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

Inspection

BIE Must Correct Safety and Health Deficiencies, Improve Facility Management System Accuracy, and Ensure Available Grant Funds Are Used To Correct Longstanding Deficiencies at Nay Ah Shing Upper and Lower Schools

Report No. 2025-AID-030

August 2026

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

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Memorandum

To: Tony Dearman
Director, Bureau of Indian Education

From: Nicki Miller
Assistant Inspector General for Audits, Inspections, and Evaluations

Subject: Final Inspection Report – *BIE Must Correct Safety and Health Deficiencies, Improve Facility Management System Accuracy, and Ensure Available Grant Funds Are Used To Correct Longstanding Deficiencies at Nay Ah Shing Upper and Lower Schools*
Report No. 2025-AID-030

This memorandum transmits our inspection report on the Bureau of Indian Education's (BIE's) oversight of safety and health practices and funding at Nay Ah Shing Upper and Lower Schools.

We will track open recommendations for resolution and implementation. We will notify Congress of 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 about this report, please contact me at aie_reports@doioig.gov.

Results in Brief

Inspection

BIE Must Correct Safety and Health Deficiencies, Improve Facility Management System Accuracy, and Ensure Available Grant Funds Are Used To Correct Longstanding Deficiencies at Nay Ah Shing Upper and Lower Schools

Objectives

To determine if the Bureau of Indian Education (BIE) ensured Nay Ah Shing Schools addressed deficiencies found during required annual safety and health inspections and used available funding to correct deficiencies.

Recommendations

We make eight recommendations that, if implemented, will help BIE improve the overall condition of Nay Ah Shing Upper and Lower Schools by reducing the number of safety and health deficiencies, increasing school staff's ability to respond to maintenance requirements, and ensuring available funds are used in alignment with grant goals and objectives. All eight recommendations are resolved.

Monetary Impact

$118,080 Questioned Costs

Risk Areas

Contract & Financial Assistance Oversight

Health & Safety

Tribal Nations & Insular Communities

Findings

We found that BIE did not always ensure that Nay Ah Shing Upper and Lower Schools addressed deficiencies identified during required annual safety and health inspections, and it did not ensure that the schools used safety and health funding at the appropriate location. Specifically, BIE did not:

- Ensure that safety and health deficiencies were corrected within abatement periods.
- Maintain reliable information in its facility management system, as many deficiencies had incorrect work order statuses.
- Ensure that safety and health grant funding was used only at permissible locations. We questioned $118,080 in unallowable costs associated with the salary and other benefit expenses for an employee whose work was not associated with Nay Ah Shing Schools.

We also found that BIE needs to improve its oversight of the $19 million in grant funding intended to correct longstanding safety and health deficiencies at Nay Ah Shing Upper and Lower Schools. Specifically, BIE needs to require more detailed reporting and develop guidance that clearly defines responsibilities in addressing concerns that arise and timeframes for implementing proposed solutions.

Impact

Failure to correct deficiencies found during the annual safety and health inspections exposes students and staff to a potentially unsafe and unhealthy school and work environment. By addressing the deficiencies within abatement periods, the school may be better positioned to ensure a safe and quality educational environment for the children. Moreover, inaccurate reporting of work orders can create inefficiencies in funding and a perception of a safe environment when risks persist. Failure to ensure that all available grant funding is used for its intended purpose thwarts BIE's progress in meeting program goals and limits opportunities to address the safety and health deficiencies at the intended schools. Lastly, failure to improve BIE's oversight of the $19 million in available grant funding may lead to this funding falling short in achieving its intended purpose of correcting the longstanding deficiencies at Nay Ah Shing Upper and Lower Schools.

Contents

Introduction

Objectives

The objectives of our inspection were to determine if the Bureau of Indian Education (BIE) ensured Nay Ah Shing Schools addressed deficiencies found during required annual safety and health inspections and used available funding to correct deficiencies.

See Appendix 1 for our inspection scope and methodology.

Background

The U.S. Department of the Interior's (DOI's) mission includes honoring its trust responsibilities and special commitments to American Indians, which we have consistently identified as a major management challenge for DOI.[1] The Bureau of Indian Affairs (BIA) and BIE report directly to the Assistant Secretary for Indian Affairs (AS-IA), who assists and supports the Secretary of the Interior in fulfilling the United States' trust responsibility to federally recognized American Indian Tribes.

To fulfill that responsibility, BIE supports and oversees a total of 183 schools as part of the BIE school system—128 schools are tribally controlled under BIE contracts or grants, and BIE operates the remaining 55 schools. BIE administers the contract and grant programs that include funding for operations, maintenance, improvements, and repairs of the school facilities.

Nay Ah Shing Upper and Lower Schools

The Nay Ah Shing Upper and Lower Schools are tribally controlled schools operated by the Mille Lacs Band of Ojibwe. As tribally controlled schools, the Band—not BIE—has primary authority for managing and operating the schools along with managing the funding that it receives from BIE under the Tribally Controlled Schools Act of 1988.[2] BIE provides grant funding to Nay Ah Shing Upper and Lower Schools, located in central Minnesota. The schools are comprised of two separate facilities and serve approximately 156 students from kindergarten through 12th grade: 87 students at the Lower School and 64 students at the Upper School (see Figure 1). The Band also operates a satellite location for Nay Ah Shing Schools—Pine Grove School, located approximately 80 miles from the Upper and Lower Schools, which serves four students.

We selected Nay Ah Shing Upper and Lower Schools as the fourth review in our BIE school inspection series[3] because the fiscal year (FY) 2023, 2024, and 2025 safety and health inspections identified a high number of critical, significant, and repeated deficiencies, as well as a substantial increase—from $537,000 to over $19 million—in facility-related funds that were awarded in FY 2025.

[1] *Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, Fiscal Year 2025*, issued Dec. 2025, https://www.doioig.gov/sites/default/files/2021-migration/Inspector-Generals-Statement-Summarizing-the-Major-Management-and-Performance-Challenges-FY-2025.pdf.

[2] The Tribally Controlled Schools Act of 1988, 25 U.S.C. § 2501 *et seq.*, as amended, is an extension of the Indian Self-Determination and Education Assistance Act and effectuates congressional intent to provide maximum Tribal control and participation in the direction of Indian educational services.

[3] *The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness and Security at Havasupai Elementary School* (Report No. 2023-ISP-040), issued Oct. 2024.

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Facility Management System Accuracy at Tate Topa Tribal School (Report No. 2024-ISP-014), issued Dec. 2024.

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness, Security, and Facility Management System Accuracy at Riverside Indian School (Report No. 2024-ISP-040), issued July 2025.

Figure 1: Nay Ah Shing Upper School (Left) and Lower School (Right)

Source: OIG.

IA Facilities Oversight

The AS-IA's Office of Facilities, Property, and Safety Management, through the Division of Safety and Risk Management, is responsible for policy, oversight, and technical assistance for facilities management and construction, property and safety management, and real property leasing for BIA and BIE. In 2022, the division issued new safety, health, and accessibility inspection and evaluation guidelines,[4] which outline IA's internal operating procedures for conducting mandatory annual workplace safety and health inspections at each Indian school. The responsibility for executing the policy related to school safety and health inspections and correcting deficiencies primarily resides with BIE's Branch of Safety Management and Branch of Facility Management.

BIE Branch of Safety Management

BIE's Branch of Safety Management is responsible for performing a required annual safety and health inspection[5] at each Indian school and adhering to the IA guidelines. The branch also provides technical services related to safety and health for all tribally controlled and BIE-operated schools.

Annual Safety and Health Inspections

The annual inspection must be conducted by a BIE safety and occupational health specialist who is trained as a hazard recognition and occupational safety and health inspector. The BIE specialist uses a standardized checklist to complete each school inspection. The checklist includes items related to accessibility requirements, hazardous materials, environmental conditions, fire protection, and electrical and standby power systems. Each deficiency is categorized as the worst credible consequence[6] that can occur as the result of a hazard:

I. Catastrophic: Imminent and immediate danger of death or permanent disability.

II. Critical: Permanent partial disability, temporary total disability.

III. Significant: Hospitalized minor injury, reversible illness.

IV. Minor: First aid or minor medical treatment.

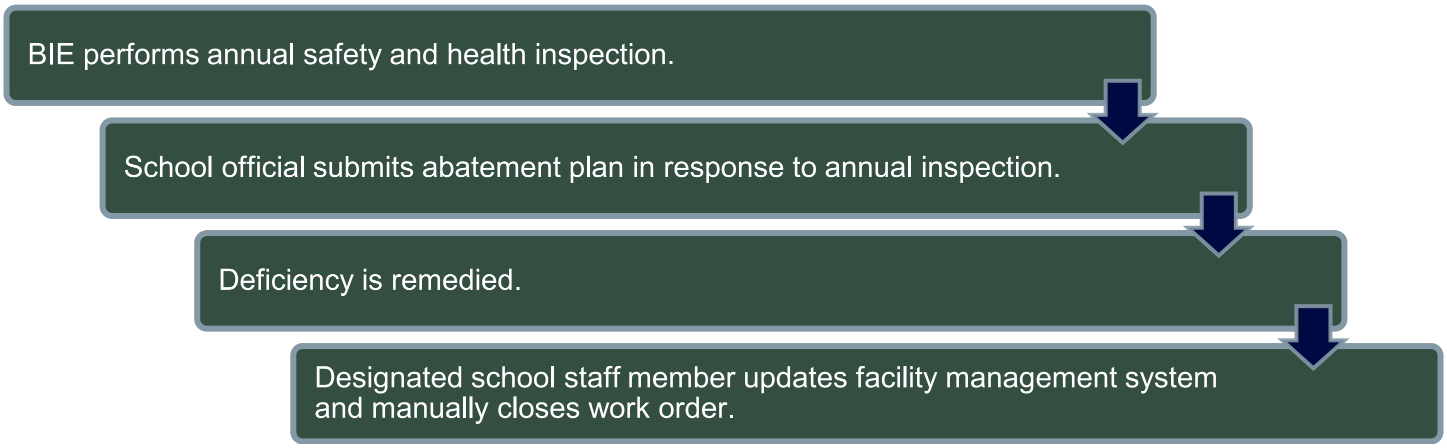
[4] *Indian Affairs Code Compliance Guidelines*, Version 1, dated Aug. 2022.

[5] 29 C.F.R. Part 1960, Subpart D—Inspection and Abatement.

[6] Generally, safety and health deficiencies are categorized based on the worst credible consequence that can occur as the result of a hazard. BIE identifies deficiencies using Risk Assessment Codes that include the severity category as well as information about the probability of the harm occurring. We focused our review of safety and health deficiencies based on the severity determination regardless of the probability of occurrence; using the deficiency severity enabled us to effectively communicate the scale of each problem and its potential to harm students and staff.

School officials are required to provide an abatement plan to document the planned corrective measures and track the status of each deficiency identified during the inspection. The designated school official submits the abatement plan into BIE's facility management system to track and document corrections through work order numbers assigned to each deficiency. Once the deficiency has been corrected, the designated school staff member should update the facility management system and close out the work order (see Figure 2).

Figure 2: Annual Safety and Health Inspection Process



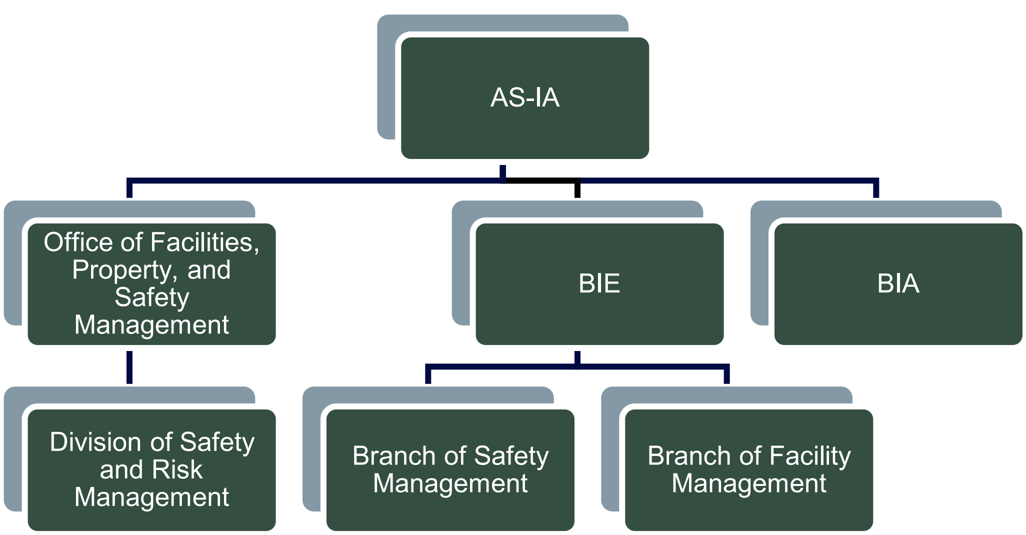
Source: OIG figure generated from DOI *Departmental Manual* information.

BIE Branch of Facility Management

BIE's Branch of Facility Management (BFM) provides technical services for all BIE locations, including BIE-operated and tribally controlled schools. The services include assisting school staff with minor improvements, repairs, and abatement plans and providing support to school facility staff to address maintenance and school facility operations. The BIE facility operations specialists within this branch are responsible for providing these services as needed; one specialist is generally assigned to multiple schools and works collaboratively with Branch of Safety Management inspectors. Although the designated school staff member is responsible for monitoring and closing work orders, BIE's BFM staff and facilities management system contractors can also close work orders.

See Figure 3 for an AS-IA facilities management organizational chart.

Figure 3: AS-IA Facilities Management Organizational Chart



Source: OIG figure generated from information in BIE's organizational chart.

BIE Grant Awards and Facilities Funding for Nay Ah Shing Schools

Under the Tribally Controlled Schools Act, each Indian Tribe or Tribal organization may receive only one grant per fiscal year, regardless of the number of schools it operates. Grant funds must be used exclusively for secular educational purposes. During the school years within our scope, BIE awarded the Band annual educational program grants under the Act totaling $32.1 million:

- $11.3 million for Nay Ah Shing Schools' educational programs—including Indian School Equalization, Education of Handicapped, Striving Readers, and Student Support and Academic Enrichment.

- $20.8 million for school facilities—including Operations and Maintenance, Maintenance Improvement and Repairs, Facilities Improvement and Repairs, and New Construction. Specifically, these funds are for facility improvements, repairs, alterations, renovations, or new construction that assist with fixing or maintaining the safety and health of school facilities.

See Figure 4 for a breakdown of these grant awards and facility amounts for Nay Ah Shing Upper and Lower Schools.

Figure 4: BIE Educational Program Grants to the Band for July 1, 2022, to June 30, 2025 (School Years 2022-2023, 2023-2024, and 2024-2025)

Grant #	Grant Term	Total Grant Amount	Facilities Amount
A22AV00816	July 1, 2022 - June 30, 2023	$4,070,300	$654,814
A23AV00750	July 1, 2023 - June 30, 2024	$4,473,239	$537,520
A24AV00678	July 1, 2024 - June 30, 2025	$23,572,253	$19,558,245[7]
Totals		**$32,115,792**	**$20,750,579**

Source: OIG analysis of BIE Grant Award Nos. A22AV00816, A23AV00750, and A24AV00678.

[7] Early in our inspection, we identified $19 million in funding that had been awarded in May 2025 to renovate Nay Ah Shing Schools. The majority of these funds have not been expended; however, the project is in the early stages, and these funds will go toward fixing the longstanding safety and health deficiencies identified in BIE's annual safety and health inspection reports. We discuss BIE's oversight of the $19 million grant award in more detail below.

Results of Inspection

We found that BIE did not always ensure that Nay Ah Shing Upper and Lower Schools addressed deficiencies identified during required annual safety and health inspections, and it did not ensure that the schools used safety and health funding at the appropriate location. Specifically, BIE did not:

- Ensure that safety and health deficiencies were corrected within abatement periods.
- Maintain reliable information in its facility management system, as many deficiencies had incorrect work order statuses.
- Ensure that safety and health grant funding was used only at permissible locations. We questioned $118,080 in unallowable costs associated with the salary and other benefit expenses for an employee whose work was not associated with Nay Ah Shing Schools (see Appendix 2 for a statement of monetary impact).

We also found that BIE needs to improve its oversight of the $19 million in grant funding intended to correct longstanding safety and health deficiencies at Nay Ah Shing Upper and Lower Schools.

BIE Did Not Ensure Safety and Health Deficiencies Were Corrected Within Abatement Periods at Nay Ah Shing Upper and Lower Schools

Nay Ah Shing's annual grant agreement states that a grantee (school) must (1) use the IA facility management system for work orders, (2) submit an abatement plan within 30 days after receipt of an annual safety inspection, and (3) correct all reported safety and health deficiencies, enter actual costs, and complete and close out the work order in the facility management system as soon as corrective actions are taken.

We reviewed the FY 2023, 2024, and 2025 annual safety and health inspection reports and found that the FY 2025 inspection identified more than 119 deficiencies at Nay Ah Shing Schools—110 of which were repeat deficiencies, including 10 critical and 93 significant deficiencies.[8] Most of the deficiencies identified in the annual safety and health inspection reports were listed as repeat deficiencies from prior inspections, illustrating the longstanding deficiencies at the schools (see Appendices 3 and 4 for testing results summaries of critical and significant deficiencies). Figure 5 shows the total number of deficiencies and repeat deficiencies identified on the safety and health inspection reports by severity for FYs 2023 through 2025.

Figure 5: FY 2023-2025 Total and Repeat Deficiencies by Severity

	FY 2023		FY 2024		FY 2025	
Severity	**Total**	**Repeat**	**Total**	**Repeat**	**Total**	**Repeat**
I-Catastrophic	0	0	0	0	0	0
II-Critical	20	13	11	11	11	10
III-Significant	242	223	163	156	100	93
IV-Minor	26	20	11	9	8	7
Totals	**288**	**256**	**185**	**176**	**119**	**110**

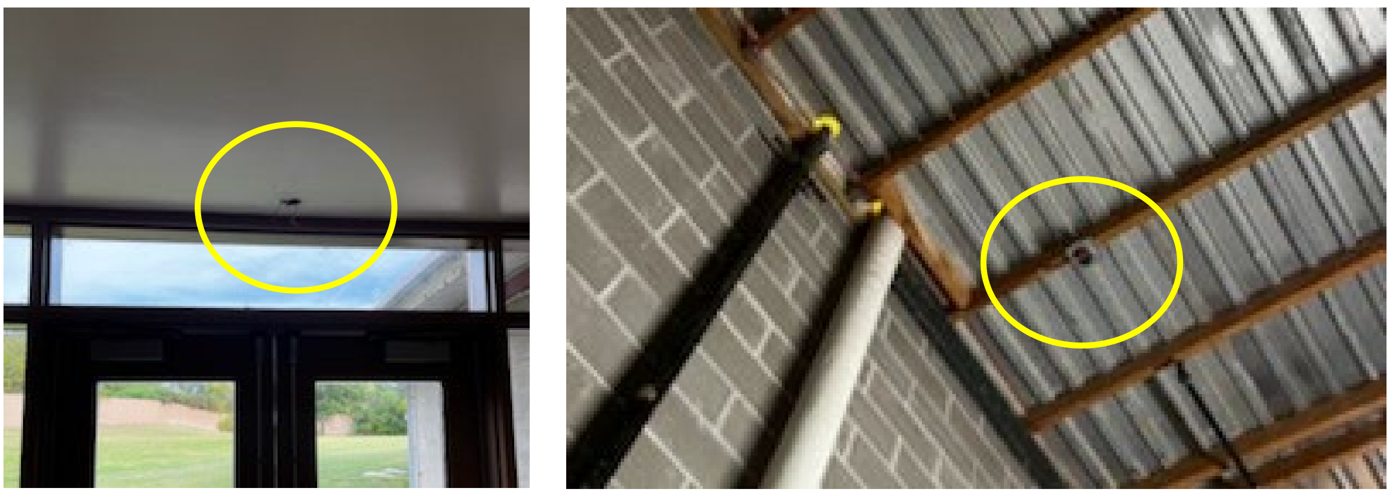
Source: OIG analysis of BIE's 2023 through 2025 safety and health inspection reports.

[8] A deficiency is categorized as a "repeat" deficiency if that issue had been identified as a deficiency in any prior inspection. In some cases, a deficiency that had been previously identified and corrected may appear as a repeat if the same issue is identified again in a later inspection report.

We found that BIE did not ensure that the schools corrected safety and health deficiencies within the abatement periods. As part of our inspection, we statistically sampled and reviewed 87 out of 305 safety and health deficiencies from Nay Ah Shing Schools' 2023 through 2025 safety and health inspection reports. We found that a total of 84 of the 87 deficiencies (or 97 percent)—8 critical and 76 significant deficiencies—were not corrected within their abatement periods and exceeded the abatement period by an average of 3.8 years.

During our site visit to the schools in September 2025, we observed critical and significant deficiencies that the schools had not corrected. For example, the Lower School had not corrected a critical deficiency related to a missing emergency light. This critical deficiency was first identified almost two years earlier, in October 2023, with an initial abatement period of 45 days. According to school facility maintenance staff, the part needed to correct this deficiency had been on back order since approximately October 2024; however, staff told us that the emergency light was later replaced in January 2026. In addition, the Upper School's mechanical room did not have a smoke detector. This significant deficiency was first identified more than six years earlier, in September 2018, with an initial abatement period of 30 days. Without the required emergency lighting and smoke detectors, students and staff at the school may not be adequately notified of a fire or have the ability to quickly exit the building during an emergency, potentially leading to injury or disability. See Figure 6 for images of these deficiencies.

Figure 6: Missing Exit Door Emergency Light (Left) and Mechanical Room Smoke Detector (Right)



Source: OIG. Missing light (first identified nearly two years prior to our site visit) and smoke detector (first identified more than six years prior to our site visit) circled in yellow.

The delays in correcting deficiencies occurred for a variety of reasons, some of which related to internal staffing issues while others related to an ongoing remodel project. According to school officials, they had only one maintenance employee for both schools; however, the school stated there should be at least one maintenance employee at each school. The schools also do not have a process to resolve deficiencies identified in the annual safety and health inspections within prescribed abatement timelines. According to the BIE schools' safety inspector, Nay Ah Shing School staff had told him that the schools were waiting for remodel projects to start to fix the deficiencies. The schools' current Operations and Maintenance Director also told us the schools have been working on the remodel project for over four years, which began after her predecessor created a "pile up" of work orders. In addition, Nay Ah Shing Schools' 2025 abatement plan listed staff shortages and deficiencies that required a contractor as causes for the delays in correcting deficiencies within abatement periods. For example, if a deficiency requires a contractor, additional funding and approvals may be needed from either the Band or BIE. The schools must follow the Band's processes to request approval to correct deficiencies at certain funding levels,[9] and the schools are subject to the IA funding request process if additional supplemental funding is required.[10] Both approval processes may impact timeliness.

[9] The Band requires higher level approvals for costs above $7,500 and $25,000.

[10] We previously reported on the work order supplemental funding process in a management advisory, *BIE and Indian Schools Need To Ensure Deficiencies That Could Cause Imminent and Immediate Danger Are Addressed and Resolved Timely* (Report No. 2024-ISP-040-A), issued Mar. 2026.

Failure to correct deficiencies found during the annual safety and health inspections within abatement periods has exposed students and staff to a potentially unsafe and unhealthy school and work environment for prolonged periods. In some cases, these issues have continued to persist for years and remained unaddressed.

Recommendations

We recommend that BIE coordinate with Nay Ah Shing Upper and Lower Schools to:

1. Assess school operations and maintenance staffing levels and whether they are sufficient to enable the schools to meet safety and health requirements.
2. Develop and implement a process to resolve deficiencies identified in annual safety and health inspections within prescribed abatement timelines.

BIE Did Not Maintain Reliable Information in Its Facility Management System for Nay Ah Shing Upper and Lower Schools

Nay Ah Shing's annual grant agreement states that a grantee (school) must (1) use the IA facility management system for work orders (at least one school employee must have an active facility management system account and training) and (2) complete and close out the work order in the facility management system as soon as corrective actions are taken. In addition, BIE is required to follow the U.S. Government Accountability Office's *Standards for Internal Control in the Federal Government* (the "Green Book"), which identifies quality information as information that is current, complete, accurate, and timely. Quality information is necessary to make informed decisions and evaluate performance in achieving objectives and assessing risks.[11]

As reported in previous Indian school inspections (see Appendix 1 for a discussion of prior reports), we have continued to identify issues with the reliability of BIE's information in its facility management system. At Nay Ah Shing, we found that the schools' data in BIE's facility management system were not reliable, as we identified multiple work orders that had an incorrect status listed in the system. Specifically, we statistically sampled 54 of the 243 closed safety and health deficiency work orders in the facility management system and found 17 significant deficiencies that were not corrected or fully resolved.[12] For example, a deficiency that flammable materials were not properly stored was reported as closed in the facility management system but had not been corrected. Based on our statistical sampling, we estimate that 77 of the 243 safety and health deficiency work orders that were reported as closed between 2023 and 2025—approximately 31.5 percent—still need to be remedied. We also identified that for the 54 closed work orders we reviewed, all work orders were closed in 2023 and 2024, although the deficiencies for 46 of the 54 work orders (or 85 percent) were first reported from 2017 through 2021.

These issues occurred because the schools did not actively monitor work orders in the facility management system to ensure deficiencies were updated correctly and timely. The schools' current Operations and Maintenance Director (since 2021) stated that the previous director did not use or update the schools' work orders in the facility management system. The current director did not close any safety and health deficiencies until 2024,[13] and stated that she had other higher priority responsibilities at the schools. Specifically, she stated she has played an active role in the school remodel project since she started in her position; this project was considered a higher priority than closing work orders.

[11] Green Book, Principle 13.07, "Data Processed into Quality Information," May 2025.

[12] We also found 10 open significant deficiencies that were corrected but had not been closed in the facility management system.

[13] The current director attended a BIE training on the facility management system in July 2025; any subsequent changes in the facility management system were after our data pull and were not included in our review.

Due to the schools' previous lack of use and monitoring of the facility management system, other users that were not directly associated with the schools or past deficiencies took the primary role of closing the schools' work orders—some of which were closed incorrectly. The schools' Operations and Maintenance Director, the only school staff member with access to the system, closed only 2 (or 4 percent) of the 54 closed work orders we reviewed. System users outside of the schools closed the remaining 52 work orders. Specifically, BIE's BFM closed 27 (or 50 percent) and the facility management system contractors closed 25 (or 46 percent). Similarly, we found that of all 243 work orders closed from 2023 through 2025, the schools closed only 9 work orders (or 3.7 percent) in 2024, while BFM closed 111 (or 45.7 percent) and BIE contractors closed 123 (or 50.6 percent). In a previous report, we noted that BIE stated the facility management system was generally inaccurate and that it had executed a task order for a contractor to review and close work orders; however, we found the contractor incorrectly closed work orders.[14] During our inspection of Nay Ah Shing, we found that of the 17 incorrectly closed deficiencies, the schools closed 2 (or 12 percent), BFM closed 7 (or 41 percent) and the facility management system contractors closed 8 (or 47 percent).

Failure to accurately report the status of work orders may create inefficiencies in funding, result in inadequate monitoring, and create a perception of a safe environment when risks persist. Furthermore, erroneously closed work orders can skew school facility condition index[15] ratings, making schools appear as though they are in better condition than in reality and ultimately influencing funding decisions as schools with lower ratings generally receive more funding to correct deficiencies.

Recommendations

We recommend that BIE coordinate with Nay Ah Shing Upper and Lower Schools to:

3. Conduct a review to ensure that all safety and health deficiency work orders have the correct status—either "open" for deficiencies awaiting correction or "closed" for deficiencies confirmed as corrected.

4. Develop and implement a process to close safety and health deficiency work orders within the facility management system as soon as corrective actions are taken as required by the grant agreement.

BIE Did Not Ensure That Safety and Health Grant Funding Was Used Only at Permissible Locations

The Tribally Controlled Schools Act authorizes the Secretary of the Interior to award grants to Indian Tribes and Tribal organizations in support of education—each Indian Tribe or Tribal organization may receive only one grant per fiscal year. Annual grants include funding for the operations and maintenance of school facilities. Through annual appropriations, Congress prohibits BIE from funding any schools that were not part of BIE's school system as of September 1, 1996.

Initially authorized by the Consolidated and Further Continuing Appropriations Act, 2015,[16] the Secretary of the Interior may waive restrictions on establishing satellite school[17] locations when a Tribe demonstrates that such operations would provide significant benefits compared to incurring extraordinary costs—such as transportation expenses or other burdens on students, including those caused by long-distance busing.

[14] In February 2025, we issued a management advisory, *Risks Identified With a Bureau of Indian Education Contractor* (Report No. 2024-ISP-014-A), identifying that a BIE contractor did not properly close school safety and health deficiency work orders in the facility management system and concluding that BIE may face the risk of this issue occurring at additional schools. The management advisory is available at https://www.doioig.gov/sites/default/files/2021-migration/FinalManagementAdvisory_BIEIndianSchoolInspections.pdf.

[15] The facility condition index is the calculated ratio of a facility's deficiency cost versus replacement cost and represents a facility's condition as "good," "fair," or "poor."

[16] Pub. L. No. 113-235, 128 Stat. 2130 (2014).

[17] A "satellite school" is a school located over 50 miles from an existing BIE school that is considered part of the existing school in all other respects.

However, no funds made available may be used for operations, maintenance, rehabilitation, construction, or other facilities-related costs for assets not owned by BIE.

The Band submitted a waiver request to BIE in April 2015, seeking Indian School Equalization Program[18] funding through its existing Nay Ah Shing Schools grant to support the educational program it planned to offer students at Pine Grove School. The Band's waiver request stated the BIE funds (to include operations and maintenance funds from its annual grants) would not be used for facilities-related costs at Pine Grove School and that the Band would be responsible for these costs. According to Band and BIE officials, BIE approved the Band's waiver request (which we were told resulted in a waiver agreement) and Pine Grove School was incorporated into BIE's school system as a satellite location for Nay Ah Shing Schools pursuant to the waiver provision.[19] Although the approved BIE waiver agreement could not be located for our review, historical records—including congressional testimony—confirm that an agreement existed.

We found, however, that the Band used BIE operations and maintenance grant funding to pay the salary and other benefit expenses for a Pine Grove School employee whose maintenance and transportation work was not associated with Nay Ah Shing Upper and Lower Schools. These Pine Grove School-related operations and maintenance costs did not comply with the waiver requirements that limit use of such funds to educational programs. Thus, we are questioning $118,080 in unallowable salary and other benefit expenses (see Figure 7).

Figure 7: Summary of Pine Grove School-related Questioned Costs

School Year	Grant Award #	Grant Award (Operations & Maintenance)	Questioned Costs
2022-2023	A22AV00816	$563,824	$14,202
2023-2024	A23AV00750	$537,520	$53,320
2024-2025	A24AV00678	$421,415	$50,558
Totals		**$1,522,759**	**$118,080**

Source: OIG analysis of BIE Grant Award Nos. A22AV00816, A23AV00750, and A24AV00678.

These issues occurred because BIE officials did not retain a copy of the approved waiver agreement and so were unaware of the prohibition on the use of operations and maintenance funds at Pine Grove. BIE officials first became aware of these waiver details during a meeting we facilitated with BIE and the Band. When we asked for a copy of the approved Pine Grove School waiver agreement, BIE officials said that neither BIE nor the Band were able to locate the approved waiver agreement. BIE told us that this agreement would have included requirements prohibiting the Band from using operations and maintenance funds at Pine Grove School. BIE officials stated that they will have to establish a new waiver agreement if they cannot find the original approved waiver agreement.

We determined that $118,080 in operations and maintenance funds were used at a location where such funds were prohibited, and as a result, Nay Ah Shing Upper and Lower Schools did not receive the full benefits of grant funds. We are questioning $118,080 spent on Pine Grove School salary and benefit expenses as unallowable.

Without an approved waiver agreement on file, BIE cannot enforce terms of a waiver authorizing the Pine Grove satellite expansion.

[18] Indian School Equalization Program funds are formula-based appropriations designed to provide funding to BIE-operated and tribally controlled schools. Indian School Equalization Program funds can be used to cover teacher and administrative salaries; basic instruction; and gifted and talented, special education, residential and food, language development, and summer programs.

[19] Neither the Band nor BIE were able to provide us with a copy of the approved waiver agreement that designated Pine Grove School as a satellite location of Nay Ah Shing Schools. As noted above, our analysis of the waiver's requirements is predicated on the information in the waiver request itself.

Recommendations

We recommend that BIE:

5. Resolve $118,080 in questioned costs associated with Pine Grove School.
6. Implement a waiver agreement with the Mille Lacs Band of Ojibwe for Pine Grove School to document BIE's approval and the terms authorizing the Pine Grove School satellite expansion.

BIE Needs To Improve Its Oversight of $19 Million in Funding for Longstanding Safety and Health Deficiencies at Nay Ah Shing Upper and Lower Schools

Nay Ah Shing Upper and Lower Schools' remodel project is in its first year of a three-year effort. At this early phase, we identified that the Band failed to use biweekly reports for each of the project scope's deferred maintenance work orders (DMWOs), which is counter to the terms and conditions of the grant. We also identified that BIE's oversight was limited in addressing concerns associated with enforcing grant requirements to correct longstanding safety and health deficiencies. We are issuing this finding to highlight needed improvements in BIE's oversight of the $19 million grant awarded to fix longstanding deficiencies at Nah Ah Shing Upper and Lower Schools. Without improved BIE oversight, there is an increased risk that longstanding safety and health deficiencies may remain uncorrected and that grant funds may not be used as intended.

In May 2025, Grant Award No. A24AV00678, Amendment 8, increased the Band's annual grant by $19,085,431 for six facilities improvement and repair (FI&R) projects.[20] The grant amendment described multiple scopes of work for each of the six FI&R projects at Nay Ah Shing Upper and Lower Schools. Each FI&R project was described in detailed DMWOs for a total estimated award of $15,847,110 and a reserve of $3,238,321 for unforeseen grant expenses. According to the grant agreement, the Band is responsible for completing the project scope for each of the DMWOs described in Figure 8.

Figure 8: Grant Award No. A24AV00678, Amendment 8, DMWO Project Scopes

DMWO No.	Award Amount	Project Scopes
AB798445	$10,514,384	Correct 24 safety and accessibility deficiencies at the Nay Ah Shing Lower School.
AB7988443	$7,197,851	Correct 24 safety and accessibility deficiencies at the Nay Ah Shing Upper School.
AB798446	$495,188	Sidewalk and parking lot repairs/replacements.
AB810360	$550,000	Playground moves/replacements.
AB810365	$158,814	Energy efficiency electrical upgrades at Nay Ah Shing Lower School.
AB810366	$169,194	Energy efficiency electrical upgrades at Nay Ah Shing Upper School.
Total	**$19,085,431**	

Source: BIE Grant Award No. A24AV00678 (Amendment 8).

The grant agreement requires the Band to provide BIE with design drawings and specifications for all projects requiring formal design. The grant also requires the Band to complete and submit BIE-templated biweekly performance reports to BIE's BFM and the grant manager for each of the six DMWOs listed above. Additionally, the Band is required to work closely with its assigned BFM point of contact, maintain regular communication, and notify BFM of any unforeseen circumstances—such as concerns or significant updates—

[20] Pursuant to 25 U.S.C. § 2503(b)(4)(A)(iii), the $19 million in grant funds may be used only for the purpose for which the funds were appropriated and for the work encompassed by the application or submission for which the funds were received.

for each of the six DMWOs. According to the grant, the school is responsible for organizing and facilitating required biweekly meetings throughout the life of the project.

We found, however, that the specifications and design drawings included in the Band's request for proposal (RFP) issued in response to the increase in funding (discussed in more detail below) did not include BIE's grant-required project scopes to carry out the work required by Amendment 8—which was intended to correct deficiencies related to accessibility; physical security and controlled access; structural capacity and equipment support; fire and life safety systems; and heating, ventilation, and air conditioning. This occurred because BIE did not provide adequate oversight of the $19 million grant. Specifically, the BIE-templated biweekly report did not allow the Band to provide detailed information on grant-related concerns as they occurred.

According to a BIE official, planning for Nay Ah Shing Upper and Lower Schools' remodel project had commenced "sometime around 2018"—prior to the $19 million BIE grant being awarded in May 2025. Because Federal funding was delayed, the Band initially chose to self-fund the project. In July 2022, the Band contracted an architecture and engineering firm to prepare bid documents and design drawings and specifications. In January 2023, the firm delivered design drawings and specifications to the Band. Because the design drawings and specifications were completed before the grant award, they did not include all the grant-required project scopes that were later added in Amendment 8.

After receiving the grant, the Band issued an RFP for general contractor services on August 19, 2025. Although Nay Ah Shing School officials were aware of project scope omissions, they issued the RFP to carry out the work under the grant with the original design drawings and specification documents they had developed previously to avoid further project delays. In September and October 2025, a Nay Ah Shing School official reported the omissions and discrepancies to BIE in the schools' biweekly reports (see Figure 9).

Figure 9: Nah Ah Shing Biweekly Reporting Summary

Biweekly Report	Omission or Discrepancy Reported
September 1, 2025 - September 15, 2025	"There is a possibility of one addendum required due to missed deficiencies. Bid requests sent out. Pending submissions. . . . Currently ensuring our deficiencies are all listed with the architect."
September 15, 2025 - September 30, 2025	"We are in the bidding process. Addendum issued today 09/24/25, a second one later today, and a third coming out on 9/29/2025. Bid date 10/8/2025, opening 10/9/2025. Contractors have been doing walk throughs to view the scope of work. Next one is scheduled for 10/1/2025."
October 1, 2025 - October 15, 2025	"We are currently working on qualifying the bids with the two lowest bidders. As there were some design discrepancies in submissions, we had more questions to ask prior to choosing and finalizing the actual winning bidder."
October 15, 2025 - October 31, 2025	No updates reported.

Source: Nay Ah Shing Biweekly Reports for the period of September through October 2025.

In September 2025, the Band issued contract addendums to incorporate some of the missing project scopes—required under Amendment 8—that had previously been omitted and were necessary to address the identified safety and accessibility deficiencies at Nay Ah Shing Upper and Lower Schools. For example, one addendum dated September 23, 2025, approved additional architectural and engineering design work to address "BIE deficiency reports" for the remodel of Nay Ah Shing Upper and Lower Schools.

When we followed up with BIE on October 30, 2025, about missing project scopes, BIE officials acknowledged receiving the biweekly reports from the Band. However, we found gaps in both BIE's and the Band's oversight responsibilities for the remodel project. Specifically, when we followed up with BIE, we learned that it did not know which project scopes were omitted from the RFP, did not have copies of all addendums on file, and did not have a general timeframe for when all the deficiencies associated with DMWOs would be added into the remodel project. A BIE official stated that it was their understanding that the Band is reviewing the deficiencies listed in the grant scope of work to ensure they are addressed within this project and would add addendums as needed. While the design phase is nearing completion at 90 percent, the Band notified us that the required project scopes to address two safety and health deficiencies have yet to be incorporated into their most current specifications and drawings as of January 8, 2026.

Figure 10 illustrates the timeline of events associated with missing grant-required project scopes from the Nay Ah Shing remodel project's specifications and design drawings.

Figure 10: Timeline of Specification and Design Drawing Activities for Nay Ah Shing Remodel Project

Prior to BIE Award: The Band intended to self-fund the project and contracted with an architecture and engineering firm to develop design drawings and specifications. The firm delivered these documents to the Band in January 2023.

May 2025: BIE awarded the Band $19 million for the Nay Ah Shing remodel project. The grant required the Band to complete six DMWOs with specific project scopes.

August 2025: The Band issued an RFP for general contractor services; however, it issued the RFP with the design drawings and specifications it had previously obtained in January 2023, which did not include the $19 million grant project scopes.

September 2025: A Nay Ah Shing official reported the omissions and discrepancies to BIE through the schools' biweekly reports.

October 2025: OIG followed up with BIE on biweekly reports and contract addendums.

January 2026: Although the design phase was nearly complete, the most current specifications and design drawings still did not incorporate all grant-required project scopes addressing safety and health deficiencies.

Source: OIG analysis of the timeline of the Band's architecture and engineering professional service contract and RFP, BIE's Grant Award No. A24AV00678 (Amendment 8), and related OIG meetings.

This occurred because the required biweekly report template does not provide a section or applicable guidance on BIE's or the Band's responsibilities for addressing and remediating concerns—such as the Band using preexisting designs that lacked required grant project scopes to prevent further project delays—once they are submitted to BIE. Furthermore, the biweekly report template does not include the required detailed status for each of the six DMWOs, as stipulated in the grant agreement. Instead, BIE's current biweekly report template, which grant recipients and BIE use to maintain regular communication, is generalized and limited to sections such as "Significant Updates," "Financial Status," "Six-Week Lookahead," and "Concerns."

When we discussed the matter with BIE, officials stated that the grant amendment includes biweekly reporting and milestone payment requirements to serve as BIE's mechanisms to address concerns with the remodel project. While the grant amendment includes these items, milestone payments are tied to fixed, well-defined phases and are limited in addressing these concerns. BIE's current biweekly reporting process has not been effective for monitoring and addressing concerns the Band has reported. For example, BIE did not provide the Band with clear guidance for incorporating the missing grant-required project scopes into the Nay Ah Shing Schools' project specifications and design drawings. The need for multiple addendums at this initial stage, coupled with the absence of a defined timeframe for incorporating missing work requirements into the remodel RFP, highlights weaknesses in the current oversight process.

As a result of BIE's current grant oversight practices, there is a risk that $19 million in available grant funding may not be used in accordance with grant terms to address longstanding safety and health deficiencies at Nay Ah Shing Upper and Lower Schools. Furthermore, critical and significant safety and health deficiencies the grant was meant to address may remain uncorrected, putting students and staff at risk.

Recommendations

We recommend that BIE:

7. Revise its biweekly report template to include the status of each of the six deferred maintenance work orders outlined within Grant Award No. A24AV00678.

8. Develop guidance on the revised biweekly report template to clarify BIE and Mille Lacs Band of Ojibwe responsibilities in addressing concerns of noncompliance with the requirements of Grant Award No. A24AV00678, to include the Band's proposed solution, BIE's feedback on the proposed solution, and the timeframe for implementing the proposed solution.

Conclusion and Recommendations

Conclusion

We found that BIE did not always ensure that Nay Ah Shing Upper and Lower Schools addressed deficiencies identified during required annual safety and health inspections, and it did not ensure that all available funding was used to correct deficiencies at the schools. As a result, students and staff continue to face unsafe and unhealthy school and work environments, and the available grant funding may not achieve its intended purpose of correcting longstanding safety and health deficiencies at Nay Ah Shing Upper and Lower Schools. We questioned $118,080 in unallowable costs associated with salary and other benefit expenses for an employee whose work was not associated with Nay Ah Shing Schools. We also found that BIE needs to improve its oversight of the $19 million in grant funding intended to correct longstanding safety and health deficiencies.

These issues occurred for several reasons. Specifically, Nay Ah Shing Schools experienced staffing shortages and staff turnover. In addition, the schools did not have a process to address safety and health deficiencies, and staff did not actively monitor and close work orders when work was completed. The lengthy development of the remodel project also contributed to these issues. Furthermore, BIE was unaware of the waiver request details regarding satellite school status for Pine Grove School. Finally, BIE's biweekly report template lacks guidance for addressing concerns and does not provide for detailed status updates for the six DMWOs as required by the grant agreement.

We make eight recommendations that, if implemented, will help BIE improve the overall condition of Nay Ah Shing Upper and Lower Schools by reducing the number of safety and health deficiencies, increasing school staff's ability to respond to maintenance requirements, and ensuring grant funds are used in alignment with grant goals and objectives. Collectively, these actions will enhance the safety and security of these facilities and support the Secretary's mission to honor the Federal Government's trust responsibilities and special commitments to American Indians.

Recommendations Summary

We provided a draft of this report to BIE for review. BIE concurred with our recommendations, and we consider all eight recommendations resolved. Below we summarize BIE's response to our recommendations, as well as our comments on its response. BIE's response also included a technical comment, which we evaluated.[21] See Appendix 5 for the full text of BIE's response.

We recommend that BIE coordinate with Nay Ah Shing Upper and Lower Schools to:

1. Assess school operations and maintenance staffing levels and whether they are sufficient to enable the schools to meet safety and health requirements.

   BIE Response: BIE concurred with the recommendation and stated that, while staffing levels at tribally controlled schools are determined by the Tribe, it "will continue to monitor school operations and maintenance staffing level sufficiency at Nay Ah Shing Schools and provide targeted technical assistance to address gaps." BIE further stated that it "will ensure that each school has at least one trained maintenance employee with facility management system access and will develop processes to monitor and close work orders promptly." According to BIE, these actions are intended "to enable the schools to meet safety and health requirements and address longstanding deficiencies."

[21] BIE requested that we use the name "Nay Ah Shing School" instead of distinguishing between the Upper and Lower Schools in our report. While we carefully considered BIE's request, we did not update the final version of our report to reflect the requested change. We differentiated between the Upper and Lower Schools where necessary to ensure the deficiencies we identify in this report are clearly associated with their specific locations. In addition, in order to maintain clarity and accuracy, we followed the remodel project grant documents, which explicitly separate Upper and Lower School work orders.

In addition, BIE noted that Tribes electing to operate schools as tribally controlled schools agree to the *Guidance Standards for Environmental, Safety, Facilities, and Grant Compliance*, which require each school to designate a local employee to manage work orders in the facility management system (also referenced in the *Indian Affairs Manual*). BIE stated that it will begin "monitoring compliance with these standards and issue notices of noncompliance to any [tribally controlled school] that does not adhere to these requirements."

BIE provided a February 28, 2027 target implementation date.

Status: Resolved. We will track implementation under Recommendation No. 2025-AID-030-01.[22]

OIG Comment: This recommendation will be implemented when BIE provides evidence demonstrating that it assessed school operations and maintenance staff levels at Nay Ah Shing Upper and Lower Schools, verified staffing sufficiency to address identified gaps, and completed planned monitoring actions described in its response.

2. Develop and implement a process to resolve deficiencies identified in annual safety and health inspections within prescribed abatement timelines.

   BIE Response: BIE concurred with the recommendation and stated that BFM and the Branch of Safety Management will monitor the resolution of deficiencies and ensure they are corrected in accordance with abatement plan timelines. BIE said that it "has implemented a plan to review the deficiencies with Nay Ah Shing School personnel and will provide technical assistance in developing appropriate abatement plans." BIE also stated that abatement plans are tracked by the assigned BFM facility operations specialist point of contact to ensure implementation.

   BIE further stated that tribally controlled schools agree to the *Guidance Standards for Environmental, Safety, Facilities, and Grant Compliance*, which require schools to enter actual costs, change work orders to "Completed," and upload all documentation in the facility management system within 60 days of completing corrective actions. BIE noted that it will begin "monitoring compliance with these standards and issue notices of noncompliance to any [tribally controlled school] that does not adhere to these requirements."

   BIE provided a February 28, 2027 target implementation date.

   Status: Resolved. We will track implementation under Recommendation No. 2025-AID-030-02.

   OIG Comment: This recommendation will be implemented when BIE provides evidence demonstrating it has established and implemented the deficiency resolution process described in its response, including documentation showing that it is monitoring deficiencies, tracking abatement plans, completing corrective actions within prescribed timelines, and actively enforcing compliance with the guidance standards.

3. Conduct a review to ensure that all safety and health deficiency work orders have the correct status—either "open" for deficiencies awaiting correction or "closed" for deficiencies confirmed as corrected.

   BIE Response: BIE concurred with the recommendation and stated that both the facility management system and Safety and Compliance Assessment Program software require that deficiencies from the prior inspection be identified as repeat or closed before new open deficiencies can be created. According to BIE, BFM and the Branch of Safety Management "will ensure that facilities and maintenance staff at Nay Ah Shing School have access to the BIE facility management system," including user account setup, permissions, and training. BIE further stated that BFM and the Branch of Safety Management will provide technical assistance and work collaboratively with school personnel to review the backlog of safety and health deficiency work orders to confirm that each work order reflects the accurate status.

[22] The numbering convention we use to track recommendations is the report number followed by sequential recommendation digits.

BIE also stated that the *Guidance Standards for Environmental, Safety, Facilities, and Grant Compliance* require tribally controlled schools to enter actual costs, change work orders to "Completed," and upload all documentation in the facility management system within 60 days of completing corrective actions. BIE said that it will begin monitoring compliance with these standards and issue notices of noncompliance to any tribally controlled school that does not meet these requirements.

BIE provided a December 30, 2026 target implementation date.

Status: Resolved. We will track implementation under Recommendation No. 2025-AID-030-03.

OIG Comment: This recommendation will be implemented when BIE provides evidence that it has completed the review described in its response and verified that all safety and health deficiency work orders accurately reflect their correct status.

4. Develop and implement a process to close safety and health deficiency work orders within the facility management system as soon as corrective actions are taken as required by the grant agreement.

   BIE Response: BIE concurred with the recommendation and stated that BFM has implemented a process to review deficiencies with school personnel and "provide technical assistance to develop a plan to resolve and correct deficiencies." According to BIE, abatement plans are currently tracked by the assigned point of contact to monitor progress on deficiency correction. BIE further stated that BFM staff will review and monitor the responsibilities outlined in the grant agreement and in 80 *Indian Affairs Manual* 1 for site-level facility management. This includes ensuring that each school designates at least one employee to manage work orders in the facility management system; requiring schools to submit a Safety and Compliance Abatement Plan within 30 days of receiving the annual inspection report; and ensuring that corrective actions, cost entries, and work order closures are completed in the facility management system within 60 days of resolving deficiencies. BIE also noted that schools must create, modify, and update deferred maintenance work orders in the facility management system and ensure the accuracy of site-specific facility inventory data.

   BIE restated that tribally controlled schools are required to enter actual costs, change work orders to "Completed," and upload all supporting documentation within 60 days of completing corrective actions and that it will begin monitoring compliance with these standards and issuing notices of noncompliance to any tribally controlled school that does not meet these requirements.

   BIE provided a December 31, 2026 target implementation date.

   Status: Resolved. We will track implementation under Recommendation No. 2025-AID-030-04.

   OIG Comment: This recommendation will be implemented when BIE provides evidence that it has established and implemented the process described in its response to ensure that safety and health deficiency work orders are closed in the facility management system as soon as corrective actions are completed.

We recommend that BIE:

5. Resolve $118,080 in questioned costs associated with Pine Grove School.

   BIE Response: BIE concurred with the recommendation and stated that the "Branch of Grants Management (BGM) confirmed that the questioned costs were incorrectly applied to Nay Ah Shing School's [Operations and Maintenance] grant funds" and that BGM and BFM will require correction of the expenditures.

   BIE provided a February 28, 2027 target implementation date.

   Status: Resolved. We will track implementation under Recommendation No. 2025-AID-030-05.

OIG Comment: This recommendation will be implemented when BIE provides evidence that it has fully resolved and properly corrected the $118,080 in questioned costs in accordance with grant requirements.

6. Implement a waiver agreement with the Mille Lacs Band of Ojibwe for Pine Grove School to document BIE's approval and the terms authorizing the Pine Grove School satellite expansion.

   BIE Response: BIE concurred with the recommendation and stated that it "will work with the Mille Lacs Band of Ojibwe to develop and execute a new waiver agreement that formally documents BIE's approval of the satellite expansion and [the Indian School Equalization Program authorization] for Pine Grove School."

   BIE provided a March 31, 2027 target implementation date.

   Status: Resolved. We will track implementation under Recommendation No. 2025-AID-030-06.

   OIG Comment: This recommendation will be implemented when BIE provides evidence that it has finalized and executed the waiver agreement formally documenting its approval of the Pine Grove School satellite expansion.

7. Revise its biweekly report template to include the status of each of the six deferred maintenance work orders outlined within Grant Award No. A24AV00678 throughout all project phases.

   BIE Response: BIE concurred with the recommendation and stated that BFM "will revise the biweekly report template to require detailed status for each of the six DMWOs, including progress, issues and changes throughout all project phases." BIE further stated that the "revised template will improve tracking of grant required work and ensure BIE receives complete and timely project information."

   BIE also stated that biweekly reporting of project progress "is a standard requirement specified in 100-297 grant amendments for FI&R projects" and is "necessary for ongoing monitoring and internal reporting for the Department of the Interior." BIE said that it will monitor compliance with this requirement and begin issuing notices of noncompliance to tribally controlled schools that do not adhere to this clause when it is included in the grant amendment.

   BIE provided a December 31, 2026 target implementation date.

   Status: Resolved. We will track implementation under Recommendation No. 2025-AID-030-07.

   OIG Comment: This recommendation will be implemented when BIE provides evidence that it has revised the biweekly report template as described and incorporated detailed tracking of each of the six DMWOs.

8. Develop guidance on the revised biweekly report template to clarify BIE and Mille Lacs Band of Ojibwe responsibilities in addressing concerns of noncompliance with the requirements of Grant Award No. A24AV00678, to include the Band's proposed solution, BIE's feedback on the proposed solution, and the timeframe for implementing the proposed solution.

   BIE Response: BIE concurred with the recommendation and stated that it "will develop and issue formal guidance to accompany the revised [biweekly report] template." BIE also stated that the guidance will outline "roles, responsibilities, and procedures for documenting concerns, proposing solutions, providing BIE feedback, and establishing implementation timelines." According to BIE, this guidance "will strengthen oversight, ensure timely issue resolution, and improve compliance with grant requirements." BIE further stated that BFM will monitor compliance with biweekly reporting requirements and begin issuing notices of noncompliance "to any school that does not submit reports as required."

   BIE provided a December 31, 2026 target implementation date.

Status: Resolved. We will track implementation under Recommendation No. 2025-AID-030-08.

OIG Comment: This recommendation will be implemented when BIE provides evidence that it has developed and issued the guidance described in its response and that the guidance clearly defines responsibilities, documentation requirements, and timelines for addressing concerns of noncompliance under Grant Award No. A24AV00678.

Appendix 1: Scope and Methodology

Scope

Our inspection focused on Nay Ah Shing Schools' FY 2023 through 2025 annual safety and health inspection reports prepared by BIE's Branch of Safety Management; the work orders in the facility management system as of July 21, 2025; and BIE's annual educational grant awards to the Mille Lacs Band of Ojibwe for school years (SYs) 2022 to 2023, 2023 to 2024, and 2024 to 2025. The scope included 592 total work order records assigned to deficiencies (including repeat deficiencies) listed in the FY 2023 through FY 2025 annual safety and health inspection reports. The scope also included $32.1 million in BIE grant funds awarded to Nay Ah Shing Schools; of this amount, $20.8 million was awarded for school facilities—specifically, to fix safety and health deficiencies.

Scope Limitation

Based on guidance provided by the BIE Grants Management Specialist, funds awarded under the authority of the Tribally Controlled Schools Act remain available until expended. Because these funds could carry over to the next year, and the Band's accounting system does not distinguish between individual grant awards but instead deposits the funds in the Band's assigned BIE grant accounts, we were unable to isolate and test expenditures directly tied to specific grants awards (Grant Nos. A22AV00816, A23AV00750, and A24AV00678) within our inspection scope. Instead, our testing procedures were limited to expense transactions recorded in the Band's operations and maintenance account for SYs 2022 to 2023, 2023 to 2024, and 2024 to 2025.

Methodology

We conducted our inspection in accordance with the *Quality Standards for Inspection and Evaluation* as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions and recommendations.

Our tests and procedures included:

- Obtaining and reviewing relevant Federal laws and regulations and DOI, BIA, BIE, and Band policies, procedures, and guidance.

- Interviewing (both in person and virtually) officials from BIE's BFM, BIE's Branch of Safety Management, BIA's Division of Safety and Risk Management, the Band, and Nay Ah Shing Upper and Lower Schools.

- Conducting a site visit at Nay Ah Shing Upper and Lower Schools in September 2025.

- Reviewing and analyzing critical, significant, and minor deficiencies reported on Nay Ah Shing Upper and Lower Schools' 2023 through 2025 safety and health inspection reports. There were no catastrophic deficiencies reported during this period.

- Statistically sampling 8 critical and 79 significant deficiencies identified in the schools' 2023 through 2025 safety and health inspections and associated facility management work orders for testing. Testing involved visually observing deficiencies while on our site visit, with the assistance of the assigned Safety and Health Inspector, Nay Ah Shing's Operations and Maintenance Director, and Nay Ah Shing's Head of Maintenance, to determine if the deficiencies had been resolved and the corresponding work orders had the correct status in the facility management system.

- Judgmentally selecting 5 additional critical deficiencies and 13 facility management system work orders that were funded under BIE Education Construction's FI&R account.

- Reviewing and analyzing the Band's annual BIE grant agreements for SYs 2022 to 2023, 2023 to 2024, and 2024 to 2025 to determine total grant funds DOI awarded to support the Band's educational programs and address safety and health deficiencies.

- Reviewing evidence that supports the Band's receipt of grant funds to determine the total amount of grant funds the Band received and applied to its facilities-related account.

- Judgmentally selecting 47 of the Band's expenditure transactions valued at over $387,000 for testing. Testing procedures involved reviewing operations and maintenance-related transactions and examining supporting documents (such as contracts, agreements, requisitions, purchase orders, invoices, receipts, and checks) to assess whether the Band adhered to its own policies and procedures, expenditures qualified as allowable facilities purchases, payments were properly paid, and costs were appropriately related to Nay Ah Shing Upper and Lower Schools.

- Reviewing and analyzing over 3,600 of the Band's operations and maintenance-funded salary and other benefit transactions valued at over $617,000 for testing to ensure salaries and other benefit transactions were related to Nay Ah Shing Upper and Lower Schools.

We relied on computer-generated data the Band provided and that we obtained from BIE's facility management system. We tested the data the Band provided by reviewing the relevant information, assessing sampled data to source documents, and analyzing results. We tested the data obtained from the facility management system by reviewing work orders, assessing data, and analyzing results. We determined that the computer-generated data were appropriate and sufficiently reliable for our inspection.

Prior Reports

We identified five prior reports our office issued between 2024 and 2026 that related to the program. These reports contained a total of 37 recommendations. As of May 2026, 6 of these recommendations had been closed and implemented, 28 recommendations had been resolved, and 3 recommendations remained unresolved. Details relating to the five relevant reports are presented below.

In October 2024, we issued Report No. 2023-ISP-040, *The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness and Security at Havasupai Elementary School*, which identified issues with timeliness and unaddressed safety and health deficiencies as well as unreliable data in the facility management system. The report included 4 key findings and 12 associated recommendations.

In December 2024, we issued Report No. 2024-ISP-014, *The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Facility Management System Accuracy at Tate Topa Tribal School*, which identified issues with timeliness addressing safety and health deficiencies and unreliable data in the facility management system. The report included two key findings and seven associated recommendations.

In February 2025, we issued Report 2024-ISP-014-A, *Risks Identified With a Bureau of Indian Education Contractor*, which identified that a contractor did not properly close safety and health deficiency work orders that were identified during the Tate Topa Tribal School inspection. The management advisory report included three key findings and three associated recommendations.

In July 2025, we issued Report No. 2024-ISP-040, *The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness, Security, and Facility Management System Accuracy at Riverside Indian School*, which identified issues with timeliness addressing safety and health deficiencies and unreliable data in the facility management system. The report included 4 key findings and 10 associated recommendations.

In March 2026, we issued Report No. 2024-ISP-040-A, *BIE and Indian Schools Need to Ensure Deficiencies That Could Cause Imminent and Immediate Danger Are Addressed and Resolved Timely*, which identified issues with timeliness addressing safety and health catastrophic deficiencies at multiple schools and inaccurate data in the facility management system. The management advisory report included three key findings and five associated recommendations.

Appendix 2: Monetary Impact

Description	Questioned Costs
Unallowable Salary and Other Benefit Expenses	$118,080
Totals	**$118,080**

Source: OIG analysis of the Band's SY 2023 through 2025 Operations and Maintenance Account.

Appendix 3: Summary of OIG's Critical Deficiencies Testing

Deficiency	Repeat Deficiency on FY 2025 Inspection Report?	Initial Date Identified	Initial Abatement Period	Corrected in Abatement Period?	Corrected?	Exceeded Abatement Period*
Fire sprinkler heads do not have required clearance (Structure 1000)	Yes	02/08/2019	30 days	No	Yes	2,078 days
Fire door non-operational (Structure 1000)†	No	09/14/2018	30 days	No	Yes	1,550 days
Fire sprinkler heads do not have required clearance (Structure 1001)	No	10/26/2022	30 days	No	Yes	47 days
Fire door non-operational (Structure 1000)	Yes	11/04/2021	30 days	No	No	1,352 days
Fire sprinkler heads do not have required clearance (Structure 1001)	No	12/05/2024	30 days	No	No	225 days
Fire door non-operational (Structure 1000)	Yes	11/04/2021	30 days	No	No	1,352 days
Emergency lighting non-operational (Structure 1001)	Yes	10/25/2023	45 days	No	No	617 days
Fire door non-operational (Structure 1000)	Yes	11/04/2021	30 days	No	No	1,352 days
Emergency lighting non-operational (Structure 1000)‡	Yes	09/14/2018	45 days	No	Yes	2,210 days
Door not a required fire door (Structure 1000)‡	Yes	09/14/2018	90 days	No	Yes	2,165 days
Fire door non-operational (Structure 1000)‡	Yes	11/04/2021	30 days	No	Yes	1,352 days
Fire door non-operational (Structure 1000)‡	Yes	11/04/2021	30 days	No	Yes	1,352 days
Fire door non-operational (Structure 1000)‡	Yes	11/04/2021	30 days	No	Yes	1,352 days

* Calculated from reported date to closed date or September 16, 2025, if the deficiency had not been corrected at the time of the site visit or had not been closed in the facility management system. The number of days does not include 30 days for the initial abatement plan correction period.

† We listed each unique deficiency sampled, which included similar deficiencies located in different areas of the school. For example, the school had multiple fire doors that were not working correctly, and each door was reported as its own deficiency.

‡ Additional 2025 critical deficiencies reviewed.

Source: OIG analysis of BIE's 2023 through 2025 sampled critical safety and health deficiency work orders.

Appendix 4: Summary of OIG's Significant Deficiencies Testing

Deficiency	Repeat Deficiency on FY 2025 Inspection Report?	Initial Date Identified	Initial Abatement Period	Corrected in Abatement Period?	Corrected?	Exceeded Abatement Period*
Damaged ceiling tiles (Structure 1001)	No	10/26/2022	365 days	Yes	Yes	0 days
No safety data sheets for chemicals (Structure 1000)	No	11/04/2021	60 days	No	Yes	373 days
No lockout and tag program (Structure 1000)	No	09/14/2018	60 days	No	Yes	1,520 days
No written exposure control plan (Structure 1001)	No	09/12/2017	60 days	No	Yes	2,493 days
Door panic hardware does not work within release requirements (Structure 1000)	No	09/14/2018	45 days	No	Yes	1,742 days
Vision panels to corridor doors installed outside required dimensions (Structure 1000)	No	09/14/2018	45 days	No	Yes	2,141 days
No fire sprinkler main drain test conducted (Structure 1000)	No	09/14/2018	30 days	No	Yes	1,550 days
Improperly labeled chemicals (Structure 1000)	No	09/14/2018	60 days	No	No	2,469 days
Illegible fire door rating labels (Structure 1000)	Yes	09/14/2018	30 days	No	Yes	2,225 days
Visual fire alarm installed outside maximum dimensions (Structure 1000)	Yes	09/14/2018	30 days	No	Yes	2,225 days
Smoke detector missing (Structure 1000)	No	09/14/2018	30 days	No	No	2,499 days
Accessible lockers not provided (Structure 1000)	No	09/14/2018	45 days	No	Yes	2,141 days
Site lighting not illuminating exterior exit discharge (Structure 1000)	No	10/26/2022	45 days	No	Yes	239 days
Accessible grab bar installed outside allowable dimensions (Structure 1001)	Yes	02/08/2019	45 days	No	Yes	2,063 days
No accessible route to play areas (Structure 1001/Grounds)	No	09/14/2018	45 days	No	No	2,484 days
Restroom did not meet minimum accessibility requirements (Structure 1001)	No	02/08/2019	45 days	No	Yes	1,389 days
Fire pull station not accessible and obstructed (Structure 1001)	No	10/26/2022	30 days	No	Yes	47 days

Deficiency	Repeat Deficiency on FY 2025 Inspection Report?	Initial Date Identified	Initial Abatement Period	Corrected in Abatement Period?	Corrected?	Exceeded Abatement Period*
Sink is not accessible (Structure 1000)	Yes	09/14/2018	45 days	No	No	2,484 days
Coat hook is not accessible (Structure 1001)	No	11/04/2021	45 days	No	Yes	893 days
Smoke detectors outside required dimensions (Structure 1001)	No	09/14/2018	90 days	No	Yes	1,995 days
Fire pull station not within required dimensions (Structure 1000)	No	09/14/2018	90 days	No	No	2,439 days
Fire pull station not within required dimensions (Structure 1000)	No	09/14/2018	90 days	No	Yes	1,490 days
Restroom did not meet minimum accessibility requirements (Structure 1001)	Yes	09/14/2018	45 days	No	Yes	2,210 days
Accessible grab bar installed outside allowable dimensions (Structure 1000)	Yes	02/08/2019	45 days	No	Yes	2,063 days
Restroom did not meet minimum accessibility requirements (Structure 1000)	No	09/14/2018	45 days	No	No	2,484 days
Drill cord is in disrepair (Structure 1000)	No	10/26/2022	730 days	Yes	Yes	0 days
Fire door not labeled as required (Structure 1000)	Yes	09/14/2018	30 days	No	Yes	2,225 days
Fire door not labeled as required (Structure 1000)	Yes	09/14/2018	30 days	No	Yes	2,225 days
Smoke detectors outside required dimensions (Structure 1000)	Yes	09/14/2018	90 days	No	Yes	2,165 days
Fire alarm pull stations not installed within required dimensions (Structure 1001)	No	11/25/2020	30 days	No	Yes	1,252 days
Sink is not accessible (Structure 1000)	Yes	09/14/2018	45 days	No	No	2,484 days
Restroom did not meet minimum accessibility requirements (Structure 1000)	Yes	09/14/2018	45 days	No	Yes	2,210 days
Restroom did not meet minimum accessibility requirements (Structure 1001)	No	02/08/2019	45 days	No	Yes	1,389 days
Flammables not stored within flammable cabinet (Structure 1000)	No	10/26/2022	730 days	No	No	296 days
Fire door not labeled as required (Structure 1000)	Yes	09/14/2018	30 days	No	No	2,499 days
No record of monthly emergency lighting testing (Structure 1000)	No	10/25/2023	30 days	No	No	632 days

Deficiency	Repeat Deficiency on FY 2025 Inspection Report?	Initial Date Identified	Initial Abatement Period	Corrected in Abatement Period?	Corrected?	Exceeded Abatement Period*
Sink is not accessible (Structure 1001)	Yes	09/14/2018	45 days	No	No	2,484 days
Entrance accessible signage not provided (Structure 1000)	No	09/14/2018	45 days	No	Yes	2,141 days
Fire door not labeled as required (Structure 1000)	Yes	09/14/2018	30 days	No	Yes	2,225 days
Restroom did not meet minimum accessibility requirements (Structure 1001)	Yes	09/14/2018	45 days	No	Yes	2,210 days
List of installed fire sprinklers not posted in sprinkler cabinet (Structure 1000)†	No	10/26/2022	30 days	No	No	996 days
Fire pull station not within required dimensions (Structure 1001)	No	09/14/2018	90 days	No	No	2,439 days
Fountain not within accessible height (Structure 1000)	No	09/14/2018	45 days	No	Yes	1,535 days
List of installed fire sprinklers not posted in sprinkler cabinet (Structure 1000)†	No	09/14/2018	30 days	No	No	2,499 days
Accessible lockers not provided (Structure 1001)	No	09/14/2018	45 days	No	Yes	2,141 days
Above counter storage cabinets outside accessible range (Structure 1000)	Yes	09/14/2018	45 days	No	Yes	2,210 days
Door hardware installed outside accessible reach range (Structure 1000)	No	09/14/2018	45 days	No	Yes	2,140 days
Load rating not provided/posted (Structure 1000)	Yes	09/14/2018	30 days	No	No	2,499 days
Restroom did not meet minimum accessibility requirements (Structure 1001)	No	11/04/2021	45 days	No	No	1,337 days
Accessible parking not within required dimensions (Structure 1001/Grounds)	Yes	09/14/2018	45 days	No	Yes	2,210 days
Fire pull station not within required dimensions (Structure 1001)	No	02/08/2019	90 days	No	No	2,292 days
Flammable cabinet will not close (Structure 1000)	Yes	10/25/2023	365 days	No	No	297 days
Excessive mold (Structure 1000)	Yes	10/25/2023	365 days	No	Yes‡	297 days
Restroom not accessible (Structure 1001)	Yes	09/14/2018	45 days	No	Yes	2,484 days
Restroom not accessible (Structure 1001)	No	09/14/2018	45 days	No	Yes	2,484 days
Flammable storage cabinet not made with proper material (Structure 1000)	Yes	10/26/2022	90 days	No	No	936 days

Deficiency	Repeat Deficiency on FY 2025 Inspection Report?	Initial Date Identified	Initial Abatement Period	Corrected in Abatement Period?	Corrected?	Exceeded Abatement Period*
Opening not enclosed with ½ hour fire barrier (Structure 1000)	Yes	09/14/2018	90 days	No	No	2,439 days
Missing escutcheon plates (Structure 1000)	Yes	10/26/2022	365 days	No	No	661 days
No annual fire alarm test (Structure 1001)	No	12/05/2024	30 days	No	Yes	225 days
Accessible grab bar installed outside allowable dimensions (Structure 1001)	Yes	11/04/2021	45 days	No	Yes	1,337 days
Misuse of extension cord (Structure 1001)	No	07/01/2016	730 days	No	Yes	2,604 days
Exit door does not open in exit direction (Structure 1001)	No	12/05/2024	45 days	No	No	210 days
Signage is insufficient or missing (Structure 1001)	No	12/19/2014	45 days	No	Yes	3,849 days
Occupancy areas lack tamper-resistant receptacles (Structure 1001)	No	12/05/2024	365 days	N/A§	No	N/A‡ §
Non-acceptable hardware items installed on fire door (Structure 1000)	Yes	11/04/2021	30 days	No	No	1,352 days
Coat hook is not accessible (Structure 1000)	Yes	11/25/2020	45 days	No	No	1,681 days
Fire sprinkler system was not inspected as required (Structure 1000)	No	12/05/2024	30 days	No	Yes	225 days
Missing escutcheon plate (Structure 1000)	Yes	10/26/2022	365 days	No	No	661 days
Fire door not in working order (Structure 1000)	Yes	11/04/2021	30 days	No	No	1,352 days
Non-acceptable hardware items installed on fire door (Structure 1000)	Yes	11/04/2021	30 days	No	Yes	1,352 days
Non-acceptable hardware items installed on fire door (Structure 1000)	Yes	11/04/2021	30 days	No	No	1,352 days
Missing escutcheon plates (Structure 1000)	Yes	11/25/2020	30 days	No	No	1,696 days
Stairs do not have required handrails on both sides (Structure 1000)	Yes	10/26/2022	45 days	No	No	981 days
Missing escutcheon plate (Structure 1000)	Yes	10/26/2022	365 days	No	No	661 days
Fire barriers not continuous through ceiling (Structure 1000)	Yes	11/04/2021	45 days	No	No	1,337 days
Entrance accessible signage not provided (Structure 1000)	No	12/19/2014	45 days	No	No	3,849 days
Coat hook is not accessible (Structure 1000)	Yes	11/25/2020	45 days	No	Yes	1,681 days

Deficiency	Repeat Deficiency on FY 2025 Inspection Report?	Initial Date Identified	Initial Abatement Period	Corrected in Abatement Period?	Corrected?	Exceeded Abatement Period*
Non-acceptable hardware items installed on fire door (Structure 1000)	Yes	11/04/2021	30 days	No	No	1,352 days
Exit door cannot fully open (Structure 1001)	No	12/05/2024	45 days	No	No	210 days

* Calculated from reported date to closed date or September 16, 2025, if the deficiency had not been corrected at the time of the site visit or had not been closed in the facility management system. The number of days does not include 30 days for the initial abatement plan correction period.

† Although the deficiencies were reported at different times and each had a unique work order, during our site visit we found that both deficiencies had been reported for the same safety and health issue.

‡ Mold was removed; panels need to be replaced to restore the room.

§ Deficiency was still within the abatement period at the time of the school site visit.

Source: OIG analysis of BIE's FY 2023 through 2025 sampled significant safety and health deficiency work orders.

Appendix 5: Response to Draft Report

BIE’s response to our draft report follows on page 30.

UNITED STATES DEPARTMENT OF THE INTERIOR
Bureau of Indian Education
1849 C Street NW, MIB-3610
Washington, DC 20240

June 26, 2026

Memorandum

To: Nikki Miller
Assistant Inspector General for Audits, Inspections and Evaluations

From: Tony L. Dearman *Tony L. Dearman*
Director, Bureau of Indian Education

Subject: Response to Recommendations in OIG's Draft Report, *BIE Must Correct Safety and Health Deficiencies, Improve Facility Management System Accuracy, and Ensure Available Grant Funds Are Used To Correct Longstanding Deficiencies at Nay Ah Shing Upper and Lower Schools* (No. 2025-AID-030)

The Bureau of Indian Education (BIE) appreciates the opportunity to comment on the U.S. Department of the Interior Office of Inspector General (OIG) Draft Inspection Report – *BIE Must Correct Safety and Health Deficiencies, Improve Facility Management System Accuracy, and Ensure Available Grant Funds Are Used To Correct Longstanding Deficiencies at Nay Ah Shing Upper and Lower Schools*. BIE management remains committed to addressing safety, health, and infrastructure deficiencies across all of its bureau-funded schools.

This memorandum transmits the BIE's response to each of the inspection recommendations, plans for corrective actions, and documentation of corrective actions taken thus far. Our responses are listed below:

Recommendation 1: Assess school operations and maintenance staffing levels and whether they are sufficient to enable the schools to meet safety and health requirements.

Response and Actions Planned: BIE management concurs with the recommendation. Staffing levels at Tribally Controlled Schools (TCS) are determined by the tribe, as a matter of self-determination. BIE will continue to monitor school operations and maintenance staffing level sufficiency at Nay Ah Shing Schools and provide targeted technical assistance to address gaps. BIE will ensure that each school has at least one trained maintenance employee with facility management system access and will develop processes to monitor and close work orders promptly. These actions are designed to enable the schools to meet safety and health requirements and address longstanding deficiencies.

Furthermore, when tribes elect to operate schools as TCS, they agree to the "Guidance Standards for Environmental, Safety, Facilities, and Grant Compliance," which stipulates that the school must designate a local employee to manage work orders in Maximo, and this also is referenced in the Indian Affairs Manual. BIE will start monitoring compliance with these standards and issue notices of noncompliance to any TCS that does not adhere to these requirements.

Responsible Party: BIE Branch of Facilities Management, BIE Tribally Controlled School Associate Deputy Director and Nay Ah Shing School Leadership

Target Date: February 28, 2027

Recommendation 2: Develop and implement a process to resolve deficiencies identified in annual safety and health inspections within prescribed abatement timelines.

Response and Actions Planned: BIE management concurs with the recommendation. The BIE Branch of Facilities Management (BFM) and Branch of Safety Management (BSM) will monitor the resolution and correct the deficiencies in accordance with abatement plan timelines. More specifically, BIE has implemented a plan to review the deficiencies with Nay Ah Shing School personnel and will provide technical assistance in developing appropriate abatement plans. In addition to this process, abatement plans are tracked by the assigned BFM Facility Operations Specialist point-of-contact (POC) to ensure implementation.

As mentioned in response to recommendation 1, TCS schools agree to the "Guidance Standards for Environmental, Safety, Facilities, and Grant Compliance," which requires schools to enter actual costs, change the work order to "Completed," and upload all documentation in Maximo within 60 days of completing the corrective action. BIE will start monitoring compliance with these standards and issue notices of noncompliance to any TCS that does not adhere to these requirements.

Responsible Party: BIE Branch of Facilities Management, BIE Branch of Safety Management, BIE Tribally Controlled School Associate Deputy Director and Nay Ah Shing School Leadership

Target Date: February 28, 2027

Recommendation 3: Conduct a review to ensure that all safety and health deficiency work orders have the correct status—either "open" for deficiencies awaiting correction or "closed" for deficiencies confirmed as corrected.

Response and Actions Planned: BIE management concurs with the recommendation. Maximo and Safety and Compliance Assessment Program (S&CAP) software requires after each new safety inspection that the previous inspection deficiencies are identified as repeat or closed before creating new open deficiencies. The BIE Branch of Facilities Management (BFM) and Branch of Safety Management (BSM) will take the following actions:

- **Access to Facility Management System:** BIE will ensure that facilities and maintenance staff at Nay Ah Shing School have access to the BIE facility management system. This will include setting up user accounts, providing the necessary permissions to utilize the system effectively, and training appropriate school staff on its use.
- **Backlog Review:** BFM and BSM will provide technical assistance to school personnel and collaboratively review the backlog of safety and health deficiency work orders to ensure accuracy in their status, confirming whether they are open and awaiting correction or closed after resolution.

In addition, the "Guidance Standards for Environmental, Safety, Facilities, and Grant Compliance," requires schools to enter actual costs, change the work order to "Completed," and upload all documentation in Maximo within 60 days of completing the corrective action. BIE will start monitoring compliance with these standards and issue notices of noncompliance to any TCS that does not adhere to these requirements.

Responsible Party: BIE Branch of Facilities Management, BIE Branch of Safety Management, BIE Tribally Controlled School Associate Deputy Director, Nay Ah Shing School Facility Manager and School Leadership

Target Date: December 30, 2026

Recommendation 4: Develop and implement a process to close safety and health deficiency work orders within the facility management system as soon as corrective actions are taken as required by the grant agreement.

Response and Actions Planned: BIE management concurs with the recommendation. The BIE Branch of Facilities Management has implemented a process to review the deficiencies with School personnel and provide technical assistance to develop a plan to resolve and correct deficiencies. Currently, abatement plans are tracked by the assigned point-of-contact to monitor progress of work on deficiencies. BIE BFM staff will review and monitor the responsibilities in the Grant Agreement and for Site-Level Facility Management outlined in 80 IAM 1 including the following:

- Maximo Use and Abatement Plans: All schools must designate at least one local employee who will manage Work Orders in IA-FMS (Maximo). Within thirty (30) calendar days of receiving the annual safety inspection report, each school must submit a Safety and Compliance Abatement Plan (S&CAP) using the standardized template available in Maximo. This plan must outline proposed corrective actions, estimated costs, and anticipated timelines for each Safety (S), Accessibility (A), and Fire (F) deficiency. Deficiencies with a total cost of less than $10,000 shall be corrected using Operations & Maintenance (O&M) funds. For deficiencies exceeding $10,000, schools are required to submit Deferred Maintenance (DM) work orders through Maximo for BIE review, approval, and funding. Upon completion of any corrective action, schools must enter the actual costs and change the work order status to Maximo within sixty (60) calendar days.
- using the IA-FMS to create, modify and update Deferred Maintenance Work Orders; and
- ensuring that site specific facilities management inventory data is accurate in the IA-FMS.

In addition, the "Guidance Standards for Environmental, Safety, Facilities, and Grant Compliance," requires schools to enter actual costs, change the work order to "Completed," and upload all documentation in Maximo within 60 days of completing the corrective action. BIE will start monitoring compliance with these standards and issue notices of noncompliance to any TCS that does not adhere to these requirements.

Responsible Party: BIE Branch of Facilities Management, BIE Tribally Controlled School Associate Deputy Director

Target Date: December 31, 2026

Recommendation 5: Resolve $118,080 in questioned costs associated with Pine Grove School.

Response and Actions Planned: BIE management concurs with the recommendation. The Branch of Grants Management (BGM) confirmed that the questioned costs were incorrectly applied to Nay Ah Shing School's O&M grant funds. BIE's BGM and BFM will require correction of the expenditures.

Responsible Party: BIE Branch of Facilities Management and Branch of Grants Management

Target Date: February 28, 2027

Recommendation 6: Implement a waiver agreement with the Mille Lacs Band of Ojibwe for Pine Grove School to document BIE's approval and the terms authorizing the Pine Grove School satellite expansion.

Response and Actions Planned: BIE management concurs with the recommendation. BIE will work with the Mille Lacs Band of Ojibwe to develop and execute a new waiver agreement that formally documents BIE's approval of the satellite expansion and ISEP for Pine Grove School.

Responsible Party: BIE Tribally Controlled School Associate Deputy Director and Education Program Administrator

Target Date: March 31, 2027

Recommendation 7: Revise its biweekly report template to include the status of each of the six deferred maintenance work orders outlined within Grant Award No. A24AV00678.

Response and Actions Planned: BIE management concurs with the recommendation. The Branch of Facilities Management (BFM) will revise the biweekly report template to require detailed status for each of the six DMWOs, including progress, issues and changes throughout all project phases. The revised template will improve tracking of grant required work and ensure BIE receives complete and timely project information.

Furthermore, bi-weekly reporting of project progress is a standard requirement specified in 100-297 grant amendments for FI&R projects; bi-weekly reports are necessary for ongoing monitoring and internal reporting for the Department of the Interior (e.g., CAPERS). BIE will monitor compliance with this clause and begin to issue notices of noncompliance to TCS schools that do not adhere to this requirement, if it is included in the grant amendment.

Responsible Party: BIE Branch of Facilities Management

Target Date: December 31, 2026

Recommendation 8: Develop guidance on the revised biweekly report template to clarify BIE and Mille Lacs Band of Ojibwe responsibilities in addressing concerns of noncompliance with the requirements of Grant Award No. 24AV00678, to include the Band's proposed solution, BIE's feedback on the proposed solution, and the timeframe for implementing the proposed solution.

Response and Actions Planned: BIE management concurs with the recommendation. BIE will develop and issue formal guidance to accompany the revised template, outlining roles, responsibilities, and procedures for documenting concerns, proposing solutions, providing BIE feedback, and establishing implementation timelines. This guidance will strengthen oversight, ensure timely issue resolution, and improve compliance with grant requirements. Furthermore, BIE BFM will monitor compliance with bi-weekly reporting and begin to issue notices of non-compliance to any school that does not submit reports as required.

Responsible Party: BIE Branch of Facilities Management, BIE Tribally Controlled Schools Associated Deputy Director, Branch of Grants Management, and Nay Ah Shing School Facility Manager and School Leadership

Target Date: December 31, 2026

The BIE respectfully recommends that Report No. 202-AID-030, prepared by the OIG, refer to the school as "Nay Ah Shing School" instead of distinguishing between Nay Ah Shing Upper and Lower School.

Furthermore, BIE will ensure Nay Ah Shing School gets the necessary support and technical assistance to improve the accuracy of its Facility Management System and will see that available grant funds are used to address long-standing deficiencies at the school.

Thank you for the opportunity to review and provide a response on behalf of the BIE to the OIG Draft Inspection Report – (No. 2025-AID-030) *BIE Must Correct Safety and Health Deficiencies, Improve Facility Management System Accuracy, and Ensure Available Grant Funds Are Used To Correct Longstanding Deficiencies at Nay Ah Shing.* If you have any questions, or need additional information, please contact Ventura Lovato at ventura.lovato@bie.edu.

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

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