

**A Special Review
of the
\$8 Million Veterans Fund Appropriation
to the
110 Navajo Nation Chapters**

Audit Report No. 10-16

M-E-M-O-R-A-N-D-U-M

TO : NAVAJO NATION COUNCIL

FROM :



Elizabeth Begay, CIA, CFE
Acting Auditor General

OFFICE OF THE AUDITOR GENERAL

DATE : June 30, 2010

**SUBJECT : A Special Review of the \$8 Million Veterans Fund
Appropriation to the 110 Navajo Nation Chapters**

The Office of the Auditor General herewith transmits Report No. 10-16, a Special Review of the of the \$8 Million Veterans Fund Appropriation to the 110 Navajo Nation Chapters with findings and recommendations.

If you have any questions regarding this report, please call our office at 871-6303.

Enclosure

Chrono

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to the
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SUMMARY

The Navajo Nation Office of the Auditor General has conducted a special review of the \$8 million Veterans Fund appropriation to the 110 Navajo Nation Chapters. The review was performed pursuant to 12 N.N.C. Section 2. This special review evaluates the expenditure activities of the 110 Chapters in disbursing the Veterans Fund and provides feedback to the Navajo Nation Council on how the funds are being administered.

FINDING I: Lack of funding guidelines contributed to confusion and frustration in administering the Veterans Fund.

Since the Veterans Fund was directly appropriated to the 110 Chapters, the chapter administration and officials were required to work closely with their local veterans to determine how the funds would be used to address veterans' needs. However, the Chapters and veterans encountered various problems with administering the funds. Both expressed frustration with each other and both agreed that the Council resolution was too vague and created discord among the chapter administration and its veterans. Eventually, the Navajo Nation Department of Justice (DOJ) clarified the Chapters were the fund administrators. Overall, the legislative bill approving the Veterans Fund as a rider did not permit proper planning.

FINDING II: Lack of proper planning resulted in questionable financial assistance.

The \$8 million appropriation was made without any specific funding guidelines due to poor planning. After the appropriation was made, the DOJ issued legal advice that clarified who was eligible for the funds. However, due to control deficiencies, the Chapters and their veterans committees cannot provide assurance that all Veterans Fund recipients were actually eligible veterans. A major control deficiency was disbursing funds without properly verifying the supporting documentation. Lastly, some veterans received repeat assistance and not all veterans who are registered with the Department of Navajo Veterans Affairs (DNVA) have been assisted by the Chapters.

FINDING III: Chapters incurred disallowed costs with the Veterans Fund.

Of the \$8 million Veterans Fund, the Chapters have expended \$4.6 million at the end of fiscal year 2009. The funds were used for both direct and indirect costs. However, DOJ clarified that based on the Council's resolution, the indirect costs (or administrative costs) were disallowed. Nonetheless, the Chapters expended 19% of the funds for administrative costs. The direct costs were the financial assistance awarded to address housing, health and personal needs of the veterans.

FINDING IV: Most Chapters are gradually expending their Veterans Fund.

Our compilation of the Veterans Fund expenditures for the 110 Chapters revealed that most Chapters are gradually expending their funds. In other words, most of the Chapters did not rush to expend their funds. The initial confusion with the funding intent likely contributed to the slow disbursement of funds. At the end of fiscal year 2009, the Chapters had 42% of the \$8 million still available to assist Navajo veterans.

In addition to the four findings summarized above, the audit report contains recommendations.

INTRODUCTION AND BACKGROUND

The Navajo Nation Office of the Auditor General has conducted a special review of the \$8 million Veterans Fund appropriation to the 110 Navajo Nation Chapters. The review was performed pursuant to 12 N.N.C. Section 2. This special review evaluates the expenditure activities of the 110 Chapters in disbursing the Veterans Fund and provides feedback to the Navajo Nation Council on how the funds are being administered.

Navajo Nation Council Appropriation

On February 26, 2008, the Navajo Nation Council (Council) appropriated \$8 million of Navajo Nation general funds to the 110 Chapters via resolution CF-06-08 to address the needs of local veterans within each chapter community. This appropriation was approved as a rider to an emergency legislation initially introduced on the Council floor requesting for \$1 million to help address weather-related emergencies throughout the Navajo Nation. A rider is an amendment or addition to a legislative bill. The \$8 million Veterans Fund appropriation was one of several riders to the emergency legislation and once the Council resolution was approved, the supplemental appropriations totaled over \$17 million.

On March 10, 2008, the Navajo Nation Council resolution was vetoed by the Navajo Nation President for the following reasons:

- Legislation intended to address national emergencies need to stand alone and should be absent of any riders that request for additional funding.
- Using the "Grant Reserve Fund" which is a fund intended to reimburse expenses for capital projects for other purposes such as those authorized by the Council resolution sets a dangerous precedent and leaves other funds vulnerable.
- The continuous waiver of Navajo law which is not a good practice and reflects poorly on the Navajo Nation's system of government.
- Due to the amended Appropriations Act, the Chapters are allowed to automatically carryover unexpended balances at the end of each fiscal year and as such, this has allowed many Chapters to acquire substantial reserves.

On March 21, 2008 per resolution CMA-09-08, the Navajo Nation Council overrode the Navajo Nation President's veto of resolution CF-06-08. With this override, the Council authorized the distribution of the \$8 million to the 110 Chapters.

Chapter Distribution of \$8 million Veterans Fund

The \$8 million Veterans Fund was appropriated to the 110 Chapters using the 50/50 distribution ratio wherein 50% of the \$8 million was based on equal distribution and the remaining 50% was based on the number of registered voters for each chapter. Records showed that most of the Chapters received their funds in April 2008. Table 1 summarizes the 110 Chapters and their appropriated share of the \$8 million.

Table 1
110 Chapters - \$8 Million Veterans Fund Appropriation

	Chapter	Appropriation		Chapter	Appropriation
1	Alamo Chapter	\$ 76,489.05	56	Nahodishgish	\$ 50,278.11
2	Aneth	\$ 85,152.61	57	Naschitti	\$ 82,656.33
3	Baahaali	\$ 64,007.65	58	Navajo Mountain	\$ 57,473.26
4	Baca/Prewitt	\$ 80,196.76	59	Nazlini	\$ 66,136.82
5	Becenti	\$ 57,987.21	60	Nenahnezad	\$ 75,901.69
6	Beclabito	\$ 57,142.88	61	Newcomb	\$ 56,592.23
7	Birdsprings	\$ 59,712.57	62	Oak Springs	\$ 57,656.82
8	Black Mesa	\$ 55,637.76	63	Ojo Encino	\$ 61,584.79
9	Blue Gap/Tachee	\$ 62,722.79	64	Oljato	\$ 88,162.82
10	Bodaway/Gap	\$ 75,681.42	65	Pinedale	\$ 72,854.76
11	Cameron	\$ 67,605.22	66	Pinon	\$ 91,540.14
12	Casamero Lake	\$ 54,499.76	67	Pueblo Pintado	\$ 54,279.50
13	Chichiltah	\$ 79,425.85	68	Ramah	\$ 76,929.57
14	Chilchinbeto	\$ 60,924.00	69	Red Lake #18	\$ 55,637.77
15	Chinle	\$ 148,844.45	70	Red Mesa	\$ 73,258.57
16	Churchrock	\$ 95,982.06	71	Red Rock	\$ 82,656.33
17	Coalmine Canyon	\$ 64,595.00	72	Red Valley	\$ 76,525.76
18	Coppermine	\$ 60,813.87	73	Rock Point	\$ 70,945.84
19	Cornfields	\$ 63,750.68	74	Rock Springs	\$ 75,754.85
20	Counselor	\$ 57,106.17	75	Rough Rock	\$ 59,198.63
21	Cove	\$ 56,261.84	76	Round Rock	\$ 63,567.12
22	Coyote Canyon	\$ 70,688.87	77	San Juan	\$ 50,131.26
23	Crownpoint	\$ 82,105.68	78	Sanostee	\$ 92,347.76
24	Crystal	\$ 64,631.72	79	Sawmill	\$ 69,220.47
25	Dennehotso	\$ 71,863.58	80	Sheepsprings	\$ 59,308.76
26	Dilkon	\$ 76,085.24	81	Shiprock	\$ 202,771.44
27	Forest Lake	\$ 53,398.45	82	Shonto	\$ 82,325.93
28	Fort Defiance	\$ 145,907.66	83	Smith Lake	\$ 59,932.84
29	Gadii' ahi	\$ 58,501.15	84	St. Michaels	\$ 108,279.91
30	Ganado	\$ 77,370.09	85	Standing Rock	\$ 59,382.19
31	Greasewood Springs	\$ 67,788.78	86	Steamboat	\$ 77,627.06
32	Hardrock	\$ 62,429.11	87	Sweetwater	\$ 67,238.12
33	Houck	\$ 78,141.00	88	Teec Nos Pos	\$ 73,075.01
34	Huerfano	\$ 93,265.52	89	Teesto	\$ 65,476.05
35	Indian Wells	\$ 61,805.05	90	Thoreau	\$ 73,845.93
36	Iyanbito	\$ 60,887.30	91	Tiis Tsoh Sikaad	\$ 54,022.53
37	Jeddito	\$ 64,962.11	92	To' Nanees' Dizi'	\$ 146,421.59
38	K'ai Bii To'	\$ 75,424.45	93	Toadlena/Two Grey Hills	\$ 68,155.87
39	Kayenta	\$ 106,224.14	94	Tohajilee	\$ 68,339.43
40	Kinlichee	\$ 84,748.80	95	Tohatchi	\$ 81,298.06
41	Klagetoh	\$ 64,778.56	96	Tolani Lake	\$ 59,382.18
42	Lake Valley	\$ 50,608.50	97	Tonalea	\$ 80,343.59
43	LeChee	\$ 65,145.65	98	Torreon	\$ 80,123.34
44	Leupp	\$ 76,085.23	99	Ts'ah Bii Kin	\$ 64,264.61
45	Littlewater	\$ 61,180.98	100	Tsaile/Wheatfields	\$ 81,334.76
46	Low Mountain	\$ 63,420.29	101	Tsayatoh	\$ 65,696.31
47	Lukachukai	\$ 75,387.74	102	Tse Daa K'aan	\$ 71,937.01
48	Lupton	\$ 58,904.96	103	Tselani/Cottonwood	\$ 79,535.97
49	Manuelito	\$ 62,465.83	104	Twin Lakes	\$ 83,757.63
50	Many Farms	\$ 84,418.40	105	Upper Fruitland	\$ 80,930.95
51	Mariano Lake	\$ 64,411.46	106	Whippoorwill	\$ 65,586.19
52	Mexican Springs	\$ 65,182.37	107	White Cone	\$ 69,293.89
53	Mexican Water	\$ 61,291.11	108	Whitehorse	\$ 55,711.19
54	Nageezi	\$ 74,800.39	109	Whiterock	\$ 47,304.60
55	Nahata Dziil	\$ 70,174.93	110	Wide Ruins	\$ 66,981.16
				GRAND TOTAL:	\$ 8,000,000.00

Source: Navajo Nation Council resolutions CF-06-08 and CMA-09-08.

Fund Administrators

The Veterans Fund was disbursed to each of the 110 Chapters and as such, the chapter administration and officials were expected to work closely with its veteran committee to determine how the funds would be best used to address the needs of the local veterans. Since the funds were disbursed to the Chapters, the chapter administration and officials were regarded as the administrators of the funds based on the authority and responsibilities outlined in the Navajo Nation Local Governance Act (LGA).

As with other Navajo Nation funds, the Chapters were required to administer the Veterans Fund in accordance with applicable chapter policies and procedures. Based on inquiries with the Chapters, most of them relied on their five management system manuals in administering the funds while some Chapters had their veterans committees develop financial assistance policies and procedures.

Veterans Committee

Most Chapters have a committee of local veterans and are established based on a plan of operation. A majority of the Chapters we visited and surveyed acknowledged their respective veterans committee has a plan of operation. Generally, these veteran committees are established to: 1) advocate for the needs of its local veterans and their families; 2) serve as a liaison to government entities in addressing veteran issues; 3) ensure veterans are part of the chapter government decision-making process; and 4) honor veterans for their services through various activities and events. Most veterans committees are recognized as a standing committee within the chapter government. However, there may be some Chapters whose veterans have established themselves as an independent organization separate from the chapter government and are governed by articles of establishment and/or bylaws.

Appreciation for Veterans Fund

In responses to our survey, the veterans committees expressed appreciation for the funds appropriated by the Navajo Nation Council. Some committees indicated they would like to see more supplemental appropriations for Navajo Veterans in the future but they also hope that such funds will be administered in a more efficient and effective manner. Some veterans indicated their assistance was not enough to meet their needs but were nonetheless appreciative of what they did receive.

Objectives, Scope and Methodology

This special review evaluates the expenditure activities of the 110 Chapters to ensure the Veterans Funds were used properly. Accordingly, the following audit objectives were established:

1. Determine whether the Chapters exercised adequate internal controls while administering the Veterans Fund.
2. Determine whether the Veterans Fund addressed the needs of the veterans as intended by the Navajo Nation Council.

The audit covers Veterans Fund activities for fiscal year 2008 through 2009. In meeting our objectives, we performed the following procedures:

- Reviewed the Navajo Nation Council resolutions pertaining to the \$8 million appropriation.
- Reviewed the legal advices issued by the Office of Legislative Counsel and the Department of Justice (DOJ) pertaining to the appropriation.
- Obtained the fund and subsidiary ledgers of the Veterans Fund from the 110 Chapters. This was a tedious process which involved repeated contacts to the Chapters by mail, telephone and email. We also solicited the assistance of the Local Governance Support Centers (LGSC) to assist their respective Chapters in submitting the requested information. Based on the records submitted to our office, expenditure and fund balance information was compiled.
- Reviewed other records provided by the Chapters such as the veterans committees' plan of operation, articles of establishment (if applicable), budgets, financial assistance policies and procedures, and five management system manuals.
- Surveyed the chapter administration and veterans committees of the 110 Chapters using a standard questionnaire.
- Made site visits to 29 selected Chapters to review the supporting document for its Veterans Fund expenditures and interviewed chapter staff and veterans committee officers.
- Test work on a sample of Veterans Fund recipients for the 29 Chapters; no more than 10 recipients were selected for each chapter. We tested for proper verification of eligibility, timeliness of assistance, and controls applied by the chapter administration.
- Inquired with staff from the Local Governance Support Centers and the Department of Navajo Veterans Affairs (DNVA).

All audit samples were selected using non-statistical, judgmental sampling methods.

Government Auditing Standards

This audit was conducted in accordance with Government Auditing Standards. Those standards require that we plan and perform the audit to afford a reasonable basis for our judgments and findings regarding the entity under audit. An audit includes assessments of applicable internal controls and compliance with requirements of laws and regulations when necessary to satisfy the audit objectives. We believe our audit provides a reasonable basis for our findings.

The Office of the Auditor General and staff express their appreciation to the staff and veterans committees of the 110 Navajo Nation Chapters and all other entities who contributed to this audit for their cooperation and assistance throughout the audit.

FINDING I

Lack of Funding Guidelines Contributed to Confusion and Frustration in Administering the Veterans Fund

Since the Veterans Fund was directly appropriated to the 110 Chapters, the chapter administration and officials were required to work closely with their local veterans to determine how the funds would be used to address veterans' needs. However, the Chapters and veterans encountered various problems with administering the funds. Both expressed frustration with each other and both agreed that the Council resolution was too vague and created discord among the chapter administration and its veterans. Eventually, DOJ clarified the Chapters were the fund administrators. Overall, the legislative bill approving the Veterans Fund as a rider did not permit proper planning.

Chapters describe frustration in administering the Veterans Fund.

When the Veterans Fund was disbursed to the Chapters, no policies, procedures or funding guidelines were provided. As a result, the Chapters were left to determine how best to administer the funds. Some Chapters referred to their five management system manuals while others worked with the veterans committees to establish financial assistance policies and procedures. Most Chapters we visited and surveyed indicated that written policies and procedures should have been provided when the funds were first disbursed. Such policies and procedures would have been helpful in defining the roles and responsibilities of the chapter administration, officials and veterans committees with regards to administering the Veterans Fund. The Chapters believe that with such clarification at the beginning, the working relationship between the chapter administration and veterans committees would have been better, their veterans would have been assisted sooner, and disallowed costs would have been avoided.

To obtain a perspective from the chapter administration on how funds were administered, we mailed a standard survey questionnaire to all 110 Chapters. Approximately 53 Chapters responded to the survey and most described difficult experiences in administering the Veterans Fund. The lack of funding guidelines contributed greatly to the confusion and frustration with administering the funds. The mix interpretations of the Council's resolution also created discord in some Chapters. Some chapter administration indicated that council delegates and agency representatives of DNVA told the local veterans that it was their monies intended to meet their needs. However, the chapter administration felt that some veterans took these interpretations literally and wanted to administer the funds directly without proper accountability. Some veterans suggested that bank accounts be established for them and the funds deposited into these accounts without chapter administration involvement. When such requests were denied, the chapter administration stated they were criticized and in some cases, verbally assaulted for hindering assistance to the veterans.

The common frustration shared among the chapter administration was getting their veterans to understand the need to ensure all disbursements have supporting documentation. Veterans did not understand the need for all the paperwork and in some cases, the veterans did not return receipts or invoices back to the chapter to justify how they used their funds. Some chapter administration indicated that although their veterans committees had established policies and procedures, they did not adhere to them and as a result, the chapter administration questioned the eligibility of some recipients, the appropriateness of some expenditures, and the fairness in

continually assisting the same veterans. In response, the Chapters indicated they were criticized for working against the veterans and constantly reminded that it was the veterans' monies, thus the chapter administration has no say in how the funds should be used.

Of the 53 respondents, 23% indicated difficult experiences whereas the other Chapters described fair to good working relationships with their respective veterans committees. However, some of these Chapters acknowledged that in the beginning when the funds were first appropriated to the Chapters, it started off rough. However, as more information became available to clarify the funding intent and the roles and responsibilities of the chapter administration and veterans committees, the working relationship improved. Some Chapters described better cooperation, communication and understanding to allow them to begin expending their Veterans Fund.

Veterans describe frustration for not directly administering the Veterans Fund.

Similar to the Chapters, we also sent a standard survey questionnaire to the 110 Chapters specifically intended for their veterans committees to complete to obtain their perspective on how the Veterans Fund has been administered to date. Of the 110 Chapters, 31 veterans committees responded to the survey and most were completed by their commander. As with the chapter administration, the veterans also expressed frustration with how the funds were administered. In the surveys, the common complaints of the chapter were: 1) too much paperwork involved; 2) chapter processes take too long; 3) too much insistence on complying with chapter policies and procedures; and 4) too much interference by the chapter and other entities in determining allowed and disallowed costs. Overall, the veterans said there was too much bureaucratic red tape involved with administering the funds.

The veterans indicated that although they were the best people to determine what their needs were, it seemed this was defined more by policies and procedures they were told to adhere to. Further, although they were told it was their monies, they could not directly administer the funds. They also thought the chapter policies and procedures imposed too much restrictions on how the funds could be used which often led to disagreements with the chapter administration. Some veterans claimed that Chapters did not adequately understand their needs and by imposing too many restrictions, they characterized this as a lack of respect for veterans and their services.

The surveys also noted that along with the chapter administration, the veterans were also frustrated with the lack of guidance provided in the Council's resolution on the appropriation, and more so with the conflicting interpretations they were receiving of the funding intent. Although the veterans developed budgets based on their needs, some of these expenditures were later questioned and disapproved by the Chapters. Consequently, the budgets had to be revised which delayed the assistance to the veterans. Nonetheless, not all of the respondents to the survey described bad working relationships with their respective chapter administration. Most acknowledged that although it took some time to determine the do's and don'ts with the funds, there is now better understanding and communication between them.

Chapters are legally responsible to administer the Veterans Fund rather than the veterans.

Due to the confusion by both the Chapters and veterans committees, several Chapters requested for legal advices from the Navajo Nation Office of Legislative Counsel and DOJ. A majority of the legal advices were issued by DOJ and in some they clarified the roles and responsibilities of the

chapter administration and veterans committees based on Navajo Nation laws. Accordingly, DOJ provided the following clarification:

- The Chapters are responsible for administering these funds in accordance with their five management systems as required by the Local Governance Act.
- The decision of who qualifies as a “veteran” for disbursement of veterans funds is up to the chapter through its duly adopted policies. It is not up to the veterans organizations.
- The chapter can, at its discretion, follow the recommendations and proposed budget of the veterans organization but because the chapter is solely accountable for the funds, the chapter is not obligated to follow the recommendations.
- The veterans funds must be budgeted and expended pursuant to each chapter’s written policies and procedures.
- As the custodian of chapter funds, a Community Services Coordinator (CSC) is a general “fiduciary” and is expected to manage chapter funds under the highest standard of care. As such, the CSC has the right to demand full documentation as she/he deems necessary in order to comply with chapter policies and procedures and Navajo Nation law.
- The CSC is ultimately accountable for chapter expenditures and cannot “bend” the rules, policies, and procedures of the FMS without making him or herself personally liable. It is not appropriate for any chapter member or community organization to attempt to induce a CSC to violate his/her fiduciary responsibilities.

DOJ makes clear that the chapter administration is responsible for administering the Veterans Fund. On the other hand, the veterans committees are standing committees of the Chapters serving advisory roles to help determine how to best address the needs of its local veterans. Based on our site visits and surveys, the Chapters understood the role of their veterans committees and as such, worked with their committees to identify needs and develop budgets.

Chapters and veterans agree Council resolution was too vague and contributed to problems with administering the Veterans Fund.

A majority of the 53 Chapters and 31 veterans committees that responded to our surveys agree that the Council resolution which appropriated the \$8 million for Navajo veterans was too vague. They also agree that this contributed to the problems they encountered with administering their funds. Some Chapters and veterans committees seemed patient as they worked thru the misinterpretations on how the funds were supposed to be used and as a result, these chapter indicated minor problems which were immediately resolved. On the other hand, other Chapters indicated major problems which by all accounts have created discord among the chapter administration and its veterans. The surveys mentioned hostility, verbal insults, ill feelings, and lack of respect.

During the site visits to 29 Chapters, the chapter administration also expressed some concerns about how their Veterans Fund was used and how some of the expenditures are questionable. These Chapters attributed the problems to the ambiguity of the Council resolution. Overall, most of the Chapters agree that information such as that provided in the legal advices issued by the Navajo Nation legal departments would have been more helpful if it was initially provided as part of the resolution that appropriated the funds. For some Chapters, this may have prevented disallowed costs and for others, it would not have delayed the assistance to the veterans.

The chapter administration and veterans committees alike offered similar recommendations of what the Council can do differently if given the opportunity to appropriate more funds in the future for Navajo veterans. The following are some direct quotes taken from the surveys:

Chapter Administration:

- *“provide clear and unambiguous conditions of appropriation (COA) and NOT micromanage upon disbursement to Chapters”*
- *“their COA should be more explicit what the funds are for, to whom, state NO per capita”*
- *“make clear understanding of intent and purpose; stress importance of chapter policies and procedures; make clear allowed and disallowed expenses”*
- *“Navajo Nation Council needs to work closely with Office of Management and Budget (OMB) and the Controller’s Office to ensure the language within the legislation does not conflict with any standing policies and procedures with the Budget Instructions Manual (BIM); also, they need to be specific on what the funds are to be utilized for, not be vague on the details”*
- *“very clear, concise COA sent directly to the Chapters; let the Navajo Veterans Department administer the funds at the agency level, not the Chapters”*

Veterans Committees:

- *“we need to have all guidelines (rules and regulations) first before all veterans funds are sent to Chapters”*
- *“be specific on what is not allowed and make it clear and understandable...and also define Navajo veteran”*
- *“be specific in the language of the appropriations”*
- *“properly identify purpose of allocations so questions will be minimal at Chapters”*
- *“it’s strongly recommended that any future funding allocated specifically to address Veterans needs be administered by the DNVA because of their knowledge specific to veterans; if the funds are to be administered by the Chapters, clear instructions should be issued to the Chapter officials and staff so they do not limit, restrict or impede Veteran’s use of the funds allocated...the appropriation language must be attached to the fund allocation document to each Chapter”*

Legislation rider on emergency legislation did not permit proper planning.

Riders which are amendments or additions to legislative bills are not uncommon in governments. According to our research, riders are typically added to legislative bills at a late stage in their evolution. The use of riders in the legislative process is also considered a time-honored tradition. Lawmakers do not add riders immediately but instead wait for the appropriate stage in the evolution of the bill. Usually lawmakers will wait until the bill successfully passes out of a committee before amending the bill with a rider. The rider may have no apparent link to the bill but since most riders would not pass into law if judged on their own merits, lawmakers will attach riders to increase its chance of getting approval with the overall bill.

For the Navajo Nation Council, riders are typically introduced on the floor when the Council is in a legislative session. Such was the case with the \$8 million Veterans Fund appropriation. The rider for this supplemental appropriation was added while the Council was considering a separate appropriation to address weather-related emergencies throughout the Navajo Nation. Because it was introduced on the floor, this did not present any opportunity for proper planning. There are no records to show that Navajo Nation departments such as DNVA, LGSC and OMB were consulted to determine which entity would be the appropriate administrators of the funds. Since DNVA currently exists for the main purpose of providing services for Navajo veterans, some chapters and veterans committees questioned why this department was not designated the fund administrators. Further, there was no time taken to develop funding guidelines that would basically specify the dos and don’ts with the funds. Essentially, the lack of basic planning for the Veterans Fund and its administration has resulted in questionable expenditures, inefficiencies, and discord within some Chapters.

FINDING II

Lack of Proper Planning Resulted in Questionable Financial Assistance

The \$8 million appropriation was made without any specific funding guidelines due to poor planning. After the appropriation was made, the Navajo Nation Department of Justice issued legal advice that clarified who was eligible for the funds. However, due to control deficiencies, the Chapters and their veterans committees cannot provide assurance that all Veterans Fund recipients were actually eligible veterans. A major control deficiency was disbursing funds without properly verifying the supporting documentation. Lastly, some veterans received repeat assistance and not all veterans who are registered with DNVA have been assisted by the Chapters.

Veteran eligibility was clarified after appropriation has been disbursed to Chapters.

Since the appropriation did not come with funding guidelines, some Chapters requested for legal advice from DOJ to clarify who is eligible for assistance with the Veterans Fund. Based on the language in the Council resolution, DOJ clarified the following:

- *Funds cannot be used to assist non-Navajo veterans; funds are intended for "Navajo veterans."*
- *The veteran would only qualify for assistance at the chapter where he/she is legally registered. It would be unfair to pay benefits to a veteran not registered with a chapter since the appropriation was made in part based on the number of registered voters within each respective chapter.*
- *Similarly, a spouse or minor child of a deceased veteran should only qualify at the chapter where they are legally registered, not where the veteran was registered when he/she became deceased.*
- *Active military personnel are not veterans as intended by Council, thus should not qualify for funds.*
- *Spouses of deceased veterans are probably eligible for funds based on Council's past public policy which permitted assistance to spouses with the Veterans Trust Funds. However, the chapter should decide this issue by community consensus via a chapter resolution.*
- *Mothers of deceased veterans may be eligible if there is no eligible spouse, and a child may be eligible if both parents are deceased. However, there should be no double dipping. A veteran, spouse, mother or child may qualify but only one of these individuals may qualify for the funds because a spouse, mother or child essentially "stands in the shoes" of the veteran.*

Records show that the first DOJ legal advice was issued in August 2008 which is approximately five months after the funds were received by most of the Chapters. Thereafter, DOJ issued several more legal advices to several Chapters. However, by all accounts, these legal advices were not issued to all the 110 Chapters. Nonetheless, in the absence of funding guidelines, these DOJ legal advices provided clarification of the roles and responsibilities of the chapter administration and veterans committee. They also clarified what the Council intended with the funds which helped define allowed and disallowed costs. All indications are that with the DOJ legal advices, the Chapters were finally able to move forward with disbursing the Veterans Fund. Based on the chapter accounting ledgers and budgets, it appears that the Chapters revised their budgets after obtaining clarification to ensure their veterans committees used their remaining funds only for allowed costs.

No assurance that all veterans who were assisted were actually eligible.

Since the Council appropriated the funds for "Navajo Veterans," the Chapters were responsible for verifying applicants for the funds were indeed Navajo veterans. Although the Council legislation was absent of eligibility requirements, most Chapters referred to the DNVA policies to help

determine their eligibility criteria. Overall, the Chapters required each veteran to: 1) be a Navajo; 2) have been honorably discharged from military service; 3) be registered with the chapter; and 4) be able to show a financial need.

The key supporting documentation were the DD-214 or discharge papers and a voter registration card to show the veteran was honorably discharged from military service and is currently a registered voter with the chapter. A veteran may also be required to provide a certificate of Indian blood to show he/she is member of the Navajo tribe. For some Chapters, if the spouse was requesting assistance, the spouse was required to provide a marriage certificate as well. To show financial need, the veterans were asked to submit documents such as quotes for building materials, medical appointment slips, utility statements or other bills from creditors/lenders.

For the 29 Chapters we visited for this review, we selected a total of 283 recipients (i.e., veterans, family members, active duty) who were assisted with some type of financial assistance; their financial assistance disbursements totaled \$243,271. In reviewing the recipient files, we noted the following:

- a. 79 of 283 (or 28%) recipients did not complete a financial assistance application
- b. 74 of 283 (or 26%) recipients did not have a DD-214 or discharge papers on file
- c. 67 of 283 (or 24%) recipients did not have a certificate of Indian blood on file
- d. 85 of 283 (or 30%) recipients did not have a voter registration on file
- e. 63 of 283 (or 22%) recipients did not have their application and supporting documents reviewed, assessed, and properly approved by its veterans committee

Since not all supporting documentation pertinent to verifying eligibility was on file, and since the veterans committees did not fully review, assess and approve all veteran applications, there is no assurance that all veterans who were assisted were actually eligible. More important, there is no assurance all veterans assisted met the eligibility criteria determined by DOJ based on their interpretation of the Council resolution. As such, there is a risk that some recipients of the Veterans Fund were not honorably discharged veterans, not registered with the appropriate chapter, and not a registered member of the Navajo tribe.

Some chapter administration indicated that their veterans committees refused to forward the supporting documents to the chapter due to the confidential nature of the veterans' records such as the DD-214. Essentially, the veterans did not want to entrust these personal records with the Chapters. In these instances, the veterans committee notified the chapter administration of their approval via correspondences or meeting minutes. Accordingly, the chapter administration relied on these documents to process the checks for the veterans.

Ineligible and non-veterans received assistance.

In awarding the Veterans Fund, the general rule among the 110 Chapters was that veterans registered were honorably discharged from military service. To verify this, the Chapters requested the veterans to provide a copy of their DD-214 or similar discharge papers. Our review of the supporting documentation for the 283 recipients we selected revealed their discharge records were either: 1) filed at the chapter; 2) filed with the veterans committee commander; or 3) not on file with the chapter administration. Nevertheless, based on the available records, we answered the following questions:

<u>Were all recipients Navajo Veterans?</u>			<u>Were all Veterans honorably discharged?</u>		
Veteran	249	88%	Honorable	194	68%
Non-veteran (i.e., active duty, spouse)	19	7%	Other than honorable/active duty	5	2%
Could not be determined	<u>15</u>	<u>5%</u>	Could not be determined	<u>84</u>	<u>30%</u>
	283	100%		283	100%

As shown, most of the recipients were veterans and most of them were honorably discharged. However, we could not verify the type and discharge status for some recipients because the necessary records were not found on file, information was not disclosed on the records, or the records were illegible to make a determination. We also found that at least five veterans whose records showed “other than honorable” discharge were assisted although the Chapters and veterans committees insisted on “honorably discharge.”

For those Chapters that assisted active military personnel, spouses, Blue/Gold star mothers, or other family members, the chapter administration indicated that the approval of the financial assistance to these non-veterans was left to the discretion of the veterans committees. The veterans committees explained that it permitted assistance to such individuals based on the DNVA financial assistance policies which allows such type of assistance. On the other hand, some veterans committee officers we met during the site visits were adamant that the Veterans Fund should only be for veterans, meaning those that have been honorably discharged from military service. This practice of assisting non-veterans limits the available funds for actual veterans because the funds are being spread out among more people. However, since the appropriation was made without specific funding restrictions that may have prohibited assistance to non-veterans, the discretion was left to the Chapters and their veterans committees.

Control deficiencies were found in processing of Veterans Fund disbursements.

The Chapters relied on their five management system policies and procedures to process the Veterans Fund disbursements. Specifically, the fiscal management policies and procedures outline pertinent control procedures to ensure the disbursements are proper. However, our review of chapter records at the 29 Chapters visited revealed a need for Chapters to improve these controls; we noted the following:

- a. For 142 of 283 (or 50%) recipients, the chapters did not review documents for appropriateness
- b. For 81 of 283 (or 29%) recipients, the chapters did not verify the budget for authorized expenses
- c. For 81 of 283 (or 29%) recipients, the chapters did not approve the disbursement via a fund approval form
- d. For 76 of 283 (or 27%) recipients, the chapters did not obtain two authorized signatures on checks
- e. For 195 of 283 (or 69%) recipients, the chapters did not deface documents to avoid duplicate payments

Since the Chapters did not fully implement their control procedures, they cannot provide reasonable assurance its Veteran Fund expenditures were proper. From our test work, there was indication that some of the Chapters basically had their veterans committees dictate the disbursement process. The veterans committee review applications to verify the eligibility of veterans and approve/deny the requests. Once approved, the veterans committee will forward the documents to the chapter administration to process a check for the veteran. For some Chapters, the check was processed without another review of the documentation. However, other Chapters performed a secondary review of the applications and supporting documents upon receipt from the veterans committee. If the chapter administration found incomplete supporting documentation, a check was not processed until the veterans committee addressed the discrepancies. However, despite these claims of additional review, we still found missing supporting documentation which

contradicts these claims. Consequently, the Chapters cannot provide reasonable assurance all veterans and any family members that were assisted with the Veterans Fund were actually eligible and their financial needs were legitimate.

During the site visits, some chapter administrative staff expressed concerns that by having the veterans committee approve requests, the committee tended to play favoritism. There were claims that some veterans who did not routinely participate in the veterans committee’s meetings or activities but otherwise qualified under the chapter requirements were denied assistance. With this practice, only a select group of veterans benefitted from the funds rather than all veterans within the community. These acts of favoritism were consequences of a process that afforded too much discretion to a select group of veterans or one officer to approve or deny a veteran’s request for assistance. Overall, although these control deficiencies were noted for only 29 Chapters visited, it nonetheless raises questions about the state of controls within the other Chapters, the fairness of their processes, and the propriety of their Veterans Fund expenditures.

Repeat assistance to same veterans limits available funds for other veterans.

While compiling the Veterans Fund expenditures based on the chapter accounting ledgers, we noted some veterans were assisted more than once by their Chapters. During the site visits to the 29 Chapters, we inquired with the chapter administration and veterans committee officers on these repeat assistance recipients. The Chapters indicated that based on the policies set by the veterans committees, a veteran may receive assistance from more than one assistance category. For example, the same veteran may be assisted with funds for building materials as part of the housing assistance as well as funds to defray travel expenses for routine medical appointments. In these instances, a veteran may receive assistance more than once.

Other Chapters explained that during the budget process, its veterans committees elected to set a maximum dollar limit for assistance such as \$1,000 or \$3,000 for a set number of veterans. The veterans were permitted to expend up to this dollar limit on whatever assistance they needed. Therefore, in some cases, the veterans may have submitted several requests for assistance such as to pay for utilities, personal debt payments, home furnishings, etc. but all these requests would total the dollar limit approved in the budget. Considering this, each veteran may have received several check disbursements. Table 2 shows the extent of repeat assistance for the 29 Chapters visited during the review; the results are summarized by agency.

**Table 2
Repeat Assistance - Veterans Fund**

Agency	Total # of Recipients	Total # of Recipients Assisted more than Once	% of Repeat Recipients	Largest Cumulative Total Assistance for One Recipient
Chinle	282	123	44%	\$ 5,530.07
Fort Defiance	479	241	50%	\$ 3,000.00
Shiprock	199	54	27%	\$ 3,500.00
Eastern	239	28	12%	\$ 5,482.27
Western	83	33	40%	\$ 23,280.24

Source: Auditor General compilation of accounting ledgers for the 110 Chapters.

The table shows that Chapters in all five agencies assisted some veterans more than once. The highest percentage of repeat assistance by Chapters was in Fort Defiance Agency. On the other hand, Eastern Agency Chapters had the lowest percentage of repeat assistance to its veterans. Of the 29 Chapters visited, we found one veteran to have been assisted over \$20,000. However, this Chapter explained the assistance was to build an entirely new home for the veteran; its veterans committee recommended using the appropriation to build new homes for two veterans with dire needs for housing. The Chapters we visited acknowledged that their veterans committees do not have policies limiting the number of awards to the veterans and are reluctant to establish such policies. Nonetheless, the Chapters recognize that by permitting repeat assistance, it limits the available resources to those veterans that have yet to be assisted with the Veterans Fund.

Due to the limited time during the site visits, we were unable to evaluate the relationships between recipients with similar last names to determine whether they were spouses, dependents or other relatives of a veteran. However, one chapter specifically pointed out the following with regards to some of its repeat assistance and the familial relationship:

- A Chapter official and her two children received repeated assistance separately as individual recipients; collectively their assistance totaled approximately \$7,600; the spouse/father was the veteran.
- A Chapter official who is a veteran and his spouse received assistance separately as individual recipients; collectively their assistance totaled approximately \$1,038.
- A Chapter administrative staff member, her spouse, daughter, and son received repeated assistance separately as individual recipients and collectively their assistance totaled approximately \$4,868; her son was the veteran.

It was noted some of these recipients were family members to living veterans, and this practice of assisting the veteran along with family members is characteristic of double-dipping which the DOJ legal advice clearly prohibited. Rather than just qualifying the veteran for assistance, his/her family members were also qualified. This raises questions about the fairness of the chapter's process in awarding assistance to its veterans, and this practice also limits available funds for other veterans who may otherwise have yet to be assisted. Although these incidents were noted for one chapter, there is a significant risk that similar incidents occurred at other Chapters considering there are no policies or funding guidelines that prohibited such practices.

Not all veterans registered with DNVA have been assisted at chapter level.

Although most Chapters and their veterans committees have allowed veterans to be assisted more than once, they also haven't undertaken outreach activities to try and get other veterans who have not been assisted to apply with their Chapters. The chapter administration explained that most don't have time for such outreach activities due to other duties and responsibilities and some argued that this should be really a responsibility of the veterans committees since they were established to advocate for the needs of the veterans within their communities.

In discussions with the veteran committee officers that attended our site visits, they acknowledged that not all veterans within their communities have been assisted for reasons such as: 1) some veterans are too prideful to ask for assistance; 2) some veterans do not want to deal with the bureaucratic red tape of the chapter government to get assistance; and 3) some veterans do not want to participate in veteran activities or events just to get assistance. Nonetheless, they continue

to announce their meetings and activities to encourage other veterans to participate and seek assistance while funds are still available.

To evaluate the performance of the 29 selected Chapters and their respective veterans committees in assisting as many of its local veterans, we performed a comparative analysis of the number of veterans registered with DNVA for these respective Chapters and the number of veterans they actually assisted with the Veterans Fund. Table 3 below shows this comparative analysis.

Table 3
DNVA Registered Veterans vs. Veterans Assisted by Chapters

Agency	# of Veterans Registered with DNVA	# of Veterans Assisted by Chapter	Variance - # of Veterans Not Yet Assisted	% of DNVA Registered Veterans Assisted by Chapters
Chinle	672	282	390	42%
Fort Defiance	1,222	479	743	39%
Shiprock	972	199	773	20%
Eastern	428	239	189	56%
Western	413	83	330	20%

Source: Auditor General compilation of accounting ledgers for 110 Chapters.

Overall, our comparative analysis shows that there are likely still many veterans within the Chapters who have not been assisted. Of the five agencies, the Eastern Agency Chapters assisted more than half of the veterans registered with DNVA. On the other hand, Shiprock and Western Agency Chapters showed the least at only 20%. Although our comparative analysis was limited to only 29 Chapters, the results provide an indication of whether the intent of the appropriation which was made to assist as many eligible veterans within the Chapters is being met.

The information provided by DNVA is approximate numbers of registered veterans. DNVA indicated that the figures are not exact because it was determined that some veterans are registered with more than one agency. Due to the duplicate registration, their figures are likely higher than the actual number of veterans within each community. On the other hand, DNVA is the only agency which maintains this type of data. Therefore, in order to perform our comparative analysis, we elected to use the DNVA data in the absence of other similar data. DNVA indicated that it is currently in the process of correcting the duplicate registration as part of its corrective action plan.

FINDING III

Chapters Incurred Disallowed Costs with the Veterans Fund

Of the \$8 million Veterans Fund, the Chapters have expended \$4.6 million at the end of fiscal year 2009. The funds were used for both direct and indirect costs. However, DOJ clarified that based on the Council's resolution, the indirect costs (or administrative costs) were disallowed. Nonetheless, the Chapters expended 19% of the funds for administrative costs. The direct costs were the financial assistance awarded to address housing, health and personal needs of the veterans.

DOJ defines the allowed costs with the Veterans Fund.

In its legal advices to help clarify the intent of the \$8 million Veterans Fund appropriation, DOJ also defined the allowed costs with the funds. DOJ explained that based on its interpretation of the language of the Council resolution, the Council intended the Veterans Fund for direct services such as the various types of assistance that would directly benefit Navajo veterans. The funds were not intended for and may not be used for any administrative costs, including the administrative costs of a private veterans organization. Examples of administrative costs include personnel, office supplies, operating supplies, travel, office equipment, stipends and conference/training fees.

Although DOJ provided clarification on allowed and disallowed costs, the chapter records show many of the Chapters still used their funds for administrative related costs. During our site visits, some chapter administration explained that their veterans elected to expend the funds on administrative costs because they were told it was their monies and they had the discretion on how to expend the funds. We also noted that the DOJ legal advices were not addressed to all 110 Chapters but only to those Chapters who requested for clarification. Gradually, these legal advices were shared with other Chapters but there is no assurance all Chapters received the information. This was indicated by some Chapters who acknowledged they were unaware of DOJ's legal advices regarding disallowed costs during our site visits. Since this information was not disseminated to all the 110 Chapters, this likely explains why some Chapters and their veterans committees continue to incur administrative-related expenditures.

Chapters expend about 19% of funds for administrative/operating expenses.

In light of the clarification made by DOJ regarding allowed and disallowed costs, we analyzed the Veterans Fund expenditures incurred as of September 30, 2009 by the 110 Chapters. The accounting ledgers provided by the Chapters show total expenditures of approximately \$4.6 million at the end of fiscal year 2009. Of this total amount, about 19% was incurred for administrative or operating expenses. Table 4 shows the total direct and indirect costs (i.e., administrative/operating) for each agency.

[See Table 4 at the next page]

Table 4
Administrative Costs for 110 Chapters - FY08 and FY09

Agency	Total Direct Costs	Total Indirect Costs	Percent of Indirect Costs	OVERALL TOTAL
Chinle	\$ 553,878.99	\$ 119,721.98	18%	\$ 673,600.97
Fort Defiance	\$ 1,154,881.06	\$ 258,807.30	18%	\$ 1,413,688.36
Shiprock	\$ 606,080.75	\$ 138,529.76	19%	\$ 744,610.51
Eastern	\$ 1,031,460.34	\$ 218,310.66	17%	\$ 1,249,771.00
Western	\$ 383,702.93	\$ 152,183.55	28%	\$ 535,886.48
TOTAL	\$ 3,730,004.07	\$ 887,553.25	19%	\$ 4,617,557.32

Source: Auditor General compilation of accounting ledgers from 110 Chapters.

As the table shows, the Fort Defiance Agency Chapters incurred the most Veterans Fund expenditures at about \$1.4 million. Of this amount, about 18% was for indirect costs. In contrast, the Western Agency Chapters incurred the least in total expenditures at \$536,000 but it also incurred the highest for indirect costs at 28%. Nonetheless, the table shows at least every chapter has incurred some type of administrative expense.

Based on the compilation of the Veterans Fund expenditures for the 110 Chapters, we classified the expenditures into direct and indirect costs categories. Within these categories, we itemized the expenditures further into types of direct and indirect costs. Generally, we identified the expenditures based on the chart of accounts used by the Chapters but there were instances where we relied on the description of the expenditures to classify in the appropriate category. Exhibit A found at the end of this report shows the overall expenditures for the 110 Chapters for fiscal years 2008 and 2009.

With regards to indirect costs, the ledgers show the Chapters incurred various types of administrative costs such as veterans committee stipends, travel for committee members, office supplies, office equipment such as laptops, catering services, food purchases, gifts/awards, advertising, consulting services, personnel, other professional services, and repairs and maintenance. Unfortunately, by expending the Veterans Fund for administrative costs, this practice reduced the amount of available funds for direct services such as assistance for housing, education, burial, medical transportation, traditional ceremonies, and hardship.

Financial assistance was provided for various needs.

Of the \$4.6 million in Veterans Fund expenditures as of September 30, 2009, approximately \$3.7 million (or 47%) was used for financial assistance which was deemed as direct costs. The Chapters awarded various types of assistance based on three major categories of veterans' needs: (1) housing; (2) health; and (3) personal. Specifically, assistance was awarded for the following needs:

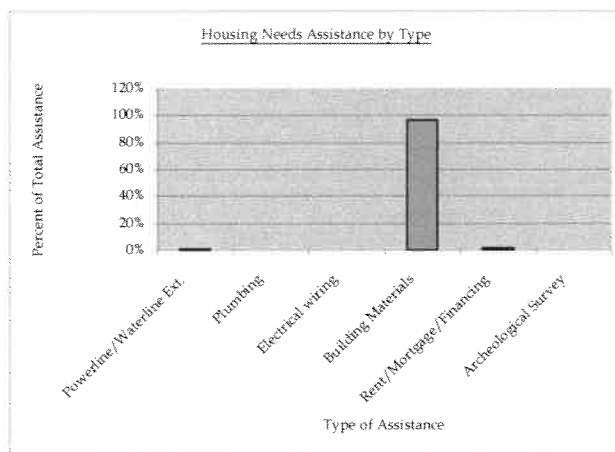
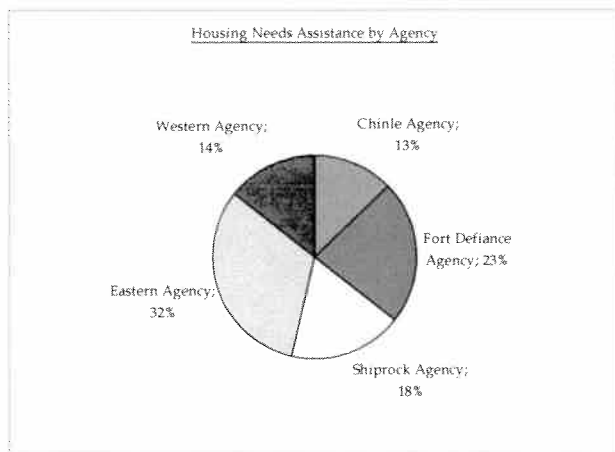
- | <u>Housing Needs</u> | <u>Health Needs</u> | <u>Personal Needs</u> |
|---|--|--|
| <ul style="list-style-type: none"> • Powerline/waterline extension • Plumbing • Electrical wiring • Building materials • Rent/Mortgage/Financing • Archeological Survey | <ul style="list-style-type: none"> • Eyewear, hearing aids, etc. • Traditional ceremonies • Transport to medical appointments | <ul style="list-style-type: none"> • Utilities (electricity, propane) • Heating (wood, coal) • Funeral • Higher education • Unidentified/per capita • Hardship (i.e., car payments, small loan payments, pawn, appliances, furniture, credit card payments, wood stoves, etc.) |

Table 5 shows the total expenditures incurred within each financial assistance category. It shows that most of the financial assistance was given to veterans to address their personal and housing needs. In addition to this table, we used pie charts to illustrate the breakdown of these financial assistance expenditures by the five agencies. The bar charts show the types of assistance within each major category and the percentage of expenditures within each type.

Table 5
Summary of Financial Assistance Expenditures - 110 Chapters

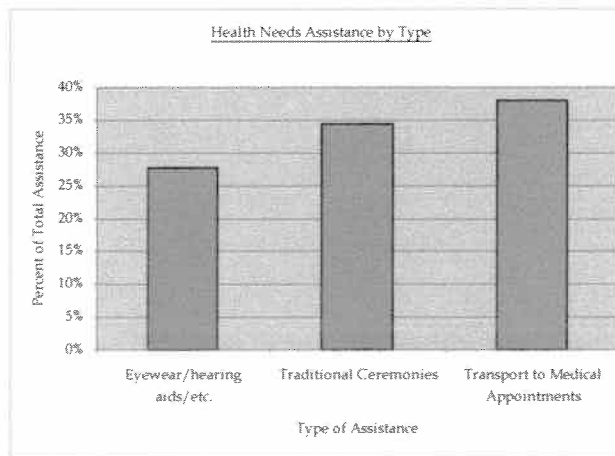
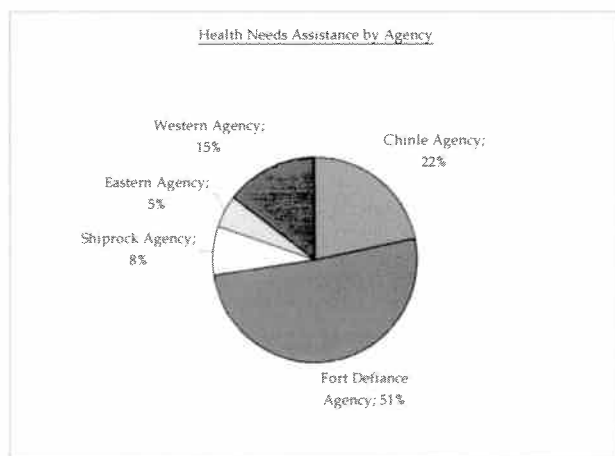
Type of Assistance	Total Expenditures	Percent
Housing	\$ 1,707,674.38	46%
Health	\$ 167,377.47	4%
Personal	\$ 1,854,952.22	50%
TOTAL	\$ 3,730,004.07	100%

Housing Needs Assistance:



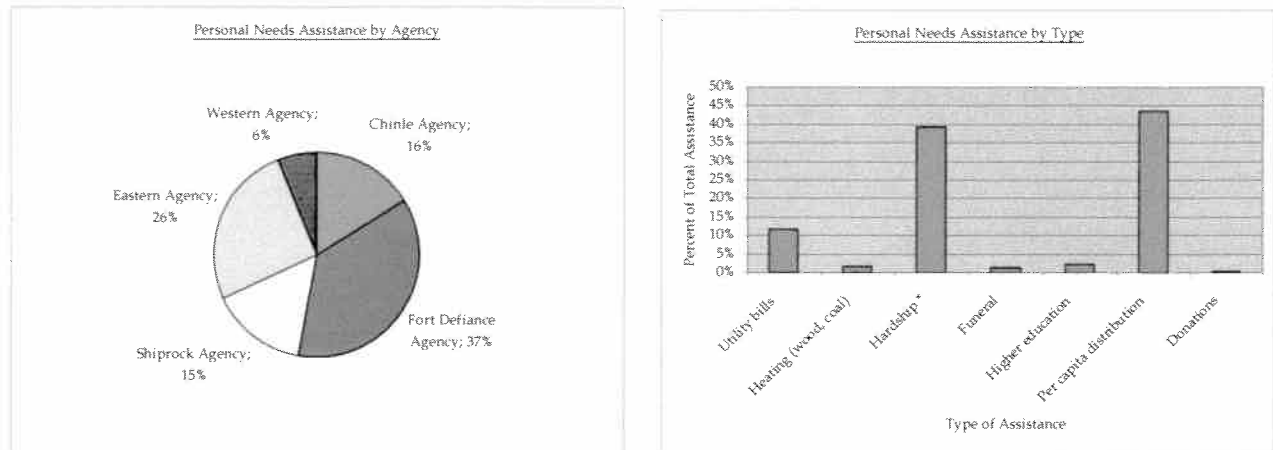
- a. Of the five agencies, Eastern Agency Chapters awarded the most in housing needs assistance at 32%.
- b. Of the six types of housing needs assistance, the Chapters assisted mostly with building materials at 96%.

Health Needs Assistance:



- a. Of the five agencies, Fort Defiance Agency Chapters awarded the most in health needs assistance at 51%.
- b. Of the three types of health needs assistance, the Chapters assisted mostly with funds to defray travel costs to medical appointments at 38%.

Personal Needs Assistance:



- Of the five agencies, Fort Defiance Agency Chapters awarded the most in personal needs assistance at 37%.
- Of the seven types of personal needs assistance, the Chapters assisted with per capita-like distribution at 44%; in these cases, the Chapters issued checks of equal amounts directly to veterans.

Source: Auditor General compilation of accounting ledgers for the 110 Chapters.

Per capita distribution was made contrary to LGA.

Exhibit B at the end of this report shows the financial assistance expenditures for each of the 110 Chapters based on the three major categories: housing, health and personal. As the charts illustrate in Table 5, we classified some of the personal needs assistance as per capita distribution based on the following:

- Chapter accounting ledgers showed equal amounts awarded to a specified number of veterans. The checks were made payable directly to the veterans.
- The ledgers did not disclose how these funds would be used by the veterans, so their purposes were deemed unidentified.
- Chapters indicated that the veterans did not return supporting documentation such as receipts or invoices back to the chapter administration to justify how they used the funds.

Those Chapters that disbursed their Veterans Fund as per capita distribution have violated Navajo Nation law, specifically the Local Governance Act Section 2003 (E) which states that per capita distribution of funds by the chapter is prohibited. In providing clarification, DOJ stated: (a) random distribution of the funds to various veterans is directly contrary to 26 N.N.C Section 2003 (E) that "per capita distribution of funds by the chapter is prohibited," and (b) if every veteran is already "pre-qualified" for an equal share based on their status as a veteran, that likely violates 26 N.N.C. Section 2003 (E). It is unclear why these Chapters chose to disburse their funds in this manner. Since there was a lot of confusion about the funding intent when the funds were first appropriated to the Chapters, it's possible that some chapter administration were unaware they were disbursing funds as per capita distribution while others may have been pressured to use this distribution method.

FINDING IV

Most Chapters are Gradually Expending their Veterans Fund

Our compilation of the Veterans Fund expenditures for the 110 Chapters revealed that most Chapters are gradually expending their funds. In other words, most of the Chapters did not rush to expend their funds. The initial confusion with the funding intent likely contributed to the slow disbursement of funds. At the end of fiscal year 2009, the Chapters had 42% of the \$8 million still available to assist Navajo veterans.

Unclear funding intent contributed to slow disbursement of funds.

Records show that a majority of the Chapters received their appropriated funds in April 2008. This gave the Chapters approximately six months to expend the funds in fiscal year 2008. However, based on the accounting ledgers provided by the Chapters, most had a slow start in disbursing their funds as indicated in the following table. Table 6 shows that at the end of fiscal year 2008, only 16 of 110 Chapters had expended 51 to 100% of their appropriated funds. In fiscal year 2009, more Chapters expended their funds but many others are in no rush to expend their funds. Interestingly, three Chapters had yet to expend any of their funds at the end of fiscal year 2009.

Table 6
Spending Status of \$8 Million Veterans Fund - 110 Chapters

Spending Status	Fiscal Year 2008		Fiscal Year 2009	
	# of Chapters	% of Chapters	# of Chapters	% of Chapters
Chapters that have expended 100% of their appropriated funds.	2	2%	8	7%
Chapters that have expended 51 - 99% of their appropriated funds.	14	13%	57	52%
Chapters that have expended 1 - 50% of their appropriated funds.	74	67%	42	38%
Chapters that have not expended any (0%) of their appropriated funds.	20	18%	3	3%
TOTAL	110	100%	110	100%

Source: Auditor General compilation of the accounting ledgers for the 110 Chapters.

Most chapter administration and veterans committees believe the confusion with the Council's resolution contributed to the delays in expending the funds. Rather than expending the funds, the Chapters and veterans committees spent their time getting clarification on the purpose of the funds, what were the allowable/disallowable costs, and who were the actual administrators of the funds. For some Chapters, their veterans committees had to either: 1) re-establish themselves; 2) update their plans of operations; 3) develop financial assistance policies and procedures; or 4) conduct needs assessments. Since these tasks took time, they delayed the disbursement of funds.

As of FY 2009, Chapters still have 42% of \$8 million available for Navajo Veterans.

After approximately 18 months since the funds were appropriated to the Chapters, many still have funds available for its veterans. This is an indication that most Chapters elected to gradually

expend their Veterans Fund. At the end of fiscal year 2009, 42% of the \$8 million remained unexpended as shown in Table 7.

Table 7
Fund Balance as of 09/30/09 - 110 Chapters by Agency

Agency	Total Appropriation	Total Expenditures as of 09/30/08	% of Appropriation Expended as of 09/30/08	Total Expenditures as of 09/30/09	% of Appropriation Expended as of 09/30/09	Fund Balance as of 09/30/09
CHINLE	\$ 1,049,738.33	\$ 268,482.94	26%	\$ 673,600.97	64%	\$ 376,137.36
FORT DEFIANCE	\$ 1,996,226.26	\$ 709,127.59	36%	\$1,413,688.36	71%	\$ 582,537.90
SHIPROCK	\$ 1,491,492.39	\$ 176,828.87	12%	\$ 744,610.51	50%	\$ 746,881.88
EASTERN	\$ 2,100,093.91	\$ 583,315.28	28%	\$1,249,771.00	60%	\$ 850,322.91
WESTERN	\$ 1,362,449.11	\$ 141,195.90	10%	\$ 535,886.48	39%	\$ 826,562.63
TOTAL	\$ 8,000,000.00	\$1,878,950.58	23%	\$4,617,557.32	58%	\$3,382,442.68

Source: Auditor General compilation of the accounting ledgers for the 110 Chapters

Since some Chapters still have funds available, their veterans still have an opportunity to seek assistance for whatever needs they may have. For some Chapters, their fund balances may sustain them for a few more years depending on the level of activities by their veterans committees but other chapters have already exhausted all of their funds. Based on the spending patterns, it seems those Chapters who expended their funds for administrative costs are the first to deplete their funds whereas those chapters who are focusing on direct services (i.e., financial assistance) have prolonged their available funds.

Most assistance was processed within 10 days.

Some of the veterans committees who responded to our surveys indicated one concern and that was the time it took for the Chapters to process requests for assistance; some stated it took too long. To determine the processing time, we documented the days it took for the chapter administration to process the veterans' requests for the 283 recipients whose files we reviewed during our site visits to the 29 Chapters. As we previously stated, some of these recipients were assisted more than once but for test work purposes, we only selected one award per recipient. Therefore, the processing time we evaluated was for the financial assistance award that we selected for the recipient. Our review revealed the following results:

<u>Processing Time Category</u>	<u># per Category</u>	<u>% per Category</u>
Same day	34	12%
1 to 10 days	109	39%
11 to 30 days	40	14%
31 to 45 days	12	4%
More than 45 days	20	7%
Could not determine	68	24%
TOTAL	283	100%

The results show that 39% of the requests for the 283 recipients were processed within 10 business days upon receipt by the chapter administration. Another 12% were processed within the same day. Collectively, more than half (or 51%) of the requests were processed in a timely manner. Therefore, the claims of time-consuming processes were likely seldom occurrences. Our results

also show that only 7% of the requests took more than 45 days to process; the longest processing time we noted was 280 business days. We documented the processing time based on the dates of the applications submitted by the veterans against the dates of the check disbursement. However, some Chapters did not use applications to document veterans' requests for assistance, therefore we were unable to determine the processing time.

During our site visits, the chapter administration explained that any delays with processing were typically due to the lack of proper supporting documentation. There were times when the veterans committee forwarded incomplete application packets and in these cases, the chapter administration had to wait for the veterans to submit the remaining documents before the processing could be completed. The wait for documents delays the processing. In other cases, some Chapters require chapter membership approval of the veterans' requests, so an application may be put on hold until the next regular chapter meeting. This approval requirement may also delay the processing. Nonetheless, on average, the chapter is processing requests within a reasonable timeframe.

CONCLUSION

In 2008, the Navajo Nation Council appropriated \$8 million to the 110 Chapters to assist Navajo Veterans with their needs. However, the funds were appropriated without any funding guidelines that make clear who is responsible for administering the funds and for what purposes the funds can be used. In the absence of such guidelines, the Chapters and veterans struggled with administering the funds. Control deficiencies such as improper verification of supporting documentation hindered the Chapters in providing assurance that all recipients of the Veterans Fund were in fact Navajo Veterans and were eligible for the assistance with these funds. The Council resolution was deemed too vague and thus created much confusion among the Chapters and veterans. This contributed to questionable use of the Veterans Fund such a repeat assistance, disallowed costs and unfair practices. At the end of fiscal year 2009, \$4.6 million of the \$8 million was expended by the Chapters. At least 19% of the total expenditures incurred were for disallowed costs; resources that could have otherwise been used to assist more veterans or to better address the veterans' needs. Overall, the lack of proper planning before these funds were appropriated to the Chapters contributed to control weaknesses in administering the Veterans Fund.

RECOMMENDATIONS

1. Before disbursing funds to the Chapters, funding guidelines should be developed to clarify the following:
 - a. fund administrators
 - b. eligibility criteria
 - c. application/disbursement process
 - d. compliance requirements
 - e. allowed/disallowed costs
2. The funding guidelines should be disseminated to each chapter along with the fund disbursement.
3. The Chapters should conduct appropriate orientation/training to educate potential recipients of the funding guidelines and any restrictions imposed on the funds.
4. If the appropriation is intended to benefit a certain group of Chapter community members, other Navajo Nation departments who may already be established to provide services to this particular group of people should be considered as the fund administrators to ensure the funds are administered efficiently and effectively. For example, funds appropriated to address Navajo Veterans needs should be administered by DNVA.
5. Better planning should be conducted when considering supplemental funding to the Navajo Nation Chapters. Such planning should involve the following:
 - a. Policy impact analysis and/or fiscal impact analysis should be conducted to support the supplemental appropriation.
 - b. Discussions with applicable Navajo Nation departments and programs to garner support for the supplemental funding but more important, to clarify key issues such as how and who will administer the funds.

Total Veterans Fund Expenditures (FY08 and FY09) - 110 Navajo Nation Chapters

Chapters	Appropriation	Total Personnel	Total Travel	Total Operational Supplies	Total Contractual Services	Total Financial Assistance	Total Capitalized Expense	Total Misc.	Grand Total	% Expended
1 Alamo Chapter	\$76,489.05	\$0.00	\$5,005.55	\$127.12	\$1,025.00	\$57,534.46	\$0.00	\$7,389.71	\$71,081.84	93%
2 Aneth	85,152.61	0.00	0.00	0.00	2,425.00	7,162.00	0.00	0.00	9,587.00	11%
3 Baahaali	64,007.65	0.00	1,458.79	0.00	233.48	23,146.65	0.00	220.00	25,058.92	39%
4 Baca/Prewitt	80,196.76	2,281.12	1,098.39	1,092.00	5,796.24	34,383.06	901.79	0.00	45,552.60	57%
5 Becenti	57,987.21	0.00	0.00	3,461.87	1,049.56	17,799.00	0.00	0.00	22,310.43	38%
6 Beclabito	57,142.88	0.00	0.00	430.03	2,228.87	44,842.50	385.15	0.00	47,886.55	84%
7 Birdsprings	59,712.57	0.00	(177.46)	100.00	2,262.64	13,848.24	0.00	0.00	16,033.42	27%
8 Black Mesa	55,637.76	0.00	0.00	1,600.16	2,232.87	44,400.00	0.00	0.00	48,233.03	87%
9 Blue Gap/Tachee	62,722.79	0.00	0.00	0.00	400.00	42,400.00	0.00	0.00	42,800.00	68%
10 Bodaway/Gap	75,681.42	12,394.28	0.00	2,042.91	399.78	10,836.32	0.00	1,209.45	26,882.74	36%
11 Cameron	67,605.22	0.00	1,033.83	163.32	1,649.98	16,275.12	0.00	0.00	19,122.25	28%
12 Casamero Lake	54,499.76	0.00	2,925.80	4,328.35	14,121.98	30,397.86	0.00	0.00	51,773.99	95%
13 Chichiltah	79,425.85	0.00	662.25	1,882.50	5,629.09	67,299.95	0.00	291.24	75,765.03	95%
14 Chilchinbeto	60,924.00	0.00	0.00	0.00	0.00	4,310.00	0.00	0.00	4,310.00	7%
15 Chinle	148,844.45	0.00	2,620.41	1,433.22	6,580.59	112,665.99	0.00	676.20	123,976.41	83%
16 Churchrock	95,982.06	0.00	0.00	0.00	0.00	54,946.06	0.00	0.00	54,946.06	57%
17 Coalmine Canyon	64,595.00	0.00	0.00	0.00	0.00	46,639.69	0.00	17,508.34	64,148.03	99%
18 Coppermine	60,813.87	0.00	0.00	943.90	0.00	39,432.44	0.00	0.00	40,376.34	66%
19 Cornfields	63,750.68	0.00	2,608.00	1,173.47	3,317.36	45,350.00	0.00	0.00	52,448.83	82%
20 Counselor	57,106.17	0.00	1,579.41	2,157.00	839.00	6,013.62	0.00	(5,358.94)	5,230.09	9%
21 Cove	56,261.84	0.00	0.00	459.09	0.00	20,686.16	0.00	0.00	21,145.25	38%
22 Coyote Canyon	70,688.87	0.00	450.00	0.00	2,449.96	5,862.66	0.00	300.00	9,062.62	13%
23 Crownpoint	82,105.68	0.00	0.00	10,201.68	9,120.07	21,107.79	1,399.94	0.00	41,829.48	51%
24 Crystal	64,631.72	16,526.15	0.00	0.00	2,312.24	13,219.31	0.00	12,980.23	45,037.93	70%
25 Dennehotso	71,863.58	0.00	1,150.00	64.20	900.00	24,178.15	963.85	0.00	27,256.20	38%
26 Dilkon	76,085.24	0.00	0.00	0.00	0.00	76,085.24	0.00	0.00	76,085.24	100%
27 Forest Lake	53,398.45	0.00	0.00	0.00	0.00	32,285.71	0.00	0.00	32,285.71	60%
28 Fort Defiance	145,907.66	137.70	24,702.48	551.81	27,212.54	89,554.80	0.00	(0.55)	142,158.78	97%
29 Gadit' ahi	58,501.15	0.00	989.50	2,707.78	3,144.86	45,475.67	0.00	0.00	52,317.81	89%
30 Ganado	77,370.09	0.00	485.02	720.09	5,200.00	66,265.75	0.00	466.89	73,137.75	95%

Chapters	Appropriation	Total Personnel	Total Travel	Total Operational Supplies	Total Contractual Services	Total Financial Assistance	Total Capitalized Expense	Total Misc.	Grand Total	% Expended
31	Greasewood Springs	3,201.22	684.02	1,123.28	2,246.21	29,707.37	0.00	0.00	36,962.10	55%
32	Hardrock	0.00	17,452.12	2,212.35	10,611.69	27,605.39	0.00	100.29	57,981.84	93%
33	Houck	0.00	0.00	0.00	895.76	55,496.67	0.00	0.00	56,392.43	72%
34	Huerfano	0.00	720.57	4,860.60	0.00	78,000.00	0.00	200.00	83,781.17	90%
35	Indian Wells *	0.00	0.00	0.00	699.81	31,114.01	0.00	0.00	31,813.82	51%
36	Ivanbito *	0.00	2,455.00	10,443.27	1,826.61	6,079.95	0.00	100.00	20,904.83	34%
37	Jeddito	91.80	2,027.77	1,086.24	7,554.48	42,498.89	0.00	319.05	53,578.23	82%
38	K'ai Bii To'	21,212.34	0.00	469.55	200.00	22,643.71	0.00	63.95	44,589.55	59%
39	Kayenta	68.88	0.00	1,722.86	10,400.00	14,355.93	754.98	0.00	27,302.65	26%
40	Kimlichee	9,726.05	0.00	0.00	0.00	38,631.94	0.00	0.00	48,357.99	57%
41	Klagetoh	0.00	0.00	377.14	3,339.10	17,097.30	0.00	4,461.61	25,275.15	39%
42	Lake Valley	0.00	1,000.00	198.04	2,475.00	39,965.19	0.00	800.00	44,438.23	88%
43	LeChee	0.00	0.00	0.00	1,755.00	31,724.84	1,500.00	3,000.00	37,979.84	58%
44	Leupp	9,434.79	2,351.44	10,835.55	0.00	45,088.06	0.00	565.21	68,275.05	90%
45	Littlewater	286.89	214.00	199.46	2,183.84	11,584.86	1,350.27	0.00	15,819.32	26%
46	Low Mountain	0.00	0.00	0.00	4,332.19	35,013.00	0.00	0.30	39,345.49	62%
47	Lukachukai	0.00	0.00	1,029.55	155.42	46,091.08	0.00	0.00	47,276.05	63%
48	Lupton	0.00	751.05	70.00	0.00	35,319.68	1,366.98	500.00	38,007.71	65%
49	Manuelito	0.00	12,278.38	1,108.55	1,769.71	24,859.84	0.00	0.00	40,016.48	64%
50	Many Farms	0.00	1,852.80	0.00	100.00	42,300.00	0.00	0.00	44,252.80	52%
51	Mariano Lake	0.00	0.00	0.00	0.00	11,077.55	0.00	4,959.98	16,037.53	25%
52	Mexican Springs	0.00	583.82	0.00	214.57	46,650.00	0.00	0.00	47,448.39	73%
53	Mexican Water	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
54	Nageezi	0.00	704.01	2,112.82	3,415.57	19,768.58	0.00	0.00	26,000.98	35%
55	Nahata Dziil	0.00	0.00	0.00	0.00	70,174.93	0.00	0.00	70,174.93	100%
56	Nahodishgish	0.00	0.00	(453.47)	0.00	36,990.00	0.00	96.78	36,633.31	73%
57	Naschitti	123.29	52.80	0.00	1,505.35	76,590.25	0.00	0.00	78,271.69	95%
58	Navajo Mountain	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%
59	Nazlmi	0.00	1,830.32	0.00	6,266.66	46,719.55	0.00	0.00	54,816.53	83%
60	Nenahnezad	0.00	1,508.66	17,630.49	0.00	28,700.00	0.00	2,711.68	50,550.83	67%

Chapters	Appropriation	Total Personnel	Total Travel	Total Operational Supplies	Total Contractual Services	Total Financial Assistance	Total Capitalized Expense	Total Misc.	Grand Total	% Expended
61 Newcomb	56,592.23	0.00	0.00	0.00	606.77	4,474.46	0.00	0.00	5,081.23	9%
62 Oak Springs	57,656.82	132.02	0.00	0.00	2,271.18	11,410.88	0.00	0.00	13,814.08	24%
63 Ojo Encino *	61,584.79	0.00	0.00	0.00	0.00	21,445.51	0.00	0.00	21,445.51	35%
64 Oljato	88,162.82	0.00	0.00	1,745.69	4,068.39	750.00	0.00	0.00	6,564.08	7%
65 Pinedale *	72,854.76	0.00	0.00	0.00	831.12	50,350.00	0.00	0.00	51,181.12	70%
66 Pinon	91,540.14	0.00	0.00	12,100.85	2,439.88	51,207.62	25,791.79	0.00	91,540.14	100%
67 Pueblo Pintado	54,279.50	0.00	0.00	2,612.43	1,859.72	49,837.44	0.00	0.00	54,309.59	100%
68 Ramah	76,929.57	0.00	923.19	4,935.09	3,739.52	63,240.68	0.00	405.56	73,244.04	95%
69 Red Lake #18 *	55,637.77	0.00	6,713.28	0.00	692.20	26,662.69	0.00	7,910.13	41,978.30	75%
70 Red Mesa	73,258.57	75.08	2,312.88	3,087.09	3,137.07	36,437.89	0.00	447.18	45,497.19	62%
71 Red Rock *	82,656.33	0.00	0.00	0.00	0.00	40,944.45	0.00	0.00	40,944.45	50%
72 Red Valley *	76,525.76	0.00	0.00	0.00	1,950.00	11,969.37	0.00	150.00	14,069.37	18%
73 Rock Point	70,945.84	0.00	0.00	1,491.70	2,328.25	25,764.43	0.00	0.00	29,584.38	42%
74 Rock Springs	75,754.85	0.00	0.00	2,758.93	0.00	40,584.62	0.00	0.00	43,343.55	57%
75 Rough Rock	59,198.63	0.00	0.00	0.00	654.33	26,770.00	0.00	0.00	27,424.33	46%
76 Round Rock	63,567.12	0.00	0.00	1,000.00	375.71	27,652.90	2,365.89	0.00	31,394.50	49%
77 San Juan	50,131.26	0.00	33.00	0.00	1,092.00	13,103.37	0.00	10,000.00	24,228.37	48%
78 Sanostee	92,347.76	0.00	394.67	0.00	1,275.00	86,510.44	0.00	0.00	88,180.11	95%
79 Sawmill	69,220.47	0.00	3,041.08	370.00	8,399.24	34,108.68	0.00	409.52	46,328.52	67%
80 Sheepsprings	59,308.76	0.00	770.54	6,102.87	3,279.77	31,479.48	0.00	(27.69)	41,604.97	70%
81 Shuprock	202,771.44	0.00	2,531.61	2,310.96	1,280.00	83,251.37	0.00	0.00	89,373.94	44%
82 Shonto	82,325.93	0.00	0.00	0.00	2,045.00	23,500.00	0.00	0.00	25,545.00	31%
83 Smith Lake	59,932.84	3,866.74	2,207.51	18,359.05	8,299.82	2,695.00	0.00	0.00	35,428.12	59%
84 St. Michaels	108,279.91	0.00	0.00	15,894.38	7,229.36	85,325.00	0.00	1,400.00	109,848.74	101%
85 Standing Rock	59,382.19	0.00	0.00	144.95	1,893.12	9,486.89	0.00	0.00	11,524.96	19%
86 Steamboat	77,627.06	0.00	8,576.49	0.00	872.51	29,000.00	0.00	0.00	38,449.00	50%
87 Sweetwater	67,238.12	0.00	264.60	510.59	2,813.58	12,256.58	0.00	0.00	15,845.35	24%
88 Teec Nos Pos	73,075.01	0.00	0.00	3,296.81	0.00	69,778.20	0.00	0.00	73,075.01	100%
89 Teesto	65,476.05	0.00	7,591.00	1,499.96	2,092.08	54,358.63	0.00	(150.00)	65,391.67	100%
90 Thoreau	73,845.93	87.75	0.00	2,908.29	1,657.91	23,103.81	0.00	250.00	28,007.76	38%

Chapters	Appropriation	Total Personnel	Total Travel	Total Operational Supplies	Total Contractual Services	Total Financial Assistance	Total Capitalized Expense	Total Misc.	Grand Total	% Expended
91 Tiis Tsoh Sikaad	54,022.53	0.00	0.00	849.98	2,878.11	20,308.83	0.00	0.00	24,036.92	44%
92 To' Nanees' Dizi'	146,421.59	2,100.00	0.00	0.00	15,280.90	18,099.43	0.00	0.00	35,480.33	24%
93 Toadlena/Two Grey Hills	68,155.87	2,111.19	1,760.29	1,297.74	5,097.72	35,395.40	0.00	2,295.80	47,958.14	70%
94 Tohajilee	68,339.43	37.52	38.50	0.00	2,639.07	11,900.00	0.00	0.00	14,615.09	21%
95 Tohatchi *	81,298.06	0.00	5,453.67	1,875.68	3,615.79	23,170.00	0.00	0.00	34,115.14	42%
96 Tolani Lake	59,382.18	0.00	0.00	0.00	0.00	13,923.58	0.00	20,000.00	33,923.58	57%
97 Tonalea	80,343.59	0.00	0.00	0.00	0.00	24,043.94	0.00	0.00	24,043.94	30%
98 Torreon	80,123.34	0.00	0.00	1,107.05	942.83	59,756.14	0.00	2,000.00	63,806.02	80%
99 Ts'ah Bii Kin	64,264.61	0.00	0.00	0.00	0.00	34,053.48	0.00	0.00	34,053.48	53%
100 Tsaille/Wheatfields	81,334.76	0.00	1,500.00	0.00	709.67	7,835.10	0.00	0.00	10,044.77	12%
101 Tsayatoh	65,696.31	0.00	0.00	0.00	625.00	64,808.71	0.00	208.60	65,642.31	100%
102 Tse Daa K'aan	71,937.01	114.80	6,871.98	1,269.28	21,893.66	28,184.60	0.00	0.00	58,334.32	81%
103 Tselani/Cottonwood *	79,535.97	0.00	(367.77)	564.00	0.00	14,059.00	0.00	0.00	14,255.23	18%
104 Twin Lakes	83,757.63	642.79	1,065.63	3,281.53	9,612.73	45,816.66	0.00	524.94	60,944.28	73%
105 Upper Fruitland	80,930.95	0.00	50.00	2,150.58	3,753.19	300.00	0.00	0.00	6,253.77	8%
106 Whippoorwill	65,586.19	0.00	3,367.28	0.00	800.00	31,886.65	0.00	11,265.70	47,319.63	72%
107 White Cone	69,293.89	114.80	693.04	412.02	5,018.31	14,217.87	0.00	0.00	20,456.04	30%
108 Whitehorse	55,711.19	0.00	6,935.12	840.25	3,934.97	33,020.34	1,699.91	0.00	46,430.59	83%
109 Whiterock	47,304.60	102.00	1,054.78	266.37	1,912.12	19,332.33	0.00	0.00	22,667.60	48%
110 Wide Ruins	66,981.16	0.00	0.00	1,001.66	1,123.00	56,178.85	0.00	500.00	58,803.51	88%
TOTAL:	\$8,000,000.00	\$84,869.20	\$156,841.10	\$186,712.56	\$309,498.68	\$3,730,004.07	\$38,480.55	\$111,151.16	\$4,617,557.32	58%

(*) Despite repeated requests, these Chapters did not submit fund/subsidiary ledgers for all of fiscal year 2009. Therefore, the information reported for these Chapters is based only on the information that was provided to the Auditor General.

SOURCE: Auditor General compilation of the Veterans Fund expenditures incurred by the 110 Chapters as recorded in their financial records.

**Financial Assistance Expenditures - 110 Navajo Nation Chapters
For FY 2008 and FY 2009**

	Chapters	Appropriation	Financial Assistance for Housing Needs	Financial Assistance for Health Needs	Financial Assistance for Personal Needs	Financial Assistance - Grand Total	% Expended for Financial Assistance
1	Alamo	\$76,489.05	\$4,450.00	\$0.00	\$53,084.46	\$57,534.46	75%
2	Aneth	85,152.61	6,262.00	0.00	900.00	7,162.00	8%
3	Baahaali	64,007.65	11,722.12	510.00	10,914.53	23,146.65	36%
4	Baca/Prewitt	80,196.76	26,228.00	0.00	8,155.06	34,383.06	43%
5	Becenti	57,987.21	12,887.39	700.00	4,211.61	17,799.00	31%
6	Beclabito	57,142.88	30,115.23	0.00	14,727.27	44,842.50	78%
7	Birdsprings	59,712.57	5,405.41	2,000.00	6,442.83	13,848.24	23%
8	Black Mesa	55,637.76	14,047.40	8,025.00	22,327.60	44,400.00	80%
9	Blue Gap/Tachee	62,722.79	0.00	1,200.00	41,200.00	42,400.00	68%
10	Bodaway/Gap	75,681.42	8,336.32	1,200.00	1,300.00	10,836.32	14%
11	Cameron	67,605.22	16,275.12	0.00	0.00	16,275.12	24%
12	Casamero Lake	54,499.76	23,999.08	1,862.78	4,536.00	30,397.86	56%
13	Chichiltah	79,425.85	49,599.70	0.00	17,700.25	67,299.95	85%
14	Chilchinbeto	60,924.00	3,000.00	500.00	810.00	4,310.00	7%
15	Chinle	148,844.45	11,894.88	500.00	100,271.11	112,665.99	76%
16	Churchrock	95,982.06	27,759.07	0.00	27,186.99	54,946.06	57%
17	Coalmine Canyon	64,595.00	17,388.44	5,114.85	24,136.40	46,639.69	72%
18	Coppermine	60,813.87	39,432.44	0.00	0.00	39,432.44	65%
19	Cornfields	63,750.68	1,500.00	0.00	43,850.00	45,350.00	71%
20	Counselor	57,106.17	4,460.00	0.00	1,553.62	6,013.62	11%
21	Cove	56,261.84	8,000.00	0.00	12,686.16	20,686.16	37%
22	Coyote Canyon	70,688.87	5,312.66	150.00	400.00	5,862.66	8%
23	Crownpoint	82,105.68	15,300.00	500.00	5,307.79	21,107.79	26%
24	Crystal	64,631.72	11,661.76	1,557.55	0.00	13,219.31	20%
25	Dennehotso	71,863.58	18,678.15	0.00	5,500.00	24,178.15	34%
26	Dilkon	76,085.24	24,588.69	23,591.12	27,905.43	76,085.24	100%
27	Forest Lake	53,398.45	27,085.71	900.00	4,300.00	32,285.71	60%
28	Fort Defiance	145,907.66	0.00	3,850.00	85,704.80	89,554.80	61%
29	Gadii' ahi	58,501.15	24,045.59	1,250.00	20,180.08	45,475.67	78%
30	Ganado	77,370.09	35,167.00	17,121.70	13,977.05	66,265.75	86%
31	Greasewood Springs	67,788.78	16,136.51	2,600.00	10,970.86	29,707.37	44%
32	Hardrock	62,429.11	12,905.39	300.00	14,400.00	27,605.39	44%
33	Houck	78,141.00	45,444.23	1,936.68	8,115.76	55,496.67	71%
34	Huerfano	93,265.52	0.00	0.00	78,000.00	78,000.00	84%
35	Indian Wells	61,805.05	29,212.01	1,902.00	0.00	31,114.01	50%
36	Iyanbito	60,887.30	2,479.95	0.00	3,600.00	6,079.95	10%
37	Jeddito	64,962.11	1,998.89	0.00	40,500.00	42,498.89	65%
38	K'ai Bii To'	75,424.45	16,296.90	1,550.00	4,796.81	22,643.71	30%
39	Kayenta	106,224.14	5,355.93	5,200.00	3,800.00	14,355.93	14%
40	Kinlichee	84,748.80	32,964.55	291.20	5,376.19	38,631.94	46%

	Chapters	Appropriation	Financial Assistance for Housing Needs	Financial Assistance for Health Needs	Financial Assistance for Personal Needs	Financial Assistance - Grand Total	% Expended for Financial Assistance
41	Klagetoh	64,778.56	13,800.94	2,896.36	400.00	17,097.30	26%
42	Lake Valley	50,608.50	0.00	0.00	39,965.19	39,965.19	79%
43	LeChee	65,145.65	11,189.75	4,305.00	16,230.09	31,724.84	49%
44	Leupp	76,085.23	45,088.06	0.00	0.00	45,088.06	59%
45	Littlewater	61,180.98	8,346.10	0.00	3,238.76	11,584.86	19%
46	Low Mountain	63,420.29	1,918.00	5,687.12	27,407.88	35,013.00	55%
47	Lukachukai	75,387.74	29,349.78	1,500.00	15,241.30	46,091.08	61%
48	Lupton	58,904.96	26,023.70	0.00	9,295.98	35,319.68	60%
49	Manuelito	62,465.83	20,724.53	0.00	4,135.31	24,859.84	40%
50	Many Farms	84,418.40	10,000.00	4,900.00	27,400.00	42,300.00	50%
51	Mariano Lake	64,411.46	8,914.08	1,050.00	1,113.47	11,077.55	17%
52	Mexican Springs	65,182.37	0.00	1,000.00	45,650.00	46,650.00	72%
53	Mexican Water	61,291.11	0.00	0.00	0.00	0.00	0%
54	Nageezi	74,800.39	10,843.78	1,200.00	7,724.80	19,768.58	26%
55	Nahata Dziil	70,174.93	0.00	0.00	70,174.93	70,174.93	100%
56	Nahodishgish	50,278.11	487.66	0.00	36,502.34	36,990.00	74%
57	Naschitti	82,656.33	27,795.21	1,800.00	46,995.04	76,590.25	93%
58	Navajo Mountain	57,473.26	0.00	0.00	0.00	0.00	0%
59	Nazlini	66,136.82	12,911.01	14,409.23	19,399.31	46,719.55	71%
60	Nenahnezad	75,901.69	24,000.00	100.00	4,600.00	28,700.00	38%
61	Newcomb	56,592.23	2,432.93	0.00	2,041.53	4,474.46	8%
62	Oak Springs	57,656.82	7,238.21	2,462.67	1,710.00	11,410.88	20%
63	Ojo Encino	61,584.79	17,820.52	0.00	3,624.99	21,445.51	35%
64	Oljato	88,162.82	0.00	250.00	500.00	750.00	1%
65	Pinedale	72,854.76	3,200.00	0.00	47,150.00	50,350.00	69%
66	Pinon	91,540.14	51,207.62	0.00	0.00	51,207.62	56%
67	Pueblo Pintado	54,279.50	49,837.44	0.00	0.00	49,837.44	92%
68	Ramah	76,929.57	49,095.05	0.00	14,145.63	63,240.68	82%
69	Red Lake #18	55,637.77	6,918.05	0.00	19,744.64	26,662.69	48%
70	Red Mesa	73,258.57	6,493.47	0.00	29,944.42	36,437.89	50%
71	Red Rock	82,656.33	37,949.81	390.04	2,604.60	40,944.45	50%
72	Red Valley	76,525.76	11,819.37	0.00	150.00	11,969.37	16%
73	Rock Point	70,945.84	9,224.43	2,500.00	14,040.00	25,764.43	36%
74	Rock Springs	75,754.85	28,231.57	0.00	12,353.05	40,584.62	54%
75	Rough Rock	59,198.63	15,670.00	300.00	10,800.00	26,770.00	45%
76	Round Rock	63,567.12	20,864.00	1,390.00	5,398.90	27,652.90	44%
77	San Juan	50,131.26	10,740.63	0.00	2,362.74	13,103.37	26%
78	Sanostee	92,347.76	86,510.44	0.00	0.00	86,510.44	94%
79	Sawmill	69,220.47	8,570.08	12,959.47	12,579.13	34,108.68	49%
80	Sheepsprings	59,308.76	18,261.29	0.00	13,218.19	31,479.48	53%
81	Shiprock	202,771.44	4,300.00	400.00	78,551.37	83,251.37	41%
82	Shonto	82,325.93	0.00	0.00	23,500.00	23,500.00	29%
83	Smith Lake	59,932.84	500.00	0.00	2,195.00	2,695.00	4%

	Chapters	Appropriation	Financial Assistance for Housing Needs	Financial Assistance for Health Needs	Financial Assistance for Personal Needs	Financial Assistance - Grand Total	% Expended for Financial Assistance
84	St. Michaels	108,279.91	1,200.00	0.00	84,125.00	85,325.00	79%
85	Standing Rock	59,382.19	7,186.89	0.00	2,300.00	9,486.89	16%
86	Steamboat	77,627.06	0.00	0.00	29,000.00	29,000.00	37%
87	Sweetwater	67,238.12	9,223.87	2,572.71	460.00	12,256.58	18%
88	Teec Nos Pos	73,075.01	0.00	0.00	69,778.20	69,778.20	95%
89	Teesto	65,476.05	32,158.63	2,700.00	19,500.00	54,358.63	83%
90	Thoreau	73,845.93	0.00	0.00	23,103.81	23,103.81	31%
91	Tiis Tsoh Sikaad	54,022.53	15,031.27	448.00	4,829.56	20,308.83	38%
92	To' Nanees' Dizi'	146,421.59	200.00	0.00	17,899.43	18,099.43	12%
93	Toadlena/Two Grey Hills	68,155.87	25,187.45	246.65	9,961.30	35,395.40	52%
94	Tohajilee	68,339.43	5,000.00	0.00	6,900.00	11,900.00	17%
95	Tohatchi	81,298.06	22,500.00	0.00	670.00	23,170.00	29%
96	Tolani Lake	59,382.18	8,405.91	900.00	4,617.67	13,923.58	23%
97	Tonalea	80,343.59	17,723.60	3,500.00	2,820.34	24,043.94	30%
98	Torreon	80,123.34	40,615.70	0.00	19,140.44	59,756.14	75%
99	Ts'ah Bii Kin	64,264.61	31,553.48	0.00	2,500.00	34,053.48	53%
100	Tsaile/Wheatfields	81,334.76	5,948.10	887.00	1,000.00	7,835.10	10%
101	Tsayatoh	65,696.31	50,919.53	1,550.00	12,339.18	64,808.71	99%
102	Tse Daa K'aan	71,937.01	17,336.13	5,170.00	5,678.47	28,184.60	39%
103	Tselani/Cottonwood	79,535.97	3,400.00	500.00	10,159.00	14,059.00	18%
104	Twin Lakes	83,757.63	27,285.70	800.00	17,730.96	45,816.66	55%
105	Upper Fruitland	80,930.95	0.00	0.00	300.00	300.00	0%
106	Whippoorwill	65,586.19	3,696.00	1,537.25	26,653.40	31,886.65	49%
107	White Cone	69,293.89	10,434.88	783.00	2,999.99	14,217.87	21%
108	Whitehorse	55,711.19	11,288.98	800.00	20,931.36	33,020.34	59%
109	Whiterock	47,304.60	15,704.23	120.09	3,508.01	19,332.33	41%
110	Wide Ruins	66,981.16	0.00	1,050.00	55,128.85	56,178.85	84%
	TOTAL:	\$8,000,000.00	\$1,707,674.38	\$167,377.47	\$1,854,952.22	\$3,730,004.07	47%

SOURCE: Auditor General compilation of Veterans Fund expenditures incurred by the 110 Chapters as recorded in their financial records.