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INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

The Bureau of Indian Affairs Great Plains Region Did Not Oversee CARES Act Funds Appropriately




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FEB 10 2023

Memorandum

To: Darryl LaCounte
Director, Bureau of Indian Affairs

From: Kathleen Sedney 
Assistant Inspector General for Audits, Inspections, and Evaluations

Subject: Final Management Advisory – *The Bureau of Indian Affairs Great Plains Region Did Not Oversee CARES Act Funds Appropriately*
Report No. 2021–FIN–032

This management advisory is to notify you of oversight issues identified during our three audits of Coronavirus Aid, Relief, and Economic Security Act (CARES Act)¹ funds awarded by the Bureau of Indian Affairs (BIA) to three Tribes in the Great Plains Region: the Lower Brule Sioux Tribe,² the Three Affiliated Tribes,³ and the Omaha Tribe of Nebraska.⁴

While we found that the BIA offered guidance and resources to the Tribes regarding the influx of CARES Act funding, we determined that BIA Great Plains Region officials did not hold the Tribes accountable for submitting CARES Act financial reports or narrative reports. These Federal Financial Reports (FFRs) and Annual Narrative Reports are two of the main oversight mechanisms available to the BIA to ensure that funds are used appropriately and agreement objectives are achieved.

Specifically, the BIA's agreements⁵ with the Tribes included instructions for submitting the required FFRs. Moreover, in July 2020, BIA issued [Frequently Asked Questions \(FAQs\)](#) regarding CARES Act funding, which included a requirement for separate reporting. The BIA officials clarified to Tribes that the FAQ guidance explained that each Tribe was required to submit a separate FFR solely for the CARES Act funds. Tribes are required to use FFRs to report cash received, cash disbursed, cash on hand, and Federal funds expended. Despite these requirements and the fact that FFRs are the primary reporting mechanism for BIA officials to monitor Tribes' use of the funds, none of the Tribes we audited had submitted CARES Act FFRs

¹ Public Law No. 116–136, 134 Stat. 281, 546, Title VII (2020), provided the BIA \$453 million to support “Operation of Indian Programs.”

² *The Lower Brule Sioux Tribe Did Not Account for CARES Act Funds Appropriately* (Report No. 2021–FIN–032–A), issued in September 2022.

³ *The Three Affiliated Tribes Did Not Account for CARES Act Funds Appropriately* (Report No. 2021–FIN–032–C), issued in September 2022.

⁴ *The Omaha Tribe of Nebraska Did Not Account for CARES Act Funds Appropriately* (Report No. 2021–FIN–032–B), issued in December 2022.

⁵ The agreements were awarded under the Indian Self-Determination and Education Assistance Act, Public Law No. 93–638 (as amended), which gives Indian Tribes the authority to contract with the Federal Government to operate programs serving their tribal members and other eligible persons.

before we initiated our audits. As of October 12, 2022, all three Tribes had delinquent CARES Act FFRs. See the Attachment for a list of the delinquent CARES Act FFRs.

In addition to the FFRs and pursuant to the agreements, all Tribes were required to submit an Annual Narrative Report within 90 days of the end of each Federal fiscal year; however, we found that none of the Tribes submitted one for fiscal year 2020 or 2021. The Annual Narrative Report is the document in which the Tribes are required to identify how they are using the funds and discuss any problems they encountered during the year. With the significant influx of CARES Act funds, the BIA has a particular need to obtain and review the Annual Narrative Reports to gain insight into potential problems with capacity or challenges with the funding.

Because the BIA Great Plains Region did not obtain and review timely FFRs and Annual Narrative Reports, the BIA was unable to appropriately oversee and monitor tribal CARES Act expenditures. During our three audits of the Tribes, we reviewed over \$1.5 million in CARES Act expenditures and questioned nearly half of that amount. The submission of the required reports may not have directly prevented the issues we identified, but, by obtaining and reviewing the reports, the BIA would have had a greater opportunity to address these deficiencies sooner or avoid them entirely.

The lack of appropriate oversight occurred because BIA officials were not aware of their agreement responsibilities, did not have formal training, and did not have written policies or procedures for reviewing these reports. Moreover, during our interviews with Awarding Officials (AOs) and Awarding Official's Technical Representatives,⁶ these individuals expressed confusion regarding responsibility for reviewing the reports and opined that they needed additional training to complete these required oversight functions.

We provided a draft of this report to the BIA for review. The BIA concurred with all recommendations. We consider all recommendations resolved but not implemented. Below we summarize the BIA's response to our recommendations, as well as our comments on their responses. See Attachment 2 for the full text of the BIA's response; Attachment 3 lists the status of each recommendation.

We recommend that the BIA Great Plains Region:

1. Develop and implement a process to acquire the delinquent CARES Act Federal Financial Reports and Annual Narrative Reports identified in the Attachment of this management advisory.

BIA Response: The BIA concurred with the recommendation and stated that the BIA Great Plains Region staff will work to implement the recommendation by May 6, 2023.

⁶ The AO is the Self-Determination Officer or Self-Determination Specialist. The AO is responsible for the oversight and administration of contracts and grants issued pursuant to Public Law No. 93-638. For example, their responsibilities include ensuring financial and narrative reports are received in compliance with BIA requirements. The AO has the authority to appoint a technical representative to provide programmatic and administrative support.

OIG Comment: Based on the BIA's response, we consider Recommendation 1 resolved but not implemented. We will close this recommendation when the BIA provides documentation demonstrating that it has developed and implemented a process to acquire, and has acquired, the delinquent CARES Act Federal Financial Reports and Annual Narrative Reports identified in Attachment 1 of this management advisory.

2. Develop a process to identify and address any other delinquent CARES Act Federal Financial Reports and Annual Narrative Reports.

BIA Response: The BIA concurred with the recommendation and stated that the BIA Great Plains Region staff will work to implement the recommendation by May 6, 2023.

OIG Comment: Based on the BIA's response, we consider Recommendation 2 resolved but not implemented. We will close this recommendation when the BIA provides documentation demonstrating that it has developed a process to identify and address any other delinquent CARES Act Federal Financial Reports and Annual Narrative Reports.

3. Develop and implement written policies and procedures that describe the roles and responsibilities of BIA officials and the review processes for Federal Financial Reports and Annual Narrative Reports to ensure submitted reports are complete, accurate, and address areas of concern.

BIA Response: The BIA concurred with the recommendation and stated that the BIA Great Plains Region staff will work to implement the recommendation by May 6, 2023.

OIG Comment: Based on the BIA's response, we consider Recommendation 3 resolved but not implemented. We will close this recommendation when the BIA provides documentation demonstrating that it has developed and implemented written policies and procedures that describe the roles and responsibilities of BIA officials and the review processes for Federal Financial Reports and Annual Narrative Reports to ensure submitted reports are complete, accurate, and address areas of concern.

4. In accordance with developed and implemented written policies and procedures, provide and track annual training for BIA officials responsible for reviewing Federal Financial Reports and Annual Narrative Reports.

BIA Response: The BIA concurred with the recommendation and stated that the BIA Great Plains Region staff will work to implement the recommendation by May 6, 2023.

OIG Comment: Based on the BIA's response, we consider Recommendation 4 resolved but not implemented. We will close this recommendation when the BIA provides documentation demonstrating that it has developed, provided, and

tracked annual training for BIA officials responsible for reviewing Federal Financial Reports and Annual Narrative Reports.

We will refer Recommendations 1 through 4 to the Office of Policy, Management and Budget for implementation tracking and to report to us on their status. In addition, we will notify Congress about our findings, and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented.

The information in this management advisory will be included in our semiannual report to Congress, and we will publish a public version of this report on our website, including your written response, no later than 3 days from the date we issue it to you in final form. If you have any questions about this report, please call me at 202–208–5745.

Attachments (3)

Attachment 1: Delinquent CARES Act FFRs as of October 12, 2022

Report Date	Lower Brule Sioux Tribe Agreement Nos. A20AV00168 and A18AV00084*		Omaha Tribe of Nebraska Agreement No. A20AV00164†		Three Affiliated Tribes Agreement No. A18AV00212*	
	Required	Submitted	Required	Submitted	Required	Submitted
June 30, 2020	Yes	No	No	N/A	Yes	No
Sep 30, 2020	Yes	No	Yes	No	Yes	Yes
Dec 31, 2020	Yes	No	No	N/A	Yes	No
March 31, 2021	Yes	No	Yes	No	Yes	No
June 30, 2021	Yes	No	No	N/A	Yes	No
Sep 30, 2021	Yes	No	Yes	No	Yes	Yes
Dec 31, 2021	Yes	No	No	N/A	Yes	Yes
March 31, 2022	Yes	No	Yes	No	Yes	No
June 30, 2022	Yes	No	No	N/A	Yes	No
Sep 30, 2022	Yes	No	Yes	No	Yes	No

* The Lower Brule Tribe and Three Affiliated Tribes are required to submit FFRs on a quarterly basis in accordance with their agreements.

† The Omaha Tribe of Nebraska is required to submit FFRs semiannually in accordance with their agreement.

Source: BIA

Attachment 2: Response to Draft Report

The Bureau's response to our draft management advisory follows on page 7.



United States Department of the Interior

BUREAU OF INDIAN AFFAIRS
Great Plains Regional Office
115 Fourth Avenue SE, Suite 400
Aberdeen, South Dakota 57401

IN REPLY REFER TO:

Branch Name

MC-100

January 6, 2023

Memorandum

To: Office of the Inspector General

From: Gregg J. Bourland, Acting Regional Director, Great Plains Region

GREGG
BOURLAND

Digitally signed by
GREGG BOURLAND
Date: 2023.01.06
16:31:40 -06'00'

Subject: OIG Report No. 2021–FIN–032: BIA/Great Plains Region

This is in response to the Great Plains Region providing the OIG with our signed written response to this OIG Report No. 2021–FIN–032: BIA/Great Plains Region advisory. Our response is to concur with the report. We will work with our staff to implement the recommendations in the advisory, that being:

1. Develop and implement a process to acquire the delinquent CARES Act Federal Financial Reports and Annual Narrative Reports identified in the Attachment of this management advisory.
2. Develop a process to identify and address any other delinquent CARES Act Federal Financial Reports and Annual Narrative Reports.
3. Develop and implement written policies and procedures that describe the roles and responsibilities of BIA officials and the review processes for Federal Financial Reports and Annual Narrative Reports to ensure submitted reports are complete, accurate, and address areas of concern.
4. In accordance with developed and implemented written policies and procedures, provide and track annual training for BIA officials responsible for reviewing Federal Financial Reports and Annual Narrative Reports.

We will establish a target date of 120 days from the date of this memo. The officials responsible for implementing these actions are Gregg Bourland, Deputy Regional Director – Trust and Diane Mann-Klager, Deputy Regional Director – Indian Services who will also be the POC. Please do not hesitate to contact Ms. Mann-Klager at 605-226-7343, for any questions.

Attachment 3: Status of Recommendations

Recommendation	Status	Action Required
1-4	Resolved but not implemented	We will refer these recommendations to the Office of Policy, Management and Budget to track implementation.



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