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

SEMIANNUAL REPORT TO CONGRESS

For the Period Ending September 30, 2026



SEMIANNUAL REPORT TO CONGRESS
APRIL 1, 2026–SEPTEMBER 30, 2026

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SEMIANNUAL REPORT TO CONGRESS
APRIL 1, 2026–SEPTEMBER 30, 2026



Source: Adobe Stock

Abbreviations List

AIE	Office of Audits, Inspections, and Evaluations
AS-IA	Assistant Secretary for Indian Affairs
AS-WS	Assistant Secretary for Water and Science
BIA	Bureau of Indian Affairs
BIE	Bureau of Indian Education
BLM	Bureau of Land Management
BOEM	Bureau of Ocean Energy Management
BOR	Bureau of Reclamation
BSEE	Bureau of Safety and Environmental Enforcement
BTFA	Bureau of Trust Funds Administration
C.F.R.	Code of Federal Regulations
CNMI	Commonwealth of the Northern Mariana Islands
DAS-M	Deputy Assistant Secretary for Management [AS-IA]
DOI	U.S. Department of the Interior
DOJ	U.S. Department of Justice
EPA	Environmental Protection Agency
FBI	Federal Bureau of Investigation
FWS	U.S. Fish and Wildlife Service
FY	Fiscal year
GFO	Glennallen Field Office
IIJA	Infrastructure Investment and Jobs Act
INC	Instance of noncompliance
LLC	Limited Liability Company
MMU	Missing and Murdered Unit
NONC	Notice of Noncompliance
NPS	National Park Service
NYSM	New York State Museum
OCIO	Office of the Chief Information Officer
OI	Office of Investigations
OIA	Office of Insular Affairs
OIG	Office of Inspector General
OLES	Office of Law Enforcement and Security
ONRR	Office of Natural Resources Revenue
OS	Office of the Secretary
OSMRE	Office of Surface Mining Reclamation and Enforcement
OWPO	Orphaned Wells Program Office
PFM	Office of Financial Management
PSS	Public School System
TVA	Tennessee Valley Authority
U.S.C.	United States Code
USGS	U.S. Geological Survey
USWFS	U.S. Wildland Fire Service
WSFR	Wildlife and Sport Fish Restoration Program



Source: Adobe Stock

Our Mission, Vision, and Values

The Inspector General Act of 1978 authorized and established the U.S. Department of the Interior (DOI) Office of Inspector General (OIG) as an independent and objective unit to help promote economy, efficiency, and effectiveness and to prevent and detect waste, fraud, and abuse. We conduct fair, objective, and neutral audits, inspections, evaluations, investigations, and reviews. We report our findings to DOI officials and Congress. In conducting our work, we act with professionalism and integrity.

When we find areas for improvement, we make recommendations for corrective actions. When we identify potential criminal violations, we refer cases to the U.S. Department of Justice (DOJ) and actively support prosecutions and civil actions. We also review concerns regarding the integrity and performance of contractors and financial assistance recipients, and, when warranted, recommend that DOI take administrative action, including suspension and debarment.

Our Mission

Promote economy and efficiency, and prevent and detect waste, fraud, abuse, and mismanagement in the programs and operations of DOI.

Our Vision

Drive improvements and promote accountability at DOI through fair, neutral, and objective oversight.

Our Values

INTEGRITY

We demonstrate our integrity by acting with honesty and professionalism.

OBJECTIVITY

We remain independent, neutral, and unbiased, gather all relevant facts, and base our findings on supportable evidence.

IMPACT

We enable decision makers to take actions that increase efficiency, save taxpayer dollars, and hold bad actors accountable.

EXCELLENCE

We are an effective, innovative, and dedicated organization that consistently produces high-quality work.

Focus Areas of Oversight

DOI's responsibilities have a significant public impact, and we accordingly strive to conduct oversight that will have a positive effect on DOI's programs and operations. To arrive at focus areas for our oversight, we considered DOI's major management challenges as we defined them for fiscal year (FY) 2025 along with stakeholder priorities, prior work, and emerging threats or vulnerabilities. The work we completed this reporting period addressed several of these focus areas.



CONTRACT AND FINANCIAL ASSISTANCE OVERSIGHT



CYBERSECURITY



DATA AVAILABILITY AND QUALITY



ENVIRONMENTAL IMPACT



HEALTH AND SAFETY



REVENUE COLLECTION



TRIBAL NATIONS AND INSULAR COMMUNITIES



WORKPLACE CULTURE AND HUMAN CAPITAL

A Message From the Acting Inspector General



I am pleased to submit this semiannual report summarizing the oversight work of the U.S. Department of the Interior (DOI) Office of Inspector General (OIG) between April 1, 2026, and September 30, 2026. DOI OIG promotes efficiency and effectiveness and prevents and detects fraud, waste, and abuse in DOI's programs and operations. As detailed throughout this report, our work focused on some of DOI's most persistent challenges in its highest risk areas; we also safeguarded taxpayer resources and helped hold DOI's own employees accountable as well as others who receive Federal resources. Moreover, we provided actionable recommendations to DOI that can lead to meaningful improvements when fully implemented.

As a preview to the more detailed information set forth in the report itself, I emphasize two reports from the Office of Audits, Inspections, and Evaluations (AIE) as examples of our oversight work in the areas of health and safety as well as financial awards.

We audited the Bureau of Indian Affairs' (BIA's) Missing and Murdered Unit (MMU), which DOI established to analyze and solve missing, murdered, and human trafficking cases involving American Indians and Alaska Natives, and found a backlog of referrals and a need for MMU to improve its case intake process and victim services. In addition, we found that MMU did not consistently provide victims the services required under its own standard operating procedures and those that may be required under the Victims' Rights and Restitution Act.

Looking more directly at financial risks, we reviewed all of our work related to DOI's financial assistance risk assessments over the past ten years and concluded that, overall, our oversight demonstrated that bureaus did not consistently conduct comprehensive risk assessments of applicants before awarding funds. Completing effective pre-award risk assessments and identifying appropriate mitigation before providing funding can help prevent fraud or reduce mismanagement of financial assistance. This is a significant consideration because DOI currently administers approximately 300 financial assistance programs valued at $89 billion that are intended to help to improve the natural environment, build infrastructure, and provide public and social services.

The Office of Investigations (OI) likewise addressed a wide range of issues, including unpaid oil and gas royalties by energy companies, contract and financial assistance fraud, and employee misconduct. Again, I highlight two examples of particularly significant projects demonstrating the breadth of our work.

First, along with the FBI, Internal Revenue Service Criminal Investigations, and the Commonwealth of the Northern Mariana Islands (CNMI) Office of the Public Auditor, we investigated a mother and daughter in a procurement fraud and money laundering scheme targeting the CNMI Public School System (PSS), a recipient of Federal grant money. The pair was sentenced on May 6, 2026. In addition to jail time and community service, the Court further ordered that the defendants were jointly and severally liable for restitution in the amount of $548,788 and that two properties they owned in the Philippines were subject to forfeiture.

In another matter, we substantiated allegations that New York State Museum (NYSM) grant administrators directed a former NYSM Education

Specialist to falsify his timesheets and fraudulently overreport his time-and-effort percentages toward multiple U.S. Geological Survey (USGS) grant projects administered by NYSM. Although the State acknowledged that it had not met the full match requirement for the FY 2022 grant cycle, the State's follow-on actions addressed only $40,511 of $597,624 of improper usage of grant funds. We were encouraged, though, that the State reported that it had modified its practices in response to our findings.

We also took additional steps to continue our interagency efforts to fight fraud. In particular, in August 2026, DOI OIG joined the Department of Justice and other Federal agencies as part of the National Fraud Detection Center (NFDC)—a team designed to investigate the most harmful actors defrauding Federal Government programs. DOI OIG is committed to this effort to strengthen coordination and looks forward to working with other NFDC members to detect and dismantle complex fraud schemes.

Over the course of this reporting period, OI received 740 complaints, opened 27 new investigations, and closed 32 investigations. We referred 17 criminal matters for prosecution, and our investigative findings led to 9 criminal convictions. Our investigative referrals led to 3 removals, 2 resignations, 3 suspensions, 2 debarments, and 25 voluntary exclusions during the reporting period, protecting taxpayer dollars against fraud, waste, abuse, and poor performance.

AIE issued almost 100 recommendations to DOI that, if implemented, will help address weaknesses found during our oversight work. These recommendations also identified more than $56 million in monetary results. Moreover, we received information from DOI that enabled us to close 145 recommendations this reporting period. One of our top 3 priority recommendations, which addressed a critical cybersecurity issue, and 23 recommendations categorized as "significant" because of their importance were among those closed.

The May 2026 addition of the Closed Recommendations Dashboard to the Recommendations Dashboard and Tracker on our website provides deeper insight into the progress DOI has made and the impact our work has had on DOI. The dashboard allows the public to see not only what DOI still needs to address but also the work DOI has done to improve its operations and protect public trust by implementing our recommendations.

These results are attributable to the hard work of OIG's dedicated employees who conduct and deliver fair, neutral, and objective oversight. I appreciate their commitment to serving the American people.



Caryl N. Brzymialkiewicz, Ph.D.
Acting Inspector General

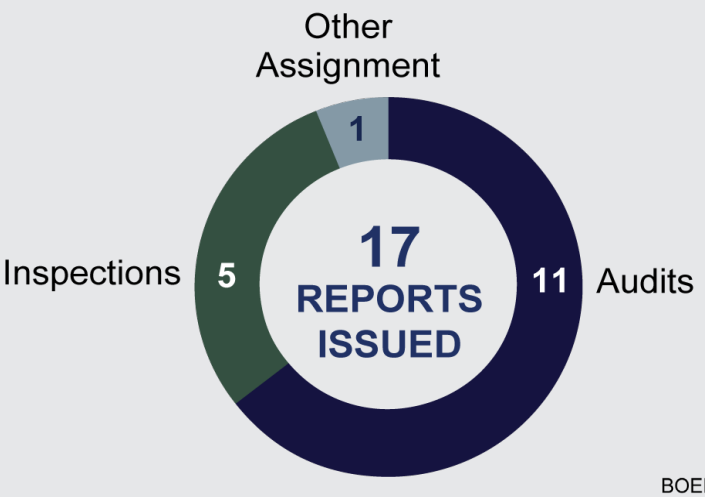


Source: Adobe Stock

HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS

Statistical Highlights | April 1, 2026–September 30, 2026

REPORTING ACTIVITIES



RECOMMENDATIONS ISSUED

- **98** Recommendations
- **$47,218,805** Questioned Costs-Unallowable
- **$4,533,099** Questioned Costs-Unsupported
- **$4,485,150** Funds For Better Use

Significant & Unresolved Recommendations

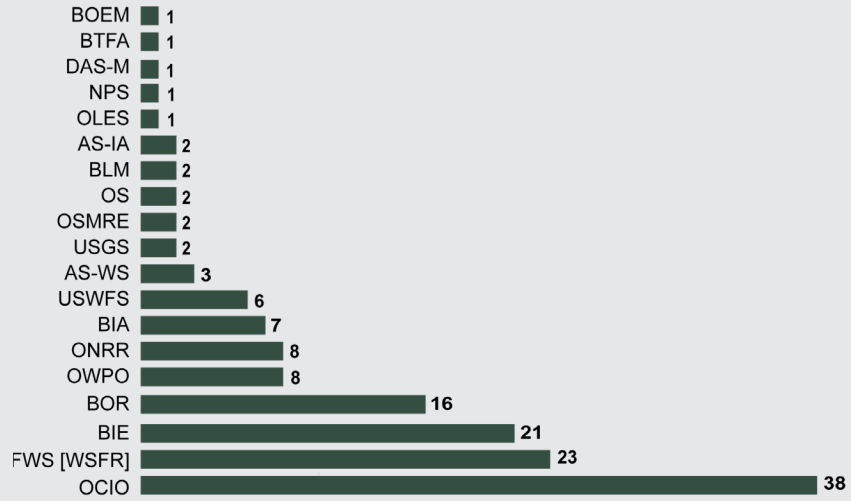
Significant	Unresolved	Both
5	7	2

RECOMMENDATIONS CLOSED

- **145** Recommendations
- **$6,699** Disallowed-Unallowable
- **23** Significant
- **$168** Disallowed-Unsupported

Note: Significant recommendations are a subset of total recommendations closed.

Number of Recommendations Closed (by Bureau)



Featured Reports

The Bureau of Indian Affairs' Missing and Murdered Unit Must Improve Its Case Intake Process and Victim Services (2024-CR-019)

DOI established MMU as a component of BIA's Office of Justice Services to analyze and solve missing, murdered, and human-trafficking cases involving American Indians and Alaska Natives. We conducted an audit to determine whether MMU had internal controls and processes in place to ensure effective and efficient case management and complied with applicable standards. We specifically assessed whether the controls in place ensured the intake process for case referrals was efficient.

We found that as of November 2024, MMU had 83 open cases and 394 pending referrals. Of these referrals, 284 referrals, or 72 percent, were received between 2020 and 2023, with the remaining 110 received in 2024. Several factors contributed to this backlog of referrals, including what we concluded were unmanageable workloads, an absence of established timelines for assessing referrals and staffing, and ongoing recruitment challenges. National Institute of Justice best practices for these types of cases

emphasize that investigators should be assigned investigative duties only, but many aspects of the initial screening are administrative rather than investigative. We found agents must set aside time away from their open cases to conduct extensive research on the large number of referrals assigned to them, which contributed to referrals continuing to linger and remain unaddressed for a long period of time. In addition, we found MMU did not consistently provide victims the services required under its own standard operating procedures and those that may be required under the Victims' Rights and Restitution Act.

Failure to implement adequate internal controls, follow cold case best practices, and ensure adequate staffing has weakened MMU's ability to effectively process referrals and provide mandated services. Without reforms, MMU will continue to face challenges in its ability to fulfill its responsibility to serve victims, their families, and Tribal communities.

We made eight recommendations to help BIA more effectively manage MMU. BIA implemented five recommendations before the final report was issued. We identified one open recommendation as significant.

DOI Has Opportunities To Improve Its Financial Assistance Risk Assessments (2026-ISP-001)

Risk assessments assist DOI in identifying and mitigating risks that could affect financial assistance applicants' ability to manage and execute grants as required in Federal regulations. Due to longstanding weaknesses in DOI's use of risk assessments, we reviewed risk assessment procedures from DOI bureaus and those at other Federal agencies to identify potential best practices for DOI to consider implementing. Over the last 10 years, our work has repeatedly found that bureaus did not always conduct comprehensive risk assessments of these applicants before awarding funds. For example, bureaus did not always identify and analyze single audit findings that were relevant to the applicant. A single audit is an annual audit of the financial statements and Federal awards of a non-Federal entity that has expended $1,000,000 or more in Federal funds during a fiscal year. These findings can provide insight into an entity's management of Federal awards, internal controls, compliance with laws and regulations, financial capability, and past performance.

We also identified bureau risk assessment policies and procedures that were inconsistent

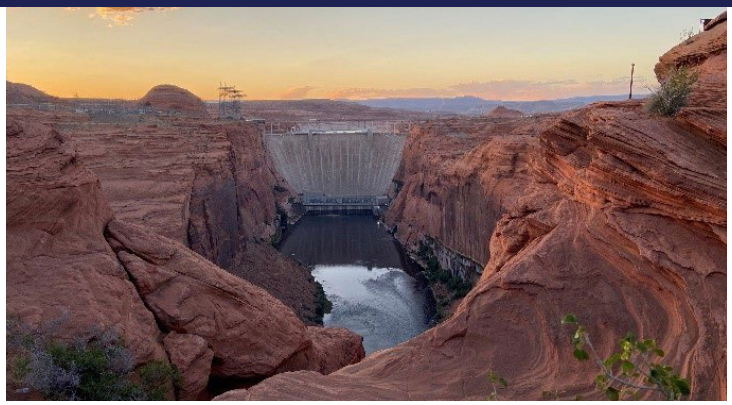


Source: Adobe Stock

with DOI policies. For example, the Bureau of Reclamation, Office of Surface Mining Reclamation and Enforcement (OSMRE), and USGS risk assessment checklists, do not include consideration of independent audits under any circumstances—including when a single audit does not exist—which is contrary to DOI policy. Additionally, when risk assessments were performed, staff responsible for performing the risk assessments did not always have the requisite knowledge to perform an adequate review of single audits to identify significant findings and risks that could affect the applicants' ability to successfully manage funds and implement activities under the financial assistance awards.

Completing effective pre-award risk assessments and identifying appropriate mitigation before providing funding can help prevent fraud or reduce mismanagement of financial assistance. In a resource-constrained environment, these practices can help prioritize staff time and post-award oversight work while also protecting taxpayer dollars.

We made four recommendations to help DOI improve its pre-award processes and management of Federal financial assistance. We identified one recommendation as significant.



Glenn Canyon Dam in Arizona. Source: OIG.

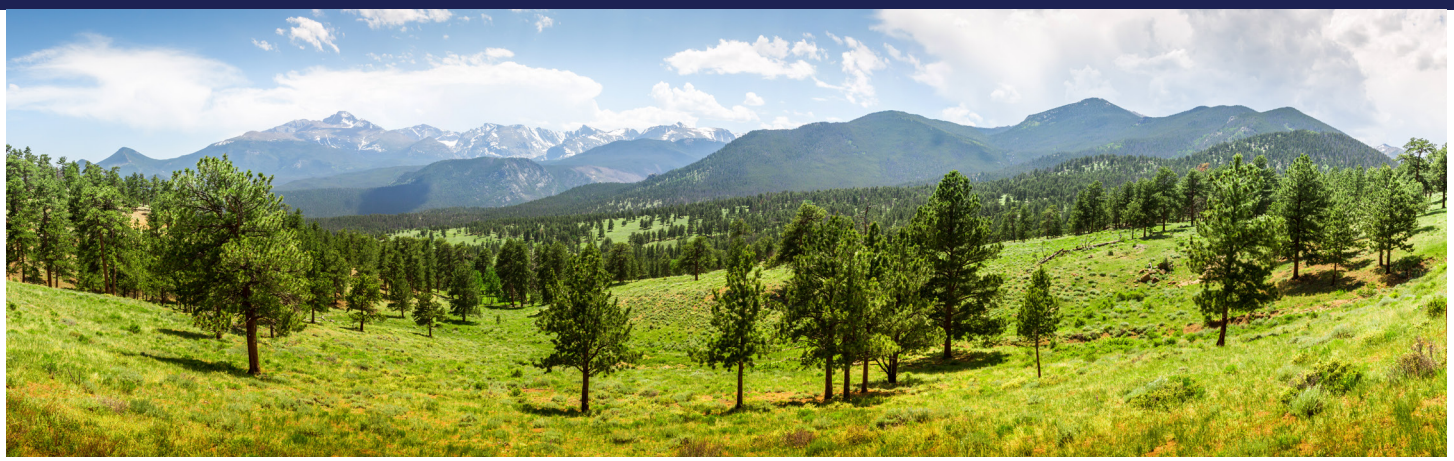
Other Reports Issued

The Bureau of Reclamation Needs To Improve Transparency for Inflation Reduction Act-Funded Water Conservation Efforts in the Upper Colorado River Basin (2024-WR-007)

The Bureau of Reclamation Should Improve Transparency in Inflation Reduction Act-Funded Drought Mitigation Agreements and Check to Ensure Funds Are Not Awarded to Excluded Parties (2023-WR-035)



Source: Adobe Stock



Source: Adobe Stock

Wildlife and Sport Fish Restoration Grants Awarded to the State of Colorado by the U.S. Fish and Wildlife Service (2025-CGD-012)

Flash Report: Status of the U.S. Department of the Interior's 2025 Supplemental Appropriations for Disaster Relief (2025-ISP-032)

U.S. Department of the Interior's Compliance With the Payment Integrity Information Act of 2019 in Its Fiscal Year 2025 Agency Financial Report (2026-FIN-009)

Selected DOI Bureaus Generally Awarded $300 Million in IIJA and IRA Financial Assistance Properly—Opportunities Exist To Improve Pre-Award Risk Processes (2025-ISP-027)



Landslide damage to Gooch Gap Milepost 336, in North Carolina, along the Blue Ridge Parkway. In 2024, Hurricane Helene caused extensive road damage with 57 landslides across approximately 200 miles of the parkway in North Carolina. Source: NPS.



A man in a canoe enters through the door of the flooded Glennallen Field Office (GFO) in Alaska. Congress appropriated BLM $58 million in the American Recovery Act, which BLM plans to use to relocate and rebuild the office located in a floodplain. GFO manages nearly 4.4 million acres of public lands and serves more than 200,000 visitors annually. Source: BLM.

HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS

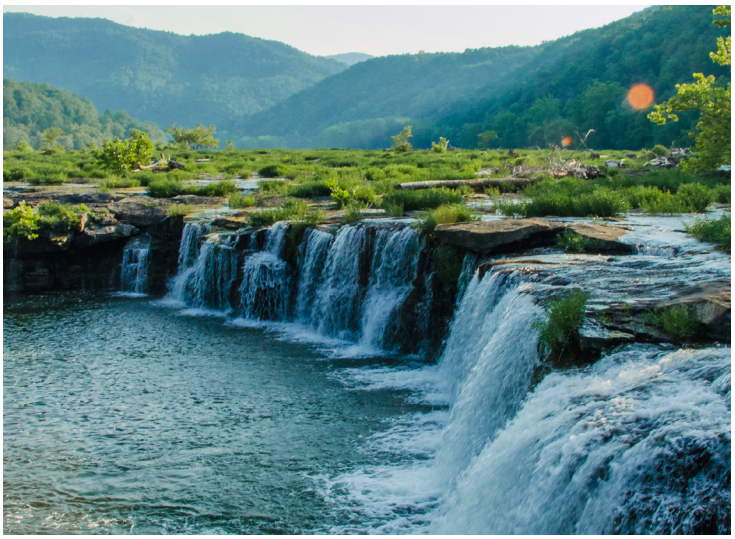
The Bureau of Reclamation Generally Conducted Necessary Oversight of Two Water Supply Project Contracts (2024-WR-042)

BIE Must Correct Safety and Health Deficiencies, Improve Facility Management System Accuracy, and Ensure Available Grant Funds Are Used To Correct Longstanding Deficiencies at Nay Ah Shing Upper and Lower Schools (2025-AID-030)



The exterior of Nay Ah Shing Upper School. During our inspection we found unaddressed longstanding deficiencies at both the lower and upper school facilities. Source: OIG.

Wildlife and Sport Fish Restoration Grants Awarded to the State of West Virginia by the U.S. Fish and Wildlife Service (2024-CGD-032)



Source: Adobe Stock

Summary: Active Directory Misconfigurations Place DOI Mission Critical Systems at Serious Risk of Compromise (2024-CTD-025)

Audit of the National Park Service Inflation Reduction Act-Funded Restoration and Resilience Financial Assistance Agreements (2024-ER-036)



Source: Adobe Stock

HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS

The U.S. Department of the Interior Continues to Make Progress in Its Management of Geospatial Data; However, Improvements Are Still Needed (2025-CTD-036)

Wildlife and Sport Fish Restoration Grants Awarded to the Commonwealth of Pennsylvania's Fish and Boat Commission by the U.S. Fish and Wildlife Service (2025-CGD-024)

The Orphaned Wells Program Office and State of Oklahoma Should Improve the Oversight and Spending of Infrastructure Investment and Jobs Act Orphaned Wells Funding (2025-ER-006)



An orphaned well site near Oklahoma City, Oklahoma, in Union City in Canadian County. Source: OIG.

Wildlife and Sport Fish Restoration Grants Awarded to the State of Rhode Island by the U.S. Fish and Wildlife Service (2024-CGD-039)



Source: Adobe Stock

HIGHLIGHTS FROM THE OFFICE OF INVESTIGATIONS

Statistical Highlights | April 1, 2026–September 30, 2026

INVESTIGATIVE ACTIVITIES

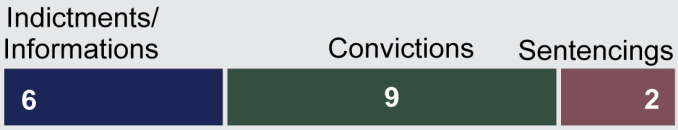
Complaints



Investigations



CRIMINAL PROSECUTION ACTIVITIES



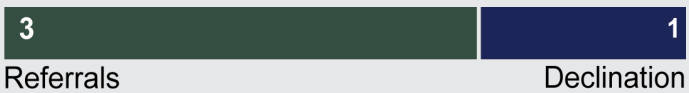
- **1: 3 years, 0 months** Probation
- **2: 5 years, 6 months** Jail Time
- **1: $10,000** Criminal Fine
- **3: $726,122.58** Criminal Restitutions
- **1: $500** Criminal Special Assessment

Note: These formulas represent the number of judgments and the resulting penalties. For example, 1 judgment resulted in a total of 3 years, 0 months of probation.

Criminal Matters

	State/Local	Federal
Referred for Prosecution	0	17
Declinations	0	15

CIVIL INVESTIGATIVE ACTIVITIES



- **1: $8,250,000** Civil Settlement
- **1: $159,600** Civil Recovery

ADMINISTRATIVE INVESTIGATIVE ACTIVITIES

12 Personnel Actions

- 3 Removals
- 2 Reprimands
- 2 Resignations
- 5 Other

55 Administrative Remedy Activities

- 25 Referrals
- 3 Suspensions
- 2 Debarments
- 25 Voluntary Exclusions

6 Financial Recoveries

- **1: $3,550.11** Administrative Settlement
- **1: $6,258,960.91** Additional or Unpaid Royalties Recovered
- **2: $63,638.48** Bills for Collection Issued
- **2: $63,638.48** Referrals for Collection of Lost Revenues Issued

1 General Policy Action

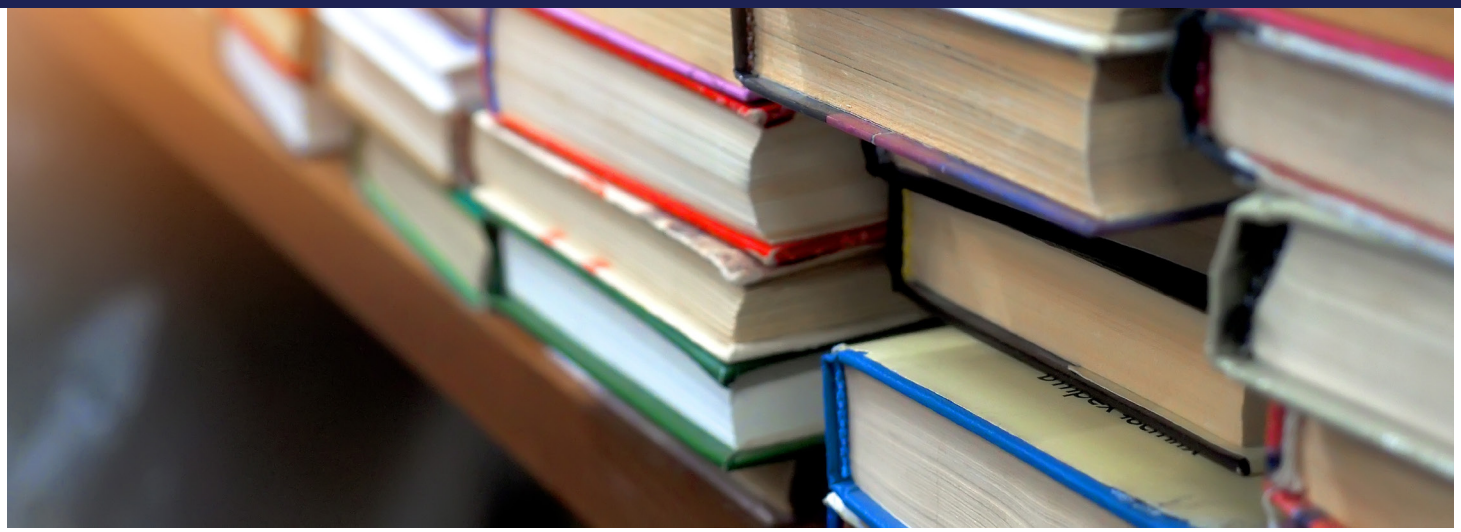
REPORTING ACTIVITIES

23 Reports Issued

4 Past Due Responses

- **1: BIE**
- **1: Office of the Solicitor**
- **1: FWS**
- **1: USWFS**

Note: Data are from OI's Case Management Tracking System. Statistical Highlights were captured at the time of action and are not based on date of case closure.



Source: Adobe Stock

Featured Reports and Press Releases

Mother and Daughter Sentenced to Federal Prison For Defrauding the CNMI Public School System (DOJ Press Release)

A mother and daughter—Clarissa Adlawan and Giselle Butalid—were sentenced in the United States District Court for the Northern Mariana Islands for their roles in a procurement fraud and money laundering scheme targeting the CNMI PSS, a recipient of Federal grant money.

Butalid worked for PSS and had access to its procurement process. According to court documents, from October 2021 through August 2022, Butalid and Adlawan used their company, One Legacy LLC, to sell educational material while concealing the conflict of interest from PSS. Investigators determined that Butalid forged documents to conceal that several procurements were in fact "ghost" purchases. The defendants pocketed payments for materials that PSS never ordered. Upon receiving funds, the defendants frequently traveled to the Philippines, staying in luxury hotels, withdrawing large amounts of cash, and building a house.

Evidence established that Adlawan used PSS' stolen money for construction of a nine-room house in the Philippines. Adlawan's plea agreement required her to provide information and help the Government acquire the property so it could be liquidated and the proceeds applied toward restitution. The Court agreed and denied Adlawan the benefit of accepting responsibility.

Adlawan, a lawful permanent resident of the United States originally from the Philippines, was sentenced to 48 months imprisonment for one count of Conspiracy to Commit an Offense Against the United States, in violation of 18 U.S.C. § 371, and one count of Money Laundering Conspiracy, in violation of 18 U.S.C. § 1956(h). The Court also ordered her to serve three years of supervised release and complete 100 hours of community service.

Butalid, a naturalized U.S. citizen originally from the Philippines and a resident of Saipan, was sentenced to 18 months imprisonment for one count of Conspiracy to Commit an Offense Against the United States, in violation of 18 U.S.C. § 371, and one count of Money Laundering Conspiracy, in violation of 18 U.S.C. § 1956(h). The Court also imposed three years of supervised release and ordered her to complete 100 hours of community service.

The Court further ordered that the defendants were jointly and severally liable for restitution in the amount of $548,788 and that two properties they owned in the Philippines were subject to forfeiture.



Source: Adobe Stock

Summary: Gas Company Failed to Report Federal Mineral Production or Royalties (24-0108)

The OIG investigated allegations after the BLM Vernal Field Office provided information that a gas company produced Federal minerals from wells in Uintah County, Utah, but failed to report mineral production or royalties. According to BLM, Alberta Gas Company (Alberta) reported production to the State of Utah but not to the Office of Natural Resources Revenue (ONRR). We substantiated the allegations.

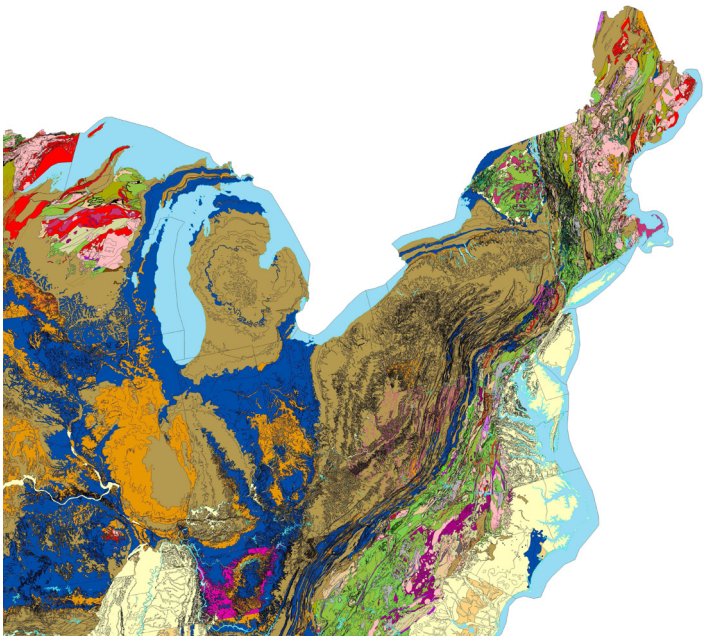
Our investigation found that the owner of the company was the assigned operator of the wells from 2005 through the present. Between September 2020 and April 2023, Alberta produced and sold over $515,000 of oil from the wells but did not report this production or pay royalties it owed to ONRR. ONRR determined Alberta owed over $30,000 in unpaid royalties and issued the gas company an Order to Report and Pay on September 10, 2025. The owner, on behalf of Alberta, did not acknowledge, pay, or appeal ONRR's Order to Report and Pay. Between 2018 and 2024, ONRR and BLM issued Alberta over 10 instances of noncompliance (INCs) and Notices of Noncompliance (NONCs) in an attempt to bring the gas company and its wells into compliance with Federal regulations. In August 2020, BLM's Vernal Field Office conducted a bond adequacy review[1] due to the number of INCs and NONCs and determined there was a need to increase the bond from $25,000 to $155,000 to cover the risk associated with the owner's continued operation of the wells.

We presented our findings to the U.S. Attorney's Office for the District of Utah, which declined to prosecute the matter, and instead, referred our findings to the Utah Attorney General's (AG's) Office for its consideration of potential State law violations.[2] The Utah AG's office, in turn, referred the matter to the Uintah County Prosecutor's Office. Both the Utah Attorney General's Office and the Uintah County Prosecutor's Office also declined to prosecute the matter.

We issued a report to the Acting Directors of ONRR and BLM for any action deemed appropriate.

[1] 43 C.F.R. § 3104.10 requires "a surety or a personal bond" to ensure compliance with the law, including "complete and timely plugging of the well(s), reclamation of the lease area(s), and the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations on the lease(s)."

[2] At issue were potential violations of Utah Criminal Code § 76-6-404, Theft – Elements (Theft of Property over $5,000), and § 76-8 403, Failure to Keep and Pay Over Public Money.



The northeastern portion of the Geologic Map Schema (GeMS) version of the *State Geologic Map Compilation (SGMC) geodatabase of the conterminous United States* by J.D. Horton. Source: USGS, https://doi.org/10.5066/P1A3DQZK.

Summary: USGS Grant Recipient Improperly Used Grant Funds and Violated Grant Terms and Conditions (24-0412)

The OIG investigated allegations jointly with the Office of the New York State Comptroller that, for FYs 2020 through 2022, New York State Museum (NYSM) grant administrators directed a former NYSM Education Specialist to falsify his timesheets and fraudulently overreport his time-and-effort percentages toward multiple USGS grant projects administered by NYSM. The projects were related to USGS' "STATEMAP" component of the National Cooperative Geologic Mapping Program. We substantiated the allegations.

Awards issued under the STATEMAP Program are subject to a 1:1 matching funds requirement. As part of the award process, NYSM submitted a proposed budget narrative, which USGS approved. NYSM represented in its proposed budget that its expected cost share would come from paying the salaries of employees working on the grant as well as associated travel expenses and supply costs. NYSM was accordingly allowed to draw down Federal funds from the grant in amounts approved in the budget.

Our investigation found that NYSM did not execute its STATEMAP projects in accordance with the approved proposals and revised budgets it certified to USGS and that it did not meet its State match[3] requirements for STATEMAP projects for FYs 2020, 2021, and 2022. We found that NYSM officials instructed their employees to submit inaccurate timesheets reflecting inflated levels of involvement in STATEMAP programs. NYSM officials also charged the salaries of two employees who did not work under the grant, and they could not account for one employee's Federally funded salary. In total, we found that NYSM improperly drew down over $597,000 in USGS grant funds from FYs 2020 through 2022.

We also found that NYSM violated the terms and conditions of the grant when it, without USGS approval, changed key personnel referenced in the proposal and reallocated funds budgeted for field expenses (including travel and office supplies) to pay staff salaries. Both of these changes required advanced approval by the USGS program office.

In April 2025, a senior New York State official acknowledged that the State had not met the full match requirement for the FY 2022 grant cycle. We found, however, that the subsequent actions taken by the State only addressed $40,511 of $597,624 of the improper usage of grant funds. The official also stated that once the State became aware of the charging issues (after our office initiated its investigation), it changed how staff accounted for and reported their time on the FY 2022 STATEMAP project.[4] Our review of STATEMAP timesheets confirmed that this occurred. According to USGS, NYSM provided all required technical reports, deliverables, and final reports for all three STATEMAP grant projects. We presented this matter to the U.S. Attorney's Office for the Northern District of New York, which declined to intervene

[3] State match is the expected share of project costs paid for by the State (in this case, NYSM).

[4] We initiated our investigation in July 2024. STATEMAP funds from FY 2022 continued to be used at this time, as they were considered two-year funds.



Source: Adobe Stock

with civil enforcement in deference to administrative action and recovery by USGS.

We issued an investigative report to the Director of USGS for potential collection of lost revenues and any other action deemed appropriate.

Summary: Former Bingo Hall Manager Embezzled from Alaska Native Organization (24-0092)

OIG investigated allegations that Mesepa Tagovailoa, the former Manager of Chena Bingo in Fairbanks, Alaska, embezzled funds from the tribally operated gaming establishment. We substantiated these allegations. We found that between 2019 and 2023, while working as Chena Bingo's Manager, Tagovailoa embezzled approximately $1.1 million by entering false refunds into the establishment's gaming register system and stealing the cash refunds for personal use.

The U.S. Attorney's Office for the District of Alaska prosecuted this case. On June 5, 2024, Tagovailoa entered into a pre-indictment plea agreement and pleaded guilty to one count of 18 U.S.C § 1163, Embezzlement and Theft from an Indian Tribal Organization. On June 18, 2025, the court sentenced Tagovailoa to nine months of imprisonment followed by 36 months of supervised release. On January 12, 2026, Tagovailoa was ordered to pay $300,000 in restitution to Chena Bingo.

Other Reports and Press Releases Issued

Summary: Geothermal Energy Producer Failed to Obtain BLM Authorization and Pay Royalties (24-0025)

Summary: Operator Modified Equipment Without BSEE Approval and Did Not Report a Discharge or Gas Leak (24-0051)

Three Individuals Sentenced for Scheme to Steal Money from Accounts Managed by the Department of the Interior Bureau of Trust Funds Administration (DOJ Press Release)

HIGHLIGHTS FROM THE OFFICE OF INVESTIGATIONS

Homeland Security Task Force Investigation Leads To Nigerian National Charged with Money Laundering and Conspiracy to Commit Wire Fraud and Mail Fraud (DOJ Press Release)

Summary: Oil and Gas Company Failed to Maintain Wells, Report Federal Mineral Production or Pay Royalties (24-0107)

Unsubstantiated Allegations that a DOI Official Violated Federal Ethics Regulations (26-0053)

Summary: DOI Manager Used His Public Office for the Private Gain of a Relative (25-0898)

Source: Adobe Stock



Summary of Recommendation Activity

As of September 30, 2026, we were tracking a total of 443 open recommendations, including 77 that are significant[5] and 41 that are unresolved. These open recommendations are related to questioned costs of $66,424,527, and we identified $10,550,607 in funds to be put to better use.

In this reporting period, we issued 98 recommendations in 17 audit, inspection, and other reports. Of those recommendations, 7 are significant, and 9 are unresolved. We identified $51,751,904 in questioned costs and $4,485,805 in funds to be put to better use.

We closed 145 recommendations this period, of which 29 recommendations were from reports issued in this reporting period and 116 recommendations were from reports issued in prior reporting periods (older than six months). In those closed recommendations, $6,867 in costs were disallowed and recovered by DOI and 23 significant recommendations were closed.

We continue to coordinate with the DOI and its bureaus to address 41 unresolved recommendations.

[5] When determining which recommendations to designate as significant, we consider multiple factors including, for example, whether it affects multiple bureaus, has potential monetary benefits, entails a systemic change to DOI, relates to high-risk areas identified by OIG or GAO, affects vulnerable populations, or involves issues that should be brought to the attention of Congress.

SUMMARY

443
Open Recommendations

$10,550,607
Funds for Better Use

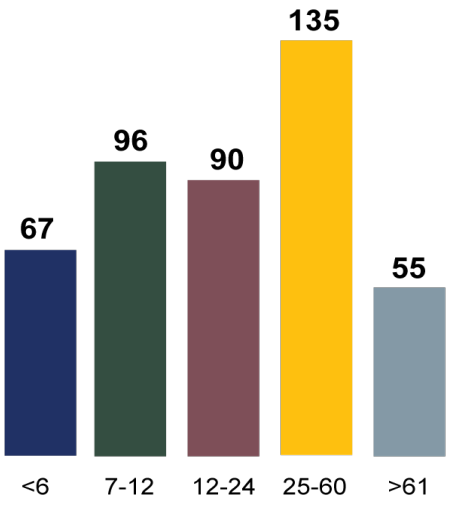
$34,551,618
Questioned Costs Unallowable

$31,872,909
Questioned Costs Unsupported

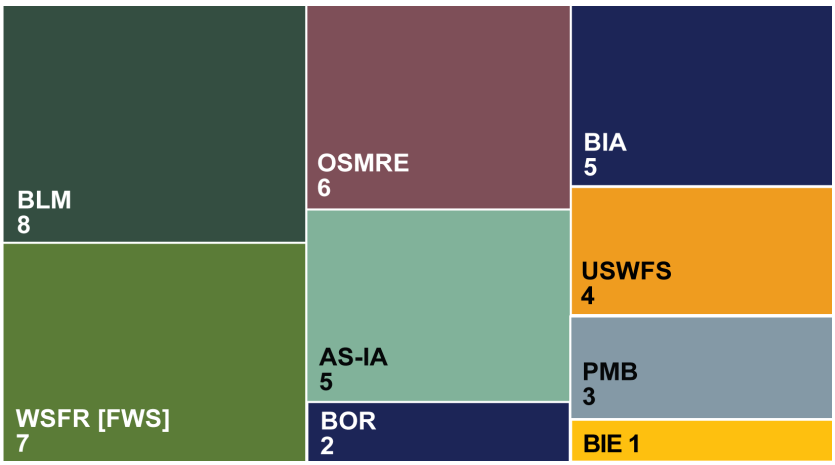
Significant & Unresolved Recommendations



Age of Recommendations (in Months)

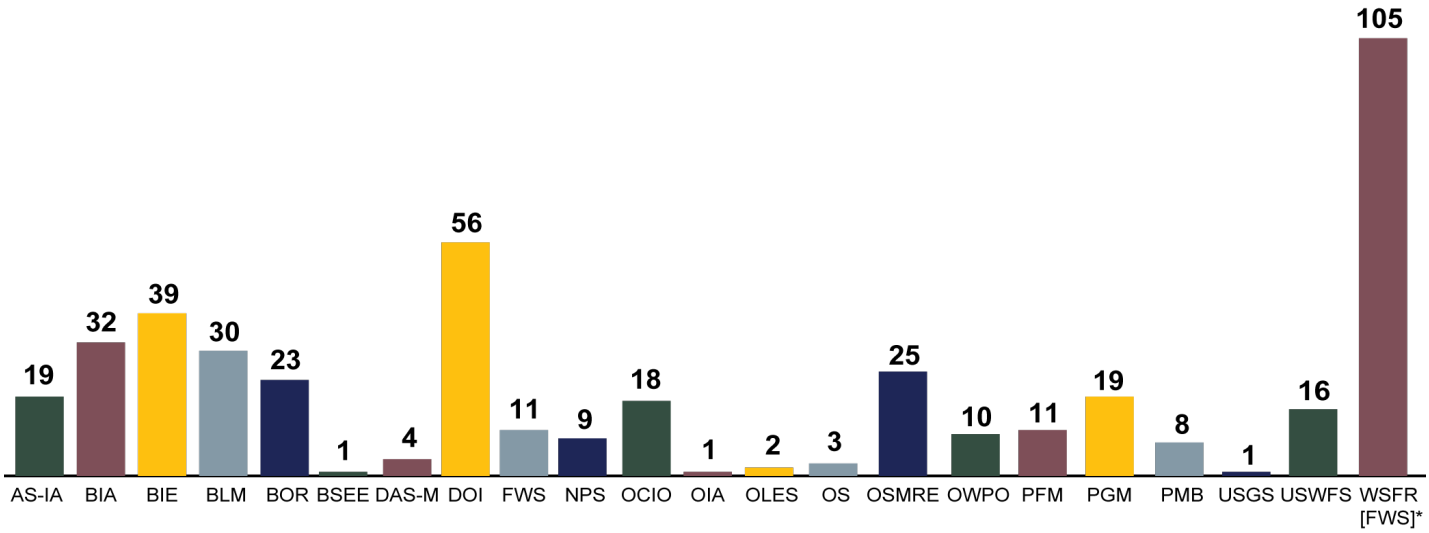


Number of Unresolved Recommendations by Bureau



APPENDIX 1

Number of Open Recommendations by Bureau



* WSFR is one of the largest grant programs managed by DOI. It provides funding for States and Territories to support projects that promote the conservation and restoration of wild birds and mammals and their habitats and programs that provide hunter education and safety training and opportunities. OIG has had an agreement with FWS to conduct audits for all States and Territories receiving funds through the program on a five-year cycle. This agreement ended September 30, 2026. FWS continues to coordinate implementation with the States and Territories, reviews and endorses the closure packages, and forwards them to the OIG for final approval. OIG continues to track all recommendations issued in its audit reports.

Bureau and Office Abbreviations

AS-IA	Assistant Secretary for Indian Affairs
BIA	Bureau of Indian Affairs
BIE	Bureau of Indian Education
BLM	Bureau of Land Management
BOR	Bureau of Reclamation
BSEE	Bureau of Safety and Environmental Enforcement
DAS-M	Deputy Assistant Secretary for Management [AS-IA]
DOI	Department of the Interior
FWS	U.S. Fish and Wildlife Service
NPS	National Park Service
OCIO	Office of the Chief Information Officer
OIA	Office of Insular Affairs
OLES	Office of Law Enforcement and Security
ONRR	Office of Natural Resources Revenue
OS	Office of the Secretary
OSMRE	Office of Surface Mining Reclamation and Enforcement
OWPO	Orphaned Wells Program Office
PFM	Office of Financial Management
PGM	Office of Grants Management
PMB	Office of Policy, Management and Budget
USGS	U.S. Geological Survey
USWFS	U.S. Wildland Fire Service
WSFR	Wildlife and Sport Fish Restoration Program

Open Recommendations

This appendix is provided as a regularly updated online resource on the OIG website. The OIG's online Recommendations Tracker includes data related to reports with open recommendations and also identifies all significant and unresolved recommendations that have not been implemented. This webpage provides a searchable list of AIE open recommendations: **https://www.doioig.gov/recommendations**.

The Recommendations Tracker includes information on all recommendations—open and closed—dating back to 2021: **https://www.doioig.gov/reports/recommendations-dashboard-tracker**. For reports issued before 2021, only open recommendations are available.

Monetary Resolution Activities

For the Period Ending September 30, 2026

TABLE 1: INSPECTOR GENERAL REPORTS WITH QUESTIONED COSTS*

	Number of Reports	Unallowable Costs	Unsupported Costs	Total Questioned Costs
A. For which no management decision has been made by the commencement of the reporting period. (As of March 31, 2026)	19	$11,206,986	$27,409,624	$38,616,610
B. Which were issued during the reporting period.	6	$47,218,805	$4,533,099	$51,751,904
Subtotal (A+B)	***25***	***$58,425,791***	***$31,942,723***	***$90,368,514***
C. For which a management decision was made during the reporting period. **((i)+(ii))**	3	$23,874,173	$69,814	$23,943,987
(i) Dollar value of costs disallowed.	–	*$6,699*	*$168*	*$6,867*
(ii) Dollar value of costs allowed.	–	*$23,867,474*	*$69,646*	*$23,937,120*
D. For which no management decision had been made by the end of the reporting period. **(Subtotal – C)**	**22†**	**$34,551,618**	**$31,872,909**	**$66,424,527**

* Does not include non-Federal funds.
† Three projects contained both open and closed questioned cost recommendations.

Monetary Resolution Activities

For the Period Ending September 30, 2026

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. (As of March 31, 2026)	3	$6,215,457
B. Which were issued during the reporting period.	1	$4,485,150
Subtotal (A+B)	***4***	***$10,700,607***
C. For which a management decision was made during the reporting. **((i)+(ii))**	*1*	*$150,000*
(i) Dollar value of recommendations that were agreed to by management.	*0*	–
(ii) Dollar value of recommendations that were not agreed to by management.	*1*	*$150,000*
D. For which no management decision had been made by the end of the reporting period. **(Subtotal – C)**	**3**	**$10,550,607**

Federal Financial Management Improvement Act

KPMG's independent auditor's report on DOI's financial statements for FY 2025 disclosed no instances in which DOI's financial management systems did not substantially comply with the Federal Financial Management Improvement Act. KPMG conducted no related work during this reporting period.

Administrative False Claims Act

During this reporting period, OIG investigating officials submitted no investigative reports involving potential liability under the Administrative False Claims Act to reviewing officials. Thus, there were no instances in which a reviewing official declined to proceed on a reported case.

Peer Reviews of OIG Operations

Government audit, inspection and evaluation, and investigative standards require each statutory OIG to receive an independent, comprehensive peer review of its audit and investigative operations once every three years, consistent with applicable standards and guidelines.

In general, these peer reviews determine whether the OIG's internal quality control system is adequate as designed and provides reasonable assurance that the OIG follows applicable standards, policies, and procedures. The Inspector General Act of 1978 requires OIGs to provide in their semiannual reports to Congress information about peer reviews of their respective organizations and their peer reviews of other OIGs.

Audits, Inspections, and Evaluations

During this reporting period, we conducted a peer review of the U.S. Department of State (State) OIG inspection and evaluation organization's system of quality control in effect for the year ending March 31, 2026. We issued our final report on September 16, 2026, and State OIG received a rating of "pass" with no recommendations.

During this reporting period, no peer reviews were conducted of our audit organization. The Tennessee Valley Authority (TVA) OIG completed the most recent peer review on DOI OIG's audit organization's compliance with its system of quality control that was in effect for the period ending September 30, 2025. TVA OIG issued its final report dated March 5, 2026, and we received a rating of "pass" with no recommendations.

The most recent inspection and evaluation peer review of our office was performed by the U.S Environmental Protection Agency (EPA) OIG and covered compliance with our system of quality control in effect for the period ended March 31, 2025. EPA OIG issued its final report on September 22, 2025, and we received a rating of pass. There are no open recommendations.

Investigations

We conducted no peer reviews, and no peer reviews were completed of us during this reporting period. The Federal Housing Finance Agency OIG conducted the most recent investigative peer review of DOI OIG covering the period of February 2022 to February 2025. The Federal Housing Finance Agency OIG issued its final report on March 20, 2025, and found DOI OIG in compliance with relevant standards and applicable Attorney General Guidelines. There are no open recommendations.

Instances of Agency Interference

During this reporting period, the establishment has not attempted to interfere with the independence of OIG through budget constraints specifically designed to limit the capabilities of OIG. The establishment has not attempted to interfere with the independence of OIG through incidents where the establishment has resisted or objected to oversight activities of OIG or restricted or significantly delayed access to information.

Investigations Involving Senior Government Employees

Investigations Involving Senior Government Employees Where Misconduct Was Substantiated

The OIG closed two investigations involving senior Government employees where misconduct was substantiated.

Summary: Former NPS Employee Violated Ethics Rules (24-0083)

We substantiated allegations that a former Administrative Assistant at the Fort Davis National Historic Site, NPS, and her second-level supervisor violated ethical requirements, including those set forth by 18 U.S.C. § 205, in connection with the then Administrative Assistant's outside position with the Blackwell School Alliance. The U.S. Attorney's Office for the Western District of Texas declined to prosecute this matter. We published a summary of this report on our website last reporting period.

Summary: Former OSMRE Official Gave the Appearance of Providing Preferential Treatment to Company (24-0123)

We substantiated allegations referred by the Office of the Solicitor that in 2021, Michael Castle, then the OSMRE Field Office Director who oversaw mining operations in Tennessee and Kentucky, improperly terminated mining violations his office issued to a company owned by an elected official and his family between 2018 and 2021. We presented this investigation to the U.S. Attorney's Office for the Eastern District of Kentucky, which declined to prosecute Castle for making false statements to our office. On September 30, 2025, Castle resigned from Federal service. We published a summary of this report on our website last reporting period.

Investigations Involving Senior Government Employees That Were Closed and Not Disclosed to the Public

The OIG did not disclose one investigation into allegations that a senior Government employee did not comply with ethics obligations. We determined further investigation was unnecessary and closed the investigation. (26-0250)

Alleged Whistleblower Retaliation

The OIG did not close any cases that substantiated allegations of whistleblower retaliation this reporting period.

APPENDIX 10

Cross References of SAR Reporting Requirements

The IG Act was restated and codified into Chapter 4 of Title 5, through Public Law No. 117-286. Additional amendments under Public Law No. 117-263, prior to enactment of the restatement, have not been codified and remain in the notes of the Act.

Additionally the semiannual reporting requirements of the IG Act, restated and codified to 5 U.S.C. § 405, were amended by the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Public Law No. 117-263 § 5273. Due to the timing of the amendments, these requirements appear in the notes of 5 U.S.C. § 405.

TABLE 3: SAR Requirements From 5 U.S.C. § 405

5 U.S.C Section	Requirements	Page Nos.
405(b)(1)*	Significant problems, abuses, and deficiencies identified and recommendations for corrective action made	1-12
405(b)(2)*	Identification of each recommendation made before the reporting period, for which corrective action has not been completed	15
405(b)(3)*	Investigations closed during the reporting period	7-12
405(b)(4)*	Total convictions during the reporting period resulting from investigations	7
405(b)(5)*	(A) Listing of each audit, inspection, or evaluation issued during the reporting period and	1-6
	(B) Total value of questioned costs, funds to be put to better use, including whether a management decision has been made	16-17
405(b)(6)*	Any management decision made during the reporting period with respect to any report issued during a previous reporting period	16-17
405(b)(7)†	Information required by the Federal Financial Management Improvement Act of 1996‡	18
405(b)(8)†	Results of peer reviews of DOI OIG conducted by other OIGs	20
405(b)(9)†	Outstanding recommendations from peer reviews of DOI OIG conducted by other OIGs	20
405(b)(10)†	Peer reviews of other OIGs conducted by DOI OIG	20

* As stated in the notes to 5 U.S.C. § 405.
† As redesignated by the notes to 5 U.S.C. § 405.
‡ Public Law No. 104-208, §101(f) [title VIII], 31 U.S.C. § 3512 note.

APPENDIX 10

5 U.S.C Section	Requirements	Page Nos.
405(b)(11)†	Tables showing:	
	(A) The number of investigative reports	7
	(B) The number of referrals to DOJ	7
	(C) The number of persons referred to State and local prosecuting authorities; and	7
	(D) The number of indictments and criminal informations from any prior referral to prosecuting authorities	7
405(b)(12)†	Metrics description for investigative statistical tables	7
405(b)(13)†	Investigations of senior Government employees where allegations were substantiated*	22
405(b)(14)†	Description of whistleblower retaliation instances	23
405(b)(15)†	Description of attempts to interfere with OIG independence*	21
405(b)(16)†	Descriptions of	
	(A) inspection, evaluation, and audit reports that were closed and not disclosed to the public; and	N/A§
	(B) investigations involving senior Government employees that were closed and not disclosed to the public.	22

* As stated in the notes to 5 U.S.C. § 405.
† As redesignated by the notes to 5 U.S.C. § 405.
§ Not applicable as none occurred this reporting period.

OIG CONTACT INFORMATION



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

1849 C St., NW
Mail Stop 4428
Washington, DC 20240

https://www.doioig.gov

Phone: 202-208-5745
Fax: 202-219-3856