



# United States Department of the Interior

## OFFICE OF INSPECTOR GENERAL

Central Region

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Lakewood, Colorado 80228

C-ST-BLM-0001-2006

January 30, 2006

### Memorandum

To: Assistant Secretary for Policy, Management and Budget  
(Attention: Associate Director for Finance, Policy and Operations)  
Director, Bureau of Land Management

From:   
Jack Rouch  
Regional Audit Manager

Subject: Status Review of the Five Recommendations in Our March 2005 Flash Report  
No. C-IN-BLM-0013-2005 Titled "Public Safety Issues at the Saginaw Hill  
Property, Bureau of Land Management"

The Office of Inspector General has completed a status review of the five recommendations that were presented in the subject flash report. The objective of the review was to determine whether sufficient and timely action was taken to resolve and implement the recommendations. We found that BLM took quick action to address our recommendations and has made significant progress in implementation. We concluded that Recommendations 1, 3, and 4 were resolved and implemented and that Recommendations 2 and 5 were resolved but not implemented. For Recommendations 2 and 5, BLM has taken appropriate steps to implement the recommendations; however, has not yet completed all of its planned actions. The status of the recommendations is summarized in the Appendix.

### Background

In our March 2005 flash report titled "Public Safety Issues at the Saginaw Hill Property, Bureau of Land Management" (Assignment C-IN-BLM-0013-2005), we found that the general public had unrestricted access to numerous hazards at the Saginaw Hill Property. Specifically, we found that BLM had not (1) reported the presence of unsafe levels of arsenic and lead on the Saginaw Hill Property to the National Response Center as required by law, (2) notified the public or local community about the dangers existing at the site, or (3) adequately protected the public by installing sufficient fencing or otherwise marking many of the open mine shafts situated on the property. We made five recommendations to correct public safety issues. BLM provided a response to the report dated April 1, 2005,

which concurred with all five recommendations and identified a timetable for proposed corrective actions.

### **Scope and Methodology**

The scope of our review was limited to determining whether BLM took sufficient and timely action to address the five recommendations. We reviewed the supporting documentation that BLM provided to indicate the status of the recommendations. We also interviewed BLM program personnel as appropriate.

We did not perform any site visits or conduct any detailed tests to determine whether the underlying deficiencies that were initially identified have been corrected. As a result, this status review was not conducted in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States.

### **Results of Review**

#### **Recommendation 1: "Notify the National Response Center of the contamination at the Saginaw Hill Property."**

In response to Recommendation 1, BLM officials explained that they reported the presence of contaminants at the Saginaw Hill Property to the National Response Center (NRC) on March 17, 2005. BLM provided us a copy of the memorandum documenting the NRC notification and the assigned NRC case number. We have concluded that Recommendation 1 has been resolved and implemented.

#### **Recommendation 2: "Notify the public of the conditions at the site."**

In response to Recommendation 2, BLM officials explained that they would complete a Community Relations Plan and an Engineering Evaluation and Cost Analysis (EE/CA) for removal action by April 22, 2005. To notify the public of these plans, BLM officials stated they would conduct public meetings to implement the Community Relations Plan and give the public 30 days to review the EE/CA. In addition, BLM tested an adjacent landowner's well, determined the water quality met drinking standards, and notified the landowner of these results.

BLM provided us a copy of the completed Community Relations Plan dated January 2005 and a copy of the draft version of the EE/CA dated September 23, 2005. BLM also provided documents showing that a public meeting on the site and its hazards was advertised in a local newspaper and was conducted at a local elementary school in June 2005. In January 2006, however, BLM officials told us that the EE/CA had not yet been issued in final and may need revisions based on comments received from the public during the 30-day public comment period.

We determined that BLM has taken steps to fulfill the intent of the recommendation; however, the recommendation cannot be considered fully implemented until the final

EE/CA has been issued. We have concluded that Recommendation 2 has been resolved but not implemented.

**Recommendation 3: "Take steps to prevent public access to contaminated areas on the Saginaw Hill Property."**

In the response to Recommendation 3, BLM officials explained that the existing vandalized fence on the site was repaired and that stolen hazard warning signs were replaced in February 2005. In addition, BLM officials stated that they would contract for installation of a new stronger chain link fence and that BLM had erected construction fences around the abandoned mine shafts. BLM officials noted the fences would remain until the site was remediated. BLM also planned to issue a Federal Register Notice and a News Release restricting public use of 20 acres of land around two contaminated sites on the Saginaw Hill Property.

BLM officials provided us documents showing that the chain link fence and other fences were installed at the site. BLM officials also provided copies of the Federal Register Notice and News Release issued in April 2005, which restricted public use of 20 acres of land around two contaminated sites. We have concluded that Recommendation 3 has been resolved and implemented.

**Recommendation 4: "Conduct an inspection of the Saginaw Hill Property to identify all physical hazards presenting a safety risk to the public and take action to mitigate the hazards."**

In the response to Recommendation 4, BLM officials explained that they conducted an "onsite assessment and risk analysis" in February 2005 at the Saginaw Hill Property. The BLM inspection identified a need to close 28 mine shafts and one mine adit (a mine that can be entered horizontally). BLM officials also determined that the water used by the adjacent elementary school is not affected by the contaminants existing on the Saginaw Hill Property because the school uses water provided by the city as opposed to local well water.

BLM officials provided us a copy of a Record of Decision signed by the BLM Tucson Field Office Manager, which revised the closure need to 27 mines, and a copy of a News Release dated June 21, 2005, announcing this action. Officials at the BLM field office in Tucson, Arizona, later provided us documentation showing the Record of Decision had been implemented. We have concluded that Recommendation 4 has been resolved and implemented.

**Recommendation 5: "BLM should assess its lands to identify hazardous sites in close proximity to populated areas similar to Saginaw Hill. BLM should inspect these sites and take appropriate action to mitigate any safety hazards."**

In the response to Recommendation 5, BLM officials explained that they would "develop a report on what resources will be needed to identify hazardous sites in close proximity to populations."

On September 13, 2005, BLM issued Instruction Memorandum (IM) No. 2005-231 covering the "Identification of Hazardous Sites Near Populated and High-Use Areas." The IM implements a field level process for identifying hazardous sites that are located near highly populated areas, assessing the extent of the hazard, and identifying proposed mitigating actions and associated cost estimates. The findings from the field level procedures are to be reported to the BLM Washington Office by March 31, 2006. The BLM Washington Office will compile this information into a Bureau-wide report which will be used to develop a proposed resource request and as part of the development of national abandoned mine land and hazard management program strategies.

We believe this plan is a good start towards protecting the public from the hazards associated with these sites. However, Recommendation 5 should not be considered implemented until BLM takes appropriate action to mitigate the safety hazards identified. We have concluded that Recommendation 5 has been resolved but not implemented.

## **Conclusion**

We informed BLM officials at an exit conference on January 17, 2006, that we concluded Recommendations 1, 3, and 4 have been resolved and implemented and Recommendations 2 and 5 are resolved but not implemented. BLM officials concurred with our conclusions on the status of the five recommendations. BLM officials should provide the Office of Financial Management with action plans to implement Recommendations 2 and 5, including revised target dates.

## **Responding to the Review**

We are referring Recommendations 2 and 5 to the Office of Financial Management for tracking of implementation. We request that the Office of Financial Management take the appropriate follow-up action and inform us of the actions taken on Recommendations 2 and 5.

If you have any questions regarding this report, please call me at (303) 236-9243.

cc: Focus Leader for Management Control and Audit Follow-up, Office of  
Financial Management, Office of the Assistant Secretary for Policy,  
Management and Budget  
Audit Liaison Officer, Department of the Interior  
Audit Liaison Officer, Assistant Secretary for Land and Minerals Management  
Audit Liaison Officer, Bureau of Land Management

## Appendix

### Status of Prior Flash Report Recommendations

<b><u>Recommendation</u></b>	<b><u>Status</u></b>	<b><u>Action Required</u></b>
1, 3, and 4	Resolved and Implemented	No further action required.
2 and 5	Resolved but Not Implemented	Provide the Office of Financial Management with action plans, including revised target dates.