



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

RECORDS MANAGEMENT AT SELECTED BUREAU OF INDIAN AFFAIRS' AGENCY OFFICES




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JAN 31 2014

Memorandum

To: Michael S. Black
Director, Bureau of Indian Affairs

From: Jeff Carlson 
Director, Energy Audits Unit

Subject: Inspection Report – Records Management at Selected Bureau of Indian Affairs' Agency Offices
Report No. CR-IS-BIA-0001-2014

The Office of Inspector General is currently evaluating the U.S. Department of the Interior's application for permit to drill (APD) process for oil and gas wells. As part of the evaluation, we conducted site visits at three Bureau of Indian Affairs' (BIA) agencies to assess BIA's role in the APD process. At two of the three agencies we visited, we found deficiencies in records management practices for oil and gas documents and files. This inspection report contains the results of those findings. The results of our evaluation of the APD process will be reported separately.

From April through July 2013, we visited the following BIA offices:

- Southern Ute Agency, Ignacio, CO;
- Fort Berthold Agency, New Town, ND; and
- Uintah & Ouray Agency, Fort Duchesne, UT.

The three agencies were selected because of their locations, intensive oil and gas development, and large numbers of APD submissions.

Background

Royalty payments for oil and gas produced from Indian lands are held in trust, invested, and disbursed at the direction of the applicable tribe or individual mineral owner. To ensure that royalties are correctly paid, it is essential that BIA agency offices maintain an accurate system of property records showing the location and owner of each oil and gas lease, individual well data, and rights-of-way.

The "Indian Affairs Records Management Manual" (IARMM) stipulates the requirements for property records systems. The Office of Trust Review and Audit (OTRA) under the Office of the Special Trustee for American Indians (OST) provides periodic, independent reviews of BIA's offices to ensure the Secretary's trust responsibilities are carried out.

Findings

Southern Ute Agency

The condition of the Southern Ute Agency's land records was the subject of a November 2009 report issued by the Superintendent for the Uintah & Ouray Agency. The report stated that information concerning leases, oil wells, and correspondence were kept in the same file making it large and unmanageable, especially when researching specific information. Further, each file contained much of the same information, but not in any order. The report cited other deficiencies including—

- real estate and general records inconsistently filed;
- new property records incorrectly recorded;
- uncontrolled access to property records;
- incomplete and not current rights-of-way files;
- unrecorded oil well surface structures in BIA's Trust Asset and Accounting Management System; and
- incomplete well files or not uniformly filed.

When we inquired about the report, the BIA official who wrote the report stated that the Southern Ute Agency had not corrected many of these issues. During our site visit to the Southern Ute Tribe, we interviewed tribal officials regarding the APD process. Officials stated that the Agency's oil and gas lease files were not in good condition adding additional time to BIA's surface review. They also stated that the Agency was understaffed. The officials also felt that their property records were better than BIA's. Our inspection of the Southern Ute Agency was performed during the survey phase of our APD evaluation and did not involve the review of APD files in the same manner that Fort Berthold was reviewed. Nevertheless, our interview with the Southern Ute Agency and tribal officials helped identify records management weaknesses.

Fort Berthold Agency

We observed that the Fort Berthold Agency used three rooms to file official records. One room was an office staffed by the realty specialist, the second was an unstaffed records room, and the third was a vault where OST's records were kept. The vault appeared neat and orderly. The two other rooms, however, were in disarray with file boxes stacked haphazardly. Further, we observed several boxes of documents without identification labels, unlocked file cabinets with loose files, and unrestricted access to the rooms.

OTRA's most recent review of the Fort Berthold Agency, conducted in November 2012, was limited to the Agency's trust records, but identified similar problems, including—

- six boxes of unlabeled records and loosely kept records;
- filing cabinets with unsorted and loose documents;
- an outdated file maintenance system; and
- inactive records held beyond the retention period.

OTRA noted that the Fort Berthold Agency had the required plan identifying controls for limiting access to rooms with trust records. Based on our observations, however, the plan was

not followed. An OTRA spokesperson stated that its reviews and assessments at BIA agency offices were primarily focused on the condition of the trust records, but should encompass all agency records. We concur that reviews encompassing both trust and non-trust records should be performed. Chapter 2 of the IARMM has charged OST, BIA, and the Office of Trust Records with responsibility and authority for the management of OST and Indian Affairs' records programs.

Uintah & Ouray Agency

We identified no records management issues at the Uintah & Ouray Agency. Specifically, the individual property records were sorted into folders with information divided into separate file sections making it easy to access the information for the surface reviews of the individual APDs selected for review. The files were stored in a high-density, mobile shelving system within a controlled file room.

Recommendations

We recommend that BIA complete the following:

1. Work with the Office of the Special Trustee for American Indians to expand the scope of OTRA's records management reviews to include all property records maintained at BIA agencies.
2. Ensure that the recommendations contained in the 2009 report citing records management deficiencies at the Southern Ute Agency are implemented.
3. Ensure that the Fort Berthold Agency complies with its management plan for safeguarding trust records.

Please provide us with your written response to this report within 30 days. The response should provide information on actions taken or planned to address the recommendations, as well as target dates and title(s) of the official(s) responsible for implementation. Please send your response to me at:

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The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented.

Scope and Methodology

To conduct this inspection, we reviewed regulations and policies related to records management, examined prior records management reviews conducted at BIA agencies, interviewed cognizant officials, and visited three judgmentally sampled agencies. We did not use any computer generated data for this inspection. We conducted our inspection in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions and recommendations.

If you have any questions regarding this report, please contact me at 303-236-9107.

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