

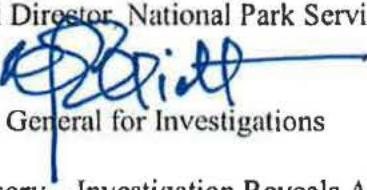


OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

Memorandum

**MAR 13 2017**

To: Stan Austin  
Southeast Regional Director, National Park Service

From: Matthew T. Elliott   
Assistant Inspector General for Investigations

Subject: Management Advisory – Investigation Reveals Absence of Oversight of Funds  
Donated by Cooperating Associations  
Case No. OI-GA-15-0234-I

During an ongoing investigation into a National Park Service (NPS) employee's embezzlement of funds donated by a cooperating association, we determined that Martin Luther King, Jr. National Historic Site (MALU) did not have adequate controls in place to effectively oversee and manage association funds that were donated to NPS.

In our investigation, we found that the MALU [REDACTED] gave the employee, who was assigned as the park [REDACTED], full responsibility for managing donated funds at the park and did not oversee how he managed and expended the funds. This absence of oversight permitted the employee to embezzle the donated funds and convert them to his own personal use without detection. He also failed to maintain receipts and basic documentation detailing how he spent association funds at the park. When interviewed, the employee explained that embezzling the funds was easy for him because MALU had no internal controls in place.

We interviewed NPS personnel, including Southeast Regional Office senior leadership, MALU employees, and NPS' servicewide program manager for [REDACTED], and all confirmed that NPS does not have a policy that requires regional review or auditing of the records of assigned park [REDACTED] to ensure the funds are accounted for and expended in accordance with established program policies. The servicewide program manager, who has overall oversight responsibility of the NPS [REDACTED] program, told us that NPS has no formal mechanisms in place to review how each park uses donated funds beyond the park [REDACTED] obligations to oversee the funds as outlined in NPS Reference Manual No. 32. The manual also directs employees to comply with the U.S. Code of Federal Regulations, part 2635, which details Government officials' obligations to protect and conserve Government property.

We believe that the absence of an NPS policy requiring regional review and oversight of donated funds may indicate a systemic problem within NPS. As a result, we are referring the matter to our Office of Audits, Inspections, and Evaluations for further review.

## **Recommendations**

In order for the NPS Southeast Region to more effectively oversee and manage funds donated by cooperating associations, we recommend that the Region, in cooperation with the servicewide program manager for cooperating associations:

1. Develop and implement regional review policies and procedures for the use, management, and oversight of donated cooperating association funds.
2. Provide guidance and training to regional NPS personnel on the proper use and management of the funds and record retention requirements for cooperating association expenditures.

We are providing this memorandum to you for any action you deem appropriate. You may either email your response to [doioigreferrals@doioig.gov](mailto:doioigreferrals@doioig.gov), or mail it to:

Office of Inspector General  
U.S. Department of the Interior  
381 Elden Street, Suite 3000  
Herndon, VA 20170

In accordance with the IG Empowerment Act of 2016, we intend to publish this memorandum on our website, in redacted form, no later than 3 days from the date we issue it to NPS. Within the next 10 business days, a representative from our Office of Investigations will contact you, or your designee, to discuss our report and the status of your response. If you have any questions or need further information concerning this matter, please contact me at 202-208-5745.