

Summary: Investigation of Misuse of Crow Transit Building Funds

Report Date: October 7, 2016

We investigated allegations that the Crow Tribe misappropriated Public Lands Highways Discretionary Program grant funds. The Bureau of Indian Affairs (BIA), Division of Transportation, Albuquerque, NM administered a \$2,564,045 Federal Highway Administration grant to the Crow Tribe for the construction of a Transit Maintenance and Administration Facility on the reservation and an additional terminal in Pryor, MT under a Government-to-Government agreement. The BIA Transportation Branch, Rocky Mountain Regional Office (RMRO), Billings, MT oversaw the project. A confidential informant alleged that upon receiving those funds, the Crow Tribe used them to offset general fund operations. In the course of our investigation, we learned that BIA officials were aware of the misappropriation of funds and failed to take action.

An independent review of the Crow Tribe's 2013 Single Audit Report confirmed the misuse of the funds. As a result, the Acting Regional Director, RMRO, requested the issuance of a BIA Bill for Collection to the Crow Tribe to recover the Federal funds.

We found that the BIA Superintendent who is responsible for Crow Tribe activities had received a complaint alleging the misappropriation of the transit building funds, but did not pursue the allegation. The BIA Superintendent acknowledged receipt of a letter from a former Tribal Chairman, which warned BIA of financial shortfalls of the current Crow administration and specifically cited the use of the transit building monies to fund the tribe's 2013 payroll.

The Branch of Transportation, BIA RMRO, was responsible for the administration of the award to build the transit building and a senior official in that office acknowledged that it did not provide appropriate oversight to the project.

This is a summary of a report of investigation that was issued to BIA for action.

