



**OFFICE OF JUSTICE PROGRAMS
BUREAU OF JUSTICE ASSISTANCE GRANT AWARDED TO
FOND DU LAC TRIBAL AND COMMUNITY COLLEGE
CLOQUET, MINNESOTA**

U.S. Department of Justice
Office of the Inspector General
Audit Division

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EXECUTIVE SUMMARY

The Department of Justice (DOJ) Office of the Inspector General, Audit Division, has completed an audit of the Fond du Lac Tribal and Community College's (FDLTCC) "Gabangan-Ogimaa" Future Peace Leaders Law Enforcement Education Program grant (commonly referred to as "LEEP") awarded by the Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA).¹ According to its Edward Byrne Memorial State and Local Law Enforcement Discretionary Grant Program application, the main purpose of this grant was to provide training and education to American Indians and other under-represented group members interested in a law enforcement career. FDLTCC was awarded \$789,548 under grant number 2005-DD-BX-1194 to implement its grant program.

FDLTCC is located in Cloquet, Minnesota (approximately 20 miles southwest of Duluth, Minnesota), and was created by the Minnesota Legislature in 1987 and chartered as a tribal college by the Fond du Lac Reservation that same year. In 1994, Congress passed legislation giving FDLTCC status as a land grant institution, and the Minnesota legislature approved FDLTCC as a full college by state standards with co-governance by the state and the Fond du Lac Band of Lake Superior Chippewa. FDLTCC's law enforcement program, one of the college's largest, has been awarding associate degrees in law enforcement since the college's opening and is the only program in Minnesota to address areas of tribal law enforcement, treaty enforcement, and tribal conservation codes. FDLTCC is one of the many institutions that comprise the Minnesota State Colleges and Universities system (MnSCU). MnSCU provides system-wide administrative management and develops policy for state universities and colleges.

The purpose of this grant audit was to determine whether reimbursements claimed for costs under the grant were allowable, supported, and in accordance with applicable laws, regulations, guidelines, and terms and conditions of the grant, and to determine program performance and accomplishments. The objective of our audit was to review performance in the following areas: (1) the internal control environment;

¹ The grant awarded to FDLTCC was funded by the Edward Byrne Discretionary Grant Program and was the result of a congressional earmark under the authority of Pub. L. No. 108-447 (2004), The Consolidated Appropriations Act, 2005.

(2) grant drawdowns; (3) grant expenditures, including personnel costs; (4) budget management and control; (5) property management; (6) financial status and progress reports; (7) grant requirements; (8) program performance and accomplishments; and (9) monitoring contractors. We determined that indirect costs, matching costs, program income, and the monitoring of subgrantees were not applicable to this grant.

As of December 31, 2008, FDLTCC had been reimbursed \$638,512 of the \$789,548 awarded under this grant. We performed detailed transaction testing of \$195,962, or approximately 29 percent of the \$683,887 expended as of December 31, 2008. We examined FDLTCC's accounting records, budget documents, financial and progress reports, and operating policies and procedures. Our testing found that FDLTCC used one of its accounting systems without password protection; maintained unconsolidated grant records that collectively lacked adequate detail and inaccurately accounted for grant-related costs; did not maintain detailed time and effort reports related to an employee's grant activity; and did not implement monitoring procedures that allowed for assessment and evaluation of contractor performance. Additionally, the grantee expended funds in unapproved budget categories without receiving OJP approval. In total, we identified \$205,836 in unallowable or unsupported expenditures. Finally, the grantee did not always submit timely financial status reports and progress reports.

Our report contains 13 recommendations addressing the preceding issues, which are discussed in detail in the Findings and Recommendations section of the report. Our audit objectives, scope, and methodology appear in Appendix I of the report.