

SUMMARY

The Office of the Auditor General has conducted a special review of the Navajo Nation 2002 Winter Olympic Project as directed by the Navajo Nation Council. The review focuses primarily on the Navajo Nation Tourism Department (Department) and its performance in planning, producing and managing the Olympic Project.

FINDING I: Navajo Nation Olympic Project Was a Financial Loss.

Initially, the Olympic Project was anticipated to be financially successful at the 2002 Winter Olympic Games. Not only would the seed money be repaid but a profit realized. However, due to unforeseen incidents, key sponsorships did not materialize. As a result, the project encountered financing shortfalls requiring the Department to down-scale the project considerably. Profit expectations were not met to cover the costs resulting in a financial loss. The Navajo Nation had to contribute more than the initial seed monies.

FINDING II: \$1.75 Million Seed Money Cannot be Repaid.

When the Navajo Nation Council appropriated the seed money for the Olympic Project, it was understood that the appropriation would be repaid. However, since the Olympic Project resulted in a financial loss, there are no funds to repay the seed money as the Council desired. In addition, the Navajo Nation continued to pay outstanding obligations a year after the conclusion of the Olympic Games.

FINDING III: Foundation Did Not Fully Meet Olympic Project Expectations.

As a critical participant in the production of the Navajo Nation Olympic Project, the Discover Navajo 2002 Foundation did not fully meet project expectations. The Foundation was established as a solution to the impediments caused by Navajo Nation requirements. However, the Foundation had no prior experience or financial resources. Therefore, the Foundation relied upon the Department to provide the financial resources to meet the project objectives. Due to its current insolvent state, the Foundation cannot sponsor the Traveling Exhibition as initially planned.

FINDING IV: Navajo Nation was Recognized for the Olympic Project but Future of Exhibit is Unclear.

The Navajo Nation receives praise and recognition for the Olympic Project. All indications are that the project was successful in educating the public about the Navajo

Nation. However, at this time, there is no information to gauge the benefits of the Navajo Nation's participation in the Olympic Games such as the increase in tourism and economic opportunities. In the meantime, the Navajo Nation needs to determine the future of the Exhibit which is currently stored in Salt Lake City, Utah.