Department of Health and Human Services
Office of Inspector General
Office of Audit Services

September 2026 | A-07-24-07015

The IHS Navajo Area Office's Internal Controls for Awarding, Monitoring, and Reporting Sanitation Facilities Construction Projects Could Be Improved

September 2026 | A-07-24-07015

The IHS Navajo Area Office's Internal Controls for Awarding, Monitoring, and Reporting Sanitation Facilities Construction Projects Could Be Improved

Why OIG Did This Audit

- The Infrastructure Investment and Jobs Act (IIJA) authorized the appropriation of $700 million each year from FYs 2022 to 2026 for a total of $3.5 billion for the Indian Health Service (IHS) Sanitation Facilities Construction (SFC) Program. The SFC Program provides essential water supply, sewage, and solid waste disposal facilities for American Indian and Alaska Native homes and communities.
- The Navajo Area IHS (NAIHS) administered IIJA funding totaling $269.8 million that the Navajo Nation received for 187 SFC Program projects that we reviewed for this audit. This amount represented the highest level of IIJA funding awarded to any Tribe.
- We performed this audit to determine whether the NAIHS implemented internal controls for awarding, monitoring, and reporting SFC Program projects funded under the IIJA in accordance with applicable Federal requirements.

What OIG Found

Although the NAIHS had internal controls in place for awarding, monitoring, and reporting SFC Program projects funded under the IIJA, it did not consistently follow those controls or its established procedures.

- For some projects the NAIHS did not follow required award controls because it did not update project cost estimates or prepare and review project summaries as required.
- The NAIHS did not follow its monitoring controls in several areas, including reviewing invoices before payment, reviewing and approving right-of-way easements, and amending Memorandums of Agreement when project scope changes occurred.
- Some of the reports prepared by the NAIHS did not accurately identify funding sources, did not track construction and design costs separately as required, and did not report updated milestones.

What OIG Recommends

We made four recommendations to the NAIHS to follow its internal controls and its established procedures for awarding, monitoring, and reporting SFC Program projects funded under the IIJA. The full recommendations are in the report.

The NAIHS concurred with all four of our recommendations.

TABLE OF CONTENTS

ACRONYM LIST

A&E	Architect and Engineering
AI/AN	American Indian and Alaska Native
DSFC	Division of Sanitation Facilities Construction
FY	Federal Fiscal Year
HHS	Department of Health and Human Services
HQ	Indian Health Service Headquarters
IHS	Indian Health Service
IIJA	Infrastructure Investment and Jobs Act
ISDEAA	Indian Self-Determination and Education Assistance Act of 1975
MOA	Memorandum of Agreement
NAIHS	Navajo Area Indian Health Service
NECA	Navajo Engineering and Construction Authority
OIG	Office of Inspector General
PDS	Project Data System
SDS	Sanitation Deficiency System
SFC	Sanitation Facilities Construction
STARS	Sanitation Tracking and Reporting System

INTRODUCTION

WHY WE DID THIS AUDIT

The Infrastructure Investment and Jobs Act (IIJA) authorized the appropriation of $700 million each year from Federal fiscal years (FYs) 2022 to 2026 for a total of $3.5 billion for the Indian Health Service (IHS) Sanitation Facilities Construction (SFC) Program. The SFC Program provides essential water supply, sewage, and solid waste disposal facilities for American Indian and Alaska Native (AI/AN) homes and communities.[1] IHS tracks SFC Program projects within the Sanitation Deficiency System (SDS), which documents and prioritizes sanitation deficiencies related to individual AI/AN people's homes and communities and identifies existing deficiencies as projects.[2] Consequently, IHS is using IIJA funding to address existing deficiencies that meet SFC Program eligibility requirements. IHS regularly partners with Tribes and other Federal agencies to identify alternative resources to cover ineligible project costs.[3]

Congress appropriated $17.5 million in IIJA funding to the Office of Inspector General (OIG) for oversight related to IIJA-funded SFC Program projects. OIG has implemented an interdisciplinary plan for overseeing IHS's use of IIJA funds that includes audits, evaluations, and investigations. In September 2022, we issued an evaluation report on our initial observations related to IHS's capacity to administer and oversee the $3.5 billion, and in December 2024, we issued an evaluation report on staffing shortages limiting IHS's capacity to effectively administer IIJA-funded projects. In May 2025, we issued an audit report addressing the design and implementation of IHS's internal controls over IIJA-funded SFC projects.[4]

This audit report addresses the Navajo Area Indian Health Service's (NAIHS's) internal controls over IIJA-funded SFC projects. We selected the NAIHS because it administered IIJA funding for

---

[1] P.L. No. 86-121 authorized IHS to provide and maintain essential sanitation facilities, including domestic and community water supplies and facilities, drainage facilities, and sewage- and waste-disposal facilities, together with necessary appurtenances and fixtures for Indian homes, communities, and lands.

[2] Under this system, there are three tier levels, which are based on the level of planning and cost estimation completed for each project. Tier 1 projects are categorized as "ready to fund," and Tiers 2 and 3 are categorized as needing "additional planning." Deficiency levels are rated 0 to 5, with 5 being the most severe in terms of the magnitude of a facility's sanitation deficiency.

[3] IHS guidance defines ineligible project costs as costs associated with serving commercial, industrial, or agricultural establishments, including nursing homes, health clinics, schools, hospitals, hospital quarters, and non-AI/AN people's homes.

[4] OIG, *Initial Observations of IHS Capacity to Manage Supplemental $3.5 Billion Appropriated to Sanitation Facilities Construction Projects* (OEI-06-22-00320), Sept. 30, 2022. OIG, *Staffing Shortages Limited IHS's Capacity To Effectively Administer Much-Needed Sanitation Projects Funded by the Infrastructure Investment and Jobs Act* (OEI-06-24-00010), Dec. 5, 2024. OIG, *Indian Health Service's Controls Over Sanitation Facilities Construction Program Projects Funded Under the Infrastructure Investment and Jobs Act Could Be Improved* (A-05-22-00021), May 30, 2025.

187 SFC Program projects totaling approximately $269 million for the first 3 years of IIJA funding, which represented the highest level of IIJA funding awarded to any Tribe.

OBJECTIVE

The objective of our audit was to determine whether the NAIHS implemented internal controls for awarding, monitoring, and reporting SFC Program projects funded under the IIJA in accordance with applicable Federal requirements.

BACKGROUND

Indian Health Service

IHS, an agency within the Department of Health and Human Services (HHS), is responsible for providing a comprehensive health service delivery system to approximately 2.8 million AI/AN people in 575 federally recognized Tribes in 37 States. IHS has a decentralized management structure that consists of IHS Headquarters (HQ) and 12 Area Offices.

Sanitation Facilities Construction Program

The IHS Office of Environmental Health and Engineering, Division of Sanitation Facilities Construction (DSFC), oversees the SFC Program and provides technical and financial assistance for the cooperative development and construction of water supply, sewage disposal, and solid waste disposal facilities. The DSFC assists and supports the Area Offices by establishing policies and providing guidance to help ensure high-quality and consistent program implementation nationwide. The 12 Area Offices provide direct support to the Tribes using SFC Program personnel located in district, field, and service unit locations.[5]

Sanitation Tracking and Reporting System

IHS records and tracks SFC Program projects using its web-based database, the Sanitation Tracking and Reporting System (STARS). IHS developed the STARS database to document the eligibility of individuals and homes for sanitation services, create budget justifications, monitor and track project development, report the status and progress of services provided, and maintain records.

The STARS database consists of several systems, including the SDS and the Project Data System (PDS). IHS uses the SDS to track the sanitation deficiencies of projects.[6] IHS uses the PDS to

---

[5] IHS is structured along geographical lines into 12 Areas of the United States, each of which has an Area Office. The Area Offices are Alaska, Albuquerque, Bemidji, Billings, California, Great Plains, Nashville, Navajo, Oklahoma City, Phoenix, Portland, and Tucson.

[6] A sanitation deficiency is a need arising from existing water, sewer, or solid waste facilities, or lack thereof, that creates or may result in exposure to environmental conditions that can negatively impact public health.

track the progress and aid in the project management of sanitation projects once the projects are funded.

SFC Program project development generally unfolds through several phases: Planning, Design, Construction, and Closeout. At the time of our audit, 16 Navajo Area SFC Program construction projects had reached Construction or Closeout phases, while the remaining 171 projects had not appreciably progressed beyond the Planning or Design phases.[7]

Navajo Area Indian Health Service, Navajo Nation, and Navajo Engineering and Construction Authority

The NAIHS delivers health services to over 244,000 American Indians in 5 Federal service units in or near the Navajo Nation. The NAIHS provides inpatient, emergency, outpatient, public health, and other services at four hospitals: Chinle Comprehensive Health Care Facility, Crownpoint Health Care Facility, Gallup Indian Medical Center, and Northern Navajo Medical Center (which is located in Shiprock, New Mexico).

As shown in the Table, the NAIHS administered IIJA funding for 196 SFC Program projects totaling approximately $273 million for the first 4 years of IIJA funding. The Navajo Nation, through its construction enterprise, the Navajo Engineering and Construction Authority (NECA), provides all construction labor, equipment, standard materials, and related services to construct SFC Program projects. The NAIHS, the Navajo Nation, and NECA manage projects under the provisions of a Memorandum of Agreement (MOA) that delineates the roles and responsibilities of these three parties.

Table: IIJA-Funded Sanitation Facilities Construction Program Projects Administered by the NAIHS for Fiscal Years 2022 Through 2025

Funding Year	Construction	Design and Construction Documents	Planning	Total	Number of Projects Receiving Funds
FY 2022	$128,073,039	$19,389,320	$4,185,412	$151,647,771	132
FY 2023	48,652,251	5,176,790	0	53,829,041	25
FY 2024	30,317,000	7,959,600	26,005,000	64,281,600	37
FY 2025	3,370,700	181,000	0	3,551,700	2
Totals	**$210,412,990**	**$32,706,710**	**$30,190,412**	**$273,310,112**	**196***

* The total number of SFC Program projects within the Navajo Nation that have received IIJA funding is 189 (187 for FYs 2022 through 2024 and 2 for FY 2025); however, the sum of this column is greater than the total because some projects received funds for multiple funding years.

[7] The Table breaks out IIJA funding by funding year and therefore reflects 196 projects because some projects received funds for multiple funding years.

HOW WE CONDUCTED THIS AUDIT

To accomplish our objective, we reviewed 187 projects totaling $269,758,412 funded under the IIJA from November 15, 2021, through April 23, 2024 (audit period). We interviewed officials from the NAIHS to gain an understanding of the internal controls related to SFC Program processes. We obtained PDS data from IHS's STARS database and used those data to identify and review internal controls for awarding, monitoring, and reporting SFC Program projects. Of the 187 projects, 16 had reached the Construction or Closeout phase at the time of our audit. We requested additional documentation for these 16 projects to evaluate internal controls.

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.

Appendix A describes our audit scope and methodology.

FINDINGS

Although the NAIHS had internal controls for awarding, monitoring, and reporting SFC Program projects funded under the IIJA, it did not consistently follow those controls or its established procedures. Specifically, for some projects the NAIHS did not follow required award controls because it did not update project cost estimates or prepare and review project summaries. In addition, the NAIHS did not follow its monitoring controls in several areas, including reviewing invoices before payment, reviewing and approving right-of-way easements, and monitoring Construction phase costs. The NAIHS also did not consistently follow its monitoring controls when it used IIJA funding to pay invoices for a non-IIJA project. Furthermore, the NAIHS did not follow required monitoring controls related to amending MOAs when project scope changes occurred. We also found that the NAIHS did not adhere to its monitoring controls for construction projects that exceeded their approved budgets. Finally, the NAIHS did not follow its reporting controls. Specifically, it did not accurately identify project funding sources, did not track construction and design costs separately as required, and did not report updated project milestones.

As a result of the NAIHS not consistently following its internal controls for awarding, monitoring, and reporting these projects, there were increased risks that IIJA funds could be used improperly and that projects would not be completed in a timely manner.

THE NAVAJO AREA INDIAN HEALTH SERVICE DID NOT CONSISTENTLY FOLLOW ESTABLISHED INTERNAL CONTROLS FOR AWARDING INFRASTRUCTURE INVESTMENT AND JOBS ACT FUNDS

Requirements and Internal Controls for Awarding Funds to Sanitation Facilities Construction Program Projects

IHS works collaboratively with Tribes to identify sanitation deficiencies and to plan and develop projects to correct those deficiencies. These projects are maintained in the SDS, and these data are used to report sanitation deficiency levels for Indian homes and communities to Congress each year. Congress used SDS data reported as of December 31, 2021, as the basis for appropriating $3.5 billion in IIJA funding to the SFC Program for FYs 2022 through 2026. Cost estimates and project summaries are key controls that keep SDS data and project-level documentation accurate and current.

Requirements for Project Cost Estimates

IHS requires annual updates to SDS project data to account for inflation and changes in Federal and State regulations, to add new deficiencies, and to remove deficiencies that have already been addressed. Project cost estimates serve as a key control for prioritization of funding awards and feasibility determinations.

The NAIHS uses project cost estimates to update SDS data. National guidance (Criteria for the Sanitation Facilities Construction Program (SFC Criteria), chapter 2, section IV) requires that the inventory of sanitation facility needs for existing homes be maintained in the SDS and that the data be updated annually to account for inflation and other factors. Local guidance (NAIHS SDS Guideline) specifies that cost estimates must not include more than a 10 percent contingency for unforeseen shortfalls and should exclude allowances for future inflation or delayed funding. The NAIHS also requires qualified reviewers to document cost-estimate reviews by completing the "Last Reviewed By" field. These requirements serve as key internal controls to help ensure that cost estimates are accurate, current, and reviewed.

Requirements for Project Summaries

The NAIHS, the Navajo Nation, and NECA manage projects using an MOA that delineates the roles and responsibilities of these three parties. The MOA Guidelines Working Draft, dated June 2003, chapter III, "MOA Structure and Procedures," section 1(a)(5), "Project Summary," states that MOAs are based on a plan of action outlined in an approved project summary. The approved project summary outlines a plan of action, alternates that have been considered, engineering cost estimates, and any technical assistance referenced in the MOA. Project summaries serve as a key control for helping ensure that award decisions are based on current and accurate information.

Specifically, SFC Criteria, chapter 8, section I, states that project summaries should be reviewed and signed off by the project preparer (i.e., the Project Manager for NAIHS projects), the appropriate project officer, and the District Engineer, with the Area SFC Director as the approving official. This signoff process is designed to help ensure that the project summaries contain current and accurate information.

The Navajo Area Indian Health Service Did Not Consistently Follow Requirements for Updating Cost Estimates and Preparing Project Summaries

Project Cost Estimates

Project cost estimates help ensure that MOA provisions—such as scope of work, method, contributions, and schedule—are meaningful and enforceable. We reviewed the NAIHS's cost estimates for the 187 projects that were funded under the IIJA during our audit period. We identified the following instances in which the NAIHS did not follow the established requirements it had designed, as part of its internal controls for awarding IIJA funds, for updates to project cost estimates:

- 105 IIJA-funded projects lacked "Last Reviewed By" entries. In the absence of the required signoffs, we were unable to determine whether the cost estimates for these projects were accurate or whether they had been prepared by qualified individuals.

- 75 IIJA-funded projects did not include inflation adjustments as required by national IHS guidance, a discrepancy largely driven by conflicting requirements between local and national guidance on adjusting for inflation.[8]

- 32 IIJA-funded projects contained the identical statement: "[h]istorical costs have been adjusted for 3% inflation assuming construction will end in 2017." These cost estimates were not subsequently updated during the 4 years we reviewed to reflect the most current cost conditions.

The NAIHS did not follow the requirements and related internal controls it established for maintaining current, accurate cost estimates, and the NAIHS therefore increased the risk that award decisions were based on outdated or unverified information. This increases the likelihood of under- or over-funding, misaligned scopes, project delays, and improper use of IIJA funds.

Project Summaries

Project summaries help ensure that award decisions for IIJA-funded SFC Program projects are based on accurate and current information. We determined, though, that the NAIHS did not follow its internal controls for awarding IIJA funds because it did not consistently prepare all

[8] The NAIHS uses cost estimates to update data in the SDS. National guidance states that the SDS data should be updated annually to account for inflation and other factors, while local NAIHS guidance states that allowances for future inflation should be excluded from cost estimates.

project summaries as required by the SFC Criteria. For the 187 IIJA-funded projects that we reviewed, we identified 38 project summaries that had not been signed by the Project Manager (the preparer of the document). The NAIHS thus did not consistently follow the requirements for project summary approval.

The absence of Project Manager signatures weakens accountability and makes it more difficult for subsequent reviewers to verify the accuracy of information contained in the project summaries.

THE NAVAJO AREA INDIAN HEALTH SERVICE DID NOT CONSISTENTLY FOLLOW ITS INTERNAL CONTROLS FOR MONITORING SANITATION FACILITIES CONSTRUCTION PROGRAM PROJECTS

Requirements and Internal Controls for Monitoring Funds Awarded to Sanitation Facilities Construction Program Projects

Monitoring of a construction project by IHS continues until IHS transfers the project and its interest to the Tribe. IHS's *Indian Health Manual* (part 5, chapter 2) requires continuous monitoring of sanitation facilities projects to ensure accountability, risk mitigation, and the safeguarding of Federal resources. The NAIHS's monitoring responsibilities include key controls such as documentation of inspections to verify project progress, to review costs, and to help ensure compliance with approved project scopes of work.

The MOAs require that no work is to be performed or cost incurred by the Navajo Nation that would exceed the maximum IHS contribution listed in the MOA without IHS's concurrence and without execution of an amendment to the MOA to provide for an increase to the IHS contribution. Additionally, the MOAs require that IHS obtain all right-of-way easements on or over Tribal lands and that the Navajo Nation waive any claims against IHS for compensation and damages for those rights-of-way.

The Navajo Area Indian Health Service Did Not in All Cases Follow Its Internal Controls for Monitoring Sanitation Facilities Construction Program Projects

Vigorous monitoring and oversight activities are necessary to help ensure that the NAIHS is managing ongoing and future IIJA projects responsibly and in accordance with the *Indian Health Manual* and the MOA requirements.

The NAIHS's internal controls for monitoring SFC Program projects are intended to oversee project implementation through ongoing communication, periodic reviews of project schedules, and field-level monitoring to confirm that construction activities adhere to approved plans, specifications, environmental requirements, and minimum construction standards. This continuous project oversight helps ensure that all parties involved in projects meet their obligations as required by the *Indian Health Manual* and the MOA.

When internal controls for monitoring SFC Program projects are not consistently followed and oversight activities are not consistently executed, the risks of cost overruns, delays, and misuse of Federal funds increase. As stated earlier, at the time of our audit 16 SFC Program projects had reached the Construction or Closeout phases, while the other 171 projects had not progressed beyond the Planning phase. We reviewed these 16 projects and found that the NAIHS's oversight activities did not consistently follow its internal controls for monitoring SFC Program projects. Specifically:

- The NAIHS did not demonstrate that it had reviewed invoices before making payment for seven of the projects that we reviewed, as required by the monitoring controls in the *Indian Health Manual* and the MOAs. Reviewing invoices prior to payment is the control that ensures that costs are valid, accurate, and consistent with project scope and funding limits.

- The NAIHS did not demonstrate that it had obtained right-of-way easements for two of the projects that we reviewed. Easement approval is a monitoring control because it establishes the legal right to access sites and construct project components, which is necessary for compliance with the MOAs.

- The NAIHS did not demonstrate that it had monitored Construction phase costs for nine of the projects that we reviewed. Monitoring construction costs is a required control that ensures that spending aligns with progress and that projects remain within the funding limits established in the MOAs.

As more projects enter the Construction phase, the lack of consistent monitoring and oversight activities increases the risk of financial loss, project delays, and fraud. Consistently following internal controls for monitoring SFC Program projects is necessary to reduce these risks and help ensure the proper stewardship of IIJA-funded projects.

The Navajo Area Indian Health Service Did Not Follow Its Internal Controls for Monitoring When It Used Infrastructure Investment and Jobs Act Funds To Pay Invoices for an Unrelated Project

The NAIHS local guidelines prohibit paying an invoice from any project other than the one identified on the invoice; this requirement functions as a monitoring control to ensure that IIJA funds are used only for the project for which they were awarded. This control is reinforced by the SFC Criteria, which specify that sanitation facilities funding is limited to specific purposes and may not be used for unrelated work. Together, these controls require that each payment be charged to the correct project account and reviewed for funding source accuracy before payment.

We determined, though, that in the case of one project, the NAIHS paid four invoices totaling $4,601 using IIJA funds from one project for work associated with a different, non-IIJA project. For each of these four invoices, the field engineer or Project Manager had signed off on the invoice for payment, but the required control—charging costs only to the correct project—was not followed. Project level signoff did not fulfill the requirement to ensure the proper payment source.

By not following its monitoring controls to ensure that payments are charged to the correct projects, the NAIHS increased the risk that IIJA funds would be used for work unrelated to the purposes for which they were awarded. Misapplication of funds also complicates project cost tracking, reduces transparency, and increases the risk of mismanagement.

The Navajo Area Indian Health Service Did Not Follow Its Internal Controls for Monitoring as It Did Not Amend Memorandums of Agreement When There Were Project Scope Changes

The *Indian Health Manual*, part 5, chapter 2, "Memorandum of Agreement Amendments," sections 5-2.4 F and F(1) and (2), states that if there is a change in the scope of a project, both the MOA and the project summary must be amended. Furthermore, whenever field conditions or changed circumstances make necessary a change in plans or in the agreed-upon conduct of a project, modifications (amendments) to that project's basic MOA shall be executed as necessary. These sections of the *Indian Health Manual* also state that an MOA must be amended if either of the following conditions apply: (1) the scope of the project as described in the project summary changes significantly or (2) funds in excess of the amounts stated in the MOA are required to complete the project. These established internal controls for monitoring IIJA funds help ensure that when project scopes of work change, the MOA is amended and all parties involved in projects are made aware of the changes. Accordingly, these internal controls serve as important safeguards to help ensure that funding is used appropriately.

The NAIHS did not follow its internal controls for monitoring as it did not amend MOAs when project scopes changed. Specifically, for seven IIJA-funded SFC Program projects that had begun construction, the NAIHS identified costs that no longer aligned with the scopes of work specified in the MOAs or the project summaries. In each of these projects, the MOA should have been amended to show a reduction in IIJA funds needed to complete the project, based on the identified changes in scope. However, the NAIHS did not amend the MOAs for these seven projects to reflect those changes.

By not following its monitoring controls that required amendments to MOAs when project scopes changed, the NAIHS increased the risk that project documentation, responsibilities, and funding levels would not match actual project conditions. This misalignment increased the potential for mismanagement, inefficient use of IIJA funds, and inaccurate tracking of project obligations.

The Navajo Area Indian Health Service Did Not Follow Its Internal Controls for Monitoring Construction Costs for Four Sanitation Facilities Construction Program Projects That Exceeded Approved Budgets

The *Indian Health Manual* requires the completion of regular cost reports so that project spending can be tracked and compared to the approved budget. If conditions change, the MOA must be updated to reflect those changes. Each MOA specifies the obligations of all parties involved in the project. In addition, the MOA establishes a total funding amount and further identifies the portion of funds that is allocated specifically for construction activities. These collective fiscal traits within the MOA serve as key internal controls for monitoring budget activities and costs incurred.

The NAIHS did not in some cases follow its internal controls for the monitoring of construction costs for SFC Program projects. We identified four projects for which the construction costs had exceeded the maximum construction-only amounts that were specified in the MOAs. Contrary to the *Indian Health Manual* requirements, the NAIHS did not update the MOAs for these four projects to reflect the increased costs. We found that for these four SFC Program projects, the NAIHS had tracked construction costs against all available funding sources rather than to construction-only funding sources as specified in the MOAs.

Thus, the NAIHS did not follow its internal controls for monitoring by not tracking construction costs to the construction-only limits and by not amending MOAs when costs exceeded those limits. As a result, the NAIHS faced an increased risk that construction costs could exceed budgeted amounts, which could cause scope of work changes, create delays, and increase the possibility that some projects could not be completed because of insufficient funds.

THE NAVAJO AREA INDIAN HEALTH SERVICE DID NOT CONSISTENTLY FOLLOW ITS INTERNAL CONTROLS FOR REPORTING SANITATION FACILITIES CONSTRUCTION PROGRAM PROJECTS

Requirements and Internal Controls for Reporting Funds Awarded to Sanitation Facilities Construction Program Projects

The SFC Program operates under statutory and policy frameworks that require strong internal controls designed to help ensure accurate financial reporting. The *Indian Health Manual* and the SFC Criteria establish that MOAs serve as the primary instruments for obligating funds, setting maximum funding limits, and defining allowable costs. The IHS document *Sanitation Deficiency System, SDS, A Guide for Reporting Sanitation Deficiencies for American Indian and Alaska Native Homes and Communities*, issued September 2019 (IHS SDS Guide) requires projects to be reviewed and updated on a regular basis to help ensure that the overall SDS database represents an accurate reflection of the current needs for sanitation facilities.[9] To support these requirements, IHS policy calls for segregation of duties, documented approvals,

[9] The IHS SDS Guide cited here is a different document than the NAIHS SDS Guideline (i.e., local guidance) mentioned elsewhere in this report.

and cost-control systems that include project status reviews, record audits, and corrective actions. These key internal controls are designed to prevent misapplication of funds and to help ensure that construction and Architect and Engineering (A&E) costs are tracked and reported separately, for each MOA, specifying distinct funding caps for these categories.

In addition to financial controls, the SFC Criteria mandate timely updates of project milestones in the PDS, which is the official source for monitoring project progress and informing congressional and budget reporting. The maintenance and reporting of accurate milestone data—such as MOA execution dates, construction start and completion dates, and final inspection dates—are critical for transparency and oversight. In this context, the STARS database provides the foundation for national reporting and resource allocation decisions. When internal controls for reporting are not consistently followed, there is an increased risk of misapplied funds, inaccurate cost reporting, and incomplete project data, which in turn can lead to budget overruns, project delays, and diminished accountability.

The Navajo Area Indian Health Service Did Not Follow Its Internal Controls for Identifying and Reporting Correct Funding Sources Before Making Payment

In accordance with the provisions of the IHS SDS Guide, SFC Program projects must be reviewed and updated in the SDS on a regular basis to ensure that the overall database represents an accurate reflection of the current need for sanitation facilities.

We observed one instance in which the NAIHS did not follow this guidance and issued IIJA funding to a project that had already been completed using funds from another funding source. Specifically, the NAIHS advanced $13,000 in IIJA funds to NECA for preparatory construction work even though the project had already been completed using American Rescue Plan Act funds. This error could have been avoided if controls for reporting IIJA funds were followed.

Because the NAIHS did not consistently follow its internal controls for reporting, it faced an increased risk that IIJA funding could be misapplied and go unreturned. Improved procedures to identify and timely report funding sources would prevent payments from being made for projects that are no longer eligible for support from specific funding sources.

The Navajo Area Indian Health Service Did Not Follow Its Internal Controls for Tracking and Reporting Construction Costs Separately From Design Costs as Required by the Memorandums of Agreement

Each MOA establishes separate funding limits for construction costs and design costs (i.e., A&E costs), and thus serves as a key control to help ensure that budgets are not exceeded for specific cost categories. The agreed-to amounts must not be exceeded unless the MOA is formally amended to reflect those changes. Moreover, because these costs are itemized separately in the MOA, the NAIHS is responsible for tracking and reporting them independently.

We determined that NECA coded construction costs and A&E costs separately on each invoice. However, the NAIHS did not track these costs separately as required and instead used construction funds to pay invoices that included both construction and A&E costs.

The NAIHS did not follow the controls established in the MOAs with respect to the tracking and reporting of A&E costs separately from construction costs. This commingling of costs prevented NAIHS staff from determining whether spending remained within MOA limits and increased the risk of budget overruns because of insufficient oversight and inaccurate reporting.

The Navajo Area Indian Health Service Did Not Consistently Follow Its Internal Controls for Timely Updating and Reporting of Project Milestones

Each PDS project profile includes multiple milestones that must be documented during the Planning, Design, Construction, and Closeout phases. Milestones are essential controls because they provide a clear, structured way to track project progress, highlight delays, and maintain accountability. Milestones feed directly into key reports, support funding and oversight decisions, and formally document when major phases, especially project completion, are achieved. Examples of required milestones include, but are not limited to, the project summary completion date, the MOA signed date, the construction start date, the final inspection date, and the construction end date.

Local NAIHS guidance requires milestones to be updated in the PDS at least monthly for IIJA-funded projects, but the NAIHS did not consistently comply with this reporting requirement. In June 2025, we reviewed a PDS report of project milestones when 188 projects (from all 4 IIJA funding years) were active in the PDS. We found that these projects had a combined total of 42 expired milestones and 192 missing milestones. If the NAIHS followed its internal controls for updating and reporting milestones at least monthly, there would be no expired or missing milestones.

When project milestones are not timely updated in the PDS, the NAIHS staff's ability to accurately assess, document, and report project status is necessarily limited. Outdated or missing milestones impair the NAIHS's ability to report progress, document status, and support informed oversight.

CONCLUSION

During the first 4 years of IIJA funding, the Navajo Area received $273,310,112 for 196 SFC Program projects (see the Table earlier in this report), which represented the highest level of IIJA funding awarded to any Tribe. As of the preparation of this report, no IIJA-funded SFC Program projects for Navajo Nation had been completed. At the same point in time, 31 projects remained under construction with IIJA funds totaling $19,687,674, and 13 additional projects totaling $4,918,008 were in the Closeout phase. Although the NAIHS implemented internal controls for awarding, monitoring, and reporting SFC Program projects, we identified numerous instances in which it did not follow these controls. When established controls are not consistently followed, there are increased risks of project delays, budget overruns, spending for ineligible purposes, and mismanagement of IIJA funds. If not addressed, these risks can become more acute as more SFC Program projects advance into the Construction phase.

RECOMMENDATIONS

We recommend that the NAIHS follow its internal controls and its established procedures for awards of IIJA funds for SFC Program projects, to include controls regarding the proper review and updates of project cost estimates and the proper review and approval of project summaries.

We recommend that the NAIHS revise local guidance in the NAIHS SDS Guideline so that it aligns with national guidance in the SFC Criteria to specify that project cost estimates include allowances for inflation.

We recommend that the NAIHS follow its internal controls and its established procedures for the monitoring of SFC Program projects, to include: (1) strengthening project oversight activities, including of review and monitoring of invoices and documentation of construction cost controls; (2) following controls designed to ensure that MOAs are amended for project scope changes; and (3) following controls designed to ensure that construction costs do not exceed limits established in the MOAs.

We recommend that the NAIHS follow its internal controls and its established procedures for the reporting of SFC Program projects, to include: (1) following controls regarding the identification and reporting of correct funding sources before payments are made, (2) following controls for tracking and reporting construction costs separately from A&E costs, and (3) following controls for timely updating and reporting of project milestones in the PDS.

NAVAJO AREA INDIAN HEALTH SERVICE COMMENTS

In written comments on our draft report, the NAIHS concurred with all of our recommendations and described the corrective actions it had taken or planned to take to address them. The NAIHS reported that it is strengthening program implementation by using a contractor to support development of standardized project workflows intended to clarify roles and improve consistency in project planning, review, and oversight. The NAIHS stated that the contractor's preliminary findings indicated that a fundamental lack of understanding of SFC project workflows contributed to several deficiencies that our audit identified.

With respect to our first recommendation, the NAIHS stated that the contractor has initially focused on developing accurate cost estimates, providing training, and ensuring proper review of project summaries as workflow development proceeds. The NAIHS added that it is improving cost-estimating practices through structured training; enhanced review and approval processes for project summaries, cost estimates, and associated documentation; and an annual Job Cost

Analysis conference that the NAIHS SFC staff had implemented "to strengthen the consistency and accuracy of project cost estimating."

For our second recommendation, the NAIHS stated that it had updated its local guidance (in the 2026 Navajo Area SDS Guideline) to align with national criteria by incorporating "allowances for inflation and other factors" into contingency calculations.

For our third recommendation, the NAIHS reported that it had strengthened oversight of construction and financial management by updating financial and scope-change guidelines. The NAIHS added that it had directed SFC staff to maintain construction inspection books and to ensure timely STARS updates. The NAIHS described other implemented and planned actions, including staff training on reviews of timesheets and weekly cost reports, monthly reviews and reconciliations of project balances and expenditures as supported by weekly cost reports, and training on procedures for (1) amending MOAs when scopes of work change and (2) reviews of weekly timesheets to ensure that work performed remains within MOA limits.

For our fourth recommendation, the NAIHS stated that it planned to: implement multi-level verification of funding sources, improve tracking of architectural and engineering expenditures, and institute bi-monthly milestone reviews supported by the PDS Executive Scorecard to promote timely and accurate reporting.

The NAIHS noted that its contractor's tasks directly support implementation of these corrective actions and that HQ continues to assist in overseeing this effort. The NAIHS's comments on our draft report are included as Appendix B. The attachments referenced in the NAIHS's comments were not included in this report because of their volume.

APPENDIX A: AUDIT SCOPE AND METHODOLOGY

SCOPE

To accomplish our objective, we reviewed 187 projects totaling $269,758,412 funded under the IIJA from November 15, 2021, through April 23, 2024 (audit period). We interviewed officials from the NAIHS to gain an understanding of the NAIHS's organizational structure, responsibilities, and operating procedures related to the SFC Program, as well as the internal controls related to SFC Program processes. We obtained PDS data from IHS's STARS database and used those data to identify and review internal controls for awarding, monitoring, and reporting SFC Program projects. Of the 187 projects, 16 had reached the Construction or Closeout phase at the time of our audit. We requested additional documentation for these 16 projects to fully evaluate internal controls.

We conducted our audit from February 2024 to June 2026.

METHODOLOGY

We took the following steps to accomplish our objective:

- Reviewed applicable Federal laws, regulations, and guidance

- Identified systems in place, such as the SDS and the PDS, for managing SFC Program projects

- Interviewed officials from the NAIHS to gain an understanding of the controls related to the awarding, monitoring, and reporting of SFC Program projects

- Obtained details of IHS's FYs 2022 through 2024 funding years to identify the SFC Program projects in the Navajo Area that received IIJA funds

- Reviewed all 187 active projects (FYs 2022 through 2024) in our audit scope to evaluate internal controls for awarding, monitoring, and reporting SFC Program projects, and to determine whether the NAIHS followed these internal controls (we limited our review of construction monitoring controls to the 16 projects that were in the Construction or Closeout phase at the time of our audit)

- Discussed the results of our audit with NAIHS officials

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.

DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Navajo Area
Indian Health Service
P.O. Box 9020
Window Rock, Arizona 86515

July 30, 2026

James Korn, Director
Regional Inspector General for Audit Services
Cohen Building, 330 Independence Avenue, SW
Washington, DC 20201

Subject: IG Draft Report – Improvements on the Navajo Area Office's Internal Controls for SFC Projects (A-07-24-07015)

Dear James Korn,

The OIG Report (A-07-24-07015) identified deficiencies in the Navajo Area Indian Health Service Sanitation Facilities Construction (NAIHS SFC) Program's internal controls related to project cost estimating, project oversight, invoice review, right-of-way easement approvals, construction cost monitoring, financial reporting, and project milestone reporting. These findings indicate that the challenges we face in program management and implementation extend beyond procedural issues and reflect broader systemic concerns.

The NAIHS SFC has taken positive corrective actions since the OIG reviewed project data in June 2025. These include the Area awarding a contract in September 2025 to [redacted][10] [redacted] (See Attached Press Release) to strengthen program management and improve NAIHS SFC program delivery, revising local guidance and internal procedures, providing staff training, implementing Project Checkbooks and additional management oversight, and participating in the DSFC HQ Executive Scorecard process beginning in August 2025 to improve data quality and program oversight. Additionally, the [redacted] contract includes two tasks that directly support implementation of the OIG recommendations:

- **Task 1:** Program/Project Management Support, Planning, and Design Tracking
- **Task 2:** Navajo Area SFC Program Analysis and Proposed Improvements

Due to limited staffing within the NAIHS SFC, DSFC HQ has provided significant support for this effort. HQ staff serve as the Contracting Officer's Representative (COR) and lead coordination with the contractor, including review of contract deliverables.

Although the contractor's final deliverables are still pending, preliminary findings indicate that a fundamental lack of understanding of SFC project workflows is a significant underlying contributor to many of the deficiencies identified in the OIG report. Without clearly defined workflows and roles, it is difficult to establish staff accountability or implement effective internal controls that ensure critical project management processes are performed consistently and in accordance with policy.

[10] Office of Inspector General Note—The deleted text has been redacted because it is third-party information.

The Navajo Area acknowledges and concurs with all recommendations provided by the OIG. The SFC program is diligently implementing corrective actions to address deficiencies identified by the OIG and strengthening program implementation. Below, we present our responses to the recommendations offered:

1. We recommend that the NAIHS follow its internal controls and its established procedures for awards of IHS funds for SFC Program projects, to include controls regarding the proper review and updates of project cost estimates and the proper review and approval of project summaries.

The NAIHS SFC Contract with [redacted] is focused on further developing program implementation and project workflows to standardize processes. This initiative aims to ensure that tasks are executed accurately and consistently. The development of these workflows will clarify how cost estimates are created and incorporated into project summaries. Additionally, this initiative will define the roles of the project manager, district engineer, and NAIHS SFC staff in the review and approval process. Currently, the NAIHS SFC has not begun establishing these workflows; our initial focus has been on developing accurate cost estimates, providing training, and ensuring proper review of project summaries.

The workflow will involve several steps. First, the Project Manager will review and sign the Project Summary as the preparer, certifying that the project information and cost estimate are accurate, complete, and valid. After the Project Manager's certification, the District Engineer will conduct an independent technical review to verify the project documentation before signing. Next, the Project Summary will be reviewed and approved by the NAIHS SFC Director, with final approval coming from the Area Office of Environmental Health & Engineering Director (OEHE). This sequential review and approval process establishes multiple levels of oversight and accountability, ensuring that the project documentation is thoroughly vetted and approved in accordance with the NAIHS SFC Guideline 3.1 (Attached), which will need to be updated as the detailed workflow process is developed.

In addition, NAIHS SFC has implemented an annual Job Cost Analysis (JCA) conference to strengthen the consistency and accuracy of project cost estimating. The inaugural conference was held on March 12, 2025, followed by the second conference on March 9–10, 2026, with participation from all project managers and engineers. The conference provides a structured forum for the NAIHS SFC Deputy Director, District Engineers, and Project Managers to collaborate on reviewing and updating project cost estimates, evaluating unit costs and incorporating adjustments for inflation and current market conditions. During the conference, standardized unit costs are reviewed, discussed, and collectively adopted by all District Engineers and Project Managers to promote consistency and accuracy across all districts.

2. We recommend that the NAIHS revise local guidance in the NAIHS SDS Guideline so that it aligns with national guidance in the SFC Criteria to specify that project cost estimates include allowances for inflation.

NAIHS SFC has updated its local guidance to align with both the SFC Program Criteria and Interim Guidance Memo (IGM)2025-03 (Attached). These updates include modifications to the document titled "Sanitation Deficiency System (SDS): A Guide for Reporting Sanitation Deficiencies", and the FY 2026 Sanitation Tracking and Reporting System (STARS) Guidance (Attached) effective April 9, 2025. The revised guidance provides project managers and engineers with clearer directions for developing project cost estimates, promoting greater consistency, accuracy, and compliance with current SFC program requirements.

The 2026 Navajo Area SDS Guideline (Attached) clarifies that the contingency rate includes allowances for inflation and other factors associated with delayed project funding, consistent with the national guidance outlined in the SFC Program Criteria. By incorporating this information in the 2026 NAIHS SDS Guideline, NAIHS has strengthened the consistency and accuracy of project cost estimating, while simultaneously ensuring compliance with established SFC program requirements.

The revised 2026 NAIHS SDS Guideline includes the following statements:

JCA Contingency: The JCA shall not have a contingency greater than 10%. The contingency cost should cover inflation and other delayed funding. There should not be an allowance specifically for future inflation or delayed funding. JCA unit costs are to be for today's costs only.

We assert that our response to this recommendation is satisfactory and respectfully request that it be closed.

3. We recommend that the NAIHS follow its internal controls and its established procedures for the monitoring of SFC Program projects, to include: (1) strengthening project oversight activities, inclusive of review and monitoring of invoices and documentation of construction cost controls; (2) following controls designed to ensure that MOAs are amended for project scope changes; and (3) following controls designed to ensure that construction costs do not exceed limits established in the MOAs.

The development of program implementation and project workflows will clearly define roles, responsibilities, and oversight throughout the construction phase, including how project activities are managed, project costs are controlled, and financial performance is monitored. Although NAIHS SFC has not yet initiated the development of comprehensive workflows; its initial efforts have focused on updating on strengthening project financial management through updates to existing guidance. Specifically, SFC revised Guideline G10.7_25-05, "Additional Funds and/or Change in Scope of Work," (attached) and developed Guideline, G10.10_25-06, "Project Checkbook." (attached). Both guidelines were approved by SFC leadership and distributed to staff via email by the SFC Director, effective May 6, 2025.

All staff participated in in-person presentations on each guideline during two separate group meetings held in October 2025 and March 2026. These efforts, combined with ongoing financial oversight by the NAIHS SFC Deputy Director, aim to strengthen controls to ensure that construction expenditures are properly monitored and that costs remain within the funding limits outlined in the MOA.

(1) Strengthen project oversight, including review and monitoring of invoices and construction cost controls.

The NAIHS SFC Director issued a memo on June 2, 2024, instructing all staff Area-wide to maintain construction inspection books for all projects and ensure timely updates in WSTARS. A construction inspection guideline will need to be developed to strengthen oversight and designate the project manager as the professional responsible for ensuring that all conditions are documented during construction, including the correct project cost codes.

During a presentation on October 28, 2025, the NAIHS SFC Deputy Director provided guidance on reviewing jobsite timesheets and weekly contractor cost reports, and the process on reconciling them with invoices before recommending payment. According to Guideline No. 10.10 (25-06), Project Managers (PMs) are required to keep an up-to-date project ledger and Project Checkbook for every active project, and the District Engineers are responsible for ensuring that project engineers/managers are updating their Project Checkbooks

The NAIHS SFC Deputy Director conducts monthly reviews of project balances and expenditures recorded in Area Project Checkbooks to ensure they are accurately reconciled with the IHS Unified Financial Management System (UFMS). On a monthly basis, District Engineers submit Project invoices recommended for payment to the NAIHS SFC Deputy Director for review and processing. The NAIHS SFC Deputy Director verifies the availability of project funding, confirms that proposed expenditures are allowable under the relevant Memorandum of Agreement (MOA) obligations, and ensures that supporting weekly financial reports substantiate the requested payment of invoices before forwarding the invoices to the Accountant and the NAIHS SFC Director for approval.

(2) Follow controls designed to ensure MOAs are amended for project scope changes.

The NAIHS SFC Deputy Director updated the existing guideline G10.7_25-05, "Additional Funds and/or Change in Scope of Work," on May 6, 2025. An in-person presentation was held with SFC staff to emphasize the importance of amending the respective MOA before executing changes to the scope of work or exceeding budgetary limits. Project Managers are responsible for performing first-level reviews of all expenditures, while the respective District Engineers provide oversight. The District Engineers are authorized to request scope changes or additional funding. They are required to submit their request to the NAIHS SFC Director for approval. The NAIHS SFC Deputy Director monitors project financial status monthly to ensure adherence to the guidelines.

(3) Follow controls designed to ensure construction costs do not exceed MOA limits.

All Project Managers are required to keep their checkbooks up to date, as outlined in the new Guideline 10.10_25-06 regarding Project Checkbooks. The District Engineer is responsible for overseeing these project checkbooks, particularly when submitting invoices to the NA SFC Deputy Director for payment. During the staff presentations in October 2025 and March 2026, all managers were instructed by the NAIHS SFC Deputy Director to review weekly timesheets to ensure that work performed is charged to the correct project and remains within the MOA limits (1st-level review). To maintain financial responsibility, managers are consistently reminded to actively monitor construction progress and halt any projects approaching budgetary limits.

The Navajo Engineering Construction Authority (NECA) is an enterprise of the Navajo Nation and provides Tribal Force Account construction services to the NAIHS SFC. The NECA provides weekly construction cost reports to the District Engineers and Project Managers. The SFC checkbook, along with NECA's weekly cost reports, are provided to project engineers to help them manage their project finances.

4. We recommend that the NAIHS follow its internal controls and its established procedures for the reporting of SFC Program projects, to include: (1) following controls regarding the identification and reporting of correct funding sources before payments are made, (2) following controls for tracking and reporting construction costs separately from A&E costs, and (3) following controls for timely updating and reporting of project milestones in the Project Data System (PDS).

(1) Following controls regarding the identification and reporting of correct funding sources before payments are made.

Project funds are outlined in the applicable Project Summary and MOA. Unique project accounts are created with specific project account numbers that are linked to the corresponding Common Account Number (CAN) for the funding source. When project invoices are received by the NAIHS SFC for payment processing, the SFC Budget Analyst and Accounting Technician, under the direction of the NAIHS SFC Deputy Director, review each invoice and perform a budget analysis to confirm the availability of funds in each project and that the correct funding source is documented. A payment memo summarizing invoices is then submitted to the Accountant for review and approval. Upon approval, payment is entered into the online financial management system for certification. The Navajo Area Finance Department's Funds Certifier reviews each payment entry and invoice before certifying it for payment. The multiple levels of review ensure that the correct project accounts are being charged. At the end of each project, expenses are disclosed in the Final Report. The procedure described here will be incorporated into the SFC program implementation workflow. A guideline will be developed for this procedure.

(2) Following controls for tracking and reporting construction costs separately from A&E costs.

The uniform checkbook distinguishes A/E expenditures from all other project obligations, as outlined in each Project Summary and MOA. During in-person presentations, the NAIHS SFC Deputy Director instructed project managers to clearly mark A/E on their invoices. This helps draw attention to A/E expenditures for precise tracking. Currently, the NA SFC Deputy Director manually monitors these expenditures using the checkbooks maintained at the Area Office. Meetings have been held with NECA to explore ways to automate the separation of expenditures. However, A/E expenditures are still being calculated manually by the NAIHS SFC Deputy Director. Implementation of this recommendation is ongoing, and additional work is required to achieve full implementation.

(3) following controls for timely updating and reporting of project milestones in the PDS.

NAIHS SFC recognizes the PDS Executive Scorecard (Attached) as an essential tool for monitoring the quality, completeness, and timeliness of project milestone data. Published monthly by Headquarters, the Executive Scorecard is available to NAIHS SFC staff at any time. It highlights active projects that have missing, incomplete, or expired milestones. This enables management to track timelines and progress, identify data quality issues, and take timely corrective actions.

To support this oversight, District Engineers are required to conduct bi-monthly reviews of the WSTARS Project Milestones Dashboard. During these reviews, District Engineers will identify and update any missing, incomplete, or expired milestones to ensure project information remains current, accurate, and complete. This bi-monthly review requirement is scheduled to be incorporated into the NAIHS SFC PDS Guidelines (Attached) and will serve as an additional internal control by promoting timely milestone updates, improving data quality, and reducing the risk of incomplete or overdue project documentation.

This document serves as our official response to the recommendations presented by the Office of Inspector General (OIG). Should you have any inquiries or require further clarification, please do not hesitate to contact Commander Helena Shannon, Acting Director, Division of Sanitation Facility Construction, at (928) 871-5857 or Helena.Shannon@ihs.gov.

Sincerely,

/s/ Brian K. Johnson -S

Digitally signed by Brian K. Johnson -S
Date: 2026.07.30 13:30:28 -06'00'

DuWayne Begay, PhD
Area Director, Navajo Area
Indian Health Service

Enclosures:
Press Release – [redacted]
NAIHS SFC Guideline 3.1
Interim Guidance Memo #2025-03
2025 Navajo SDS Guideline 25_July Final Updated
FY2026 STARS Tracking and Reporting
Guideline G10.7_25-05 "Additional Funds and/or Change in Scope of Work,"
Guideline G10.10_25-06 "Project Checkbook."
Construction Inspection Memo
HQ Executive Scorecard Report July 2026
PDS Ref Guide Update April 2023

cc: RDML Brian Johnson, Director OEHE, NAIHS
Audra Atene, Executive Officer, NAIHS
Corbrett Hodson, Director, Division of Compliance, IHS, DHHS
CDR Helena Shannon, Deputy Director OEHE, NAIHS
CDR Esther Arviso, Deputy Director, DSFC, OEHE, NAIHS
LCDR Audrey Nelson, Deputy Director, DSFC, OEHE, NAIHS

Report Fraud, Waste, and Abuse

OIG Hotline Operations accepts tips and complaints from all sources about potential fraud, waste, abuse, and mismanagement in HHS programs. Hotline tips are incredibly valuable, and we appreciate your efforts to help us stamp out fraud, waste, and abuse.

TIPS.HHS.GOV

Phone: 1-800-447-8477

TTY: 1-800-377-4950

Who Can Report?

Anyone who suspects fraud, waste, and abuse should report their concerns to the OIG Hotline. OIG addresses complaints about misconduct and mismanagement in HHS programs, fraudulent claims submitted to Federal health care programs such as Medicare, abuse or neglect in nursing homes, and many more. Learn more about complaints OIG investigates.

How Does It Help?

Every complaint helps OIG carry out its mission of overseeing HHS programs and protecting the individuals they serve. By reporting your concerns to the OIG Hotline, you help us safeguard taxpayer dollars and ensure the success of our oversight efforts.

Who Is Protected?

Anyone may request confidentiality. The Privacy Act, the Inspector General Act of 1978, and other applicable laws protect complainants. The Inspector General Act states that the Inspector General shall not disclose the identity of an HHS employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during 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-HHS employees who report allegations may also specifically request confidentiality.

Stay In Touch

Follow HHS-OIG for up to date news and publications.

OIGatHHS

HHS Office of Inspector General

Subscribe To Our Newsletter

OIG.HHS.GOV

Contact Us

For specific contact information, please visit us online.

U.S. Department of Health and Human Services
Office of Inspector General
Public Affairs
330 Independence Ave., SW
Washington, DC 20201

Email: Public.Affairs@oig.hhs.gov