



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

AUDIT REPORT

**REIMBURSEMENT OF FIREFIGHTING COSTS,
BUREAU OF LAND MANAGEMENT**

**REPORT NO. 98-I-551
JULY 1998**



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

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Memorandum

To: Assistant Secretary for Land and Minerals Management

From: Robert J. Williams *Robert J. Williams*
Assistant Inspector General for Audits

Subject: Audit Report on Reimbursement of Firefighting Costs, Bureau of Land Management (No. 98-I-551)

This report presents the results of our audit of the Bureau of Land Management's reimbursable firefighting activities. The audit objective was to determine whether selected Bureau field offices were recovering appropriate amounts for reimbursable firefighting activities.

We concluded that the eight Bureau district offices reviewed did not recover appropriate amounts for reimbursable firefighting activities associated with human-caused fires and that the Bureau's California State Office did not adequately classify assistance-type fires as to reimbursability. The district offices did not recover appropriate amounts because they did not (1) give sufficient priority to tire investigations; (2) adequately document fire investigations, their status, and their results; or (3) adequately classify human-caused fires as reimbursable when an initial determination of responsibility was made. The California State Office did not fully recover reimbursable costs from the State of California because it did not adequately identify and document whether assistance provided during specific fires was reimbursable. As a result, the district offices did not recover up to \$6 million of the costs associated with 153 human-caused fires that occurred during the period of 1993 through 1996, and the California State Office did not recover costs of \$480,000 associated with reimbursable assistance-type fires.

We also concluded that, once specific fires were determined to be reimbursable, 9 of the 12 Bureau offices reviewed did not always determine the appropriate amounts to be billed or properly record, bill, or collect reimbursable firefighting costs. As a result of not adequately accounting for reimbursable firefighting costs, reimbursable costs of at least \$137,000 were not billed or recovered, and Government financing costs of about \$47,000 were incurred because of delays in billing costs totaling \$765,000 and in depositing reimbursements totaling \$35 1,000.

We made eight recommendations to the Bureau, which related to (1) ensuring that all fires are adequately investigated as to cause and responsibility, that investigations are properly documented, and that human-caused fires are properly classified as reimbursable; (2) developing procedures to ensure that assistance-type fires are documented as to reimbursability; and (3) developing procedures for determining and accumulating costs associated with reimbursable fires and ensuring that reimbursable costs are properly recorded, billed, and collected.

We also found that the Bureau needs to establish guidance that specifies the purposes for which firefighting reimbursements can be used to augment firefighting activities and identifies the reimbursements that must be deposited as miscellaneous receipts to the U. S . Treasury.

In the June 4, 1998, response (Appendix 4) to the draft report from the Director, Bureau of Land Management, the Bureau concurred with all of the report's eight recommendations. Based on the response, we consider two recommendations resolved but not implemented and require additional information for six recommendations (see Appendix 5).

In accordance with the Departmental Manual (360 DM 5.3), we are requesting a written response to this report by August 31, 1998. The response should provide the information requested in Appendix 5.

The legislation, as amended, creating the Office of Inspector General requires semiannual reporting to the Congress on all audit reports issued, actions taken to implement audit recommendations, and identification of each significant recommendation on which corrective action has not been taken.

We appreciate the assistance of Bureau of Land Management personnel in the conduct of our audit.

cc: Director, Bureau of Land Management

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INTRODUCTION

BACKGROUND

The Bureau of Land Management is responsible for preventing and suppressing forest and range fires on or threatening over 260 million acres of Federal lands. Also, under the terms of various cooperative fire protection agreements, the Bureau provides assistance to state and local governments in fighting fires on non-Federal lands. To carry out these responsibilities, the Bureau administers a fire management program to prevent and suppress fires and to rehabilitate fire-damaged lands and resources. The program is decentralized and administered by the Bureau's state and district offices, with the district offices responsible for conducting on-the-ground fire and aviation activities to provide a rapid response to fires. On the average,¹ the Bureau, through its firefighting program, is involved in fighting annually about 3,300 natural and human-caused fires,² which bum about 1.7 million acres of Federal and non-Federal lands.

A portion of the costs associated with the Bureau's firefighting program are reimbursable. The primary acts addressing reimbursable firefighting activities are as follows: (1) the Reciprocal Fire Protection Agreement Act of 1955 (42 U.S.C. 1856), which provides authority for mutual aid in fire protection and allows the Bureau to seek reimbursement for costs incurred for fighting fires on non-Federal lands, and (2) the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1735), which authorizes the collection of money to settle claims involving damage to public lands. In addition to these acts, the Bureau's Collections Reference Guide, issued in April 1996, provides procedures for collection activities throughout the Bureau, while the Bureau's Fire Trespass Handbook³ addresses the collection activities associated with human-caused fires, including a requirement for an annual summary of the number, cost, and amounts billed and collected for human-caused fires. Cost-sharing provisions for the reimbursement of costs incurred for Bureau firefighting assistance to state and local governments are detailed in the cooperative fire protection agreements between the Bureau and these entities. Reimbursable costs typically include the cost of aircraft and other firefighting resources requested by an agency to suppress fires on lands within its jurisdiction.

In general, the Bureau's district offices are responsible for investigating all fires on Bureau-administered lands as to cause and responsibility. When a fire is determined to be caused by humans and the party responsible is identified, the Bureau is to take appropriate civil or criminal action to recover fire suppression costs, the costs for fire-related damage to lands

¹Based on the 10-year period of 1987 to 1996 (Source: Bureau Wildfire Statistics Report for 1996).

²Natural fires are the result of lightning, while human-caused fires include fires resulting from arson, campfires, smoking, sparks from equipment and railroads, downed power lines, field burning, and fireworks.

³In the Handbook, fire trespass refers to the occurrence of fire on Bureau lands where the source of ignition is related to some type of human activity.

and resources, and administrative costs. For assistance provided to state and local governments, the cognizant Bureau state and district offices are responsible for classifying fires as to reimbursability; determining the costs to be reimbursed per the terms of the governing agreement; and recording, billing, and collecting the reimbursable costs.

In addition to conducting fire investigations, responsible district office personnel prepare individual fire reports (Forms DI-1202) for fires within their jurisdiction. The fire reports are used by the Bureau to accumulate current and historical data in its Fire Occurrence System. The information recorded includes the causes of fires, land ownership, and the number of acres burned. While some of the recorded information indicated that certain fires may be reimbursable, the System did not have a data element to allow fire personnel to record fires and document whether a fire was reimbursable in the System. In addition, the state and district offices we reviewed did not document whether fires were reimbursable or nonreimbursable in any other files.

OBJECTIVE AND SCOPE

The audit objective was to determine whether selected Bureau field offices were recovering appropriate amounts for reimbursable firefighting activities. As part of our audit, we reviewed the state offices in California, Idaho, Nevada, and Oregon, as well as selected district offices in each state (the offices reviewed are in Appendix 2). Our audit focused on reimbursable firefighting activities that occurred primarily during the calendar year 1993 through 1995 fire seasons and, in part, the calendar year 1996 fire season to provide more current information on the problems identified. Based on the Bureau's Fire Occurrence System database for 1993, 1994, and 1995, we judgmentally selected 331 of 2,090 fires for review.⁴ These 331 fires consisted of 86 assist fires (primarily to state and local governments), 201 human-caused fires, and 44 lightning fires on non-Bureau lands. Based on bills for collection or other information available in the fire files at the offices reviewed, we judgmentally selected another eight human-caused fires that occurred in 1996 for review of reimbursable activities.

To accomplish our objective, we interviewed personnel from 12 Bureau state and district offices, the Bureau's National Office of Fire and Aviation, the Bureau's National Business Center, the National Interagency Fire Center, the Department of Agriculture's U.S. Forest Service, and the California Department of Forestry and Fire Protection. In addition, we reviewed selected agreements between the Bureau and state and local governments; Bureau wildfire statistics reports, dispatch logs, fire files, fire reports, law enforcement files, accounting reports and documents pertaining to the costs of and reimbursements for

⁴These numbers do not include certain types of fires for which costs are not reimbursable, such as fires extinguished by natural means, for example, rain, false alarms, lightning fires on Bureau lands, assists to other Department of the Interior bureaus and the U.S. Forest Service, and fires that have no recorded costs.

firefighting activities;⁵ legislation; Congressional hearings; Bureau policy and procedure memoranda; the Bureau's Manual and handbooks; and other documentation related to the Bureau's firefighting program.

Further, we found that the Bureau's 1990 and 1993 Alternative Internal Management Control Reviews of the fire management program, which were the latest reviews performed of the program, did not identify any material weaknesses directly related to the objective and scope of our audit. We also reviewed the Department of the Interior's Annual Statement and Report to the President, which is required by the Federal Managers' Financial Integrity Act, for fiscal years 1993 through 1995 and the Departmental Accountability Report for fiscal year 1996, which includes information required by the Act, and determined that no material weaknesses were reported that directly related to the objective and scope of our review.

The audit was conducted⁶ 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. As part of our audit, we reviewed the Bureau's system of internal controls to the extent necessary to accomplish our audit objective and found weaknesses in the areas of investigating fires; classifying fires as to reimbursability; and determining, recording, billing, and collecting reimbursable firefighting costs. These internal control weaknesses are discussed in the Findings and Recommendations section of this report. The recommendations, if implemented, should improve the internal controls in these areas.

PRIOR AUDIT COVERAGE

During the past 5 years, neither the Office of Inspector General nor the General Accounting Office has issued any reports that specifically addressed the Bureau's recovery of reimbursable firefighting costs.

⁵We did not audit the cost information obtained from available accounting reports and documents to verify the accuracy of such information.

⁶Because of the early and severe fire season in the western states in 1996, we suspended our audit work and resumed our work when firefighting officials were available to be interviewed.

FINDINGS AND RECOMMENDATIONS

A. REIMBURSABLE FIREFIGHTING ACTIVITIES

The eight Bureau of Land Management district offices included in our review did not recover appropriate amounts for reimbursable firefighting activities associated with human-caused fires, and the Bureau's California State Office did not adequately classify assistance-type fire activity as to reimbursability. The Federal Land Policy and Management Act of 1976 gives the Bureau authority to seek reimbursement of damages associated with human-caused fires, and the Bureau's Manual and its Fire Trespass Handbook require that all fires be investigated as to cause and responsibility. In addition, the Reciprocal Fire Protection Agreement Act of 1955 gives the Bureau authority to seek reimbursement of costs incurred for firefighting assistance to non-Federal fire organizations, and the cooperative fire protection agreement with the State of California's Department of Forestry and Fire Protection provides reimbursement criteria for firefighting assistance in the State. However, appropriate amounts were not recovered because district offices did not (1) give sufficient priority to fire investigations; (2) adequately document fire investigations, their status, and their results; or (3) adequately classify human-caused fires as reimbursable when an initial determination of responsibility was made. In addition, the Bureau's California State Office did not fully recover reimbursable costs from the State of California because it lacked sufficient procedures to identify fires and to document whether assistance provided during specific fires was reimbursable. As a result, for the period of our review, the district offices did not recover an estimated \$6 million of the costs associated with 153 human-caused fires (see Appendix 3), and the California State Office did not recover \$480,000 of costs associated with reimbursable assistance-type fires.

Human-Caused Fires

Section 9238 of the Bureau's Manual and the Bureau's Fire Trespass Handbook provide guidelines for the Bureau to investigate all fires and to determine the reimbursability of costs for human-caused fires.⁷ However, of the eight district offices reviewed, we found that seven offices did not give sufficient priority to fire investigations, seven did not adequately document their fire investigations, and six did not adequately classify fires as reimbursable.

Fire Investigation Priority. Of the eight district offices reviewed, we found that only the Lower Snake River District Office gave sufficient priority to ensure that all fires were investigated as to cause and responsibility. For example, an Idaho Falls District official stated that "fire investigation ... [was] not a high priority" for the District, even though the

⁷The responsibility for conducting fire investigations varied at the districts visited. At the Lower Snake River and Vale Districts, fire investigators were responsible for determining the cause and responsibility of each fire. At the California Desert, Bakersfield, Prineville, and Carson City Districts, Bureau law enforcement personnel were primarily responsible for conducting fire investigations after a preliminary investigation by firefighters at the scene. The Idaho Falls and Las Vegas Districts used a combination of seasonal fire investigators and law enforcement personnel.

District's March 1993 Law Enforcement Plan⁸ stated that over 80 percent of human-caused fires "could and should be investigated" and that "if law enforcement had the man power to investigate even part of these fires, the Federal Treasury may have stood to recoup a significant amount." Similarly, the California Desert District's October 1996 Law Enforcement Plan reported that while about 90 percent of the District's fires were caused by humans, less than 1 percent of the fire suppression costs were ever recovered because of a "lack of investigative training and lack of emphasis on arson investigation." In addition, a Bakersfield District official indicated that most, but not all, fire investigations in the District were conducted in a perfunctory manner. Because the district offices did not sufficiently emphasize fire investigations, they were not in a position to identify the parties responsible for human-caused fires and to recover the appropriate costs. As summarized in Appendix 3, we identified 10 fires, with suppression costs of \$190,000 and estimated administrative costs of \$34,000, that were not investigated as to cause and responsibility. As such, these costs could not be recovered.

Fire Investigation Documentation. The Bureau's Fire Trespass Handbook provides basic instructions for documenting fire investigations, but the instructions focus on documenting cases for which responsibility has been determined. While the Bureau does not have a specific requirement to document all fire investigations, their status, or their results, we believe that such documentation is necessary to ensure compliance with the Bureau's requirement to investigate all fires as to cause and responsibility. Of the eight district offices reviewed, only the Carson City District Office adequately documented its fire investigations.

In general, fire and law enforcement files at the seven district offices were not complete or well organized and could not be relied upon to provide documentation of all fire investigations. Although the suspected cause was indicated on fire reports, the files usually did not document the status of the investigations or indicate whether responsibility had been determined. Also, if responsibility had been determined, the files usually did not indicate what actions had been taken to recover the appropriate costs. For example, at the Bakersfield District Office, fire files showed that citations were issued on four fires that had suppression costs of \$86,000; however, the District's files did not indicate whether any subsequent actions had been taken to recover these costs. At this same district, fire files for 10 fires that had suppression costs of \$296,000 indicated that investigations were ongoing, but law enforcement or other files did not contain any documentation of the investigations. While we found that the Lower Snake River District's fire investigators had documented their investigations, the files did not show whether the cases were referred to law enforcement, the investigations were ongoing, cost recovery was to be sought, or no further actions were to be taken.

We also found that when the Vale District documented its fire investigations, the documentation was inadequate because the files did not indicate that the investigations were performed by Bureau personnel or show the status of the investigations. As such, the District's fire investigation documentation was not sufficient to support the recovery of costs

⁸A law enforcement plan discusses the objectives, needs, and strategies of a district's law enforcement program.

from responsible parties. In addition, the Idaho Falls, Bakersfield, and Vale Districts did not always obtain or document information on investigations conducted by other fire organizations (Federal or non-Federal) and thus were not in a position to identify the responsible parties for human-caused fires and to recover, in cooperation with appropriate authorities, the Bureau's applicable costs. In total, as summarized in Appendix 3, we identified 89 fires, with suppression costs totaling about \$2.8 million and estimated administrative costs of about \$496,000, for which fire investigations or their results were not adequately documented. Because of the lack of documentation needed to pursue cost recovery, we concluded that these costs could not be recovered.

Classifying Human-Caused Fires. Based on our review at the Vale and Las Vegas District Offices, we found that when fire investigations were conducted or an initial determination of responsibility was made, these offices adequately classified the fires as to reimbursability. However, we found 54 instances in which the Bakersfield, California Desert, Lower Snake River, Idaho Falls, Carson City, and Prineville District Offices did not classify fires as reimbursable, even though the fires were determined to be human caused and evidence indicated the parties responsible. For example, the Bakersfield, Lower Snake River, and Idaho Falls District Offices did not initiate collection actions against utility companies or other owners of power lines that district personnel had found to be the cause of 21 fires, with suppression costs totaling \$506,000. Also, the Idaho Falls and Carson City District Offices did not adequately coordinate with the Bureau of Indian Affairs in seeking cost recovery from responsible parties for five human-caused fires on Indian reservation lands in which the Bureau of Land Management incurred suppression costs totaling \$250,000. In another example, the Bakersfield District did not pursue the recovery of \$17,655 of suppression costs by civil or administrative means for one fire for which responsibility had been determined.⁹ In total, as summarized in Appendix 3, we identified 54 fires, which had suppression costs totaling about \$2.1 million and estimated administrative costs of about \$386,000, that were not classified as reimbursable and for which the costs may still be recoverable from the responsible parties.

We believe that the Bureau should ensure that its district offices (1) assign a sufficient priority to fire investigations; (2) adequately document the status and results of all fire investigations; and (3) seek appropriate criminal, civil, and administrative remedies when responsibility has been determined for human-caused fires or document the reasons why such remedies were not sought. We believe that an aggressive fire investigation program will help offset the Government's costs of fire suppression and could serve as a deterrent if successful prosecutions result from the investigations.

⁹The Bureau incurred suppression costs of \$20,155 for a fire for which the responsible party had been ordered by the court in criminal proceedings to pay damages of \$2,500. However, we could not identify any civil action taken by the Bureau to collect the additional suppression costs of \$17,655.

Firefighting Assistance

We found that the Bureau's California State Office had entered into a cooperative agreement with major landholding entities in the State, including the State of California's Department of Forest and Fire Protection, and, as a result, had the most reimbursable assistance-type firefighting activity¹⁰ of the field offices reviewed. For fires that occurred from 1993 through 1995, the primary period of our review, the California State Office's fire branch billed the State of California \$765,000, as compared to a total of about \$121,000 billed by the offices reviewed in Idaho, Nevada, and Oregon. While we did not identify any reimbursable assistance-type fires for which costs were not billed or collected at the Oregon, Nevada, and Idaho state and district offices, we did identify reimbursable assistance-type fires that were not billed by the Bureau's California State Office because of insufficient procedures to identify fires and document whether assistance provided during specific fires was reimbursable.

In California, district offices are responsible for making an initial determination of whether a fire is reimbursable. Except for fires that are reimbursable under the terms of the cooperative fire protection agreement with the State of California, district offices are responsible for billing the responsible parties. However, for fires believed to be covered by the cooperative agreement, district offices accumulate the costs and other data supporting the fires' reimbursability and forward this information to the fire branch of the Bureau's California State Office for a final determination of reimbursability. The cognizant State Office employee reviews the data supporting the district office's initial determination, and, if the employee agrees that the fires are reimbursable and the costs are properly supported, the employee prepares and submits the bills for collection to the State of California. However, we found that this process did not ensure that all applicable firefighting costs were billed to the State because there was not a requirement for the district offices to document in the Bureau's Fire Occurrence System or in other files whether a fire was reimbursable and to follow up and determine whether the Bureau State Office employee received the documentation needed to bill the State of California.¹¹ To the contrary, the responsible State Office employee told us that unless he received documentation demonstrating that fires were reimbursable, he assumed that the fires were nonreimbursable. Because fire reimbursability was not documented in the Bureau's Fire Occurrence System and because district offices lacked followup procedures, we found 38 fires that occurred from 1993 through 1995 at the Bakersfield and California Desert District Offices for which District employees stated that

¹⁰The responsibility for identifying, recording, billing, and collecting reimbursable firefighting costs varied at the four states included in our review. The California, Idaho, and Nevada State Offices acted as the respective focal point for billing activities under the cooperative fire protection agreements with the State of California's Department of Forestry and Fire Protection, the State of Idaho's Department of Lands, and the State of Nevada's Division of Forestry. In contrast, the district offices in Oregon were responsible for performing this function.

¹¹The Bureau did not have procedures for documenting whether fires were reimbursable in its Fire Occurrence System, and the state and district offices we reviewed did not record whether fires were reimbursable or nonreimbursable in the System or in other files.

they had provided information to the State Office for billing purposes but for which the cognizant State Office employee said that he had not received the documentation and, accordingly, did not bill the State. As such, reimbursable costs of \$408,000 (suppression costs of \$346,000 and estimated administrative costs of \$62,000) had not been identified and billed to the State of California as of November 1996.

After we informed State Office officials of the lack of sufficient procedures to identify and document reimbursable fires, the State Office entered into an Offset of Accounts Receivable Agreement with the State of California in May 1997 to resolve all bills for fire services provided prior to June 30, 1994. The agreement stated, in part, that "no future billings will be recognized for services prior to this date." Upon review of the agreement, we found that the State Office did not include about \$249,000 of reimbursable costs of \$408,000 in the receivables to be offset; therefore, the \$249,000 was uncollectible. Further, the State Office, because of a mathematical error, understated the amount included in the agreement by \$72,000 for a 1992 fire, the costs for which would also be uncollectible. Based on our review and to help prevent a recurrence of this situation, State Office officials instituted a spreadsheet program linked to its district offices to identify and track State Office reimbursable fires and related billings to the State of California. However, in addition to this action, we believe that the Bureau should develop a data element in its Fire Occurrence System to allow fire personnel to record fires and document in the System whether a fire is reimbursable so that responsible personnel can ensure that all reimbursable fires are billed.

Recommendations

We recommend that the Director, Bureau of Land Management, direct appropriate Bureau officials to:

1. Assign sufficient priority and develop procedures to ensure that all fires are adequately investigated as to cause and responsibility; that investigations of fires and their status and results are properly documented in Bureau files; and that human-caused fires, where responsibility has been determined, are classified as reimbursable and actions are taken to collect appropriate costs.

2. Take actions to recover costs for the **54** human-caused fires which were not but should have been classified as reimbursable.

3. Develop procedures to ensure that all assistance-type fires are documented in the Fire Occurrence System as to reimbursability in accordance with the terms of the agreements with non-Federal fire organizations and that reimbursable assistance costs are adequately identified on documents forwarded for billing purposes.

4. Bill the State of California for those assistance-type fires which occurred after June 30, 1994, that are still reimbursable.

Bureau of Land Management Response and Office of Inspector of General Reply

In the June 4, 1998, response (Appendix 4) from the Director, Bureau of Land Management, the Bureau concurred with the four recommendations. Subsequent to the Bureau's response, Bureau officials told us that the Assistant Director for Business and Fiscal Resources was responsible for implementation of the recommendations and that the target implementation date for implementing Recommendations 1 and 3 was approximately June 30, 1999, the start of the 1999 fire season. Based on the response, we consider Recommendations 2 and 4 resolved but not implemented and request additional information for Recommendations 1 and 3 (see Appendix 5).

Recommendations 1 and 3. Concurrence.

Bureau of Land Management Response. The Bureau stated that a task group has been established to develop corrective actions to address the recommendations and that it had been "directed" to report recommended corrective actions to the Deputy Director by July 1998.

Office of Inspector General Reply. The Bureau needs to identify the specific actions it will take to implement the recommendations. Therefore, we request that the Bureau provide a copy of the task group's recommended and the Deputy Director's approved corrective actions.

B. ACCOUNTING FOR REIMBURSABLE FIREFIGHTING COSTS

For human-caused and assistance-type fires which the Bureau of Land Management determined were reimbursable, we found that 9 of the 12 state and district offices reviewed did not always determine the appropriate amounts to be billed for reimbursable fires and properly record, bill, or collect reimbursable firefighting costs.¹² Individual cooperative agreements between the Bureau and non-Federal fire organizations provide reimbursement criteria for firefighting assistance,¹³ the Bureau's Fire Trespass Handbook provides criteria for the determination of costs associated with human-caused fires, the Bureau's Collections Reference Guide provides standardized procedures for collection activities throughout the Bureau, and the "Standards for Internal Controls in the Federal Government" provides specific control standards for recording and executing transactions and for supervision. However, the state and district offices did not adequately account for reimbursable firefighting costs because they had not established sufficient procedures for determining the total costs to be billed for reimbursable fires and had not complied with control standards pertaining to recording and executing transactions and to supervising billing and collection activities. As a result, for the period of our review, the state and district offices had not recovered costs of at least \$137,000 associated with reimbursable firefighting activities. In addition, the California State Office delayed the billing of \$765,000 from 1 to 2 years after the control dates of the fires and held reimbursement checks totaling \$351,000 from 2 to 6 months before depositing them. These actions resulted in increased Government financing costs of about \$47,000.

Reimbursable Firefighting Costs

We found that after fires were classified as reimbursable, the Bureau's state and district offices did not always accurately determine reimbursable costs. Under the Bureau's Fire Trespass Handbook, the reimbursable costs for human-caused fires should include Bureau suppression costs, the costs to rehabilitate Bureau lands, Bureau administrative costs, and the suppression costs incurred by other agencies as applicable. However, the Bureau did not have standard procedures for determining reimbursable costs for assistance-type fires, although the general types of costs that are reimbursable are stipulated in the cooperative fire protection agreements.

¹²The Oregon State Office delegated all billings to its district offices, the Nevada State Office did not have any billable fires during the period of our review, and the Prineville District Office did not issue any bills for fires during the period of our review.

¹³As used in this report, assistance-type fires are fires for which the Bureau contributes supporting fire suppression or related resources to other Federal, state, and local government agencies responsible for fire protection in an area in accordance with cooperative agreements between the Bureau and those agencies.

The Handbook states that the Bureau should use its Aspen system¹⁴ to determine Bureau suppression costs for human-caused fires, but the Bureau did not have similar guidance for determining reimbursable costs for assistance-type fires. We found that the state and district offices either used the system, did not use the system, or developed different procedures to determine reimbursable costs for human-caused and assistance-type fires. Specifically, two offices relied on the system; four offices, including the California offices, relied primarily on cost reports prepared manually by fire personnel; and three offices used a combination of the system and manual records. We also found that the California offices did not reconcile the amounts shown in their manually prepared cost reports with the amounts shown in the Aspen system, which resulted in underbillings of about \$15,000 for assistance-type fires because of understated aircraft rates.¹⁵ If the California offices had reconciled the records, the understated aircraft rates would have been detected. According to field office personnel, the Aspen system was outdated and was difficult and time consuming to use. In addition, we found that system cost reports included extraneous entries, did not provide needed detail to support bills for collection, and had to be adjusted for assistance-type fires because the reports included costs not billable under the terms of specific cooperative agreements.

In addition to the different procedures used to determine the Bureau's fire suppression costs, we identified 20 instances in which the applicable fire suppression costs of other agencies and Bureau rehabilitation and administrative costs were not included in total reimbursable costs. Specifically, the Lower Snake River District Office did not include in its bills for collection the costs incurred by the U.S. Forest Service for helping to suppress three human-caused fires occurring between 1993 to 1995. (We did not have the information to determine actual Forest Service costs for these three fires.) In another bill, the District included only \$37,000 of Bureau-incurred rehabilitation costs of \$91,000 for a human-caused fire. Based on information in the files and on discussions with Bureau personnel, the Bureau could not support why the remaining rehabilitation costs of \$54,000 were not billed. In addition, the Las Vegas, Carson City, Bakersfield, California Desert, Vale, and Idaho Falls District Offices either used incorrect administrative rates (5 cases) or did not include administrative costs (11 cases) in 16 bills related to human-caused fires. As a result, applicable administrative costs of about \$68,000 were not billed. This amount consisted of \$42,000 relating to settled cases that is no longer collectible and \$26,000 that may still be collectible.

¹⁴Aspen is a computerized database that accumulates Bureau fire suppression costs by fire number based on information in the Bureau's financial accounting system. The database includes suppression costs for both human-caused and assistance-type fires.

¹⁵The Department's Office of Aircraft Services provides consolidated aviation management services, including providing aircraft to bureaus under formal contracts. Aircraft Services billed the Bureau for aircraft used for fire suppression activities and included amounts in these billings to cover Aircraft Services overhead costs. However, the aircraft rates used in the manually prepared cost reports were understated because they did not include the overhead costs billed to the Bureau. We estimated that aircraft costs of about \$10,000 pertained to the uncollectible \$321,000 of firefighting assistance provided to the State of California before June 30, 1994. The remaining \$5,000 pertained to about \$159,000 of firefighting assistance costs incurred after June 30, 1994.

We believe that the Bureau needs to strengthen its procedures to ensure greater accuracy and consistency in determining reimbursable costs. Specifically, the Bureau should ensure that its billings for cost recovery for human-caused fires include all applicable suppression costs, that applicable rehabilitation costs are accurately determined for reimbursable human-caused fires, and that the reasons for not billing all costs are documented. In addition, the Bureau should develop procedures for its state and district offices to follow for determining the amount of reimbursable firefighting costs for assistance-type fires.

Recording Receivables

We identified control weaknesses over the recording and billing of reimbursable firefighting costs. The “Standards for Internal Controls in the Federal Government,” issued by the Comptroller General of the United States, provides specific control standards for recording and executing transactions. However, at 7 of the 12 offices visited, we identified 34 instances, totaling over \$1 million, in which amounts due the Bureau for reimbursable firefighting costs were not recorded as accounts receivable in the accounting system. Specifically, at the Carson City, California Desert, Bakersfield, and Idaho Falls District Offices, we identified five instances, totaling about \$159,000, in which management officials sent informal bills for collection (letters) to parties determined to be responsible for human-caused fires, but the district offices did not subsequently prepare and issue formal bills for collection (Forms 137 I-22) for these fires.¹⁶ In addition, we found that the California State, Idaho State, and Vale District Offices issued 29 formal bills for collection, totaling about \$85 1,000, but did not take the necessary steps to record the bills in the Bureau’s accounting system.¹⁷ Because these receivables were not properly recorded, there was no assurance that the appropriate collection and write-off procedures were followed. In that regard, we found that of the 34 bills, 5 bills, totaling about \$26,000, were written off by field office personnel without the required authorizations.¹⁸

We believe that the Bureau needs to strengthen its controls over the recording and billing of reimbursable firefighting costs to ensure that bills for collection for reimbursable fires are properly issued and that billed amounts are recorded as accounts receivable in the Bureau’s accounting system.

¹⁶Of the \$158,519 that was informally billed, \$4,035 had been paid, \$130,198 had not been paid, and \$24,286 had been written off.

“Of the \$850,953 that was formally billed, \$711,384 had been paid, \$138,253 had not been paid, and \$1.316 had been written off.

¹⁸According to the Bureau’s Manual, to suspend or terminate collection actions, debt not in excess of \$20,000 must be written off by the State Director with the approval of the Solicitor’s office. However, uncollectible amounts not in excess of \$400 may be written off without referral to the Solicitor’s office. The five bills were each between \$400 and \$20,000.

Oversight and Supervision

We also found control weaknesses in the oversight and supervision of billing and collecting reimbursable firefighting costs. The “Standards for Internal Controls in the Federal Government” requires that supervisors continuously review and approve the assigned work of their staffs to ensure that internal control objectives are achieved. However, responsible Bureau officials did not have the information necessary to provide adequate oversight and supervision of billing and collecting reimbursable firefighting costs, and California State Office officials did not ensure that internal control objectives were met.

The offices we reviewed accumulated fire, cost, and receivable information in the Fire Occurrence System, the Bureau’s accounting system, the Aspen system, and manual records, none of which were designed to provide Bureau management with an overview of reimbursable firefighting cost recovery. The Bureau did not have an integrated or a mixed¹⁹ system that enabled managers to readily identify the status of fires as to reimbursability, including the amount of costs incurred, billed or not billed, reimbursed, and written off, and the amount of outstanding receivables. Also, there was no report that consolidates information from the three systems and manual records to allow Bureau managers to identify, track, or otherwise monitor such information. Further, the Bureau state offices we reviewed did not comply with the requirements in the Bureau’s Fire Trespass Handbook to prepare an annual summary of the number, cost, and amounts billed and collected for human-caused fires for submission to the Bureau’s National Office of Fire and Aviation. Accordingly, Bureau managers could not determine the number of reimbursable fires and the status of any cost recovery efforts except by reviewing individual fire files.

At the California State Office, we concluded that inadequate oversight of billing and collecting reimbursable firefighting costs allowed a State Office employee to prepare and issue bills for collection to the State of California’s Department of Forestry and Fire Protection and to receive checks for amounts paid by the State of California. The employee stated that the bills for collection were sent out by the Bureau’s Denver Service Center until about 1991, when he said he was told by Service Center personnel that if he wanted to send out the bills, he would have to do it himself. The employee was able to prepare bills for collection because the State Office did not control access to the blank bills for collection to ensure that they were issued only by authorized personnel.²⁰ The employee was able to receive checks because of inadequate controls to ensure that the mailroom logged in all checks received and then forwarded them to State Office collections personnel. Because the billing and collecting of reimbursable firefighting costs were inadequately supervised, the State office employee was able to bypass the control system and perform the additional

“Office of Management and Budget Circular A-127, “Financial Management Systems,” states that a mixed system is an information system that supports both the financial and nonfinancial functions of a Government program or activity.

²⁰In addition to the California State Office, we also found that the Prineville, Lower Snake River, Idaho Falls, Carson City, and Las Vegas District Offices did not limit access to the bill for collection forms.

duties. The State Office employee did not bill the State of California for 107 fires, totaling \$765,000, until 1 to 2 years after the control dates of the fires, even though the cooperative agreement provided that bills were due no more than 180 days after the fire. Further, we found that four reimbursement checks, totaling \$351,000, which were ordered to be mailed by the California Department of Forestry and Fire Protection to the State Office fire branch, were not deposited until 2 to 6 months after the check dates.²¹ Because of the delays in billing and depositing the checks, the Government incurred increased financing costs of about \$47,000.²² After we notified the State Office of the internal control problems during the course of our audit, officials took action to improve controls related to issuing bills for collection and depositing checks, including the enforcement of separation of duties.

We believe that the Bureau needs to improve its oversight of billing and collecting reimbursable firefighting costs. In particular, the Bureau should ensure that the state offices comply with the annual reporting requirements of the Fire Trespass Handbook. Further, we believe that the Bureau should require that a report be prepared periodically on the number of reimbursable fires and the corresponding amounts of reimbursable costs incurred, billed, recovered, and written off so that cognizant management officials can provide adequate oversight and supervision of the collection of reimbursable firefighting costs.

Recommendations

We recommend that the Director, Bureau of Land Management, direct appropriate Bureau officials to:

1. Develop procedures for accumulating costs associated with reimbursable fires to ensure that bills for assistance-type fires include all costs billable in accordance with the governing cooperative agreement and that bills for human-caused fires include all applicable Bureau fire suppression costs, other agency fire suppression costs, costs of rehabilitating damaged land and resources, and Bureau administrative costs.

2. Ensure that bills for collection for reimbursable fires are issued in accordance with established procedures and that billed amounts are recorded as accounts receivable in the Bureau's accounting system.

3. Ensure that the Bureau's state offices prepare the annual summary of the number, cost, and amounts billed and collected for human-caused fires, as required by the Fire Trespass Handbook.

²¹Based on payment data from the State of California, we found that two of these checks, totaling \$68,894, dated May 31, 1996, had not been deposited. However, after we told a State Office official in October 1996 of the undeposited checks, the official told us that the checks were located and the amounts deposited.

²²This amount was estimated by using the U.S. Treasury's current value of fund rates published in the "Federal Register." The rates were 3 percent for calendar year 1994 (Vol. 58, No. 207, page 58037) and for the first half of 1995 (Vol. 59, No. 210, page 54672) and 5 percent for the last half of 1995 (Vol. 60, No. 82, page 21024) and for calendar year 1996 (Vol. 60, No. 207, page 54911).

4. Prepare, for management review and oversight, a periodic report on the number of reimbursable fires; the amount of reimbursable firefighting costs incurred, billed, recovered, and written off; and the reasons for any amounts not billed or written off.

Bureau of Land Management Response and Office of Inspector of General Reply

In the June 4, 1998, response (Appendix 4) from the Director, Bureau of Land Management, the Bureau concurred with the four recommendations. Subsequent to the Bureau's response, Bureau officials told us that the Assistant Director for Business and Fiscal Resources was responsible for implementation of the recommendations and that the target implementation date for implementing Recommendations 1, 2, 3, and 4 was approximately June 30, 1999, the start of the 1999 fire season. Based on the response, additional information is needed for all of the recommendations (see Appendix 5).

Recommendations 1, 2, 3, and 4. Concurrence.

Bureau of Land Management Response. The Bureau stated that a task group has been established to develop corrective actions to address the recommendations and that it had been "directed" to report recommended corrective actions to the Deputy Director by July 1998.

Office of Inspector General Reply. The Bureau did not identify the specific actions it will take to implement the recommendations. Therefore, we request that the Bureau provide a copy of the task group's recommended and the Deputy Director's approved corrective actions.

OTHER MATTERS

During our review at the Bureau of Land Management's California State Office, we identified firefighting-related reimbursements of about \$1.9 million that were deposited into two Bureau special project accounts in the U.S. Treasury. We also identified advance payments for fire protection services of about \$25,000 annually that were deposited into another special projects account by the Idaho State Office. In addition, the Carson City and Idaho Falls District Offices deposited fire reimbursements of \$3 1,000 and \$23,000, respectively, into their fire preparedness accounts (which fund the costs of preparing for each fire season). However, the offices did not provide documentation to justify why firefighting reimbursements were deposited into these special project accounts or their fire preparedness accounts rather than deposited as miscellaneous receipts into the U.S. Treasury accounts. We found that Bureau State Office firefighting personnel disagreed with administrative personnel on whether firefighting reimbursements could be used to augment the Bureau's firefighting appropriations. While these personnel generally agreed that reimbursements for human-caused fires could be used to cover rehabilitation costs related to these fires, they disagreed on whether reimbursements for fire suppression and administrative activities should be deposited as miscellaneous receipts into the general fund.

A general proposition of appropriations is that "an agency may not augment its appropriations from outside sources without specific statutory authority."²³ Federal laws vary, however, regarding how firefighting cost reimbursements are to be accounted for and into which accounts in the U.S. Treasury the reimbursements should be deposited. For example, the Reciprocal Fire Protection Agreement Act of 1955 (42 U.S.C. 1856(d)) requires that all sums received for fire protection rendered pursuant to the Act be deposited into a U.S. Treasury account as miscellaneous receipts, while the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1735(a)) authorizes the use of collections from tort claims to cover the costs of protection and rehabilitation work to the lands damaged. The Bureau has interpreted tort collections to include reimbursements for human-caused fires. In addition, Public Law 97-258 (31 U.S.C. 6505(c)) states that payments received by an agency for specialized services, as defined by the Public Law, are to be deposited to the credit of the principal appropriation from which the cost of the services has been paid.

The difference of opinion exists because of the lack of clear and specific guidance as to which, and for what purposes, firefighting reimbursements can be used to augment firefighting activities and which reimbursements must be deposited as miscellaneous receipts into a U.S. Treasury account. For example, the California State Office was not using the \$1.9 million it collected and accumulated to supplement firefighting activities because of the uncertainty regarding the legal uses of these funds. Because of the different statutes involved, we believe that the Bureau should request a Solicitor's opinion as to whether firefighting reimbursements can be used to augment the Bureau's firefighting appropriations

²³General Accounting Office report "Principles of Federal Appropriations Law" (No. GAO/OGC-92-13), issued in December 1992, Vol. II, pages 6-103.

and, if so, which reimbursements can be used and for what purposes. Pending receipt of the Solicitor's opinion, we believe that the Bureau should instruct its field personnel to deposit firefighting reimbursements into an appropriate suspense account in the U.S. Treasury to ensure that amounts collected are not spent inappropriately.

CLASSIFICATION OF MONETARY AMOUNTS

<u>Finding Areas</u>	<u>Funds To Be Put To Better Use</u>	<u>Lost Revenues</u>	<u>Potential Additional Revenues</u>
Reimbursable Firefighting Activities			
Human-Caused Fires		\$3,475,000 ¹	\$2,530,000 ²
Firefighting Assistance		321,000 ³	159,000~
Accounting for Reimbursable Firefighting Costs	<u>\$47,000</u>	<u>106,000⁵</u>	<u>31,000⁶</u>
Total	<u><u>\$47,000</u></u>	<u><u>\$3,902,000</u></u>	<u><u>\$2,720,000</u></u>

¹This amount consists of \$190,000 applicable to fires that were not investigated, \$2,755,000 applicable to investigations that were not adequately documented, and \$530,000 of Bureau administrative costs derived by applying the Bureau's 18 percent administrative rate to the \$190,000 and \$2,755,000. The total amount represents the upper limit of revenue that may have been collectible if the Bureau had investigated, determined responsibility for, and billed and collected costs for the 99 fires involved (see Appendix 3).

²This amount consists of \$2,144,000 applicable to fires not classified as reimbursable and \$386,000 of Bureau administrative costs derived by applying the Bureau's 18 percent administrative rate to the \$2,144,000 (see Appendix 3).

³This amount represents \$249,000 and \$72,000 of reimbursable costs that are uncollectible because of the offset agreement between the State of California and the Bureau's California State Office.

⁴This amount represents an estimate of the reimbursable costs not billed by the California State Office that may be collectible. It was computed by subtracting \$249,000 of uncollectible costs from the total identified costs not billed of \$408,000.

⁵This amount consists of \$10,000 of aircraft costs not billed, \$54,000 of rehabilitation costs not billed, and \$42,000 of Bureau administrative costs either not billed or billed using incorrect rates.

⁶This amount consists of \$5,000 of aircraft costs not billed and \$26,000 of Bureau administrative costs either not billed or billed using incorrect rates.

BUREAU OF LAND MANAGEMENT OFFICES REVIEWED

<u>Office</u>	<u>Location</u>
California State Office	Sacramento, California
Bakersfield District Office	Bakersfield, California
California Desert District Office	Riverside, California
Idaho State Office	Boise, Idaho
Lower Snake River District Office	Boise, Idaho
Idaho Falls District Office	Idaho Falls, Idaho
Nevada State Office	Reno, Nevada
Carson City District Office	Carson City, Nevada
Las Vegas District Office	Las Vegas, Nevada
Oregon State Office	Portland, Oregon
Prineville District Office	Prineville, Oregon
Vale District Office	Vale, Oregon

COSTS OF HUMAN-CAUSED FIRES NOT BILLED

Category	District	Fires ¹	Recorded Amounts ²	Bureau Administrative Costs ³	Total Costs ⁴
Fires Not Investigated (Insufficient Priority) ⁵	Idaho Falls	8	\$170,178	\$30,632	\$200,810
	Carson City	1	9,189	1,654	10,843
	Las Vegas	<u>1</u>	<u>10,679</u>	<u>1,922</u>	<u>12,601</u>
Subtotal		<u>10</u>	<u>190,046</u>	<u>34,208</u>	<u>224,254</u>
Fire Investigations Not Adequately Documented ⁶	Idaho Falls	4	89,263	16,067	105,330
	Bakersfield	57	1,871,745	336,914	2,208,659
	California				
	Desert	18	590,137	106,225	696,362
	Las Vegas	1	10,315	1,857	12,172
	Prineville	6	192,033	34,566	226,599
	Vale	<u>3</u>	<u>1,115</u>	<u>201</u>	<u>1,316</u>
Subtotal		<u>89</u>	<u>2,754,608</u>	<u>495,830</u>	<u>3,250,438</u>
Fires Not Classified as Reimbursable	Idaho Falls	25	820,039	147,607	967,646
	Lower Snake River	6	127,398	22,932	150,330
	Bakersfield	14	363,942	65,509	429,451
	California				
	Desert	3	47,633	8,574	56,207
	Carson City	5	769,965	138,594	908,559
	Prineville	<u>1</u>	<u>15,378</u>	<u>2,768</u>	<u>18,146</u>
Subtotal		<u>54</u>	<u>2,144,355</u>	<u>385,984</u>	<u>2,530,339</u>
Totals		<u>153</u>	<u>\$5,089,009</u>	<u>\$916,022</u>	<u>\$6,005,031</u>

¹These numbers represent human-caused fires for which costs were not billed per our review of 209 human-caused fires. Our sampled fires were 73 at Bakersfield, 24 at California Desert, 37 at Idaho Falls, 31 at Lower Snake River, 14 at Carson City, 11 at Las Vegas, 10 at Vale, and 9 at Prineville.

²These amounts represent Bureau suppression costs as accumulated in the Bureau's Aspen system.

³These amounts were computed by applying the Bureau-established administrative rate of 18 percent (which we did not audit) to the recorded amounts shown.

⁴These totals do not include suppression costs incurred by other agencies or Bureau-incurred rehabilitation costs.

⁵We could not identify all of the fires that were not investigated as to cause and responsibility because of the inadequate documentation of fire investigations.

⁶While we also found that the Lower Snake River District Office did not adequately document the status or the results of fire investigations, we did not identify any fires not billed at the District to be included in this category.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Washington, D.C. 20240

MAY 28 1998

In Reply Refer To:
1245 (WO-100)

MEMORANDUM

To: Acting Inspector General

Through: *FC* Bob Armstrong *Pet deWitt* JUN - 4 1998
Assistant Secretary, Land and Minerals Management

From: Director, Bureau of Land Management *Pet Shear*

Subject: Office of Inspector General (OIG) Draft Audit - Reimbursement of Firefighting Costs (W-IN-BLM-00 1-96)

Thank you for the opportunity to respond to the subject draft audit report. We have carefully reviewed the subject draft audit and discussed it with the Bureau of Land Management (BLM) States involved. The BLM considers the audit to be very beneficial to the Fire Management Program because it provides a specific focus for problems in the area of trespass (investigation, documentation, and collection) and the reimbursable process between the BLM and State and local governments.

Our response to your specific recommendations is as follows:

Recommendations Relating to Reimbursable Firefighting Activities

Recommendation 1: Assign sufficient priority and develop procedures to ensure that all fires are adequately investigated as to cause and responsibility; that investigations of fires and their status and results are properly documented in Bureau files; and that human-caused fires, where responsibility has been determined, are classified as reimbursable and actions are taken to collect appropriate costs.

Concur: Implementation of this recommendation would be beneficial to the BLM and will focus on improving its fire investigation and documentation activities.

A BLM Task Group has been established to implement this recommendation, as well as to review existing policies, processes, and procedures; with this information, they will determine the specific corrective actions which need to be taken. The task group will also oversee implementation of the corrective actions to ensure that the Bureau can more effectively manage its fire reimbursement activities. The Task Group has been directed to report recommended corrective actions to the Deputy Director by July 1998 so that appropriate actions can be implemented in the 1999 fire season.

Recommendation 2: Take actions to recover costs for the 54 human-caused fires which were not, but should have been, classified as reimbursable.

Response: The information provided to the BLM by the OIG containing specific data on the 54 human-caused fires has been given to the applicable BLM Field Offices along with instructions for them to analyze and respond to specific issues and questions. (See memorandum from the BLM Director, Office of Fire and Aviation)

Recommendation 3: Develop procedures to ensure that all assistance-type fires are documented in the Fire Occurrence System as to reimbursability in accordance with the terms of the agreements with non-Federal fire organizations and that reimbursable assistance costs are adequately identified on documents forwarded for billing purposes.

Concur: The BLM will also consider other means of accomplishing this recommendation more effectively and efficiently. As discussed in the exit conference on April 3, 1998, documentation in the Fire Occurrence System may not be the most appropriate means for accomplishing this recommendation. The BLM Task Group identified in the response to Recommendation 1 will address this issue and implement an action that will produce the results identified in the recommendation.

Recommendation 4: Bill the State of California for those assistance-type fires that occurred after June 30, 1994, that are still reimbursable.

Response: Additional information was provided to the BLM by the OIG on the **assistance-**type fires occurring after June 30, 1994. This information has been provided to the BLM California State Office along with instructions for them to analyze and respond to specific issues and questions.

Recommendations Relating to Accounting for Reimbursable Firefighting Costs

Recommendation 1: Develop procedures for accumulating costs associated with reimbursable fires to ensure that bills for assistance-type fires include all costs billable in accordance with the **governing** cooperative agreement and that bills for human-caused fires include all applicable Bureau fire suppression costs, other agency fire suppression costs, costs of rehabilitating damaged land and resources, and Bureau administrative costs.

Response: The BLM Task Group will provide the framework and guidance for implementing this recommendation throughout the BLM.

Recommendation 2: Ensure that bills for collection for reimbursable fires are issued in accordance with established procedures and that billed amounts are recorded as accounts receivable in the BLM's accounting system.

Response: The BLM Task Group will provide the framework and guidance for implementing this recommendation throughout the BLM.

Recommendation 3: Ensure that the BLM's state offices prepare the annual summary of the number, cost, and amounts billed and collected for human-caused fires, as required by the Fire Trespass Handbook.

Response: The BLM Task Group will provide the framework and guidance for implementing this recommendation throughout the BLM. This data will also be evaluated for use in performance planning and reporting.

Recommendation 4: Prepare, for management review and oversight, a periodic report on the number of reimbursable fires; the amount of reimbursable **firefighting** costs incurred, billed, recovered, and written off; and the reasons for any amounts not billed or written off.

Response: The BLM Task Group will provide the framework and guidance for implementing this recommendation throughout the BLM. This report will also be evaluated for inclusion in the BLM "Public Land Statistics" and/or inclusion in the Annual Accountability Report.

The BLM appreciates the opportunity to respond to this report and believes that positive benefits will be derived from the corrective actions recommended. Questions to this response should be directed to Betty Buxton, National Business Center Staff, at (202) 452-5 181, Gardner Ferry, Office of Fire and Aviation, at (208) 3 87-5 16 1, or Gwen Midgett, Audit Liaison Officer, at (202) 452-7739.

Attachments

Task Group Charter - 1998
Reimbursement of Firefighting Costs

In response to the Office of Inspector General (OIG) draft audit report on Reimbursement of Firefighting Costs for the Bureau of Land Management (BLM), a BLM Task Group is chartered. The goal of the Task Group is twofold. First, the Task Group is to develop an Action Plan to respond to the OIG draft audit report recommendations. Second, utilizing the information in the audit report and a review of the existing firefighting cost reimbursement policies, processes, and procedures, the Task Group is to determine the specific corrective actions to be taken to ensure the BLM can effectively manage its fire reimbursement activities and report to the BLM Deputy Director. Involvement of State and field offices and other national level specialists to assist in accomplishing the goal is expected and encouraged.

The Task Group is comprised of interdisciplinary representatives familiar with Fire Program procedures. The Task Group consists of:

Betty Buxton (Finance) Chair
Pat Durland (Prevention/Trespass - Office of Fire and Aviation (OF&A))
John Fend (Cascade Resource Area Manager)
Gardner Ferry (Fire Budget - OF&A)
Ed Lewis (Fire Business Management OF&A)
Dennis **McLane** (Law Enforcement - NIFC)
Andy Payne (Fire Management Officer - Upper Snake River District)
Doug Waggoner (Suppression Officer - California State Office)

The Task Group is to complete the analysis and determine the specific corrective actions to be taken and make its report to the Deputy Director by July 1998. The goal is to implement **all** of the actions for use in the 1999 fire season. Any direction and implementation of revised activities that can be practicably made during the 1998 fire season will also be accomplished.

Concurrence:

Nina Rose Hatfield
Nina Rose Hatfield
Deputy Director, Bureau of Land Management

April 23, 1998
Date



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Office of Fire and Aviation
3833 South Development Avenue
Boise, Idaho 83705-5354

May 4, 1998

In Reply Refer To:
9210 (FA-100) N

Information Bulletin No. OF&A 98-032

To: **SDs - ID, CA, OR, NV**

From: Director, Office of Fire and Aviation

Subject: **OIG Audit - Reimbursement of Firefighting Costs**

DD: 7/1/98

The OIG draft audit report recommendations on Reimbursement of Firefighting Costs addressed several items, one of which called for cost recovery on 54 fires human caused fires. At the exit conference, BLM requested that OIG provide additional information on these 54 fires so we could determine what, if any, action was required. The OIG has provided a list of these fires which identified the fire number, date, ASPN dollar amount, District Office, and the trespass cause. On April 6, 1998, Gwen Midgett, BLM National Office Audit Liaison Officer, faxed a copy of this information to each involved State's Audit Liaison Officer.

Please provide to the Director, **Office** of Fire and Aviation, by July 1, 1998, your state's analysis of the fires in question. A response to each of the subject 54 fires is required regardless of any informal discussions that might have occurred with the OIG investigators. The response should be in a tabular format. The table should identify the following information for each fire:

- Fire Number
- Fire Name
- Fire Date
- District and State Name
- Original ASPN dollar amount, any additional FFS amounts for the **fire** not found in ASPN, and the corrected amount (placed in parenthesis) if now different from the original amount

- Brief narrative addressing background on the fire and cause, what action has taken place to date on investigation and collections, any proposed actions and reason(s) for proposed action (e.g., billing proceeding; no action because insufficient information exists such as .. .; and/or the US Attorney will not support or recommends no further action).

A list of 25 California fires OIG feels may still be billable to CDF has also been provided to the California State Office. Please provide your response to this series of fires also with sufficient information to explain by fire, or grouping of fires with a similar response, what action(s), if any, the Bureau is taking. If these fires should have been billed and were not, please address the implications of our issuing a bill to CDF at his time. This response should also be provided to the Director, Office of Fire and Aviation, by July 1, 1998.

If you have any questions regarding this request, please contact Pat **Durland** (208-387-5 162) or Gardner Ferry (208-387-5 16 1) at the Office of Fire and Aviation in Boise, Idaho.

/s/Les Rosenkrance

STATUS OF AUDIT REPORT RECOMMENDATIONS

Finding/Recommendation Reference	Status	Action Required
A.1, A.3, B.1, B.2, B.3, and B.4	Management concurs; additional information needed.	Provide a copy of the task group's recommended and the Deputy Director's approved corrective actions.
A.2 and A.4	Resolved; not implemented.	No further response to the Office of Inspector General is required. The recommendations will be referred to the Assistant Secretary for Policy, Management and Budget for tracking of implementation.

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