, the Department did not have a documented policy for allocating leave amongst projects and activities and did not provide formal training to employees. Instead, Department employees stated

<sup>6</sup> FWS State Wildlife Grant Program provides funds to States to support wildlife conservation focusing on wildlife species of greatest conservation need as identified in *State Wildlife Action Plans*.

<sup>7</sup> The Department allows employees to charge the following types of leave to Federal grants: annual leave, bereavement leave, holidays, personal leave, and sick leave.

<sup>8</sup> We note that both leave overcharges and leave undercharges to grants are a concern because it indicates that the Department did not equitably allocate leave to all applicable projects and activities, as required by Federal regulations. However, for purposes of determining questioned costs, we chose to be more conservative and use the net overcharge amount (\$36,588) to WSFR grants rather than solely the amount of overcharges.

that supervisors and other employees instructed them to charge leave to one grant. According to the Department, employees generally charged leave to the grant they worked on most (i.e., their primary grant). An employee's primary grant was determined based on discussions with their supervisor, generally at the start of the SFY.

We noted that inaccurate reporting of payroll costs was also identified in the Department's SFY 2024 single audit. The auditors found that the Department did not have sufficient controls to ensure charges to Federal awards for salaries and benefits were accurate. The Department undercharged a WSFR grant because it uploaded the wrong payroll file, and a secondary check did not catch the error.

Without properly understanding Federal regulations and documented procedures regarding proper payroll allocation processes, the Department's charges to WSFR grants did not accurately reflect the level of work completed for each respective grant. Ultimately, nearly 50 percent of Department employees (123 out of 254) overcharged a Federal grant within the audit period. The direct result of these overcharges was \$234,286 in inequitable charges to 37 WSFR grants during SFYs 2023 and 2024. While both leave overcharges and undercharges to WSFR grants indicate allocation equitability issues, we question the net overcharge of \$36,588 to seven WSFR grants.

## Recommendations

We recommend that FWS require the Department to:

1. Resolve the \$36,588 (\$27,443 Federal share) in questioned costs related to inequitably allocated leave charges billed to the Wildlife and Sport Fish Restoration Program.
2. Develop and implement a written policy for leave allocation consistent with 2 C.F.R. § 200.405(d) and § 200.431(b).
3. Provide training to ensure employees charging to the Wildlife and Sport Fish Restoration Program understand the Federal requirements for allocating leave across multiple projects and activities.

## Unreported Subawards

States were required to file a subaward report on the Federal Funding Accountability and Transparency Act Subaward Reporting System (fsrs.gov)<sup>9</sup> by the end of the following month in which the State awarded any subaward equal to or greater than \$30,000 in Federal funds.<sup>10</sup> This reporting information is then made public on USA Spending.gov.

We found that the Department did not report any of the four subawards we reviewed (see Figure 2). This information should have been available on USA Spending.gov because each subaward included Federal funds more than \$30,000.

<sup>9</sup> As of March 8, 2025, fsrs.gov was retired and all subaward reporting data and functionality are now on SAM.gov.

<sup>10</sup> 2 C.F.R. § 170, Appendix A(a).

**Figure 2: Unreported Subawards**

<b>Grant No.</b>	<b>Amount</b>
F24AF00017	\$900,000
F22AF00715	\$585,330
F23AF00374	\$147,000
F23AF00438	\$44,891
<b>Total</b>	<b>\$1,677,221</b>

This occurred because the Department's policy did not outline the public reporting requirement. Additionally, Department personnel stated that they were not aware of and did not receive training on the requirement.

Subaward management issues are not new for the Department. In our December 2020 audit report,<sup>11</sup> we identified concerns regarding public reporting, as well as subrecipient determinations and monitoring, that stemmed from a lack of formalized policies and procedures. While the Department has implemented policies and disseminated guidance since that time, additional improvements are needed to ensure subawards are reported as required. The lack of public reporting for the subawards we reviewed limited transparency on the Department's use of \$1,667,221 in WSFR funding.

In August 2025, we coordinated with the Department to make sure it reported on the four subawards discussed previously. We confirmed that, as of August 2025, three of the subawards had ended. For the remaining subaward (Grant No. F24AF00017), we verified that the Department reported it through SAM.gov.

#### **Recommendations**

We recommend that FWS require the Department to:

4. Develop an internal mechanism to ensure that all subawards over \$30,000 are reported through SAM.gov, as required under 2 C.F.R. § 170, Appendix A(a).
5. Provide training on public reporting requirements to all employees responsible for the administration of subawards.

## **Other Matters**

### **Inadequate Equipment Records**

We note that the Department has made significant progress in improving its equipment inventory records. In our December 2020 audit report that we discussed earlier, we found issues with all 82 sampled items, including missing or duplicate tags, incorrect locations, and unrecorded disposals, resulting in \$120,585 in questioned costs. In response to the prior audit, the Department corrected the items listed on its inventory and issued a directive reminding personnel to follow Federal and State asset management policies and procedures.

During the current audit, we reviewed 45 WSFR grant-funded assets and 32 license revenue-funded assets and found that only four out of the 77 assets (5 percent) were not accurately accounted for on the Department's asset list. Once these discrepancies were brought to the Department's attention, it took immediate action to correct the issues identified. We applaud the Department for this significant improvement and the swift actions taken.

<sup>11</sup> U.S. Fish and Wildlife Service Grants Awarded to the State of New Mexico, Department of Game and Fish, From July 1, 2016, Through June 30, 2018, Under the Wildlife and Sport Fish Restoration Program (Report No. 2019-CR-045), issued December 2020.

# Recommendations Summary

We provided a draft of this report to FWS and the Department for review. FWS concurred with the five recommendations. We designated two of the recommendations as unresolved because we determined that the Department's proposed corrective actions will not satisfy the intent of the recommendations. Therefore, we consider Recommendation 1, 2, and 4 resolved, while Recommendation 3 and 5 remain unresolved. Below we summarize the FWS and Department 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 Department to:

1. Resolve the \$36,588 (\$27,443 Federal share) in questioned costs related to inequitably allocated leave charges billed to the Wildlife and Sport Fish Restoration Program.

**FWS Response:** FWS concurred with the recommendation and agreed with the Department's proposed corrective action.

**Department Response:** The Department concurred with the recommendation and stated it will pay back the questioned costs using administrative offsets against current open grants. The Department will provide the final Federal financial reports to document audit adjustments.

**OIG Comment:** Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented when FWS provides documentation to support that the Department paid back the questioned cost amount. The target implementation date is April 10, 2026.

2. Develop and implement a written policy for leave allocation consistent with 2 C.F.R. § 200.405(d) and § 200.431(b).

**FWS Response:** FWS concurred with the recommendation and agreed with the Department's proposed corrective action.

**Department Response:** The Department concurred with the recommendation, stating it will "develop and implement an internal guide/policy to ensure leave is allocated according to current Code of Federal Regulations." The Department will make the guide/policy available to staff through a shared drive and intranet site.

**OIG Comment:** Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented when FWS provides documentation to support that the Department developed and implemented policy to ensure employees' leave is allocated in accordance with applicable Federal regulations. The target implementation date is April 10, 2026.

3. Provide training to ensure employees charging to the Wildlife and Sport Fish Restoration Program understand the Federal requirements for allocating leave across multiple projects and activities.

**FWS Response:** FWS concurred with the recommendation and agreed with the Department's proposed corrective action.

**Department Response:** The Department concurred with the recommendation and stated it will provide the leave allocation guide/policy to employees and review the Federal requirements for allocating leave across multiple projects and activities with program managers. The Department will conduct training during quarterly meetings and email applicable resources to program managers.

**OIG Comment:** Based on FWS' and the Department's responses, we consider this recommendation unresolved. We acknowledge the Department's plan to conduct training with program managers during quarterly meetings on the leave allocation guide/policy; however, we followed up with the Department to ensure these quarterly meetings would be attended by all division staff. While the Department's quarterly meetings are generally for all divisional staff, employees unable to attend the meetings receive an email about changes or updates and resources discussed at the meeting.

The intent of our recommendation was to ensure that all applicable employees received training regarding the Federal requirements for allocating leave across multiple projects and activities. We acknowledge that it is helpful for the Department to send a departmentwide email about the leave allocation guide/policy. However, we consider it inadequate to rely solely on an email as training for employees unable to attend the quarterly meetings. Information provided in an email may be inadvertently overlooked or misinterpreted by employees. Formal training would help ensure employees receive clear and consistent guidance.

We will consider the recommendation resolved when the Department agrees to provide formal training to all employees charging to WSFR. We will consider this recommendation implemented when FWS provides documentation to support that the Department provided training to all employees charging to WSFR to ensure the employees understand the Federal requirements for allocating leave across multiple projects and activities.

4. Develop an internal mechanism to ensure that all subawards over \$30,000 are reported through SAM.gov, as required under 2 C.F.R. § 170, Appendix A(a).

**FWS Response:** FWS concurred with the recommendation and agreed with the Department's proposed corrective action.

**Department Response:** The Department concurred with the recommendation, stating it "will update current procedure(s) to ensure subawards over \$30,000 are reported in SAM.gov."

**OIG Comment:** Based on FWS' and the Department's responses, we consider this recommendation resolved. We will consider this recommendation implemented when FWS provides documentation to support that the Department developed a mechanism to ensure all subawards over \$30,000 are reported in SAM.gov, as required. The target implementation date is March 13, 2026.

5. Provide training on public reporting requirements to all employees responsible for the administration of subawards.

**FWS Response:** FWS concurred with the recommendation and agreed with the Department's proposed corrective action.

**Department Response:** The Department concurred with the recommendation, stating it will "provide training/guidance on subaward public reporting requirements to all employees responsible for [the] administration of subawards." The Department will conduct training during quarterly meetings and email applicable resources to program managers.

**OIG Comment:** Based on FWS' and the Department's responses, we consider this recommendation unresolved.

As noted in our comments to Recommendation 3, employees unable to attend the quarterly meetings receive an email about changes or updates and resources discussed at the meeting. We consider it inadequate to rely solely on email as training for these employees, as the information may be inadvertently overlooked or misinterpreted by employees. Formal training would help ensure employees receive clear and consistent guidance.

We will consider the recommendation resolved when the Department agrees to provide formal training on public reporting requirements to all employees responsible for the administration of subawards. We will consider this recommendation implemented when FWS provides documentation to support that the Department provided training to all applicable employees.

---

# Appendix 1: Scope and Methodology

## Scope

We audited the New Mexico Department of Game and Fish's (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 12 grants that were open during State fiscal years (SFYs) ending June 30, 2023, and June 30, 2024. We also reviewed license revenue during the same period. During the audit period, there were 105 grants that claimed approximately \$51.8 million in Federal expenditures. The 12 grants we reviewed claimed \$23.4 million in expenditures. 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 tested 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).

We found deficiencies in internal control that we discussed in the “Results of Audit” section of our report and made recommendations to address the issues.

Based on the results of our initial assessments, we assigned a level of risk and selected a judgmental sample of 12 out of 105 grants with activity during our audit period. This included grants for boating access, land acquisition, shooting ranges, and facility maintenance.

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. We used statistical sampling to generate sample selections used for payroll and other direct (non-payroll) cost testing, and we projected the results of our tests to the total population of those transactions (see the “Statistical Sampling Methodology” section below for additional information). We used auditor judgment to select samples of WSFR grants to test grant claims and grant compliance. We also selected judgmental samples for other program area testing, such as equipment and subawards.

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 New Mexico 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.

## **Statistical Sampling Methodology**

### **Payroll**

Using a variety of payroll files provided by the Department, we extracted a dataset of all payroll charges to Federal grants during SFYs 2023 and 2024. We filtered the dataset to identify only those payroll charges for the 12 grants we sampled as part of our audit. The result was 1,942 payroll transactions, valued at \$7.7 million, which we considered our sample population. Each transaction was a sample unit.

We used attribute sampling software to generate a simple random sample, given the following parameters based on auditor judgment: 90 percent confidence level,<sup>12</sup> 10 percent tolerable deviation rate,<sup>13</sup> and 3 percent expected population deviation rate.<sup>14</sup> The result was 52 transactions, valued at \$217,352, which we considered our minimum sample size. We generated a simple random sample of 26 additional payroll transactions to use as alternates during interviews. Some of these alternate transactions were substituted for transactions that were initially sampled due to Department employees being unavailable for interviews.

For testing, we assessed each of the 52 payroll transactions across 10 attributes to determine whether the charges met relevant requirements of allowability, allocability, and reasonableness. Each attribute response could only be “Yes” or “No.” The definition of an exception was a “No” response. As noted in this report, for the leave allocability test, we reviewed 40 timesheets and found that nine (23 percent) did not equitably allocate allowable leave across all projects and activities.

Given the attribute results from our payroll testing, we determined a point estimate, which was the midpoint for determining the number of exceptions relative to the sample population. We also calculated a margin of error based on a two-sided 90 percent confidence interval to determine the upper limit and lower limit of the point estimate. Based on our sample testing results, we project, with 90 percent confidence, that the Department did not equitably allocate leave for 337 of the 1,942 payroll charges for the 12 grants we sampled. However, we did not need to use our projected results to determine monetary impact. Rather, we determined the monetary impact based on our analysis of all the Department’s payroll charges to Federal grants during SFYs 2023 and 2024.

## **Other Direct (Non-Payroll) Costs**

Using financial records provided by the Department, we extracted a dataset of non-payroll direct costs incurred by the Department and charged to Federal grants during SFYs 2023 and 2024. We filtered the dataset to identify other direct costs over a certain dollar threshold. The result was 921 transactions, valued at \$25.5 million, which we considered our sample population. Each transaction was a sample unit.

We used attribute sampling software to generate a simple random sample, given the following parameters based on auditor judgement: 90 percent confidence level, 10 percent tolerable deviation rate, and 4 percent expected population deviation rate. The result was 64 other direct cost transactions, valued at \$1.1 million, which we considered our minimum sample size.

For testing, we assessed each of the 64 transactions against five attributes to assess allowability, allocability, and reasonableness. Each attribute response could only be “Yes” or “No.” The definition of an exception was a “No” response.

We identified no issues during testing. Therefore, we project, with 90 percent confidence, that the Department’s other direct costs, valued at \$25.5 million, were allowable, allocable, and reasonable.

---

<sup>12</sup> Confidence level is the inverse of beta risk, which is the level of risk that the auditor is willing to accept. A 10 percent beta risk means that there can be 90 percent confidence in the sample results.

<sup>13</sup> Tolerable deviation rate is the rate of control failures that can occur before a control procedure is deemed ineffective.

<sup>14</sup> Expected population deviation rate is the estimated rate of actual deviations in a population. This is generally determined based on previous experience of a controls’ effectiveness along with discussions and other observations.

# Prior Audit Coverage

## OIG Audit Reports

We reviewed our last two audits of costs the Department claimed on WSFR grants.<sup>15</sup> We followed up on 21 recommendations from the 2020 report and 5 recommendations from the 2015 report. We reviewed the Department's corrective actions and found that all 26 recommendations have been implemented and closed. We verified that the State has taken the appropriate corrective actions for most of the implemented recommendations. However, as discussed in the "Results of Audit" section in this report, we are repeating one recommendation relating to public reporting for subawards.

## State Audit Reports

We reviewed the single audit reports for SFYs 2023 and 2024 to identify control deficiencies or other reportable conditions that affect WSFR. In those reports, the Schedule of Expenditures of Federal Awards indicated \$51 million (combined) in Federal expenditures related to WSFR, which was deemed a major program for Statewide audit purposes. While the SFY 2023 report did not include findings directly related to WSFR, the SFY 2024 report identified internal control deficiencies related to the Department's payroll charges to Sport Fish Restoration Program grants.

---

<sup>15</sup> U.S. Fish and Wildlife Service Grants Awarded to the State of New Mexico, Department of Game and Fish, From July 1, 2016, Through June 30, 2018, Under the Wildlife and Sport Fish Restoration Program, (Report No. 2019-CR-045), issued December 2020.U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of New Mexico, Department of Game and Fish, From July 1, 2011, Through June 30, 2013, (Report No. R-GR-FWS-0012-2014), issued September 2015.

---

## Appendix 2: Sites Visited

---

Headquarters	Santa Fe, NM
Regional Office	Northwest (Albuquerque)
Fish Hatcheries	Lisboa Springs Los Ojos
Wildlife Management Areas	Bernardo Marquez/L-Bar
Shooting Range	Albuquerque Trap Club

---

# Appendix 3: Monetary Impact

We reviewed 12 grants that were open during the State fiscal years that ended June 30, 2023, and June 30, 2024. The audit included expenditures of \$23.4 million and related transactions. We questioned \$27,443 in Federal share as unallowable.

## Monetary Impact: Unallowable Costs (Federal Share)

Grant No.	Net Overcharge (Inequitable)	Questioned Costs (Federal Share) <sup>†</sup>
F23AF01376	\$17,189	\$12,892
F23AF01771	\$6,482	\$4,862
F23AF01575	\$4,900	\$3,675
F23AF00341	\$2,994	\$2,246
F23AF02612	\$2,921	\$2,191
F23AF02614	\$1,828	\$1,371
F23AF02626	\$274	\$206
<b>Total*</b>	<b>\$36,588</b>	<b>\$27,443</b>

\* There may be slight variances in the amounts due to rounding.

<sup>†</sup> The Federal share (reimbursement) for each grant award was 75 percent. Therefore, we calculated the questioned cost as 75 percent of the net overcharge.

---

## **Appendix 4: Responses to Draft Report**

The U.S. Fish and Wildlife Service's and New Mexico Department of Game and Fish's responses to our draft report follows on page 16.



# United States Department of the Interior

FISH AND WILDLIFE SERVICE  
Washington, D.C. 20240



In Reply Refer To:  
FWS/ADCI/083411

## MEMORANDUM

To: Regional Director, Region 2

From: Acting Assistant Director, Office of Conservation Investment

Subject: Draft Corrective Action Plan for Draft Audit Report No. 2024-CGD-037,  
"Wildlife and Sport Fish Restoration Grants Awarded to the State of New Mexico by the  
U.S. Fish and Wildlife Service," issued September 25, 2025

MATTHEW  
FILSINGER

Digitally signed by MATTHEW  
FILSINGER  
Date: 2025.11.10 09:31:30 -05'00'

The Headquarters Office, Division of Financial Assistance Support and Oversight (FASO) has reviewed the draft Corrective Action Plan (CAP) for the above referenced report. Based on our review of the information provided by Region 2, 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.

We will forward the CAP, along with this signed memo to the Division of Policy, Economics, Risk Management and Analytics (PERMA). PERMA will review and submit to the OIG by the November 10, 2025 due date.

If you have any questions concerning this matter or require further information, please contact Sherry Martin, FASO Compliance Branch Accountant, at 404-960-0927 or by email at [sherry\\_martin@fws.gov](mailto:sherry_martin@fws.gov).

Attachment



# United States Department of the Interior

## FISH AND WILDLIFE SERVICE

P.O. Box 1306

Albuquerque, New Mexico 87103



In Reply Refer To:  
FWS/R2/RD-OCI

November 4, 2025

### Memorandum

To: Acting Branch Manager, Policy and Compliance Branch,  
Office of Conservation Investment, HQ

From: Acting Regional Manager, Office of Conservation Investment, Region 2

Subject: Draft Corrective Action Plan for the U.S. Fish and Wildlife Service, Wildlife and  
Sport Fish Restoration Program Grants Awarded to the State of New Mexico,  
Department of Game and Fish from July 1, 2022, through June 30, 2024; Report No.  
2024-CGD-037

Digitally signed by CHERYL  
RODRIGUEZ  
Date: 2025.11.04 11:07:22 -07'00'

Attached for your review and approval is the Draft Corrective Action Plan that was  
collaboratively prepared by the U.S. Fish and Wildlife Service, Region 2 and the New Mexico  
Department of Game and Fish.

If you have any questions or need additional information, please contact me at 505-249-2725 or  
[Cheryl\\_Rodriguez@fws.gov](mailto:Cheryl_Rodriguez@fws.gov).

### Attachments

## **DRAFT CORRECTIVE ACTION PLAN**

**Audit Report No. 2024-CGD-037**

**U.S. Fish and Wildlife Service Grants**

**Awarded to New Mexico, Department of Game and Fish**

**From July 1, 2022, through June 30, 2024**

**Wildlife and Sport Fish Restoration Program**

### **Corrective Actions and Resolution of Recommendations**

**Recommendation 1:** Resolve the \$36,588 (\$27,443 Federal share) in questioned costs related to inequitably allocated leave charges billed to the Wildlife and Sport Fish Restoration Program.

**Service Response:** The U.S. Fish and Wildlife Service (Service) concurs with the recommendation.

**Agency Response:** The New Mexico Department of Game and Fish (NMDGF) concurs with the recommendation.

**Corrective Action:** NMDGF will pay back the questioned costs of \$36,588 (\$27,443 Federal share) using administrative offsets against current open grants. The Department will provide the final Federal Financial Report SF-425s to document audit adjustments.

**Resolution:** The Service considers this finding resolved but not implemented. Upon receipt, review, and acceptance by the Service of the final Federal Financial reports confirming repayment of the funds, we will consider this recommendation resolved and implemented.

**Completion Date:** NMDGF documentation submission to OCI Regional Office: December 31, 2025; OCI RO to OCI HQ: February 27, 2026; OCI HQ to PERMA: March 27, 2026; PERMA to OIG: April 10, 2026.

**Recommendation 2:** Develop and implement a written policy for leave allocation consistent with 2 C.F.R. § 200.405(d) and § 200.43 **I(b)**.

**Service Response:** The Service concurs with the recommendation.

**Agency Response:** NMDGF concurs with the recommendation.

**Corrective Action:** NMDGF will develop and implement an internal guide/policy to ensure leave is allocated according to current Code of Federal Regulations (CFR). This will be made available to staff through the NMDGF shared drive and Intranet site.

**Resolution:** The Service considers this finding resolved but not implemented. Upon receipt, review, and acceptance by the Service of the leave allocation policy and documentation showing the policy was implemented, we will consider the recommendation resolved and implemented.

**Completion Date:** NMDGF documentation submission to OCI Regional Office: December 31, 2025; OCI RO to OCI HQ: February 27, 2026; OCI HQ to PERMA: March 27, 2026; PERMA to OIG: April 10, 2026.

**Recommendation 3:** Provide training to ensure employees charging to the Wildlife and Sport Fish Restoration Program understand the Federal requirements for allocating leave across multiple projects and activities.

**Service Response:** The Service concurs with the recommendation.

**Agency Response:** NMDGF concurs with the recommendation.

**Corrective Action:** NMDGF will provide the leave allocation guide/policy to staff and review current guide/policy with program managers on the federal requirements for allocating leave across multiple projects and/or activities. This will be conducted during quarterly meetings with a follow-up email providing resources and verification of email shall be provided to the Service.

**Resolution:** The Service considers this recommendation resolved but not implemented. Upon receipt, review and acceptance by the Service of the quarterly meeting agenda/meeting invite, sign-in sheet documenting the policy/training was provided and that the meeting/training follow-up emails were distributed, the Service will consider this recommendation resolved and implemented.

**Completion Date:** NMDGF documentation submission to OCI Regional Office: February 27, 2026; OCI RO to OCI HQ: April 28, 2026; OCI HQ to PERMA: May 28, 2026; PERMA to OIG: June 11, 2026.

**Recommendation 4:** Develop an internal mechanism to ensure that all subawards over \$30,000 are reported through SAM.gov, as required under 2 C.F.R. § 170, Appendix A(a).

**Service Response:** The Service concurs with the recommendation.

**Agency Response:** NMDGF concurs with the recommendation.

**Corrective Action:** NMDGF will update current procedure(s) to ensure subawards over \$30,000 are reported in SAM.gov per CFR.

**Resolution:** We consider this finding resolved but not implemented. Upon receipt, review, and acceptance by the Service of the updated procedures related to reporting subawards in SAM.gov, we will consider this recommendation resolved and implemented.

**Completion Date:** NMDGF documentation submission to OCI Regional Office: November 30, 2025; OCI RO to OCI HQ: January 29, 2026; OCI HQ to PERMA: February 27, 2026; PERMA to OIG: March 13, 2026.

**Recommendation 5:** Provide training in public reporting requirements to all employees responsible for the administration of subawards.

**Service Response:** The Service concurs with the recommendation.

**Agency Response:** NMDGF concurs with the recommendation.

**Corrective Action:** NMDGF will provide training/guidance on subaward public reporting requirements to all employees responsible for administration of subawards. This will be conducted during quarterly meetings with a follow up email to program managers providing training/guidance resources available. Verification email will be provided to the Service.

**Resolution:** The Service considers this recommendation resolved but not implemented. Upon receipt, review and acceptance by the Service of the quarterly meeting agenda/meeting invite, sign-in sheet documenting the training/guidance was provided and that the training/guidance follow-up emails were distributed, the Service will consider this recommendation resolved and implemented.

**Completion Date:** NMDGF documentation submission to OCI Regional Office: February 27, 2026; OCI RO to OCI HQ: April 28, 2026; OCI HQ to PERMA: May 28, 2026; PERMA to OIG: June 11, 2026.

**Responsible Officials:** Mike Sloane, Director, New Mexico Department of Game and Fish, Kayla Whittaker, Federal Aid Coordinator, New Mexico Department of Game and Fish, Cheryl Rodriguez, Acting Regional Manager/Grant Fiscal Officer, Office of Conservation Investment

# Appendix 5: Status of Recommendations

Recommendation	Status	Action Required
<b>2024-CGD-037-01</b> We recommend that the U.S. Fish and Wildlife Service (FWS) require the New Mexico Department of Game and Fish (Department) to resolve the \$36,588 (\$27,443 Federal share) in questioned costs related to inequitably allocated leave charges billed to the Wildlife and Sport Fish Restoration Program.	<b>Resolved</b>	We will track implementation.
<b>2024-CGD-037-02</b> We recommend that FWS require the Department to develop and implement a written policy for leave allocation consistent with 2 C.F.R. § 200.405(d) and § 200.431(b).	<b>Resolved</b>	We will track implementation.
<b>2024-CGD-037-03</b> We recommend that FWS require the Department to provide training to ensure employees charging to the Wildlife and Sport Fish Restoration Program understand the Federal requirements for allocating leave across multiple projects and activities.	<b>Unresolved:</b> pending additional information	We will work with FWS to further discuss resolution of this recommendation.
<b>2024-CGD-037-04</b> We recommend that FWS require the Department to develop an internal mechanism to ensure that all subawards over \$30,000 are reported through SAM.gov, as required under 2 C.F.R. § 170, Appendix A(a).	<b>Resolved</b>	We will track implementation.
<b>2024-CGD-037-05</b> Repeat Recommendation (Report No. 2019-CR-045, Recommendation 18) We recommend that FWS require the Department to provide training on public reporting requirements to all employees responsible for the administration of subawards.	<b>Unresolved:</b> pending additional information	We will work with FWS to further discuss resolution of this recommendation.



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

## **REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT**

The Office of Inspector General (OIG) provides independent oversight and promotes integrity and accountability in the programs and operations of the U.S. Department of the Interior (DOI). One way we achieve this mission is by working with the people who contact us through our hotline.

### **WHO CAN REPORT?**

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

### **HOW DOES IT HELP?**

Every day, DOI employees and non-employees alike contact OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for DOI, its employees, and the public.

### **WHO IS PROTECTED?**

Anyone may request confidentiality. The Privacy Act, the Inspector General Act, and other applicable laws protect complainants. Specifically, 5 U.S.C. § 407(b) states that the Inspector General shall not disclose the identity of a DOI employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the course of the investigation. By law, Federal employees may not take or threaten to take a personnel action because of whistleblowing or the exercise of a lawful appeal, complaint, or grievance right. Non-DOI employees who report allegations may also specifically request confidentiality.

If you wish to file a complaint about potential fraud, waste, abuse, or mismanagement in DOI, please visit OIG's online hotline at [www.doi.oig.gov/hotline](http://www.doi.oig.gov/hotline) or call OIG's toll-free hotline number: 1-800-424-5081