



Audit Memorandum
2001-SF-1805

September 25, 2001

MEMORANDUM TO: C. Rafael Mecham, Administrator
Southwest Office of Native American Programs, 9EPI

FROM: //SIGNED//
Mimi Y. Lee
District Inspector General for Audit, 9AGA

SUBJECT: Los Coyotes Band of Mission Indians
Warner Springs, California

INTRODUCTION

We conducted a limited review of Los Coyotes Band of Mission Indians' (Tribe) Indian Community Development Block Grant (ICDBG) and Indian Housing Block Grant (IHBG) funded housing activities. The review was initiated in response to a citizen complaint alleging overall grant fund mismanagement; ineligible housing recipients; inadequate pre-construction planning; and false information in the Tribe's grant applications. Although the majority of the complainant's allegations were determined not to be valid, we did note various matters that warrant your review and action as discussed herein.

SUMMARY

Our review primarily focused on the Tribe's procurement and contract management as well as its overall grant administration. The Tribe did not effectively manage its procurement and contract administration process. We noted problems in almost every area of the procurement process. There was no documentation evidencing that the Tribe obtained contractors through fair and open competition and that the contracts were obtained at the most reasonable and economical prices. Additionally, we noted payments totaling \$20,230 for services which were not necessary or not provided. The Tribe also had serious problems with its overall grant administration. Specifically, the Tribe's record keeping was almost non-existent. There were numerous missing documents related to the procurement process such as proposals, bids, price quotes, cost estimates, and executed contracts making it impossible to accurately determine what occurred during the contracting process. Financial records were also in disarray. There were missing invoices, receipts, bank statements, and cancelled checks and up to date financial data was not

available. Additionally, we could not locate documents supporting the process used to rank and select housing recipients.

We attribute the problems to the Tribe's inexperienced management staff and a failure to establish policies and procedures necessary for proper grant administration. No written policies and procedures had been adopted relative to procurement, travel, financial transactions, record keeping and the application and selection process for housing recipients.

BACKGROUND

The Los Coyotes Tribe is a small tribe with a population of 275. The Tribal reservation comprises a land base of approximately 25,000 acres and is located near Warner Springs, California, approximately 50 miles northwest of San Diego. The Tribe operates under tribal customs and traditions and is not formally organized with a charter or by-laws. The General Council, the governing body of the Tribe, consists of all voting Tribal members.

The Tribe was awarded three Indian Community Development Block Grants (ICDBG) to construct new housing. The Indian Housing Block Grant (IHBG) was used to rehabilitate existing housing units. The following is a list of active ICDBG and IHBG grants:

<i>Year</i>	<i>Grant Program</i>	<i>Grant Number</i>	<i>Grant Agreement Date</i>	<i>Grant Amount</i>
1998	ICDBG	B98SR062126	2/17/99	\$550,000
1999	ICDBG	B99SR062126	9/22/99	\$550,000
2000	ICDBG	B00SR062126	11/9/00	\$550,000
1998	IHBG	98IT0621260	10/6/98	\$ 72,271

The Tribe is currently in the process of constructing 10 single-family residences using 1998 and 1999 ICDBG funds. The homes are in various stages of completion. The Tribe has not started its 2000 ICDBG new housing project but is currently in the process of completing the required environmental reviews. The Tribe has completed its project to rehabilitate four homes using IHBG funds.

In order to use ICDBG funds for new housing construction, the Tribe organized a tribally based organization, the Los Coyotes Housing Committee (TBDO). Supposedly, the TBDO and the Tribe are separate entities, but in reality they are not. For example, the General Council¹, including the Tribal Spokesperson, makes all final decisions related to housing and related expenditures. In addition, the Tribe, not the TBDO, receives, maintains, and disburses the ICDBG and IHBG funds. The TBDO only makes recommendations to the General Council related to housing expenditures and selection of applicants for housing. In effect, the TBDO is simply an advisory committee to the Tribe and there is no real distinct delineation between the Tribe and the TBDO. The memorandum of understanding between the Tribe and Los Coyotes Housing Committee/TBDO states "All TBDO determinations are subject to approval by the Los

¹ This could include any or all of the voting Tribal members.

Coyotes General Council.” Key officials of the Tribe include the Tribal Spokesperson and the ICDBG/ IHBG project administrator.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our overall objective was to determine whether the Tribe managed its Indian Community Development Block Grants and Indian Housing Block Grants in a cost efficient and effective manner and in accordance with HUD requirements. To accomplish our objective, we interviewed HUD officials, current Tribal staff, and the Tribe’s grant consultant. We reviewed the procurement and contract administration process as related to the construction of ten single family residences, the rehabilitation of four homes, and the acquisition of consulting services. These processes were reviewed to determine if the contracts were obtained through a fair and open competition and at the most reasonable and economical price. In addition, we reviewed the Tribe’s grant administration and internal controls related to procurement, travel, financial transactions, and recipient eligibility. We selectively tested disbursements to ensure that the costs were fully supported and eligible; that they went through a full internal control review process; and that funds were expended in a timely manner. We attempted to review housing recipient files but none were available.

Our review covered the period from February 1999 to March 2001 and was conducted during the period March 2001 through May 2001. The audit was conducted in accordance with generally accepted government auditing standards.

REVIEW RESULTS

Finding 1 The Tribe did not effectively manage its procurement and contract administration process

The Tribe had not established policies and procedures necessary to effectively manage procurement and contract administration. Specifically, contractors were obtained without competition, procurement actions were not adequately planned, and effective payment controls were not adopted resulting in over billing and cost overruns. We attributed these problems to the Tribe’s inexperienced management staff and lack of written procurement policies and procedures. As a result, there was no assurance that services were obtained fairly and impartially and at the most reasonable and economical price. Additionally, it resulted in the payment of at least \$20,230 for services not provided or not needed.

The IHBG and CDBG regulations in 24 CFR 1000.26 and 24 CFR 1003.501 require grantees to comply with 24 CFR Part 85, Uniform Administrative Requirements for Grants and Cooperative Agreements. Specifically, 24 CFR 85.36 requires Tribal governments to adopt and implement procurement and contract management policies and procedures that ensure:

- All procurement transactions are conducted in a manner providing full and open competition.

- Awards are made to the firm whose contract or proposal is most advantageous to the program.
- A cost or price analysis is performed in every procurement action, including contract modifications.
- Sufficient records are maintained to detail the history of procurement actions to include the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

The IHBG and ICDBG regulations also require grantees to comply with Office of Management and Budget (OMB) Circular A-87, Principles for Determining Costs Applicable to Grants and Contracts with State, Local, and Federally recognized Indian Tribal Governments. Attachment A, paragraph C of this circular requires, that for costs to be allowable, they must be necessary, reasonable, and adequately documented. Tribal governments must use these principles to promote and ensure effective and efficient use of grant funds.

The Tribe did not have written procurement policies and procedures. Instead, they claimed to use the applicable Code of Federal Regulations (CFR). However, the CFRs provide only general guidance and overall rules applicable to a grantee's procurement actions. They do not serve as a substitute for a grantee's own policies and procedures which are necessary for the day-to-day management of procurement actions. Further, the Tribe failed to even follow Federal requirements relating to bid solicitation and contract management specified in 24 CFR 85.36 as discussed below.

Results of Procurement Review

We reviewed the procurement and contract administration process relating to nine contracts totaling approximately \$1.1 million. These procurement actions included obtaining contractors for the construction of ten single-family residences, the rehabilitation of four homes, and consulting services. Specific problems noted were as follow:

- Eight of the nine contracts lacked documentation showing that a cost analysis was done to determine cost reasonableness. The only cost analysis performed was for the general construction contract.
- For seven of the nine contracts, documentation was not available to substantiate that competitive bids were obtained or even solicited prior to awarding the contract and in some instances it appeared contractors were pre-selected. For example, there was no legitimate solicitation for grant consultant services. The Tribe only pretended to solicit for the original grant writing contract for 1998. The contract was executed on July 29, 1998, prior to even asking other consultants for proposals, i.e. two other proposals were solicited and received in August 1998. In addition, the consultant's contracts were renewed for 1999 and 2000 grant writing and technical assistance without additional solicitation.

- In three cases - accounting services, year 2000 ICDBG grant writing services, and engineering services - work was paid for without written contracts.
- In some instances it appeared contractors were paid prior to work being performed. For example, the grading contractor was paid \$5,000 three days after contract execution (contract dated October 10, 2000) and an additional \$6,560 was paid even before the first invoice (dated November 30, 2000) was received. The grading contractor quit before he fulfilled his contract obligations.
- The grant consultant billed and was paid \$20,230 for services which were unnecessary, not provided or which should have been provided as part of his monthly technical assistance contract. These ineligible charges are summarized below:

<u>Ineligible Charge</u>	<u>Comments</u>
\$17,500.00	The consultant, based on a contract dated June 5, 2000, charged the Tribe \$3,500 per month for services necessary to set up and manage a materials supply depot. This was in anticipation of the Tribe's obtaining a labor only contract for building 10 new houses, with the Tribe purchasing and supplying needed materials to the contractor. This idea was never implemented and the Tribe knew as early as June 28, 2000 that it would not occur. However, even though no supply depot was ever established, the consultant continued to bill, and receive payment, for these non-existent services through November 2000. Once it was determined no supply depot was to be established the consultant should have stopped billing. Payments after June 2000 totaling \$17,500 are considered unnecessary, unreasonable, and ineligible in accordance with OMB Circular A-87.
\$ 500.00	The consultant charged the tribe \$500 for preparing a program amendment (Invoice #440, Check #7325). This service should have been covered as part of the monthly consulting fee and represents a duplicate charge.
\$ 500.00	The consultant charged the tribe \$500 for preparing another program amendment (Invoice #44, Check #7326). This service should have been covered as part of the monthly consulting fee and represents a duplicate charge.
<u>\$ 1,730.00</u>	This represents a charge for preparation and review of contract bids (Invoice #466, check #7453) which should have been included as part of the monthly consulting fee. Accordingly, it is a duplicate charge and ineligible.
<u>\$20,230.00</u>	Total ineligible costs.

- There were numerous missing invoices and documents related to the procurement process including, proposals, bids, price quotes, cost estimates, and executed contracts making it impossible to accurately determine what occurred during the procurement process (also see Finding 2).

As discussed above, the Tribe has serious problems with its procurement process and contract administration. We believe these problems primarily resulted from the inexperience of the Tribe's management staff. Because the Tribe relies heavily on an outside consultant for technical advice related to the planning and procurement process, the Tribal management staff is not fully aware of their responsibilities. Additionally, the Tribe's failure to establish procurement policies and procedures made it even more difficult for management staff to effectively manage the procurement process. As a result of these factors, there is no assurance that services were obtained through open and fair competition and at the most reasonable and economical prices.

Auditee Comments

The Tribe provided a written response to our draft report (see Attachment A), but decided that a formal exit conference to discuss the results of our review was not necessary. In its written response, the Tribe provided a copy of a plan it has developed to ensure that, in the future, products and services are obtained through open and fair competition and at the most reasonable and economical prices. Additionally, the tribe contended that the \$500, \$500, and \$1,730 payments to its consultant, which OIG considered ineligible, were in fact eligible charges as they represented charges for services which were outside the scope of the consultant's original contract(s). In relation to the \$17,500 of questionable payments to its consultant, which were charged under the June 5, 2000 contract to establish and maintain a supply depot, the Tribe also contended that these were eligible payments. They claimed that during the month of July 2000, the consultant did in fact expend efforts in trying to establish a supply depot. Further, they stated that under a verbal agreement effective during the period August through November 2000 the consultant provided additional services which were outside the scope of his existing contracts. Such additional services supposedly included facilitating meetings with various parties, consultations with the civil engineer, staff training, identification of reputable contractors, setting up vendor accounts, and provision of other services above and beyond the original contract requirements.

OIG Evaluation of Auditee Comments

The "plan" provided by the Tribe was just a very bare outline of the different phases of the procurement process. In order to be useful, this plan must be fully developed, adopted as official policy, and procedures established and implemented to ensure compliance.

We disagree with the Tribe's contention that the ineligible consultant payments identified in our finding represent additional services provided by the consultant over and above those to be provided under existing contracts. We could identify no additional services provided, and in fact the type of "extra services" claimed to have been provided were typical services previously made

available through the existing contracts. Further, when the consultant was asked what services he provided for the additional \$3,500 per month received from June through November 2000, he did not claim that the additional payments were related to these additional services identified by the Tribe. Instead, he maintained they were related to the establishment of the supply depot. As discussed in the finding, the supply depot was never established and the Tribe knew it would not be implemented as early as June 28, 2000. Accordingly, we continue to assert that the \$20,230 of consultant payments identified in the finding are ineligible program costs.

RECOMMENDATIONS

We recommend that you require the Tribe to:

- 1A. Establish and implement appropriate policies and procedures which will provide for proper procurement management, including obtaining cost analysis for each procurement action; obtaining competitive proposals or bids as required; establishment of payment controls to ensure that duplicate payments are not made, that payments are made only after the work is done or services performed; and retention of documents supporting the procurement and payment process.
- 1B. Refund to the ICDBG program, from non-federal sources, the \$20,230 of ineligible payments made to its consultant and seek reimbursement for these charges from the consultant.

Finding 2 The Tribe did not plan, manage, and administer its Indian Community Block Grant and Indian Housing Block Grant in a cost effective and efficient manner or in compliance with HUD requirements

The Tribe had not adopted policies and procedures necessary to properly administer its grant programs. Specifically:

- The Tribe's record keeping was extremely deficient. There were numerous missing documents related to the procurement process such as proposals, bids, price quotes, cost estimates, executed contracts and payments to contractors making it impossible to accurately determine what occurred. In addition, financial records were in disarray. There were missing invoices, receipts, bank statements, and cancelled checks and up to date financial data was not available.
- There was no evidence that contractor and other billing invoices were reviewed and approved by management prior to payment. This is a serious breach of the internal control process that could result in overpayments and malfeasance.
- Documents supporting the process used to select housing recipients and determine their eligibility could not be located making it impossible to determine what process the Tribe used when selecting housing recipients.

We attributed these problems to the Tribe's inexperienced management staff and the lack of written policies and procedures relative to procurement, travel, financial transactions, record retention, and recipient eligibility. As a result, there was no reasonable assurance that the Tribe managed and administered its grants in an effective and efficient manner and in compliance with HUD requirements.

The IHBG and ICDBG regulations in 24 CFR 1000.26 and 24 CFR 1003.501 require Tribal governments receiving federal grant funds to comply with Office of Management and Budget (OMB) Circular A-87, Principles for determining Costs applicable to Grants and Contracts with State, Local, and Federally recognized Indian Tribal Governments. Additionally, IHBG and ICDBG regulations require Tribal governments to comply with specified sections of 24 CFR Part 85, Administrative Requirements for Grants and Cooperative Agreements to State, Local, and Federally Recognized Indian Tribal Governments. Specifically, grantees are required to adopt and implement policies and procedures relative to financial administration which provide for maintenance of records to adequately identify expenditures, or outlays; effective control and accountability for all grant cash; adherence to OMB cost principles (set out in OMB circular number A-87); and maintenance of accounting records supported by source documentation such as cancelled checks, paid bills, and contract documents. In addition, grantees are required to maintain all financial and programmatic records, supporting documents, statistical records, and other records pertinent to their grant programs for three years from the day the grantee submits its final expenditure report for the period to HUD.

On non-statistical basis, we selected and tested a representative sample of disbursements to determine whether the applicable costs were fully supported and eligible; disbursements went through a complete internal control review process; and funds drawdown from the treasury were expended in a timely manner. We also attempted to review housing recipient files but none were available. We noted the following:

- The Tribe had not set up policies and procedures necessary to properly administer its ICDBG and IHBG grants. Specifically, the Tribe had not established policies and procedures for procurement (see Finding 1), travel, financial transactions, recipient eligibility, and record retention. We were advised that rather than adopting their own policies and procedures the Tribe used the applicable policies and procedures contained in the Code of Federal Regulations (CFR). Although the CFRs contain minimum requirements related to grant administration, they are not sufficiently detailed to properly manage a grant program on a day-to-day basis.
- The Tribe had poor record retention. They could not readily provide financial documents and cost data i.e. invoices, cancelled checks, bank statements, and current financial data including programmatic documents such as original recipient applications and supporting documents. There was no current financial data available. The latest available information was from June 2000 and the Tribe's accountant had to fax us pertinent up-to-date financial records. It took over a week to collect all the contract agreements we requested for review and in some instances the contractors had to fax us their contracts because they were not available at the Tribal office.

- The Tribe charged \$1,390 to its ICDBG for meals served at Tribal meetings. Meal costs related to Tribal meetings are considered entertainment costs, which, in accordance with OMB Circular A-87, cannot be charged to a Federal grant program.
- Payments to various contractors were made without prior management approval and payments were made to contractors prior to the contractors performing work or providing any services. None of the transactions reviewed went through the proper administrative internal control process, i.e. there was no evidence that the billing invoices were reviewed and approved by management prior to payment. The billing invoices were not referenced back to applicable payment documents (checks) and in some instances the invoices and checks did not show the program activity to be charged. For example, the consultant's billing invoices could not be readily traced to his contracts because his contracts did not have sufficient information to enable referencing to his billing invoices.
- No files supporting new housing recipients' income, eligibility and selection were available. The Tribe could only direct us to their 1998, 1999, and 2000 ICDBG grant applications that contained skeletal copies of recipient records. The accuracy of this partial information relative to the true condition of family size, income and living conditions could not be determined. For example, two housing applicants who lived in Indiana did not verify their true living condition i.e., over-crowded, substandard or homeless - one simply stated, she wanted a new home. The Tribe also did not verify income of all adult household members in nine of fifteen instances. In addition, the selection process of housing recipients was not clear. Although the Tribe set criteria to select the "neediest" household, it is subject to multiple interpretations. In fact, based upon the limited information available, it appears families selected for new housing did not meet the Tribe's "neediest" criteria. In this regard, a comparison of summary (undocumented) demographic survey data to selected applicants revealed that only six of the fifteen families selected to receive a new home appeared to meet the "neediest" criteria. However, because of the lack of supporting documentation, we could not determine what basis was actually used to select these recipients.
- The Tribe used tribal funds to pay for ICDBG activities and subsequently reimbursed these costs with ICDBG funds. This is a poor financial management practice which should be discouraged.

As discussed above, the Tribe had significant problems with its grant administration resulting from inexperienced staff, and the failure to establish administrative policies and procedures relative to procurement, travel, financial transactions, recipient eligibility, and record retention. Even though the Tribe relies heavily on its consultant for guidance, adequate policies and procedures are necessary to ensure that grant funds are used in accordance with program requirements. This is especially true when staff have very limited experience in managing grant programs. As a result of poor management and administration of its grant, there was no reasonable assurance that the Tribe managed and administered HUD grants in an effective and efficient manner and in compliance with program requirements.

Auditee Comments

The Tribe provided a written response to our draft report (see Attachment A), but decided that a formal exit conference to discuss the results of our review was not necessary. In its written response, the Tribe contented that, although not documented and not in the correct format, procedures for administering its grants were developed and followed. However, it agreed that improvements are needed in its grant management and administration and provided a copy of a plan to be used for making these improvements. Additionally, the Tribe agreed to reimburse the ICDBG program for the \$1,390 of ineligible meal costs identified in the finding and to establish procedures to avoid incurring such costs in the future.

OIG Evaluation of Auditee Comments

As set out in the finding, the Tribe had no record of having adopted and implemented administration and management procedures necessary for effective grant administration. Further, in many instances documentation supporting actions taken in administering its grant could not be located. The plan provided in its response for improving grant administration is just a general outline of broad administrative areas where improvements are needed. In order to be useful, this plan must be fully developed, adopted as official policy, and procedures established and implemented to ensure compliance.

RECOMMENDATIONS

We recommend that you require the Tribe to:

- 2A. Establish and implement appropriate policies and procedures which set out responsibility for accounting and record keeping including appropriate internal controls, maintenance of contract files, financial records, and other required program documents and which provide for management review of fee accountant prepared journal entries, bank reconciliations, and financial reports.
- 2B. Refund to the ICDBG program, from non-federal sources, the \$1,390 of ineligible meal costs charged to the program.

* * * *

Within 60 days, please give us a status report on the recommendations stating (1) the corrective action taken, (2) the proposed corrective action and the date to be completed, or (3) why action is considered unnecessary. Also, please furnish us copies of any correspondence or directives related to this review.

If you have any questions concerning this report, please call Ruben Velasco, Assistant District Inspector General for Audit, at (213) 894-8016.

ATTACHMENT A

**Los Coyotes Band of Indians**

◆◆◆
P.O. Box 189 • Warner Springs, CA 92086
(760) 782-0711 • Fax (760) 782-2701



August 24, 2001

Mr. Ruben Velasco
Assistant District Inspector General for Audit, 9AGA
U.S. Department of Housing and Urban Development
611 West Sixth Street, Suite 1160
Los Angeles, CA 90017

Dear Mr. Velasco,

This letter is in response to your correspondence dated August 3, 2001 which accompanied the draft report setting out the results of your review of Los Coyotes Band of Mission Indians' Indian Community Development Block Grant (ICDBG).

Finding 1 – Management of Procurement and Contract Administration Process

Because of our remote location, it is often difficult to locate reputable vendors and sometimes impossible to get a reasonable response to our bid requests. When this occurs we, inquire about all possible vendors and contact as many reliable sources as possible. The available bids are then evaluated and the best vendor selected considering all factors.

We have developed a plan to assure that products and services are obtained through open and fair competition and at the most reasonable and economical prices. A copy of that plan is attached for your review.

Mr. Ruben Velasco
Assistant District Inspector General for Audit, 9AGA
U. S. Department of Housing and Urban Development
August 24, 2001
Page 2

We do not agree with the ineligible charges for the following reasons:

- The tribe determined that the consultant charges of \$500 on invoice #440 paid by check 7325 was for services for the HUD 98 that were outside the scope of the consulting contract and should not be considered an ineligible expense. Copies of the invoice and check are attached.
- The tribe determined that the consultant charges of \$500 on invoice #44 paid by check 7326 was for services for the HUD 99 that were outside the scope of the consulting contract and should not be considered an ineligible expense. This was not a duplicate payment of invoice #440. Copies of the invoice and check are attached.
- The \$1,715 payment on invoice #466 made with check 2776 was for services for HUD 98 and HUD 99 that fell outside the scope of the consulting contract.
- The additional consultant charges of \$2,750 per month effective June 5, 2000 are justifiable. During June and July we continued with plans for establishing the supply depot. When our initial bid request resulted in no viable bids, we began to consider other alternatives. In early August we requested that the bid specifications be modified to exclude the supply depot so that we could increase our chances of receiving acceptable bids.
- During August, September, October and November, the consultant's responsibilities were increased to include the following services: facilitate meetings with Indian Health Services relating to the water and sewer for the ten dwellings, facilitate meetings with SDG & E regarding electricity for ten dwellings, consultation with civil engineer regarding house locations, provided training for staff on grant compliance, identify reputable contractors for second bid request, set up vendor accounts and submit credit applications, overall grant compliance above and beyond the original contract requirements.
- We realize now that the agreement should have been further modified to reflect the change in additional services from the supply depot to the other services listed above. We have requested a modified written agreement from the consultant that reflects the verbal agreement in effect during these months.

Mr. Ruben Velasco
Assistant District Inspector General for Audit, 9AGA
U.S. Department of Housing and Urban Development
August 24, 2001
Page 3

Finding 2 – Management and Administration of ICB and IHB Grants

We understand from the results of your audit that we will need to make improvements in the way we document our procedures. While the information may not have been in the format outlined by the HUD requirements, it is our belief that the procedures were developed and followed. These procedures were brought before the General Council and approved. These procedures were documented in the General Council meeting minutes and carried out by the TDBO.

We now understand the need to document our procedures in the correct format and will undertake to present the procedures in a more formalized way as part of the HUD documentation. We have developed a plan to improve the effectiveness and efficiency of the management and administration of its grants in compliance with HUD requirements. A copy of this plan is attached for your review.

We agree to refund to the ICDBG program, from non-federal sources, \$1,390 of ineligible meal costs charged to the program. We will establish procedures to avoid paying for ineligible costs in the future.

We will update you within 60 days with a status report on the recommendations. Please let us know when you would like to meet to review the findings

Very truly yours,



Evelyn Duro
Tribal Administrator

Cc: Catherine Saubel, Chairperson

Los Coyotes Band of Indians
Plan to Assure that Products and Services are Obtained through Open
and Fair Competition and at the Most Reasonable and Economical
Prices

1. **Formalize procurement management procedures**
 - Obtaining Cost Analysis for procurement action
 - Obtaining competitive proposals or bids
 - Payment controls
 - Document retention

**Los Coyotes Band of Indians
Plan to Improve the Effectiveness and Efficiency
of Management and Administration of Grants**

1. Formalize procedures

- Record retention
- Procurement
- Recipient eligibility
- Financial transactions
- Contract file maintenance

2. Record Retention and Documentation

- Formalize filing and documentation procedures
- Received and reviewed guidelines for filing requirements
- Francine has been assigned to bring filing up to date
- In the future we may hire permanent part time HUD filing clerk
- Look for training opportunities
- Train staff in procedures and monitor that procedures are being followed

3. Internal Control and Financial Management

Formalize procedures as follows:

- Procurement
- Financial statements and records
- Maintaining draw-down records
- Inter-company payables and receivables
- Accounts payable and cash disbursements
- Cash receipts
- Travel expense authorization and payment

ATTACHMENT B**DISTRIBUTION**

Secretary, S, Room 10000
Deputy Secretary, SD, Room 10100
Chief of Staff, S, Room 10000
Acting Associate General Deputy Assistant Secretary for Administration, HR, Room 9138
Acting Assistant Secretary for Congressional and Intergovernmental Relations, J, Room 10120
Deputy Assistant Secretary, Office of Public Affairs, W, Room 10132
Deputy Assistant Secretary for Administrative Services, Office of the Executive Secretariat, AX,
Room 10139
Deputy Assistant Secretary for Congressional and Intergovernmental Relations, JI, Room 10234
Deputy to the Chief of Staff for Policy & Programs, S, Room 10000
Deputy to the Chief of Staff for Operations and Intergovernmental Relations, S, Room 10000
Special Counsel to the Secretary, C, Room 10110
Senior Advisor to the Secretary, C, Room 10110
Director, Center for Faith-Based and Community Initiatives, K, Room 10184
Chief Executive Officer for Administrative Operations and Management, S, Room 10220
Assistant Secretary for Housing/Federal Housing Commissioner, H, Room 9100
General Counsel, C, Room 10110
Deputy General Counsel for Housing Finance and Operations, CA, Room 10240
General Deputy Assistant Secretary for Housing, H, Room 9100
Assistant Secretary for Policy Development and Research, R, Room 8100
Assistant Secretary for Community Planning and Development, D, Room 7100
Assistant Deputy Secretary for Field Policy and Management, SDF, Room 7108
President, Office of Government National Mortgage Association, T, Room 6100
Assistant Secretary for Fair Housing and Equal Opportunity, E, Room 5100
Director, Office of Departmental Equal Employment Opportunity, U, Room 2134
Chief Procurement Officer, N, Room 5184
Assistant Secretary for Public and Indian Housing, P, Room 4100
Director, Office of Departmental Operations and Coordination, I, Room 2124
Office of the Chief Financial Officer, F, Room 2202
Chief Information Officer, Q, Room P8206
Acting Director, Enforcement Center, V, Suite 200, Portal Building
Acting Director, Real Estate Assessment Center, X, Suite 800, Portal Building
Director, Office of Multifamily Assistance Restructuring, Y, Suite 4000, Portal Building
Assistant to the Secretary and White House Liaison, S, Room 10000
Press Secretary/Senior Communications Advisor to the Secretary, S, Room 10000
Director, Office of Healthy Homes and Lead Hazard Control, L, P3202
Director, National Office of Labor Relations, I, Room 7118
Secretary's Representative, 9ES, 16th Floor
Departmental Audit Liaison Officer, FM, Room 2206 (2)
ONAP Audit Liaison Officer, PNPE, Room 3390
Western District Audit Liaison Officer, Bettye C. Adams, 6AF
Deputy Assistant Secretary, Office of Native American Programs, PI, Room 4126

C. Raphael Mecham, Administrator, Southwest Office of Native American Programs, 9EPI Acquisitions Librarian, Library, AS, Room 8141

Mr. Armando Falcon, Director, Office of Federal Housing Enterprise Oversight, 1700 G Street, NW, Room 4011, Washington, DC 20552

Ms. Sharon Pinkerton, Senior Advisor, Subcommittee on Criminal Justice, Drug Policy & Human Resources, B373 Rayburn House Office Building, Washington, DC 20515

Ms. Cindy Fogleman, Subcommittee on Oversight and Investigations, Room 212, O'Neil House Office Building, Washington, DC 20515

Mr. Stanley Czerwinski, Associate Director, Housing and Telecommunications Issues, United States General Accounting Office, 441 G Street, NW, Room 2T23, Washington, DC 20548

Mr. Steve Redburn, Chief Housing Branch, Office of Management and Budget, 725 17th Street, NW, Room 9226, New Executive Office Building, Washington, DC 20503

Mr. Andy Cochran, Senior Counsel, House Committee on Financial Services, 2129 Rayburn House Office Building, Washington, DC 20515

The Honorable Fred Thompson, Ranking Member, Committee on Governmental Affairs, 340 Dirksen Senate Office Building, United States Senate, Washington, DC 20510

The Honorable Joseph Lieberman, Chairman, Committee on Government Affairs, 706 Hart Senate Office Building, United States Senate, Washington, DC 20510

The Honorable Dan Burton, Chairman, Committee on Government Reform, 2185 Rayburn Building, House of Representatives, Washington, DC 20515

The Honorable Henry A. Waxman, Ranking Member, Committee on Government Reform, 2204 Rayburn Building, House of Representatives, Washington, DC 20515

Evelyn Duro, Tribal Administrator, P.O. box 189, Warner Springs, CA 92086