



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

**U.S. FISH AND WILDLIFE SERVICE WILDLIFE AND SPORT FISH
RESTORATION PROGRAM**

Grants Awarded to the State of Idaho, Department of Fish and Game, From
July 1, 2015, Through June 30, 2017




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INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Memorandum

SEP 04 2019

To: Margaret Everson
Principal Deputy Director, Exercising the Authority of the Director, U.S. Fish and Wildlife Service

From: Michael P. Colombo 
Regional Manager, Western Region

Subject: Final Audit Report – U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Idaho, Department of Fish and Game, From July 1, 2015, Through June 30, 2017
Report No. 2018-WR-053

This final report presents the results of our audit of costs claimed by the State of Idaho, Department of Fish and Game (Department), under grants awarded by the U.S. Fish and Wildlife Service (FWS). The FWS provided the grants to the State under the Wildlife and Sport Fish Restoration Program. The audit included claims totaling approximately \$54.8 million on 66 grants that were open during the State fiscal years that ended June 30, 2016, and June 30, 2017 (see Appendix 1). The audit also covered the Department's compliance with applicable laws, regulations, and FWS guidelines, including those related to the collection and use of hunting and fishing license revenues and the reporting of program income.

We found that the Department complied, in general, with applicable grant accounting and regulatory requirements. We identified, however, that because the FWS instructed States not to submit their methodologies for multiyear licenses, the Department used an unapproved methodology to count multiyear license holders. Without FWS approval of a State's methodology for calculating multiyear license holders, those licenses are ineligible to be counted in the certification beyond the year purchased.

We provided a draft of the report to the FWS. In this report we summarize the Department's and FWS Region 1's response to our recommendation, as well as our comments on their response. We list the status of the recommendation in Appendix 3. We do not require any further action from the Department or the FWS in response to this audit report.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit reports issued, actions taken to implement our recommendations, and recommendations that have not been implemented.

If you have any questions regarding this report, please contact me at 916-978-5650 or you can email aie_reports@doioig.gov.

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

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Introduction

Background

The Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act¹ established the Wildlife and Sport Fish Restoration Program. Under the Program, the U.S. Fish and Wildlife Service (FWS) provides grants to States to restore, conserve, manage, and enhance their wildlife and sport fish resources. The Acts and Federal regulations contain provisions and principles on eligible costs and allow the FWS to reimburse States up to 75 percent of the eligible costs incurred under the grants. The Acts also require that hunting and fishing license revenues be used only for the administration of the States' fish and game agencies. Finally, Federal regulations and FWS guidance require States to account for any income they earn using grant funds.

Objectives

We conducted this audit to determine if the State of Idaho, Department of Fish and Game (Department):

- Claimed the costs incurred under the Program grants in accordance with the Acts and related regulations, FWS guidelines, and grant agreements
- Used State hunting and fishing license revenues solely for fish and wildlife program activities
- Reported and used program income in accordance with Federal regulations

Scope

Audit work included claims totaling approximately \$54.8 million on the 66 grants open during the State fiscal years (SFYs) that ended June 30, 2016, and June 30, 2017 (see Appendix 1). We report only on those conditions that existed during this audit period. We performed our audit at the Department headquarters, and visited two regional offices, nine wildlife habitat management areas, one fish hatchery, two boat access sites, two fishing access sites, and one shooting range (see Appendix 2).

We performed this audit to supplement—not replace—the audits required by the Single Audit Act.

Methodology

We conducted this audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹ 16 U.S.C. §§ 669 and 777, as amended, respectively.

Our tests and procedures included:

- Examining the evidence that supports selected expenditures charged to the grants by the Department
- Reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income
- Interviewing Department employees to ensure that personnel costs charged to the grants were supportable
- Conducting site visits to inspect equipment and other property
- Determining whether the Department used hunting and fishing license revenues solely for the administration of fish and wildlife program activities
- Determining whether the State passed required legislation assenting to the provisions of the Acts.

We also identified the internal controls over transactions recorded in the labor- and license-fee accounting systems and tested their operation and reliability. Based on the results of initial assessments, we assigned a level of risk to these systems and selected a judgmental sample of transactions for testing. We did not project the results of the tests to the total population of recorded transactions or evaluate the economy, efficiency, or effectiveness of the Department's operations.

We relied on computer-generated data for other direct costs and personnel costs to the extent that we used these data to select Program costs for testing. Based on our test results, we either accepted the data or performed additional testing. For other direct costs, we took samples of costs and verified them against source documents such as purchase orders, invoices, receiving reports, and payment documentation. For personnel costs, we selected Department employees who charged time to Program grants and verified their hours against timesheets and other supporting data.

Prior Audit Coverage

On May 19, 2014, we issued *Final Audit Report – U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Idaho, Department Fish and Game, From July 1, 2010, Through June 30, 2012* (Report No. R-GR-FWS-0012-2013).

We followed up on all recommendations in the report and found that the U.S. Department of the Interior, Office of the Assistant Secretary for Policy, Management and Budget, considered the recommendations resolved and implemented.

We reviewed single audit reports for SFYs 2016 and 2017. None of these reports contained any finding that would directly affect the Program grants.

Results of Audit

Audit Summary

We found that the Department complied, in general, with applicable grant agreement provisions and requirements of the Acts, regulations, and FWS guidance. We identified the following condition that resulted in our finding.

- A. Unapproved Methodology to Count Lifetime License Holders.** The Department's methodology to count lifetime license holders for its annual certification was not approved by the FWS.

Findings and Recommendations

A. Unapproved Methodology To Count Lifetime License Holders

Federal regulations (50 C.F.R. § 80.35(d)) require that multiyear licenses can be counted in the annual certification only if the licenses meet the minimum net revenue requirements for the license period, based on the duration of the license or whether the license holder remains alive. States must propose a technique to determine the number of license holders who remain alive in the certification period, and Federal regulations (50 C.F.R. § 80.35(e)) require the State agency to obtain the FWS Director's approval of its proposed methodology.

The Department had methodology in place to count lifetime license holders for its annual certification. We found, however, that because the FWS instructed States not to submit their methodologies for multiyear licenses, the Department used an unapproved methodology to count multiyear license holders.

Without FWS approval of the Department's methodology for calculating lifetime license holders, licenses included in the certification beyond the year purchased are ineligible to be counted. This distinction is important because the FWS uses license certification data to equitably apportion Program funds among the States. The inclusion of multiyear licenses without FWS approval of a State's methodology means that the FWS cannot ensure States are receiving the appropriate level of Program funding.

Recommendation

We recommend that the FWS:

- I. Exclude multiyear license holders from the Department's license certification count beyond the year purchased, unless the Department has obtained the FWS Director's approval of its proposed technique in accordance with 50 C.F.R. § 80.35(e)

Department Response

The Department did not concur with this finding. After we issued our draft report, the Department submitted the lifetime license certification process to the FWS and received an approval letter for the methodology used to issue and count lifetime license holders.

FWS Response

The FWS did not concur with our recommendation. The Department, however, submitted its methodology for counting lifetime license holders to the FWS and obtained approval through the Wildlife and Sport Fish Restoration Program after we issued our draft report. The FWS considers this finding resolved and implemented.

OIG Comments

Based on the Department and FWS responses, we consider Recommendation 1 resolved and implemented and no corrective action plan is required (see Appendix 3).

Appendix I

**State of Idaho
Department of Fish and Game
Grants Open During the Audit Period
July 1, 2015, Through June 30, 2017**

FMBS Grant Number	Grant Amount	Claimed Costs
FI2AF01267	\$61,000	\$52,640
FI3AF00157	150,318	150,381
FI3AF00158	150,318	138,732
FI3AF00850	489,146	467,762
FI3AF01005	178,741	165,532
FI4AF00356	13,605,000	34,850
FI4AF00815	19,940	19,999
FI4AF01014	571,077	126,114
FI4AF01171	1,830,000	1,774,764
FI5AF00001	250,002	103,495
FI5AF00089	70,263	65,161
FI5AF00210	43,860	44,266
FI5AF00238	249,000	253,696
FI5AF00392	59,595	52,450
FI5AF00714	217,933	137,085
FI5AF00745	387,831	407,916
FI5AF00746	1,826,129	1,610,868
FI5AF00747	2,108,541	2,074,303
FI5AF00800	5,419,475	5,214,265
FI5AF00827	7,333	6,513
FI5AF00829	3,045,397	2,985,770
FI5AF00831	1,019,713	1,018,465
FI5AF00832	69,108	59,470
FI5AF00833	661,517	746,715
FI5AF00838	367,991	189,234
FI5AF00842	394,268	336,456
FI5AF00844	767,495	782,902

FMBS Grant Number	Grant Amount	Claimed Costs
FI5AF00845	1,308,096	1,114,161
FI5AF00847	973,795	981,999
FI5AF00848	565,459	550,642
FI5AF00850	5,013,863	4,947,270
FI5AF00886	106,560	170,942
FI5AF01090	55,000	39,555
FI6AF00004	7,726	3,478
FI6AF00131	126,000	78,877
FI6AF00132	126,000	61,337
FI6AF00380	34,225	0
FI6AF00382	25,827	24,370
FI6AF00567	374,955	149,440
FI6AF00568	707,648	672,825
FI6AF00569	69,928	72,682
FI6AF00570	3,129,644	2,908,344
FI6AF00571	403,512	377,586
FI6AF00572	7,333	14,570
FI6AF00573	968,715	971,774
FI6AF00577	998,887	889,827
FI6AF00578	1,307,145	1,254,097
FI6AF00579	779,405	699,753
FI6AF00580	556,569	451,827
FI6AF00594	86,667	189
FI6AF00746	767,680	170,686
FI6AF00747	1,265,218	621,557
FI6AF00885	754,519	144,401
FI6AF00886	3,836,106	1,720,939
FI6AF00887	430,543	96,238
FI6AF00888	13,712,595	5,476,010
FI6AF00908	5,031,190	1,922,025
FI6AF00909	12,673,018	4,496,185
FI6AF01293	59,100	31,309
FI7AF00045	2,650,000	0
FI7AF00062	636,001	0
FI7AF00063	4,611,000	4,600,000

FMBS Grant Number	Grant Amount	Claimed Costs
F17AF00225	121,270	19,737
F17AF00241	77,500	0
F17AF00289	492,964	5,530
F17FA00575	58,700	0
Total	\$98,931,354	\$54,759,967

Appendix 2

**State of Idaho
Department of Fish and Game
Sites Visited**

Headquarters

Boise, ID

Regional Office

Nampa, ID

Panhandle

Fish Hatchery

Cabinet Gorge

Wildlife Management Areas

Black Lake (a part of Coeur d'Alene)

Boise River

Clagstone Meadows

Coeur d'Alene

Fort Boise

McArthur Lake

Montour

Payette River

Roswell Marsh

Boating Access

Cove Arm Lake

Crane Falls Lake

Fishing Access

Gene Day Pond

Spicer Pond

Other

Black's Creek Public Shooting Range

Appendix 3

**State of Idaho
Department of Fish and Game
Status of Audit Recommendations**

Recommendation	Status	Action Required
I	We consider this recommendation resolved and implemented.	No action required.

Report Fraud, Waste, and Mismanagement



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.



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