

Summary: Tribe Misapplied More than \$12.4 Million and Still Owes More than \$4.4 Million

Report Date: September 2, 2020

Report Number: 18-0132

We investigated allegations that a Native American Tribe falsified quarterly financial reports for Bureau of Reclamation (BOR) funded projects to conceal that it had misapplied contract funds.

We confirmed the Tribe misapplied \$7,634,868.54 in BOR funds in 2016 and \$4,770,917 in 2017. The Tribe repaid some of the funds but still owes \$4,405,785.54. Tribal officials admitted to misapplying the funds intended for the BOR-funded projects to meet the Tribe's other financial obligations. We did not find evidence that anyone personally benefited from the misapplication of funds.

We found inaccuracies in the financial status reports but did not find criminal intent. BOR personnel worked with the Tribe to complete the reports and knew the reports did not accurately reflect the cash on hand for the two projects. BOR employees said they helped complete the forms as accurately as possible based upon the information made available, and they specifically included remarks on the relevant forms identifying unjustified expenses and cash that could not be accounted for.

We referred this matter to the United States Attorney's Office for the District of Montana, which declined prosecution. This is a summary of a report we provided to the Director of the BOR.

