



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

# **BUREAU OF LAND MANAGEMENT: MEADOWOOD EQUESTRIAN FACILITY**



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**INSPECTOR GENERAL**  
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SEP 27 2012

Memorandum

To: Michael J. Pool  
Acting Director, Bureau of Land Management

From: Kimberly Elmore *Kimberly Elmore*  
Assistant Inspector General for Audits, Inspections, and Evaluations

Subject: Inspection – Bureau of Land Management: Meadowood Equestrian Facility  
Report No. ER-IS-BLM-0003-2012

The Office of Inspector General conducted an inspection of the Bureau of Land Management (BLM) Lower Potomac Station's Meadowood Equestrian Facility to determine if BLM used the horse boarding fees collected for the intended purpose and if the existing services contract provides adequate funds to maintain a safe and accessible equestrian facility.

We determined that BLM used the horse boarding fees for the intended purpose under the terms of the services contract, which includes daily operations to care for the horses. The horse boarding fee structure, however, cannot sustain the current level of service provided over time because of increasing operating costs and limited use of the facility.

In addition, we found that the existing services contract was not designed to provide funds to maintain an equestrian barn that complies with current safety or structural standards. In May 2012, an environmental assessment concluded that the barn violates Federal and State public use safety standards and poses risks to the health and safety of both horses and people. The assessment provides BLM with several options, including closing the barn indefinitely.

BLM officials told us that they have not determined when they will make a decision regarding the facility. They have, however, set aside \$800,000 in deferred maintenance funds that could be used to renovate the barn. BLM officials have conducted extensive public outreach and are reviewing the most recent input from the July 2012 public comment period.

**Background**

The Meadowood facility's horse boarding operation is the result of a unique situation on BLM property. BLM, which is part of a National System of Public Lands that offers diverse outdoor recreational opportunities including horseback riding, hiking, camping, hunting, boating, mountain biking, and various winter sports, acquired the Meadowood property in 2001 through a land exchange. In addition to 800 acres of land, the property contained an over 30-year-old horse stable with related structures. At the time of the acquisition, the stable boarded only privately-

owned horses. The stable currently provides facilities for a therapeutic riding program and a public riding lesson program, in addition to stabling privately-owned horses.

A BLM contractor, CAS Company, working under a 5-year services contract (2010-2015) currently provides on-site services (e.g., providing bedding and hay, and mending fences) and runs the public riding lesson program. The services contract addresses the collection of horse boarding fees for the purposes of covering daily costs and minor maintenance of the facility.

There is a high level of local interest in the Meadowood facility and its future. In November 2010, BLM held a public meeting and subsequently posted the meeting notes, press release, draft environmental assessment, and related documents on its Web site. BLM conducted an environmental assessment in May 2012 and opened a public comment period extended through July 2012. Although BLM's mission does not include provision for stabling privately owned horses on Federal land, Bureau officials are sensitive to and aware of the public's concerns with regard to the Meadowood facility.

## **Findings**

### *Long-Term Viability of Meadowood Horse Boarding Activities*

We found that a number of factors diminish the long-term prospects for sustained public or private horse boarding at the Meadowood facility, which include increasing costs to manage the barn and limited use of the facility.

Under the terms of the services contract, private users pay \$700 per month to board their horses at the facility, and BLM pays subsidies to fulfill the monthly rate required by the services contract to manage the facility. BLM spends the fees collected for the intended purpose of providing daily operating needs for stabled horses, such as bedding, hay, dragging the indoor arena, cutting surrounding fields, and mending fences. In addition, BLM also pays for barn utilities, totaling approximately \$8,500 per year. The current horse boarding fee structure, however, outlined in the services contract does not cover BLM's total cost for horse boarding services.

The services contract specifies a reduction in the number of horses each year and an increase in BLM's subsidy per horse to maintain the \$700 monthly fee for private boarders. For example, in 2010 (the contract base year), BLM paid subsidies for about 25 horses each month at a cost of an extra \$26 per horse. In 2011 (the first option year), BLM paid subsidies for about 20 horses each month, but at a rate of \$64 per horse. The contract specifies both a maximum number of horses and a subsidy amount paid by BLM per horse for each option year. Over a period of 5 years, the number of horses boarded per month diminishes from 30 to 15, while boarding costs escalate from \$726 to \$1,127 per month. Private boarders continue to pay the \$700 monthly fee while BLM pays the difference.

According to BLM officials, various groups offer several local alternatives that provide public and private horse boarding facilities and related activities. More than 65 stables operate within a 50-mile radius of the Meadowood facility. We found that seven local horse boarding

facilities in the surrounding area offer monthly boarding fees ranging from \$375 to \$925, with the fee rate variation most likely depending on the quality of the facility and the amenities provided.

### *Meadowood Barn Environmental Action Plan*

We found that the Meadowood equestrian barn does not meet current environmental and safety standards, which exposes BLM to potential liability. The services contract requires the contractor to maintain liability insurance for property damage, personal injury, and comprehensive public liability for a minimum annual limit of \$1 million. As the owner and operator of the property, BLM could be held responsible under the Federal Tort Claims Act (28 U.S.C. § 2671 et seq.) for any additional liability.

In April 2011, a structural evaluation requested by BLM was completed. The study concluded that to bring the facility up to minimum standards would cost more than \$500,000. In May 2012, the environmental assessment report requested by BLM concluded that the Meadowood barn structure poses risks to the health and safety of both horses and people.

The report proposed that the barn structure be renovated within the existing footprint but presented two additional options to—

1. immediately close and demolish the barn structure but continue outdoor activities; or
2. not perform any maintenance on the barn structure, resulting in its eventual closure to public access while use of the outdoor facilities could continue.

According to BLM's Eastern States director, barn renovations would render the barn unusable for approximately 6 months. He told us that BLM is looking into moving horses to temporary boarding, but this plan would require new contracts with the current users. BLM officials acknowledged there is no guarantee that the current boarders or riding programs would return to Meadowood after completion of the renovations.

### **Recommendations**

We recommend that BLM:

1. Provide a decisionmaking timeline on the future of the Meadowood equestrian facility, taking into account the financial sustainability of the program and the health and safety risks if public use of the barn continues.
2. Determine whether renovation or repair of the Meadowood equestrian barn is the best use of BLM's deferred maintenance funds.

### **Scope and Methodology**

We focused the Meadowood equestrian barn inspection on the existing services contract period that began in April 2010.

We performed our inspection in accordance with the Council of the Inspectors General on Integrity and Efficiency “Quality Standards for Inspections” between June and September of 2012. We obtained and reviewed the current BLM Meadowood services contract, financial data related to horse boarding fees collected over the last two years, and the most recent environmental assessment for the equestrian barn published in May 2012. In addition, we visited the Meadowood property and discussed the current status of the barn and its future with the BLM eastern region state director, the chief of external affairs, and the acting field manager for the Lower Potomac Station.

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

Ms. Kimberly Elmore  
Assistant Inspector General for Audits, Inspections, and Evaluations  
U.S. Department of the Interior  
Office of Inspector General  
MS 4428 – MIB  
1849 C St., NW.  
Washington, DC 20240

If you have any questions regarding this report, please do not hesitate to contact me at 202-208-5745.

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