AUDIT

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

U.S. Fish and Wildlife Service Grants Awarded to the American Samoa Department of Marine and Wildlife Resources, From October 1, 2016, Through September 30, 2018, Under the Wildlife and Sport Fish Restoration Program

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

Report No.: 2019-WR-028

March 2021

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

MAR 15 2021

Memorandum

To: Martha Williams
Senior Advisor to the Secretary, Exercising the Delegated Authority of the Director
U.S. Fish and Wildlife Service

From: Bryan Brazil Bryan Brazil
Regional Manager, Western Region

Subject: Final Audit Report – *U.S. Fish and Wildlife Service Grants Awarded to the American Samoa Department of Marine and Wildlife Resources, From October 1, 2016, Through September 30, 2018, Under the Wildlife and Sport Fish Restoration Program*
Report No. 2019-WR-028

This report presents the results of our audit of costs claimed by the American Samoa Department of Marine and Wildlife Resources (Department) under grants awarded by the U.S. Fish and Wildlife Service (FWS) through the Wildlife and Sport Fish Restoration Program. We conducted this audit to determine whether the Department used grant funds for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. The audit period included claims totaling $3.5 million on 45 grants that were open during the State fiscal years that ended September 30, 2017, and September 30, 2018.

We found that the Department generally complied with applicable laws and regulations, FWS guidelines, and grant agreements. We noted, however, ineligible costs related to preaward subaward costs, ineligible other direct costs, and unsupported costs related to leave payouts. We questioned costs totaling $23,080 as ineligible and $3,167 as unsupported. We also identified improper drawdowns and late Federal reports.

We provided a draft of this report to the FWS. The FWS concurred with all nine recommendations and will work with the Department to implement corrective actions. The full responses from the Department and the FWS are included in Appendix 4. We list the status of the recommendations in Appendix 5.

Please provide us with a corrective action plan based on our recommendations by June 14, 2021. The plan should provide information on actions taken or planned to address each recommendation, as well as target dates and titles of the officials responsible for implementation. Please send your response to aie_reports@doioig.gov.

We will refer the recommendations not implemented at the end of 90 days to the Office of Policy, Management and Budget to track their implementation and 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 regarding this report, please me at 916-978-6199.

Contents

Introduction

Objective

In June 2016, we entered into an intra-agency agreement with the U.S. Fish and Wildlife Service (FWS) to conduct audits of State agencies receiving grant funds under the Wildlife and Sport Fish Restoration Program (WSFR). These audits fulfill the FWS' statutory responsibility to audit State agencies' use of these grant funds.

The objective of this audit was to determine whether the American Samoa Department of Marine and Wildlife Resources (Department) used grant funds for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. Because the Department does not sell hunting or fishing licenses, we did not review its compliance with laws and regulations related to the collection and use of license revenue.

See Appendix 1 for details about our scope and methodology. See Appendix 2 for sites we visited.

Background

The FWS provides grants to States[1] through WSFR for the conservation, restoration, and management of wildlife and sport fish resources. WSFR was established by the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act.[2] The Acts and related Federal regulations allow the FWS to reimburse grantees a portion of eligible costs incurred under WSFR grants—up to 75 percent for States and up to 100 percent for the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. The reimbursement amount is called the Federal share. The Acts require that hunting and fishing license revenue be used only for the administration of State fish and wildlife agencies. In addition, Federal regulations require States to account for any income earned from grant-funded activities and to spend this income before requesting grant reimbursements.

[1] The Acts define the term "State" to include the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.
[2] Formally known, respectively, as the Federal Aid in Wildlife Restoration Act, 16 U.S.C. § 669, as amended, and the Federal Aid in Sport Fish Restoration Act, 16 U.S.C. § 777, as amended.

Results of Audit

We found that the Department generally complied with applicable laws and regulations, FWS guidelines, and grant agreements. We noted, however, ineligible costs related to preaward subaward costs, ineligible other direct costs, and unsupported costs related to leave payouts. We questioned costs totaling $23,080 as ineligible and $3,167 as unsupported. We also identified improper drawdowns and late Federal reports.

We found the following:

- **Questioned Costs.** We questioned $23,080 as ineligible and $3,167 as unsupported (see Figure 1). These questioned costs arose due to ineligible costs related to preaward subaward costs, ineligible other direct costs, and unsupported costs related to leave payouts.

- **Control Deficiencies.** We found opportunities to improve controls for drawdowns and Federal reports.

Figure 1: Summary of Ineligible and Unsupported Costs

Issue	Ineligible Costs ($)	Unsupported Costs ($)	Total ($)
Preaward Subaward Costs	14,577	0	14,577
Other Direct Costs	8,503	0	8,503
Leave Payouts	0	3,167	3,167
Totals	**$23,080**	**$3,167**	**$26,247**

Source: OIG analysis of data provided by the Department.

See Appendix 3 for a statement of monetary impact and a summary of potential diversion of license revenue.

We provided a draft of this report to the FWS for review. The FWS concurred with all nine recommendations and will work with the Department to implement corrective actions. See Appendix 4 for the full text of the Department's and the FWS' responses; Appendix 5 lists the status of each recommendation.

Questioned Costs—$26,247

Ineligible Costs Related to Preaward Subaward Costs—Questioned Costs of $14,577

We reviewed subawards that the Department issued to a subrecipient and identified $14,577 in costs charged to one subaward prior to the effective date of the subaward agreement (see Figure 2).

The Code of Federal Regulations at 50 C.F.R. § 80.94(a)(5)(i) states that an agency has no assurance that it will receive reimbursement for preaward costs unless the agency obtains the regional director's approval before the agency starts work on the ground. Neither the Department nor the subrecipient provided us with documentation of the FWS regional director's approval of preaward costs prior to starting the work on the ground.

Federal regulations at 2 C.F.R. § 200.331(d) state that the pass-through entity must monitor the activities of the subrecipient to ensure that the subaward is used in compliance with its terms and conditions. Because the period of performance stated on the subaward agreement began November 15, 2016, costs incurred prior to that date are ineligible.

Federal regulations at 2 C.F.R. § 200.458 states that preaward costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with written approval from the Federal awarding agency. Neither the Department nor the subrecipient could provide us written approval from the FWS for preaward costs.

Federal regulations at 2 C.F.R. § 200.309 state that a non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance. The pass-through entity must include start and end dates for the period of performance in the award.

The subrecipient began work on the subaward during October 2016. The subrecipient told us that, due to time constraints, it began work in anticipation of the subaward agreement and assumed it would be reimbursed for the costs that it incurred prior to the subaward agreement being finalized. When the Department issued the signed subaward agreement on January 19, 2017, the agreement listed the effective date as November 15, 2016.

Because the costs charged to the subaward were incurred prior to the effective date of the subaward agreement and neither the Department nor the subrecipient could not provide documentation showing they had received prior written approval for preaward costs, those costs are ineligible for reimbursement.

Figure 2: Questioned Costs Related to Preaward Subaward Costs

		Questioned Costs ($)	
Grant No.	**Grant Title**	**Ineligible**	**Unsupported**
F16AF01254	Tropical Monitoring Avian Productivity and Survivorship Program, State fiscal year 2017	14,577	0
Total		**$14,577**	**$0**

Source: OIG analysis of data provided by the Department.

Recommendations

We recommend that the FWS:

1. Work with the Department to resolve the questioned costs related to ineligible preaward subaward costs totaling $14,577
2. Require the Department to establish policies and procedures to ensure subrecipient agreements are in place prior to the start of work and that proper regulatory requirements are followed if preaward costs will be required

Ineligible Other Direct Costs—Questioned Costs of $8,503

We reviewed a sample of other direct costs (nonpayroll costs) that the Department charged to WSFR grants and identified $7,155 in ineligible costs related to American Samoa Power Authority (ASPA) charges and $1,348 in ineligible costs related to a travel voucher charged to the wrong grant (see Figure 3). The ineligible ASPA costs were the result of the Department incorrectly calculating allocations, and the ineligible travel voucher was an unintentional error.

According to an agreement between the Department and the FWS, the Department allocates 70 percent of monthly ASPA costs to its annual coordination grant. Federal regulations at 2 C.F.R. §200.403(g) state that, to be allowable under Federal awards, costs must be adequately documented. Federal regulations at 2 C.F.R. § 200.403(c) state that costs must be consistent with policies and procedures that apply to both federally financed and other activities of the non-Federal entity. We reviewed the Department's documentation and determined that it made errors when calculating cost allocations. This resulted in greater than 70 percent of monthly ASPA costs being allocated to grants. By not using adequate documentation to support its calculations, the Department failed to follow the terms of the agreement with the FWS.

The Department did not properly calculate the ASPA charges allocated to the grant because it was allocating the monthly amount due as listed on monthly bills instead of the amount incurred. Because the American Samoa Government (ASG) Treasury did not fully pay each monthly bill, the unpaid portion was included in the next month's amount due. This resulted in the Department allocating unpaid portions of bills to multiple months.

Regarding the ineligible travel voucher, Federal regulations at 2 C.F.R. § 200.405(a)(1) state that a cost is allocable to a Federal award if it is incurred specifically for the award. The costs on the travel voucher were not incurred specifically for the grant it was charged to.

The travel authorization form for the questioned costs listed account code F71251, but the costs on the voucher were charged to code F72151, which corresponds to Grant No. F16AF01257 (another WSFR grant awarded to the Department unrelated to the purpose for travel). We determined that this was an error and not the result of a systemic internal control deficiency.

As a result of these issues, WSFR grants were improperly charged a total of $8,503 in ineligible costs.

Figure 3: Questioned Costs Related to Ineligible Other Direct Costs

		Questioned Costs ($) (Federal Share)	
Grant No.	**Grant Title**	**Ineligible**	**Unsupported**
F16AF00987	Wildlife and Sport Fish Restoration Coordination, Operations, and Maintenance State fiscal year (SFY) 2017	1,009	0
F16AF01257	Bat Population Monitoring SFY 2017	1,348	0
F17AF00993	Coordination, Maintenance, and Operations	6,146	0
Total		**$8,503**	**$0**

Source: OIG analysis of data provided by the Department.

Recommendations

We recommend that the FWS:

3. Work with the Department to resolve the questioned costs related to ineligible other direct costs totaling $8,503
4. Require the Department to implement policies and procedures that properly allocate ASPA charges

Unsupported Costs Related to Leave Payouts—Questioned Costs of $3,167

We reviewed payroll-related costs, including leave payouts charged to grants. Leave payouts are lump payouts paid to employees upon separation from the ASG. The Department can allocate a portion of the employee's leave payout to a Federal grant, but that amount must be commensurate with the amount of leave earned from work performed related to that grant. We found that the Department did not have a system in place to track the amount of leave employees earned on a per-grant basis; therefore, we question the total amount of leave payouts charged to grants totaling, $3,167 within the scope of the audit (see Figure 4).

Federal regulations at 2 C.F.R. § 200.403(a) state that to be allowable, costs must be necessary and reasonable for performance of the Federal award and be allocable to the award. In addition, Federal regulations at 2 C.F.R. § 200.403(g) state that costs must be adequately documented. Federal regulations at 2 C.F.R. § 200.431(b)(2) state that the costs of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if they are equitably allocated to all related activities, including Federal awards.

To ensure leave payouts are properly allocated to grants, the Department must determine the allocable portion of the leave payout that was earned on the related grant. Because the Department did not track the amount of leave earned per grant, it was unable to calculate allocable portions of leave payouts. As a result, we question the $3,167 in leave payouts as unsupported costs.

Figure 4: Questioned Costs Related to Leave Payouts

		Questioned Costs ($) (Federal Share)	
Grant No.	**Grant Title**	**Ineligible**	**Unsupported**
F16AF01088	Marine Protected Area	0	277
F16AF01257	Bat Population Monitoring State fiscal year (SFY) 2017	0	567
F17AF01086	Tropical Monitoring of Avian Productivity and Survivorship SFY 2018	0	2,323
Total		**$0**	**$3,167**

Source: OIG analysis of data provided by the Department.

Recommendations
We recommend that the FWS: 5. Work with the Department to resolve the questioned costs related to unsupported leave payouts totaling $3,167 6. Require the Department to establish policies that follow Federal regulations to ensure leave payouts are allocated based on activity charged to specific grants

Control Deficiencies

Improper Drawdowns

WSFR grant funds are dispersed to recipients through reimbursements. Recipients incur eligible costs related to the performance of grant objectives and then request reimbursement of these costs through a drawdown of Federal funds. We reviewed drawdowns and determined that some reimbursement requests were initiated and received before the Department had paid the related expenditures. We also found that the Department did not notify the FWS that these reimbursement requests were for advance payments.

Federal regulations at 50 C.F.R. § 80.95(a) state that a State fish and wildlife agency may receive Federal grant funds through either (1) a request for reimbursement, or (2) a request for an advance of funds if the agency maintains or demonstrates that it will maintain procedures to minimize time between transfer of funds and disbursement by the agency or its subgrantee. While an advance for funds is allowable under these regulations, FWS personnel told us they were not aware that the Department's reimbursement requests were for advance funding.

Federal regulations at 2 C.F.R. § 200.207(b)(1) state that an award condition may include requiring payments as reimbursements rather than advance payments.

Federal regulations at 2 C.F.R. § 200.305(b)(3) state that reimbursement is the appropriate payment method when the criteria for advance payment cannot be met or past performance history of the recipient results in the specific condition to reimburse only (formerly "high-risk" designation).

ASG's *Treasury Finance Division Standard Operating Procedure and Policy* also describes reimbursements and drawdowns. Specifically, Chapter 2, Part 1.32, "Roles & Responsibility," states that grants analysts are responsible for reviewing requests for reimbursement from departments and verifying that requests are based on actual expenditures. In addition, Chapter 2, Part 1.41, "Federal Drawdowns," states that the grant recipient incurs grant-related costs, which are approved by ASG Treasury and usually paid up front with local government funds, and ASG Treasury or the grant recipient then requests authorization for the reimbursement of costs from the grantor agency. The policy further states that drawdowns are usually performed on a reimbursement basis. Accounting for drawdowns is a three-step process: (1) performing the drawdown, (2) recording the drawdown in the drawdown log, and (3) journalizing the drawdown in the ASG's official accounting system, Integrated Financial Accounting System. Drawdowns must be supported by the general ledger detail of expenditures. The grants analyst should attach a copy of the general ledger printout to the drawdown request.

Department and ASG Treasury personnel told us that the Treasury had directed the Department to request advance drawdowns to minimize the Department's accounts receivable Treasury balance. The Department referred to this approach as a "post-and-hold" method. Treasury personnel would "post" an unpaid expenditure to its database, direct the Department to perform a drawdown on the expenditure, and "hold" payment of the expenditure until the drawdown reimbursement funds were received.

Because the Department used the "post-and-hold" method and did not make it clear to the FWS that it was requesting an advance of grant funds, the Department performed improper drawdowns during the audit period.

Recommendations

We recommend that the FWS:

7. Require the Department to discontinue use of the "post-and-hold" method for grant expenditures

8. Require the Department to provide sufficient support, including check details for all nonpayroll, noninternal payments submitted to the FWS for reimbursement and whether the reimbursement request contains a request for advance payments

Late Federal Reports

Grantees are required to file a Federal financial report and a performance report with the FWS within 90 days from the end of the grant period. With the FWS' approval, the reporting due date for both financial and performance reporting can be extended an additional 90 days. We reviewed 45 grants that were open during the audit period. Of the 45 grants, the FWS approved extensions for 36 financial reports and 32 performance reports.

We found that the Department submitted four financial reports past the due date. The Department submitted requests for extensions for three of these grants, which were approved, but still submitted the reports later than the extended reporting due date. See Figure 5 for details on the late financial reports.

Figure 5: Late Federal Financial Reports

Grant No.	Original Due Date	Extended Due Date	Date Submitted	Days Late
F16AF01270	12/29/2017	3/29/2018	4/27/2018	29
F17AF00995	12/29/2018	N/A	2/12/2019	45
F17AF01058	4/19/2019	7/18/2019	7/30/2019	12
F17AF01188	12/29/2018	9/27/2019	1/13/2020	108

We also found that the Department submitted five final performance reports late. The Department submitted—and subsequently received approval for—extension requests for all five reports. However, the Department submitted one of the reports 34 days after the extended due date and submitted the other four reports within a week after the extended due date.

Federal regulations at 2 C.F.R. § 200.343(a) require the non-Federal entity to submit all financial and performance reports no later than 90 calendar days after the end of the reporting period. The FWS may approve extensions for reporting due dates if the grantee submits a request.

Federal regulations at 2 C.F.R. § 200.328(b)(1) require the non-Federal entity to submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity. WSFR grants typically require annual performance reports to demonstrate program activity.

Federal regulations at 2 C.F.R. § 200.338 require the non-Federal entity to comply with Federal statutes, regulations, and the terms and conditions of a Federal award. The Federal awarding agency or pass-through entity may impose additional conditions, as described in 2 C.F.R. § 200.207, "Specific Conditions."

The Department did not comply with mandated reporting due dates, even after it had received reporting extensions. Failure to comply with reporting due dates in the grant terms and conditions and with Federal regulations could result in a loss of future WSFR funding for the Department. Further, the late submission of reports limited the FWS' ability to monitor the grants and resulted in reports that did not accurately reflect the status of the projects.

Recommendation

We recommend that the FWS:

9. Work with the Department to ensure timely submission of Federal financial and performance reports

Recommendations Summary

We recommend that the FWS:

1. Work with the Department to resolve the questioned costs related to ineligible preaward subaward costs totaling $14,577

2. Require the Department to establish policies and procedures to ensure subrecipient agreements are in place prior to the start of work and that proper regulatory requirements are followed if preaward costs will be required

3. Work with the Department to resolve the questioned costs related to ineligible other direct costs totaling $8,503

4. Require the Department to implement policies and procedures that properly allocate ASPA charges

5. Work with the Department to resolve the questioned costs related to unsupported leave payouts totaling $3,167

6. Require the Department to establish policies that follow Federal regulations to ensure leave payouts are allocated based on activity charged to specific grants

7. Require the Department to discontinue use of the "post-and-hold" method for grant expenditures

8. Require the Department to provide sufficient support, including check details for all nonpayroll, noninternal payments submitted to the FWS for reimbursement and whether the reimbursement request contains a request for advance payments

9. Work with the Department to ensure timely submission of Federal financial and performance reports

Appendix 1: Scope and Methodology

Scope

We audited the American Samoa Department of Marine and Wildlife Resources' (Department's) use of grants awarded by the U.S. Fish and Wildlife Service (FWS) under the Wildlife and Sport Fish Restoration Program (WSFR). The audit period included claims totaling $3.5 million on 45 grants that were open during the State fiscal years (SFYs) that ended September 30, 2017, and September 30, 2018.

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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

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

- Management should design control activities to achieve objectives and respond to risks.
- Management should design the entity's information system and related control activities to achieve objectives and respond to risks.
- Management should implement control activities through policies.

We tested the operation and reliability of internal control over activities related to our audit objective. 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
- Inspecting equipment and other property

- Determining whether the Territory passed required legislation assenting to the provisions of the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act

- Evaluating Territory policies and procedures for assessing risk and monitoring subawards

- Visiting sites throughout the Territory (see Appendix 2 for a list of sites visited)

We found deficiencies in internal control resulting in our finding of unsupported leave payouts.

Based on the results of our initial assessments, we assigned a level of risk and selected a judgmental sample of transactions for testing. We used auditor judgement and considered risk levels relative to other audit work performed to determine the degree of testing performed in each area. Our sample selections were not generated using statistical sampling, and therefore we did not project the results of our tests to the total population of transactions.

This audit supplements, but does not replace, the audits required by the Single Audit Act Amendments of 1996. Single audit reports address controls over Statewide financial reporting, with emphasis on major programs. Our report focuses on the administration of the American Samoa fish and wildlife agency, and that agency's management of WSFR resources.

American Samoa provided computer-generated data from its official accounting system and from informal management information and reporting systems. We tested the data by sampling expenditures and verifying them against WSFR reports and source documents such as purchase orders, invoices, and payroll documentation. While we assessed the accuracy of the transactions tested, we did not assess the reliability of the accounting system as a whole.

Prior Audit Coverage

OIG Audit Reports

We reviewed our last two audits of costs claimed by the Department on WSFR grants.[3] We followed up on 15 recommendations from these reports and found that the U.S. Department of the Interior's Office of Policy, Management and Budget considered all 15 recommendations to be resolved and implemented.

State Audit Reports

We reviewed the single audit reports for SFYs 2017 and 2018 to identify control deficiencies or other reportable conditions that affect WSFR. In those reports, the Schedule of Expenditures of Federal Awards indicated $3 million (combined) in Federal expenditures related to WSFR, but

[3] *U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the American Samoa Government, Department of Marine and Wildlife Resources, From October 1, 2006, Through September 30, 2008* (Report No. R-GR-FWS-0006-2009), dated December 2009.
U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the American Samoa Government, Department of Marine and Wildlife Resources, From October 1, 2011, Through September 30, 2013 (Report No R-GR-FWS-0010-2014), dated December 2015.

did not include any findings directly related to WSFR, which was not deemed a major program for single audit purposes. Both reports noted a significant deficiency in internal controls related to general ledger and accounting balances, as well as issues with pooled cash postings.
We considered these as risk indicators when we prepared our audit procedures and tests.

Appendix 2: Sites Visited

Headquarters	Fagatogo
American Samoa Government Offices	Pago Pago
Boating Access Facilities	Fagasa Boat Ramp Fagatogo Boat Ramp Malaloa Marina Pago Pago Boat Ramp
Field Locations	Fish Aggregation Device locations
Subrecipients	The Institute for Bird Populations

Appendix 3: Monetary Impact

The audit period included claims totaling $3.5 million on 45 grants that were open during the State fiscal years (SFY) that ended September 30, 2017, and September 30, 2018. We questioned $23,080 as ineligible and $3,167 as unsupported.

Monetary Impact: Questioned Costs and Funds To Be Put To Better Use

			Questioned Costs ($) (Federal Share)		
Grant No.	**Grant Title**	**Cost Category**	**Ineligible**	**Unsupported**	**Funds To Be Put To Better Use ($)**
F16AF01254	TMAPS* Program SFY 2017	Subawards	14,577	–	–
F16AF00987	Coordination Grant SFY 2017	Other Direct Costs	1,009	–	–
F16AF01257	Bat Population Monitoring SFY 2017	Other Direct Costs	1,348	–	–
F17AF00993	Coordination Grant SFY 2018	Other Direct Costs	6,146	–	–
F16AF01088	Marine Protected Area	Payroll	–	277	–
F16AF01257	Bat Population Monitoring SFY 2017	Payroll	–	567	–
F17AF01086	TMAPS* SFY 2018	Payroll	–	2,323	–
Total			**$23,080**	**$3,167**	

* Tropical Monitoring of Avian Productivity and Survivorship

Source: OIG analysis of data provided by the Department.

Appendix 4: Responses to Draft Report

The American Samoa Department of Marine and Wildlife Resources' response to our draft report follows on page 17. The U.S. Fish and Wildlife Service's response to our draft report follows on page 20.

DEPARTMENT OF MARINE & WILDLIFE RESOURCES

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Governor

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Lt. Governor

Taotasi Archie Soliai
Director

Selaina Vaitautolu-Tuimavave
Deputy Director

January 26, 2021

Kathy Hollar
U.S Fish and Wildlife Service
911 N.E. 11th Avenue
Portland, Oregon 97232-4181

Re: **OIG Draft Report for grants awarded to American Samoa Department of Marine and Wildlife Resources (DMWR) from October 01, 2016 to September 30, 2018.**

Dear Mrs. Hollar,

This letter is to inform you that the American Samoa Department of Marine and Wildlife Resources (DMWR) concur with all the findings as identified in the Draft Report No. 2019-WR-028 by the Office of Inspector General. The DMWR anticipates to collaborate with WSFR staff to develop an appropriate Corrective Action Plan in alignment with the OIG's recommendations.

Please do not hesitate to contact me at (684) 633-4456 or by email [redacted]@gmail.com or Perise Asafo at [redacted]@gmail.com if you need additional information to further support the request.

Sincerely,

Taotasi Archie Soliai
DMWR Director

DEPARTMENT OF MARINE & WILDLIFE RESOURCES

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Lt. Governor

Taotasi Archie Soliai
Director
Selaina Vaitautolu-Tuimavave
Deputy Director

February 6, 2021

Chris Swenson
Fish&Wildlife Biologist
Wildlife and Sport Fish Restoration
U.S. Fish&Wildlife Service

Dear Mr. Swenson:

Please find below key highlights of the discussions held between Department of Treasury and DMWR on Friday, January 31, 2021 at 100pm at the Office of the Treasurer. Present at this meeting were [redacted], Treasurer, Taotasi Archie Soliai, Director DMWR, [redacted] Treasury Grants Analyst, and Perise Asafo, Finance Manager DMWR:

OIG Audit Findings: A copy of the draft OIG Audit Report was shared with the Treasurer and discussion of some of the findings with conclusions are as follows:

1. Post and Hold Method-Treasury will discontinue the post and hold method of DMWR Grants

2. T18-0467 Travel for [redacted] $1,448.00-The travel request was keyed in error by ASG Treasury Travel Division to DMWR account F72151, should be F71251 (ASG Department of Commerce). See attached General Ledger with journal entry #JE98039037 to credit DMWR Account

3. ASPA Costs-the current ASPA billings for DMWR reflects only the current charges. Treasury currently posts the current charges based on the DMWR accounts billing cost allocation (Example: Please see attached DD 20-35 for ASPA billings/GL postings)

High AR:

1. DMWR high AR consists of expenditures from 2010 to 2019. We were informed that the AR prior to FY18 will be written off but for FY19-Treasury advice to request the grantor for written approval for reimbursement or rejection due to grant account expired

Those are some of the highlights of our meeting with the Department of Treasury. I will continue to ensure that the Department will pay close attention to the audit findings and recommendations. I look forward to working with you and the USFWS team and thank you for your continued support for DMWR.

Please do not hesitate to contact me if you have any further questions.

Sincerely,

Taotasi Archie Soliai
Director, DMWR

cc: [redacted], Treasurer (ASG Department of Treasury)
[redacted], Grants Analyst (ASG Department of Treasury)

Attachment(s)

United States Department of the Interior

FISH AND WILDLIFE SERVICE
911 NE 11th Avenue
Portland, Oregon 97232-4181

In Reply Refer to:
FWS/R1/WSFR

February 5, 2021

Memorandum

To: Michael P. Columbo
Regional Manager, Western Region
Office of Inspector General
U.S. Department of the Interior

From: Kathy Hollar
Regional Manager
Wildlife and Sport Fish Restoration
Portland, Oregon

Kathy Hollar

Digitally signed by KATHERINE HOLLAR
Date: 2021.02.05 09:01:49 -08'00'

Subject: Comments on the Draft Audit Report on the U.S. Fish and Wildlife Service Federal Assistance Grants Issued to the American Samoa Department of Marine and Wildlife Resources, from October 1, 2016, through September 30, 2018 Report No. 2019-WR-028

Introduction

This memorandum responds to your December 31, 2020, memorandum to U.S. Fish and Wildlife Service (Service) Director Aurelia Skipwith, and contains the Service's determinations regarding the subject report. Please direct any questions regarding the Service's comments to Kelly Sliger, Grants Fiscal Officer for the Columbia–Pacific Northwest and Pacific Islands Regions Wildlife and Sport Fish Restoration Program at [redacted]@fws.gov.

A. Questioned Costs - $26,247

1. Ineligible Costs Related to Pre-award subaward costs - $14,577

Recommendations

The Service concurs with the auditor's two recommendations. The Service will work with the American Samoa Department of Marine and Wildlife Resources (Department) to resolve the questioned costs related to pre-award subaward costs. The Department will provide documentation approving pre-award costs for their subaward agreement. The Service will also require the Department to update its policies and procedures to ensure subaward agreements are in place prior to start of work or proper regulatory requirements are followed if pre-award costs are required. The Service will identify target dates and the official(s) responsible for implementing these recommendations in the Corrective Action Plan (CAP).

Ineligible Other Direct Costs - $8,503

Recommendations
The Service concurs with the auditor's two recommendations. The Service will work with the Department to resolve the questioned costs related to ineligible other direct costs. The Service will also require the Department to implement policies and procedures to properly allocate costs. The Service will identify target dates and the official(s) responsible for implementing these recommendations in the CAP.

2. Unsupported Costs Related to Leave Payouts - $3,167

Recommendations
The Service concurs with the auditor's two recommendations. The Service will work with the Department to resolve the questioned costs related to unsupported leave payouts. The Service will also require the Department to establish policies that follow Federal regulations to ensure leave payouts are allocated based on activity charged to specific grants. The Service will identify target dates and the official(s) responsible for implementing these recommendations in the CAP.

B. Control Deficiencies

1. Improper Drawdowns

Recommendations
The Service concurs with the auditor's two recommendations. The Service will require the Department to discontinue use of the "post-and –hold" method for grant expenditures. The Service will also require the Department to identify up front any expenses that will require advance payment. This will include providing sufficient support, which include check details for all non-payroll expenditures. The Service will identify target dates and the official(s) responsible for implementing these recommendations in the CAP.

2. Late Federal Reports

Recommendations
The Service concurs with the auditor's recommendation. The Service will work with the Department to ensure timely submission of Federal financial and performance reports. The Service will identify target dates and the official(s) responsible for implementing these recommendations in the CAP.

cc:
Ord Bargerstock HQ-WSFR
Shuwen Cheung HQ- WSFR
Melanie Sorenson - OIG

Appendix 5: Status of Recommendations

Recommendation	Status	Action Required
1 – 9	Resolved but not implemented: U.S. Fish and Wildlife Service (FWS) regional officials concurred with these recommendations and will work with staff from the American Samoa Department of Wildlife and Marine Resources to develop and implement a corrective action plan.	Complete a corrective action plan that includes information on actions taken or planned to address the recommendations, target dates and titles of the officials responsible for implementation, and verification that FWS headquarters officials reviewed and approved the actions the State has taken or planned. We will refer the recommendations not implemented at the end of 90 days (after June 14, 2021) to the Assistant Secretary for Policy, Management and Budget to track implementation.

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