



**Department of the Interior  
Office of Inspector General**

# **AUDIT REPORT**

**U.S. Fish and Wildlife Service  
Federal Assistance Grants  
Awarded to the State of  
Texas Parks and Wildlife Department,  
From September 1, 2002,  
Through August 31, 2004**

**Report No. R-GR-FWS-0014-2005      January 2007**



# United States Department of the Interior

OFFICE OF INSPECTOR GENERAL  
12030 Sunrise Valley Drive, Suite 230  
Reston, Virginia 20191

January 30, 2007

## FINAL AUDIT REPORT

### Memorandum

To: Director  
U.S. Fish and Wildlife Service

From: Christina M. Bruner *Christina M. Bruner*  
Director of External Audits

Subject: Audit on the U.S. Fish and Wildlife Service Federal Assistance  
Grants Awarded to the State of Texas Parks and Wildlife Department, From  
September 1, 2002, Through August 31, 2004 (No. R-GR-FWS-0014-2005)

This audit report presents the results of our audit of costs incurred by the State of Texas (State) Parks and Wildlife Department (Department). The Department incurred the costs under the U.S. Fish and Wildlife Service (FWS) Federal Assistance grants. The audit included total reported outlays of approximately \$96 million on FWS grants open during State fiscal years (SFYs) ended August 31 of 2003 and 2004 (see Appendix 1). The audit also evaluated Department compliance with applicable laws, regulations, and FWS guidelines, including those related to the collection and use of fishing and hunting license revenue and the reporting of program income.

We found the Department complied, in general, with applicable grant accounting and regulatory requirements. We questioned \$4.3 million (\$2.5 million federal share) claimed for unauthorized activities, unallowable costs, and costs incurred outside the grant period. We also identified issues with the use of license revenues, program income reporting, property and asset management, and certification of license holders.

We provided a draft report to FWS and the Department for response. This report includes a summary of Department and FWS Region 2 responses after each recommendation, as well as our comments on the responses. We list the status of the recommendations in Appendix 4.

Please respond in writing to the findings and recommendations included in this report by April 30, 2007. Your response should include information on actions taken or planned, targeted completion dates, and titles of officials responsible for implementation.

If you have any questions regarding this report, please contact the audit team leader, Mr. Tim Horsma, at 916-978-5668 or me at 703-487-5345.

cc: Regional Director, Region 2, U.S. Fish and Wildlife Service

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## Introduction

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### Background

The Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act (Acts)<sup>1</sup> authorize FWS to provide Federal Assistance grants to states to enhance their sport fish and wildlife programs. The Acts allow FWS to reimburse the states up to 75 percent of the eligible costs incurred under the grants. The Acts also specify that state hunting and fishing license revenues cannot be used for any purpose other than the administration of the state's fish and game department.

### Objectives

The objectives of our audit were to determine if the Department:

- claimed the costs incurred under the Federal Assistance grants in accordance with the Acts and related regulations, FWS guidelines, and the grant agreements;
- used state hunting and fishing license revenues solely for fish and wildlife program activities; and
- reported and used program income in accordance with federal regulations.

### Scope

The audit work included total reported outlays of approximately \$96 million on 129 FWS grants that were open during SFYs 2003 and 2004 (see Appendix 1). We performed our audit at the Department headquarters in Austin, Texas, and visited 7 wildlife and 12 fishery related locations (see Appendix 2). This audit was performed to supplement, not replace, the audits required by the Single Audit Act of 1984, as amended, and by the Office of Management and Budget Circular A-133.

### Methodology

We performed our audit in accordance with the "Government Auditing Standards" issued by the Comptroller General of the United States. We tested records and auditing procedures as necessary under the circumstances. Our tests and procedures included:

- examining the evidence supporting selected expenditures charged to the grants by the Department;

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<sup>1</sup> As amended, 16 U.S.C. §§ 669 and 777, respectively.

- reviewing transactions and supporting documentation related to purchases, other direct costs, drawdowns of reimbursements, in-kind contributions, and program income;
- interviewing Department employees to ensure that personnel costs charged to the grants were supportable;
- conducting site visits to review equipment and other property; and
- determining whether the Department used fishing license revenues solely for sport fish and wildlife program purposes.

To the extent possible, we relied on the work of the Texas State Comptroller of Public Accounts and the Texas State Auditor's Office to avoid duplication of audit effort.

We also identified the internal controls over transactions recorded in the labor and license fee accounting systems and tested their operation and reliability. Based on the results of initial assessments, we assigned a level of risk to these systems and selected a judgmental sample of transactions for testing. We did not project the results of the tests to the total population of recorded transactions nor did we evaluate the economy, efficiency, or effectiveness of the Department's operations.

## **Prior Audit Coverage**

On March 3, 2003, we issued an advisory report, "U.S. Fish and Wildlife Service Federal Aid Grants to the State of Texas Parks and Wildlife Department, Under Federal Aid Grants from the U.S. Fish and Wildlife Service from September 1, 1995 through August 31, 1997," which summarized the results of the audit work performed by the Defense Contract Audit Agency. We followed up on all findings in the report and determined that they are all considered resolved and implemented by the Department of Interior, Office of the Assistant Secretary for Policy, Management, and Budget.

We also reviewed the Texas Comprehensive Annual Financial Reports and Single Audit Reports for SFYs 2003 and 2004. The Single Audit Report for SFY2004 identified a finding that the Department reported audit period revenues instead of expenditures. The audit report noted that the net adjustment was not material.

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## Results of Audit

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### Audit Summary

We found the Department complied, in general, with applicable grant provisions and requirements of the Acts, regulations, and FWS guidance. However, we identified the findings listed below, including \$4.3 million in questioned costs. We discuss these findings in further detail in the Findings and Recommendations section.

**Questioned costs.** The Department claimed costs that were unauthorized, unsupported, and unallowable, or incurred outside the grant period. As a result, we questioned \$4.3 million in costs (\$2.5 million federal share).

**Inadequate accounting for license revenue use.** The Department's procedures for reporting expenditures were not adequate to demonstrate whether the Department used license revenues solely for allowable purposes.

**Unsupported program income.** The Department did not maintain the support necessary to identify the sources of program income.

**Noncompliance with real property and equipment controls.** The Department's asset inventory did not identify the asset-funding source.

**Duplicate licenses not removed.** The Department's certification of license holders did not exclude duplicate holders.

### Findings and Recommendations

#### A. Questioned Costs

##### 1. Costs Claimed for Funded Grant Activity -- \$1.5 million

In 1987, the Department established a public hunting program whereby hunters could obtain access, through the purchase of an annual permit, to public and privately-owned land throughout the State. The Department claimed \$2.9 million in costs related to the program under Public Hunting Opportunity Grants W-131-S-8 and W-131-S-9. They received a reimbursement of \$1.5 million from grant funds. However, the Department generated \$3.1 million in permit revenues for the public hunting program, which exceeded the total \$2.9 million in costs claimed under the grant.

Title 50 C.F.R. § 80.14 (c) prohibits Federal Assistance funds from being used to produce income. In addition, Title 50 C.F.R. § 80.16 states that payments shall be made for the federal share of allowable costs incurred by the state in accomplishing approved projects. Title 2 C.F.R. 225, appendix A, section 3, lists

factors for determining whether costs are allowable. To be allowable under federal awards, costs must be necessary and reasonable, allocable, authorized, and adequately documented.

Department officials stated that public hunting permit fees are not a dedicated revenue source and that it is not mandatory that those funds be used to pay for costs related to public hunting. However, funds were used to pay for costs related to public hunting in the grant years; payments to participating landowners (\$1,641,311) were determined based on the amount of permit revenue remaining after deducting program administrative costs, which included expenses from permit sales (\$245,872), expenses from conducting public hunts (\$187,263), and other administrative costs (\$829,385). Additionally, the State literature on the program states the Department's intention to use permit revenue for the program. The 1987 *Public Hunting Map Booklet* stated a need for a predominantly user-funded program. The following year's booklet states, "The program proved extraordinarily cost effective for the Department because it is funded by you – the permit purchaser – and not tax dollars or license fees."

We have concluded that the permit revenue of \$3.1 million was more than sufficient to fund permit-related expenditures of \$2.9 million, and as such, these costs are unallowable.

### **Recommendations**

We recommend FWS:

1. resolve the \$1.5 million questioned costs for grants W-131-S-8 and W-131-S-9 for SFYs 2003 and 2004 and
2. evaluate whether the public hunting program is appropriate for grant funding.

### **Department Response**

The Department concurred with the audit finding and agreed that the manner in which the Department operated its public hunting program was inconsistent with requirements for grant funding. The Department stated that it will work with FWS to resolve the \$1.5 million questioned costs.

### **FWS Response**

FWS concurred with the audit findings and recommendations and stated that it supports the concepts proposed by the Department to resolve and implement the recommendations.

## **OIG Comments**

While the Department has taken steps to evaluate whether its public hunting program was appropriate for grant funding, additional information is needed in the corrective action plan verifying FWS reviewed and accepted the results of the Department's review and resolved the \$1.5 million in questioned costs. The corrective action plan should also include targeted completion dates and titles of officials responsible for the actions proposed.

### **2. Unauthorized or Unspecified Locations — \$678,033**

Grants W-124-M-13, W-124-M-14, and W-124-M-15 provided funds for the operation, maintenance, and management of specific locations. The Department included in its claim \$904,044 for expenditures (\$678,033 federal share) at unspecified locations or locations not specifically approved in the grant agreements (see Appendix 3). The Code of Federal Regulations (50 C.F.R. § 80.16) states that payments shall be made for the federal share of allowable costs incurred by the state in accomplishing approved projects. Section 80.15 defines allowable costs as those necessary to accomplish project purposes. Work performed at locations other than those specified in the grant does not accomplish project purposes.

## **Recommendations**

We recommend FWS:

1. resolve the \$678,033 questioned costs and
2. require the Department to develop and implement procedures which ensure only expenditures at authorized locations are charged to the grants.

## **Department Response**

The Department stated that it identified substitutable costs of \$904,044 out of the matching expenditures for these grants and submitted revised financial status reports (SF-269s) to FWS. The Department stated that it revised its procedures on the preparation and review of federal claims.

## **FWS Response**

FWS concurred with the audit findings and recommendations and stated that it supports the concepts proposed by the Department to resolve and implement the recommendations.

### **OIG Comments**

While the Department indicated that it has taken steps to develop procedures to ensure only expenditures at authorized locations are charged to the grants, additional information is needed in the corrective action plan verifying FWS reviewed and accepted the results of the Department's resolution of questioned costs. The corrective action plan should also include targeted completion dates and titles of officials responsible for the actions proposed.

#### **3. In-kind Costs — \$283,366**

The Department claimed in-kind matching costs that included volunteer hours outside the grant period and unsupported volunteer hours. In addition, the Department does not require volunteers to certify their hours, although it does require its employees to submit signed timesheets.

Title 43 C.F.R. §12.43 defines third party in-kind contributions as property or services contributed by a non-federal third party which benefit a federally assisted project or program. Matching requirements satisfied by the value of such in-kind contributions must be made during the grant period (43 C.F.R. §12.64(a)(2)). Volunteer services, to the extent feasible, should be supported by the same methods that the organization uses to support the allocation of regular personnel costs (43 C.F.R. § 12.64 (b)(6)).

The Department determined total class hours based on the date the course was entered into the database rather than on the course completion date; claimed unsupported self-study hours in the total volunteer hours under the W-104-S grants; and claimed class participants as in-kind under grant F-82-E since they volunteered to take the course and would be presenting the course materials. As detailed in the following schedule, we are questioning matching costs based on 31,066 in-kind hours claimed that were incurred outside the grant period or were not adequately supported.

<b>Grant</b>	<b>Out of Period Hours</b>	<b>Unsupported Hours</b>	<b>Total Hours</b>	<b>Claimed In-Kind Costs</b>	<b>Questioned In-Kind Costs</b>	<b>Questioned Federal Share</b>
F-82-E-12	73	4,094	4,167	\$108,334	\$50,004	\$31,445
F-82-E-13	581	4,483	5,064	122,880	60,768	29,202
W-104-S-31	6,028	5,256	11,284	245,949	135,408	101,556
W-104-S-32	4,923	5,628	10,551	142,562 <sup>2</sup>	126,612	121,163
	<u>11,605</u>	<u>19,461</u>	<u>31,066</u>	<u>\$619,725</u>	<u>\$372,792</u>	<u>\$283,366</u>

<sup>2</sup> The financial status report (SF-269) that the Department submitted to FWS did not identify the state share of the net outlays. As such, we computed the share based on the difference between the claimed net outlays and the federal share claimed.



## **Recommendations**

We recommend FWS:

1. resolve the \$283,366 total questioned costs and
2. require the Department to establish and implement procedures for determining allowable volunteer hours and require all volunteers to certify their hours worked.

## **Department Response**

The Department concurred with the audit finding, with the exception of class participants claimed as in-kind match on Aquatic Education grants. The Department stated that it now claims in-kind volunteer hours completed in the grant period, supported by signed volunteer certifications, and excludes self-study hours. The Department did not concur with the portion of the audit finding related to the Aquatic Education grants and stated that it claimed class participants as in-kind since these participants were future instructors of the course and were taking the course to learn how to teach the class.

## **FWS Response**

FWS concurred with the audit findings and recommendations and stated that it supports the concepts proposed by the Department to resolve and implement the recommendations.

## **OIG Comments**

While the Department has taken steps to establish procedures for determining allowable volunteer hours, additional information is needed in the corrective action plan verifying FWS reviewed and accepted the actions proposed to implement the audit recommendations.

### **4. Costs Claimed That Were Not Allowed — \$75,000**

The Department claimed a contribution of \$100,000 to Ducks Unlimited under grant W-128-R-11 that was not allowed under the grant agreement. Title 2 C.F.R. 225, appendix B, section 12(a) classifies contributions or donations (including cash, property, and services) by the governmental unit as an unallowable cost, regardless of the recipient. The claim occurred because the Department did not have procedures to identify those costs that were not allowed under the grant agreement.

## **Recommendations**

We recommend FWS:

1. resolve the \$75,000 in questioned costs; and
2. require the Department to establish procedures to review grant charges, ensuring expenditures were allowed by the grant agreement.

## **Department Response**

The Department stated that it has revised its procedures on the review and preparation of federal claims to identify any expenditure types that are not allowable under grant terms. The Department also stated that the grant in question has substitutable costs that it listed on a revised SF-269 submitted to FWS.

## **FWS Response**

FWS concurred with the audit findings and recommendations and stated that it supports the concepts proposed by the Department to resolve and implement the recommendations.

## **OIG Comments**

While the Department has taken steps to establish procedures to review grant charges, ensuring expenditures are allowable by the grant agreement, additional information is needed in the corrective action plan verifying FWS reviewed and accepted the results of the Department's review and proposed actions.

### **5. Out-of-Period Costs — \$866**

The Department claimed costs under grant W-131-S-9 incurred in a prior period. Title 43 C.F.R. § 12.63(a) requires that when a funding period is specified, a grantee may charge to the award only costs resulting from obligations during the funding period. Title 43 C.F.R. § 12.43 defines obligations as the orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

The Department's billing procedures included identifying the claimed expenditure by the invoice date. However, for the \$1,155 costs (\$866 federal share) that we are questioning, the credit card billing date was in the grant period but the expenditures were applicable to a prior period.

## **Recommendations**

We recommend FWS:

1. resolve the \$866 in questioned costs and
2. require the Department review all grant charges during the initial months of a grant to determine if the costs were incurred within the grant period.

## **Department Response**

The Department stated that it has revised its procedures on the review and preparation of federal claims to determine if any of the charges are outside the agreement period. The Department also stated that the grant in question has substitutable costs that it listed on a revised SF-269 submitted to FWS.

## **FWS Response**

FWS concurred with the audit findings and recommendations and stated that it supports the concepts proposed by the Department to resolve and implement the recommendations.

## **OIG Comments**

While the Department has taken steps to identify and eliminate grant charges that are outside the agreement period, additional information is needed in the corrective action plan verifying FWS reviewed and accepted the results of the Department's review and resolution of this issue.

### **B. Inadequate Accounting for License Revenue Use**

In SFYs 2003 and 2004, the Department reported to FWS that it did not divert license revenues because expenditures on allowable uses of that revenue exceeded the total revenue. However, the Department's procedures for reporting expenditures were not adequate to demonstrate whether the Department used license revenues solely for allowable purposes.

Title 50 C.F.R. § 80.4 prohibits revenues from hunting and fishing license fees from being diverted to purposes other than the administration of the state fish and wildlife agency. Part 80.4(b) specifies that the administration of a state fish and wildlife agency include only those functions required to manage the fish and wildlife-oriented resources of the state. In addition, Texas Parks and Wildlife Code Title II, Chapter 11.033(b) requires the Department to use the money from hunting and fishing license fees to manage the state's fish and wildlife resources.

The Department deposits license revenues, along with revenue from other sources, in its Game, Fish, and Water Safety Fund (Fund 9). The Department commingles license

revenue with other revenue in these funds. To demonstrate it spends the license revenue portion of Fund 9 solely to manage fish and wildlife resources, the Department reports total expenditures from license revenues to FWS. The Department developed this procedure in response to an August 21, 2002 FWS memorandum, which addressed a prior audit recommendation. However, the Department's expenditure report includes expenditures funded from sources other than the license revenues in Fund 9, which contains the majority of the license revenue. We could therefore not determine whether license revenue was spent appropriately.

### **Recommendations**

We recommend FWS require the Department to:

1. account for uses of all license revenues for SFYs 2003 and 2004 and
2. establish written policies and procedures to demonstrate it spends license revenue solely to manage fish and wildlife resources.

### **Department Response**

The Department stated that it revised the methodology used to document that it appropriately used license revenue for the audit period and for future years. The Department also stated that a formal submission of the SFY2006 use of license revenue certification will be filed with the FWS in the near future.

### **FWS Response**

FWS concurred with the audit findings and recommendations and stated that it supports the concepts proposed by the Department to resolve implement the recommendations.

### **OIG Comments**

While the Department has taken steps to establish policies and procedures to demonstrate it spends license revenue solely to manage fish and wildlife resources, additional information is needed in the corrective action plan verifying FWS reviewed and accepted the results of the Department's review and proposed resolution of this issue, including the proposed timeline. The corrective action plan should also include targeted completion dates and titles of officials responsible for the actions proposed.

## **C. Unsupported Program Income**

The Department did not maintain the support necessary to identify the sources of program income, totaling approximately \$946,000, reported on the financial status reports for nine Federal Assistance grants.

Title 43 C.F.R. § 12.60(a) (2) requires the state's financial management system to permit the tracing of funds at a level adequate to establish compliance with grant provisions.

Program income is gross income received by a grantee directly generated by a grant-supported activity; it includes income from services performed and the sale of commodities (43 C.F.R. § 12.65). Part 12.65(g) requires program income to be deducted from total grant costs to determine the net costs on which the federal share is based. With FWS approval, program income may be added to the project funds to further implement eligible program projects or be used to meet the cost sharing or matching requirement.

According to Departmental officials,

- the individual who prepared the grant Financial Status Reports, which included program income, has retired;
- current Department staff did not know the source of the program income information included in the grant Financial Status Reports; and
- the Department has not established policies and procedures for recording and reporting program income.

We asked the Department to reconstruct reported program income for selected grants. The Department could not reconcile the reported program income amounts. As a result, we could not determine if the program income reported was accurate and complete. However, we reviewed the Department's reconstruction and identified about \$328,000 of potentially unreported program income from grazing, gas production, and land easements on Wildlife Management Areas.

### **Recommendations**

We recommend FWS require the Department to:

1. establish policies and procedures to maintain records to support the program income amounts reported;
2. resolve the \$946,000 in unsupported program income; and
3. conduct a comprehensive review of its income-generating activities for the audit period to determine if the income generated, including the \$328,000 identified in our audit, should be reported as program income.

### **Department Response**

The Department stated that it has developed procedures to maintain records to support the program income amounts reported. The Department also stated that it has reviewed the reported program income and determined that program income of about \$27,000 was under-reported on two grants.

### **FWS Response**

FWS concurred with the audit findings and recommendations and stated that it supports the concepts proposed by the Department to resolve implement the recommendations.

### **OIG Comments**

While the Department has taken steps to establish policy and procedures to maintain records to support the program, additional information is needed in the corrective action plan verifying FWS reviewed and accepted the results of the Department's review and resolution of program income reporting, including the under-reported program income. The corrective action plan should also include targeted completion dates and titles of officials responsible for the actions proposed.

## **D. Noncompliance With Real Property and Equipment Controls**

The Department does not require the asset inventory to identify the funding source for property listed on the inventory. As a result, we could not determine whether Federal Assistance property is being used for the purpose for which it was acquired. In conducting activities funded under the Acts, the state is accountable for and must control all assets to assure that they serve their intended purpose throughout their useful life (50 CFR § 80.18(c)).

### **Recommendation**

We recommend FWS require the Department to account for and control property purchased with Federal Assistance grant funds in a manner that assures the property is used for its intended purpose.

### **Department Response**

The Department stated that, in the past, it failed to track information on the assets purchased with Federal Assistance grants. However, the Department has initiated a process, expected to be completed in November 2008, to research and identify which assets with a remaining useful life were purchased with Federal Assistance grants.

### **FWS Response**

FWS concurred with the audit findings and recommendations and stated that it supports the concepts proposed by the Department to resolve implement the recommendations.

### **OIG Comments**

While the Department has taken steps to account and control property purchased with Federal Assistance funding, additional information is needed in the corrective action plan verifying FWS reviewed and accepted the results of the Department's proposed

resolution and timeframes. The corrective action plan should also include titles of officials responsible for the actions proposed.

#### **E. Duplicate Licenses Not Eliminated**

The Department did not eliminate duplicate license holders from its annual license certification for license years 2003 and 2004, as required by Title 50 C.F.R. § 80.10 (c)(5). This regulation states that an individual shall not be counted more than once as a hunting or fishing license holder. To ensure states meet this requirement, FWS requires states to report the number of hunting and fishing license holders and certify the accuracy of their counts. The state is responsible for certifying that it eliminated duplications.

The Department relied exclusively on a system query of the License Sales System database to generate sales and revenue data for the annual certification. However, the query generated only gross sales and revenue data for all license types sold during the license year. There was no further process or procedure to eliminate any duplicate license holders.

The FWS apportionment of grant funds is based, in part, on the number of license holders. Therefore, accurate license certifications are necessary to assure each state receives its fair share of funds. It should be noted that the inclusion of the duplicate license holders would not impact the apportionment to Texas.

#### **Recommendation**

We recommend that FWS require the Department to develop and implement an effective methodology to identify or estimate and eliminate duplicate license holders in its annual license certifications.

#### **Department Response**

The Department stated that its license system provider is now required to provide a feature that assists Department staff in identifying duplicate license holders. The Department anticipates that the ability to eliminate duplicate license holders will be available for its 2006 license year certification.

#### **FWS Response**

FWS concurred with the audit findings and recommendations and stated that it supports the concepts proposed by the Department to resolve and implement the recommendation.

#### **OIG Comments**

While the Department has taken steps to develop a methodology to identify and eliminate duplicate license holders in its annual certifications, additional information is needed in the corrective action plan verifying FWS reviewed and accepted the Department's

resolution of this issue and targeted timeframes. The corrective action plan should also include titles of officials responsible for the actions proposed.



**TEXAS PARKS AND WILDLIFE DEPARTMENT**  
**FINANCIAL SUMMARY OF REVIEW COVERAGE**  
**SEPTEMBER 1, 2002 THROUGH AUGUST 31, 2004**

Grant Number	Grant Amount	Claimed Costs <sup>1</sup>	Questioned Costs	
			Total	Federal Share
F-22-D-33	\$325,332	\$230,337		
F-22-D-34	336,667	196,385		
F-22-D-35	336,667	227,541		
F-30-R-27	3,500,000	3,381,577		
F-30-R-28	4,000,000	3,574,257		
F-30-R-29	4,000,000	3,597,879		
F-31-R-28	35,000	31,748		
F-34-M-19	1,460,000	1,823,108		
F-34-M-20	1,460,000	1,771,602		
F-34-M-21	1,500,000	1,944,259		
F-36-R-17	37,500	44,500		
F-36-R-18	10,000	25,540		
F-59-D-13	216,352	259,417		
F-59-D-14	250,000	320,636		
F-59-D-15	260,000	362,539		
F-82-E-12	433,333	633,130	\$50,004	\$31,445
F-82-E-13	450,000	426,024	60,768	29,202
F-87-M-4	934,691	712,289		
F-90-D-7	741,100	725,443		
F-90-D-8	700,000	742,883		
F-91-D-6	820,000	1,107,807		
F-91-D-7	1,055,697	1,097,364		
F-91-D-8	1,569,000	1,591,429		
F-92-D-9	1,050,000	820,899		
F-92-D-10	1,050,000	952,680		
F-92-D-11	1,050,000	1,056,548		
F-95-D-9	623,000	640,421		
F-95-D-10	650,000	664,980		
F-95-D-11	640,420	744,803		
F-96-D-9	624,000	637,510		
F-96-D-10	624,000	786,507		
F-96-D-11	400,000	878,402		
F-98-D-9	445,240	445,052		
F-98-D-10	408,512	442,054		

**TEXAS PARKS AND WILDLIFE DEPARTMENT**  
**FINANCIAL SUMMARY OF REVIEW COVERAGE**  
**SEPTEMBER 1, 2002 THROUGH AUGUST 31, 2004**

Grant Number	Grant Amount	Claimed Costs <sup>1</sup>	Questioned Costs	
			Total	Federal Share
F-98-D-11	408,512	471,452		
F-101-D-6	1,241,788	1,361,020		
F-101-D-7	1,241,788	1,313,860		
F-101-D-8	1,361,020	1,521,077		
F-115-1-1	1,255,793	1,038,759		
F-117-D-4	10,000	12,268		
F-117-D-5	1,172,000	20,415		
F-122-D-1	753,294	712,319		
F-123-B-1	1,194,593	1,132,925		
F-124-B-1	1,200,000	1,297,375		
F-125-E-3	848,632	1,034,975		
F-125-E-4	1,185,612	1,029,844		
F-129-O-2	42,000	32,960		
F-129-O-3	42,000	28,443		
F-129-O-4	42,000	31,462		
F-130-B-1	1,200,000	1,164,281		
F-131-B-1	1,730,332	1,630,015		
F-133-M-1	282,633	335,178		
F-133-M-2	241,728	303,097		
F-133-M-3	269,000	347,729		
F-134-R-1	34,352	7,694		
F-134-R-2	34,352	38,191		
F-134-R-3	75,004	18,393		
F-135-R-1	32,176	38,931		
F-135-R-2	6,300	38,732		
F-136-R-1	22,328	3,871		
F-136-R-2	22,328	9,149		
F-137-R-1	37,500	30,745		
F-137-R-2	10,000	50,056		
F-138-P-1	90,040	51,319		
F-139-T-1	680,000	967,473		
F-139-T-2	770,000	1,370,501		
F-139-T-3	770,000	1,182,274		
F-140-T-1	770,000	856,738		
F-140-T-2	770,000	997,675		
F-140-T-3	770,000	918,820		

**TEXAS PARKS AND WILDLIFE DEPARTMENT  
FINANCIAL SUMMARY OF REVIEW COVERAGE  
SEPTEMBER 1, 2002 THROUGH AUGUST 31, 2004**

<b>Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs<sup>1</sup></b>	<b>Questioned Costs</b>	
			<b>Total</b>	<b>Federal Share</b>
F-141-B-1	1,200,000	994,858		
F-142-R-1	22,643	1,293		
F-142-R-2	34,352	15,545		
F-142-R-3	12,150	35,404		
F-143-R-1	34,352	7,315		
F-143-R-2	34,352	6,077		
F-143-R-3	34,352	26,397		
F-144-R-1	34,352	20,214		
F-144-R-2	34,352	46,321		
F-144-R-3	34,352	35,923		
F-145-R-1	32,300	7,707		
F-145-R-2	24,500	40,256		
F-145-R-3	24,500	23,465		
F-146-R-1	25,300	13,162		
F-146-R-2	14,300	4,271		
F-146-R-3	14,300	14,682		
F-147-B-1	1,200,000	0		
F-148-M-1	40,000	100,014		
F-148-M-2	40,000	59,201		
F-149-M-1	40,000	35,572		
F-149-M-2	40,000	57,961		
F-150-M-1	611,650	75,000		
F-151-R-1	39,000	21,227		
F-153-B-1	348,466	144,900		
FW15-O-7	80,000	89,913		
FW-15-O-8	80,000	117,732		
FW-15-O-9	80,000	101,531		
FW-18-O-1	92,000	51,044		
FW-19-O-2	112,667	145,864		
FW-19-O-3	112,667	109,665		
FW-19-O-4	112,667	114,256		
W-104-S-31	1,740,000	1,146,023	135,408	101,556
W-104-S-32	710,000	847,376	126,612	121,163
W-107-R-29	2,000,000	3,011,637		
W-107-R-30	2,000,000	2,882,963		

**TEXAS PARKS AND WILDLIFE DEPARTMENT**  
**FINANCIAL SUMMARY OF REVIEW COVERAGE**  
**SEPTEMBER 1, 2002 THROUGH AUGUST 31, 2004**

<b>Grant Number</b>	<b>Grant Amount</b>	<b>Claimed Costs<sup>1</sup></b>	<b>Questioned Costs</b>	
			<b>Total</b>	<b>Federal Share</b>
W-122-S-7	700,000	690,631		
W-122-S-8	320,000	198,842		
W-124-M-13	4,500,000	4,081,978	203,676	152,757
W-124-M-14	4,000,000	4,509,824	498,585	373,939
W-124-M-15	2,000,000	4,606,152	201,783	151,337
W-126-R-11	300,000	323,486		
W-126-R-12	900,000	313,480		
W-126-R-13	300,000	335,717		
W-127-R-11	1,000,000	988,931		
W-127-R-12	900,000	910,980		
W-127-R-13	500,000	974,404		
W-128-R-11	510,463	758,624	100,000	75,000
W-128-R-12	603,750	777,966		
W-129-M-13	1,750,000	2,553,159		
W-129-M-14	2,000,000	2,742,433		
W-131-S-8	1,000,000	1,473,664	1,473,664 <sup>2</sup>	750,000
W-131-S-9	1,000,000	1,430,168	1,430,168 <sup>2</sup>	750,000
W-132-R-3	295,000	319,256		
W-132-R-4	415,000	297,090		
W-134-R-2	87,250	68,444		
W-134-R-3	87,250	48,443		
W-134-R-4	107,250	48,155		
W-135-M-2	724,017	1,209,776		
W-135-M-3	500,000	1,393,167		
	<u>\$88,203,171</u>	<u>\$95,757,105</u>	<u>\$4,280,668</u>	<u>\$2,536,399</u>

<sup>1</sup> Amount represents the total outlays reported on the final SF-269.

<sup>2</sup> Does not include out-of-period costs of \$1,155 since we already questioned the total grant costs.

**TEXAS PARKS AND WILDLIFE DEPARTMENT  
SITES VISITED**

**Headquarters**

Austin, Texas

**Wildlife**

Region 4 Office, Rockport

Guadalupe Delta Wildlife Management Area (WMA)

Mad Island WMA

Peach Point WMA

Region 2 Office, Waco

Richland Creek WMA

Gus Engeling WMA

**Fisheries**

Coastal Fisheries Lower Coast Regional Office, Rockport

Coastal Fisheries Field Office, Rockport

CCA/CPL Marine Development Center, Corpus Christi

TAMUCC Natural Resources Center, Corpus Christi

Coastal Fisheries Field Office, Port O'Connor

Perry R. Bass Research Station, Palacios

Coastal Fisheries Field Office, Palacios

Sea Center Texas, Lake Jackson

Dickinson Marine Lab, Dickinson

Inland Fisheries Region 2 Office, Waco

Inland Fisheries District Office, Waco

Texas Freshwater Fisheries Center, Athens

**COST CLAIMED FOR UNAUTHORIZED/UNIDENTIFIED LOCATIONS**  
**GRANT W-124-M SEGMENTS 13, 14, AND 15**

<b>LOCATION</b>		<b>GRANT SEGMENTS</b>			<b>TOTALS</b>
<b>CODE</b>	<b>DESCRIPTION</b>	<b>#13</b>	<b>#14</b>	<b>#15</b>	
21	Lake Aquilla	\$0	\$146	\$0	\$146
114	Lake Brownwood	0		0	9
247	Dorn Boss Park Lake	0	22	0	22
285	Forest Grove Lake	0	28	0	28
391	Hearne East Side Park Lake	0	9	0	9
550	Old Anson City Lake	395	0	0	395
C235	Victoria County	188	0	0	188
H999	Leased Hunting Areas	9,814	33,704	22,770	66,288
P010	Indian Lodge	188	0	0	188
P027	Atlanta SP	3,425	3,153	971	7,549
P031	Martin Dies Jr SP	805	838	0	1,643
P037	Mission Tejas SHP	0	1,875	18	1,893
P039	Tyler SP	2,281	796	31	3,108
P043	Bastrop SP	1,803	0	0	1,803
P044	Huntsville SP	877	3,444	0	4,321
P052	Varner Hogg Plantation SHP	117	531	0	648
P058	Bentsen-Rio Grande Valley SP	350	0	0	350
P064	Goose Island SP	0	23	128	151
P078	Fairfield Lake SP	5,928	1,243	0	7,171
P111	Martin Creek Lake SP	284	0	0	284
P116	South Llano River SP	0	14	0	14
P117	Lake Bob Sandlin SP	0	93	0	93
P128	Lake Houston SP	1,967	3,517	0	5,484
P138	Sheldon SP	0	0	212	212
P140	Colorado Bend SP	342	2,611	0	2,953
P142	Lake Tawakoni SP	0	185	0	185
P146	Fort Boggy SP	350	312	18	680
P147	Kickapoo Cavern SP	403	0	0	403
P165	Government Canyon SP	0	159	0	159
P177	Barrington Farm	0	1,011	0	1,011
S001	Fountain Park Plaza - Austin	0	97	0	97
	Wildlife District 6 Office -				
S040	Jasper	0	22	0	22
	Las Palomas WMA - Tucker-				
W212	Deshazo Unit	0	23	0	23
	Las Palomas WMA -				
W214	Carricitos Unit	0	0	106	106

**COST CLAIMED FOR UNAUTHORIZED/UNIDENTIFIED LOCATIONS  
GRANT W-124-M SEGMENTS 13, 14, AND 15**

LOCATION		GRANT SEGMENTS			TOTALS
CODE	DESCRIPTION	#13	#14	#15	
W702	Old Tunnel WMA	462	1,590	1,487	3,539
	Lipscomb County Potential WMA				
W706	Site	480	2,778	100	3,358
W710	Nannie M Stringfellow WMA	19,114	103,261	27,744	150,119
W727	White Oak Creek WMA	5,164	8,246	540	13,950
W730	Cooper Reservoir WMA	2,736	2,381	4,316	9,433
	Playa Lakes WMA - Taylor Lakes				
W741	Unit	0	138	2,482	2,620
W749	Mason Mountain WMA	2,101	345	0	2,446
W751	Caddo Lake WMA	5,695	40,930	21,092	67,717
W771	Playa Lakes WMA - General	0	0	11,612	11,612
	Upper Coast Wetlands				
W778	Management	0	5,724	424	6,148
W779	Midcoast Wetlands Management	648	744	7,606	8,998
	Unspecified Wildlife Management				
W999	Area	36,260	56,269	15,300	107,829
XXXX	Unspecified	101,499	222,314	84,826	408,639
		<u>\$203,676</u>	<u>\$498,585</u>	<u>\$201,783</u>	<u>\$904,044</u>

\*SP State Park  
SHP State Historic Park/Site  
WMA Wildlife Management Area

**TEXAS PARKS AND WILDLIFE DEPARTMENT  
STATUS OF AUDIT FINDINGS AND RECOMMENDATIONS**

Recommendations	Status	Action Required
A.1.1, A.1.2, A.2.1, A.2.2, A.3.1, A.3.2, A.4.1, A.4.2, A.5.1, A.5.2, B.1, B.2, C.1, C.2, C.3, D.1, and E.1.	FWS management concurs, but additional information is needed as outlined in the "Action Required" column.	Provide a corrective action plan that identifies the actions taken or planned to resolve and implement the recommendations. The plan should also include the targeted completion date(s) and the title(s) of the official responsible for implementation of each recommendation, as well as verification that FWS reviewed and approved of actions taken or planned by the state. Any recommendations that are not implemented at the end of 90 days (after April 30, 2007) will be referred to the Assistant Secretary for Policy, Management and Budget for resolution and/or tracking of implementation.



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