



# Inflation Reduction Act

## FLASH REPORT: U.S. FISH AND WILDLIFE SERVICE'S INFLATION REDUCTION ACT ENDANGERED SPECIES RECOVERY EFFORTS

The Inflation Reduction Act (IRA), Pub. L. No. 117-69, was signed into law on August 16, 2022. Section 60301 of the IRA appropriated \$125 million for the U.S. Department of the Interior's (DOI's) Fish and Wildlife Service (FWS) to develop and implement recovery plans under the Endangered Species Act of 1973 (ESA).<sup>1</sup> These funds presently remain available to DOI until expended. ESA funding is provided generally for FWS through an annual appropriation.<sup>2</sup> Prior to receiving IRA ESA funds, FWS reported that 326 of 1,595 listed species did not have recovery plans, which according to FWS officials, are critical for identifying and prioritizing implementation actions necessary for species recovery.

FWS originally planned to equally divide the \$125 million of IRA funding between (1) recovery planning and (2) recovery implementation—each receiving \$62.5 million. However, on December 20, 2024, FWS reallocated \$20 million from recovery planning to recovery implementation, for a total of \$42.5 million for recovery planning and \$82.5 million for recovery implementation.

We are issuing this flash report to provide information on FWS' use of the IRA funding for listed species recovery efforts. Our original scope for this project was FWS' use of the IRA funding through September 30, 2024; however, significant obligations and expenditures occurred from December 19, 2024, through January 31, 2025, which differed from the plan described to us previously by FWS officials. As of September 30, 2024, FWS had obligated \$12,196,047 of this funding and expended \$5,952,911. As of January 31, 2025, FWS had obligated \$117,321,891 of the funding and expended \$76,457,676. Therefore, we updated the scope to include use of the IRA funding through January 31, 2025. We describe (1) FWS' IRA spending approach and progress as of September 30, 2024; (2) FWS' IRA spending approach as of January 31, 2025; (3) FWS' planned oversight of IRA funds; and (4) challenges facing FWS. We also provide information on the general structure of FWS' ESA program.

According to an FWS official, as of the date of the issuance of this report, remaining IRA funding and projects are paused while DOI reviews associated programs in accordance with Section 7 of Executive Order No. 14154, *Unleashing American Energy*.<sup>3</sup>

## Definitions

An **endangered species** is a species that is in danger of extinction throughout all or a significant portion of its range (i.e., where a species lives throughout its lifetime).

A **threatened species** is a species likely to become an endangered species within the foreseeable future throughout all or a significant portion of its range.

A **species status assessment** is an analysis of the best available scientific and commercial information regarding a species' life history, biology, and current and future conditions that characterizes the species' viability (i.e., ability to sustain populations in the wild over time) and extinction risk.

A **recovery plan** is a plan for the conservation and survival of a threatened or endangered species in the ESA and includes: a recovery strategy, recovery criteria, recovery actions, and the estimates of time and cost needed to achieve listed species' recovery.

A **recovery implementation strategy** is a short-term, operational document focused on how, when, and with whom the recovery actions will be implemented.

**Source:** ESA/FWS.

<sup>1</sup> The ESA provides a means to conserve listed species (i.e., threatened or endangered species) and the ecosystems upon which they depend. Specifically, the ESA provides for developing and implementing recovery plans for listed species under 16 U.S.C. §§ 1533(f)(1), (3), (4).

<sup>2</sup> The IRA funding is in addition to annual appropriations. FWS received appropriations of \$110,522,000 in fiscal year (FY) 2024, \$114,124,000 in FY 2023, and \$108,372,000 in FY 2022 for the ESA recovery program.

<sup>3</sup> Executive Order No. 14154, *Unleashing American Energy*, 90 Fed. Reg. 8353 (Jan. 29, 2025), <https://www.govinfo.gov/content/pkg/FR-2025-01-29/pdf/2025-01956.pdf>.



## Background

FWS' mission is to work “with others to conserve, protect, and enhance fish, wildlife, plants, and their habitats for the continuing benefit of the American people.”<sup>4</sup> FWS provides national leadership in the recovery and conservation of imperiled plant and animal species in the United States, working with experts in the scientific community to identify species on the verge of extinction and to build the road to recovery to bring them back.

FWS, through its Ecological Services Program (Ecological Services), determines whether to add a species to the Federal lists of endangered and threatened wildlife and plants.<sup>5</sup> Listing affords a species the full range of protections available under the ESA, including prohibitions on killing, harming, or otherwise “taking” a species. When evaluating a species for listing, FWS considers five factors:

1. The present or threatened destruction, modification, or curtailment of a species' habitat or range.
2. Overutilization of the species for commercial, recreational, scientific, or educational purposes.
3. Disease or predation.
4. Inadequacy of existing regulatory mechanisms.
5. Other natural or manmade factors that affect the continued existence of the species.<sup>6</sup>

The ESA provides a means to conserve listed species and the ecosystems upon which they depend. The ESA defines “conserve” as using all methods and procedures that are necessary to bring any listed species to the point at which the measures provided for under the ESA are no longer necessary. In addition, Federal regulations define “recovery” as an “improvement in the status of a listed species to the point at which listing is no longer appropriate under the criteria set out in section 4(a)(1) of the [ESA].”<sup>7</sup>

FWS works with a range of public and private partners to protect habitat and increase species' populations and reduce the threats to their survival so that they can be removed from Federal protection. FWS establishes partnerships with other Federal agencies, State Governments, private landowners, nongovernmental organizations, and Tribes to protect and recover listed species.<sup>8</sup> Among the tools that play a major part in achieving listed species recovery goals are grants to States and territories, private landowners, and conservation groups to fund conservation work that enhances the survival of listed species.<sup>9</sup> According to FWS, once a species no longer meets the definition of an endangered or threatened species, the species is considered recovered and can be removed from the list, which is known as delisting.



<sup>4</sup> FWS, *Mission and Vision*, <https://www.fws.gov/about/mission-and-vision>.

<sup>5</sup> FWS, *Listing and Classification*, <https://www.fws.gov/program/listing-and-classification/what-we-do>.

<sup>6</sup> ESA, 16 U.S.C. § 1533(a).

<sup>7</sup> 50 C.F.R. § 402.02.

<sup>8</sup> FWS, *Endangered Species: Get Involved*, “Our Partners,” <https://www.fws.gov/program/endangered-species/get-involved>.

<sup>9</sup> FWS, *Endangered Species: What We Do*, “Our Services,” <https://www.fws.gov/program/endangered-species>.



# Background

## FWS' Ecological Services Program

FWS' Ecological Services works to restore and protect healthy populations of fish, wildlife, and plants and the environments upon which they depend.<sup>10</sup> Ecological Services staff located in headquarters, regional, and field offices, are responsible for conducting ESA recovery planning, managing the lists of endangered and threatened wildlife and plants, and leading listed species classification and recovery efforts. The staff are also responsible for administering and managing the IRA recovery funds. Ecological Services created the National Recovery Planning Team (RPT) using IRA recovery planning funds; this Nationwide team of biologists is responsible for reducing the backlog of listed species without final recovery plans.

### Roles and Responsibilities

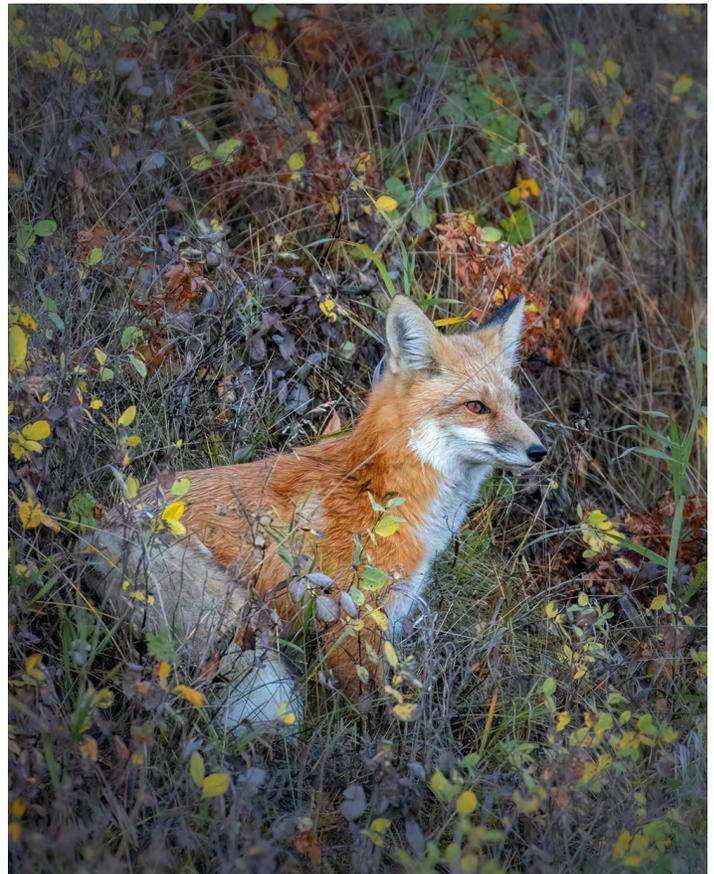
Headquarters Ecological Services provides policies, guidance, and support to FWS Ecological Services employees Nationwide. Ecological Services regional and field offices across the United States execute the majority of the program under the direction of the appropriate regional director. Each species listed under the ESA is assigned to a lead region and a lead field office—according to an Ecological Services official, all levels of FWS work together to implement the ESA.

Regional offices provide technical support to all the field offices under their respective regions. Field offices lead recovery efforts for each assigned species. Field office staff are typically responsible for drafting the statutorily required recovery documents for their assigned species and collaborating with external partners.

### National Recovery Planning Team

In May 2023, FWS used IRA recovery planning funding to establish the RPT to accomplish recovery planning for a backlog of federally listed species that do not have recovery plans and to improve the consistency and efficiency of FWS' recovery planning efforts. According to Ecological Services officials, despite the obvious need, recovery planning has been subject to capacity constraints and resource limitations. The RPT works with Ecological Services staff in field, regional, and headquarters offices to produce Species Status Assessments (SSAs), recovery plans, and Recovery Implementation Strategies (RISs).

The RPT is a Nationwide team of 35 biologists located in headquarters and eight regional offices. While each region has at least one RPT staff member, the number per region is based on a region's proportion of the overall recovery planning workload and other considerations.<sup>11</sup>



<sup>10</sup> FWS, *Ecological Services*, <https://www.fws.gov/apps/program/ecological-services>.

<sup>11</sup> For example, FWS made efforts to avoid placing more staff than a supervisor could successfully manage in a single region.



# Background

## Recovery Phases

There are four phases to recovery: (1) pre-planning, (2) planning, (3) implementation and monitoring, and (4) delisting and post-delisting monitoring.

During the first phase, “pre-planning,” FWS produces a recovery outline to guide staff on strategic actions that can be taken to direct a newly listed species’ recovery efforts until an official recovery plan can be developed.

During the second phase, “planning,” FWS develops the three-part recovery planning framework (see Figure 1), which consists of three separate documents to inform listed species recovery: (1) the SSA, (2) the recovery plan, and (3) the RIS. According to FWS, these documents are important to effectively communicate to the public, stakeholders, and recovery partners FWS’ chosen approach for achieving recovery.

During the third phase, “implementation and monitoring,” FWS staff implement and monitor the recovery activities that were captured in the RIS through recovery implementation projects with partners. Because species can be in this phase for decades, the phase can also include keeping recovery planning documents (such as the SSA, recovery plan, and RIS) up to date. FWS also conducts status reviews on listed species every five years to ensure the species still meets the definition of an endangered or threatened species or is recommended for a change in status (e.g., delisting).<sup>12</sup>

**Figure 1: FWS’ Three-Part Recovery Planning Framework**



Source: FWS.

The fourth and final phase, “delisting and post-delisting monitoring,” is when FWS determines that a listed species has reached recovery and can be removed from the list. This phase also includes FWS’ obligation to monitor the species for at least five years after delisting to ensure it remains recovered and does not need to be relisted.<sup>13</sup>

According to Ecological Services, species are removed from the list for a variety of reasons, including recovery, extinction, new information showing the listed entity does not meet the definition of an endangered or threatened species, or new information showing the listed entity does not meet the definition of a species.<sup>14</sup> According to Ecological Services officials, in the last five years, 50 species have been delisted. Of those 50 species, 21 species were delisted due to extinction, 26 species were delisted due to recovery, and 3 species were delisted because they do not meet the statutory definition of a species.<sup>15</sup>

<sup>12</sup> FWS, *Five-year Status Reviews*, <https://www.fws.gov/project/five-year-status-reviews>.

<sup>13</sup> 16 U.S.C. § 1533(g).

<sup>14</sup> 50 C.F.R. § 424.11(e).

<sup>15</sup> According to an Ecological Services official, under the ESA, a “species” is defined as “any species or subspecies of fish, wildlife, or plant, and any distinct population segment of any vertebrate species that interbreeds when mature.” Advances in taxonomy, notably associated with genomics, have identified organisms that were previously considered species but are now recognized as either sterile hybrids or identical to other species.



# IRA Spending Approach and Progress

## As of September 30, 2024

Consistent with FWS' approved IRA Recovery Planning and Implementation Funding Spend Plan (hereinafter "IRA Spend Plan") published in 2022,<sup>16</sup> FWS equally divided the \$125 million of IRA funding between (1) recovery planning and (2) recovery implementation—each receiving \$62.5 million. According to the IRA Spend Plan, FWS proposed spending IRA funds through fiscal year (FY) 2030, starting with smaller amounts during the first few years and growing to \$25 million annually—at which time FWS planned to focus heavily on SSA and recovery plan development, as well as on-the-ground recovery implementation projects.

As of September 30, 2024, FWS had obligated approximately \$12.2 million and expended almost \$6 million of the \$125 million in IRA funding. See Figure 2 for a breakdown of the allocations, obligations, and expenditures.

**Figure 2: IRA Recovery Planning and Implementation Allocations, Obligations, and Expenditures as of September 30, 2024**

Recovery Category	Allocations	Obligations	Expenditures
Planning	\$62,500,000	\$4,264,052	\$3,585,603
Implementation	\$62,500,000	\$7,931,995	\$2,367,308
<b>Totals</b>	<b>\$125,000,000</b>	<b>\$12,196,047</b>	<b>\$5,952,911</b>

Source: FWS.

## Recovery Planning Spending Approach and Progress

According to its Ecological Services IRA Recovery Planning Proposal, FWS intended to spend the \$62.5 million in recovery planning funding by developing SSAs, recovery plans, and RISs for listed species that did not have final recovery plans, in alignment with the three-part recovery planning framework. According to Ecological Services officials, dedicated RPT staff were hired to focus solely on recovery planning needs. FWS also hired contractors to develop SSAs. FWS developed a national 18-month workplan covering February 2024 to September 2025 that contains 181 species for which FWS expected to initiate SSAs or recovery plans by the end of FY 2025. Ecological Services officials told us that they plan to update the workplan regularly through FY 2031 or until FWS completes recovery planning documents for all listed species. Figure 3 provides a breakdown of the \$62.5 million for recovery planning and the associated allocations, obligations, and expenditures as of September 30, 2024.

**Figure 3: Recovery Planning Allocations, Obligations, and Expenditures as of September 30, 2024**

Recovery Planning Spending	Allocations	Obligations	Expenditures
SSA development	\$22,500,000	\$453,488	\$3,537,069
Recovery Plan development	\$24,500,000	\$3,810,564	\$48,534
RIS development	\$15,500,000	\$0	\$0
<b>Recovery Planning Totals</b>	<b>\$62,500,000</b>	<b>\$4,264,052</b>	<b>\$3,585,603</b>

Source: FWS.

<sup>16</sup> Spend plans outline how Federal agencies will allocate and spend funds, ensuring transparency and accountability. Although we identified no specific requirements to update spend plans, as discussed in more detail below, these plans typically provide information about how DOI or its bureaus anticipate expending resources.



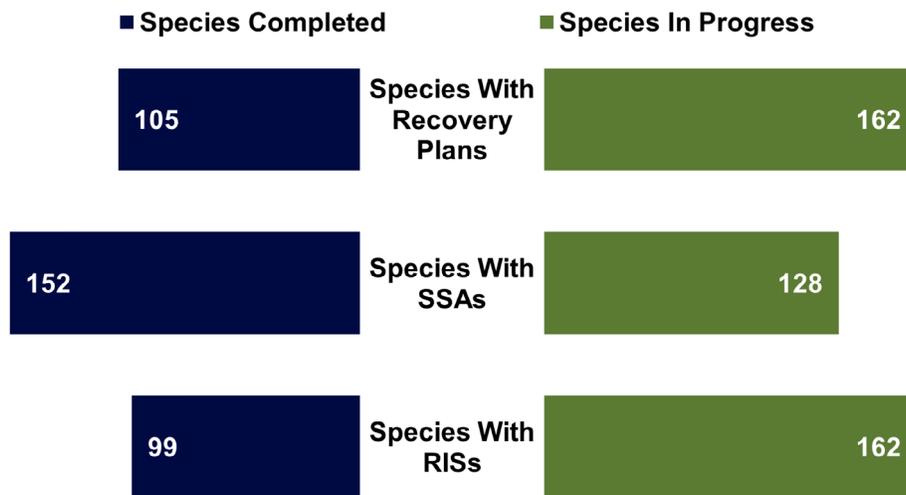
# IRA Spending Approach and Progress

## As of September 30, 2024

As of August 2024, FWS spent most of the recovery planning funds on the 35 RPT biologists—approximately \$2.1 million on salaries and approximately \$400,000 on relocation expenses. FWS spent the remaining expenses primarily on acquiring computer equipment for the new staff and on other miscellaneous expenses, such as travel and supplies.

As a result of the additional staffing, FWS reported that it has made progress in decreasing the number of listed species without a final recovery plan and completing SSAs and RISs (see Figure 4).

**Figure 4: FWS Plan Progress From May 2023 Through September 2024**



Source: OIG chart developed from FWS information.

In addition, as of August 2024, FWS awarded contracts and cooperative agreements to develop SSAs for 24 species, as well as an interagency agreement with the U.S. Geological Survey (USGS) to develop SSAs for another 8 species.<sup>17</sup> FWS stated that it anticipated 30 more SSAs to be completed by September 2025.

## Recovery Implementation Spending Approach and Progress

According to the IRA Spend Plan, FWS intended to spend much of the \$62.5 million in recovery implementation funding to benefit “historically underfunded species.” According to an Ecological Services official, a “historically underfunded species” is defined as any species that received less than 5 percent of expenditures within the lead region responsible for that species as reported in FWS’ *Federal and State Endangered and Threatened Species Expenditures* to Congress.<sup>18</sup> To determine species eligible for the IRA recovery implementation funding, the official told us that they reviewed regional expenditure data from FYs 2020 through 2023 to identify those species that met that threshold in any year. For example, for the Conasauga logperch,<sup>19</sup> the average expenditures per year were \$13,375 and the average 5-percent threshold for the region was \$1,468,274. The Ecological Services official stated that the estimated total cost to recover this species is \$70.8 million and is estimated to take 30 years. To address the needs of these species in the short term, FWS planned to spend \$25 million to provide immediate funding for four targeted species groups for recovery (known as “focal species groups”) and for developing a prioritization process for recovery implementation.

<sup>17</sup> FWS establishes cooperative agreements and contracts with universities and other Federal agencies such as USGS to collaboratively conduct SSA analyses and draft SSAs.

<sup>18</sup> FWS, *Federal and State Endangered and Threatened Species Expenditures*, FY 2020, <https://www.fws.gov/sites/default/files/documents/endangered-threatened-species-expenditures-%20report-to-congress-fiscal-year-2020.pdf>.

<sup>19</sup> According to FWS, “The Conasauga logperch (*Percina jenkinsi*) is one of the rarest darters in North America. This little fish is named after the river it calls home—the Conasauga River in Tennessee and Georgia.” <https://www.fws.gov/species/conasauga-logperch-percina-jenkinsi>.



# IRA Spending Approach and Progress

## As of September 30, 2024

To achieve its long-term goal, FWS planned to spend \$33.5 million of IRA funding to strategically identify and fund recovery implementation actions for other “historically underfunded species.” Ecological Services stated it would also use the funding to develop a software system to track recovery activities and species range mapping. Species range mapping shows where listed species live, where they are suspected to live, and the areas that impact the species’ survival in some way. Figure 5 provides a breakdown of the \$62.5 million for recovery implementation and the associated allocations, obligations, and expenditures as of September 30, 2024.

**Figure 5: Recovery Implementation Allocations, Obligations, and Expenditures as of September 30, 2024**

Recovery Implementation Spending	Allocations	Obligations	Expenditures
Implementation of prioritized recovery actions	\$33,500,000	\$0	\$0
Focal species groups	\$25,000,000	\$4,085,513	\$470,761
Species range development	\$1,000,000	\$991,526	\$864,240
ECOSphere support	\$3,000,000	\$2,854,956	\$1,032,307
<b>Recovery Implementation Totals</b>	<b>\$62,500,000</b>	<b>\$7,931,995</b>	<b>\$2,367,308</b>

Source: FWS.

As of September 30, 2024, Ecological Services had obligated approximately \$7.9 million and spent \$2.3 million in recovery implementation funds on recovery implementation projects, species range development, and ECOSphere support activities (discussed in more detail below).

### Implementation of Prioritized Recovery Actions Spending Progress

In January 2024, FWS’ Ecological Services Leadership Team finalized a plan to determine which underfunded species would receive investment from IRA implementation funding. To implement this plan, FWS reviewed species based on the following criteria: (1) the cost to fund the remaining actions needed for a species’ recovery, (2) the probability that all remaining actions necessary for a species’ recovery can be successfully implemented within 10 years, and (3) if the work completed to recover a species could also benefit additional listed or candidate species.<sup>20</sup> FWS’ approach requires comprehensive data validation; therefore, FWS anticipated identifying and selecting prioritized recovery actions for the remainder of the funding in 2025.

### Focal Species Groups Spending Progress

FWS identified four focal species groups for IRA implementation funding: butterflies and moths, freshwater mussels, southwest desert fish species, and Hawaiian and Pacific Island plants. According to Ecological Services officials, in July 2023, FWS announced \$5 million for 36 recovery implementation projects associated with the species groups.<sup>21</sup> In August 2024, FWS announced \$20 million for 15 species, including 2 butterflies, 9 freshwater mussels, and 4 southwest desert fish, and recovery support for about 425 Hawaiian plants.<sup>22</sup>

<sup>20</sup> According to FWS, candidate species are plants and animals for which FWS has sufficient information on their biological status and threats to propose them as endangered or threatened under the ESA, but for which development of a proposed listing regulation is precluded by other higher priority listing activities.

<sup>21</sup> FWS, Press Release, *U.S. Fish and Wildlife Service Announces Over \$5 Million Through Investing in America Agenda to Implement Recovery Actions for Four Groups of Endangered Species* (July 20, 2023), [https://www.fws.gov/press-release/2023-07/investing-america-agenda-funds-over-5m-endangered-species-recovery#:~:text=WASHINGTON%20%E2%80%94%20Today%2C%20the%20U.S.%20Fish%20and%20Wildlife,Pacific%20Island%20plants%2C%20pollinators%20\(butterflies%20and%20moths\)%2C](https://www.fws.gov/press-release/2023-07/investing-america-agenda-funds-over-5m-endangered-species-recovery#:~:text=WASHINGTON%20%E2%80%94%20Today%2C%20the%20U.S.%20Fish%20and%20Wildlife,Pacific%20Island%20plants%2C%20pollinators%20(butterflies%20and%20moths)%2C)

<sup>22</sup> FWS, Press Release, *U.S. Fish and Wildlife Service Announces Nearly \$20 Million Through Investing in America Agenda to Implement Recovery Actions for Four Groups of Endangered Species* (Aug. 16, 2024), <https://www.fws.gov/press-release/2024-08/nearly-20m-going-recovery-actions-four-groups-endangered-species#:~:text=The%20%2420%20million%20investment%20will%20be%20used%20to,identifying%20translocation%20sites%20most%20resilient%20to%20climate%20c>



# IRA Spending Approach and Progress

## As of September 30, 2024



FWS awarded a \$150,000 grant to the State of New Hampshire's Fish and Game for recovery efforts related to the Karner blue butterfly, specifically to (1) hire part-time biological staff to perform captive rearing and habitat restoration activities, (2) secure contractors to complete habitat-related work, and (3) purchase supplies and plant materials to complete work that benefits Karner blue butterflies.<sup>23</sup>

As of August 2024, FWS awarded 23 grants and cooperative agreements totaling \$3.1 million to non-Federal entities, such as universities, States, and nonprofits to support recovery implementation projects. For example, FWS awarded a \$592,000 grant to the State of Hawaii Department of Land and Natural Resources to support the protection and restoration of numerous populations of listed plant species in Hawaii. As of August 2024, 14 projects have been started and 2 have been completed.

FWS has also provided funding for services such as conducting species surveys and water quality monitoring; procured the services of other Federal agencies such as USGS and the Smithsonian Institution; and allocated funds to other FWS programs (e.g., Fisheries and Aquatic Conservation) that spent funds on salary and other items such as equipment.

### Species Range Development Spending Progress

According to documentation provided by Ecological Services officials, IRA funding allowed FWS to complete the range mapping for all focal species. Range mapping identifies areas that are important for recovery action implementation and areas that might benefit multiple listed species. FWS also planned to conduct spatial mapping of listed species' critical habitat information that it says is vital to informing recovery.

As of August 2024, FWS awarded two contracts totaling \$942,643 to provide technical expertise, such as geographic information system experts needed to collect, define, refine, and post species range maps. Since receiving IRA funding, FWS reported that it has accomplished many goals related to species range development. For example, FWS has published 25 new refined ranges and updates to 5 ranges.

### ECOSphere Support Spending Progress

ECOSphere is a new software system Ecological Services started developing with the assistance of a contractor and is intended to house all listed species data and provide enhanced, user-friendly workflows to allow FWS staff to track, analyze, and archive their recovery work. ECOSphere is expected to replace FWS' current Environmental Conservation Online System or ECOS—which is used by FWS to manage species data but, according to FWS, does not have the capability to track all recovery functions. FWS stated that ECOSphere should allow Ecological Services staff to track implementation of recovery actions for listed species, which is important for informing progress toward recovery. According to Ecological Services officials, this software system is intended provide better transparency and performance reporting on ongoing and completed recovery tasks.

As of August 2024, FWS spent approximately \$2 million on ECOSphere and estimated the project would be finalized by the end of 2025.

<sup>23</sup> The Karner blue butterfly projects described here have been paused. As of March 2025, approximately \$41,000 had been spent on the grant prior to the pause in IRA funding.



# IRA Spending Approach and Progress

## As of January 31, 2025

As of January 31, 2025, FWS had obligated \$117.3 million and expended \$76.5 million, an increase of 862 percent in obligations and 1,184 percent in expenditures since September 30, 2024. The increase in obligations occurred primarily in December 2024. For example, on December 19, 2024, FWS awarded and obligated a \$20.7 million cooperative agreement to National Experienced Workforce Solutions, Inc. to “fund a 5-year recovery planning project which will include the enrollment of up to 44 biologists and 3 project coordinators over the lifetime of the award.” FWS stated that the agreement would assist and expedite ongoing RPT efforts and that the work incorporates three broad categories of projects—all related to the three-part recovery planning framework for the species listed as endangered or threatened under the ESA and identified in its national recovery workplan.

In addition, FWS reallocated \$20 million from recovery planning to recovery implementation on December 20, 2024. The fund transfer left recovery planning with an allocation of \$42.5 million and increased the recovery implementation allocation to \$82.5 million.

Additionally, on December 26, 2024, FWS awarded and obligated a \$57.5 million cooperative agreement to the National Fish and Wildlife Foundation (NFWF) to “work cooperatively with the FWS Ecological Service’s program to establish, administer, and manage a competitive financial assistance program to support voluntary implementation of priority recovery actions as described in a species’ draft or final recovery plan, recovery implementation strategy, or recovery outline, to expedite progress to prevent further loss of the species, its habitat, or to further progress in achieving the delisting or downlisting objectives identified in the species’ recovery plan.”<sup>24</sup> FWS stated that the NFWF cooperative agreement would “alleviate the administrative burden on FWS field and regional staff and centralize and streamline grant administration nationwide.”

On January 22, 2025, NFWF withdrew \$57.5 million from the grant funding system, resulting in the significant increase in recovery implementation expenditures. According to an Ecological Services official, once IRA funding

resumes and species are identified using the prioritization approach, FWS will work with NFWF to initiate requests for proposals to implement the selected species’ remaining recovery actions.

As discussed above, in December 2024, FWS reallocated \$20 million from recovery planning—specifically, recovery plan and RIS development—to recovery implementation of prioritized recovery actions, which differed from the IRA Spend Plan provisions. An Ecological Services official stated that the reallocation would support additional recovery implementation actions for underfunded species using the prioritization method and that shifting the funding would allow FWS to increase the number of species for which all remaining actions necessary for a species’ recovery can be undertaken.

Figure 6 shows the updated allocation, obligation, and expenditure amounts.



<sup>24</sup> In March 2025, an Ecological Services official told us that FWS started exploring other ways to obligate the remaining IRA funds in June 2024, which included using a nongovernmental organization(s) to administer FWS’ grants for each species selected for funding. An Ecological Services official stated that they did not share this information with us because leadership had not made a decision at that time and that FWS did not share this information when we provided an initial draft of this report for FWS review in February 2025 because the report’s timeframe was through September 30, 2024.



# IRA Spending Approach and Progress

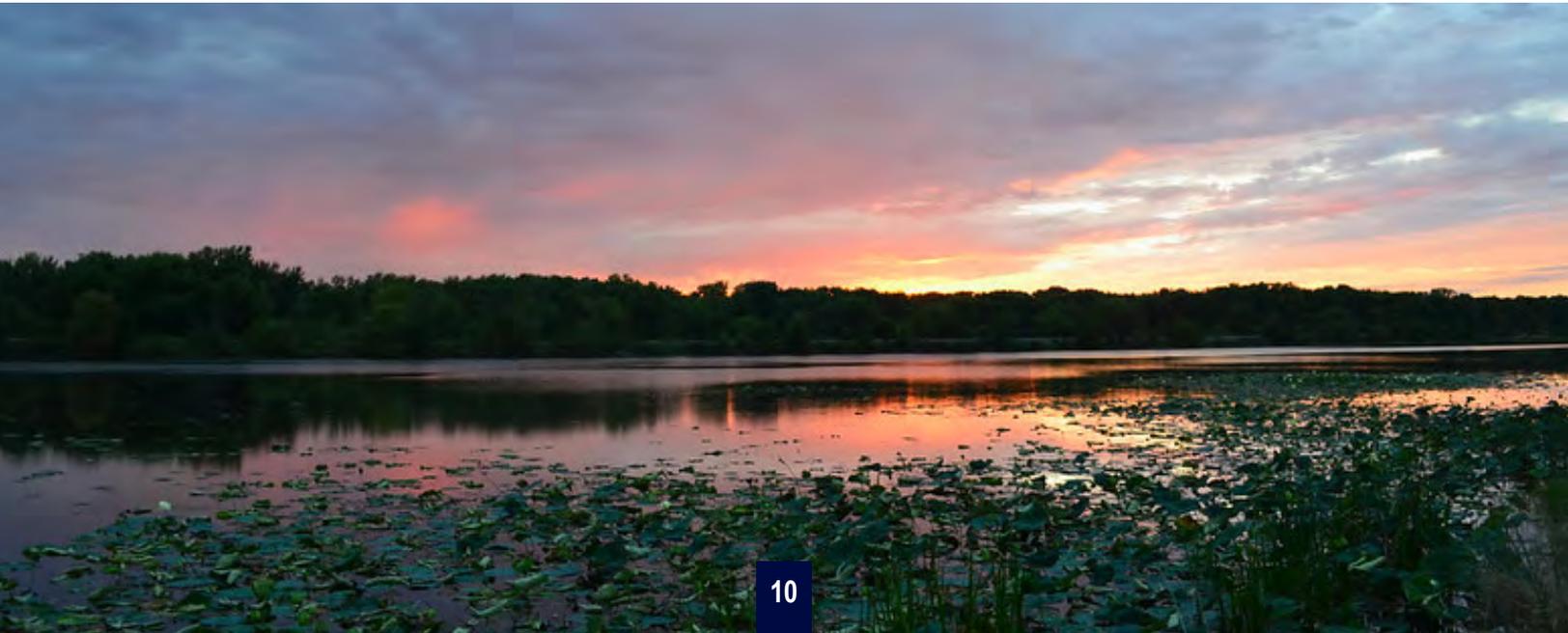
## As of January 31, 2025

**Figure 6: IRA Recovery Planning and Implementation Allocations, Obligations, and Expenditures as of January 31, 2025**

Recovery Category	Spending Category	Allocations	Obligations	Expenditures
Planning	SSA development	\$22,500,000	\$21,271,070	\$3,705,500
	Recovery Plan development	\$14,500,000	\$14,083,308	\$10,520,141
	RIS development	\$5,500,000	\$0	\$0
	<i>Subtotal</i>	<i>\$42,500,000</i>	<i>\$35,354,376</i>	<i>\$14,225,640</i>
Implementation	Implementation of prioritized recovery actions	\$53,500,000	\$51,422,110	\$51,421,110
	Focal species groups	\$25,000,000	\$25,000,000	\$7,493,248
	Species range development	\$1,000,000	\$991,527	\$960,788
	ECOSphere support	\$3,000,000	\$4,554,878*	\$2,356,890
	<i>Subtotal</i>	<i>\$82,500,000</i>	<i>\$81,967,515</i>	<i>\$62,232,036</i>
<b>Totals</b>		<b>\$125,000,000</b>	<b>\$117,321,891</b>	<b>\$76,457,676</b>

\* According to FWS, obligations for ECOSphere appear higher than the spend plan amount because ECOSphere support was charged to the IRA Recovery Implementation line in advance of being shifted to another IRA fund. According to an Ecological Services official, the funding for all IRA accounts is currently on hold and those obligations will be moved when the funding is released.

Source: FWS.





# FWS IRA Spending Roles, Responsibilities, and Oversight

According to an Ecological Services official, the Assistant Director for Ecological Services performs program oversight for the ESA IRA funds. The Chief of the Branch of Budget and Support at Headquarters Ecological Services is responsible for maintaining the database that tracks IRA funding as it is allocated, obligated, and expended. Based on data tracked in this database, Headquarters Ecological Services sends monthly and quarterly updates to FWS' Division of Budget and Performance and the FWS Directorate.<sup>25</sup> The Ecological Services Financial Assistance Team assists with development and execution of grants and cooperative agreements and prepares monthly and quarterly reports; the Ecological Services Budget Office reviews, consolidates, and submits the monthly and quarterly reports. Monthly reports provide highlights of accomplishments, ongoing activities, and upcoming events. Quarterly reports provide a detailed account of expenditures by quarter and include obligations and future projected expenditures. Additionally, financial assistance award data is uploaded to USAspending<sup>26</sup> for public and congressional transparency.

## Grant, Cooperative Agreement, and Contract Oversight

According to the Chief of the Branch of Budget and Support at Headquarters Ecological Services, subject matter experts within Ecological Services review IRA projects prior to funding to ensure the projects meet the IRA recovery objectives, including reducing the number of listed species without recovery plans. For grants and agreements, Ecological Services works with the Financial Assistance Support and Oversight (FASO) Program, a national team that provides financial assistance administration support services. For contracts, Ecological Services works with the Joint Administrative Operations (JAO) Program.

An Ecological Services official explained that one RPT employee serves as the IRA RPT Lead and provides project management support to all RPT biologists. This position is responsible for RPT workplans and documentation to ensure consistency across all FWS regions. Another IRA-funded biologist serves as the SSA contract coordinator overseeing contracts, grants, and agreements focusing on SSA development. Further, the Headquarters Ecological Services Branch of Budget and Support reviews obligations and expenses quarterly to evaluate whether the obligations and expenses are meeting full-time equivalent staffing targets and/or project awards. FWS stated that existing personnel—not IRA-funded staff—provide oversight for recovery implementation contracts, grants, and cooperative agreements.

According to an Ecological Services official, FASO grant management officers provide additional guidance and oversight for all IRA-funded cooperative agreements and grants. According to the official, grant management officers within FASO review each agreement package for completeness and compliance with Federal regulations and policies. The project officer is the biologist or other technical expert assigned by the designated program office to a financial assistance award and is primarily responsible for monitoring and evaluating the recipient's performance and compliance with award terms and conditions including the review of financial and performance reports.<sup>27</sup> According to FWS' website,<sup>28</sup> the JAO Program is responsible for FWS acquisition needs and for ensuring compliance with Federal Acquisition Regulations. According to an Ecological Services official, contracting officers with warrant authority for all FWS contracts are part of the JAO Program, and Ecological Services works through them to award contracts.

An Ecological Services official stated that project officers and contracting officers assigned to the grant, cooperative agreement, or contract have the primary responsibility to ensure the obligations outlined within the scope of work are being met.

<sup>25</sup> FWS, *Directorate*, <https://www.fws.gov/about/directorate>.

<sup>26</sup> USAspending.gov, *Assistance Listing (CFDA Program)*, "15.657 | Endangered Species Recovery Implementation," <https://www.usaspending.gov/search/?hash=2045cc28a3d7dd58ca43f92c31df5ee8>.

<sup>27</sup> U.S. Fish and Wildlife Service *Financial Assistance Business Process Financial Assistance Responsibilities*, dated January 26, 2022.

<sup>28</sup> FWS, *Joint Administrative Operations*, <https://www.fws.gov/program/joint-administrative-operations>.



# FWS Challenges and Risks

## Species Recovery

According to the Chief of the Branch of Budget and Support at Headquarters Ecological Services, the IRA funding requires significant strategic planning and coordination among leaders, managers, and staff across FWS. According to the official, Ecological Services staff at the headquarters, regional, and field office levels have worked closely together to build a solid foundation to develop and execute the funding and decide how to carry out future work. FWS foresees the following as areas requiring continued and deliberate effort to ensure future challenges are minimized:

- Communicating and managing organizational change as a result of establishing and onboarding the IRA-funded RPT.
- Continuing effective strategic planning with headquarters and regional office Ecological Services leadership to ensure funds are obligated to provide the greatest benefit to Nationwide recovery planning and implementation needs for listed species.
- Working with Ecological Services regional and field office recovery staff to collect information needed to appropriately prioritize which of FWS' 1,500-plus listed species receive implementation funding.



In addition, FWS' risk register<sup>29</sup> identified several risks related to recovery planning and recovery implementation:

- Mounting global environmental threats—such as “climate change, habitat loss, wildlife disease, and invasive species”—are threatening the sustainability of many species.
- Recovery of species takes time, and the threats to species are accelerating faster than the science can identify mitigation and alternative approaches to manage those threats.
- Competing workloads have limited staff availability to work on recovery plans.
- The requirement to engage local stakeholders and the public when developing recovery plans is time intensive and can cause delays.

<sup>29</sup> A risk register is a summary of significant risks to the entity (and risk treatments), designed to inform leadership of high-level risks impacting the agency. According to DOI's risk register, these risks were last modified in November 2023. However, in February 2025, an Ecological Services official stated that the last two bullets were no longer challenges or risks.



# FWS Challenges and Risks

## Expedited Obligations and Need for Enhanced Grant Oversight

Expediting obligations could lead Federal personnel to bypass or ignore internal controls, policies, and routine procedures; increase the risk that the funds are not ultimately used for their intended purpose; and heighten the possibility of fraud, waste and abuse. We alerted DOI to these risks in a memorandum from the Inspector General on December 23, 2024,<sup>30</sup> in which we emphasized our prior work as well as that of the larger OIG community with respect to accelerated expenditures or obligations.<sup>31</sup> More specifically, our memorandum explained:

Issuing contracts and financial assistance in an accelerated manner without following policy can have negative consequences—both for the contractor or recipient, as well as for DOI. For example, we have seen that in times of hurried and expedited spending, often the awarding agency performed inadequate risk assessments, inappropriately awarded funds without competition, and failed to review accounting systems.<sup>32</sup> This type of poor management can lead to the recipient being ill-prepared to use the funds effectively, result in underperformance, and erode public trust. Our prior work has also found internal control weaknesses related to improper accounting of Federal funds, insufficient reporting, and poor DOI oversight.<sup>33</sup> We have also identified fraud such as embezzlement in DOI awards.<sup>34</sup> All of these previously identified issues can be exacerbated when spending is accelerated. Moreover, expedited obligation of funds that were expected to be awarded over time can create an untenable oversight mandate for a workforce appropriately sized for a slower rate of obligations.<sup>35</sup> [Footnotes modified from original.]

Furthermore, we have reported that DOI will continue to face challenges managing its contracts and grants to prevent fraud, waste, and mismanagement, particularly with increases in funding opportunities.<sup>36</sup> For example, in December 2020, we issued a report substantiating an allegation that a company improperly billed hours to a grant it received from NFWF to manage Hurricane Sandy coastal resiliency projects.<sup>37</sup> We determined that five employees of the company recorded 561.75 labor hours to the NFWF grant when, in fact, they worked on a National Oceanic and Atmospheric Administration contract.



<sup>30</sup> Memorandum, *Lessons Learned Regarding Potential Expedited Obligation of Infrastructure Investment and Jobs Act and Inflation Reduction Act Funds*, issued December 2024.

<sup>31</sup> See, e.g., Response Accountability Committee, Press Release, *PRAC Unveils Five More Key Lessons Learned from Over Two Years of Pandemic Oversight*, issued June 2022; U.S. Small Business Administration Office of Inspector General, *White Paper: Risk Awareness and Lessons Learned from Prior Audits of Economic Stimulus Loans*, issued April 2020; U.S. Government Accountability Office, Report No. GAO-21-528, *COVID-19 Contracting: Opportunities to Improve Practices to Assess Prospective Vendors and Capture Lessons Learned*, issued July 2021.

<sup>32</sup> *Summary of Hurricane Sandy Audit and Inspection Reports and Management Advisories* (Report No. 2017-FIN-057), issued April 2018.

<sup>33</sup> *The Seminole Nation of Oklahoma Can Improve Financial Accountability for Federal Funds* (Report No. 2018-FIN-050), issued October 2019; *The Wind River Tribes Misapplied Federal Funds for the Tribal Transportation Program* (Report No. 2017-CG-042), issued July 2018; *Management of the Coastal Impact Assistance Program, State of Mississippi* (Report No. ER-IN-MOA-0013-2011), issued June 2013; *The National Park Service Should Increase Monitoring and Oversight To Protect the Integrity and Recreational Value of the Land and Water Conservation Fund State Side Program* (Report No. 2021-ER-026), issued December 2023.

<sup>34</sup> *Summary: Former Administrator Embezzled Approximately \$300,000 from Alaska Tribal Organization* (Report No. 15-0684), issued March 2018; *Summary: Tribal Court Employees Misused BIA Program Funds* (Report No. 18-0337), issued October 2019.

<sup>35</sup> CARES Act Flash Report, *Lessons Learned for CARES Act Awards* (Report No. 2020-FIN-037), issued May 2020.

<sup>36</sup> *Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, Fiscal Year 2023* (Report No. 2023-ER-012), issued November 2023.

<sup>37</sup> *Summary: Company Improperly Billed Hours to National Fish and Wildlife Foundation Grant Overseen by the DOI* (Report No. 20-0431), issued December 2020.



## FWS Challenges and Risks

Finally, even aside from risks attendant to increased and expedited spending, our work has identified oversight issues related to the FWS Office of Conservation Investment's Wildlife and Sport Fish Restoration (WSFR) grants, which in FY 2024 provided more than \$1.5 billion annually to States, territories, and the District of Columbia for wildlife and sport fish restoration and hunter education.<sup>38</sup> We complete approximately 10 WSFR grant audits each year and routinely find issues related to subrecipient monitoring, risk assessments, and cost allowability. For example, for the State of Alaska,<sup>39</sup> we found that the State misclassified multiple agreements as contracts instead of subawards, resulting in the State not carrying out required subrecipient risk assessments and monitoring. This introduces Federal funds to unnecessary risk for misuse, mismanagement, or both. Further, for the State of Louisiana,<sup>40</sup> we found the State charged unallowable leave benefit costs to the grant, resulting in questioned costs totaling more than \$500,000.

It is important that the Ecological Services Program implements a robust grant and contract monitoring process. In addition, new funding sources introduce challenges for adequately tracking the funds to ensure they are not inappropriately allocated to ineligible projects or improperly commingled with other appropriated funds.



<sup>38</sup> *Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, Fiscal Year 2024* (Report No. 2024-ER-013), issued October 2024.

<sup>39</sup> *Wildlife and Sport Fish Restoration Grants Awarded to the State of Alaska by the U.S. Fish and Wildlife Service* (Report No. 2023-CGD-011), issued July 2024.

<sup>40</sup> *U.S. Fish and Wildlife Service Grants Awarded to the State of Louisiana, Department of Wildlife and Fisheries, From July 1, 2019, Through June 30, 2021, Under the Wildlife and Sport Fish Restoration Program* (Report No. 2023-CR-001), issued March 2024.



## Scope and Methodology

We conducted our inspection in accordance with the *Quality of Standards for Inspection and Evaluation* as put forth by the Council of the Inspectors General on Integrity and Efficiency. To accomplish our objectives, we obtained background information on FWS, gathered documentation related to IRA spending, obtained and analyzed IRA § 60301 obligation and expenditure data from the Financial and Business Management System, and interviewed Ecological Services officials to determine how FWS plans to spend funds and manage oversight. We gathered the information in this flash report directly from FWS and from publicly available sources.

## LOOKING AHEAD

We have initiated a review to determine whether DOI bureaus, including FWS, followed relevant regulations and processes when obligating and expending IRA and other supplemental funds from November 2024 through January 2025. Additionally, we have initiated an audit of the Infrastructure Investment and Jobs Act<sup>41</sup> and IRA grants to NFWF. This will include funding obligated for FWS' ESA recovery activities.

### Photo Sources

p. 1: Griffin/stock.adobe.com, p. 2: Mara Koenig/FWS, p. 3: Masonprokop/Wirestock Creators/stock.adobe.com, p. 8: Alexandra Lande/stock.adobe.com, p. 9: ranchorunner/stock.adobe.com, p. 10: Katie Steiger-Meister/FWS, p. 12: Mark Elvin/FWS, p. 13: Stan/stock.adobe.com, p. 14: PhotoSpirit/stock.adobe.com, p. 15: Tom/stock.adobe.com.

<sup>41</sup> Pub. L. No. 117-58 (2021).



OFFICE OF  
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## **REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT**

The Office of Inspector General (OIG) provides independent oversight and promotes integrity and accountability in the programs and operations of the U.S. Department of the Interior (DOI). One way we achieve this mission is by working with the people who contact us through our hotline.

### **WHO CAN REPORT?**

Anyone with knowledge of potential fraud, waste, abuse, misconduct, or mismanagement involving DOI should contact the OIG hotline. This includes knowledge of potential misuse involving DOI grants and contracts.

### **HOW DOES IT HELP?**

Every day, DOI employees and non-employees alike contact OIG, and the information they share can lead to reviews and investigations that result in accountability and positive change for DOI, its employees, and the public.

### **WHO IS PROTECTED?**

Anyone may request confidentiality. The Privacy Act, the Inspector General Act, and other applicable laws protect complainants. Specifically, 5 U.S.C. § 407(b) states that the Inspector General shall not disclose the identity of a DOI employee who reports an allegation or provides information without the employee's consent, unless the Inspector General determines that disclosure is unavoidable during the course of the investigation. By law, Federal employees may not take or threaten to take a personnel action because of whistleblowing or the exercise of a lawful appeal, complaint, or grievance right. Non-DOI employees who report allegations may also specifically request confidentiality.

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