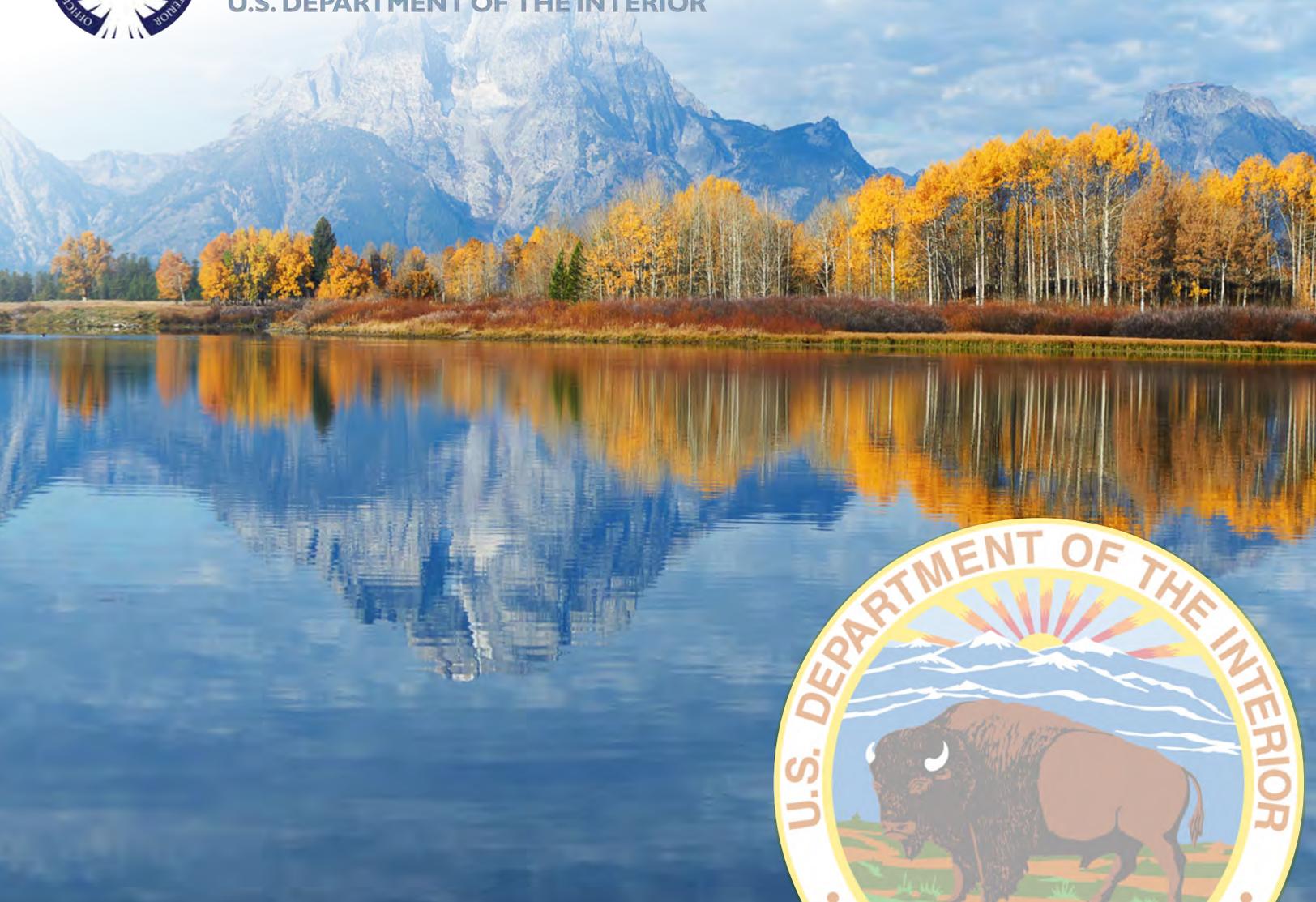




OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR



Audit





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

SEP 19 2024

Memorandum

To: Martha Williams
Director, U.S. Fish and Wildlife Service

From: Colleen Kotzmoyer 
Director, Contract and Grant Audit Division

Subject: Final Audit Report – *Wildlife and Sport Fish Restoration Grants Awarded to the State of New Jersey by the U.S. Fish and Wildlife Service*
Report No. 2023-CGD-023

This report presents the results of our audit of costs claimed by New Jersey's Department of Environmental Protection (DEP) under grants awarded by the U.S. Fish and Wildlife Service (FWS) through the Wildlife and Sport Fish Restoration Program.

We provided a draft of this report to FWS. FWS and the DEP concurred with all three recommendations and have implemented corrective actions. The full responses from FWS and the DEP are included in Appendix 4. In this report, we summarize the FWS and DEP responses to our recommendations, as well as our comments on their responses. We list the status of the recommendations in Appendix 5.

We will track open recommendations for resolution and implementation. 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 aie_reports@doioig.gov.

Contents

Introduction.....	1
Objectives	1
Background.....	1
Results of Audit	2
Unsupported In-kind Contribution.....	2
Inaccurate Subaward Determinations.....	3
Other Matters—Unfunded Pension Liabilities	5
Recommendations Summary.....	6
Appendix 1: Scope and Methodology	8
Scope.....	8
Methodology	8
Prior Audit Coverage.....	9
OIG Audit Reports	9
State Audit Reports	9
Appendix 2: Sites Visited	10
Appendix 3: Monetary Impact.....	11
Appendix 4: Responses to Draft Report.....	12
Appendix 5: Status of Recommendations	17

Introduction

Objectives

In March 2021, 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 assist FWS in fulfilling its statutory responsibility to oversee State agencies' use of these grant funds.

The objectives of this audit were to determine whether the New Jersey Department of Environmental Protection, Fish and Wildlife (DEP), 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 scope of our audit was State fiscal years (SFYs) ending June 30, 2021, and June 30, 2022.

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

Background

FWS provides grants to States¹ through WSFR for the conservation, restoration, and management of wildlife and sport fish resources as well as educational and recreational activities. WSFR was established by the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act.² In general, the Acts and related Federal regulations allow 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 Commonwealths, territories, and the District of Columbia. The reimbursement amount is called the Federal share, and the portion the States must match with their own funds is called the State share. To meet the State-share requirement, the DEP used general license revenues, third-party matches, and in-kind contributions.³ The Acts require that hunting and fishing license revenue be used only for the administration of participating fish and wildlife agencies. In addition, Federal regulations require participants to account for any income earned from grant-funded activities and to spend this income before requesting grant reimbursements.

¹ Federal regulations define the term "State" as the 50 States; the Commonwealths of Puerto Rico and the Northern Mariana Islands; the territories of Guam, the U.S. Virgin Islands, and American Samoa; and the District of Columbia (Dingell-Johnson Sport Fish Restoration Act only).

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.

³ License revenues are from the sale of hunting and fishing licenses or permits, third-party match are non-cash contributions, such as donated equipment or volunteer services, and in-kind contributions may be volunteer hours recorded in place of payroll expenses.

Results of Audit

We determined that the DEP generally ensured that grant funds and State 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. However, we noted internal control deficiencies related to the management of in-kind contributions and subaward determinations.

We found the following:

- **Unsupported In-kind Contributions.** The DEP did not provide sufficient documentation to substantiate the value of volunteer hours contributed as in-kind matching for the Hunter Education and Safety Training Program grant (F19AF00751) during State fiscal years (SFYs) 2021 and 2022.
- **Unreported Subawards.** The DEP issued only contracts or purchase orders; the DEP did not issue any subawards. We found that the DEP classified six of its WSFR agreements as contracts or purchase orders when they should have been classified as subawards. Of those six, we identified four colleges and universities and two non-profits that have characteristics indicative of a subrecipient relationship with the DEP.

See Appendix 3 for a statement of monetary impact.

Unsupported In-kind Contribution

Federal regulations require all third-party in-kind contributions to be verifiable from the non-Federal entity's records.⁴ Additionally, costs must be adequately documented to be allowable under Federal awards.⁵ Furthermore, to the extent feasible, services donated to the non-Federal entity will be supported by the same methods used to support the allocability of regular personnel services.⁶ The DEP's policy directs the hunter education administrator to verify that all time coding was done properly and sign each timesheet they review to signify approval.

During the audit, the DEP did not provide sufficient documentation to substantiate the value of volunteer hours contributed as in-kind matching for the Hunter Education and Safety Training Program grant (F19AF00751). We reviewed 386 volunteer timesheets the DEP provided to support 7,105.50 hours claimed and found that 57 (15 percent) volunteer timesheets supporting 794 (11 percent) volunteer hours lacked supervisory or agency signoff for the hours claimed.

Because the DEP used these unsupported in-kind volunteer hours (valued at \$38,293) to meet its 25-percent State-share requirement, FWS reimbursed the DEP \$114,879 in Federal share for other costs incurred under the WSFR grant (see Figure 1).

⁴ 2 C.F.R. § 200.306(b)(1).

⁵ 2 C.F.R. § 200.403(g).

⁶ 2 C.F.R. § 200.434(d).

Figure 1: Summary of Unsupported Costs

Issue	Claimed Hours	Unsupported Hours	Rate	State Share	Federal Share
Missing signature (SFY 2021)	3,327.75	775.25	\$48.17	\$37,344	\$112,032
Missing signature (SFY 2022)	3,777.75	18.75	\$50.62	\$949	\$2,847
Totals	7,105.50	794		\$38,293	\$114,879

These issues occurred because the DEP did not have sufficient controls in place concerning how DEP staff are to review and certify volunteer time to ensure compliance with Federal regulations. In our prior audit⁷ of the DEP, we made a recommendation regarding unsupported in-kind contributions. In response, the DEP developed a written policy; however, the policy lacked sufficient controls over verification and approval of volunteer time.

As a result of the internal control deficiencies within the DEP’s volunteer timekeeping processes, the DEP did not fulfill the required 25-percent State share (\$38,293). The DEP was, therefore, not eligible for the 75-percent Federal share (\$114,879) of the unsupported costs. As a result, we are questioning \$114,879 in Federal share that the DEP received as a result of the unsupported in-kind State share.

Recommendations
<p>We recommend that FWS require the New Jersey Department of Environmental Protection, Fish and Wildlife to:</p> <ol style="list-style-type: none"> 1. Resolve the \$114,879 in Federal share of questioned costs related to unsupported in-kind contributions. 2. Develop and implement controls that assign responsibility to hunter education staff members of the New Jersey Department of Environmental Protection, Fish and Wildlife to review and sign volunteer timesheets and include a secondary review by the administrator to verify the signature approval of hours recorded.

Inaccurate Subaward Determinations

A subrecipient is a non-Federal entity that receives a subaward from a passthrough entity to carry out part of a Federal program.⁸ When entering into an agreement, the DEP must determine whether the agreement should be a subaward or a contract.⁹

Characteristics which support the classification of a subaward include when the non-Federal entity, in accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the passthrough entity.¹⁰

⁷ U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the New Jersey Department of Environmental Protection, Division of Fish and Wildlife, From July 1, 2014, Through June 30, 2016 (Report No. 2017-EXT-058), issued July 2018.

⁸ 2 C.F.R. § 200.1.

⁹ 2 C.F.R. § 200.331(a).

¹⁰ *Id.*

Designating an agreement as a subaward or a contract is important, as each designation entails different requirements for award decisions, performance monitoring, and reporting. As a passthrough entity, the DEP is required to “[e]valuate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.”¹¹ This evaluation may consider factors such as (1) the subrecipient’s prior experience with the same or similar subawards, (2) the results of previous audits of the subrecipient, (3) whether the subrecipient has new personnel or new or substantially changed systems, and (4) the extent and results of Federal awarding agency’s monitoring of the subrecipient.

Federal grantees must report each subaward action that obligates \$30,000 or more in Federal funds to the Federal Funding Accountability and Transparency Act Subaward Reporting System (ftrs.gov).¹² This information is then posted to USAspending.gov, a Federal website intended to promote transparency.

We found that the DEP did not correctly identify agreements as subawards. Specifically, we identified six agreements that the DEP classified as contracts or purchase orders that should have been classified as subawards. These agreements were for the purpose of carrying out part of a Federal award (see Figure 2), which creates a Federal assistance relationship subject to monitoring requirements¹³ as well as the reporting requirements outlined in the Federal Funding Accountability and Transparency Act.

Figure 2: Improperly Classified Subawards

Grant No.	Subrecipient	Award Type
F22AF00400	Non-profit	Purchase Order
F17AF00789	University	Contract
F17AF00813	Non-profit	Purchase Order
F17AF00789	College	Purchase Order
F17AF00813	University	Contract
F19AF00106	University	Contract

While the DEP has a form intended to be used by the awarding officials to document their determination on whether an agreement is a subaward or a contract, we noted that the form had only been prepared for one of the six agreements. Also, in the one instance, the form included explanations that led to an incorrect determination. For example, when asked if the entity provides goods and services within normal business operations, the DEP awarding official stated, “Yes. Under Treasury Circular 05-04-OMB New Jersey State Agencies can engage [the university] as a contract vendor for professional services and therefore can be considered as providing goods and services within normal business operations.”

Although New Jersey State policy does expressly identify preference¹⁴ for using State colleges and universities to provide professional services rather than outside private vendors, in this instance, the university worked with the DEP to achieve its programmatic duties for a public purpose. Specifically, the university was responsible for coordinating and performing road culvert assessments. Those assessments contributed to the overall

¹¹ 2 C.F.R. § 200.332(b).

¹² 2 C.F.R. § 170, Appendix A(l)(a).

¹³ 2 C.F.R. § 200.332.

¹⁴ State of New Jersey Department of the Treasury Circular No. 23-03-OMB.

purpose of the grant, which was “to assess the functional connectivity of New Jersey’s landscape as well as to inform and prioritize recommendations compiled during the assessments.” In addition, the DEP did not train awarding officials on how to apply the Federal regulations to determine whether the party receiving the funds is a subrecipient or a contractor; rather, the awarding officials used experience and judgment to evaluate the relationship.

If an agreement is not classified correctly, there is a risk of inappropriately applying the rules and regulations. Additionally, inadequate monitoring of subrecipients could result in inappropriate use of Federal funds. Further, in a 2019 management advisory to the FWS,¹⁵ we outlined the accountability and monetary impacts of misclassifying subawards, which include a lack of public transparency on how Federal money was spent, projects not being completed as required, subaward performance goals not being achieved, and Federal grant dollars being misused.

Recommendation

We recommend that FWS require the New Jersey Department of Environmental Protection, Fish and Wildlife to:

3. Develop and provide training for officials of the New Jersey Department of Environmental Protection, Fish and Wildlife on how to determine whether the party receiving the funds is a subrecipient or a contractor based on Federal regulations and Department-specific classification determination guidance.

Other Matters—Unfunded Pension Liabilities

In July 2023, our office issued a management advisory to FWS regarding unfunded pension liabilities that States were allocating to WSFR grants.¹⁶ The management advisory discussed issues with a State charging WSFR grants to help pay down the State’s unfunded liabilities, which could potentially reduce the efficiency and effectiveness of the Federal grant to accomplish its agreed-upon objectives.

Effective October 1, 2024, Federal regulations will require that Federal award recipients only charge unfunded pension costs directly to a Federal award if those unfunded pension costs are allocable to that award. In addition, the regulations will require that the recipient must provide the Federal Government an equitable share of the allowed costs,¹⁷ which may be accomplished through the application of the indirect cost rate.

During our current audit of the DEP, we inquired into New Jersey’s practices of charging unfunded pension liabilities to WSFR grants. According to State officials, all State agencies apply the fringe rate as a percentage of base salaries and are used for all non-State funded sources, including WSFR grants. While we did not perform comprehensive testing to validate this assertion made by New Jersey, we did document that the DEP applied a rate of 21.7 percent in SFY 2021 and a rate of 27.8 percent in 2022 to the \$7,244,924 base salaries for pension costs. This equates to approximately \$1.8 million included in these grants for pension costs and could potentially include unfunded pension liabilities. We are highlighting these costs, considering how upcoming changes in Federal regulations may affect their allocability to WSFR grants.

¹⁵ *Issues Identified with State Practices in Subaward Administration for Wildlife and Sport Fish Restoration Program Grants* (Report No. 2018-CR-064), issued September 2019.

¹⁶ *Unfunded Liabilities for Wildlife and Sport Fish Restoration Program Grants* (Report No. 2020-ER-058-A), issued July 2023.

¹⁷ 2 C.F.R. § 200.431(g)(6)(v) and (vi) of the October 2024 update. As of June 2024, this pre-publication is only OMB guidance and not official Federal regulations.

Recommendations Summary

We provided a draft of this report to FWS and the DEP for review. FWS concurred with all three recommendations. We consider all recommendations implemented. Below we summarize FWS' and the DEP's responses to our recommendations, as well as our comments on their responses. See Appendix 4 for the full text of the FWS and DEP responses; Appendix 5 lists the status of each recommendation.

We recommend that FWS require the New Jersey Department of Environmental Protection, Fish and Wildlife to:

1. Resolve the \$114,879 in Federal share of questioned costs related to unsupported in-kind contributions.

FWS Response: FWS concurred with the recommendation and considers the corrective actions taken by the DEP sufficient for closure of the recommendation.

DEP Response: The DEP stated it has removed the \$38,293 in unsupported in-kind contributions from F19AF00751 and still has sufficient match to support the federal draws.

OIG Response: Based on FWS' and the DEP's responses, we consider this recommendation implemented. We obtained and reviewed the supporting documentation and determined it is sufficient support to close the recommendation.

2. Develop and implement controls that assign responsibility to hunter education staff members of the New Jersey Department of Environmental Protection, Fish and Wildlife to review and sign volunteer timesheets and include a secondary review by the administrator to verify the signature approval of hours recorded.

FWS Response: FWS concurred with the recommendation and considers the corrective actions taken by the DEP sufficient for closure of the recommendation.

DEP Response: The DEP stated it has developed Standard Operating Policies and Procedures to Volunteer Instructor Timesheets, which assign responsibility to the Volunteer Instructor, Regional Hunter Education Coordinator, and the Statewide Administrator for review and approval of volunteer timesheets.

OIG Response: Based on FWS' and the DEP's responses, we consider this recommendation implemented. We obtained and reviewed the DEP's new standard operating policies and procedures for volunteer instructor timesheets and determined that it is sufficient support to close the recommendation.

3. Develop and provide training for officials of the New Jersey Department of Environmental Protection, Fish and Wildlife on how to determine whether the party receiving the funds is a subrecipient or a contractor based on Federal regulations and Department-specific classification determination guidance.

FWS Response: FWS concurred with the recommendation and will work with DEP staff to develop and implement corrective actions.

DEP Response: The DEP stated it completed the training on August 29, 2024. The DEP provided the agenda, list of attendees, and transcripts of the training material to FWS. Additionally, a recording of the training was sent to all staff who were not able to attend the live training session.

OIG Response: Based on FWS' and the DEP's responses, we consider this recommendation implemented. We obtained and reviewed the supporting documentation and determined it is sufficient support to close the recommendation.

Appendix 1: Scope and Methodology

Scope

We audited the New Jersey Department of Environmental Protection, Fish and Wildlife's (DEP's) use of grants awarded by the U.S. Fish and Wildlife Service (FWS) under the Wildlife and Sport Fish Restoration Program (WSFR). We reviewed 34 grants that were open during the State fiscal years (SFYs) that ended June 30, 2021, and June 30, 2022. We also reviewed license revenue during the same period. The audit included expenditures of approximately \$23.6 million and related transactions. In addition, we reviewed historical records for the acquisition, condition, management, and disposal of real property and equipment purchased with either license revenue or WSFR grant funds.

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 objectives. We determined that the following related principles were significant to the audit objectives:

- Management should design control activities to achieve objectives and respond to risk.
- Management should implement control activities through policies.
- Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.

We looked at the design, implementation, and operating effectiveness of internal controls over activities related to our audit objective. Our tests and procedures included:

- Examining the evidence that supports selected expenditures that the DEP charged to the grants.
- Reviewing transactions related to purchases, direct costs, drawdowns of reimbursements, in-kind contributions, and program income.
- Interviewing DEP employees.
- Inspecting equipment and other property.
- Reviewing equipment inventory and disposal records.
- Determining whether the DEP 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 sites throughout the State (see Appendix 2 for a list of sites visited).

We found deficiencies in internal control which we discuss in the results of our report and made recommendations to address.

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, and 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 DEP, and that agency's management of WSFR resources and license revenue.

The DEP 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. While 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 that the DEP claimed on WSFR grants.¹⁸ We followed up on six recommendations from the 2017 report and eight recommendations from the 2012 report. We reviewed the DEP's corrective actions taken and found all recommendations to be implemented. However, we did take into consideration the repeat recommendations related to in-kind contributions and real property during our audit to verify that the DEP has taken appropriate corrective actions.

State Audit Reports

We reviewed the single audit report for SFYs 2021 and 2022 to identify control deficiencies or other reportable conditions that affect WSFR. In those reports, the Schedule of Expenditures of Federal Awards indicated \$23.6 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. Both reports noted a significant deficiency in grant accounting for other programs, and we considered this as a risk indicator when we prepared our audit procedures and tests.

¹⁸ U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the New Jersey Department of Environmental Protection, Division of Fish and Wildlife, From July 1, 2014, Through June 30, 2016 (Report No. 2017-EXT-058), issued July 2018.

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the New Jersey Department of Environmental Protection, Division of Fish and Wildlife, From July 1, 2009, Through June 30, 2011 (Report No. R-GR-FWS-0003-2012), issued June 2012.

Appendix 2: Sites Visited

Headquarters	Trenton, NJ
Regional Offices	Central Regional Office of Assunpink Wildlife Management Area* Southern Regional Office of Winslow Wildlife Management Area
Wildlife Management Areas	Clinton Wildlife Management Area* Cox Hall Creek Wildlife Management Area Higbee Beach Wildlife Management Area† Makepeace Lake Wildlife Management Area* Tuckahoe Wildlife Management Area‡
Boating Access	Round Valley Boat Ramp Spicers Creek Boat Ramp
Freshwater Fisheries	Delaware Bay Office Lebanon Field Office

* Includes shotgun and archery shooting ranges.

† Includes a boating access site.

‡ Includes both shooting ranges and a boating access.

Appendix 3: Monetary Impact

We reviewed 34 grants that were open during the State fiscal years that ended June 30, 2021, and June 30, 2022. The audit included expenditures of \$23.6 million and related transactions. We questioned \$114,820 in Federal share as unsupported.

Monetary Impact: Questioned Costs

Grant No.	Grant Title	Cost Category	Questioned Costs
F19AF00751	Hunter Education and Safety Training Program	In-kind	\$114,879
Total			\$114,879

Appendix 4: Responses to Draft Report

The U.S. Fish and Wildlife Service's response to our draft report follows on page 13.



United States Department of the Interior

FISH AND WILDLIFE SERVICE
300 Westgate Center Drive
Hadley, MA 01035-9589



In Reply Refer To:
FWS/R5/CI

Memorandum

To: Colleen Kotzmoyer, Director, Grant and Audit Division, Office of the Inspector General

From: Colleen Sculley, Assistant Regional Director, Office of Conversation Investment, Northeast Region

Date: September 3, 2024

Subject: Final Approved Corrective Action Plan (CAP) for the State of New Jersey, Department of Environmental Protection, Fish and Wildlife (DEP), Report No. 2023-CGD-023.

**COLLEEN
SCULLEY** Digitally signed by
COLLEEN SCULLEY
Date: 2024.09.03
11:02:57 -04'00'

Attached is the approved final CAP for the State New Jersey, Department of Environmental Protection, Fish and Wildlife, concerning the resolution of findings from the Office of Inspector General, U.S. Department of the Interior Report No. 2023-CGD-023.

If you have any questions concerning this plan or require further information, please contact Shelley DiBona at 413-253-8509 or shelley_dibona@fws.gov.

Attachment

FINAL

CORRECTIVE ACTION PLAN

U.S. Department of the Interior (DOI)
Office of Inspector General's (OIG) Audit Report

U.S. Fish & Wildlife Service
Wildlife and Sport Fish Restoration Program Grants
Awarded to the
State of New Jersey

Department of Environmental Protection, Fish and Wildlife (DEP)
From July 1, 2020- June 30, 2022

Report No. 2023-CGD-023
Dated July 16, 2024

Corrective Action Plan
State of New Jersey
Department of Environmental Protection, Fish and Wildlife (DEP)
Audit Report on the U.S. Fish and Wildlife Service
Wildlife and Sport Fish Restoration Program Grants
Report No. 2023-CGD-023

Auditors Findings and Recommendations:

Unsupported In-kind Contribution

The auditors found the Department of Environmental Protection, Fish and Wildlife (Department) did not provide sufficient documentation to substantiate the value of volunteer hours contributed as in-kind matching for the Hunter Education and Safety Training Program grant (F19AF00751). They reviewed 386 volunteer timesheets the Department provided to support 7,105.50 hours claimed and found that 57 (15 percent) volunteer timesheets supporting 794 (11 percent) volunteer hours lacked supervisory or agency signoff for the hours claimed. The auditor recommends that the Fish and Wildlife Service (FWS) work with the Department to:

1. Resolve the \$114,879 in unallowable Federal share grant funding received as a result of \$38,293 in unsupported in-kind contribution provided by the Department.
2. Develop and implement controls that (1) assign responsibility to a hunter education staff members of the Department to review and sign volunteer timesheets and (2) include a secondary review by the administrator to verify the signature approval of hours recorded.

Service (FWS) Determination:

The FWS sustains the auditors' findings and recommendation. However, we ask that you strike the "unreasonable" in the following paragraph prior to issuing the final report:

As a result of the internal control deficiencies within the DEP's volunteer timekeeping processes, the DEP did not fulfill the required 25 percent State share (\$38,293). The DEP was, therefore, not eligible for the 75 percent Federal share (\$114,879) of the unsupported costs. As a result, we are questioning \$114,879 in Federal share that the DEP received as a result of the unsupported and unreasonable in-kind State share.

Corrective Action:

1. The Department has removed the \$38,293 in unsupported in-kind contributions from F19AF00751 and still have sufficient match to support the federal draws (Attachment 1 – line U20 & Attachment 2). The FWS considers this finding resolved and implemented.
2. The Department has developed Standard Operating Policies and Procedures to Volunteer Instructor Timesheets (Attachment 3). These assign responsibility to the Volunteer Instructor, Regional Hunter Education Coordinator, and the Statewide Administrator for review and approval of volunteer timesheets. The FWS considers this finding resolved and implemented.

Inaccurate Subaward Determinations

The auditors found the Department did not correctly identify agreements as subawards. Specifically, they identified six agreements that the Department classified as contracts or purchase orders that should have been classified as subawards. These agreements were for the purpose of carrying out part of a Federal award, which creates a Federal assistance relationship subject to monitoring requirements as well as the reporting requirements outlined in the Federal Funding Accountability and Transparency Act. The auditor recommends that the FWS work with the Department to:

3. Develop and provide training for officials of the Department on how to determine whether the party receiving the funds is a subrecipient or a contractor based on Federal regulations and Department-specific classification determination guidance.

Service (FWS) Determination:

The FWS sustains the auditors' findings and recommendations.

Corrective Action:

3. The Department will develop and provide training on how to determine whether the party receiving the funds is a subrecipient or a contractor based on Federal regulations and Department-specific classification determination guidance.

The responsible individual for resolving this issue is Kelly Oneill.

State Submission Date for Implementation: 09/30/2024

Regional Submission Date: 11/30/2024

HQ Submission Date: 12/31/2024

Resolution:

3. The FWS considers this corrective action resolved but not implemented. When the Department has provided supporting documentation to demonstrate that training has been provided (e.g. PowerPoint, list of attendees) to Department staff on how to determine if the third party receiving the funds is a subrecipient or contractor, the FWS will consider this finding resolved and implemented.

Appendix 5: Status of Recommendations

Recommendation	Status	Action Required
2023-CGD-023-01 We recommend that the U.S. Fish and Wildlife Service (FWS) require New Jersey Department of Environmental Protection, Fish and Wildlife to resolve the \$114,879 in Federal share of questioned costs related to unsupported in-kind contributions.		
2023-CGD-023-02 We recommend that the FWS require New Jersey Department of Environmental Protection, Fish and Wildlife to develop and implement controls that assign responsibility to hunter education staff members of the New Jersey Department of Environmental Protection, Fish and Wildlife to review and sign volunteer timesheets and include a secondary review by the administrator to verify the signature approval of hours recorded.	Implemented	No action is required.
2023-CGD-023-03 We recommend that FWS require New Jersey Department of Environmental Protection, Fish and Wildlife to develop and provide training for officials of the New Jersey Department of Environmental Protection, Fish and Wildlife on how to determine whether the party receiving the funds is a subrecipient or a contractor based on Federal regulations and Department-specific classification determination guidance.		



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

REPORT FRAUD, WASTE, ABUSE, AND MISMANAGEMENT

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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.

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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.

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