



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

# **The Omaha Tribe Did Not Account for CARES Act Funds Appropriately**

**This is a revised version of the report prepared for public release.**




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

**DEC 29 2022**

Memorandum

To: Darryl LaCounte  
Director, Bureau of Indian Affairs

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

Subject: Final Audit Report – *The Omaha Tribe Did Not Account for CARES Act Funds Appropriately*  
Report No. 2021–FIN–032–B

This memorandum transmits the results of our audit of Agreement No. A20AV00164 between the Bureau of Indian Affairs (BIA) and the Omaha Tribe of Nebraska. We conducted this audit to determine whether the Omaha Tribe complied with the requirements in the agreement and whether incurred costs were allowable, allocable, and reasonable in accordance with applicable Federal laws and regulations.

We will refer Recommendations 1–7 to the Office of Policy, Management and Budget for resolution and 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. We will also post a public version of this report on our website.

If you have any questions about this report, please call me at 202–208–5745.

---

# Contents

Results in Brief ..... 1

Introduction..... 2

    Objectives.....2

    Background.....2

Results of Audit ..... 4

    The Omaha Tribe Did Not Maintain Sufficient Documentation for Hazard Pay—\$239,803 .....4

    The Omaha Tribe Recorded Expenses for Goods Not Purchased—\$42,067 .....6

    The Omaha Tribe Misallocated Costs—\$10,792 .....7

    The Omaha Tribe Did Not Follow Federal Regulations for Property Records .....8

Conclusion and Recommendations..... 10

    Conclusion .....10

    Recommendations Summary .....10

Appendix 1: Scope and Methodology..... 13

Appendix 2: Monetary Impact ..... 15

Appendix 3: Response to Draft Report..... 16

Appendix 4: Status of Recommendations..... 22

---

# Results in Brief

## What We Audited

The Bureau of Indian Affairs (BIA) awarded the Omaha Tribe of Nebraska \$1,644,267 in Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funds through Agreement No. A20AV00164. These funds must be used for preventing, preparing for, and responding to the COVID-19 pandemic. We conducted this audit to determine whether the Omaha Tribe complied with the requirements in Agreement No. A20AV00164 with the BIA and whether incurred costs were allowable, allocable, and reasonable in accordance with Federal laws and regulations. The population of expenses tested totaled \$1,007,315 (73 percent of \$1,372,269 in costs incurred as of March 1, 2021).

## What We Found

We found that the Omaha Tribe did not comply with applicable Federal regulations and agreement terms. Specifically, we found that the Omaha Tribe did not maintain the required supporting documentation for hazard pay and incurred costs that were unreasonable and not allocable to CARES Act funding under Agreement No. A20AV00164. As a result, we questioned a total of \$292,662 (29 percent) of the transactions selected for testing. We also found that the Omaha Tribe did not maintain property records in accordance with applicable laws and regulations.

## Why This Matters

To ensure compliance with governing law and to promote accountability and proper oversight of CARES Act funds distributed by the BIA and spent by the Omaha Tribe, the BIA and the Omaha Tribe should be appropriately tracking and monitoring CARES Act expenditures. Moreover, the Omaha Tribe did not provide sufficient supporting documentation; without proper procedures in place to ensure expenditures are documented, there is a significant risk of fraud, waste, and abuse of Federal funds.

## What We Recommend

We make seven recommendations to help the BIA provide oversight and assist the Omaha Tribe in accounting for and monitoring CARES Act funds provided by the Federal Government.

---

# Introduction

## Objectives

We conducted this audit to determine whether the Omaha Tribe of Nebraska complied with the requirements in Agreement No. A20AV00164 with the U.S. Department of the Interior’s (DOI’s) Bureau of Indian Affairs (BIA) and whether incurred costs were allowable, allocable, and reasonable in accordance with applicable Federal laws and regulations.

See Appendix 1 for the audit scope and methodology.

## Background

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Pub. L. No. 116–136, 134 Stat. 281, which provided the BIA with \$453 million to support “Operation of Indian Programs.” Among the areas on which the BIA could spend the funding were:

- Public safety and justice programs.
- Deep cleaning of facilities.
- Purchase of personal protective equipment.
- Information technology to improve teleworking capability.
- Welfare assistance and social services programs (including assistance to individuals).
- Assistance to tribal governments.<sup>1</sup>

The BIA awarded \$1,644,267 in CARES Act funds to the Omaha Tribe through modifications to its existing Agreement No. A20AV00164 (see Figure 1).

---

<sup>1</sup> CARES Act, Pub. L. 116–136, 134 Stat. 281, 546, Title VII (2020).

**Figure 1: CARES Act Funds Provided  
Through Agreement No. A20AV00164**

<b>Modification No.*</b>	<b>Date Awarded</b>	<b>Amount (\$)</b>
5	April 16, 2020	1,500,382
6	May 8, 2020	63,371
8	August 31, 2020	80,514
<b>Total Awarded</b>		<b>\$1,644,267</b>

\* Modification Nos. 1 through 4 and 7 are not listed because they did not provide CARES Act funds.

---

## Results of Audit

We found the Omaha Tribe did not comply with the requirements in Agreement No. A20AV00164 and all applicable Federal laws and regulations. Specifically, the Tribe did not maintain required supporting documentation for hazard pay, and it misallocated costs to Agreement No. A20AV00164 that should have been allocated to another Government agency. Furthermore, the Omaha Tribe had deficient internal controls over recording expenses and maintaining property records. These deficiencies occurred because the Tribe did not follow the CARES Act modification requirements and other applicable BIA guidance. As a result, we questioned a total of \$292,662 of incurred costs to Agreement No. A20AV00164 as unreasonable and not allocable to the BIA CARES Act funding.

See Appendix 2 for a summary of the monetary impact of these questioned costs.

### **The Omaha Tribe Did Not Maintain Sufficient Documentation for Hazard Pay—\$239,803**

We examined \$482,918 in hazard pay and questioned \$239,803 of the costs incurred. The Omaha Tribe recorded two hazard payments (referred to as Payment 1 and Payment 2 below) in its general ledger for work performed from March to September 2020. We found that the Omaha Tribe did not maintain justifications for hazard payments totaling almost \$30,000 and, moreover, failed to provide required supporting documentation for the remainder of the amount we questioned.

The Omaha Tribe passed a tribal resolution on May 18, 2020, that provided a [REDACTED] per hour increase for high-risk healthcare workers and other “essential workers” and a [REDACTED] per hour increase for employees who have or are expected to have a combination of telework and onsite hours (“Other Workers”). The pay increase for “Other Workers” applied to all hours, regardless of whether they were worked on site or remotely. These costs were paid from CARES Act funds.

Costs of compensation are allowable only to the extent that they satisfy specific Federal regulatory requirements and the total compensation for individual employees is “reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities.”<sup>2</sup> In addition:

Compensation for employees engaged in work on Federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the non-Federal entity. In cases where the kinds of employees required for Federal awards are not found in the other activities of the non-Federal entity, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the non-Federal entity competes for the kind of employees involved.<sup>3</sup>

---

<sup>2</sup> 2 C.F.R. § 200.430, “Compensation - personal services.”

<sup>3</sup> *Id.*

Although the Omaha Tribe had a written resolution to authorize a [REDACTED] increase in hourly pay to those classified as “Other Workers,” it could not demonstrate that the pay increase applicable to all hours was reasonable. While providing hazard duty payments to essential workers that had an increased risk of contracting COVID–19 due to their job duties requiring work to be performed on site appears reasonable, we found that the Tribe had no documentation demonstrating how employees working from home would be at an increased risk for COVID–19 exposure due to their jobs even though the pay increase applied to *all* hours, not just those on site. We also noted that the Omaha Tribe did not document when employees were teleworking versus working from the jobsite or demonstrate that the pay increase was comparable to increases for similar work in the labor market.

We asked for documentation supporting the decision to make “Other Workers” eligible for hazard pay, but the Omaha Tribe stated that no documentation or justification was available. Because the Omaha Tribe was unable to provide sufficient supporting documentation<sup>4</sup> for the total amount of hazard pay that showed a breakdown by employee that included the job title, hours worked as properly recorded for hazardous conditions, and hazard pay rate, we concluded the [REDACTED] increase paid to “Other Workers” is not reasonable. Therefore, we questioned \$29,574, including \$23,612 in labor costs and indirect costs of \$5,962 for Hazard Payment 1.

We also found that the supporting documentation for Hazard Payment 1 did not match the amount recorded in the general ledger. We found that the general ledger amount was \$22,228 more than the amount listed in the supporting documentation. The Omaha Tribe could not reconcile this difference. We applied the applicable indirect costs,<sup>5</sup> which resulted in a total of \$27,841 in additional questioned costs for Hazard Payment 1.

Finally, we found that the supporting documentation for Hazard Payment 2 was not adequately documented, as it did not contain a breakdown by employee that included the job title, hours worked as properly recorded for hazardous conditions, and hazard pay rate as required by 2 C.F.R. 200.403(g). We were unable to review Hazard Payment 2; therefore, we questioned the entire payment and applicable indirect costs totaling \$182,388.

We summarize the questioned hazard payments and the associated indirect costs issued to employees in Figure 2.

---

<sup>4</sup> 2 C.F.R. § 200.403(g) provides guidance on documentation requirements for allowable costs.

<sup>5</sup> Agreement No. A20AV00164 defines indirect costs as “costs incurred for a common or joint purpose benefiting more than one contract objective or which are not readily assignable to the contract objectives specifically benefited without effort disproportionate to the results achieved.”



**Figure 2: Agreement No. A20AV00164 Hazard Pay Costs**

Description	Hazard Pay Costs (\$)		Indirect Costs (\$)*		Total Costs (\$)	
	Incurred	Questioned	Incurred	Questioned	Incurred	Questioned
Payment 1	239,944	45,840	60,586	11,575	300,530	57,415
Payment 2	148,391	148,391	33,997	33,997	182,388	182,388
<b>Total</b>	<b>\$388,335</b>	<b>\$194,231</b>	<b>\$94,583</b>	<b>\$45,572</b>	<b>\$482,918</b>	<b>\$239,803</b>

\* Indirect costs were applied to hazard pay costs at a rate of 25.25 for Payment 1 and 22.91 percent for Payment 2.

<b>Recommendations</b>
<p>We recommend that the BIA:</p> <ol style="list-style-type: none"> <li>1. Resolve the unreasonable hazard pay costs of \$29,574 by requiring the Omaha Tribe to perform an analysis of the costs incurred to applicable criteria and document its determination of reasonableness.</li> <li>2. Resolve the questioned hazard pay costs of \$27,841 for Payment 1 by requiring the Omaha Tribe to provide detailed reconciliation of incurred costs to supporting documentation.</li> <li>3. Resolve the questioned costs of \$182,388 for Payment 2 by requiring the Omaha Tribe to provide detailed complete supporting documentation for the hazard pay and indirect costs.</li> </ol>

## **The Omaha Tribe Recorded Expenses for Goods Not Purchased—\$42,067**

We found six transactions in our sample for which the Omaha Tribe recorded CARES Act expenses for items that were not actually purchased. These expenses represent 6 of 143 transactions selected for audit out of a population of 640.<sup>6</sup>

The Tribal Council approved \$42,067 for the purchase of computers, pens, computer cases, and a snowplow. We requested supporting documentation showing how these purchases were to prepare for, prevent, or respond to the COVID-19 pandemic. This request prompted additional inquiry by the Tribe, and according to a Tribal Council Finance Department official, checks were written in anticipation of ordering goods, but the items were never ordered. This occurred because employees outside of the Finance Department had access to checks without proper internal control over their custody and no monthly transaction reviews took place.

<sup>6</sup> Because we identified issues with the 6 transactions in the initial sample of 113, we expanded our sample to examine 30 additional transactions and did not find additional occurrences of the same concern.

After our request brought attention to these weaknesses, the Omaha Tribe took immediate action to void the checks, credit its general ledger, and change its procedures regarding the custody of checks. Accordingly, we questioned \$42,067 in costs pursuant to 2 C.F.R. § 200.405, “Allocable costs,” which states that a cost is chargeable if incurred for a Federal award or agreement. By questioning these costs, we are ensuring that the Omaha Tribe does not claim the costs as CARES Act-related and use the funding for expenditures unrelated to the agreement modification.

### **Recommendations**

We recommend that the BIA:

4. Review the Omaha Tribe’s revised policy regarding the custody of checks and document that proper controls have been implemented.
5. Resolve the questioned costs of \$42,067 by requiring the Omaha Tribe to provide a detailed list of the questioned transactions and voided checks to the BIA for its files to ensure these transactions are not claimed for reimbursement.

## **The Omaha Tribe Misallocated Costs—\$10,792**

We found that the Omaha Tribe allocated an expense for laptops to its BIA CARES Act agreement funds when the expense should have been allocated to the U.S. Department of Treasury CARES Act funds.

We asked the Omaha Tribe for whom the laptops were obtained and how the quantity to order was determined to ensure the purchase addressed the needs of the Tribe. In response to our inquiry, the Omaha Tribe stated, “[T]hese are eligible costs for COVID–19, just not from the BIA CARES, which is why we are moving the expenses to the Treasury CARES Act.” The Omaha Tribe also stated that this decision was “determined in a September 2020 Tribal Council meeting.” The Tribal Council meeting minutes, however, did not accurately reflect the six motions to correct this misallocation. Thus, the expense was not appropriately reallocated before our audit.

As a result, we questioned \$10,792 in accordance with 2 C.F.R. § 200.405, which states that a cost is chargeable if incurred specifically for a particular Federal award or agreement. Knowing that each CARES Act funding source had a specific purpose, the Omaha Tribe should have identified the funding source during the determination of the need and allocated the expense appropriately.

## Recommendation

We recommend that the BIA:

6. Resolve the questioned costs of \$10,792 by requiring the Omaha Tribe to reallocate these costs to the appropriate funding source.

## The Omaha Tribe Did Not Follow Federal Regulations for Property Records

We found that the Omaha Tribe did not maintain complete property records for assets purchased with BIA CARES Act funds. Omaha Tribe officials expressed concerns regarding assets. These concerns arose due to the lack of a central property department and uncertainty about the location of property, which led us to test a significant number of transactions. From our sample of 113 transactions, we identified 9 property items (including vehicles, a steel spreader, a pavement saw, and a plasma cutter) each valued at over \$5,000, to examine further because of their high risk for loss.

Federal regulations explain:

Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property . . . , who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.<sup>7</sup>

The Omaha Tribe's policy requires program directors to maintain an inventory of property and the procurement officer to request and track each program's assets. We requested supporting documentation in keeping with this policy, and the Omaha Tribe provided memoranda from the directors of the Roads and Realty Departments. These memoranda listed names, locations, and whether each asset is readily available for emergency management support. However, other required information was missing. In particular, the Omaha Tribe did not have a complete property record that included all of the following: identification number, source of funding, titleholder, acquisition dates, cost, percentage of Federal participation, use and condition, and applicable disposition data, including the date of disposal and sale price. This is inconsistent with Federal requirements.<sup>8</sup>

---

<sup>7</sup> 2 C.F.R. § 200.313(d)(1).

<sup>8</sup> *Id.*

Complete property records provide pertinent information to property managers who act as an internal control protecting against the misappropriation of assets. Property records also help accountants create accurate financial records for reports to stakeholders.

<b>Recommendation</b>
We recommend that the BIA:  7. Require the Omaha Tribe to revise its policy to ensure a complete property record for CARES Act-funded assets in accordance with 2 C.F.R. § 200.313(d)(1).

---

# Conclusion and Recommendations

## Conclusion

The Omaha Tribe did not comply with the requirements in Agreement No. A20AV00164 and all applicable Federal laws and regulations. We found that the Tribe did not maintain the required supporting documentation for hazard pay and incurred costs that were not reasonable and not allocable to CARES Act funding under Agreement No. A20AV00164. The Tribe also did not maintain complete property records.

These deficiencies occurred because the Omaha Tribe did not appropriately account for the BIA funds and did not have proper controls to ensure that property records were complete and incurred costs are allowable, allocable, and reasonable in accordance with applicable Federal laws and regulations.

We make seven recommendations to help the BIA and the Omaha Tribe account for and monitor CARES Act funds provided by the Federal Government.

## Recommendations Summary

We provided a draft of this report to the BIA for review. The BIA concurred with all recommendations and stated that there had been an “initial review of the findings” with the Tribe but that the Tribe had “not provided any additional documentation” reflecting corrections or adjustments that may have been made. We consider all recommendations resolved but not implemented. See Appendix 3 for the full text of the BIA’s response; Appendix 4 lists the status of each recommendation.

We recommend that the BIA:

1. Resolve the unreasonable hazard pay costs of \$29,574 by requiring the Omaha Tribe to perform an analysis of the costs incurred to applicable criteria and document its determination of reasonableness.

**Bureau Response:** The BIA concurred with the recommendation and described actions it would take to resolve the questioned costs. The BIA determined that an analysis response with determination of reasonableness from the Tribe is due December 31, 2022.

**OIG Comment:** We consider Recommendation 1 resolved but not implemented.

2. Resolve the questioned hazard pay costs of \$27,841 for Payment 1 by requiring the Omaha Tribe to provide detailed reconciliation of incurred costs to supporting documentation.

**Bureau Response:** The BIA concurred with the recommendation and described actions it would take to resolve the questioned costs. The BIA determined that a detailed reconciliation from the Tribe is due December 31, 2022.

**OIG Comment:** We consider Recommendation 2 resolved but not implemented.

3. Resolve the questioned costs of \$182,388 for Payment 2 by requiring the Omaha Tribe to provide detailed complete supporting documentation for the hazard pay and indirect costs.

**Bureau Response:** The BIA concurred with the recommendation and described actions it would take to resolve the questioned costs. The BIA determined that detailed supporting documentation for hazard pay and indirect costs is due from the Tribe by December 31, 2022.

**OIG Comment:** We consider Recommendation 3 resolved but not implemented.

4. Review the Omaha Tribe's revised policy regarding the custody of checks and document that proper controls have been implemented.

**Bureau Response:** The BIA concurred with the recommendation and described actions it would take to resolve the questioned costs. The BIA determined that the policy and implementation information for the proper control of checks was due from the Tribe by November 15, 2022.

**OIG Comment:** We consider Recommendation 4 resolved but not implemented. The BIA should revise this target date since it has passed.

5. Resolve the questioned costs of \$42,067 by requiring the Omaha Tribe to provide a detailed list of the questioned transactions and voided checks to the BIA for its files to ensure these transactions are not claimed for reimbursement.

**Bureau Response:** The BIA concurred with the recommendation and described actions it would take to resolve the questioned costs. The BIA determined that a detailed general ledger of questioned transactions and voided checks was due by November 15, 2022.

**OIG Comment:** We consider Recommendation 5 resolved but not implemented. The BIA should revise this target date since it has passed.

6. Resolve the questioned costs of \$10,792 by requiring the Omaha Tribe to reallocate these costs to the appropriate funding source.

**Bureau Response:** The BIA concurred with the recommendation and described actions it would take to resolve the questioned costs. The BIA determined that a detailed general ledger showing reallocation to Treasury CARES funding was due by November 15, 2022.

**OIG Comment:** We consider Recommendation 6 resolved but not implemented. The BIA should revise this target date since it has passed.

7. Require the Omaha Tribe to revise its policy to ensure a complete property record for CARES Act-funded assets in accordance with 2 C.F.R. § 200.313(d)(1).

**Bureau Response:** The BIA concurred with the recommendations and described actions it would take to resolve the questioned costs. The BIA determined that a revised policy for property records for CARES Act-funded assets is due by December 31, 2022.

**OIG Comment:** We consider Recommendation 7 resolved but not implemented.

---

# Appendix 1: Scope and Methodology

## Scope

We audited the incurred costs of the Omaha Tribe of Nebraska under Agreement No. A20AV00164 with the Bureau of Indian Affairs (BIA). We examined \$1,007,315 of \$1,372,269 of costs incurred by the Omaha Tribe from March 13, 2020, through March 1, 2021. As part of our audit, we reviewed the Tribe's compliance with agreement requirements, applicable Federal and regulations, and BIA guidance.

As a result of the COVID-19 pandemic, we could not complete site visits or review original records. We gathered data remotely and relied upon video conferences, emails, and telephone calls to substantiate our findings and conclusions.

## Methodology

We conducted this performance 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.

We assessed whether internal control was significant to the audit objectives. We determined that the Omaha Tribe's control activities and the following related principles were significant to the audit objectives:

- Management designs appropriate types of control activities for the entity's internal control system.
- Management should use quality information to achieve the entity's objectives.
- Management should externally communicate the necessary quality information to achieve the entity's objectives.

We tested the operation and reliability of internal controls over activities related to our audit objectives. Our tests and procedures included:

- Review of Federal financial acquisition regulations, the terms and conditions of Agreement No. A20AV00164, and the Omaha Tribe's policies and procedures.
- Gathering background information on the scope of work for Agreement No. A20AV00164.
- Interviewing officials, including the Omaha Tribe's management and staff.



- Reviewing evidence that supported selected expenditures charged to the agreement.
- Testing the reliability of the Omaha Tribe’s financial management and payroll systems.

We found deficiencies in internal control that resulted in seven findings that the Omaha Tribe lacked the following: supporting documentation, documented reasonableness, custody of checks, and the ability to provide a complete property list.

We relied on computer-generated data provided by the Omaha Tribe for cost information and to select audit samples of payroll and other direct costs. To evaluate the accuracy of the data, we performed several analytical tests. Specifically, we:

- Reconciled data from the Omaha Tribe’s payroll system with payroll entries in its financial management system.
- Compared a sample of source documents to entries in the Omaha Tribe’s financial management and payroll systems to ensure that transactions were recorded properly.

To test payroll costs incurred under Agreement No. A20AV00164, we judgmentally selected a sample of 21 employees (70 transactions totaling \$52,924 of \$257,083 incurred) who charged time to the agreement and verified the total amount paid against timesheet and paystub details. We chose positions that represented COVID–19 Checkpoint Security employees and employees who charged a relatively large dollar amount of the incurred costs to the agreement. Additionally, we selected three lump-sum hazard payments identified as salary and wage transactions.

To test nonpayroll direct costs incurred under Agreement No. A20AV00164, we judgmentally selected 70 of 640 transactions totaling \$471,474 (34.4 percent) of the \$1,372,269 charged to Agreement No. A20AV00164 as of March 1, 2021. We chose transactions for the sample based on two risk factors: (1) high-dollar values and (2) transaction descriptions. We then reviewed source documents supporting the transactions, including audit trails, purchase orders, quotes, and vendor invoices.

Because we selected audit samples for testing judgmentally rather than statistically, we did not apply the results of our test to the total population of recorded transactions.

---

## Appendix 2: Monetary Impact

Agreement No. A20AV00164  
Questioned Costs (\$)

<b>Description</b>	<b>Not Allocable</b>	<b>Unreasonable</b>	<b>Unsupported</b>	<b>Total</b>
Hazard pay	-	29,574	210,229	239,803
Items not purchased	42,067	-	-	42,067
Not BIA related	10,792	-	-	10,792
<b>Total</b>	<b>\$52,859</b>	<b>\$29,574</b>	<b>\$210,229</b>	<b>\$292,662</b>

Abbreviation: BIA = Bureau of Indian Affairs

---

## **Appendix 3: Response to Draft Report**

The Bureau of Indian Affairs' response to our draft report follows on page 17.



# United States Department of the Interior

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

October 20, 2022

IN REPLY REFER TO:  
Self Determination  
MC-206A

## Memorandum

To: Darryl LaCounte, Director, Bureau of Indian Affairs  
Kathleen Sedney, Assistance Inspector General for Audits, Inspections and  
Evaluations

From: Timothy LaPointe, Regional Director, Great Plains Region

Subject: Single Audit Report No. 2021-FIN-032-B for the Omaha Tribe of Nebraska  
CARES Act Funding

The subject report identified seven findings with questioned costs totaling \$292,662. There was an initial review of the findings with the Omaha Tribe of Nebraska (Tribe) on September 6, 2022. The Tribe has not provided any additional documentation that reflects corrections or adjustments that may have already been made. The questioned costs of \$292,662 are being sustained at this time. An action item chart with deadlines is attached.

If you have any questions, please contact Krissanne Stevens, Self Determination Officer, Branch of Self Determination, at (605) 226-7426.

Attachment

<b>Action Item</b>	<b>Concurrence or Nonconcurrence including disallowed amounts</b>	<b>Actions taken by BIA</b>	<b>Target Date(s)</b>	<b>Tribal Official Responsible</b>
1. Resolve the unreasonable hazard pay costs of \$29,574 by requiring the Omaha Tribe to perform an analysis of the costs incurred to applicable criteria and document its determination of reasonableness.	Concur - \$29,574 in questioned costs sustained.	09/06/2022 – Conference call with OIG and the Tribe to review the preliminary report. 10/17/2022 – Initial response and plan provided to OIG.	Schedule a conference call with the Tribe within 10 business days of the final report being issued. 12/31/2022 – Provide an analysis response with determination of reasonableness to the BIA.	Leander Merrick, Tribal Chairman
2. Resolve the questioned hazard pay costs of \$27,841 for Payment 1 by requiring the Omaha Tribe to provide detailed reconciliation of incurred costs to supporting documentation.	Concur - \$27,841 in questioned costs sustained.	09/06/2022 – Conference call with OIG and the Tribe to review the preliminary report. 10/17/2022 – Initial response and plan provided to OIG.	Schedule a conference call with the Tribe within 10 business days of the final report being issued. 12/31/2022 – Provide a detailed reconciled to the BIA.	Leander Merrick, Tribal Chairman
3. Resolve the questioned costs of \$182,388 for Payment 2 by requiring the Omaha Tribe to provide detailed complete supporting documentation for the hazard pay and indirect costs.	Concur - \$182,388 in questioned costs sustained.	09/06/2022 – Conference call with OIG and the Tribe to review the preliminary report. 10/17/2022 – Initial response and plan provided to OIG.	Schedule a conference call with the Tribe within 10 business days of the final report being issued. 12/31/2022 – Provide detailed supporting documentation for the hazard pay and indirect costs due to the BIA.	Leander Merrick, Tribal Chairman

<p>4. Review the Omaha Tribe's revised policy regarding the custody of checks and document that proper controls have been implemented.</p>	<p>Concur - \$0 in questioned costs.</p>	<p>09/06/2022 – Conference call with OIG and the Tribe to review the preliminary report. 10/17/2022 – Initial response and plan provided to OIG.</p>	<p>Schedule a conference call with the Tribe within 10 business days of the final report being issued. 11/15/2022 – Provide the policy for the proper control of checks and when it was implemented to the BIA for review.</p>	<p>Leander Merrick, Tribal Chairman</p>
<p>5. Resolve the questioned costs of \$42,067 by requiring the Omaha Tribe to provide a detailed list of the questioned transactions and voided checks to the BIA for its files to ensure these transactions are not claimed for reimbursement.</p>	<p>Concur - \$42,067 in questioned costs sustained.</p>	<p>09/06/2022 – Conference call with OIG and the Tribe to review the preliminary report. 10/17/2022 – Initial response and plan provided to OIG.</p>	<p>Schedule a conference call with the Tribe within 10 business days of the final report being issued. 11/15/2022 – Provide a detailed general ledger listing of questioned transactions and voided checks to the BIA.</p>	<p>Leander Merrick, Tribal Chairman</p>
<p>6. Resolve the questioned costs of \$10,792 by requiring the Omaha Tribe to reallocate these costs to the appropriate funding source.</p>	<p>Concur - \$10,792 in questioned costs sustained.</p>	<p>09/06/2022 – Conference call with OIG and the Tribe to review the preliminary report. 10/17/2022 – Initial response and plan provided to OIG.</p>	<p>Schedule a conference call with the Tribe within 10 business days of the final report being issued. 11/15/2022 – Provide a detailed general ledger listing showing that these questioned costs were reallocated to Treasury CARES funding to the BIA.</p>	<p>Leander Merrick, Tribal Chairman</p>

<p>7. Require the Omaha Tribe to revise its policy to ensure a complete property record for CARES Act-funded assets in accordance with 2 C.F.R. § 200.313(d)(1).</p>	<p>Concur - \$0 in questioned costs sustained.</p>	<p>09/06/2022 – Conference call with OIG and the Tribe to review the preliminary report. 10/17/2022 – Initial response and plan provided to OIG.</p>	<p>Schedule a conference call with the Tribe within 10 business days of the final report being issued to the Tribe. 12/31/2022 – Provide the revised policy for property records for CARES Act funded assets to the BIA.</p>	<p>Leander Merrick, Tribal Chairman</p>
--	--	--	--	---



# United States Department of the Interior

BUREAU OF INDIAN AFFAIRS  
Washington, D.C. 20240

## ACCOUNTABILITY FORM

To: The Office of Inspector General  
Troy Dopke, Supervisory OIG Auditor  
Katelyn Bell, OIG Auditor

From: Daniel Galvan, Special Assistant  
The Office of the Deputy Bureau Director  
The Office of Field Operations

Subject: Accountability Notice  
Subject Name: Omaha Tribe of Nebraska CARES Act Funding  
Case No: OIG 2021 FIN-032-B

The OIG Report of Investigation has been reviewed thoroughly and an investigative finding has been determined as follows:

**Finding(s):** The Omaha Tribe did not comply with applicable Federal regulations and agreement terms and failed to maintain support documentation for hazard pay and incurred costs that were unreasonable and not allocable to CARES Act funding under Agreement No. A20AV00164 for the questionable amount of \$292,662.00.

**Justification for Investigative Finding(s):** The Awarding Official, Great Plains Regional office received OIG's report and conducted a review analysis based on OIG's findings and found a reasonable factor of improper use of CARES Act funding.

**Proposed Administrative Action(s):** The Great Plains Region's Awarding Official reviewed and confirmed the seven identified findings. The Awarding Official and involved staff held meetings to discuss findings and resolutions and requested documentation and response from the Tribe. The Tribe has not yet provided response to the request. Per your request, the proposed action plan is attached and the audit remains sustained. The regional office will take the necessary steps to ensure your requirements are resolved.

Supervisor Name and Title: Daniel Galvan, Special Assistant

Signature: **DANIEL GALVAN** Digitally signed by DANIEL GALVAN  
Date: 2022.10.28 12:20:01 -07'00'



---

## Appendix 4: Status of Recommendations

<b>Recommendation</b>	<b>Status</b>	<b>Action Required</b>
1-7	Resolved but not implemented	We will refer these recommendations to the Office of Policy, Management and Budget to track implementation.

---



# REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

The Office of Inspector General (OIG) provides independent oversight and promotes integrity and accountability in the programs and operations of the U.S. Department of the Interior (DOI). One way we achieve this mission is by working with the people who contact us through our hotline.



If you wish to file a complaint about potential fraud, waste, abuse, or mismanagement in the DOI, please visit the OIG's online hotline at [www.doioig.gov/hotline](http://www.doioig.gov/hotline) or call the OIG hotline's toll-free number: **1-800-424-5081**

## Who Can Report?

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving the DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

## How Does it Help?

Every day, DOI employees and non-employees alike contact the OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for the DOI, its employees, and the public.

## Who Is Protected?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act, and other applicable laws protect complainants. Section 7(b) of the Inspector General Act of 1978 states that the Inspector General shall not disclose the identity of a DOI employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the course of the investigation. By law, Federal employees may not take or threaten to take a personnel action because of whistleblowing or the exercise of a lawful appeal, complaint, or grievance right. Non-DOI employees who report allegations may also specifically request confidentiality.