



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

SEMIANNUAL REPORT TO CONGRESS

For the period ending September 30, 2016



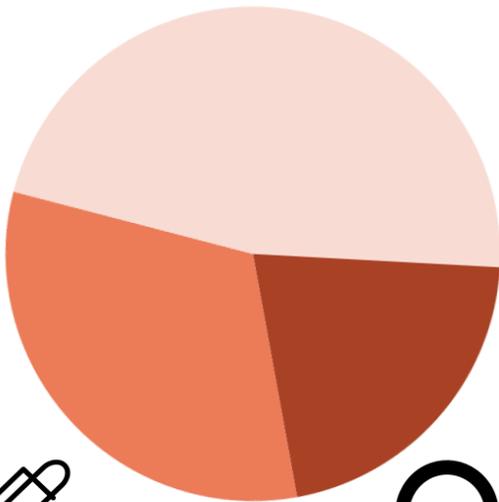
highlights

AUDITS



22

Management
Advisories
&
Special Projects



15

Contract &
Grant Audits



10

Audits,
Inspections,
& Evaluations

During this reporting period, my office issued 47 compelling reports designed to combat fraud, waste, and mismanagement in DOI programs. In addition to this significant work, I am pleased to highlight the recognition of two review teams for their efforts during previous reporting periods. The teams were honored recently at a Governmentwide award ceremony hosted by the Council of the Inspectors General on Integrity and Efficiency (CIGIE). These prestigious awards recognize outstanding achievements in the Inspectors General community.

An Eastern Regional Audit Office team was awarded the CIGIE Audit Award for Excellence for their work auditing the Department's Climate Science Centers. Significant findings included problems with the financial award process and risk assessments, missing documentation, and a lack of internal controls.

OIG's Information Technology Audits Division received the CIGIE Evaluations Award for Excellence. The team evaluated the security of DOI's Publicly Accessible Information Technology Systems and found that the Department's networks lacked the necessary controls to protect internal systems in the event of a breach.

-- Kimberly Elmore, Assistant Inspector General for Audits, Inspections, and Evaluations

TOTAL MONETARY IMPACTS

\$

9

,

7

3

0

,

8

1

6

highlights

INVESTIGATIONS



This reporting period, the Office of Investigations was nimble and adaptive in responding to a wide range of high-profile allegations. We took significant steps to keep our investigations thorough, timely, and relevant to the Department.

To stay focused on impact rather than output, we concentrated our resources on high-risk allegations and kept the Department informed in real time on our investigative results. This approach supported the Department's responsibility to hold wrongdoers accountable and address breakdowns in internal controls that allow for misconduct or mismanagement.

-- Matthew Elliott, Assistant Inspector General for Investigations

520
Complaints
Received



CRIMINAL PROSECUTION ACTIVITIES



12 Months
Jail time



10
Convictions



\$4,577,771.97
Criminal Penalties

April 1, 2016 - September 30, 2016

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April 1, 2016 - September 30, 2016

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Cover Photo: The Monocacy Aqueduct, on the Chesapeake and Ohio Canal, is the largest of the canal's 11 stone aqueducts.

OUR OPERATING PRINCIPLES

As the Office of Inspector General (OIG) for the U.S. Department of the Interior (DOI), we provide independent oversight and promote excellence, integrity, and accountability within the programs, operations, and management of DOI by conducting audits, inspections, evaluations, and investigations.

We keep the Secretary and Congress informed of problems and deficiencies relating to the administration of DOI programs and operations. As a result of us fulfilling these responsibilities, Americans can expect greater accountability and integrity in Government program administration.

Our core values define a shared OIG way, guiding employee behavior and decisions at all levels. Adhering to these values—objectivity and independence, integrity, and getting results—we build a foundation to develop trustworthy information that improves DOI.

- **Objectivity and independence** define us and are the bedrock of our credibility. These concepts are closely related. Independence impairments impact objectivity. OIG and its employees must remain independent from undue outside influence and approach work with intellectual honesty.
- **Integrity** is a character trait as well as a way of doing business. By acting with integrity in all we do, we build trust and a reputation for producing actionable and accurate work.
- **Getting results** depends on individual and team efforts. We positively impact DOI by detecting fraud and other wrongdoing; deterring unethical behavior and preventing deleterious outcomes; confirming programs achieved intended results and were fiscally responsible; and highlighting effective practices.

A Message From **Deputy Inspector General Mary Kendall**

I am pleased to submit this semiannual report detailing the successful work we completed from April 1, 2016, through September 30, 2016, to promote excellence, integrity, and accountability within the programs, operations, and management of the U.S. Department of the Interior (DOI).

Audit highlights in this report include an evaluation of schools funded by the Bureau of Indian Affairs and the Bureau of Indian Education (BIE), which identified several systemic programmatic weaknesses, in addition to major facility deficiencies and health and safety concerns; an assessment of DOI's Continuous Diagnostics and Mitigation program, which revealed that the program is immature and not fully effective in protecting high-value IT assets from exploitation; and an inspection of scientific misconduct at a U.S. Geological Survey (USGS) laboratory, which impacted public trust in USGS and may have compromised research and assessment projects.

Our investigative work revealed mismanagement and wrongdoing at the senior management level, to include improper hiring practices and questionable judgment by the former BIE Director; instances of sexual harassment committed by two National Park Service law enforcement supervisors; and a U.S. Fish and Wildlife Service division chief who failed to disclose outside employment and a conflict of interest.

With fewer than 80 investigators, we work with constrained resources to address the ever-increasing complaints and allegations we receive throughout the year.

We do so, in part, by capitalizing on a culture at Interior that, for the most part, is populated by individuals who are committed to the mission and doing the right thing. In addition, we have started to look for investigative trends that may illuminate more systemic issues within the Department and its bureaus.

We have also changed some of our internal processes to increase transparency. We now publish on our website all of our investigative reports and contract audits, either in summary or redacted form. We do this with respect for personal privacy and proprietary information, but this makes the entire scope of our work available to the public. In addition, we have been working with the Department on areas in which to improve accountability, such as referring cases for civil recovery under the Program Fraud Civil Remedies Act and providing the impetus for the Department to revise its acquisition policy to strengthen conflict-of-interest protections.

We are proud of the work we completed in the second half of fiscal year 2016 that contributed to our mission to prevent fraud, waste, and mismanagement and improve the programs and operations of DOI. We look forward to continuing to provide objective and actionable reports to Congress, DOI and its bureaus, and our other customers and stakeholders.



Deputy Inspector General

The seal of the Office of Inspector General, U.S. Department of the Interior, is a circular emblem. It features an eagle with its wings spread, perched on a shield. The shield contains a circular pattern of stars, similar to the European Union flag. The text "OFFICE OF INSPECTOR GENERAL" is written along the top arc, and "U.S. DEPARTMENT OF THE INTERIOR" is written along the bottom arc. The words "U.S. DEPARTMENT OF THE INTERIOR" are also written in a smaller font along the top arc.

Reporting Highlights

Financial and Contract Audits

DOI Did Not Comply With Requirements To Report Improper Payments in Agency Financial Report

We reviewed the "Summary of Improper Payments" section in DOI's fiscal year (FY) 2015 "Agency Financial Report" to determine whether DOI complied with the Improper Payments Elimination and Recovery Act of 2010 (IPERA). IPERA requires each agency to follow Office of Management and Budget (OMB) guidance to periodically review and identify all programs and activities that may be susceptible to significant improper payments. For each program and activity identified as susceptible to significant improper payments, the agency must produce a statistically valid estimate or an OMB-approved estimate of the improper payments. We concluded that DOI did not comply with IPERA in FY 2015.

DOI did not comply with IPERA because it did not complete the required risk assessments. DOI had placed its programs on a 3-year risk assessment cycle with the next cycle due for the FY 2015 reporting period. We found, however, that DOI did not prepare a new risk assessment for its programs and activities as required.

We also found that DOI did not report a valid improper payment rate related to Hurricane Sandy disaster-relief funding. OMB guidance requires agencies that support Hurricane Sandy relief efforts to manage funds in the same manner as programs designated as susceptible to significant improper payments. DOI's reported improper payment rates were not based on a valid statistical sample. DOI also did not have a Departmentwide standardized statistical sampling and estimation plan that was prepared by a trained statistician and approved by OMB as required.

Contract and Grant Audits Identified \$5.7 Million in Questioned Costs and Deficient Oversight

We audited contracts and grants awarded by DOI and identified a potential cost savings to the Government of \$5.7 million out of \$72.1 million in claimed costs. In addition, in four of these audits, we identified deficient oversight by the U.S. Fish and Wildlife Service (FWS). We made 34 recommendations to DOI related to the contracts and grants we audited, focused on recovering questioned costs and improving oversight. DOI is working with all audited recipients to recover costs and resolve these matters.

Hurricane Sandy Audits

In response to our efforts to monitor Hurricane Sandy relief funds, we audited five entities that received contracts totaling \$11.7 million; we identified \$2.5 million in questioned costs. DOI awarded these contracts to remove and dispose of debris at wildlife refuges in New York and New Jersey, to prepare updated coastal maps to improve coastal barriers, and to create an emergency data preparedness and response system for coastal national parks that will guide management after extreme storm events.

In one audit, we found that the recipient claimed costs of \$5,373,154 on contracts awarded by FWS to provide equipment and personnel to remove, recycle, and properly dispose of debris at appropriate waste collection facilities at a wildlife refuge. Our audit questioned \$2,009,036 across two contracts, representing unallowable charges and expenses not supported by proper documentation. We found that the recipient billed FWS for labor hours for its personnel and subcontractors, lodging and meals, material and miscellaneous charges, and equipment rental without providing sufficient supporting documentation. For example, neither the recipient nor FWS had all the timesheets associated with payroll labor costs. More specifically, 18 out of 18 invoices did not include timesheets for every employee, and 5 out of 18 invoices did not include any support documentation for payroll costs. In addition, the recipient did not bill the correct rates for some employees per the contract requirements.

During this audit, we also found that FWS should have used a more effective process to select this recipient and to monitor performance throughout the contract. As a result, FWS did not prevent or detect numerous problems, including severe financial capability problems, poor internal controls, nonpayment of vendors and subcontractors, labor violations, past performance problems, issues with related parties, and deficient Federal contract experience. For example, we discovered past performance issues that FWS should have uncovered during the pre-award assessment of the recipient. During our background research, we determined that the recipient and one of its subcontractors had prior issues with a similar Hurricane Sandy debris cleanup contract with the U.S. Army Corps of Engineers months before FWS awarded funds to this recipient.

In two other audits, the recipients claimed costs of \$5,089,360 on contracts awarded by FWS to provide personnel, equipment, supplies, facilities, and transportation to remove, recycle, and properly dispose of debris at appropriate waste collection facilities in an environmentally sensitive and lawful manner.

In these audits, we questioned \$318,395 across two contracts, representing unallowable charges and expenses not supported by proper documentation. The recipient billed FWS for items such as labor hours, equipment rental, materials and miscellaneous supplies, disposal fees, consumables, and lodging without providing sufficient supporting documentation. For example, the recipients charged FWS for travel costs that did not meet the Federal Travel Regulations. We found that employee expense reports did not provide sufficient information to determine purpose of the trip and personnel on the trip. In addition, some of the claimed travel costs had no associated expense report. Lastly, we identified internal control weaknesses involving timekeeping, accounting, and billing systems, as well as deficiencies affecting timeliness and the accuracy of allocating and invoicing costs.

In addition, FWS contracting staff allowed one of these recipients to claim costs for administrative personnel that were not allowed by the Basic Ordering Agreement (BOA). The BOA required that costs for administrative staff be considered part of the overhead and general and administrative costs, which are factored into the contractor's operating rates. The contracting staff from FWS allowed the recipient to claim costs for administrative personnel on the contract, resulting in duplicate charges that were already factored into the daily operating rates.

We also identified deficiencies with FWS' contract oversight and administration. FWS did not effectively review the contractor's invoices and supporting documentation, which resulted in FWS paying duplicative and excessive costs. For example, FWS paid for labor billed with no supporting documentation. The recipient included labor charges for personnel who did not sign the sign-in sheet, and in two examples, instead of person's signature, someone wrote the words "OUT" or "Jamaica," and the employee was still paid.

In a fourth audit, we found that FWS did not adequately oversee its contracts with the recipient. Specifically, we identified three issues related to FWS' monitoring of the recipient's performance. We found that FWS did not review the qualifications of the recipient's employees, identify or resolve labor category redundancies, or maintain permanent contract files.

This inadequate oversight resulted in wasted funds. For example, we determined that the recipient's U.S. General Services Administration contract contained duplicate job descriptions and overlapping experience requirements—but different hourly billing rates—for two labor categories, namely CADD Operator and CADD System Operator.

The hourly rate for CADD Operator is \$45.51, and for CADD System Operator it is \$62.83. FWS relied on the recipient to review the qualifications and to assign employees the appropriate labor categories; the recipient billed at the higher rate. Our review, however, identified four employees who were eligible to bill at the lower rate.

Finally, in the fifth Hurricane Sandy audit, we found that the recipient claimed costs of \$1,284,598 on cooperative agreements awarded by the National Park Service (NPS) that focused on supporting national parks in NPS' Northeast Region by creating a system for emergency data acquisition, analysis, management, and archiving before, during, and after extreme storm events. The system will be based on lessons learned from Hurricane Sandy's impact on three national parks.

During our audit, we questioned \$150,452 across two agreements, representing unallowable charges and expenses not supported by proper documentation, including cost center charges, research supplies, computer supplies, and software.

For example, the recipient billed for cost center charges without providing accurate and reasonable documentation for the calculation of the cost center charges. We also identified inconsistencies in the amount and timing of the charges. The costs were not charged to the contract on a monthly basis as stated in the recipient's internal policy.



Jacob Riis Park in Gateway National Recreation Area was badly damaged by Hurricane Sandy.

Abandoned Mine Land Audit

We also audited a grant awarded by the Office of Surface Mining Reclamation and Enforcement (OSMRE) that supported operation of approved State and tribal abandoned mine land reclamation projects on eligible land and waters. The recipient claimed costs of \$57,615,698, and we questioned \$723,361 across five program grants, representing unallowable grant charges and expenses not supported by proper documentation. We also found that one grant had misreported expenditures in the final financial report, that contractor practices for weighing materials had insufficient oversight, and that OSMRE's risk assessment may have assigned a lower-than-warranted risk level.

More specifically, OSMRE grant specialists did not thoroughly review the final Federal financial report, or SF-425, submitted by the recipient. These reports are an important monitoring tool and key internal control used to ensure grant funds are not overspent.

We found that the recipient overstated its expenses by \$858,321. In addition, we found that several of the recipient's employees split time between grant programs and charged their hours based on predetermined percentages. These percentages, although approved by OSMRE, were not determined by a quantifiable measure, which violated Federal regulations that outline specific requirements for charging salaries and wages to Federal grants. Many of the percentages used were static over the 5-year scope of this audit, and the recipient could not provide us with a quantifiable methodology.

As a result, we questioned \$539,489 in salaries and fringe benefits based on our sample of timesheets. Our sample, however, only covered one pay period for each of the five grants, so the total amount of unsupported payroll charges is likely substantially higher.

Equitable Adjustment Claim Audit

Finally, in another audit, we found that the recipient claimed costs of \$2,472,072 on a Request for Equitable Adjustment issued by the Bureau of Reclamation (USBR). USBR awarded the original contract to support crane modifications at the Grand Coulee Dam Third Power Plant.

The recipient requested an equitable adjustment to the contract after construction delays occurred, and claimed that modifications requested by USBR had caused delays that resulted in additional costs to the recipient.

The recipient provided a time-impact analysis for the incurred costs but did not include basic contextual information such as background, purpose, conclusion, or the total number of delay days claimed.

Overall, we identified claimed costs that were not well defined or supported by the recipient. Therefore, we could not substantiate costs of \$2,232,917.

Audits of Wildlife and Sport Fish Grants Identified More Than \$2 Million in Potential Savings and Program Improvements

Through its Wildlife and Sport Fish Restoration Program (WSFRP), the U.S. Fish and Wildlife Service (FWS) awards grants to States, Insular Areas, and the District of Columbia to conserve, protect, and enhance fish, wildlife, their habitats, and the hunting, sport fishing, and recreational boating opportunities they provide. Under a reimbursable agreement with FWS, we audit all entities over a 5-year cycle required by Federal law. In this semiannual period, we audited seven agencies:

- Commonwealth of Pennsylvania, Game Commission;
- Commonwealth of the Northern Mariana Islands, Department of Lands and Natural Resources;
- Commonwealth of Virginia, Department of Game and Inland Fisheries;
- State of Alabama, Department of Conservation and Natural Resources, Division of Wildlife and Freshwater Fisheries;
- State of Utah, Department of Natural Resources;
- State of Georgia, Department of Natural Resources; and
- State of South Carolina, Department of Natural Resources.

In these audits, we identified nearly \$2.4 million in ineligible costs or unsupported claims. In addition, we identified accounting and control issues that could expose WSFRP funds to risk of misuse. In all, we provided 44 recommendations for program improvements. FWS is working with these States to resolve the issues, and to recover costs where appropriate.

Commonwealth of Pennsylvania (Game Commission)

In this audit, we questioned \$1,508,801 related to the Commission's inability to document its direct cost base on one large grant. We also identified issues with inadequate timekeeping for law enforcement activities, improperly documented volunteer hours, an inaccurate equipment inventory, and unreconciled real property records.

Inadequate Documentation of Direct Cost Base

The Commission could not provide adequate documentation to support the direct cost base for one large grant, so we questioned both the direct costs claimed and the related indirect cost calculation, totaling \$1,508,801.

Inadequate Timekeeping for Law Enforcement Activities

The Commission could not demonstrate that land management officers were accurately tracking time spent on law enforcement, which is not an eligible WSFRP activity. As a result, WSFRP funds might not be properly controlled to assure they are used only for authorized purposes.

Unsupported In-Kind Contributions (Improper Documentation of Volunteer Hours)

We found a number of concerns with the Commission's practices in valuing and recording volunteer hours in its Hunter Education program, and thus had no assurance that \$2.3 million in claimed in-kind contributions were valid. The Commission had already satisfied requirements for State matching funds so we did not question these costs, but we recommended that the Commission improve controls for future claims.

Inadequate Asset Management (Equipment Inventory)

We found a variety of issues with the Commission's official asset inventory, including discrepancies between that inventory and our property tests at various sites. For example, 12 percent of items in the inventory appeared to be duplicate entries, and more than half of the items we inspected in the field were not tagged as State property.

Inadequate Asset Management (Unreconciled Real Property Records)

The Commission had not reconciled its lands inventory with FWS as needed to ensure that real property acquired with WSFRP funding continues to serve conservation purposes.

**Commonwealth of the Northern Mariana Islands
(Department of Lands and Natural Resources)**

In this audit, we questioned \$42,580 related to excess reimbursements and an incorrect rate for indirect costs. We also identified issues with inadequate equipment management and insufficient documentation of small purchases.

Excess Reimbursements (Unsupported Drawdowns)

The Department did not ensure that various adjustments and transfers in its accounting system were also reflected on financial reports to FWS. Based on our review, we questioned \$38,759 in excess reimbursements.

Excess Reimbursements (Incorrect Rate for Indirect Costs)

We also questioned \$3,821 because the Department did not apply the correct rate when calculating indirect costs in its grant reimbursements.

Inadequate Asset Management (Equipment Inventory)

The Department continued its past practice of recording some assets by purchase lot rather than by individual items. As a result, we could not validate the property inventory to ensure that assets purchased remained in the Department's control for the continued benefit of WSFRP activities.

Insufficient Supporting Documentation—Small Purchases

More than 60 percent of the Department's nonpayroll transactions related to customer accounts with various vendors. Supporting documentation provided by the Department was not adequate to provide assurance that services actually procured through those vendor agreements were limited to eligible WSFRP activities.

Commonwealth of Virginia (Department of Game and Inland Fisheries)

In this audit, we questioned \$611,317 related to improperly documented volunteer hours, inadequately documented mileage reimbursements, and unreported program income.

Inadequate Documentation of Volunteer Hours and Mileage Expenses

We found a number of concerns with the Department's practices in recording volunteer hours in its Hunter Education program, including unverifiable lump-sum amounts and inadequate evidence of supervisory review. We, therefore, had no assurance that \$490,174 in claimed in-kind contributions were valid. We also found similar concerns with the Department's practices in recording volunteer mileage and questioned \$106,637 as unsupported reimbursements.

Unreported Program Income

The Department had not reported some rental income generated on grant-supported properties, and therefore received \$14,506 in WSFRP reimbursements without first assuring that all program income had been expended on eligible activities.

State of Alabama (Division of Wildlife and Freshwater Fisheries)

In this audit, we questioned \$17,955 for an ineligible construction-related expenditure and found that commuting expenses were improperly charged to WSFRP grants. We also identified issues relating to the interagency transfer of equipment and unreimbursed court costs.

Improper Charges (Unrelated Purpose)

The Division charged a construction-related architecture expense to a hatchery operations grant, under which it was not an eligible expense.

Ineligible Expenses (Employee Commuting Costs)

Some Division employees were unaware of a requirement to report commuting miles. Such reports would be used to allocate vehicle expenses and ensure that commuting costs would not be charged to WSFRP, or any other Federal, grants. We did not quantify the monetary impact of this omission, but we recommended improved controls.

Inadequate Asset Management (Improper Transfer of Equipment)

The Division transferred license revenue funded radio equipment to another agency without compensation. Federal regulations require that equipment acquired with WSFRP grants or State license revenue remain within the control of the fish and wildlife agency, or that property disposal occur through channels that ensure compensation for the residual value of such equipment.

Improper Cost Allocation (Unreimbursed Court Costs)

The Division improperly charged the State's Game and Fish Fund for certain court costs related to Division litigation, to be reimbursed by the State's Department of Finance, Division of Risk Management. No such reimbursement was recorded. The Game and Fish Fund is a restricted account for license revenue, to be used only for fish and wildlife activities. WSFRP eligibility and State assent legislation require that license revenue be protected from diversion to other purposes.

State of Utah (Department of Natural Resources)

In this audit, we questioned a total of \$208,752 due to inadequately supported payroll charges, incorrect calculation of third-party contributions, and out-of-period match. We also identified issues relating to inadequate asset management.

Unsupported Payroll Costs

We questioned \$101,048 in payroll costs that were charged to WSFRP grants through journal entries with minimal justifications and without supporting documentation to demonstrate that the expenditures were for eligible grant-related activities.

Excess Reimbursements (Incorrect Calculation of Third-Party Contributions)

The Department incorrectly applied overhead rates when calculating waived overhead under a cooperative agreement with Utah State University. The amount of waived overhead was claimed as a third-party contribution to State match requirements under related WSFRP grants. Based on our calculations applying the approved terms of the cooperative agreement, we questioned \$79,803 in excess WSFRP reimbursements.

Excess Reimbursements (Out-of-Period Match)

We questioned \$16,966 in reimbursements that were based on an in-kind contribution made before the grant period. The Department had claimed as match the donation of collars for deer population research. The contribution, however, was recorded prior to approval of the grant for which it was claimed as match.

Inadequate Asset Management (Improper Transfer of Equipment)

The Department may have transferred license revenue funded decontamination equipment to another agency without compensation. Federal regulations require that equipment acquired with WSFRP grants or State license revenue remain within the control of the fish and wildlife agency, or that property disposal occur through channels that ensure compensation for the residual value of such equipment. The Department will work with FWS to verify that the equipment was purchased with State general funds and not with license revenue as indicated in our audit work.

Inadequate Asset Management (Equipment Inventory)

We found a variety of issues with the Department's official asset inventory, including discrepancies between that inventory and our property tests at various sites.

For example, we found a bulldozer, a tractor, and a boat that were not recorded, in addition to other items for which property tags had not been provided even though property tag numbers had been recorded in the accounting system when the assets were procured.

Inadequate Asset Management (Unreconciled Real Property Records)

The Department had not reconciled its lands inventory with FWS as needed to ensure that real property acquired with WSFRP funding continues to serve conservation purposes.

State of Georgia (Department of Natural Resources)

In this audit, we did not question any costs and found that the State complied with all applicable grant accounting and regulatory requirements.

State of South Carolina (Department of Natural Resources)

In this audit, we did not question any costs and found that the State complied with all applicable grant accounting and regulatory requirements.



A Bull Elk roaming on lands managed by Utah's Department of Natural Resources.

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



**Bureau of Land
Management**

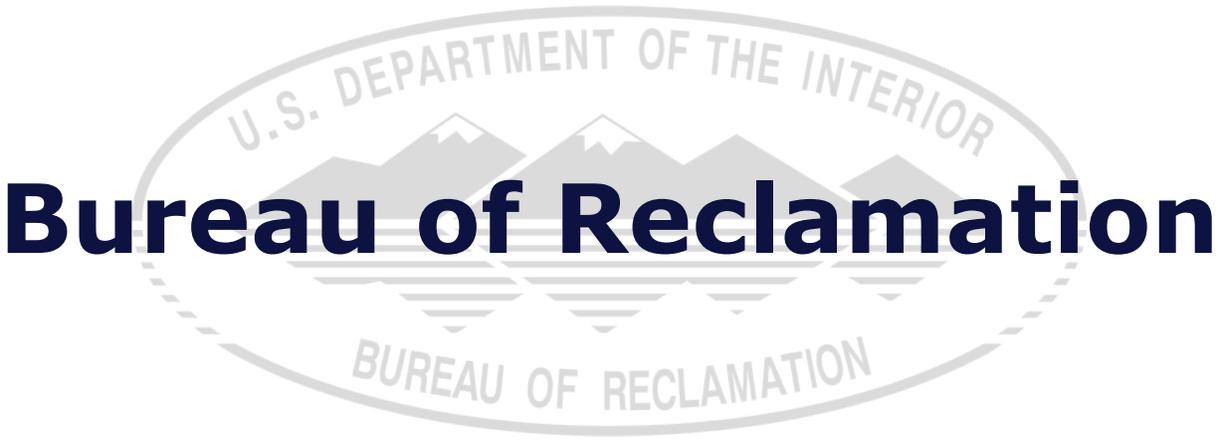
Bureau of Land Management

Fraudulent Mining Claims Submitted to BLM

In a joint investigation with the FBI, we investigated allegations that a subject purchased mining claims from the Bureau of Land Management's (BLM) California and Nevada State Offices using other peoples' names, and submitted fraudulent claims to BLM on behalf of several individuals. These individuals either did not exist, or did not authorize the subject to use their names. The subject then sold these false claims to victims for cash.

We substantiated the allegations. We found that the subject sold or attempted to sell fraudulent mining claims through various means, including false internet auction accounts. The subject admitted to falsifying geological reports to increase the price of his claims. Using various names and companies, the subject sold at least 12 fraudulent mining claims and received over \$30,000 from those sales.

On August 31, 2015, the U.S. Attorney for the Eastern District of California declined prosecution of this case. We provided our investigative findings to BLM.



Bureau of Reclamation

Bureau of Reclamation

Contractor Failed To Provide Required Security Services to USBR

OIG investigated allegations that American Facility Support Services (AFSS), based in Long Beach, CA, failed to provide services required under a contract awarded to AFSS by the Bureau of Reclamation (USBR) to provide security at power plants, dams, and facilities in Colorado. From April 2011 to September 2011, AFSS electronically submitted six invoices totaling \$178,280.50 to USBR claiming it provided the armed-security-guard services as required by the contract.

Our investigation determined that AFSS did not provide the services and equipment—to include, among others, use-of-force and sufficient firearms training, handguns and shotguns, dash-mounted recording devices, and 40 to 50 hours of security training per security guard—to the extent required by the contract. The investigation further found that some AFSS employees patrolled without handguns, the required firearms training, or basic equipment.

Throughout our investigation, several former AFSS employees informed us that they did not receive the required training or the necessary equipment to perform their duties, resulting in failure to comply with contract requirements and jeopardizing the safety and security of both the AFSS personnel and USBR facilities. The employees also cited instances of returned paychecks from AFSS because of insufficient funds.

The U.S. Attorney's Office for the District of Montana declined both civil and criminal prosecution of this matter. We referred our findings to USBR.

The logo for the Bureau of Safety and Environmental Enforcement (BSEE) is centered on the page. It features a large, light gray oval background. Inside the oval, there is a stylized illustration of an offshore oil rig on the left and a crane on the right. The text "BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT" is written in a large, bold, sans-serif font across the middle of the oval. Below this, the words "Bureau of Safety and Environmental Enforcement" are written in a smaller, lighter font, and "Environmental Enforcement" is written in an even smaller font at the bottom of the oval.

**Bureau of Safety and
Environmental
Enforcement**

Bureau of Safety and Environmental Enforcement

BSEE Contractor Falsely Represented Qualifications To Improve Chances of Winning Award

As a result of a separate investigation, we reviewed an approximately \$500,000 contract awarded to 838, Inc.—a scientific and technical consulting services contractor—in 2012 to assess various types of real-time data monitoring systems available for offshore oil and gas operations. Our review of this contract file led to the discovery of possible fraudulent claims by the contractor regarding key personnel working on the contract.

Contract documents, testimony by the alleged employee, and the absence of employment records indicated that 838, Inc. falsely represented to the Bureau of Safety and Environmental Enforcement (BSEE) contracting officer that a specific individual with the requisite skills and experience would be working on the project, consistent with its submitted proposal that BSEE relied on in making the award.

We presented our investigative findings to the U.S. Attorney's Office in Sacramento, CA, which declined prosecution. We referred the case to our Administrative Remedies Division for appropriate administrative action.

Alleged Unauthorized Government Purchase Card Use by Senior BSEE Official

OIG investigated allegations that a senior BSEE official requested and approved multiple unauthorized purchases for personal gain using a Government purchase card.

We determined that the official, a GS-15, directed and approved \$20,272 in questionable purchases for BSEE and the BSEE dive program that were neither discussed with nor approved by the official's supervisor or the Dive Control Safety Board (DCSB). While BSEE and DCSB require a supervisor to review and approve all purchases in advance, we found that the purchases support the dive program. We found no indication that the BSEE official personally gained from the purchases.

During the investigation, we also discovered an altered Certificate of Release or Discharge from Active Duty (DD Form 214) in the official's personnel file. The official admitted that he made the alteration, which concealed that he separated from military service for unacceptable conduct. In addition, we identified that the official made a false statement on his Declaration for Federal Employment (Optional Form 306) pertaining to that separation.

We referred the results of our investigation to the U.S. Attorney's Office in the District of Columbia, which declined to prosecute. We also provided our findings to BSEE for review and action.



Indian Affairs

Indian Affairs

Systemic Program Weaknesses Affect the Condition of BIA- and BIE-Funded School Facilities

We evaluated 13 schools funded by the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE) to examine their condition and to determine if the facilities were safe for students and staff and whether BIA and BIE provided the schools with the support necessary for creating and maintaining an environment conducive to learning. We found that the bureaus' management of Indian school facilities had several systemic programmatic weaknesses, in addition to major facility deficiencies and health and safety concerns.

BIA and BIE fund and oversee 183 Indian schools throughout the Nation, with an estimated annual attendance of over 40,000 students. Indian Schools are well recognized—by Congress, bureau personnel, school officials, and the media—as broadly in poor condition. One component of providing a quality education is to have school facilities that are safe and conducive to learning. Deteriorating school conditions are a systemic problem across the Indian school system.

We identified several systemic weaknesses in BIA's and BIE's management of Indian school facilities, to include problems during the transition to the new facilities management system, Maximo; valuation tools used for funding decisions; and the execution of custodial oversight. More specifically, the bureaus are transitioning to Maximo for facilities management but have not adequately communicated this transition to the schools. In addition, the Facilities Condition Index, an important valuation tool used in funding decisions, poorly represents actual school conditions. Further, the overall execution of custodial oversight is inadequate.

For example, the bureaus have not consistently communicated custodial roles and responsibilities to each other or to the schools, have not provided adequate oversight of fund expenditures or project completion, and have not ensured that necessary school inspections are consistent and completed. This inconsistent and inefficient interaction with schools adds to the difficulty that schools face in maintaining and improving their facilities. According to the U.S. Department of Education, students in decaying school environments score lower on the academic achievement tests than their peers who attend schools in fair or good condition. Further, environmental conditions such as peeling paint, nonfunctioning toilets, poor lighting, and inoperative heating and cooling systems can affect the learning, health, and staff and student morale.

In addition to the programmatic issues, we also found major facility deficiencies and health and safety concerns that should be assessed for immediate corrective action so unnecessary risks are not taken with the welfare of school students, staff, and visitors. We focused on those deficiencies that should be addressed promptly, including—

- asbestos, radon, and mold;
- structural concerns and condemned buildings;
- electrical issues;
- grounds and drainage problems;
- damaged and deteriorated roofs;
- plumbing, corrosion, and moisture damage;
- reliance on temporary structures as permanent solutions; and
- problems with fire safety systems.

We also found that much of this information was not documented in BIA's facilities management system, a responsibility shared by both the schools and the bureaus. When facility needs are not documented in the system, regardless of the reason, the information used to make school-facility funding decisions is inaccurate and incomplete.

We provided 21 recommendations focused on the identified systemic weaknesses and facility deficiencies to help the bureaus develop promising practices and implement plans to improve the operation and condition of Indian school facilities. BIA and BIE gave no formal response to our report, so we consider all 21 recommendations unresolved and unimplemented.



Bleachers mark the edge of the athletic play area at Flandreau Indian School. After millions of facilities dollars were spent on infrastructure improvements, one of many poorly executed projects resulted in light posts being installed in the middle of the field—despite the protests of school officials.

Investigation Found Questionable Judgment by Former BIE Director, No Evidence That BIE Misused Educational Grants

We investigated allegations that Charles Roessel used educational grants to induce Indian tribes to lobby Congress during his tenure as BIE Director, and that BIE staff may have violated anti-lobbying restrictions in the process. Our investigation revealed questionable judgment by Roessel but no clear wrongdoing.

The allegation stated that Roessel and his staff used Sovereignty in Indian Education (SIE) and Tribal Education Department (TED) educational grants to induce tribes and tribal organizations to lobby Congress in support of a proposed BIE reorganization. We also investigated whether Roessel and his staff violated restrictions against lobbying Congress as they sought tribal support for the reorganization.

We found no evidence that Roessel and his staff were using SIE and TED educational grants to induce tribes to lobby Congress. Roessel and his staff did ask the governors of 10 Pueblo tribes to send letters to Congress voicing support for the reorganization, but none of the 4 tribes that actually sent letters received grants. Two of the 10 tribes did receive grants for the 2015 – 2016 school year, but neither wrote a letter of support; moreover, the governors for these tribes said that no one at BIE asked them to express support for the reorganization or promised them grant money in return for their support.

We learned during our investigation that Roessel instructed one of his staff members to draft the letters supporting the reorganization on behalf of the 10 tribes and then send the letters to the tribal governors to revise and sign. Roessel explained that the governors had already agreed to support the reorganization proposal, but they did not have the staff to write the support letters. He said that he directed his staff member to provide draft letters that the governors could rewrite to voice their tribes' specific views and concerns.

It was unclear whether the BIE staff member drafting letters to Congress on behalf of Indian tribes violated anti-lobbying restrictions. The U.S. Department of Justice's Public Integrity Section declined to pursue anti-lobbying violations, but we concluded that Roessel used questionable judgment when he instructed his staff member to draft the letters.

Roessel was removed from his position as BIE Director on March 30, 2016, after an unrelated OIG investigation. We provided this report to the Assistant Secretary of Indian Affairs for review and action.

Improper Hiring Practices Revealed at the Bureau of Indian Education

OIG investigated a complaint submitted by an official with BIE. The official alleged that BIE Director Charles Roessel abused his position to inappropriately hire two individuals: a BIE program analyst with whom Roessel was rumored to be having a romantic relationship, and a relative of Roessel's who worked in the Navajo Nation school system.

Our investigation found that Roessel was involved in both hires. He acknowledged that he hired the program analyst and admitted to having an ongoing romantic relationship with her that had begun before he became the BIE Director and before she came to work at BIE. Roessel also acknowledged that he intervened in his relative's hiring process to make sure she got a position she had applied for in the school system.

Roessel's involvement in these hires appears to violate U.S.C. and C.F.R. prohibitions against granting hiring preferences or advantages, showing preferential treatment to others, and using public office for others' private gain, as well as restrictions on the hiring of relatives. In addition, both Roessel and the program analyst provided inconsistent responses to our questions during their interviews and caused us to doubt their overall truthfulness and candor.

We provided this report to the Assistant Secretary of Indian Affairs for review and action. We later learned that Roessel had been removed from his position as BIE Director.

False Claims by BIA Firefighters

We completed an investigation into allegations that several BIA firefighters submitted false overtime claims in 2009. Specifically, the complainant alleged the overtime hours the BIA firefighters worked were unnecessary because their area of responsibility experienced a cool and wet fire season.

Our investigation found that a deputy superintendent claimed overtime amounting to approximately \$30,000, a fire management officer claimed approximately \$56,000, and a supervisory wildland fire operations specialist claimed approximately \$29,000. The fire management officer admitted he was not needed for some of the hours he claimed. Michael Twiss, the supervisory wildland fire operations specialist, admitted the three employees claimed overtime based upon hours worked when they were not really needed. Twiss indicated the overtime the three employees needlessly worked was essentially standby time. Twiss estimated the three employees did not need to work at least 50 percent, and as much as 80 percent, of the overtime BIA paid them in 2009.

We also found that Twiss falsified the deputy superintendent's arduous duty pack test results. The test requires firefighters to carry a 45-pound backpack and walk 3 miles in less than 45 minutes. The deputy superintendent would have been determined unfit for duty without the falsified test results. The deputy superintendent denied he needlessly worked wildland firefighting hours in 2009 and claimed he passed the duty pack test that same year. Twiss pleaded guilty to a single count of theft in U.S. District Court for the District of South Dakota. The fire management officer was acquitted of theft and making false statements. Charges against the deputy superintendent were dismissed at the request of the United States attorney.

We issued our findings to BIA for action. Twiss resigned, BIA entered into a last chance agreement with the fire management officer, and the deputy superintendent had previously retired from BIA.

BIA Deputy Superintendent Investigated for Violation of Tribal Land Policies and Procedures and Conflicts of Interest

OIG investigated allegations that the BIA deputy superintendent of the Cherokee Agency misused her official position to purchase property rights for lands held in Indian trust for personal gain, thereby creating a conflict of interest.

We did not substantiate the allegation that the deputy superintendent misused her position, but we determined that she violated BIA policy by acquiring and selling trust land property rights for personal gain while a BIA employee.

Despite a requirement to do so, the deputy superintendent neither submitted a "Conflict of Interest Waiver for Trust Real Estate Transactions" form nor obtained prior approval for numerous land transactions that she conducted for personal gain during her BIA employment from 2010 through 2015. Her failure to obtain advance approval for these transactions violated BIA tribal land policies and created a conflict of interest.

We also found that other employees of both the Cherokee and Choctaw Agencies did not know about BIA's conflict-of-interest policies related to trust real estate transactions or the required form and approval necessary to conduct transactions of lands held in Indian trust.

We referred our findings to BIA.

Potential Reprisal at the BIA Southern Plains Region

OIG investigated allegations that a BIA regional director retaliated against a BIA supervisor. The supervisor reported being relieved of supervisory duties after the regional director suspected that the supervisor complained to OIG about the regional director. We found no evidence of retaliation or reprisal by the regional director.

We found no evidence that the regional director retaliated against the supervisor because of suspected communications between the supervisor and OIG. Our investigation revealed that the regional director recalled that someone from OIG contacted him to report allegations against the supervisor; however, he could not remember the name of the OIG employee. We also found no evidence that the supervisor contacted OIG to complain about the regional director.

We determined that the regional director temporarily relieved the supervisor of supervisory duties after receiving multiple Equal Employment Opportunity and hostile work environment complaints against the supervisor by BIA employees. The regional director then permanently relieved the supervisor of supervisory duties after an administrative investigation conducted by BIA identified supervisory misconduct. We also found that the regional director consulted with BIA human resources representatives before each administrative action, and that human resources recommended these actions. We provided our investigative findings to BIA.

OST Appraiser Investigated for Conflict of Interest

OIG investigated allegations that an appraiser with the Office of Special Trustee for American Indians (OST) wrongfully represented his own limited liability corporation, a mineral development company, in an effort to influence a Bureau of Land Management (BLM) management plan and environmental impact statement for the Pompeys Pillar National Monument in Montana (DRMP/EIS).

We substantiated that the OST appraiser authored and emailed 10 letters on behalf of his company to the BLM Montana State Office. The appraiser said he wrote the letters to BLM to persuade BLM to reconsider its plans related to the DRMP/EIS. He also attended five public meetings held by BLM in Montana to discuss the DRMP/EIS. At these meetings, on behalf of his company, he discussed with BLM his concerns about the DRMP/EIS.

We found the appraiser did not obtain approval from the OST ethics office to own and operate his mineral development company, nor did he disclose his involvement with the company on his annual financial disclosures. The appraiser admitted he conducted business on behalf of his company during his Government workday, and that he used his Government-issued laptop computer, his official Government e-mail, and his Government office phone to conduct business on behalf of his company.

The United States attorney for the District of Montana declined prosecution. We provided our findings to OST, which suspended the employee without pay for 14 days.



Insular Affairs

Insular Affairs

OIG Focused Training Efforts and Outreach in the Insular Areas

As part of our mission to fulfill trust responsibilities and special commitments to the Insular Areas, we offered various training opportunities both in the United States and abroad to Offices of the Public Auditor (OPA) staffs.

The Insular Areas are American Samoa, Federated States of Micronesia, Commonwealth of the Northern Mariana Islands, Guam, U.S. Virgin Islands, Republic of the Marshall Islands, and Republic of Palau. In most areas, Federal programs constitute a major income source. The Insular Areas' governments receive more than \$1 billion in Federal funds annually. In some jurisdictions, Federal funds account for more than 50 percent of the total revenue. The Insular Areas' governments continue to possess insufficient resources to adequately prevent and detect fraud, waste, or mismanagement involving federally and locally funded programs. Public auditors in the Insular Areas also face challenges in competing for and retaining qualified audit and investigative staff.

Capacity Building Program

We actively and routinely promote fiscal accountability in the Insular Areas. To do this, we developed a Capacity Building Program dedicated to—

- 1) working with island community OPAs as they oversee the financial and program resources and activities of their governments;
- 2) developing the audit and investigative skills of OPA staff; and
- 3) encouraging OPA staff and insular government officials to promote the integrity of the financial assistance provided by the United States.

Developing the performance capacities of OPAs will enable those offices to perform higher quality audits and investigations and help set a foundation for a more responsible government that is better able to monitor the expenditure of Federal and local funds.

Classroom Training and Technical Assistance Abroad

We have worked with OPAs and their staffs for many years. As we learn about the existing capabilities and challenges through visits and discussions, we are able to develop relevant training and targeted technical assistance. Over the past 4 years, we have provided classroom training and technical assistance covering a variety of auditing, accounting, and investigative subjects.

This past summer, we sent three teams to Saipan, Palau, and the Marshall Islands. Each team delivered a 5-day workshop to OPA staffs, a total of about 30 people, on report writing and provided technical assistance for any reports currently in process.

We also provided investigative technical assistance to Kosrae's Office of the Public Auditor during its investigations of theft of public funds by public officials. The investigations resulted in guilty pleas by two public officials. Two other investigations of a similar nature are ongoing.



OPA staff in the Marshall Islands received report writing training from an OIG auditor and a writer-editor.

Lakewood Experience

We also developed the "Lakewood Experience," a 2-week training program held in Lakewood, CO, that covered the phases of an audit. In previous years we extended opportunities for island auditors to work on one of our audit project teams. We found, however, that this format, did not always provide the full audit experience and it kept participants away from their offices for extended periods of time.

We designed the Lakewood Experience to offer mentoring by an OIG team leader, classroom training and discussions, and a case study with exercises covering the various phases of an audit, all in a condensed timeframe.

The program specifically focused on issues that the auditors would face in their offices and comprised a 2-week guided experience for the seven participants from various island jurisdictions. The seven island auditors in attendance represented Guam, Commonwealth of the Northern Mariana Islands, Republic of Palau, and Federated States of Micronesia. They learned effective approaches to conducting audits and evaluations, and many said they would use the lessons learned from the training in their everyday work. In addition, they said that the combination of classroom training, coaching, and exercises helped to reinforce the lessons learned and that this program was some of the most effective training they have received.

Conference Participation

Finally, we have also worked to promote integrity in the Pacific Region by participating in numerous conferences. In March 2016, OIG representatives attended the Federated States of Micronesia Public Auditors Conference that included the National Public Auditors office and all four Micronesian states. At this conference, we provided training on report writing, agreed-upon procedures, and conducting audits from investigative referrals.

In July 2016, Deputy Inspector General Mary Kendall delivered the keynote address to 300 international attendees at the Association of Pacific Island Public Auditors Conference in Pohnpei, and hosted an Executive Round Table Session on challenges and opportunities for running an audit office. Kendall was also a special guest speaker at the Pacific Association of Supreme Audit Institutions (PASAI) Congress in Pohnpei. While attending the PASAI Congress, our staff interacted with those of various island nations and discussed the theme of corruption and poverty in the Pacific.

To fulfill our trust responsibilities and special commitments to the Insular Areas, we will continue to provide training and assistance specifically focused on the unique challenges of each island. We will build on our progress and continue to increase our knowledge to help us better prepare and deliver meaningful support.



National Park Service

NPS Law Enforcement Supervisor Inappropriately Touched Two Coworkers

Our investigation into sexual harassment allegations against a National Park Service (NPS) law enforcement supervisor with the Chattahoochee River National Recreation Area (CHAT) in Georgia confirmed that the supervisor inappropriately touched two coworkers without their consent.

The allegation, forwarded to us by the NPS Office of Professional Responsibility in May 2016, stated that on two occasions the supervisor touched a CHAT division chief on her upper thigh and that this contact was unwelcome. During our investigation, we learned that the supervisor may have also inappropriately touched an NPS employee who had been detailed to CHAT from another park.

Our investigation substantiated that the law enforcement supervisor, without permission or encouragement, touched the division chief's upper thigh on two occasions, once in November or December 2014 and again on February 26, 2016. In addition, we confirmed that the supervisor touched the other NPS employee's shoulders in a way that made her uncomfortable. During our interviews with the supervisor, he denied touching either woman in the manner alleged and gave vague, contradictory answers about the incidents involving the division chief.

We also learned during our investigation that these incidents were reported to the CHAT superintendent, but he failed to investigate them or report them to the Human Resources or Equal Employment Opportunity offices, as required by U.S. Department of the Interior policy. The superintendent believed, erroneously, that an employee alleging sexual harassment had to file a "formal complaint" before action could be taken.

We referred this case to the U.S. Attorney's Office for the Northern District of Georgia, but that office declined to prosecute. We forwarded our report on this investigation to the NPS Director for review and action.

Investigation Identified Sexual Harassment at Canaveral National Seashore

We investigated an allegation that an NPS law enforcement supervisor at Canaveral National Seashore (CANA) made an unwanted sexual advance toward his subordinate, a law enforcement employee. In addition, we learned that a CANA administrative manager had allegedly made inappropriate comments to two CANA staff members.

Our interviews of CANA employees revealed a pattern of sexual harassment involving the supervisor and three employees:

- The law enforcement employee informed us that on December 4, 2015, the supervisor took her to the home of a CANA volunteer and made an unwanted sexual advance toward her—grabbing her by the waist and attempting to kiss her—in the volunteer’s bedroom.
- Another CANA employee said that in 2015, the supervisor repeatedly complimented her on her physical appearance, gave her unwanted and unsolicited tokens of affection, asked her out on dates, and attempted to engage her in conversation about sexually explicit content in movies; she said his attentions made her extremely uncomfortable.
- Other CANA employees told us that in 2011, the supervisor repeatedly asked a third employee out on dates and called her on her personal cell phone after duty hours.



Playalinda vista at Canaveral National Seashore in Titusville, Florida.

The supervisor denied sexually harassing any of the three employees and refused to accept responsibility for his actions toward them. He also provided vague and contradictory answers to our interview questions and demonstrated a lack of candor during multiple interviews about the incident with the law enforcement employee.

When we interviewed the administrative manager about the inappropriate comments he allegedly made to CANA staff, he stated that he could not recall making the comments. He said, however, that he was willing to take full responsibility for anything he said that could have been misinterpreted.

We issued this report to the NPS Director for action. NPS officials later removed the law enforcement supervisor's commission.

Park Superintendent and Staff Violated NPS Policies and Procedures

OIG investigated the NPS superintendent of Martin Luther King, Jr. National Historic Site (MALU) in Atlanta, GA, for allegedly violating NPS policies and procedures by allowing a public citizen to reside in NPS park housing without paying rent.

Our investigation determined that the resident remained in NPS park housing for a 10-month period without paying rent. Also, the resident violated the terms of the lease agreement by smoking inside the residential unit and failing to transfer the natural gas service into the resident's name. As a result, the aggregate loss to the government was \$4,694.17.

We also found that MALU personnel violated the existing MALU leasing policy when they failed to evict the resident within 60 days of becoming past due with his rent. MALU policy stipulated that tenants of residential housing be given a 30-day notice of eviction once becoming 30 days or more past due on rent, which also did not occur. Furthermore, MALU personnel staff allowed the resident to remain in park housing despite continued noncompliance with the lease agreement.

In addition, MALU staff involved in the management of the residential leasing program at MALU believed that the superintendent's relationship with the citizen inhibited their ability to properly enforce policies and evict the resident.

We could not identify any action taken by the superintendent to evict the citizen until MALU staff contacted DOI's Office of the Solicitor regarding the issue. We provided our report to the NPS director for review and action.

NPS Senior Park Official Investigated for Violating Contracting Procedures

OIG investigated allegations that a senior official at the C&O Canal National Historical Park in Hagerstown, MD, violated contracting procedures and created a conflict of interest when he pursued the installation of geothermal energy units at the vacant Ferry Hill mansion using a local contractor with whom he had a prior business relationship.

We found that the senior park official violated agency contracting procedures when he, without consulting with the supporting Major Acquisition Buying Office (MABO), arranged for a local contractor to conduct a site visit at the park and prepare a scope of work for the installation of geothermal energy units at the historic Ferry Hill building. The superintendent then submitted those work specifications from the contractor verbatim to MABO to use in the solicitation and awarding of the contract.

We also found that the senior park official, along with two other senior park staff, previously used this same contractor to install geothermal energy units at their personal residences.

The MABO decided to award the contract only to a small business certified through the Small Business Administration's (8)a Business Development Program. The contractor who conducted the site visit and prepared the scope of work was not certified under the program, and the park ultimately canceled the requisition. When asked, the senior park official denied cancelling the procurement because the local contractor was ineligible.

We provided our report to the NPS Director for any action deemed appropriate. On July 12, 2016, NPS informed us that the official was verbally counselled for his actions.

NPS Contractors Sentenced and Debarred For Submitting Fraudulent Bids

OIG investigated allegations that an NPS contractor that was ineligible for contracts under the Small Business Administration (SBA) 8(a) Business Development Program used another company as a pass through company to obtain 8(a) contracts under false pretenses.

Early in the investigation, we discovered apparent SBA eligibility fraud involving not only the NPS contract identified in the complaint, but also in a significant number of contracts held by the U.S. Air Force. We conducted the investigation jointly with SBA OIG and the U.S. Air Force Office of Special Investigations.

We found that Wesley Burnett and Yogesh Patel conspired and committed more than \$1.8 million in fraud against the Government using Burnett's company, Confederate Group LLC, d.b.a. Total Barrier Works (TBW), and Patel's company, United Native Technologies, Inc. (UNTI).

We discovered that Burnett submitted bids on behalf of Patel, with Patel's knowledge, on 8(a) set-aside contracts, which are contracts awarded without competition to companies that meet certain criteria. Burnett bid on the contracts using UNTI's 8(a) contract eligibility, and was subsequently awarded the contracts. TBW, however, which was not 8(a) eligible, performed all of the work. Burnett and Patel both made it appear that UNTI performed at least 51 percent of the work, which would have made the contract legitimate, but UNTI did not perform any of the work. In return for using UNTI's status as an 8(a) vendor, Burnett paid Patel approximately 4.5 percent of the contract value.

We presented our findings to the United States Attorney's Office for the District of Maryland, which accepted the case for prosecution. Following Federal indictments, both Burnett and Patel pleaded guilty to conspiracy to commit wire fraud.

Burnett was sentenced to 42 months in prison followed by 3 years of supervised release. Burnett agreed to forfeit \$694,893, of which \$242,089 was his sole responsibility and \$452,804 he shared jointly with Patel.

Patel was sentenced to 21 months in prison followed by 3 years of supervised release. Patel agreed to forfeit \$554,541, of which \$101,736 was his sole responsibility and \$452,804 he shared jointly with Burnett.

Both Burnett and Patel were debarred from Government contracting and from directly or indirectly receiving benefits from any Federal assistance programs until 2022 and 2019, respectively.

NPS Employee Investigated for Workers' Compensation Fraud

OIG investigated allegations that an NPS maintenance worker was driving buses for a transportation company in the Washington, DC metropolitan area while claiming workers' compensation from the Federal Government.

We found that the maintenance worker received \$72,276 in workers' compensation benefits while he was also employed by a local transportation company. This employment contradicted the maintenance worker's written certification that he did not have any outside employment or income during the same period.

We referred this matter to the U.S. Attorney's Office, District of Washington, DC, which declined to pursue the matter. We provided our findings to NPS for review and action.

NPS Staff at Gateway National Recreation Area Investigated for Alleged Misuse of Government Credit Card and Overtime Labor Hours

OIG investigated an allegation that employees at the Gateway National Recreation Area (GNRA) violated the Federal Acquisition Regulation (FAR) by using Government credit cards for construction-related purchases that exceeded the micropurchase threshold. We also investigated an allegation that, with no regard to cost, the GNRA's deputy superintendent sanctioned a construction project to rehabilitate two Government housing units as a favor to the GNRA's administration officer.

We found that GNRA employees used their Government credit cards to make approximately \$21,000 in micropurchases in fiscal year 2014 for a construction project to rehabilitate two Government-owned housing units located at GNRA.

These purchases exceeded the \$2,000 total micropurchase threshold for construction and violated the FAR requirement. We found that, despite the FAR requirement to conduct a cost estimate of the planned construction project, no one at GNRA did so. We also found that GNRA maintenance employees performed the labor for the projects, and most received overtime pay.

During the investigation, we discovered that GNRA maintenance employees did not properly report activity, such as construction, expenses, and hours expended, through the Facilities Management Software System in accordance with National Park Service Director's Order #80, "Real Property Asset Management." As a result, we could not accurately calculate the cost of the project, which included purchased supplies and employee regular and overtime hours.

We did not find any evidence to indicate that GNRA's deputy superintendent colluded to provide an inappropriate benefit to the administration officer.



View of the Verrazano Narrows Bridge as seen from Fort Wadsworth at the Gateway National Recreation Area.



Office of Natural Resources Revenue

Office of Natural Resources Revenue

ONRR Has Opportunity To Improve Its Revenue Collection and Distribution Processes

We audited the Office of Natural Resources Revenue (ONRR) Financial Management Division to assess the efficiency of ONRR's processes to accurately and timely collect and distribute energy- and mineral-related revenue. We found that ONRR collected and distributed revenue in a timely and accurate manner, but we identified eight major areas encompassing inefficient practices and procedures that prevent the Financial Management Division from functioning at the highest level. In addition, we identified potentially serious issues with ONRR's oil price edits, negative estimates, and policies and procedures. Finally, we found issues regarding ONRR's information system and how requests to modify the system are managed and processed.

ONRR collects, verifies, and distributes revenues received from companies that produce minerals from Federal and American Indian leases. Revenue collections, such as royalties, lease sales, and rentals, vary from year to year based on factors such as the number and extent of lease sales, and fluctuations in oil and gas prices. In recent years, these revenues paid to the Government have averaged over \$13 billion annually. In addition to the Federal Government, many State and Indian tribal governments and individuals rely on these revenues to fund programs and operations.

During our review, we identified eight major areas encompassing inefficient practices and procedures. These areas include payment matching, database updates, interest assessments, manual document processing, erroneous reporting and assessments, oil price edits, unleased land accounts and communitization agreements, and negative estimate accounts. The inefficient practices and procedures we identified prevent Financial Management from functioning at the highest level. For instance, a large number of payments still require manual processing by staff accountants. In fiscal year 2014, 13,665 out of 54,980 payments (25 percent) required manual follow-up. ONRR's staff accountants must manually match payments to accounts because payors did not include account information with their payments.

In addition, we identified potentially serious issues with ONRR's oil price edits and negative estimates. ONRR's oil price edit function within its accounting and disbursement system contains an overly broad range of acceptable prices that allow virtually all reported oil royalties to pass through the system unquestioned.

As a result, a company could report oil sales significantly below the current market price per barrel without detection from the system's price edit, resulting in underpaid royalties.

We also found that ONRR's financial subsystem does not verify the running account balance before reversing an estimate when a payor submits adjustments, potentially creating a negative balance. This is an internal control weakness because a payor could over-recoup a gas estimate, creating a credit balance. Further, customers could earn interest on these credit balances and potentially apply this credit balance to payments due for their account causing an unnecessary financial burden on ONRR.

Finally, we found issues regarding ONRR's information system and how requests to modify the system are managed and processed. For example, ONRR had nearly 400 backlogged system change requests, with some dating back to 2008. ONRR management stated that some system change requests on the list had previously been resolved, but did not provide an accurate list of current requests.

We provided 17 recommendations to help ONRR improve its operations and increase efficiency. ONRR concurred with all of our recommendations, developed a plan to resolve all issues, and provided target dates for completion.

The seal of the U.S. Department of the Interior is centered in the background. It features a bison in the foreground, mountains in the middle ground, and a sunburst in the background. The text "U.S. DEPARTMENT OF THE INTERIOR" is written around the top half of the circular border, and "MARCH 3, 1849" is written around the bottom half. Two small dots separate the top and bottom text on the left and right sides.

Office of the Secretary

Office of the Secretary

DOI Did Not Implement Recommendation To Use a Centralized, Web-Based Aviation Maintenance System

In June 2016, we issued a management advisory to DOI's Deputy Assistant Secretary for Public Safety, Resource Protection, and Emergency Services after we found that the Office of Aviation Services (OAS) had not implemented our recommendation to implement a centralized, web-based aviation maintenance system. The maintenance system OAS currently uses presents a threat to public health and safety because it cannot ensure that all required maintenance has been completed in compliance with OAS policies.

In 2009, we evaluated the National Business Center, Aviation Management Directorate's (NBC-AMD, later renamed OAS) aviation maintenance tracking and pilot inspector practices, and found that NBC-AMD did not have a centralized, web-based aviation maintenance system. Instead, NBC-AMD used a spreadsheet for the lower 48 States and a standalone system in its Alaska office. We recommended that NBC-AMD "utilize a centralized, web-based maintenance system that provides for real-time input of operation and maintenance activities to allow for effective fleet management."

In our 2013 verification review of the recommendations issued in our 2009 report, OAS reported that it had implemented the Financial Business Management System (FBMS) for maintenance management, and we closed the recommendations as resolved and implemented. OAS and DOI, however, subsequently encountered problems with aviation maintenance implementation in FBMS. Despite attempts to address these problems, the system was never implemented as originally planned and OAS is still not using a centralized web-based system. As a result, OAS cannot effectively manage the maintenance program and ensure the safe operation of DOI aircraft. In addition, the spreadsheet-based system currently in use has a number of control deficiencies that increase the risk for errors, data loss, and unsafe aircraft operation.

Accordingly, we asked the Office of Policy, Management and Budget to reinstate our recommendation until OAS implements a centralized, web-based maintenance system. We also made three recommendations to OAS to immediately address the internal control deficiencies of the existing system. DOI is currently evaluating options for an aviation maintenance system that will meet the needs of OAS and comply with Governmentwide IT initiatives.

Former Director in the Office of the Secretary Improperly Used Her Influence in Hiring Actions

We investigated allegations of improper hiring by Fay Iudicello, former Director of the U.S. Department of the Interior's (DOI) Office of the Executive Secretariat and Regulatory Affairs (ES). Our investigation revealed that Iudicello used her position and influence to give a candidate she favored a hiring advantage over qualified applicants with master's degrees and veteran's preference. Moreover, two of Iudicello's subordinates knowingly circumvented governmental hiring processes in order to select this candidate for a management analyst position in ES.

Our investigation confirmed that Iudicello had previously selected this same candidate for two other positions in ES. She first selected him for an unpaid internship and later intervened in his selection for a contract position in ES. She then manipulated a Federal job-opportunity announcement with the intent of hiring him for a permanent management analyst position.

In addition, two of Iudicello's subordinates, who were involved in the hiring process for the management analyst position, knowingly circumvented governmental hiring processes when selecting Iudicello's candidate. They considered an improper employment recommendation, obstructed other job applicants' right to compete for the position, influenced applicants to withdraw from competition for the position, gave unauthorized preference and advantage to the analyst, and knowingly violated veterans' preference requirements. Both subordinates admitted that they knew they were not following proper hiring practices. They stated, however, that Iudicello influenced them to take these actions so that her candidate would be hired and that they feared her reaction if they failed to comply with her wishes.

We also investigated an allegation that Iudicello improperly promoted two employees based on her personal relationships with them. We found no evidence to substantiate this allegation.

Iudicello retired from DOI in January 2016. We issued this report to the DOI Chief of Staff for review and action.

The seal of the Department of the Interior, Office of Surface Mining, is a circular emblem. It features a central scale of justice with an eagle perched atop the balance arm. Below the scale is a stylized landscape with a mountain range and a body of water. The text "DEPARTMENT OF THE INTERIOR" is arched across the top, and "OFFICE OF SURFACE MINING" is arched across the bottom.

Office of Surface Mining Reclamation and Enforcement

Office of Surface Mining Reclamation and Enforcement

State of Indiana's Abandoned Mine Land Reclamation Program Did Not Comply With Federal Regulations

We audited the State of Indiana's use of Abandoned Mine Land Reclamation Program (AML program) grant funds to determine whether the State complied with Federal regulations and whether the Office of Surface Mining Reclamation and Enforcement (OSMRE) provided adequate oversight.

The AML program is OSMRE's largest program and reflects the bureau's responsibility to balance the Nation's need for continued domestic coal production with protection of the environment. States and tribes use AML program grants to restore abandoned mine land to its productive uses before mining.

OSMRE awarded Indiana's Department of Natural Resources five AML program grants totaling \$77,879,429 between February 2010 and December 2014. We reviewed all five grants and found several issues with the State's grant management and OSMRE's oversight. Specifically, we questioned \$723,361 across the five grants, representing unallowable grant charges and expenses not supported by proper documentation. We also found that the final financial report for one grant included misreported expenditures, contractor practices for weighing materials had insufficient oversight, and OSMRE's risk assessment of Indiana's Department of Natural Resources may have assigned a lower than warranted risk level.



Acidic runoff from abandoned mines can have severe impacts on fish, wildlife, and plants.

Our findings showed that some aspects of the AML program in Indiana operated outside of Federal regulations, and that OSMRE should have recognized these errors with proper monitoring. We made eight recommendations, focused on recovery of unsupported and unallowable charges incurred over 5 years, to resolve questioned costs and improve program oversight.

OSMRE agreed or partially agreed with all of our recommendations and provided information on the actions taken or planned for implementation. Based on OSMRE's response to the draft report, we consider six recommendations resolved but not implemented, and two recommendations resolved and implemented.

Kentucky State Inspector and Former State Representative Investigated for Bribery

OIG and the FBI jointly investigated bribery allegations involving Kelly Shortridge, former Environmental Inspector for the Kentucky Division of Mine Reclamation and Enforcement, and Keith Hall, former Kentucky State Representative. We initiated this investigation at the request of the OSMRE Director.

We found that from 2009 through 2010, Shortridge, who was responsible for inspecting several coal mines owned, operated, or associated with Hall, was paid directly from Hall, or through associates, approximately \$46,000 in order to give favorable treatment on mining violations. Shortridge admitted to overlooking mining violations during his inspections.

To conceal the bribes, Shortridge established DKJ Consulting, LLC, with the assistance of Hall's secretary. Hall claimed the payments to Shortridge were consulting fees, even though Shortridge never performed any consulting work for Hall.

Our investigation also revealed that from 2009 through 2013, Shortridge solicited and accepted approximately \$15,000 in check payments purportedly for the Millard Little League from various coal companies and businesses and instead used the money for his own personal use.

The U.S. Attorney's Office for the Eastern District of Kentucky prosecuted this case. A Federal grand jury indicted both Hall and Shortridge on bribery charges, and Shortridge was also indicted on charges of false statements and extortion.

In a plea agreement, Shortridge pleaded guilty to bribery. He was sentenced to 2 years in prison, an additional 3 years of supervised release, and received a court fine of \$2,000. The DOI Suspension and Debarment Official (SDO) also issued a Default Debarment Determination to Shortridge debaring him from participation in Federal procurement and nonprocurement programs until 2019.

A trial jury convicted Hall of bribery. He was sentenced to 7 years in prison and 2 additional years on supervised release. The Judge also ordered him to pay a fine of \$25,000. The SDO issued a Debarment Determination to Hall and his business, Beech Creek Coal Company, debaring him from doing business with the Federal government until 2019.

OSMRE Secretary Indicted for Misuse of Government Fleet Cards

OIG investigated allegations that Loren Estes, a former secretary from the Office of Surface Mining Reclamation and Enforcement (OSMRE) in the Lexington, KY, Field Office, had used Government fleet credit cards for personal expenses. She resigned from her position amid suspicions but before administrative action could be taken.

Our investigation substantiated that, while employed at OSMRE, she used Government fleet credit cards to purchase gasoline for her personal vehicle and to make payments on her personal automobile loans and utility bills. The total loss to the Government was approximately \$1,900.

On September 3, 2015, a grand jury for the Eastern District of Kentucky indicted Estes and she pleaded guilty to one count of theft of Government money. Estes was subsequently sentenced to 24 months of probation and ordered to pay \$2,000.73 in fines and restitution. Estes was also debarred until December 6, 2018.



U.S. Fish and Wildlife Service

U.S. Fish and Wildlife Service

FWS' Red Wolf Recovery Program Maintained Accurate Data But Released More Red Wolves Than Originally Proposed

We investigated complaints from private landowners criticizing the U.S. Fish and Wildlife Service's (FWS) Red Wolf Recovery Program. The landowners alleged that the Program released more wolves into the wild than originally planned, and that it released wolves on private property when it originally stated it would only release them on Federal land. The landowners also questioned whether the Program misreported mortality data of the wolves to bolster support for the Program, and whether Program staff falsely reported the September 2014 death of a specific red wolf as heartworm instead of gunshot to protect an FWS employee who the landowners believed had shot the wolf.

Our investigation determined that the Program released more wolves than it originally proposed and acted contrary to its rules by releasing wolves onto private land. We found that FWS accurately reported historical mortality data of the wolves, even though Program staff had different interpretations of classifying and recording certain types of mortalities. Finally, we found that FWS accurately recorded the cause of death as suspected gunshot for the wolf that died in September 2014, and that no FWS employee had been deemed culpable for the wolf's death.

Mexican Gray Wolf Recovery Program Implemented Communication and Management Improvements in Response to Public Concerns

We investigated numerous allegations of misconduct and mismanagement by FWS staff overseeing the Mexican Gray Wolf Recovery Program. Our investigation found some evidence of past mismanagement in the program, specifically regarding the actions of a former coordinator for the Interagency Field Team (IFT) charged with coordinating the wolf recovery activities of various Federal and State agencies. We investigated these allegations at the request of U.S. Congressman Steven Pearce (R-NM), who forwarded them on behalf of the Board of Commissioners of Catron County, NM. Catron County encompasses part of the Mexican gray wolf's territory in the United States, and its residents have reported concerns about the wolves since they began to be reintroduced into the area.

We focused our investigation on the alleged mismanagement of nuisance wolves, on IFT's alleged failure to communicate effectively with the public and Catron County, on depredation-related impacts to local ranchers, and on alleged administrative issues with the program.

We learned that FWS had been aware of the issues with the former IFT field coordinator and had already reassigned her to another position by the time we received the allegations. Since then, program employees told us, FWS has implemented improvements to IFT's operations and has attempted to improve communication with county residents. Many of the county residents we spoke to, however, said that they were still concerned about poor communication and believed that the program showed concern for the wolf at the expense of public safety. We also spoke to several Catron County ranchers who said that even though reimbursements are offered to ranchers for cattle depredations caused by wolves, they often were not compensated, or received only partial compensation, for the animals they lost, and that the compensation process was often burdensome.

We provided a report of our investigation to the FWS Director for any action deemed appropriate. We also provided Congressman Pearce an informational copy.



Mexican wolf pups in the Prieto Pack in June 2016.

FWS Violated Procurement Policy When Awarding Cooperative Agreement

We investigated a 1-year, \$256,100 single-source cooperative agreement that FWS' International Affairs (IA) program awarded to a private company, Partner-Impact, LLC, in June 2015 to build a "partnership coalition strategy, development, and marketing communication plan to reduce demand for illegal wildlife and wildlife products." We found that FWS did not adhere to Federal and DOI procurement requirements, that it improperly awarded the cooperative agreement to Partner-Impact, and that Partner-Impact did not complete the agreement's requirements. This investigation also spurred an audit of the same agreement that questioned the entire amount.

Assistant IA Director Bryan Arroyo acknowledged that he preselected Partner-Impact and influenced his staff to disregard procurement policy when awarding the agreement to the company. Despite several instances in which Arroyo's staff members told him that FWS needed to use a competitively bid procurement contract to award funds to Partner-Impact, Arroyo disregarded their guidance and continued to seek a single-source cooperative agreement.

Arroyo was introduced to Partner-Impact by an attorney he knew who had facilitated over \$700,000 in donations to FWS-related initiatives; Arroyo admitted that he had little experience with procurement and that he followed advice from this attorney to award funds noncompetitively to Partner-Impact. Our review confirmed that a competitively bid contract, not a single-source cooperative agreement, would have been the correct funding instrument for the type of assistance IA was seeking from Partner-Impact.

We also learned that some of Arroyo's staff members did not feel that they could voice their concerns about the agreement or about Partner-Impact's ability to fulfill it. Arroyo acknowledged that given his authority in IA, his vocal support for Partner-Impact, and his repeated inquiries about the status of the award, he influenced his employees to award the agreement to Partner-Impact.

In addition, we found that Partner-Impact did not fulfill many of the requirements of the agreement. Arroyo admitted that this was because he directed the company to assist with a different wildlife-trafficking initiative soon after the agreement was executed. Our audit of this agreement also could not determine the value of the services FWS received from Partner-Impact. As such, we questioned the entire \$256,100 as unsupported costs. We identified deficiencies in the award, execution, and reimbursement of the agreement between FWS and Partner-Impact.

We provided a report of our investigation to the Assistant Secretary for Fish and Wildlife and Parks for review and action. We issued our audit report to the FWS Director and offered nine recommendations focused on accounting for and monitoring funds under similar agreements.

Investigation of FWS Regional Director Revealed Opportunities to Improve Job Reassignment Practices

We investigated allegations that Cynthia K. Dohner (SES), FWS' Southeast Regional Director, along with FWS' Florida State supervisor for ecological services, inappropriately reorganized Florida's three Ecological Services field offices so that the offices would fall under the State supervisor's direction. We found that the State supervisor participated in planning the reorganization, but another FWS official made the final decision to implement it. Dohner knew about the reorganization, but was not directly involved in it.

The complainant also alleged that Dohner and the State supervisor engaged in several unfair and illegal personnel actions involving employees in the Florida field offices, so we examined 11 lateral reassignments and transfers that had occurred in the offices over several years. We found that Dohner was not aware of the personnel actions referenced in the complaint and that all of the personnel actions we reviewed were conducted in accordance with Federal regulations and DOI policy. Only two of the actions we reviewed, however, involved formal, competitive selection of personnel. The others consisted of noncompetitive reassignments, some of which were not conducted in a transparent manner; the absence of transparency may have created confusion or resentment among other FWS employees.

We provided the results of our investigation to FWS. We also issued a management advisory to the FWS Director in which we recommended that FWS review its practice of noncompetitive reassignments.

Reprisal Allegations at FWS Region 5 Fisheries Program

OIG investigated allegations that an employee in FWS' Region 5 Fisheries Program was reprimed against by his supervisor for refusing to inflate a storm damage estimate for a fish hatchery, which was affected by Hurricane Irene in 2011. Between 2012 and 2016, the supervisor allegedly had a role in preventing the employee from being assigned to work details he wanted, kept him from being selected for positions that he applied for, and attempted to thwart him from receiving a detail (which he ultimately received). The supervisor also allegedly had the employee work outside his position description.

We found evidence that a senior manager in the fisheries program attempted to increase the hatchery's storm damage estimate by adding approximately \$6 million in capital improvements to it, that the employee tried to stop him, and that the employee expressed concerns about the issue to numerous people. Region 5 budget and engineering staff agreed that including the improvements in the estimate was improper. We also found evidence that the employee experienced negative job-related actions after his involvement in the estimate and that his supervisor had influence over some of these actions.

Before the employee became involved in the storm damage issues, he received detail and leadership opportunities, and the supervisor even offered him a supervisory position. Afterward, however, FWS managers denied the employee's four requests for details and rejected him for four positions he applied for. This sequence of events creates the appearance of reprisal.

The supervisor acknowledged that he had shared his concerns about the employee's communication style with some of the managers who were in charge of hiring for these details and positions. While witnesses corroborated the supervisor's claims that the employee could have trouble with interpersonal communications, we did not find official documentation of these concerns.

In addition, the employee did appear to have been working outside his position description even though he had expressed concerns to his supervisor about his workload and assigned tasks. We did not find sufficient evidence that the supervisor tried to stop the employee from receiving a recent detail.

We issued our investigative report to FWS for review and action.

Reprisal Allegations at FWS Region 5 Contracting Office

OIG investigated allegations that a contracting officer in FWS' Region 5 Contracting Office was reprimanded against by her supervisor for contacting OIG about contracting violations in the office, being involved in a review of the office's contracting practices by the Office of Acquisition and Property Management (PAM), and informing her supervisor that an interagency agreement violated the Anti-Deficiency Act.

As reprisal, the supervisor allegedly—

- reduced the contracting officer's workload;
- issued her letters of counseling and management expectations;
- caused her to receive a lower performance rating than she deserved;
- stopped her from receiving a higher-level contracting warrant, which would authorize her to approve contracts with higher dollar values;
- canceled training that she was supposed to attend; and
- prevented her from training other employees or reviewing their work as she had done in the past.

We confirmed that the supervisor did take some of these actions against the contracting officer, but we did not find sufficient evidence that the actions were reprisal for her disclosures. The supervisor did not begin working in Region 5 until over a year after the contracting officer's OIG complaint and the PAM review, but she acknowledged that she was aware of the contracting officer's involvement. The supervisor also acknowledged being upset about the impact that the PAM review had had on her staff.

The supervisor acknowledged that she removed a portion of the contracting officer's workload, issued her the letters, stopped her from receiving the higher-level warrant, canceled her training, and did not use her to train or review the work of others, but she and other Region 5 employees provided evidence to justify these decisions. We found no evidence that the supervisor influenced the decrease in the contracting officer's performance rating.

We issued our investigative report to FWS for review and action.

Despite Deficient Appraisal, No Criminal Collusion Identified in Land Transaction

OIG investigated the circumstances surrounding an appraisal used to support a Coastal Impact Assistance Program grant awarded to Livingston Parish in Louisiana for the acquisition of 2,367 acres of wetlands. We also examined two land transactions involving the property that occurred immediately before Livingston Parish purchased the land.

We determined that the land appraisal, which was used to justify the final purchase price, did not meet the requisite standards of the Uniform Standards of Professional Appraisal Practice and the Uniform Standards for Federal Land Acquisition. Barber and Mann, Inc., a firm experienced in conservation wetland appraisals, conducted the appraisal, which valued the Parish wetlands at \$2,367,822, or \$1,000 per acre. We found this assigned value lacked credibility and was not a true indicator of market value.

We also found that the ownership of the property changed twice within a 120-day period before the Parish acquired it in 2011. We found that in February 2011, the initial owner sold the 2,367-acre parcel, along with additional acreage that extended into several other Parishes, to a private investment group for approximately \$200 per acre.

At the time of this sale, the owner did not know that Barber and Mann had already appraised the property at \$1,000 per acre. The private investment group then sold the entire property to The Conservation Fund, a nonprofit conservation organization, for approximately \$258 per acre. Within 1 month of acquiring the land, The Conservation Fund sold the 2,367-acre parcel to Livingston Parish for approximately \$1,000 per acre. About 6 months later, The Conservation Fund sold the remaining acreage from the February 2011 sale to the Louisiana Department of Wildlife and Fisheries for approximately \$219 an acre. Parish grant officials did not know about the recent changes in ownership of the property until the closing transaction.

Despite the deficient appraisal, which financially benefitted numerous private parties, we did not identify any criminal collusion among those involved in the appraisal and subsequent transactions. We referred our findings to the U.S. Attorney's Office for the Southern District of Mississippi, which declined prosecution. We provided a copy of our report to FWS.

Senior FWS Employee Failed To Disclose Outside Employment and a Conflict of Interest

OIG investigated allegations that Stephen M. Barton, a GS-15 division chief of FWS' Wildlife and Sport Fish Restoration Program, served as the treasurer for the Western Association of Fish and Wildlife Agencies (WAFWA) from 2007 through 2014 while he was a Federal employee. We found that Barton used Government resources to perform work for WAFWA, and that he was paid by WAFWA for FWS work he performed.

Even though he began working at WAFWA in 2004 and entered Federal service in 2007, it was not until 2010 that he submitted a request for outside employment. In his request to the DOI Ethics Office, Barton indicated that he was not receiving any salary or income for the outside position.

We determined, however, that Barton received approximately \$377,363 in income from WAFWA between 2008 and 2014, and that he failed to disclose his WAFWA position or salary in Office of Government Ethics (OGE) financial disclosure reports that he submitted to FWS each year from 2012 through 2015. We found that he also acted as the subject matter expert on audit requirements for WAFWA, which directly conflicted with his official Government duties because he was responsible for corrective action related to WAFWA audit findings.

During our investigation, we also reviewed Barton's travel records, which revealed more than 100 flights that cost the Government \$96,087 between fiscal years 2011 and 2015. Barton flew to and from Boise, ID, where he resided with his spouse even though he was assigned to the Washington, DC area. We also identified per diem payments made to Barton while in Boise, even though he was not performing work during that time. Barton told us that, since 2008 or 2009, he traveled home to Boise for weekends pursuant to an agreement he had with his supervisor, an FWS senior executive.

The U.S. Attorney's Offices for the Eastern District of Virginia and the District of Idaho declined this case for prosecution; however, the Public Integrity Section of the U.S. Department of Justice subsequently accepted this case and is pursuing prosecution. We provided this report to FWS for review and action.



U.S. Geological Survey

USGS Energy Geochemistry Laboratory Permanently Closed Because of Scientific Misconduct

We inspected the Inorganic Section of the U.S. Geological Survey's (USGS) Energy Geochemistry Laboratory in Lakewood, CO, to determine the impact scientific misconduct and data manipulation at the lab had on USGS customers, products, and organizational integrity. The misconduct impacted public trust in USGS and may have compromised research and assessment projects. As a result, USGS permanently closed the Inorganic Section of the laboratory on February 25, 2016.

In late 2014, USGS discovered that since 2008, a mass spectrometer operator assigned to the laboratory, which was part of USGS' Energy Resources Program (ERP), had intentionally changed the results produced by the mass spectrometer—a highly complex scientific instrument capable of identifying the chemical composition of scientific samples—and failed to preserve data it generated. Because the laboratory's work had implications for ERP's national and international coal and water-quality assessments (e.g., Everglades water toxic minerals analysis and Grand Canyon assessment of uranium in groundwater), USGS assessed the full impact on the research and assessment projects conducted between 2008 and 2014. USGS also notified us.

Our inspection identified publications for 24 research and assessment projects representing approximately \$108 million in Federal funding that had been potentially impacted by erroneous information provided by the laboratory. These projects ranged from water analysis involving the greater Everglades to water analysis associated with coalbed natural gas production activities in Alaska. In addition, lab customers expressed frustration that the laboratory required an inordinate amount of time to process samples. We found that the laboratory's mass spectrometer had processed approximately 3,800 samples since 2008. Customers complained of lengthy processing times (i.e., 6 months or longer), versus the more customary 30-day turn-around times for other service laboratories.

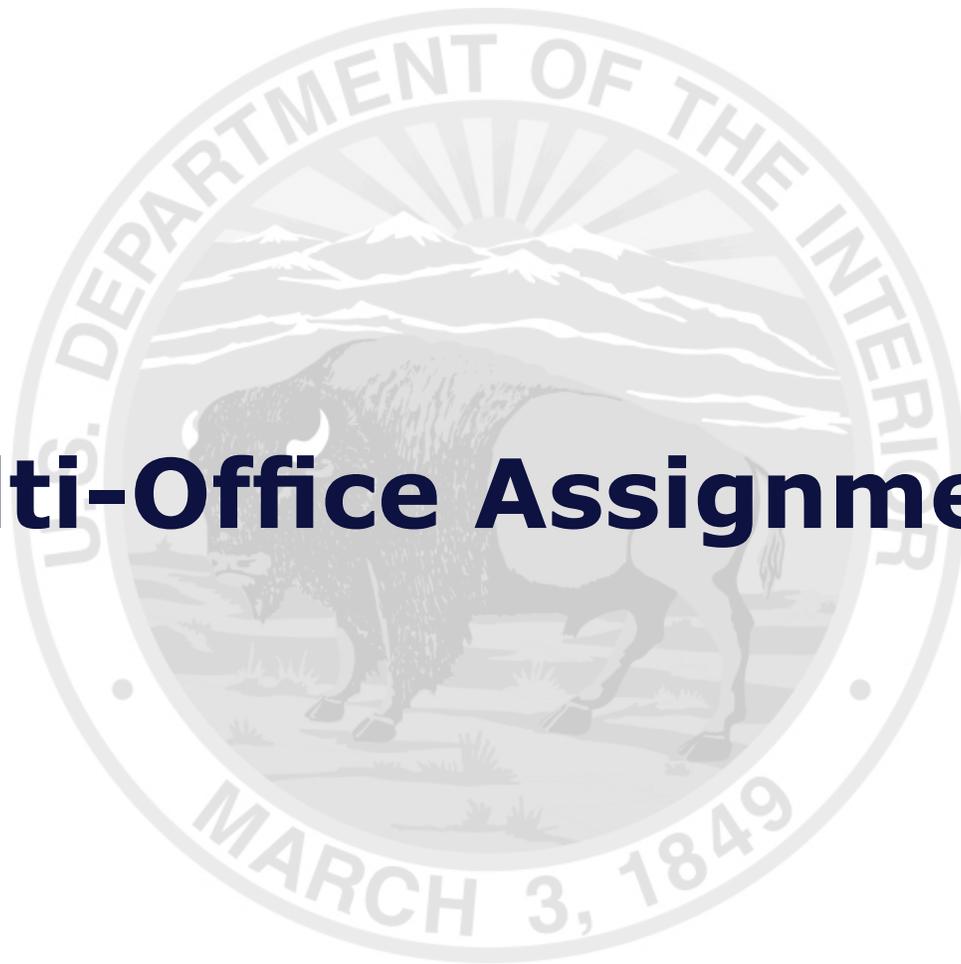
We learned that, even though management discovered the misconduct in late 2014, USGS scientists had long suspected quality-related problems to be associated with the laboratory. In interviews, USGS employees consistently voiced their distrust of the laboratory. They also expressed their preference not to use this laboratory but, rather, to use other USGS or outside commercial laboratories.

The 16 scientists we interviewed all stated in strong terms that they would not use the laboratory, even if it reopened. Many cited the impact on scientific morale, the undermining of public trust in USGS, and the reduced confidence felt by collaborators in USGS-generated data.

We determined that the scientific misconduct and data manipulation also impacted USGS' organizational integrity in ways that are still unfolding and difficult to quantify. We identified such potential issues as delayed completion of ERP projects, loss of unique rock and water samples that cannot be recollected from the field, and the lost time and effort of scientists who worked on the affected projects.

While USGS closed the lab permanently in February 2016, it still had not informed its many stakeholders about the misconduct and how it may have impacted them. We made one recommendation to USGS to complete this notification process, and USGS agreed.

Multi-Office Assignments



Multi-Office Assignments

DOI's Mobile Device Management Practices Resulted in Wasted Funds and Inadequate Enforcement of Security Controls

We audited DOI's management of its smartphones, tablets, and other mobile devices to determine whether DOI effectively managed costs by adopting an enterprise-wide approach for procuring and managing its portfolio of mobile computing devices, limiting the number of mobile computing devices issued, and monitoring usage to ensure public funds are not spent on unused mobile devices. We also assessed the adequacy of DOI's implemented controls to mitigate security risks unique to mobile computing devices.

We reviewed mobile usage and inventory data for the four DOI bureaus (the Bureau of Land Management, the U.S. Geological Survey, the National Park Service, and the U.S. Fish and Wildlife Service) that had the most Government-issued mobile devices. We identified weaknesses in DOI's mobile device management practices that have resulted in DOI spending approximately \$600,000 annually on unused mobile devices. We also found that DOI did not have a complete inventory of its mobile devices and services and did not implement a Departmentwide approach for procuring and managing these devices.

Moreover, thousands of DOI's mobile computing devices do not have proper security configurations, which could result in unauthorized access to Government systems and data by cybercriminals. We found that the four bureaus did not follow the recommended best practice of enrolling mobile devices in a Departmentwide mobile device management solution before issuing the devices to employees. Instead, the bureaus issued fully activated devices to employees with instructions for how to enroll in the mobile device management solution, and did not verify if employees had actually enrolled the device. As a result, thousands of DOI mobile devices are not adequately secured or centrally managed.

We offered four recommendations to help DOI improve its management and security of mobile computing devices. Our recommendations focused on implementing a Departmentwide approach for procuring and managing mobile devices and verifying that all devices are enrolled in the mobile device management solution. The Office of the Chief Information Officer concurred with two recommendations and did not concur with two recommendations. Based on DOI's response, we consider three recommendations resolved but not implemented and one recommendation unresolved.

Inspection of DOI’s Computer Security Practices Identified Areas for Improvement

As required by Section 406 of the Cybersecurity Act of 2015, we inspected DOI’s policies, procedures, and practices for securing its computer networks and systems for all covered systems related to logical access control policies and practices, use of multifactor authentication, software inventory, threat prevention, and contractor oversight. DOI operates 88 covered systems—72 DOI computer systems and 16 contractor systems—that provide access to personally identifiable information. We identified three areas of improvement related to DOI’s computer security practices.

DOI has implemented measures such as multifactor authentication to reduce the risk of unauthorized access to its covered systems and software inventory management to comply with intellectual property rights and prevent spending public funds on unused software. DOI, however, needs to update its logical access controls to meet current standards to ensure that general users do not have access to privileged functions and that audit trails are in place to monitor actions taken by privileged users to mitigate risk from insider threats. DOI also needs to ensure that its mobile computing devices are encrypted and securely configured to prevent the loss of sensitive data when these devices are lost or stolen. Finally, DOI needs the ability to inspect encrypted traffic for malicious content to prevent the loss of sensitive data.

DOI plans to update its logical access controls by December 31, 2016, and has plans to increase its ability to inspect encrypted traffic. We did not issue any recommendations to DOI because the Act only requires us to describe DOI’s current policies, procedures, and practices.

DOI’s Continuous Diagnostics and Mitigation Program Not Yet Capable of Providing Complete Information for Enterprise Risk Determinations

We assessed the effectiveness of DOI’s Continuous Diagnostics and Mitigation (CDM) program for three high-value information technology (IT) assets operated by three bureaus. We found that DOI’s CDM program is immature and not fully effective in protecting high-value IT assets from exploitation. This is our second report on Defense in Depth, which is the process of placing multiple layers of security controls throughout an IT system.

The CDM program is a dynamic approach to fortifying the cyber security of Government networks and systems. The CDM program spans 15 continuous diagnostic control areas implemented in 3 phases. DOI initially set September 30, 2014, as the implementation date of Phase 1 and has since changed it by 5 years to 2019.

We found that DOI failed to detect critical and high-risk vulnerabilities on one of its high-value IT assets, and left thousands of critical and high-risk vulnerabilities unmitigated for years on three of its high-value assets. In addition, DOI's capability to identify unauthorized computers or detect and remove obsolete and potentially malicious software (i.e., malware) were inadequate, exposing departmental IT systems to potential compromise. While we found DOI's practices for initializing its Windows 7 computers to a secure state were effective, DOI did not monitor any of their computers to ensure they remained securely configured over time.

These deficiencies occurred because the Office of the Chief Information Officer (OCIO) did not require bureaus to: (1) follow recommended best practices for vulnerability detection or ensure timely vulnerability mitigation; (2) install DOI's inventory management software on all computers to have a complete hardware inventory; (3) establish and enforce approved software lists to protect systems against malware; or (4) monitor computers to ensure they remained securely configured. Until DOI improves its CDM practices, high-value IT assets will remain at high risk of compromise, the results of which could have a severe effect on departmental operations and cause the loss of sensitive data.

We made six recommendations to protect DOI's high-value IT assets from loss or disruption by strengthening its CDM practices. OCIO concurred with five recommendations, partially concurred with one recommendation, and stated that it was working to implement or close them. The response included target dates and an action official for each recommendation. We consider five recommendations resolved but not implemented, and one recommendation unresolved. We referred our recommendations to the Office of Policy, Management and Budget to track resolution and implementation.

DOI Has Opportunity To Improve Oversight for Purchase and Fleet Cards

We audited internal control processes for DOI's purchase and fleet cards, reviewing fiscal year (FY) 2014 transactions for 10 bureaus and offices to determine whether the charge card program had adequate and appropriate internal controls and oversight.

We identified areas of concern associated with internal controls and documentation; the bureaus did not effectively implement internal controls and did not fully comply with departmental and bureau policies.

Purchase and fleet cards provide DOI and its bureaus an efficient way to make small purchases, thereby streamlining the traditional Federal procurement and payment processes. In doing so, DOI saves millions of dollars in administrative costs. In FY 2014, there were 26,518 purchase card accounts across DOI, used to make almost 1.2 million transactions that totaled approximately \$394 million. In this same time period DOI had 26,433 fleet card accounts, with more than 500,000 transactions totaling approximately \$54 million. During our audit, we reviewed 337 statements containing 443 transactions, totaling more than \$451,000.

While our assessment involved a small sample of the total charge card transactions, our findings highlight important systemic issues for potentially all of DOI's charge card policies and practices. Most specifically, we identified issues pertaining to poor internal controls and oversight; absences of clear guidance; noncompliance with bureau-specific policies; insufficient documentation for use of convenience checks; inactive accounts; approval of miscoded transactions; and using an outdated policy. Because the bureaus did not adequately implement internal controls and did not fully comply with departmental and bureau policies, DOI is vulnerable to financial mismanagement and an increased potential for fraud, waste, and abuse.

We provided 10 recommendations to help improve management and oversight of DOI's purchase and fleet cards, specifically focusing on improvements to internal controls and clarifications in charge card guidance and policy. DOI agreed with some of our recommendations and has developed new policies and procedures since we completed our audit. DOI is also developing cardholder training through DOI University. We sent three recommendations that were unresolved or resolved but not implemented to the Assistant Secretary for Policy, Management and Budget to track resolution and implementation.

DOI Recovered \$8,000 in Recent PFCRA Settlements

DOI reinvigorated its Program Fraud Civil Remedies Act (PFCRA), and obtained its first two settlements in the fourth quarter of 2016. PFCRA, often called the "Mini False Claims Act," is an administrative remedy designed to ensure Federal agencies have redress for false statements and smaller false and fraudulent claims not selected for enforcement litigation by the U.S. Department of Justice.

We investigated two cases and referred them for PFCRA consideration. The two recent settlements were with former high-level DOI employees, who misused Government credit cards for personal benefit while on temporary travel duty. DOI recovered over \$8,000 between the two settlements.

We also provided PFCRA training to, and worked with, DOI's Office of the Solicitor and Office of Hearings and Appeals to resurrect the use of this important remedy.

OIG Investigations Resulted in New Policies and Training Efforts

As a result of recent OIG investigations involving conflicts of interest and the integrity of DOI programs, DOI Senior Procurement Executive Debra Sonderman initiated revised policies for acquisition certification and appointment. The new policies require that anyone with a contracting officer appointment attend annual ethics training and file an annual Office of Government Ethics 450 financial disclosure report. Regarding the apparent violations of ethics rules and the Procurement Integrity Act, Sonderman took prompt action, requiring the bureau to take, and independently track, corrective action.

Our Office of Investigations is collaborating with DOI's Debarment Program Manager and the Office of the Solicitor to provide integrated training to procurement and nonprocurement awarding officials on ethics and ethical issues of direct concern, fraud awareness, and suspension and debarment.

Alleged Conflict of Interest at the Udall Foundation

OIG investigated allegations that a former Morris K. Udall and Stewart L. Udall Foundation (Foundation) environmental conflict resolution senior program manager (program manager) was involved in preparing statements of work for Foundation contracts that were subsequently awarded to his wife's company. The Foundation requested we initiate an investigation after the potential conflict of interest came to light during an audit conducted by our Office of Audits, Inspections, and Evaluations.

We found that the program manager was involved in preparing the statement of work for contracts subsequently awarded to his wife's company, but it did not appear he was involved in awarding or managing the contracts.

We did not find any communication or documentation indicating the program manager and his wife discussed potential contracts or that the program manager was involved after Foundation contracts were awarded to his wife's company.

We also found that Foundation management and personnel knew of the marital relationship and the potential conflict of interest. Although the Foundation continued to award contracts to the wife's company, the Foundation General Counsel conducted an internal investigation and recommended that the Foundation no longer contract with her company so long as the program manager was employed by the Foundation.

The General Counsel also recommended that the Foundation transfer all of the program manager's wife's contracts to someone not on his team, and proposed that the Foundation suspend the program manager without pay for 14 days and provide him with additional ethics training. In lieu of disciplinary action, however, the program manager signed an agreement with the Foundation, detailing him to a university. The program manager also agreed to resign from his position with the Foundation once he had 10 years of Federal service.

We provided our report to the Foundation Board of Trustees.



Appendices

AUDITS STATISTICAL HIGHLIGHTS

Audits, Inspections, and Evaluations Activities

Reports Issued.....	47
Performance Audits, Financial Audits, Evaluations, and Inspections.....	10
Contract and Grant Audits.....	15
Other Report Types ¹	22
 Total Monetary Impacts.....	 \$9,730,816
Questioned Costs (includes unsupported costs).....	\$7,952,887
Recommendations That Funds Be Put to Better Use.....	\$1,777,929
 Audits, Inspections, and Evaluations Recommendations Made.....	 163
Audits, Inspections, and Evaluations Recommendations Closed.....	215

¹ Other report types include management advisories, special projects, and other types of reports that are not classified as audits, inspections, or evaluations. These types of reports generally do not contain recommendations.

INVESTIGATIONS STATISTICAL HIGHLIGHTS

Investigative Activities

Cases Closed.....	142
Cases Opened.....	222
Complaints Received From All Sources.....	520

Criminal Prosecution Activities

Indictments/Informations.....	23
Convictions.....	10
Sentencings.....	7
Jail.....	12 months
Probation.....	204 months
Community Service.....	0 hours
Criminal Penalties.....	\$4,577,771.97
Asset Forfeiture.....	\$0
Criminal Matters Referred for Prosecution.....	46
Criminal Matters Declined This Period.....	24

Civil Investigative Activities

Civil Referrals.....	6
Civil Declinations.....	3
Civil Settlements.....	\$0
Civil Recoveries.....	\$0

Administrative Investigative Activities

Personnel Suspensions.....	3: 58 days
Reprimands/Counseling.....	11
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Removals.....	6
Retirements/Transfers.....	3
General Policy Actions.....	21
Contractor/Participant Suspensions.....	7
Contractor/Participant Debarments.....	9
Administrative Agreement in Lieu of Debarment.....	1

REPORTS ISSUED

This listing includes all reports issued by the Office of Audits, Inspections, and Evaluations during the 6-month reporting period that ended September 30, 2016. It provides the report number, title, issue date, and monetary amounts identified in each report.

* Funds To Be Put to Better Use, ** Questioned Costs, and *** Unsupported Costs

Audits, Inspections, and Evaluations

Bureau of Reclamation

WR-EV-BOR-0024-2013

Interagency Agreement for Water Quality Monitoring and Other Services with the U.S. Geological Survey, Agreement No. R13PG20058 (04/12/2016) **\$56,782 ***\$134,554

Indian Affairs

C-EV-BIE-0023-2014

Condition of Indian School Facilities (09/30/2016)

Insular Areas

2015-CR-031

Guam School Bus Transportation Program (08/09/2016)

Multi-Office Assignments

2015-ER-011

U.S. Department of the Interior's Internal Controls for Purchase Cards and Fleet Cards (09/30/2016)

2015-ITA-032

U.S. Department of the Interior's Management of its Smartphones, Tablets, and Other Mobile Devices (06/22/2016) *\$1,763,423

2016-ITA-032

Inspection of Federal Computer Security at the U.S. Department of the Interior (08/08/2016)

ISD-IN-MOA-0004-2014-I

U.S. Department of the Interior's Continuous Diagnostics and Mitigation Program Fails to Provide Complete Information for Enterprise Risk Determinations (09/30/2016)

National Park Service**2015-ER-056**

Internal Control Review of Student Conservation Association, Inc. (05/31/2016)

Office of Natural Resource Revenues**CR-IN-ONRR-0007-2014**

Financial Management Division, Office of Natural Resources Revenue (06/03/2016)

U.S. Geological Survey**2016-EAU-010**

Inspection of Scientific Integrity Incident at USGS Energy Geochemistry Laboratory (06/15/2016)

Contract and Grant Audits***Bureau of Reclamation*****2015-ER-047**

Request for Equitable Adjustment by Dix Corporation on Contract No. R11PC10035 With the Bureau of Reclamation (06/13/2016)
**\$2,232,917

National Park Service**2015-WR-084**

National Park Service Task Agreement Nos. P13AC00875 and P13AC00891 With the University of Rhode Island (09/16/2016)
\$50 *\$150,402

Office of Surface Mining Reclamation and Enforcement**2015-ER-025**

Audit of the Abandoned Mine Land Reclamation Program, State of Indiana (09/30/2016) **\$14,269 ***\$709,093

U.S. Fish and Wildlife Service**2015-ER-022**

Interim Costs Claimed by Donjon Marine Company Inc. Under Contract No. F14PD01909 with the U.S. Fish and Wildlife Service (08/03/2016) ***\$13,745

2015-ER-023

Interim Costs Claimed by Clean Venture Incorporated, Under Contract No. F14D01910 with the U.S. Fish and Wildlife Service (07/01/2016) ***\$1,040

2015-EXT-009

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Utah, Department of Natural Resources, Division of Wildlife Resources, From July 1, 2012, Through June 30, 2014 (09/19/2016) **\$108,443 ***\$100,309

2015-EXT-041

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of Virginia, Department of Game and Inland Fisheries From July 1, 2012, Through June 30, 2014 (09/07/2016) *\$14,506 ***\$596,811

2015-EXT-043

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Alabama, Department of Conservation and Natural Resources, Division of Wildlife and Freshwater Fisheries, From October 1, 2012, Through September 30, 2014 (09/07/2016) **\$17,955

2015-EXT-044

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of the Northern Mariana Islands, Department of Lands and Natural Resources, From October 1, 2012, Through September 30, 2014 (08/10/2016) **\$3,821 ***\$38,759

2016-CG-011

Interim Costs Claimed by Partner-Impact, LLC, Under Agreement No. F15AC00480 With the U.S. Fish and Wildlife Service (09/02/2016) ***\$256,100

2016-CG-031

Interim Costs Claimed by Dewberry and Davis Under Contract Nos. F15PB000057 and F15PB000059 With the U.S. Fish and Wildlife Service (08/10/2016)

2016-EXT-002

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Georgia, Department of Natural Resources From July 1, 2013 Through June 30, 2015 (04/27/2016)

2016-EXT-004

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of South Carolina, Department of Natural Resources From July 1, 2013, Through June 30, 2015 (06/03/2016)

R-GR-FWS-0011-2014

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of Pennsylvania Game Commission From July 1, 2011, Through June 30, 2013 (05/05/2016) ***\$1,508,801

X-CX-FWS-0002-2014

Interim Costs Claimed by Coastal Environmental Group, Under Contract Nos. F13PC00214 and F13PC00195 With the U.S. Fish and Wildlife Service (05/04/2016) ***\$2,009,036

Other Assignment Types

Bureau of Land Management

2016-CR-037

Verification Review of Recommendations for the Report, "Bureau of Land Management's Helium Program" (C-IN- MOA-0010-2011) (07/29/2016)

2016-EAU-038

Verification Review of Recommendations for the Report Titled "Bureau of Land Management's Renewable Energy Program: A Critical Point in Renewable Energy Development" (CR-EV-BLM-0004-2010) (06/22/2016)

2016-EAU-064

Verification Review of Recommendations for the Report Titled "Bureau of Land Management: Meadowood Equestrian Facility" (ER-IS-BLM-0003-2012) (09/08/2016)

Bureau of Reclamation**2015-WR-080-B**

Management Advisory – Operations and Maintenance Cost Allocation for the Klamath Project Reserved Works (09/27/2016)

2015-WR-080-C

Management Advisory – Reimbursement of A-Canal Head Gates and Fish Screens on the Klamath Project (09/27/2016)

2016-WR-051

Verification Review of Recommendations for the Report, “Bureau of Reclamation’s Sustainable Water Management Programs and Activities” (WR-EV-BOR-0026-2013) (07/19/2016)

Indian Affairs**2015-CR-073**

Management Advisory – Summary of Bureau of Indian Education Academic Achievement Inspections (06/16/2016)

2015-CR-074

Management Advisory – Summary of Bureau of Indian Education Violence Prevention Inspections (06/16/2016)

2016-EAU-039

Verification Review – Recommendations for the Report, “Oil and Gas Leasing in Indian Country: An Opportunity for Economic Development” (CR-EV-BIA-0001-2011) (06/02/2016)

2016-EAU-065

Verification Review of Recommendations for the Report Titled “Bureau of Indian Affairs: Real Property Leases” (ER-IS-BIA-0011-2013) (09/30/2016)

2016-EAU-073

Verification Review of Recommendations for the Report Titled “Records Management at Selected Bureau of Indian Affairs’ Agency Offices” (CR-IS-BIA-0001-2014) (09/30/2016)

2016-WR-050

Verification Review of Recommendations for the Report, “Management of Social Services in BIA: Opportunity for Action” (WR-EV-BIA-0001-2012) (07/07/2016)

Multi-Office Assignments**2016-CR-017**

Verification Review of Recommendations for the Report, "Department of the Interior's Management of Land Boundaries"
(C-IN-MOA-0001-2009) (04/22/2016)

2016-CR-018

Verification Review of Recommendations for the report, "Department of the Interior's Accountability and Preservation of Museum Collections"
(C-IN-MOA-0010-2008) (06/08/2016)

2016-WR-053

Verification Review of Recommendations for the Report, "Bureau of Land Management, National Park Service, and Office of Surface Mining Reclamation and Enforcement's Safety of Dams: Emergency Preparedness" (WR-EV-MOA-0015-2011) (08/25/2016)

National Park Service**2016-WR-052**

Verification Review of Recommendations for the Report, "NPS Contractor Oversight of Visitor Tent Cabins at Yosemite National Park Involved in Hantavirus Outbreak" (WR-IS-NPS-0009-2013)
(07/29/2016)

Office of Surface Mining Reclamation and Enforcement**2016-EAU-066**

Verification Review of Recommendations for the Report Titled "U.S. Department of the Interior Program Startup Inspection: Office of Surface Mining Appalachian Regional Reforestation Initiative" (ER-IS-OSM-0011-2011) (08/10/2016)

Office of the Secretary**2016-FIN-028**

U.S. Department of the Interior's Compliance With the Improper Payments Elimination and Recovery Act of 2010 in its Fiscal Year 2015 "Agency Financial Report" (05/11/2016)

2016-WR-022

Management Advisory – Office of Aviation Services' Maintenance System Presents a Threat to Public Health and Safety (06/29/2016)

U.S. Fish and Wildlife Service**2015-ER-022-A**

Management Advisory – Issues Identified During our Audit of Interim Costs Claimed by Donjon Marine Company, Inc., Under Contract No. INF14PD01909 and our Audit of Interim Costs Claimed by Clean Venture Inc., Under Contract No. F14D01910 with the U.S. Fish and Wildlife Service (08/03/2016)

2016-CG-031-A

Management Advisory – Issues Identified During Our Audit of Interim Costs Claimed by Dewberry and Davis on Contract Nos. F15PB000057 and F15PB000059 With the U.S. Fish and Wildlife Service (08/10/2016)

X-CX-FWS-0003-2014

Management Advisory – Issues Identified During Our Audit of Interim Costs Claimed by Coastal Environmental Group, Under Contract Nos. F13PC00214 and F13PC00195 With the U.S. Fish and Wildlife Service (05/04/2016)

MONETARY RESOLUTION ACTIVITIES

Table 1: Inspector General Reports With Questioned Costs*

	Number of Reports	Questioned Costs*	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period.	13	\$10,155,685	\$4,367,079
B. Which were issued during the reporting period.	13	\$7,952,887	\$5,518,650
Total (A+B)	26	\$18,108,572	\$9,885,729
C. For which a management decision was made during the reporting period.**	21	\$13,220,506	\$7,306,437
(i) Dollar value of costs disallowed.		\$3,327,751	\$1,992,122
(ii) Dollar value of costs allowed.		\$9,892,755	\$5,314,315
D. For which no management decision had been made by the end of the reporting period.**	6	\$4,888,066	\$2,579,292

* Does not include non-Federal funds. Unsupported costs are included in questioned costs.

** Report 2015-WR-019 included in both Lines C and D because it contained questioned costs in both categories.

MONETARY RESOLUTION ACTIVITIES

**Table 2: Inspector General Reports With Recommendations
That Funds Be Put to Better Use***

	Number of Reports	Dollar Value
A. For which no management decision has been made by the commencement of the reporting period.	2	\$28,408,444
B. Which were issued during the reporting period.	2	\$1,777,929
Total (A+B)	4	\$30,186,373
C. For which a management decision was made during the reporting period.	4	\$30,186,373
(i) Dollar value of recommendations that were agreed to by management.		\$29,777,929
(ii) Dollar value of recommendations that were not agreed to by management.		\$408,444
D. For which no management decision had been made by the end of the reporting period.	0	\$0

* Does not include non-Federal funds.

REPORTS PENDING DECISION

This listing includes a summary of reports issued by the Office of Audits, Inspections, and Evaluations that were more than 6 months old on September 30, 2016, and still pending a management decision. It provides the report number, title, issue date, and number of unresolved recommendations.

* DOI is working with the Bureau of Indian Affairs and the Osage Nation to resolve this recommendation.

** The bureaus generally concurred with the recommendations in these reports, however, they did not provide sufficient information for us to consider the recommendations resolved.

Audits, Inspections, and Evaluations

Indian Affairs

CR-EV-BIA-0002-2013*

BIA Needs Sweeping Changes to Manage the Osage Nation's Energy Resources (10/20/2014) 1 Unresolved Recommendation

Contract and Grant Audits

Bureau of Ocean Energy Management

2015-WR-018**

Bureau of Ocean Energy Management Cooperative Agreement No. M13AC00012 With the University of Florida (09/29/2015) 1 Unresolved Recommendation

Bureau of Reclamation

ER-CX-BOR-0010-2014**

Crow Tribe Accounting System and Interim Costs Claimed Under Agreement Nos. R11AV60120 and R12AV60002 With the Bureau of Reclamation (06/24/2015) 12 Unresolved Recommendations

U.S. Fish and Wildlife Service

R-GR-FWS-0014-2014**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Colorado, Division of Parks and Wildlife From July 1, 2011 Through June 30, 2013 (07/21/2015) 2 Unresolved Recommendations

WR-GR-FWS-0007-2014**

U.S. Fish and Wildlife Service Clean Vessel Act Grants to the
California Division of Boating and Waterways, Grant Nos. F10AP00748
and F10AP00749, Report No. WR-GR-FWS-0007-2014 (09/18/2015)
1 Unresolved Recommendation

PEER REVIEWS OF OIG OPERATIONS

Audits, Inspections, and Evaluations

Peer reviews are conducted of an OIG audit organization's system of quality control on a 3-year cycle in accordance with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) "Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General," based on requirements in the "Government Auditing Standards." Federal audit organizations can receive a rating of pass, pass with deficiencies, or fail.

We conducted a peer review of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) system of quality control for the year ending March 31, 2015. In our September 30, 2015 report we awarded SIGTARP a peer review rating of pass.

In the most recent peer review of our audit organization, the National Railroad Passenger Corporation (AMTRAK) OIG reviewed the system of quality control for our Office of Audits, Inspections, and Evaluations (AIE) for the year ending September 30, 2013. Based on its review, AMTRAK determined that AIE's system of quality control provided reasonable assurance that AIE conforms to applicable professional standards in all material respects, and we received a peer review rating of pass.

Investigations

In accordance with the 3-year schedule established by CIGIE, the U.S. Department of Transportation (DOT) OIG conducted a peer review of our investigative operations in December 2013. DOT OIG found that our Office of Investigations fully complied with our internal safeguards and management procedures, and it did not make any recommendations.

We conducted a peer review of the system of internal safeguards and management procedures for the investigative function of the Small Business Administration (SBA) OIG between September 4 and September 15, 2014, in conformity with CIGIE's "Quality Standards for Investigations" and "Qualitative Assessment Review Guidelines."

We issued our final report on November 13, 2014; the SBA OIG's system of internal safeguards and management procedures in effect for the reviewing year complied with the quality standards established by CIGIE and the applicable Attorney General guidelines.

CROSS REFERENCES TO THE **INSPECTOR GENERAL ACT**

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Section 4(a)(2)	Review of Legislation and Regulations	N/A*
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	1-67
Section 5(a)(2)	Recommendations for Corrective Action With Respect to Significant Problems, Abuses, and Deficiencies	1-67
Section 5(a)(3)	Significant Recommendations From Agency's Previous Reports on Which Corrective Action Has Not Been Completed	80-81
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	70
Section 5(a)(5)	Matters Reported to the Head of the Agency	N/A
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Section 5(a)(10)	Summary of Audit Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made	80-81
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Section 5(a)(12)	Significant Management Decisions With Which the Inspector General is in Disagreement	N/A
Section 5(a)(13)	Information Described Under Section 804(b) of the Federal Financial Management Improvement Act of 1996	N/A

*N/A: Not applicable to this reporting period.

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Section 14(A)	Results of Peer Reviews Conducted by Another Office of Inspector General During the Reporting Period	82
Section 14(B)	Most Recent Peer Review Conducted by Another Office of Inspector General	82
Section 15	Outstanding Recommendations From Any Peer Review Conducted by Another Office of Inspector General	N/A
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*N/A: Not applicable to this reporting period.

OIG **CONTACT INFORMATION**



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