



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 Montana Fish, Wildlife, and Parks,  
From July 1, 2015, Through June 30, 2017



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

**FEB 05 2020**

Memorandum

To: Aurelia Skipwith  
Director, U.S. Fish and Wildlife Service

From: Amy R. Billings *Amy R Billings*  
Regional Manager, Central Region

Subject: Final Audit Report – *U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Montana Fish, Wildlife, and Parks, From July 1, 2015, Through June 30, 2017*  
Report No. 2018-CR-014

This final report presents the results of our audit of costs claimed by the State of Montana Fish, Wildlife, and Parks (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 \$82.7 million on 58 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 questioned costs totaling \$795,097 for unsupported in-kind contributions and unsupported other direct costs. We also found the Department had unsupported direct costs base, inadequate equipment management, and had not excluded duplicate license holders from the license certifications. We also observed that, while the Department provided the FWS with its real property inventory, the FWS had not reconciled the Department records with the FWS' real property inventory records.

We provided a draft of the report to the FWS. In this report we summarize the Department's and FWS Region 6's response to our recommendations, as well as our comments on their response. We list the status of the recommendations in Appendix 3.

Please provide us with a corrective action plan based on our recommendations by May 5, 2020. The plan should provide information on actions taken or planned to address the recommendations, as well as target dates and titles of the officials responsible for implementation. Please address your response to me and submit a signed PDF copy to [aie\\_reports@doioig.gov](mailto:aie_reports@doioig.gov).

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 303-236-9243 or you can email [aie\\_reports@doioig.gov](mailto:aie_reports@doioig.gov).

cc: Regional Director, Region 6, U.S. Fish and Wildlife Service

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# Table of Contents

Introduction.....	1
Background.....	1
Objectives .....	1
Scope.....	1
Methodology .....	2
Prior Audit Coverage .....	2
Results of Audit .....	4
Audit Summary .....	4
Findings and Recommendations .....	4
Observation Regarding Real Property Records .....	15
Appendix 1 .....	16
Appendix 2.....	19
Appendix 3.....	20

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# Introduction

## Background

The Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act<sup>1</sup> 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 Montana Fish, Wildlife, and Parks (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 \$82.7 million on the 58 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's headquarters in Helena, MT, and visited two regional offices, three fish hatcheries, nine wildlife management areas, eight fishing access sites, and three boat access sites (see Appendix 2).

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

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<sup>1</sup> 16 U.S.C. §§ 669 and 777, as amended, respectively.

## **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.

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 February 24, 2014, we issued *U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Montana Department of Fish, Wildlife and Parks From July 1, 2010, Through June 30, 2012* (Report No. R-GR-FWS-0011-2013).

We followed up on all three recommendations in the report and found that the U.S. Department of the Interior, Office of the Assistant Secretary for Policy Management and Budget (PMB) considered one recommendation resolved and implemented, and two recommendations resolved but not yet implemented. As discussed in the “Findings and Recommendations” section of this report, we are repeating one recommendation related to in-kind contributions. Additionally, we made an observation regarding the Department’s land reconciliation.

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

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# Results of Audit

## Audit Summary

We identified the following conditions that resulted in our findings including questioned costs totaling \$795,097.

### A. Questioned Costs—\$795,097.

1. **Unsupported In-Kind Contributions—\$794,029.** We questioned \$794,029 as unsupported in-kind contributions. The Department did not ensure that volunteer hours used as in-kind contributions were sufficiently documented to allow us to verify the volunteers' time.
2. **Unsupported Other Direct Costs—\$1,068.** The Department is required to keep accurate and complete accounting records of the Program and license expenditures. The Department, however, could not provide supporting documentation for a travel expenditure for a school.

**B. Unsupported Direct Costs Base.** Although the Department obtained negotiated indirect cost rates for SFY 2016 and SFY 2017, it did not provide the financial data to support its grants' direct costs base.

**C. Inadequate Equipment Management.** Although the Department performed physical inventories, it has not maintained accurate and complete equipment inventory and disposal records.

**D. Duplicate Hunting and Fishing Licenses.** The Department completed annual hunting and fishing license certifications. It did not, however, eliminate duplicate resident hunting and fishing license holders in its annual license certifications to the FWS.

We also make one observation regarding the reconciliation of real property records between the Department and the FWS.

## Findings and Recommendations

### A. Questioned Costs—\$795,097

#### 1. Unsupported In-Kind Contributions—\$794,029

Since the Department did not sufficiently document the volunteer hours used as in-kind contributions, we were unable to verify the volunteers' time. The Department used the value of volunteer hours worked as part of its matching share on Grant Nos. F15AF00491 and F15AF00535 for SFY 2016 and on Grant Nos. F16AF00603 and F16AF00612 for SFY 2017 under the Program. After volunteers recorded their hours

on timesheets, Department officials applied an hourly rate to determine the value of the in-kind contributions.

When we reviewed volunteer hours related to the hunter education and aquatic education programs we found the following problems with the supporting documentation:

Aquatic Education:

- Department officials did not consistently sign volunteer instructors' timesheets to indicate approval.
- Timesheets listed multiple instructors with combined volunteer hour totals rather than individual itemization.
- Volunteers totaled hours worked over multiple days as a lump sum rather than on a daily basis.
- Volunteers claimed an excessive 20 to 248 hours in a single day.
- The Department could not provide timesheets to support reported hours.

Hunter Education:

- Department officials did not consistently sign volunteers' timesheets to indicate approval.
- The instructors were also approving their own time on the volunteers' timesheets.
- The Department claimed duplicate hours for eight individuals.

We found that the Department did not properly document 72 percent of all volunteer hours submitted under these programs, as shown in Figure 1.

Project	Grant Number	Sampled Hours Claimed	Questioned Hours	Sampled Amount Claimed	Sampled Amount Questioned	Percentage of Hours Questioned
Hunter Education	F15AF00535	2,728	1,123	\$45,903	\$18,900	41%
Hunter Education	F16AF00612	4,391	2,092	73,892	35,200	48%
Aquatic Education	F15AF00491	1,984	1,984	25,592	25,592	100%
Aquatic Education	F16AF00603	2,412	2,412	52,463	52,463	100%
<b>Total</b>		<b>11,515</b>	<b>7,611</b>	<b>\$197,850</b>	<b>\$132,155</b>	<b>72%</b>

Figure 1. Questioned hunter and aquatic education in-kind volunteer hours.

A Department official from the aquatic education program informed us that the Department only requires volunteers to fill out report forms that track hours worked over multiple days as a lump sum rather than on a daily basis. The Department does not keep timesheets for the volunteer hours from instructors. Therefore, we are questioning all the aquatic education program's volunteer hours. For SFY 2016 we are questioning \$524,276 (\$393,207 Federal share) and we are questioning \$534,428, (\$400,822 Federal share) for SFY 2017. While the State did have overmatch in both SFY 2016 and 2017, we determined it was unreliable because of the systemic issue we identified for aquatic education.

The Code of Federal Regulations, specifically 2 C.F.R. § 200.403(g), requires costs to be adequately documented to be allowable under Federal awards. In addition, 2 C.F.R. § 200.306(b)(1) states that for all Federal awards, any shared costs or matching funds and all contributions, including cash and third-party in-kind contributions, must be accepted as part of the non-Federal entity's cost-sharing or matching requirement if they are verifiable from the records of grantees, among other requirements. To the extent feasible, services donated to the non-Federal entity will be supported by the same methods used to support the allocability of regular personnel services (2 C.F.R. § 200.434(d)).

Several issues led to the problems with in-kind contribution documentation:

Aquatic Education:

- The timesheets for the programs we reviewed were not formatted in a way that allowed volunteers to report their hours on a daily basis.
- The Department did not restrict the number of hours that volunteers can reasonably donate in a single day.
- The Department did not have written policies and procedures for completing timesheets for the aquatic education program.
- The Department did not adequately track the volunteer hours by event, name, date, and hours, allowing for duplicate entries and volunteer hours to be applied to the wrong SFY.

Hunter Education:

- The Department did not have procedures requiring the certification of each instructor's time.
- The Department did not track the volunteer hours by event, name, date, and hours, allowing for duplicate entries and volunteer hours to be applied to the wrong SFY.

As a result, we are questioning costs for unsupported in-kind contributions totaling \$794,029 for the aquatic education program (see Figure 2). We did not question any costs for the hunter education program because the in-kind contributions exceeded the Department's matching requirements. Overmatch, however, cannot be guaranteed in the future. The Department could face even greater questioned costs in subsequent audits if it does not fully address these issues and its overmatch falls short.

<b>SFY</b>	<b>Grant</b>	<b>Project</b>	<b>Questioned Costs</b>
2016	F15AF00491	Aquatic Education	\$393,207
2017	F16AF00603	Aquatic Education	400,822
<b>Total Questioned Costs</b>			<b>\$794,029</b>

Figure 2. Questioned costs for unsupported in-kind contributions.

## Recommendations

We recommend that the FWS work with the Department to:

1. Resolve the \$794,029 of questioned costs related to unsupported in-kind costs
2. Reformat its volunteer timesheets so that hours can be reported on a daily basis
3. Develop and implement policies and procedures that (a) restrict the number of hours that volunteers can reasonably donate in a single day, and (b) ensure that all timesheets are approved by a third-party for all volunteer programs using in-kind contributions to satisfy cost-share or matching requirements
4. Track the volunteer hours by event, name, date, and hours to reduce the risk of duplicate entries and out-of-period volunteered hours

We are also repeating the recommendation from our 2014 audit report. The FWS should submit any documentation to PMB to track implementation using the previous report number.

## Repeat Recommendation (Tracked Under Report No. R-GR-FWS-0011-2013, Recommendation No. A2)

We recommend that the FWS work with the Department to:

- Establish and implement procedures requiring volunteer instructors to certify their hours worked and to document donated costs

### Department Response

The Department concurred with our finding and recommendations. It will address the finding and recommendations in the corrective action plan.

### FWS Response

The FWS concurred with our finding and recommendations. It will work with the Department to develop a corrective action plan.

### OIG Comment

Based on the Department's and the FWS' responses, we consider Recommendations 1 – 4 resolved but not implemented and the repeat recommendation resolved but not implemented (see Appendix 3).

## 2. Unsupported Other Direct Costs—\$1,068

The Department could not provide supporting documentation for a travel expenditure amounting to \$1,068 for a school. Federal regulation (50 C.F.R. § 80.10) requires that all revenue from hunting and fishing licenses be used only for administration of the State fish and wildlife agency. Without supporting documentation, we are unable to verify if the funds were used for the authorized purpose. The *Montana Operations Manual* policy on employee travel, requires reimbursable travel expenses to be supported by a receipt. The internal process set up for the grant program, however, did not require schools to submit receipts for all of their transactions. A Department employee stated that the Department does not require supporting documentation on any vendor travel costs. Therefore, we are reporting this control issue because there is a potential for it to be material if other travel costs, not tested as part of our sample, do not have supporting documentation.

We tested 79 expenditures (39 license and 40 grant) for SFY 2016 and SFY 2017. Since this was the only travel expense in our sample, we cannot determine whether other travel costs are reasonable and necessary to achieve Program purposes, and therefore allowable.

### Recommendations

We recommend that the FWS work with the Department to:

5. Resolve the potential diversion of \$1,068
6. Implement a policy to require support for all expenditures

### Department Response

The Department partially concurred with our finding and recommendations. The Department agreed that the cost was unsupported but clarified that the unsupported costs were paid with license revenues, therefore the draft report's reference to compliance with 2 C.F.R. § 225 was incorrect. It will address the finding and recommendations in the corrective action plan.

### FWS Response

The FWS concurred with our finding and recommendations. It will work with the Department to develop a corrective action plan.

### OIG Comment

Based on the comments from the Department, we modified the finding and recommendations. Instead of referencing 2 C.F.R. § 225 as the criteria for the unsupported costs, we reference 50 C.F.R. § 80.10, which requires that all revenue from hunting and fishing licenses be used only for administration of the State fish and wildlife agency. Based on the Department's and the FWS' responses, we consider Recommendations 5 and 6 resolved but not implemented (see Appendix 3).

## B. Unsupported Direct Costs Base

The Department was unable to support the total direct cost bases on three of the nine grants we reviewed. Specifically, when we recalculated the direct cost base on these three grants, our calculation resulted in a direct cost base of \$4,683,867, while the direct cost base that the Department used was \$4,764,510. The State was therefore unable to support the direct cost base of \$80,643 charged to these grants. This means the State could not support 33 percent of the grants sampled. When we calculated the indirect costs on these three grants, we found a total difference of \$1,547 in indirect costs claimed (see Figure 3).

FBMS Grant Number	Base Amount on SF 425	Rate Applied (per SF 425)	Indirect Costs Claimed (per SF 425)	OIG Base Amount Calculation	OIG Indirect Costs Calculation	Difference in Indirect Costs Claimed
FI5AF00605	\$2,064,364	18.29%	\$364,709*	\$2,001,326	\$366,042	\$1,333
FI6AF00612	579,746	16.36%	94,846	592,906	96,999	2,153
FI6AF00662	2,120,400	16.36%	346,898†	2,089,635	341,864	(5,033)
<b>Total</b>	<b>\$4,764,510</b>		<b>\$806,453</b>	<b>\$4,683,867</b>		<b>(\$1,547)</b>

\*  $2,064,364 \times 18.29\% = \$377,572$

†  $2,120,400 \times 16.36\% = \$346,897$

Figure 3. Unsupported direct cost base.

Federal regulation (2 C.F.R. § 225 Appendix A, C.1.) requires that for a cost to be allowable under Federal awards, it must be necessary and reasonable, allocable, authorized or not prohibited, and adequately documented. In addition, Federal regulation (2 C.F.R. § 225 Appendix A, F.1.) states that indirect costs should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived. The Department used a direct cost base of total direct costs, less capital expenditures and pass-through funds, as identified in the indirect cost rate agreements. The Department then multiplied the direct cost base by the negotiated rate to obtain the indirect costs, which it then charged against certain grants.

While the Department had an approved indirect cost rate, of 18.29 percent for SFY 2016 and 16.36 percent for SFY 2017, it had not established and implemented procedures to support the grant base costs used in the application of the approved rate. The Department also did not establish and implement procedures to correctly calculate the Federal share of indirect costs.

Because the Department could not provide documentation to support the direct cost base, we were unable to determine if the rates were applied to the correct direct cost base. In addition, since one-third of the grants in our sample did not have a supported

direct cost base, we do not have assurance that other grants that were not in our sample had a supported direct cost base.

After we brought the issues to the Department's attention, the Department submitted additional support for one grant and corrected the direct cost base on the other two grants in question. Based on these actions, we consider the issue resolved. The FWS, however, needs to put additional controls in place to ensure the Department follows policies and procedures and uses the correct direct cost base.

### **Recommendation**

We recommend that the FWS work with the Department to:

7. Establish and implement policies and procedures to ensure the Department maintains direct cost base data for use in applying indirect cost rates and calculates the Federal share of indirect costs correctly

### **Department Response**

The Department concurred with our finding and recommendation. It will address the finding and recommendation in the corrective action plan.

### **FWS Response**

The FWS concurred with our finding and recommendation. It will work with the Department to develop a corrective action plan.

### **OIG Comment**

Based on the Department's and the FWS' responses, we consider Recommendation 7 resolved but not implemented (see Appendix 3).

## **C. Inadequate Equipment Management**

We found that although the Department is performing physical inventories, it has not maintained accurate and complete equipment inventory and disposal records. We tested a sample of 250 property items identified in the Department's inventory data, plus an additional 97 items that we found during site visits at two regional offices. We also tested a sample of 15 disposed assets. As a result of our testing, we found:

- Assets that were on the inventory list even though we were told by staff that they had been transferred, disposed of or lost
- Assets on the inventory list that the Department could not account for or locate
- Assets we identified during the site visits that were not on the inventory list

- Assets we located during the site visits that were classified as disposed of or assigned to a different region on the inventory list
- One asset on the disposed asset list that was still in use (if it was added in error, the Department did not have a report available to show that it was retired and uploaded back into its asset management system)
- Assets on the disposed asset list without documentation of the disposal method (i.e., disposed, transferred, or auctioned off)
- Assets without specific locations and custodians listed on the inventory

Federal regulation (C.F.R. 50 § 80.90 (f)) requires a State fish and wildlife agency to be responsible for the control of all assets acquired under Program grants to ensure that they serve the purpose for which they were acquired throughout their useful life.

The *Montana Operations Manual* states that all capital assets, tagged minor equipment, and sensitive equipment should be included in the inventory. Personnel conducting the physical inventory should record all data possible on the inventory by location report to update the asset management system for individual capital asset items.

In addition, State policies require that agencies with perpetual capital asset inventory systems perform physical inventory biennially and non-perpetual inventory systems require an annual physical inventory near June 30 or December 31 for Montana State Funds. Capital assets disclosed by the physical inventory should agree with the items on the inventory list. The Department must thoroughly investigate and report discrepancies to the agency property coordinator. Upon completion of the physical inventory, the Department should make all necessary adjustments to the asset management system to accurately reflect capital assets total.

Department personnel are not following State policies and procedures requiring inventory control and adequate equipment disposal. Further, the Department told us that the disposed asset issues we encountered were caused by a former employee responsible for the equipment disposal.

Equipment purchased with Federal Assistance Program funding and license revenue is at risk of loss, misuse, or theft. Additionally, the Department and the FWS cannot ensure that equipment purchased with Program funds is being used for its intended purpose or that license-funded equipment is used solely for fish and wildlife purposes.

## Recommendation

We recommend that the FWS work with the Department to:

8. Ensure that the official inventory records are updated regularly and accurately reflect the current location or disposition of each asset

### Department Response

The Department partially concurred with our finding and recommendation. According to the Department, some missing assets were inaccurately reported due to the time difference between the date of the property report and the actual date the property review was conducted. The Department also noted that not all disposed asset issues were due to a personnel problem. It will address the finding and recommendation in the corrective action plan.

### FWS Response

The FWS concurred with our finding and recommendation. It will work with the Department to develop a corrective action plan.

### OIG Comment

Based on the Department's response, we agree that there was a time difference between the date of the property report and the actual date the property review was conducted. We took that information into consideration when reviewing the supporting documentation provided. We also noted that all the issues were not due to a personnel problem. We received copies of some of the transfer forms and noted the inventory records were not always updated within a reasonable amount of time. We did not receive all of the copies of the transfer forms, lost or stolen forms, or disposal forms we requested. The Department told us it was unable to locate all of the paperwork. Based on the Department's and the FWS' responses, we consider Recommendation 8 resolved but not implemented (see Appendix 3).

## D. Duplicate Hunting and Fishing Licenses

For license year 2015, the Department double-counted certain resident hunting and fishing licenses. This led to the Department overstating its hunting license count by 950 (see Figure 4) and its fishing license count by 2,500 (see Figure 5). By not eliminating duplicate fishing and hunting licenses, the Department reported a higher number of license certifications, potentially resulting in a larger apportionment of Program funds.

<b>Hunting License Holders</b>	<b>State Count</b>	<b>OIG Count</b>	<b>Duplicates</b>
Residents – Hunting Only	31,427	31,289	138
Residents – Combination	174,840	174,282	558
Nonresidents – Hunting Only	13,259	13,171	88
Nonresidents – Combination	33,886	33,720	166
<b>Total</b>	<b>253,412</b>	<b>252,462</b>	<b>950</b>

Figure 4. Duplicate hunting license holders.

<b>Fishing License Holders</b>	<b>State Count</b>	<b>OIG Count</b>	<b>Duplicates</b>
Residents – Fishing Only	93,006	92,439	567
Residents – Combination	174,840	174,282	558
Nonresidents – Fishing Only	156,030	154,821	1,209
Nonresidents – Combination	33,886	33,720	166
<b>Total</b>	<b>457,762</b>	<b>455,262</b>	<b>2,500</b>

Figure 5. Duplicate fishing license holders.

Regulation (50 C.F.R. § 80.30) requires each State to certify, annually, the number of paid hunting and fishing license holders to the FWS. According to 50 C.F.R. § 80.31(b)(3), fish and wildlife agencies are responsible for eliminating multiple counting of the same individuals in the information certifying the number of paid license holders.

In our 2014 audit report, we found that the Department was not eliminating duplicate license holders. In response to our report, the Department changed its system codes to report calculations for the gross number of license holders, potential duplicates, and the net numbers with duplicates removed. Therefore, the Department reported the recommendation as closed.

After we notified the Department of the issue during our current audit, the Department amended the license certification with the corrected numbers. The Montana bureau chief for Federal assistance and compliance was unsure why the report did not show the net numbers with the identified duplicates removed for the license year in question, as the Department did not have issues in subsequent reports.

## Recommendation

We recommend that the FWS work with the Department to:

9. Develop and implement procedures to review reports for potential calculation errors before reporting on license certifications in the future

### Department Response

The Department concurred with our finding and recommendation. It will address the finding and recommendation in the corrective action plan.

### FWS Response

The FWS concurred with our finding and recommendation. It will work with the Department to develop a corrective action plan.

### OIG Comment

Based on the Department's and the FWS' responses, we consider Recommendation 9 resolved but not implemented (see Appendix 3).

## Observation Regarding Real Property Records

In our 2014 report, we noted that the Department had not reconciled its Program-funded, real property records with FWS records. We recommended that the FWS work with the Department to reconcile their respective records pertaining to lands purchased with Program funds. While the FWS and the Department agreed that they have not reconciled the real property records, the Department has provided all necessary records to the FWS. Therefore, we are not reporting a repeat finding. The FWS and the Department have coordinated to make any necessary modifications to the data, correct errors, and exchange additional information and source documents where needed. The FWS needs to conduct a final evaluation of all documents and data to determine if discrepancies exist between the data the Department provided and the data the FWS extracted from grant records. We will include this issue in a management advisory to the FWS.

# Appendix I

**State of Montana**  
**Fish, Wildlife, and Parks**  
**Grants Open During the Audit Period**  
**July 1, 2015, Through June 30, 2017**

We questioned \$794,029 due to unsupported in-kind contributions. We also identified unsupported other direct costs of \$1,068 in license revenue.

<b>FBMS Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs</b>	<b>Questioned Costs Ineligible</b>	<b>Questioned Costs Unsupported</b>
FI1AF01282	\$533,974	\$416,695	\$0	\$0
FI3AF00104	296,876	180,980	0	0
FI3AF00116	56,237	56,237	0	0
FI4AF00109	1,319,278	933,736	0	0
FI4AF00439	15,733	15,733	0	0
FI4AF00714	961,059	961,059	0	0
FI4AF01028	74,590	74,590	0	0
FI4AF01091	128,425	127,340	0	0
FI5AF00010	12,505,000	6,219,723	0	0
FI5AF00022	635,083	361,115	0	0
FI5AF00097	275,105	275,001	0	0
FI5AF00176	160,000	159,737	0	0
FI5AF00204	97,120	93,688	0	0
FI5AF00404	59,325	33,185	0	0
FI5AF00452	281,707	552,866	0	0
FI5AF00488	1,062,389	1,060,436	0	0
FI5AF00489	574,622	574,622	0	0
FI5AF00490	1,568,392	448,566	0	0
FI5AF00491	524,276	524,276	0	393,207
FI5AF00527	3,050,497	2,644,264	0	0
FI5AF00528	5,216,471	2,717,378	0	0
FI5AF00529	667,224	844,419	0	0
FI5AF00531	5,946,618	4,835,271	0	0
FI5AF00532	4,158,045	4,158,045	0	0

<b>FBMS Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs</b>	<b>Questioned Costs Ineligible</b>	<b>Questioned Costs Unsupported</b>
FI5AF00533	\$7,702,574	\$7,702,574	\$0	\$0
FI5AF00534	7,330,282	7,116,857	0	0
FI5AF00535	987,246	986,075	0	0
FI5AF00605	3,572,351	3,613,833	0	0
FI5AF00619	57,349	48,507	0	0
FI5AF00620	3,620,596	3,700,319	0	0
FI5AF00916	76,967	56,911	0	0
FI5AF01050	60,000	57,170	0	0
FI5AF01166	191,596	0	0	0
FI6AF00108	1,476,254	541,533	0	0
FI6AF00109	1,031,447	255,408	0	0
FI6AF00124	652,000	652,000	0	0
FI6AF00233	1,414,496	1,400,414	0	0
FI6AF00234	250,000	233,886	0	0
FI6AF00293	856,307	96,504	0	0
FI6AF00294	1,074,152	155,811	0	0
FI6AF00359	96,043	0	0	0
FI6AF00516	56,360	56,042	0	0
FI6AF00603	534,428	534,428	0	400,822
FI6AF00612	945,627	919,875	0	0
FI6AF00643	56,030	49,232	0	0
FI6AF00649	287,920	485,403	0	0
FI6AF00660	3,000,581	3,000,581	0	0
FI6AF00661	3,976,486	3,977,026	0	0
FI6AF00662	3,520,825	3,333,143	0	0
FI6AF00663	666,305	735,110	0	0
FI6AF00865	11,286,816	11,266,971	0	0
FI6AF00970	107,686	103,979	0	0
FI6AF01082	168,140	0	0	0
FI6AF01118	508,493	49,063	0	0
FI6AF01144	335,000	287,574	0	0
FI6AF01202	876,309	55,567	0	0

<b>FBMS Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs</b>	<b>Questioned Costs Ineligible</b>	<b>Questioned Costs Unsupported</b>
FI7AF00170	\$2,327,200	\$1,476,190	\$0	\$0
FI7AF00257	1,519,796	1,517,609	0	0
<b>Totals</b>	<b>\$100,791,708</b>	<b>\$82,734,556</b>	<b>\$0</b>	<b>\$794,029</b>

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# Appendix 2

## State of Montana Fish, Wildlife, and Parks Sites Visited

### Headquarters

Helena, MT

### Regional Offices

Region 5, Billings, MT  
Region 7, Miles City, MT

### Fish Hatcheries

Bluewater Springs Trout Hatchery  
Miles City Fish Hatchery  
Yellowstone River Trout Hatchery

### Wildlife Management Areas

Amelia Island  
Big Lake  
Elk Island  
Grant Marsh  
Haymaker  
Isaac Homestead  
Seven Sisters  
Silver Run  
Yellowstone

### Fishing Access

Amelia Island  
Boulder Forks  
Cliff Swallow  
Elk Island  
Grant Marsh  
Manuel Lisa  
Myers Bridge  
Seven Sisters

### Boating Access

Cooney  
South Sandstone  
West Rosebud

# Appendix 3

**State of Montana  
Fish, Wildlife, and Parks  
Status of Audit Recommendations**

<b>Recommendations</b>	<b>Status</b>	<b>Action Required</b>
1 – 9	<p>We consider the recommendations resolved but not implemented.</p> <p>U.S. Fish and Wildlife Service (FWS) regional officials concurred with the findings and recommendations and will work with the State of Montana Fish, Wildlife, and Parks staff to develop and implement a corrective action plan that will resolve all findings and recommendations.</p>	<p>Complete a corrective action plan that includes information on actions taken or planned to address the recommendations, target dates and title(s) of the official(s) responsible for implementation, and verification that FWS Headquarters officials reviewed and approved the actions taken or planned by the State.</p> <p>We will refer the recommendations not implemented at the end of 90 days (May 5, 2020) to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.</p>

