



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

Egan
14681

B-200045

August 20, 1980

The Honorable Ted Stevens
United States Senate

Dear Senator Stevens:

This is in response to your inquiry of July 30, 1980, on behalf of your constituent, Dr. R. Holmes Johnson, who informed us of [alleged misuse of a Public Health Service (PHS) grant] to develop the Kodiak Area Native Association Health Clinic. We assigned case control number 22864 to his allegation and referred the matter for investigation to the Office of the Inspector General at the Department of Health and Human Services (HHS) on February 12, 1980.

We were notified by HHS' Inspector General's Office on July 23, 1980, that Dr. Johnson's allegation was investigated by the Health, Manpower and Preventive Services Branch of PHS. The investigation determined that grants ^{via} for the Kodiak Area Native Association Health Clinic were provided by the ⁰⁵¹³² Indian Health Service (IHS) and the Bureau of Community Health Services and that there is a demonstrated need for the clinic on Kodiak Island. The investigation, however, questioned whether the expansion of the clinic into Kodiak City was warranted and advised the Inspector General's Office that PHS is reassessing the need for the expansion and would notify the Inspector General of their findings. The above information was made available to Dr. Johnson by the Fraud Task Force on July 23, 1980, and by HHS' Inspector General's Office on July 30, 1980.

Subsequently, on August 12, 1980, we received a final report on the investigation from the Inspector General's Office. This investigation determined that no Bureau of Community Health Services funds will be used to support the clinic in Kodiak City. The clinic in Kodiak City is being supported with funds provided by the IHS. The Inspector General's Office advised that the expenditure of these funds in this manner is within the scope of the IHS statute.

If you have any further questions or if we can be of further assistance, please contact Mr. George Egan or Mr. Gary Carbone of the Fraud Task Force on 633-6987.

Sincerely yours,

James B. Atala

Comptroller General
of the United States

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