



OFFICE OF INSPECTOR GENERAL



DEPARTMENT OF THE INTERIOR

RECOVERY OVERSIGHT ADVISORY

A Critical Point Evaluation Product





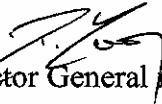
RECOVERY OVERSIGHT OFFICE

Washington, DC 20240

Memorandum

MAR 31 2010

To: Rowan Gould
Acting Director, U. S. Fish and Wildlife Service

From: Robert A. Knox 
Assistant Inspector General for Recovery Oversight

Subject: Review of Selected U. S. Fish and Wildlife Service (FWS) Cooperative Agreements (ROO-ROA-FWS-5004-2010)

To safeguard taxpayer dollars, Congress provided us with funding to oversee and ensure accountability of the \$3 billion appropriated to the Department of the Interior (the Department) in the American Recovery and Reinvestment Act of 2009 (Recovery Act). We are focused on: preventing fraud, waste, and mismanagement; reducing misuse of dollars through early detection; and ensuring transparency in our oversight efforts. In our effort to collaborate with the Department, this memorandum highlights work done by the Office of Inspector General (OIG), Honolulu Field Office in reviewing Recovery Act projects as part of a more extensive evaluation of FWS management of financial assistance awards.

We will post this advisory on our Web site (www.doioig.gov/recovery) and Recovery.gov. Information contained in this advisory may also be included in our semiannual reports to Congress. If you have any questions, please do not hesitate to contact me.

Background

The Honolulu Field Office is part of our Office of Audits, Inspections and Evaluations (AI&E) which is currently performing an evaluation to assess whether FWS Pacific Region (R1) controls can be relied upon to prevent and detect fraud and wasteful spending in the award and management of grants and cooperative agreements in Hawai'i and the Pacific islands. FWS awarded three Recovery Act cooperative agreements in Hawai'i. OIG staff reviewed files for these projects, conducted one site visit to validate the status of the project, and followed up with related questions in interviews with cooperators and Pacific Islands Fish and Wildlife Office (PIFWO) staff.

The Recovery Act projects included in the evaluation were as follows:

Agreement Number: 12200RJ001

Cooperative Agreement Recipient: Maui Coastal Land Trust

Amount of Award: \$ 70,000

Purpose: To conduct ecological restoration on eight acres of coastal habitat on Maui, Hawai'i and protect nesting habitat for birds listed as endangered.

Agreement Number: 12200RJ003

Cooperative Agreement Recipient: Garden Island Resource Conservation & Development

Amount of Award: \$ 100,000

Purpose: To conduct native habitat restoration on Lehua Island, a small, uninhabited islet off Kaua`i.

Agreement Number: 12200RJ002

Cooperative Agreement Recipient: Moloka`i Land Trust

Amount of Award: \$ 50,000

Purpose: Referred to as the Mokio Coastal Strand Restoration, the purpose is to conduct ecological restoration on twenty acres of coastal habitat on Moloka`i, Hawai`i.

Findings

Overall, the AI&E Office is concerned by the lack of competition in the award of financial assistance, poor documentation, and inadequate training of staff responsible for grants administration. The evaluation is ongoing; additional detailed findings will be reported to FWS as we learn more.

Unlike many other grant/agreement files, the AI&E Office found that the Recovery Act files contained complete sets of the required signed forms and initial project documentation. There was little evidence of monitoring, but this is understandable as the related projects were in the early stages.

The AI&E Office did note specific areas of concern:

1. PIFWO staff report that they were directed by the Region to issue all Recovery Act awards as cooperative agreements, regardless of the level of substantial involvement as defined in 505 DM 2.
2. Use of agreement templates resulted in awards that cite inaccurate payment provisions and incorrect authorities. Although this was initially identified during our review of the three PIFWO Recovery Act files, follow-up work identified that the document was distributed by the Service nationally.
3. The selection process for the Recovery Act projects did not appear to be “open and fair.” Field staff, who were in direct contact and continually involved with prospective cooperators, have direct influence in the decision-making process. The standard practice in PIFWO seems to be direct outreach to preferred providers whenever new funding is available — a practice used for the Recovery Act projects. The Office interviewed other conservation partners, who stated they were never contacted by PIFWO field staff as to the availability of Recovery Act funding. Ultimately, there is no assurance that the cooperative agreements were awarded impartially or with the transparency intended by the Recovery Act.

4. There is no assurance that there was an adequate basis for costs for proposed project budgets. With a lack of cost analysis up-front, it becomes all the more imperative that reimbursement requests and supporting documentation be scrutinized for adherence to applicable cost principles.

Recommendations

Recommendations will be included in the Final Evaluation Report, forthcoming from our Western Region AI&E Office.

cc: Deputy Secretary, Department of the Interior
Senior Advisor to the Secretary for Economic Recovery and Stimulus
Assistant Secretary – Policy, Management, and Budget
Director, Office of Acquisition and Property Management
Acting Director, Office of Financial Management
Departmental GAO/OIG Audit Liaison
Audit Liaison, Office of the Secretary
Audit Liaison, U. S. Fish and Wildlife Service
Bureau Procurement Chief, U. S. Fish and Wildlife Service
Recovery Act Coordinator, U. S. Fish and Wildlife Service

Report Fraud, Waste, and Mismanagement



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



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