



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

**U.S. Fish and Wildlife Service Grants
Awarded to the Commonwealth of
Massachusetts, Department of Fish and
Game, Division of Fisheries and Wildlife,
From July 1, 2017, Through June 30, 2019,
Under the Wildlife and Sport Fish Restoration
Program**

This is a revised version of the report prepared for public release.



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

Memorandum

AUG 06 2021

To: Martha Williams
Senior Advisor to the Secretary, Exercising the Delegated Authority of the
Director, U.S. Fish and Wildlife Service

From: Amy R. Billings *Amy R. Billings*
Regional Manager, Central Region

Subject: Final Audit Report – *U.S. Fish and Wildlife Service Grants Awarded to the Commonwealth of Massachusetts, Department of Fish and Game, Division of Fisheries and Wildlife, From July 1, 2017, Through June 30, 2019, Under the Wildlife and Sport Fish Restoration Program*
Report No. 2020-CR-005

This report presents the results of our audit of costs claimed by the Commonwealth of Massachusetts, Department of Fish and Game, Division of Fisheries and Wildlife (Division), under grants awarded by the U.S. Fish and Wildlife Service (FWS) through the Wildlife and Sport Fish Restoration Program. We conducted this audit to determine whether the Division used grant funds and State hunting and fishing license revenue for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. The audit period included claims totaling \$31 million on 46 grants that were open during the State fiscal years that ended June 30, 2018, and June 30, 2019.

We found that the Commonwealth generally ensured that grant funds and hunting and fishing license revenue were used for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. We noted, however, issues with inadequate equipment inventory management and unreconciled real property. We are also repeating a finding on real property from our 2016 report.

We provided a draft of this report to the FWS. The FWS concurred with our six recommendations and will work with the Division to implement corrective actions. The full responses from the Division and the FWS are included in Appendix 3. We list the status of the recommendations in Appendix 4.

Please provide us with a corrective action plan based on our recommendations by November 4, 2021. The plan should provide information on actions taken or planned to address each recommendation, as well as target dates and titles of the officials responsible for implementation. Please send your response to aie_reports@doioig.gov.

We will refer the recommendations not implemented at the end of 90 days to the Office of Policy, Management and Budget to track their implementation and report to us on their status. In addition, we will notify Congress about our findings and we will report semiannually, as required by law, on actions you have taken to implement the recommendations and on recommendations that have not been implemented. We will also post a public version of this report on our website.

If you have any questions regarding this report, please contact me at 303-236-9243.

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Introduction

Objective

In June 2016, we entered into an intra-agency agreement with the U.S. Fish and Wildlife Service (FWS) to conduct audits of State agencies receiving grant funds under the Wildlife and Sport Fish Restoration Program (WSFR). These audits fulfill the FWS' statutory responsibility to audit State agencies' use of these grant funds.

The objective of this audit was to determine whether the Commonwealth of Massachusetts, Department of Fish and Game, Division of Fisheries and Wildlife (Division), used grant funds and State hunting and fishing license revenue for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements.

See Appendix 1 for details about our scope and methodology. See Appendix 2 for the site we visited.

Background

The FWS provides grants to States¹ through WSFR for the conservation, restoration, and management of wildlife and sport fish resources. WSFR was established by the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act.² The Acts and related Federal regulations allow the FWS to reimburse grantees a portion of eligible costs incurred under WSFR grants—up to 75 percent for States and up to 100 percent for the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands. The reimbursement amount is called the Federal share. The Acts require that hunting and fishing license revenue be used only for the administration of State fish and wildlife agencies. In addition, Federal regulations require States to account for any income earned from grant-funded activities and to spend this income before requesting grant reimbursements.

¹ The Acts define the term “State” to include the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

² Formally known, respectively, as the Federal Aid in Wildlife Restoration Act, 16 U.S.C. § 669, as amended, and the Federal Aid in Sport Fish Restoration Act, 16 U.S.C. § 777, as amended.

Results of Audit

We determined that the Commonwealth generally ensured that grant funds and hunting and fishing license revenue were used for allowable fish and wildlife activities and complied with applicable laws and regulations, FWS guidelines, and grant agreements. We noted, however, issues with inadequate equipment inventory management and unreconciled real property. We are also repeating a finding on real property from our 2016 report.

We found the following:

- **Control Deficiencies.** We found opportunities to improve controls for managing equipment inventory and reconciling real property.
- **Repeat Finding.** We previously reported on the lack of grant-funded real property certifications and found that this issue has not been resolved.

Control Deficiencies

Inadequate Equipment Inventory Management

We found that the Division did not adequately maintain its Federal equipment inventory. Specifically, we found that some items were not at the location indicated or not consistently recorded in the inventory, the [REDACTED] manager did not physically verify the inventory, newly purchased items were not included in the inventory, and equipment was not disposed of according to the Division's policies and procedures.

Federal regulations require that each State have adequate controls in place to ensure it maintains accountability for its equipment. According to 2 C.F.R. § 200.313(b), States must use, manage, and dispose of equipment acquired under a Federal award in accordance with State laws and procedures. When not properly tracked, equipment purchased with WSFR funding and license revenues is at risk of being lost or stolen and the FWS and the Division have no assurance that equipment was used for its intended purposes.

Some Inventory Items Not at the Location Indicated or Not Consistently Recorded

We reviewed a sample of 24 equipment items purchased with WSFR funds and State license revenue, including 2 hunter education training firearms. We were able to locate all the items, but the two hunter education training firearms were not at the location indicated in the inventory. We found many other hunter education training firearms listed when we reviewed the inventory. The [REDACTED] manager told us, however, that hunter education training firearms were not included in the inventory.

We did not find specific guidance on whether firearms for hunter education training should be listed on the equipment inventory or managed through other means (the hunter education training

firearms cost less than the State threshold of \$1,000). Without an accurate inventory, the Division's firearms are at risk of being lost, stolen, or used for unauthorized purposes.

Inventory Not Physically Verified

We also found that the [REDACTED] manager did not physically verify the Division's Federal equipment inventory. According to the Division's *Internal Control Manual*, "A physical inventory of the property will be taken at least annually by the close of the [fiscal year] and the results reconciled with the property records."³

Furthermore, the *Internal Control Manual* states, "The Assistant Federal Aid Coordinator under the supervision of the Federal Aid Coordinator will maintain the division inventory database and will assist in the physical inventory of the items." The [REDACTED] manager told us that an equipment list is emailed to the responsible custodian, who is required to verify the items and send the information back to the equipment inventory manager. We did not receive these requested inventory verifications, and the equipment inventory provided no indication of when the last physical inventory verification was completed. Without physical verification, the Division has no assurance that the equipment was used for its intended purposes.

Newly Purchased Equipment Not Included in Inventory

In addition, the Division purchased five pieces of equipment during our audit period, including a fire suppression skid unit, two tractors, a lift-type rotary cutter, and a truck. The truck was purchased with license revenue funding, and the other four items were purchased with WSFR funds from Grant No. F17AF00830. The Division provided photographs of the items to verify receipt, but we found that these items were not included in the inventory.

The Division was not following its equipment inventory management policies and procedures. Specifically, the Division's field employees who received the equipment did not complete the required MassWildlife inventory form, which notifies the equipment inventory manager that new equipment was purchased and received. Upon receiving this form, the equipment inventory manager should assign the equipment an inventory sticker and add it to the inventory database. The equipment inventory manager should then provide the field employee with the inventory sticker to be attached to the item.

Disposal Procedures Not Followed

Lastly, we found that staff members do not always contact the equipment inventory manager prior to disposing inventory items, as required by the Division's *Internal Control Manual*. A Division employee told us that staff had "thrown out" items when the office was moving locations. The *Internal Control Manual* states that staff should contact the Federal Aid Coordinator or assistant to the Federal Aid Coordinator prior to disposing inventory items. Afterward, the item should be identified as "disposed" in the Federal aid database and the disposal date should be included.

³ *Internal Control Manual*, Section 3. Internal Controls, B. Federal Aid Reporting Controls, "Inventory of Property."

When we asked about the equipment disposal policy, the [REDACTED] manager told us that staff had been informed of current policy. We found that the disposed items had been removed from the inventory, but the inventory did not indicate that any dispositions were completed, as required by the policy.

According to 50 C.F.R. § 80.90 (b) and (f), State fish and wildlife agencies are responsible for maintaining records and for ensuring that assets acquired under the grant serve their intended purpose throughout their useful life. Furthermore, 2 C.F.R. § 200.62 (a)(2) and (c) require that transactions made with Federal awards are properly recorded and accounted for to maintain accountability of assets and that assets are protected against loss from unauthorized use or disposition.

Recommendations

We recommend that the FWS work with the Division to:

1. Complete an inventory of current firearms and report any missing firearms to local law enforcement and the National Crime Information Center
2. Ensure established policies and procedures are followed
3. Update the policies and procedures to include:
 - a. A process for informing the equipment inventory manager when items are moved to different locations
 - b. A process for tracking the hunter education training firearms and reporting missing firearms to local law enforcement and the National Crime Information Center
 - c. A process for an annual physical inventory verification by the inventory equipment manager, or someone other than the equipment custodian
 - d. A specific timeframe for employees to notify the equipment manager of newly purchased equipment
4. Provide training to employees on inventory policies and procedures, including how to properly dispose of equipment
5. Include disposal dates on the inventory list as required by the Division's *Internal Control Manual*

Unreconciled Real Property Records

We found that one parcel of WSFR-funded real property had not been reconciled with the FWS lands office. To ensure that real property acquired under WSFR grants continues to serve the

intended purpose, the Division must ensure that its database of real property acquired with WSFR grant funds is accurate, complete, and reconciles with the FWS' land records. Division officials provided documentation during our audit that showed the Division did not reconcile a parcel of 254 acres of 3,433 acres of land purchased with W-33-L-1, the Parkers River Project.

Federal regulation (50 C.F.R. § 80.90(f)) requires that the State fish and wildlife agency maintain control of all assets acquired under WSFR grants. In addition, the FWS Director reiterated land management requirements to WSFR participants in a March 29, 2007 letter. The letter requested that each State maintain a real property management system that includes a comprehensive inventory of lands and ensure that its inventory is accurate and complete.

Upon searching its acquisition documents, the Division found that this parcel of land was acquired in the 1950s and that supporting documentation was not prevalent, leaving the accurate number of acres purchased in question. As a result, the Division cannot ensure that all parcels, acquired under WSFR, are being used for their intended purposes until a complete reconciliation with the FWS' land records has been accomplished.

Recommendation
We recommend that the FWS work with the Division to: 6. Reconcile their respective records of lands purchased with WSFR grant funds

Finding Repeated From Previous Audit

In our 2016 audit report (Report No. 2015-EXT-005), we found that the Division had not certified that grant-funded, real properties were used for their intended purposes. We found the Division has not completed the certification; therefore, this issue has not been resolved.

Repeat Recommendation (Tracked under Report No. 2015-EXT-005, Recommendation No. 3)
We recommend that the FWS: • Require the Division to certify that grant-funded, real properties are used for their intended purposes

Recommendations Summary

We provided a draft of this report to the FWS for review. The FWS concurred with all six recommendations and will work with the Department to implement corrective actions. We consider recommendations 1 – 6 resolved but not implemented. See Appendix 3 for the full text of the FWS' and the Department's responses; Appendix 4 lists the status of each recommendation.

We recommend that the FWS work with the Division to:

1. Complete an inventory of current firearms and report any missing firearms to local law enforcement and the National Crime Information Center
2. Ensure established policies and procedures are followed
3. Update the policies and procedures to include:
 - a. A process for informing the equipment inventory manager when items are moved to different locations
 - b. A process for tracking the hunter education training firearms and reporting missing firearms to local law enforcement and the National Crime Information Center
 - c. A process for an annual physical inventory verification by the inventory equipment manager, or someone other than the equipment custodian
 - d. A specific timeframe for employees to notify the equipment manager of newly purchased equipment
4. Provide training to employees on inventory policies and procedures, including how to properly dispose of equipment
5. Include disposal dates on the inventory list as required by the Division's *Internal Control Manual*
6. Reconcile their respective records of lands purchased with WSFR grant funds

We also included a repeat recommendation from Report No. 2015-EXT-005 (Recommendation No. 3).

We recommend that the FWS:

- Require the Division to certify that grant-funded, real properties are used for their intended purposes

Appendix 1: Scope and Methodology

Scope

We audited the Commonwealth of Massachusetts, Department of Fish and Game, Division of Fisheries and Wildlife's (Division's) use of grants awarded by the U.S. Fish and Wildlife Service (FWS) under the Wildlife and Sport Fish Restoration Program (WSFR). The audit period included claims totaling \$31 million on 46 grants that were open during the State fiscal years (SFYs) that ended June 30, 2018, and June 30, 2019.

As a result of the COVID-19 pandemic, we could not complete our site visits. We visited the Division's headquarters office in Westborough, MA, for the entrance conference but did not conduct any other site visits. We gathered data remotely and relied upon video conferences, emails, telephone calls, and photographs to substantiate our findings and report conclusions. We could not verify equipment or review grant projects with construction and restoration work in person. In those instances, we relied on photographs and videos provided by Division personnel and were able to verify the existence and location of equipment virtually. Because we could not test systems, we relied on source documentation for grant compliance.

Methodology

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.

We assessed whether internal control was significant to the audit objective. We determined that the Division's control activities and the following related principles were significant to the audit objectives:

- Management should design control activities to achieve objectives and respond to risks
- Management should design the entity's information system and related control activities to achieve objectives and respond to risks
- Management should implement control activities through policies

We tested the operation and reliability of internal control over activities related to our audit objective. Our tests and procedures included:

- Examining the evidence that supports selected expenditures charged to the grants by the Division

- Reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income
- Interviewing Division employees
- Verifying equipment and other property virtually
- Determining whether the Division used hunting and fishing license revenue for the administration of fish and wildlife program activities
- Determining whether the State passed required legislation assenting to the provisions of the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act
- Evaluating State policies and procedures for assessing risk and monitoring subawards
- Visiting Division Headquarters (see Appendix 2 for a list of the site visited.)

We found deficiencies in internal control, including inadequate equipment inventory management and unreconciled real property, resulting in our two findings.

Based on the results of our initial assessments, we assigned a level of risk and selected a judgmental sample of transactions for testing. We used auditor judgment and considered risk levels relative to other audit work performed to determine the degree of testing performed in each area. Our sample selections were not generated using statistical sampling; therefore, we did not project the results of our tests to the total population of transactions.

This audit supplements, but does not replace, the audits required by the Single Audit Act Amendments of 1996. Single audit reports address controls over Statewide financial reporting, with emphasis on major programs. Our report focuses on the administration of the Massachusetts fish and wildlife agency and that agency's management of WSFR resources and license revenue.

Massachusetts provided computer-generated data from its official accounting system and from informal management information and reporting systems. We tested the data by sampling expenditures and verifying them against WSFR reports and source documents such as purchase orders, invoices, and payroll documentation. Although we assessed the accuracy of the transactions tested, we did not assess the reliability of the accounting system as a whole.

Prior Audit Coverage

OIG Audit Reports

We reviewed our last two audits of costs claimed by the Division on WSFR grants.⁴ We followed up on the three recommendations from these reports and found that the U.S. Department of the Interior's Office of Policy, Management and Budget considered two of the three recommendations resolved and implemented and one recommendation resolved but not implemented. As discussed in the "Results of Audit" section in this report, we are repeating one recommendation relating to real property.

State Audit Reports

We reviewed the single audit reports for SFYs 2018 and 2019 to identify control deficiencies or other reportable conditions that affect WSFR. In those reports, the Schedule of Expenditures of Federal Awards indicated \$17.5 million (combined) in Federal expenditures related to WSFR but did not include any findings directly related to WSFR, which was not deemed a major program for Statewide audit purposes.

⁴ *U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants awarded to the Commonwealth of Massachusetts, Department of Fish and Game, Division of Fisheries and Wildlife, From July 1, 2012, Through June 30, 2014* (Report No. 2015-EXT-005), dated January 2016.

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants awarded to the Commonwealth of Massachusetts, Department of Fish and Game, Division of Fisheries and Wildlife, From July 1, 2007, To June 30, 2009 (Report No. R-GR-FWS-0002-2010), dated February 2010.

Appendix 2: Sites Visited

Headquarters	Westborough, MA
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Appendix 3: Responses to Draft Report

The U.S. Fish and Wildlife Service's response to our draft report follows on page 12. The Commonwealth of Massachusetts, Department of Fish and Game, Division of Fisheries and Wildlife's response to our draft report follows on page 14.



United States Department of the Interior
FISH AND WILDLIFE SERVICE
300 Westgate Center Drive
Hadley, MA 01035-9589



June 9, 2021

In Reply Refer To:
FWS/WSFR – North Atlantic - Appalachian Region

Ms. Amy Billings
Regional Manager, Central Region
U.S. Department of the Interior
Office of Inspector General

Dear Ms. Billings:

Attached is the Commonwealth of Massachusetts, Department of Fish and Game, Division of Fisheries and Wildlife's (Division), response to the Office of Inspector General's Draft Audit Report No. 2020-CR-005. The U.S. Fish and Wildlife Service (Service) has confirmed with the Division these are the only comments they have on this Draft Report.

The Service concurs with the auditor's recommendations and has reviewed and accepted the Division's response. However, we share the Division's concerns regarding the language as stated in the draft report "the Division could not reconcile a parcel of 3,433 acres in size" and "the Division cannot ensure that this parcel, acquired under WSFR, is being used for its intended purposes until a complete reconciliation with the Service's land records has been accomplished." While the Division cannot, at this point, reconcile the land record that has been rolled up to 3,433 acres in size in both the Service's and Division's databases, we concur with the Division that this particular record includes hundreds of individual parcels many of which have been reconciled and are within the Division's control. We respectfully ask that this language be revised in the Final report to the following to recognize all the progress the Division has made on this effort:

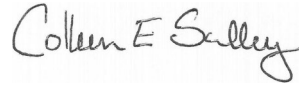
"the Division could not reconcile several parcels of land acquired with W-33-L-1, the Parkers River Project."

and

"Upon searching its acquisition documents, the Division found that the supporting documentation for the Parkers River Project, which occurred in the 1950's, was not prevalent, leaving the accurate number of acres purchased in question. As a result, the Division cannot ensure that all parcels, acquired under WSFR, are being used for its intended purposes until a complete reconciliation with the Service's land records has been accomplished."

The Service will work closely with the Division staff in developing and implementing a corrective action plan that will resolve all of the findings and recommendations.

Sincerely,

A handwritten signature in black ink that reads "Colleen E. Sculley". The signature is written in a cursive, flowing style.

Colleen E. Sculley
Chief, Division of Wildlife
and Sport Fish Restoration

Attachment: MassWildlife Response to Audit Report_Final Signed



MASSWILDLIFE

DIVISION OF FISHERIES & WILDLIFE

1 Rabbit Hill Road, Westborough, MA 01581

p: (508) 389-6300 | f: (508) 389-7890

[MASS.GOV/MASSWILDLIFE](https://www.mass.gov/masswildlife)

June 7, 2021

Shelley DiBona
Grants Fiscal Officer
Wildlife and Sport Fish Restoration Program

Re: Response to Audit Report (No. 2020-CR-005)

Dear Ms. DiBona,

Thank you for the opportunity to review and respond to the draft audit report of our Wildlife and Sport Fish Restoration (WSFR) Program Grants. The Massachusetts Division of Fisheries and Wildlife (MassWildlife) has reviewed the audit report for OIG Audit No. 2020-CR-005 dated April 30, 2021. While we generally do not disagree with the findings described in the audit report, we would like to submit the following comments related to the findings on Land Reconciliation.

The draft audit report stated that "We found that one parcel of WSFR-funded real property had not been reconciled with the FWS lands office...We found that the Division could not reconcile a parcel of 3,433 acres of the W-33-L-1, the Parkers River Project." While we do not disagree with this finding itself, we do disagree with the characterization of the finding; in particular that a 3,433 acre parcel (W-33-L-1) remains unreconciled. This is not factually accurate. Grant W-33-L-1 was comprised of hundreds of individual parcels, the majority of which have been reconciled with the FWS lands office and determined to be under the care and control of MassWildlife. Of the total 3,433 acres that comprised the Parker River Project, there are less than 13 acres that remain unreconciled with our regional WSFR office.

Additionally, while this has been classified as a repeat finding from our 2015 OIG Audit (2015-EXT-005), I would like to emphasize that staff has made extraordinary progress over the last six years to reconcile all but this final real property record. Staff have spent countless hours researching historical records, contracting for surveys, and ground-truthing available information to ensure that our real property records are accurate and complete.

Our staff looks forward to working with the WSFR Regional Office Staff to develop a Corrective Action Plan to ensure that all audit findings are resolved in a timely manner.

If you have any questions or concerns related to this response, please contact Kris McCarthy or Lori Cookman.

Sincerely,

Mark S. Tisa, Ph.D., M.B.A.
Director

Appendix 4: Status of Recommendations

Recommendation	Status	Action Required
1 – 6, Repeat Recommendation (Tracked under Report No. 2015-EXT-005, Recommendation No. 3)	Resolved but not implemented: U.S. Fish and Wildlife Service (FWS) regional officials concurred with these recommendations and will work with staff from the Commonwealth of Massachusetts, Department of Fish and Game, Division of Fisheries and Wildlife to develop and implement a corrective action plan.	Complete a corrective action plan that includes information on actions taken or planned to address the recommendations, target dates and titles of the officials responsible for implementation, and verification that FWS headquarters officials reviewed and approved the actions the State has taken or planned. We will refer the recommendations not implemented at the end of 90 days (after November 4, 2021) to the Office of Policy, Management and Budget to track implementation.

Report Fraud, Waste, and Mismanagement



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.



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By Fax:	703-487-5402	
By Mail:	U.S. Department of the Interior Office of Inspector General Mail Stop 4428 MIB 1849 C Street, NW. Washington, DC 20240	