

memorandum

DATE: April 7, 2009
REPLY TO:
ATTN OF: IG-40
SUBJECT: Letter Report on "Department of Energy Funding of Tribal Colleges and Universities"
(INS-L-09-04, S09IS011)
TO: Acting Assistant Secretary for Environmental Management
Acting Director, Office of Economic Impact and Diversity

This is to inform you of the results of an Office of Inspector General inspection regarding an allegation that the Department of Energy overstated its financial support to Tribal Colleges and Universities for fiscal year (FY) 2007.

BACKGROUND

The Department of Energy is required to submit annual reports describing the financial support it provides to minority serving institutions in each of three categories: Historically Black Colleges and Universities, Hispanic-Serving Institutions, and Tribal Colleges and Universities (TCUs). The reports are compiled for the Department by the Office of Economic Impact and Diversity, based on input from departmental elements. In the case of TCUs, the Office of Economic Impact and Diversity submits the report to the Office of the White House Initiative on Tribal Colleges and Universities at the Department of Education.

The Office of Inspector General received an allegation that the FY 2007 TCU report contained a "gross unexplained error," and the complainant believed that the data was intentionally falsified. Specifically, the report showed an increase in TCU financial support from \$176,550 in FY 2006 to \$5,203,886 in FY 2007 that the complainant did not believe was supportable. As a result, we initiated an inspection to examine the facts surrounding the allegation.

Our interest in this allegation was heightened by the attention the then proposed American Recovery and Reinvestment Act focused on the importance of program performance data reliability and transparency.

RESULTS OF INSPECTION

We found that the Department had, as alleged, made errors in reporting its TCU financial support in FY 2007 and that a similar error was made in FY 2008. On behalf of the Department, the Office of Economic Impact and Diversity reported total contributions of \$176,550 in FY 2006, \$5,203,886 in FY 2007, and \$5,531,957.04 in FY 2008. At our request, the Office of Economic Impact and Diversity provided us the data supplied to it by the individual departmental elements. We determined that the significant increase in

the amount was based on data provided by the Office of Environmental Management, which reported total TCU support of \$0 in FY 2006, \$5,120,000 in FY 2007, and \$5,490,457.04 in FY 2008. We discussed the numbers with the responsible Environmental Management officials, who said that, upon further examination, their Office of Budget mistakenly included all funds sent to tribal governments in the reported TCU funds. The Office of Environmental Management determined that it actually had not provided any financial support to TCUs in FYs 2007 and 2008.

While our inspection substantiated that the Department's TCU financial support was grossly misstated, we found no evidence that the data was intentionally falsified. We interviewed individuals from the Office of Environmental Management and the Office of Economic Impact and Diversity. Economic Impact only saw itself as a conduit and compiled Environmental Management's data with the data provided by other program offices without questioning the significant increase in the amount. Environmental Management staff apparently misunderstood the data request and reported all tribal funding versus only TCU funding.

As a result of our inspection, the Office of Environmental Management provided corrected data to the Office of Economic Impact and Diversity for FY 2007 and FY 2008. The Office of Economic Impact and Diversity subsequently corrected the Department's figures in its Minority Education Award Staging System and submitted revised FY 2007 and FY 2008 reports to the Office of the White House Initiative on Tribal Colleges and Universities.

Since corrective actions have been taken, we are not making any formal recommendations in this report. However, given the emphasis on accurate data as a means of gauging program performance under the American Recovery and Reinvestment Act, we concluded that greater attention to data reliability is necessary. As one step, we suggest that if, in the future, the Office of Economic Impact and Diversity receives significant variances in financial support data, it follow up with the applicable program office to ensure the data is accurate.

This inspection was conducted in accordance with the "Quality Standards for Inspections" issued by the President's Council on Integrity and Efficiency. We appreciate the cooperation we received from your offices during this inspection. If you have any questions concerning this review, you may reach me at (202) 586-4109.



Elise M. Ennis
Assistant Inspector General for
Inspections and Special Inquiries

cc: Director, Office of Internal Review (CF-1.2)