Why OIG Did This Review
The Turtle Mountain Band of Chippewa Indians (TMT) receives more than $13.6 million in HHS grant funds each year. One source of these funds is the Low-Income Home Energy Assistance Program (LIHEAP). We undertook a grant fraud initiative that focused on Indian Country grantees that received HHS grants.

Our objective was to determine whether TMT administered LIHEAP grant funds in accordance with Federal laws, regulations, and guidance for Federal fiscal years (FYs) 2010 through 2013.

How OIG Did This Review
The Administration for Children and Families (ACF) awarded TMT $10.0 million in LIHEAP grant funds for our audit period. We focused our review on the following areas: (1) prepayments made by TMT to energy suppliers, (2) Federal Financial Reports (FFRs), Carryover and Reallotment Reports (Carryover Reports), and Household Reports submitted to ACF, and (3) funds returned to TMT from energy suppliers.

We did not perform any statistical sampling or transaction testing. Instead, we reviewed all prepayments made by TMT to energy suppliers; all FFRs, Carryover Reports, and Household Reports submitted to ACF during our audit period; and all refunds of unused LIHEAP funds made to TMT from energy suppliers.

The Turtle Mountain Band of Chippewa Indians Improperly Administered Some Low-Income Home Energy Assistance Program Funds for Fiscal Years 2010 Through 2013

What OIG Found
TMT did not administer $587,248 of LIHEAP grant funds for FYs 2010 through 2013 in compliance with Federal laws, regulations, and guidance because TMT did not have policies and procedures or internal controls in place to prevent those errors. These funds could have been used to provide eligible households additional benefits or for other purposes such as crisis situations, residential weatherization, or energy-related home repairs. Errors we identified included the following:

- TMT did not track prepayments made to energy suppliers and was unable to support $390,450.
- TMT inaccurately reported the amount of unobligated grant funds for FY 2011 and as a result did not refund unobligated funds totaling $137,806.
- TMT did not properly account for funds returned by energy suppliers and, as a result, did not refund unobligated funds totaling $54,311 and could not determine whether an additional $96,932 was subject to repayment.
- For FY 2011, TMT did not refund $4,681 in LIHEAP funds that were not used to provide home energy assistance because they were improperly held as credit balances to energy suppliers.

What OIG Recommends and Turtle Mountain Band of Chippewa Indians’ Response
We recommend that TMT refund $587,248 to the Federal Government and determine how much of the $96,932 that energy suppliers returned to the tribe should be repaid to the Federal Government. We also make procedural recommendations related to the development and implementation of policies and procedures and internal controls.

TMT did not directly agree or disagree with most of our recommendations, but it disagreed with most of the findings that contributed to our recommended refund. Based on additional documentation that the tribe provided with its written comments on our draft report, we revised the dollar amount of our largest-dollar finding to $390,450 and its recommended refund. Otherwise, we maintain that our findings and recommendations remain valid.

The full report can be found at https://oig.hhs.gov/oas/reports/region7/71604233.asp.