

Report in Brief

Date: August 2018

Report No. A-07-18-04106

U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES
OFFICE OF INSPECTOR GENERAL



Why OIG Did This Review

The Fort Peck Assiniboine and Sioux Tribes (known collectively as the Fort Peck Tribes) are federally recognized Native American tribes located in Montana that receive more than \$9.0 million each year in grant funds from HHS. The Fort Peck Tribes receive grant funds from several sources, including 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 the Fort Peck Tribes administered LIHEAP grant funds in accordance with Federal laws, regulations, and guidance.

How OIG Did This Review

The Fort Peck Tribes were awarded \$4.1 million in LIHEAP grant funds during our audit period. We focused our review on the following areas: (1) Federal Financial Reports (FFRs), Carryover Reports, and Household Reports submitted to the Administration for Children and Families (ACF); (2) funds held as credit balances at an energy supplier; and (3) benefits awarded to beneficiaries who received royalty income.

We judgmentally selected for review 34 beneficiaries enrolled in the tribes' LIHEAP during Federal fiscal year (FY) 2013 who received the greatest amount of royalty income from FYs 2011 through 2014.

The Fort Peck Assiniboine and Sioux Tribes Improperly Administered Some Low-Income Home Energy Assistance Program Funds for Fiscal Years 2011 Through 2015

What OIG Found

The Fort Peck Tribes did not administer \$436,765 of LIHEAP grant funds for FYs 2011 through 2015 in compliance with Federal laws, regulations, and guidance. Specifically, the Fort Peck Tribes inaccurately reported the amount of unobligated grant funds in the FYs 2011 through 2015 FFRs and in the FYs 2011 and 2013 Carryover Reports that they submitted to ACF, and as a result, did not refund unobligated funds totaling \$378,506. The tribes also made unallowable benefit payments totaling \$30,621 to 28 of the 34 judgmentally selected beneficiaries we reviewed. These beneficiaries were partially or entirely ineligible because their unreported royalty income caused their income to exceed the tribes' LIHEAP eligibility limits.

Furthermore, the tribes did not refund to the Federal Government \$27,638 in funds that were not used to provide home energy assistance because those funds were improperly held as credit balances by a home energy supplier. In addition, the tribes submitted required reports to ACF that were not in accordance with Federal requirements or that were unsupported.

What OIG Recommends and Fort Peck Tribes' Comments

We recommend that the Fort Peck Tribes refund \$436,765 to the Federal Government. We also make procedural recommendations related to the development and implementation of internal controls and policies and procedures and to the maintenance of supporting documentation.

The Fort Peck Tribes agreed with our findings regarding the \$30,621 in payments to ineligible beneficiaries and the submission of required reports. The Fort Peck Tribes disagreed with our findings regarding the inaccurate reporting of the \$378,506 in unobligated grant funds and the \$27,638 in funds improperly held as credit balances. Based on additional documentation that the tribes provided after the issuance of our draft report, we reduced the dollar amount in the finding on credit balances and, accordingly, in our first recommendation. Otherwise, we maintain that our findings and recommendations remain valid, and we encourage the tribes to continue to implement corrective actions in response to our procedural recommendations.