



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

July 6, 2015

Memorandum

To: Douglas Glenn
Director, Office of Financial Management

Attention: Allen Lawrence
Division Chief, Internal Control and Audit Follow-up, Office of Financial
Management

From: Jeff Carlson *Madeline J. Peterson for*
Director, Energy Audits Unit
Central Region – Audits, Inspections, and Evaluations

Subject: Verification Review of Recommendations for the Evaluation Titled “A New
Horizon: Looking to the Future of the Bureau of Ocean Energy Management,
Regulation and Enforcement” (CR-EV-MMS-0015-2010)
Report No. 2015-EAU-064

In December 2010, the Office of Inspector General issued the evaluation report “A New Horizon: Looking to the Future of the Bureau of Ocean Energy Management, Regulation and Enforcement” (“New Horizon”). Chapter 5 of the report, “Enhanced Accident Investigations,” contained six recommendations to improve incident investigations.

This verification review resulted from our work on “The Bureau of Safety Environmental Enforcement [BSEE] Incident Investigation Program” evaluation. When we started that evaluation, all six recommendations from “Enhanced Accident Investigations” had been closed and considered implemented by the Office of Financial Management (PFM). We found, however, four of the six recommendations (48, 49, 50, and 53) from “Enhanced Accident Investigations” were closed but not implemented. Recommendation 49 was never referred to PFM for tracking. During our evaluation, BSEE’s leadership agreed to ask PFM to reopen these recommendations.

Recommendation 48: “Consider restructuring the accident investigation program to dedicate additional full-time staff with appropriate training in accident investigations” (Closed 9/13/2011). This recommendation was closed based on an organization chart that was submitted to PFM by former Director Bromwich showing the Investigations and Review Unit’s (IRU’s) creation and the reorganization of BSEE’s incident investigation program.

We found, however, that BSEE did not fully implement the proposed organizational changes contained in that organization chart, and that BSEE's current leadership was unaware of these proposed changes.

Recommendation 49: "Require operators to provide detailed descriptions of certain types of accidents (e.g. fires) to determine whether accident investigations or other corrective actions are necessary" (Closed 4/21/2011). BSEE's response to the recommendation was that incident reporting requirements were already addressed in the Code of Federal Regulations at 30 C.F.R. § 250.188, and it concluded that the regulation specifies the types of incidents that an operator must report to BSEE. The recommendation was closed based on BSEE's response that 30 C.F.R. § 250.188 was adequate for incident reporting. This recommendation was never referred to PFM for tracking.

We found that BSEE's response to Recommendation 49 did not fully address the recommendation. We recommended that BSEE require operators to provide more details of incidents in operators' Offshore Incident Reports (OIRs), but the level of information provided by operators in OIRs continues to be vague since first identified in "New Horizon."

Recommendation 50: "Develop and implement internal procedures to fully conduct and document accident investigations, including planning, basic investigation, evidence gathering protocol, and supervisory review" (Closed 6/5/2014). IRU was established under Secretarial Order No. 3304 to address the recommendation. IRU finalized its "Policies and Procedures" manual in August 2013 instructing employees to work collaboratively with regional and district offices to conduct investigations and prepare reports of incidents, including accidents, in the Outer Continental Shelf, and said that IRU will work with personnel in the district in which the incident occurred to ensure that appropriate enforcement actions are taken.

We found that BSEE has not fully implemented the recommendation because the district and regional offices have not been reporting district-level investigations to IRU staff on any regular or procedural basis. IRU became aware of the investigations because it monitored the OIR reports uploaded in BSEE's Technical Information Management System database. IRU had to contact the districts to request involvement in district investigations. IRU needs district managers to communicate all operator-reported incidents immediately. BSEE will also need to update the manual once it completes its realignment and its policy development and implementation for the National Program Manager initiative.

Recommendation 53: "Establish a system to track investigation recommendations for implementation and verify that they have been implemented" (Closed 9/30/2014). As of October 22, 2014, IRU was still developing its Case Management System (CMS). Since the CMS is still under development, this recommendation is not fully implemented.

More details related to these findings will be provided in our soon-to-be-issued report titled "The Bureau of Safety and Environmental Enforcement, Incident Investigation Program," Report No. CR-EV-BSEE-0014-2014.

As a result of our work conducted during the BSEE evaluation, we request that PFM reopen “New Horizon” Recommendations 48, 50, and 53 for tracking and begin tracking Recommendation 49.

We thank PFM for providing information we requested during our verification review. If you have any questions concerning this memorandum, please contact me at 303-236-9107.

cc: Brian Salerno, Director, BSEE
Jonathan House, Audit Liaison Officer, PFM
Nancy Thomas, Audit Liaison Officer, PFM