



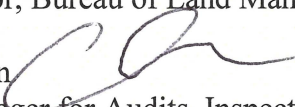
**OFFICE OF  
INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

September 14, 2012

Memorandum

To: Eric Eisenstein  
Division Chief, Internal Control and Audit Follow-up,  
Office of Financial Management

Michael L. Pool  
Acting Director, Bureau of Land Management

From: Charles Haman   
Regional Manager for Audits, Inspections, and Evaluations

Subject: Verification Review of recommendations for the Flash Report, "Public Safety  
Issues at the Saginaw Hill Property, Bureau of Land Management (Report No.  
C-IN-BLM-0013-2005)"  
Report No. C-VS-BLM-0004-2012

We have completed a verification review of the five recommendations presented in the flash report: "Public Safety Issues at the Saginaw Hill Property, Bureau of Land Management." The objective of the verification was to determine whether the Bureau of Land Management (BLM) implemented the recommendations as reported to the Office of Financial Management (PFM); Office of Policy, Management and Budget. PFM reported to us when each of the five recommendations in the report had been addressed. It also provided supporting documentation.

**Background**

In our flash report we noted that the general public had unrestricted access to numerous hazards at the Saginaw Hill Property. We recommended that BLM take action to eliminate the contamination and mitigate the physical hazards in order to protect the public and the environment. We made five recommendations to correct public safety issues.

In January 2006, we issued a memo to the Assistant Secretary for Policy, Management and Budget and the Director of BLM, providing our review's status of the five recommendations in the flash report. We found that BLM took quick action to address our recommendations and we concluded that Recommendations 1, 3, and 4 were resolved, implemented, and closed on January 30, 2006. Therefore, Recommendations 1, 3, and 4 were not referred to the PMB for tracking. The memo also states that for Recommendations 2 and 5, BLM had taken appropriate steps to implement the recommendations, however, had not yet completed all of its planned actions.

Subsequently, PMB reported recommendations 2 and 5 had been implemented (memorandums dated April 2, 2007, and September 1, 2011, respectively).

## **Scope and Methodology**

The scope of this review was limited to documenting BLM's implementation of our recommendations. To accomplish our objective, we reviewed the supporting documentation that BLM officials provided to PFM and us. We discussed BLM's actions taken on each of the five recommendations and independently verified their implementation. We did not perform any site visits or conduct fieldwork to determine if the underlying deficiencies we initially identified were corrected. As a result, this review is not conducted in accordance with "Generally Accepted Government Auditing Standards" issued by the Comptroller General of the United States or the "Quality Standards for Inspections" of the Council of the Inspectors General on Integrity and Efficiency.

## **Results of Review**

We concluded that by January 30, 2006, BLM had resolved and implemented three of the five recommendations in our report, "Public Safety Issues at the Saginaw Hill Property, Bureau of Land Management." The remaining two recommendations were subsequently closed by PFM.

**Recommendation 1:** Notify the National Response Center of the contamination at the Saginaw Hill property.

We consider Recommendation 1 resolved and implemented. BLM notified the National Response Center on March 17, 2005, that a spill of lead and arsenic had been discovered at two mine sites at Saginaw Hill in March 2002, and it provided a legal description of the sites. The National Response Center subsequently generated Case Number 752982. Further, BLM informed the National Response Center of corrective action in accordance with the Comprehensive Environmental Response, Compensation, and Liability Act. BLM fenced the area and posted warning signs.

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

We consider Recommendation 2 to be resolved and implemented. BLM provided the following supporting documentation that it notified the public of the conditions at Saginaw Hill:

- BLM issued a news release on April 8, 2005, notifying the public that it had closed portions of Saginaw Hill to the public.
- BLM issued an order in the Federal Register, dated April 11, 2005, restricting public use on a year-round basis in the Saginaw Hill area.
- BLM issued a news release on June 21, 2005, announcing a public meeting for the Saginaw Hill cleanup. BLM's Tucson Field Office hosted the meeting on June 27, 2005, at the Harriet Johnson Primary School.
- BLM issued a news release on August 4, 2005, announcing portions of Saginaw Hill would be fenced and closed.

In addition to BLM's news releases, the "Arizona Daily Star" announced on June 25, 2005, a public meeting on arsenic and lead contamination at the Saginaw Hill site. The meeting involved local, State, and Federal officials and was scheduled for June 27, 2005. Further, PFM confirmed in its memorandum dated April 2, 2007, that BLM fully implemented the recommendation because it had issued its final "Engineering Evaluation/Cost Analysis" in February 2006.

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

We consider Recommendation 3 resolved and implemented. BLM provided a copy of a contract agreement for material and labor to construct an 8-foot-high, chain-link fence with barbed wire at the top, thereby restricting access to the contaminated site. BLM also provided a video clip of the outer fence and gate that closes the site to vehicles and the public.

BLM issued a news release, dated April 8, 2005, announcing that 20 acres of Saginaw Hill were being closed to the public. The notice allows BLM to apply penalties for trespassing. On April 11, 2005, BLM posted in the "Federal Register" a notice restricting all public use, year-round, on 20 acres of public lands in the Saginaw Hill area. The restriction was effective immediately.

**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.

We consider Recommendation 4 resolved and implemented. BLM provided a listing of mine features (shafts, adits, pits) at the Saginaw Hill Property. It also provided a "Decision Record" signed by the Acting Field Manager and dated April 4, 2005, proposing action to close 27 open mine shafts by pushing dump material that was deposited around the collar of each shaft back into the shaft. As of June 21, 2005, the 27 open shafts were filled. BLM provided a video showing the shafts were identified, remediated, and backfilled.

**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.

We consider Recommendation 5 resolved and implemented. On September 13, 2005, BLM established a bureau-wide process to assess hazardous sites on public lands that are close to populated areas, and other high-use areas. On September 1, 2011, PFM stated that BLM had implemented policies and had made significant progress in mitigating these hazardous sites.

BLM conducted a "Site Investigation and Removal Action" at Saginaw Hill. Contaminated materials were relocated to an on-site, engineered repository. BLM capped, with riprap and gravel, a former site for waste piles and a contaminated dry ephemeral wash. It installed a groundwater monitoring system, and quarterly groundwater monitoring is under way. BLM inspects the repository and source area caps quarterly.

On May 2011, BLM issued its “Abandoned Mine Lands (AML) Program Feasibility Study for AML Inventory Validation and Physical Safety Closures.” In 2011, BLM issued a fact sheet highlighting the AML Program’s accomplishments from 2008 to 2011:

- BLM remediated 3,617 sites that posed safety hazards, and remediated 5,885 acres of land affected by environmental or water quality problems.
- BLM inventoried 12,872 sites, updated records, and modernized its data collection methods.
- BLM completed a cost estimate for field validation and physical safety hazard remediation at 33,204 AML physical safety sites. The estimate totaled \$400 million.
- BLM’s AML Program received \$29.9 million dollars in American Recovery and Reinvestment Act funding and was able to begin 77 abandoned mine remediation projects.
- BLM completed the AML Program Policy E-Learning course for AML Program managers and employees. As of April 2011, BLM reported 119 employees have completed the course.

## **Conclusion**

We informed BLM officials of the results of this review on July 31, 2012. BLM officials agreed with the results of our review.

cc: LaVanna Stevenson, BLM Audit Liaison Officer  
Nancy Thomas, DOI Audit Liaison Officer, Internal Control and Audit Follow-up