

Summary: Company Overbilled Tribal Schools

Report Date: November 14, 2017

The OIG initiated an investigation after receiving a request from the South Dakota Division of Criminal Investigation (SDDCI) to determine whether Department of the Interior funds were awarded to an educational services company, and whether fraud was associated with that funding. The SDDCI asked for our help as it investigated the potential role of financial fraud in the deaths of a married couple, who held management positions at the company.

We confirmed that between 2012 and 2014 the company received over \$750,000 from an educational cooperative formed by two Bureau of Indian Education (BIE) funded schools. We also determined that between April 2013 and April 2015, the Bureau of Indian Affairs (BIA) awarded the company almost \$450,000 in special education grants.

Our investigation of the company found indicators of fraud involving overbilling the two BIE schools by more than \$100,000, and funding from the BIA for office rental even though a tribal school provided the company free office space. We ended our investigation, however, because the responsible subjects are deceased and we did not identify additional subjects.

This is a summary of a report of investigation that we provided to the Directors of BIE and BIA for any action deemed appropriate.

