U.S. Department of the Interior
Office of Inspector General

AUDIT REPORT

Inventory System and Performance Results of the Abandoned Mine Land Program, Office of Surface Mining Reclamation and Enforcement

Report No. 2003-I-0074 **September 2003**

United States Department of the Interior

Office of Inspector General
Eastern Region Audits
381 Elden Street
Suite 1100
Herndon, Virginia 20170

September 30, 2003

Memorandum

To: Director, Office of Surface Mining Reclamation and Enforcement

From: William J. Dolan, Jr.
Regional Audit Manager, Eastern Region

Subject: Final Audit Report on the Inventory System and Performance Results of the Abandoned Mine Land Program, Office of Surface Mining Reclamation and Enforcement (Report No. 2003-I-0074)

This report presents the results of our audit of the Abandoned Mine Land Inventory System (AMLIS) and the Abandoned Mine Land (AML) Program performance reporting of the Office of Surface Mining Reclamation and Enforcement (OSM).

The OSM utilizes AMLIS, which is a computer database compilation of abandoned mine sites in the United States, to perform reclamation activities through AML. We found that AMLIS contained inaccurate data that compromised its ability to identify the highest priority sites for funding, forecast future reclamation needs, and measure performance under AML program goals. The OSM needs to establish a quality control system that ensures the accuracy of data entered into AMLIS, update and periodically adjust the estimated costs of reclamation, and establish procedures to verify the validity of reported performance for acid mine drainage projects.

In the September 26, 2003, response to our draft report, the Director of OSM concurred with the report's three recommendations. We consider Recommendations 1 and 3 resolved and implemented and Recommendation 2 resolved but not implemented. Accordingly, we are referring Recommendation 2 to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

The legislation, as amended, creating the Office of Inspector General, (5 U.S.C. App 3) requires semiannual reporting to Congress on all audit reports issued, actions taken to implement audit recommendations, and recommendations that have not been implemented. Therefore, this report will be included in our next semiannual report.

If you have any questions regarding this report, please call me at (703) 487-8011.

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Introduction

Background

The Surface Mining Control and Reclamation Act of 1977 (SMCRA) established the Office of Surface Mining Reclamation and Enforcement (OSM) to regulate coal mining operations and to reclaim lands and waters degraded and abandoned before the Act was passed. OSM performs reclamation activities through its Abandoned Mine Land Program (AML), which is funded from fees paid by coal operators to the Abandoned Mine Reclamation Fund (AML Fund).[1] State and Indian tribal governments perform nearly all of the reclamation work through grants from the AML Fund that totaled about $198 million in fiscal year (FY) 2001. Also in FY 2001, OSM administered the federal reclamation program that received about $18 million from the AML Fund for emergency reclamation activities not covered by state and Indian tribal programs.

SMCRA set priorities for using monies from the AML Fund, as follows: (1) the protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices; (2) the protection of public health, safety, and general welfare from adverse effects of mining practices; (3) the restoration of land and water resources and the environment previously degraded by adverse effects of mining practices; (4) the protection, repair, replacement, construction, or enhancement of public facilities; and, (5) the development of publicly owned land adversely affected by coal mining practices.

Inventory of Abandoned Mine Land

SMCRA also required the Secretary of the Interior to maintain an inventory of degraded sites meeting priorities 1 and 2 (high priority projects) and to provide standard procedures for states and Indian tribes to keep the inventory current. This requirement led OSM to create the Abandoned Mine Land Inventory System (AMLIS), which is a computer database compilation of abandoned mine sites in the United States. AMLIS contains data on unfunded high priority coal reclamation sites, funded projects, and completed projects listed by problem type.[2] It is the primary source of

[1] Coal mine operators pay fees of 35 cents per ton for surface mined coal, 15 cents per ton for coal mined underground, and 10 cents per ton for lignite. OSM deposits the fees into the AML Fund. Expenditures from the Fund may only be made through appropriations and are used to pay the costs of abandoned mine land reclamation projects and transfers to the United Mine Workers of America Combined Benefit Fund.

[2] A problem type is an adverse condition, such as a clogged stream, waste pile, landslide, subsidence, or an underground mine fire.

information on the number of sites and amounts of funds used for reclamation work completed and for sites remaining to be reclaimed. The information in AMLIS is developed and updated by the individual states or Tribes, or OSM, as applicable.

At the end of FY 2001, AMLIS reported that reclamation projects costing $1.5 billion had been completed and that it would cost $8.5 billion to reclaim the remaining abandoned mine sites. Of the $8.5 billion, priority 1 sites totaled approximately $200 million, priority 2 sites totaled about $6.5 billion, and priority 3 sites totaled about $1.8 billion. Funded but incomplete projects comprised the remaining $241 million.

GPRA Goals Related to the AML Program

The Government Performance and Results Act of 1993 (GPRA) requires federal departments to prepare annual performance reports comparing planned, measurable goals with actual performance results. Congress was concerned that "Federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance." The purpose of GPRA was to "help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality." In accordance with GPRA, OSM established two AML performance goals based on the following performance measures:

1. Acres Reclaimed. AML sets annual target goals based on specific amounts of acreage to be reclaimed, "GPRA acres." OSM computes GPRA acres using standard conversion factors for each problem type. For FY 2001, OSM planned to reclaim 8,600 GPRA acres and reported that 13,808 acres were reclaimed.

2. Number of New Acid Mine Drainage (AMD) Projects. In 1995, OSM started the Appalachian Clean Streams Initiative (ACSI). The intent of the initiative was to facilitate the partnership efforts of citizen groups; university researchers; the coal industry; corporations; the environmental community; and local, state, and federal government agencies in eliminating the environmental and economic impact of streams polluted by acid mine drainage. In FY 2001, OSM planned to fund 35 new cooperative AMD projects under ACSI and reported that 37 projects were initiated.

Objective and Scope

Our objective was to determine whether OSM: (1) maintained complete and accurate information in AMLIS to permit effective management of and reporting on AML activities, and (2) established adequate performance measures and goals, and data verification procedures to accurately report on AML performance results. Our audit was conducted at OSM headquarters in Washington, D.C.; Regional Offices in Pittsburgh, Pennsylvania, and Denver, Colorado; and five field offices.

As part of our audit, we evaluated OSM's system of internal controls related to the data in AMLIS and the information reported to Congress in its "Fiscal Year 2001 Performance Report."

We conducted our audit in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States. Accordingly, we included such tests of records and other auditing procedures that were considered necessary under the circumstances.

Results of Audit

We found that AMLIS contained inaccurate data. This diminishes its usefulness for identifying the highest priority sites[3] for funding, forecasting future reclamation needs, and measuring performance under AML program goals. Accurate information for decision-making is particularly important at this time because OSM's authorization for collecting reclamation fees under SMCRA is due to end on September 30, 2004, creating an imminent need for legislative and programmatic change. Our audit also determined that OSM lacked effective procedures for verifying the validity of reported performance under the goal for AMD.

AMLIS Not Accurate

Our testing of the accuracy of costs and measurement data[4] in AMLIS disclosed that approximately 23 percent of the data listed for completed projects and 22 percent for unreclaimed sites were incorrect or not supported by adequate documentation. We attribute these high error rates to the lack of adequate procedures for ensuring that data were accurately entered into AMLIS. In addition, we found that OSM does not perform a periodic adjustment of the estimated costs for unreclaimed sites to reflect price changes. As a result, the reliability of total AMLIS estimated cost of $8.5 billion for unreclaimed sites is questionable.

To determine whether the inventory of AML sites was complete and accurate, we reviewed sites listed for the States of Kentucky, Ohio, Pennsylvania, and West Virginia, because they accounted for 78 percent, or $6.7 billion of the $8.5 billion, of the estimated costs listed for unreclaimed sites in AMLIS. We statistically sampled 48 of the 8,925 line items listed for completed projects and 54 of the 8,529 line items listed for unreclaimed sites for these states. We restricted our review to errors impacting the two most significant attributes of the inventory, the measurement data (units) listed and the actual or estimated cost listed, as appropriate. Detailed information on our sampling methodology and results is in Appendix 1.

[3] Although AMLIS records data by problem areas, we refer to them as either unreclaimed sites or completed projects in the report.

[4] Measurement data (units) are acres, miles, feet, counts, or gallons per minute depending on the problem type. For example: acres of dangerous embankments, miles of clogged stream, feet of dangerous highwall, counts (two) of mine openings, and gallons per minute of water problems.

Completed Projects

We found errors in the unit and cost data recorded in AMLIS for 11[5] of the 48 sampled completed projects, resulting in a total projected error rate of 22.92 percent. Specifically, we found that:

- Measurement data (units) for 10 of the 48 completed projects reviewed were not in agreement with supporting documentation. For example, AMLIS reported for one project that 30 acres of spoil area had been reclaimed, but the supporting documentation showed that only 12 acres were reclaimed for the project. The error rate for these 48 projects was projected to be 20.83 percent.

- Reported costs for 10 of the 48 projects reviewed were either not supported by appropriate documentation or were not in agreement with the documentation provided. For example, for one project AMLIS reported $66,671 for a dangerous impoundment and the supporting documentation instead showed $37,950 for a dangerous slide. There was no supporting documentation for the dangerous impoundment that was reported in AMLIS. In another example, a project was incorrectly recorded in AMLIS as $805,456 for a surface burning reclamation project, when it should have been listed as $580,359 for cleaning up a bad water supply. The error rate for these 48 projects was projected to be 20.83 percent.

Unreclaimed Sites

We found 6 errors in the unit data and 12 errors in the cost data recorded in AMLIS for 12[6] of the 54 sampled unreclaimed sites, resulting in a total projected error rate of 22.2 percent. Specifically, we found that:

- Measurement data (units) for 6 of the 54 sites reviewed were either not supported by appropriate documentation or were not in agreement with the documentation provided. For example, AMLIS reported that four portals needed to be reclaimed at one site, and the supporting documentation reported two portals. The error rate for these 54 sites was projected to be 11.1 percent.

[5] 9 of the 11 projects contained errors in both recorded units and costs and were, therefore, included in each of the categories above.
[6] 6 of the 12 unreclaimed sites contained errors in both recorded units and costs and were, therefore, included in each of the categories above.

- Reported costs for 12 of the 54 sites reviewed were either not supported by appropriate documentation or were not in agreement with the documentation provided. For example, for one site AMLIS reported an estimated cost to reclaim of $72,178,523, however the supporting documentation showed an estimated cost of $52,762,500. The error rate for these 54 sites was projected to be 22.2 percent.

Update of Cost Estimates for Unreclaimed Sites

We also found that the estimated costs listed for unreclaimed sites are not periodically updated to reflect current conditions. OSM Directive AML–1 requires that OSM update the unreclaimed site inventory under specific circumstances, such as when new problems are identified, priority rankings change, or when estimated costs are revised "substantially." In our opinion, OSM should require that cost estimates recorded in AMLIS be updated periodically to facilitate effective decision-making.

We recognize that it is not practical to re-estimate the costs of reclaiming sites on an individual basis because the inventory contains information on approximately 9,000 unreclaimed sites. However, we believe a viable method could be developed, based on the average actual costs to reclaim each site. For example, an average reclamation cost per acre could be determined from the actual reclamation costs of recently completed projects and applied to the sites listed in AMLIS. Once cost estimates have been initially updated, either the average cost per acre method or an appropriate price index, such as one based on percentage increases or decreases in construction costs, could then be applied periodically to keep the estimates current.

GPRA Reporting

Improvements are needed in GPRA reporting on the number of acres reclaimed and AMD projects started. Specifically, OSM did not have adequate procedures for validating and verifying the information reported in AMLIS for unreclaimed sites, completed projects, and for the performance reported under the AMD goal.

AML Acres Reclaimed

The annual performance of the AML environmental restoration program is reported based on the number of GPRA acres shown as reclaimed in AMLIS and, therefore, any errors intrinsic to AMLIS are reflected in reported results. As previously discussed, our statistical review of AMLIS disclosed an average error rate of approximately 23 percent regarding completed projects. Consequently, because GPRA acres are based on the data recorded in AMLIS, performance results could be significantly misstated.

Implementation of our recommended actions for ensuring the accuracy of AMLIS data should correct the misstatements and serve as the verification and validation process for reported results.

Number of AMD Projects

We found that OSM did not have a method in place to verify and validate the data supporting the number of new AMD projects funded under the Appalachian Clean Streams Initiative. In FY 2001, OSM's goal was to provide funding for 35 new AMD projects, and it reported that 37 projects were actually provided funding during the fiscal year. However, we found that OSM had not established clear criteria to identify: (1) the actual date of a new project or (2) the type of documentation needed by OSM to ensure the validity of the newly funded projects reported. As a result, we found that states were identifying newly funded projects with varying criteria, such as authorization to proceed dates and actual project start dates. We also found that OSM frequently misinterpreted and erroneously reported information because they did not require clear and consistent documentation. We reviewed the documentation regarding the 37 new projects reported by OSM for FY 2001 and found support for only 25 new projects. As a result, instead of exceeding its target goal by two projects, OSM was actually 10 projects short of achieving its targeted performance. For example, OSM reported seven new projects for Ohio. During the audit, a State of Ohio Department of Natural Resources representative informed us that there were only three new ACSI projects during FY 2001.

During our audit, OSM developed a definition for "new" projects and distributed it to the states and OSM field offices. OSM is also in the process of developing criteria to establish clearly defined procedures for identifying, documenting, and verifying the validity of new projects for the year.

GPRA Goals and Measures

In our report, "Special Report to the Chairman, Committee on Governmental Affairs United States Senate, Review of the Fiscal Year 1999 Performance Reports and Fiscal Year 2001 Performance Plans for the U.S. Department of the Interior" (No. 00-I-533) in June 2001, we suggested that OSM could improve its fiscal year 2001 GPRA goals reporting by (a) providing sufficient information to fully explain the goals and their significance, (b) describing the total program areas for which measures have been established, and (c) adding goals and measures that address the highest priority coal projects.

We found that during fiscal year 2001, OSM had the goal to reclaim 8,600 acres and reported reclaiming 13,808 acres. This goal and its measure did not provide information on the accomplishments by priority or type of project. The other GPRA goal for fiscal year 2001 was to fund 35 new AMD projects under the Appalachian Clean Streams Initiative. OSM reported funding 37 new projects. This goal and its measure did not provide useful information on the results of the funding.

During fiscal year 2002, OSM identified three new GPRA goals and set measures that are more detailed and outcome-oriented for fiscal year 2004. For example, one new goal is to eliminate health and safety hazards related to past mining and its measures are the number of hazards eliminated by type, actual units, and the number of people no longer at risk for these hazards. OSM has established individual measurement goals for each type of hazard for fiscal year 2004. Also, the goal aims to reduce the safety risks related to past mining for 10,000 people. The other new GPRA goals are to improve mine-scarred land and water resources and to improve the use of financial resources dedicated to protecting the public from the adverse effects of past mining.

Recommendations

We recommend that the Director, OSM:

1. Establish a quality control system that ensures that states, Tribes, and OSM, as applicable, review and certify the accuracy of data entered into AMLIS.
2. Update the estimated costs of reclaiming sites not yet reclaimed and continue to adjust the costs on a periodic basis.
3. Establish procedures to verify the accuracy of the number of funded AMD projects reported under ACSI.

Director, Office of Surface Mining Response and Office of Inspector General Reply

In the September 26, 2003, response (Appendix 2) to the draft report, OSM concurred with the three recommendations. Recommendations 1 and 3 are considered resolved and implemented and Recommendation 2 resolved but not implemented (Appendix 3). The response indicated that Recommendation 2 will be implemented by the end of fiscal year 2004.

SAMPLING METHOD AND PROJECTED RESULTS

The purpose of our testing was to assess the reliability of the data contained in AMLIS for decision-making and reporting. Because the most significant information for effective decision-making and reporting involved the number of acres reclaimed each year by the AML program and the estimated costs to reclaim the remaining acres, we focused our review on errors that would impact the accuracy of these attributes. We performed a statistical review of random attribute samples selected from the total population of lines of data (input) for completed projects and unreclaimed sites in the following four states: Kentucky, Ohio, Pennsylvania, and West Virginia. These four states represent 78 percent of the total estimated cost to reclaim high priority AML acres. The sampling method gave every line (generally problem type) in the population the same chance of selection and was designed to measure the rate of occurrence on the attributes of interest, which were reported costs and measurement data (units). The samples were not designed to estimate the population values or their differences from the recorded values.

Completed Projects

We randomly selected 60 completed projects for review. However, we were unable to review the documentation for 12 of the sampled projects because 5 were USDA RAMP (Rural Area Mine Program) projects not within the scope of our review and 7 of the projects were archived and supporting documentation was not available. Exclusion of these 12 sample items resulted in a revised sample size of 48. The sample was drawn from lines of data in the AMLIS database. For the selected states, there were 8,925 lines of data with 4,053 project numbers.

	Sample Size	Number of Errors	Overall Error Rate	Error Rate		Confidence Level
				Lower Limit	Upper Limit	
Completed Projects	48					
Reported Costs		10	20.83%	10.5%	34.95%	95%
Measurement Data		10	20.83%	10.5%	34.95%	95%
Items in more than one category[7]		(9)				
Items with errors		11	22.92%	12.06%	37.26%	95%

[7] Nine of the 11 completed projects contained errors in both reported costs and measurement data and were, therefore, included in each of the categories above.

Unreclaimed Sites[8]

We randomly selected 60 sample items for review in this area. However, six sample items were USDA RAMP sites. Exclusion of these 6 items resulted in a revised sample size of 54. RAMP sites account for 709 of 8,529 lines of data and 391 of 5,219 problem areas for the selected states.

	Sample Size	Number of Errors	Overall Error Rate	Error Rate		Confidence Level
				Lower Limit	Upper Limit	
Unreclaimed Sites	54					
Reported Costs		12	22.22%	12.08%	35.53%	95%
Measurement Data		6	11.11%	4.22%	22.57%	95%
Items in more than one category[9]		(6)				
Items with errors		12	22.22%	12.08%	35.53%	95%

Sample Results

The overall error rate is the rate of occurrence of the problem in the sample. If we had reviewed the entire population, we are 95 percent confident that the actual error rate would fall between the lower limit and the upper limit. For example, in our sample of 54 unreclaimed sites, we found 12 with errors – a rate of 22.22 percent. Based on our sample, we are 95 percent confident that if we had tested all of the sites in AMLIS, the error rate would be between 12.08 percent and 35.53 percent.

For reported costs, an error occurs when the costs reported in AMLIS are not supported by appropriate documentation or are not in agreement with the documentation provided. For measurement data, an error occurs when data reported in AMLIS are not supported by appropriate documentation or are not in agreement with the documentation provided.

Six of the 12 unreclaimed sites contained errors in both reported costs and measurement data and were, therefore, included in each of the categories above.

[8] The unreclaimed sites included unfunded problem areas only. Funded projects were excluded because they were only 28 percent of the costs to be reclaimed and were in varying stages of completion.
[9] Six of the 12 unreclaimed sites contained errors in both reported costs and measurement data and were, therefore, included in each of the categories above.

United States Department of the Interior

OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
Washington, D.C. 20240

MEMORANDUM

To: William J. Dolan, Jr., Regional Audit Manager, Eastern Region
Office of Inspector General

Through: Rebecca W. Watson SEP 30 2003
Assistant Secretary – Land and Minerals Management

From: Jeffrey D. Jarrett, Director SEP 26 2003
Office of Surface Mining

Subject: Draft Audit Report on the Office of Surface Mining Reclamation and Enforcement Abandoned Mine Land Inventory System and Reporting of Abandoned Mine Land Program Performance Results (Assignment No. E-IN-OSM-040-201)

Thank you for the opportunity to review and comment on the Abandoned Mine Land Inventory System (AMLIS) and reporting of Abandoned Mine Land Program Performance Results. The audit was conducted to determine whether the Office of Surface Mining (OSM): (1) maintained complete and accurate information in AMLIS to permit effective management of and reporting on Abandoned Mine Land (AML) activities, and (2) established adequate performance measures and goals, and data verification procedures to accurately report on AML performance results.

The Draft Audit Report provided three recommendations for improving the quality of the data in AMLIS, updating the costs of unreclaimed problems in AMLIS, and on reporting the number of Funded Acid Mine Drainage (AMD) projects reported under the Appalachian Clean Streams Initiative (ACSI). The attached response addresses the three recommendations.

If you have questions or require additional information regarding this response, please have your staff contact Danny Lytton, Chief, Division of Reclamation Support at 202-208-2788, or by email at: Dlytton@osmre.gov.

Attachment

OFFICE OF SURFACE MINING
RESPONSE TO IG AUDIT RECOMMENDATIONS

OSM reviewed the Draft Audit Report and concurs with the three recommendations. The following responses address each of the three recommendations.

ABANDONED MINE LAND INVENTORY SYSTEM

Recommendations:

1. **Establish a quality control system that ensures that States, Tribes, and OSM, as applicable, review and certify the accuracy of data entered into AMLIS.**

   Response: OSM concurs with this recommendation and offers the following comment and response:

OSM Response:

A. As part of the FY2004 oversight of State and Indian Tribe Abandoned Mine Land Programs, each OSM Field Office will assure that each State and Indian Tribe AML program has procedures in place to ensure and certify the accuracy of data entered into AMLIS.

   OSM will provide general guidelines and suggestions. We will work with each State/Tribe and in the event there is the need for a system change in order to establish better controls, we will work with them to accomplish it.

B. Once these State and Indian Tribe procedures are in place, OSM will annually review a random sample of Problem Area Descriptions (PAD) to see if the information entered into AMLIS agrees with the information in the PAD.

2. **Update the estimated costs of reclaiming sites not yet reclaimed and continue to adjust the costs on a periodic basis.**

   Response: OSM essentially concurs with this recommendation. On balance, the information from AMLIS gives us sufficient information to determine the overall magnitude of the problems and costs. OSM offers the following comments and response:

OSM Comments:

A. Even if it were technically and financially feasible to update all the unfunded reclamation costs in AMLIS, policy makers would still have a rather imprecise estimate of the cost of dealing with the problems caused by past mining eligible for OSM funding. New problems arise where there were none before, for

example fires, slides, and subsidence. Existing problems that were ineligible for funding as they did not present a threat become eligible as a community expands into an old mining area bringing people into close proximity to the once remote problems.

B. OSM reviewed the cost per unit for recently completed reclamation for AML problem types on a State-by-State basis several years ago. In most instances there was a wide range of costs per unit for each problem type. While a change in the mix of type of reclamation performed from year-to-year could have an impact on the average cost per unit, on balance AMLIS gives us sufficient information to determine the overall magnitude of the problems and costs.

   OSM will take another look at recent costs per unit on a State-by-State basis in conjunction with knowledgeable State and Indian tribe AML staff to develop meaningful cost estimates. No attempt will be made to go out into the field and develop new engineering cost estimates, as this would be a very costly and time consuming effort.

C. While cost estimates would have to be developed on a State-by-State basis, these estimates cannot be used to compare States' and Indian tribes' efforts. First, for each individual problem type there is a wide variation in problem severity and how best to reclaim the problems within and between States and Indian tribes. For example, there is a dangerous highwall with numerous portals along its base. The portals might simply be sealed by the material pushed up against the highwall to reclaim the highwall. But, if bats are using the portals as roosting sites, it might be necessary, at significant expense, to install bat gates on the portals.

   Second, each State and Indian tribe uses different methods for allocating costs to problem types as no cost accounting procedures were established when the AML Inventory was initially developed. For example, there is a dangerous highwall with numerous portals along its base. The highwall is reclaimed by pushing dirt up against it to form a gentle slope. How much of the reclamation cost should be allocated to sealing the portals? Maybe it should be $1.00 or $0.00 since no extra effort was required to seal the portals. Or a State or Indian tribe might use the average recent cost to seal a portal.

OSM Response:

A. OSM will work with the States and Indian tribes to develop a method of updating the estimated cost of reclaiming unfunded problems in AMLIS.

B. The method would then be used to update the estimated cost of reclaiming unfunded problems by the end of fiscal year 2004, and periodically thereafter.

REPORTING THE NUMBER OF FUNDED AMD PROJECTS REPORTED UNDER THE APPALACHIAN CLEAN STREAMS INITIATIVE

Recommendation:

3. **Establish procedures to verify the accuracy of the number of funded AMD projects reported under ACSI.**

Response: OSM concurs with the findings leading up to this recommendation, and agrees with the recommendation. We have already complied with the recommendation in general.

On August 30, 2002, a Memorandum was sent from the Assistant Director, Program Support to the Regional Directors. This Memorandum, which was prepared with input from the regional offices, very clearly lays out guidelines for tracking acid mine drainage projects from their inception to completion. A copy of the memorandum is attached.

A few changes are being made to the memorandum. These include the reporting dates of information and, to facilitate the reporting, we are putting a matrix on the OSM Website. The Field Offices will be able to electronically update the information on a regular basis once the matrix is online. This matrix will be available by December 31, 2003.

Status of Audit Recommendations

Recommendation	Status	Action Required
1 and 3	Resolved and implemented.	No further response to the Office of Inspector General is necessary.
2	Resolved; not implemented	No further response to the Office of Inspector General is necessary. The recommendation will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

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