

Summary: BIA Employee Failed to Perform Due Diligence in Trust Fund Drawdowns

Report Date: March 14, 2018

Report Number 13-0390

The OIG investigated allegations that a Bureau of Indian Affairs (BIA) senior official approved or directed the approval of two drawdowns totaling approximately \$3.1 million from an Operation, Maintenance, and Replacement (OMR) Trust Fund designated for a regional rural water system (RWS) at a time when the RWS was years from completion and had few, if any, OMR expenses. There was increased scrutiny of the senior official's involvement because he was affiliated with a group that would be served by the RWS.

Our investigation determined that a subordinate of the senior official, not the senior official, authorized the drawdowns. The senior official had recused himself from the matter and had no involvement in either drawdown.

We also found that the subordinate failed to perform required due diligence before approving the drawdowns. After questions arose following the first drawdown, the subordinate of the senior official was directed to consult with BIA's Office of Facilities Management and Construction (OFMC) prior to any future drawdowns, however, he failed to consult with OFMC prior to the second drawdown. The subordinate acknowledged he failed to perform the required due diligence and retired from the BIA before the completion of our investigation.

The United States Attorney's Office for the District of Montana declined prosecution.

This is a summary of a report that was issued to the Director of the BIA

