



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



Inspector General's Statement



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

Memorandum

To: Doug Burgum
Secretary of the Interior

From: Caryl N. Brzymialkiewicz, Ph.D. *C. Brzymialkiewicz*
Deputy Inspector General Performing the Duties of the Inspector General

Subject: Final Report – *Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, Fiscal Year 2025*

In accordance with the Reports Consolidation Act of 2000, we are submitting what we have determined to be the most significant management and performance challenges facing the U.S. Department of the Interior (DOI) for inclusion in DOI's *Agency Financial Report* for fiscal year 2025. We have organized this report around an emerging challenge area of "Managing Change" and two main challenge areas—"Managing Spending and Operations" and "Delivering Core Services"—but note that some topics span multiple challenge areas.

If you have any questions, please call me at 202-208-5745.



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INTRODUCTION AND APPROACH

In accordance with the Reports Consolidation Act of 2000, we are reporting what we have determined to be the most significant management and performance challenges facing the U.S. Department of the Interior (DOI). By statute, a summary of this report is required to be included in DOI's agency financial report.

This year, we highlight an emerging challenge that touches on every aspect of DOI's mission, "Managing Change." We also identify two primary challenge areas in this report: "Managing Spending and Operations" and "Delivering Core Services." As part of our reformulation of these challenges, we have updated the preceding years' challenge of "Managing Spending" to incorporate more prominently the intersection of financial oversight and oversight of DOI's operational functions. We also note an update from prior years' approaches in which we separately identified "Ensuring Health and Safety" as a standalone challenge. This year, we have addressed this topic within the two primary challenges—most notably, through our discussions of responsibilities to Native Americans and wildfire management. Finally, while we continue to highlight "Delivering Core Services" as a primary challenge, we have updated the specific areas within the major challenge areas to reflect what we have identified as the most important issues and our most current work.

This report is primarily based on our work and U.S. Government Accountability Office (GAO) reviews, as well as our own general knowledge of DOI's programs and operations. In preparing this report, we also took into account DOI's wide-ranging mission, which includes managing the country's public lands, natural resources, and cultural heritage; providing scientific and other information about those resources; and fulfilling its trust responsibilities to

American Indians, Alaska Natives, Native Hawaiians, and affiliated Island Communities.

Throughout, we provide links to our reports that are related to the challenge areas. Additional reports can be viewed on our website: <https://www.doiig.gov>. Our analysis generally considers DOI's challenges and progress as of September 30, 2025, unless otherwise noted.

DOI itself implements its programs and operations through its 11 bureaus:

- Bureau of Indian Affairs (BIA)
- Bureau of Indian Education (BIE)
- Bureau of Land Management (BLM)
- Bureau of Ocean Energy Management (BOEM)
- Bureau of Reclamation (BOR)
- Bureau of Safety and Environmental Enforcement (BSEE)
- Bureau of Trust Funds Administration (BTFA)
- National Park Service (NPS)
- Office of Surface Mining Reclamation and Enforcement (OSMRE)
- U.S. Fish and Wildlife Service (FWS)
- U.S. Geological Survey (USGS)

In addition to these bureaus, there are a number of offices that fall under the Office of the Secretary and other components, including the Office of the Chief Information Officer (OCIO), Office of Natural Resources Revenue (ONRR), Office of Wildland Fire (OWF), Orphaned Wells Program Office (OWPO), Office of Law Enforcement and Security, and Office of Insular Affairs (OIA).



EMERGING CHALLENGE AREA

Managing Change

A topic that affects both identified management challenges is the heightened need to manage rapid organizational change effectively.

This year, DOI leadership has directed many organizational initiatives and policy changes that influence all aspects of DOI's operations.

The pace and complexity of these large-scale organizational changes, including staffing changes and consolidation initiatives, present a number of risks and opportunities. For example, DOI initiated voluntary resignation incentive programs and, pursuant to Secretarial Order No. 3429, is in the process of consolidating key administrative functions—including communications, financial management, contracting, human resources, grants, civil rights, and IT services—within a centralized Office of the Secretary. Such initiatives have the potential to reduce redundancy and improve efficiency but can also introduce challenges tied to scale, integration, and accountability. Consolidating varying administrative systems across multiple bureaus requires harmonizing policies, procedures, and systems that have evolved under different regulatory, cultural, and technical frameworks. DOI may need to consider, for example, managing potential resistance to change, aligning competing stakeholder priorities, and ensuring consolidation initiatives do not disrupt mission functions at the field office level.

Other more general guidance to the Federal Government and additional DOI initiatives have directed changes to procurement processes, hiring and employment matters, and the use of artificial intelligence. These directives will similarly require careful management to ensure effective, efficient implementation. Our work in recent months has consistently acknowledged these changes and their potential significance. For example, a [flash report](#) providing an overview of artificial intelligence and machine learning technologies, selected use cases, and policies implemented within DOI highlighted the evolving nature of the DOI's practices in these areas. However, many of the initiatives and efforts are in their early phases.

In addition, DOI is experiencing a shift in mission priorities and approaches. These shifts are most



visible in various executive and secretarial orders. For example, Executive Order No. 14154 directs DOI to review all existing regulations and other agency actions that "impose an undue burden" on the identification, development, or use of domestic energy resources—with particular attention to oil, coal, natural gas, and critical minerals; DOI, in turn, issued an implementing order. Other orders relate to efforts to increase critical minerals production and modify approaches to renewable energy projects.

The need to manage change is not unique to the current environment, but ensuring that change initiatives are successful requires careful planning, monitoring, and reevaluation at appropriate times. Depending on the circumstances, there may be, for example, a need to establish clear metrics and performance indicators to help track whether consolidation and other efforts are achieving their intended purposes—whether those goals are increased cost savings, faster decision making, enhanced service, or strengthened internal controls. These issues become particularly significant when organizational adjustments are combined with changes to DOI's overall approach to policy issues such as energy exploration and production on Federal lands and waters and deregulation. We anticipate that our ongoing and future work will more fully assess the implications of the various changes and the extent to which changes are successfully implemented.

CHALLENGE AREA

Managing Spending and Operations

According to USASpending.gov, DOI had \$91 billion in budgetary resources in fiscal year (FY) 2025. To maintain these assets and accomplish its mission, DOI must manage significant spending, including contracts and financial assistance in the form of grants and cooperative agreements. Below, we summarize DOI's challenges, plans, and progress in managing spending related to contract and financial assistance oversight, deferred maintenance, insular areas, supplemental spending, and cybersecurity.

Contract and Financial Assistance Oversight



DOI relies on contracts, grants, and other Federal financial assistance agreements to carry out its mission. According to USASpending.gov, DOI planned to spend about \$11.62 billion in award obligations in FY 2025—one-third of that amount as contracts and two-thirds as grants and other financial assistance. Contract, grant, and financial assistance oversight throughout the lifecycle of each award is critical to the success of the programs funded through these mechanisms. This oversight includes building adequate performance and financial accountability measures into programs' terms and conditions, conducting risk assessments of potential recipients,

Grants and cooperative agreements are governed by 2 C.F.R. Part 200, and procurement contracts are covered by the Federal Acquisition Regulation (FAR)—each of which contain oversight, accountability, and management provisions that enable DOI to hold award recipients accountable for the proper use of taxpayer funds. In contrast, “miscellaneous obligations,” which have been used to award more than \$1 billion in Inflation Reduction Act funds related to the Lower Colorado River Basin, lack such requirements that would provide clear and sufficient oversight and enable DOI to hold recipients accountable.

and monitoring recipients' financial and substantive performance. Additionally, different risks and requirements are associated with different funding vehicles. Given the range of available options and the varying needs of the bureaus, DOI must carefully choose the most appropriate funding vehicle that both meets program needs and promotes accountability of Federal funds. As discussed below, our work has continued to identify significant risks and challenges that DOI faces in this area.

Ensuring Funds Are Spent Properly and Protected From Fraud

DOI is responsible for ensuring that its recipients are spending funds properly and that adequate controls are in place to prevent and detect fraudulent diversion of funds. Generally, recipients may spend Federal award funds only on allowable, reasonable, and documented expenses related to the award.¹ Our work has questioned contractor, grantee, and other recipient costs across multiple programs in instances in which the costs (1) did not relate to the award, (2) were unsupported, or (3) were otherwise unallowable. For example, we have questioned costs associated with **time and effort**, **in-kind contributions**, **equipment**, **program income**, and **unfunded liabilities**.

DOI also faces challenges in managing fraud risks. Fraud diverts resources from intended beneficiaries

¹ See 2 C.F.R. Part 200, Subpart E, and FAR Part 31.

and can compromise the success of DOI programs. Our investigations have identified numerous circumstances in which funds awarded under DOI contract, grant, and other financial assistance awards were misused—by diverting funds, submitting falsified invoices, rigging bids, and diverting natural resources.

Given that DOI contractors, grantees, and other recipients often subaward or subcontract work to others, DOI faces challenges in protecting funds when it may not have knowledge of or data regarding which subrecipients or contractors are carrying out the work and how these entities are spending the funds. To address these risks and protect these resources, DOI must effectively use available tools such as pre-award risk assessments, monitoring, training, and technology solutions, including data analytics.

Pre-Award Risk Assessments and Award Recipient Monitoring

DOI faces challenges in ensuring that award recipients will be responsible stewards of taxpayer funds and that recipients have adequate systems and controls in place to protect those funds. Performing comprehensive risk assessments of recipients before awarding funds and using the full range of oversight tools—including customized award terms and conditions and monitoring tailored to the risks presented by each recipient—can support these goals. Our work has highlighted opportunities for DOI to improve its pre-award risk assessments of recipients across multiple bureaus and offices, including BIA, OSMRE, and OWPO. DOI has taken action to implement one recommendation in these areas and has not yet acted on nine additional recommendations.

We have also identified opportunities for DOI to more effectively and efficiently monitor recipients during the award period, including at FWS, OWPO, and USGS. Without proper and timely oversight throughout the award period, DOI cannot ensure recipients are accomplishing program goals and appropriately spending funds. Pre-award risk assessments can help DOI determine which tools at its disposal—such as site visits or desk reviews—are most appropriate for a particular recipient. Further, when DOI identifies concerns, it should promptly follow up to ensure the appropriate bureau or office takes corrective action. Particularly given ongoing structural changes in DOI (including reduced staff), the use of tools such as effective data analysis, system flags, and other automated internal controls

can help inform this process and ensure taxpayer funds are protected.

Risks from inadequate DOI monitoring and oversight extend beyond financial considerations and can impact health and safety. For example, we found that a BIA contractor repeatedly closed work orders at a Tribal school without adequate evidence, putting students at continued risk of health and safety issues.

Subrecipient and Contractor Determinations and Oversight

Contract, grant, and other financial assistance recipients, particularly State recipients, frequently subaward or contract significant portions of the work to accomplish DOI program goals. DOI faces challenges in ensuring award recipients oversee these subrecipients and contractors as required. DOI has implemented 15 of 17 recommendations for improvement in these areas, including providing guidance regarding subrecipient and contractor monitoring to help contractors and grantees navigate this challenging area.

To protect Federal funds, regulations require grantees to conduct risk assessments and monitor subrecipients—that is, those with whom a grantee has partnered to carry out a part of the grant's objectives. Different rules and requirements apply to a grantee's oversight and disclosure of subrecipients versus contractors. Our audits have repeatedly found that grantees inaccurately classify subrecipient agreements as contracts, leading to a lack of required pre-award risk assessments, monitoring, and reporting.

Financial and Performance Data and Reporting

In overseeing its contract, grant, and financial assistance portfolio, DOI faces challenges ensuring that award recipients provide timely, complete, and accurate financial and performance data and reports. Without such information, it is more difficult to determine whether recipients are spending funds properly and achieving program objectives efficiently and effectively. To address this challenge, we have recommended that DOI provide clear guidance to recipients, review reports when they are provided, raise questions when red flags arise, and follow up on overdue financial and performance reports. Adequate financial systems that track and document expenditures are an important factor in promoting accurate and timely reporting.

We have identified and questioned costs associated with recipients that had inadequate financial management systems that led to inaccurate reporting. DOI has implemented 20 of 34 recommendations related to financial and performance data and reporting and has stated that it is continuing to address 14 related recommendations.

DOI must also establish clear performance metrics so that DOI program staff have a basis to evaluate progress toward program goals and grantees know what information to provide and when to provide it. Verifying outcomes—that the taxpayer is receiving the public good intended by the program—has been a challenge we have highlighted in our reports and continues to be an ongoing concern. For example, one

of our recent reports identified that a grantee did not track the performance data required by DOI guidance, which negatively affected the program office's ability to demonstrate to both Congress and the public that the relevant Federal funding was achieving its purpose.

Key Reports

Risks Identified for Inflation Reduction Act Funds Awarded by the U.S. Bureau of Reclamation for Drought Mitigation Projects |

Report No. 2023-WR-035-A | July 2025

Wildlife and Sport Fish Restoration Grants

Awarded to the State of Oregon by the U.S. Fish and Wildlife Service | Report No. 2024-CGD-028 | May 2025

The National Park Service Can Improve Cost Estimates for Great American Outdoors Act Construction Contracts | Report 2022-CGD-051 |

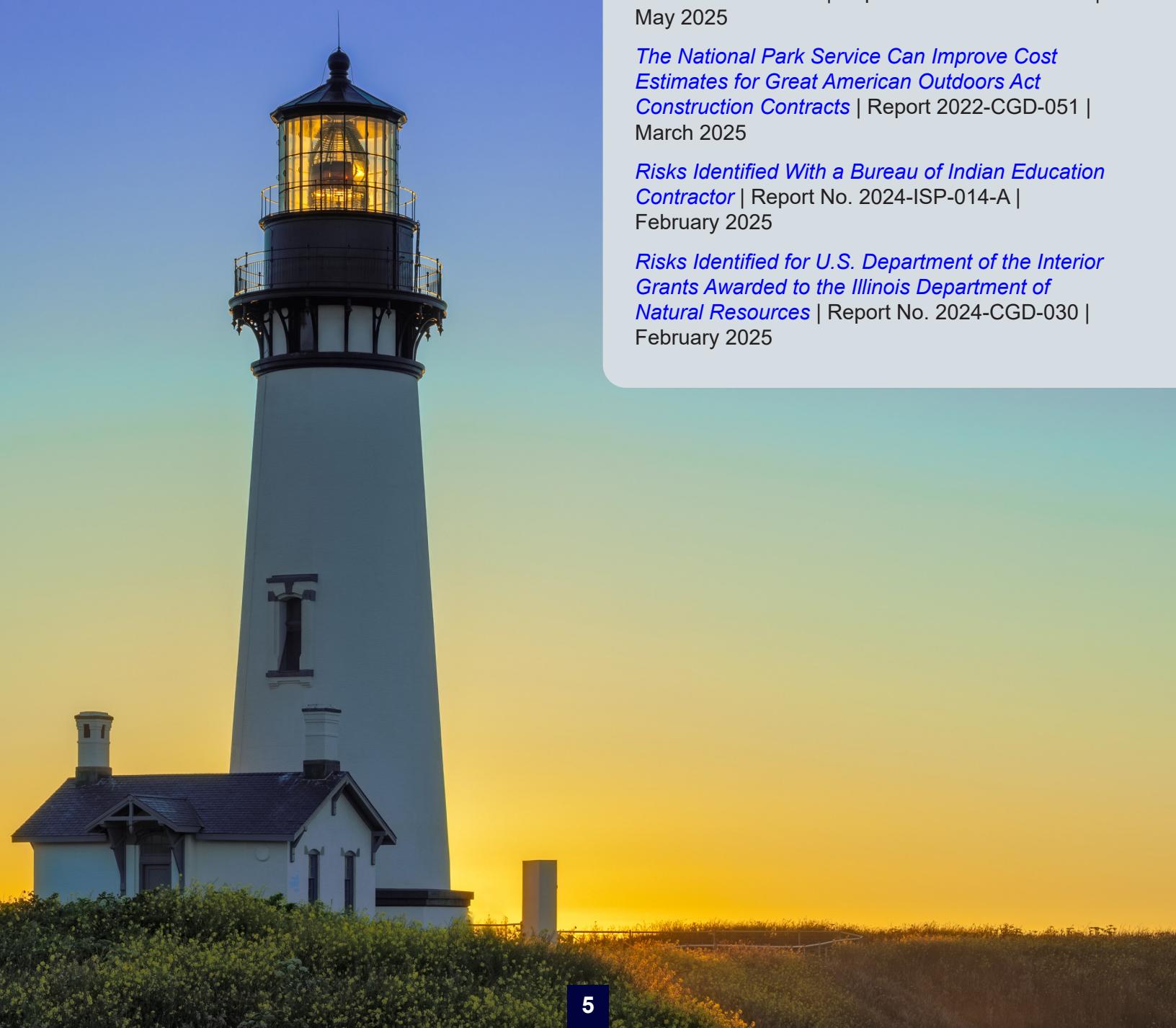
March 2025

Risks Identified With a Bureau of Indian Education Contractor | Report No. 2024-ISP-014-A |

February 2025

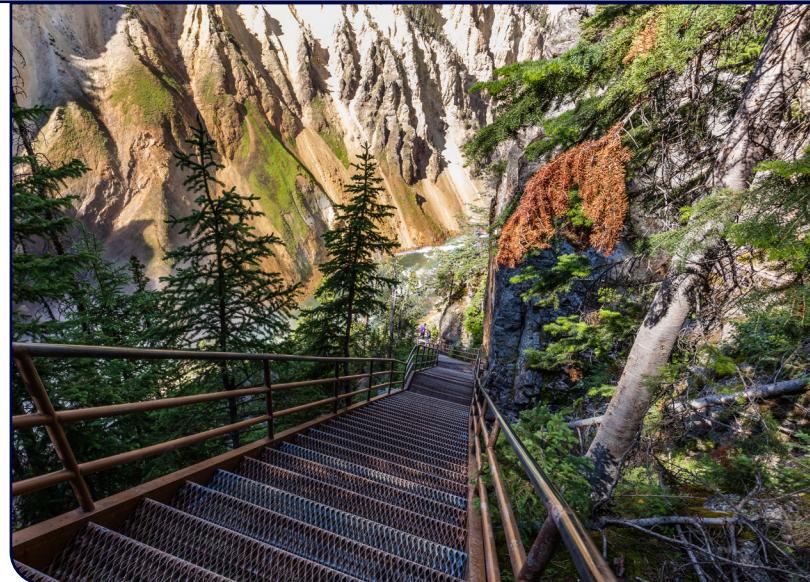
Risks Identified for U.S. Department of the Interior Grants Awarded to the Illinois Department of Natural Resources | Report No. 2024-CGD-030 |

February 2025



Deferred Maintenance

Deferred maintenance is defined as maintenance and repairs that were not performed when they should have been and were put off or delayed for a future period. Substantial portions of DOI's supplemental funds, particularly those awarded under the Great American Outdoors Act, are designated to address these deferred maintenance needs. Our work has found that DOI faces challenges in accurately and reliably estimating the cost of deferred maintenance at NPS facilities given weaknesses in the underlying data. NPS has recently taken action to implement all of our recommendations related to this area, including one of DOI's three highest priority recommendations. Maintaining park infrastructure for public use is a particularly significant consideration given NPS' vast portfolio of 5,500 miles of paved roads, 17,000 miles of trails, and 25,000 buildings. This maintenance involves significant funds—with more than \$22.9 billion in estimated repairs as of the end of FY 2024 for NPS alone—and has health and safety implications for employees and the more than 300 million people who visit national parks each year. We have also found that BIA was unable to effectively manage deferred maintenance, despite longstanding concerns regarding the poor condition of BIE school facilities that may jeopardize the well-being of school children and staff. Additionally, GAO has made recommendations related to DOI's deferred maintenance, including developing plans to



address backlogs, identify timelines, evaluate costs, and provide more information to Congress and the public regarding the deferred maintenance and repair backlog.

Key Reports

[*Indian Affairs Is Unable To Effectively Manage Deferred Maintenance of School Facilities*](#) |
Report No. 2022-CR-036 | March 2024

[*The National Park Service Faces Challenges in Managing Its Deferred Maintenance*](#) |
Report No. 2020-CR-066 | September 2023

Insular Areas

DOI faces unique challenges and risks with respect to the Insular areas, in particular risks associated with supplemental funding awarded to American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands due to their remote locations and the unique relationships between the Federal Government and the U.S. Territories. For example, DOI must address lack of robust monitoring capability, late or absent single audits, and lack of available data regarding environmental and socioeconomic challenges facing the Territories. At least 10 audits related to the Insular Areas in the last 10 years have collectively identified weaknesses with grant compliance that DOI must address. GAO has also found DOI faces challenges in issuing timely management decisions on questioned costs identified in single

audit reports for the freely associated states of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, which receive millions of dollars in U.S. grants from Federal agencies. DOI has one open, significant recommendation directed to OIA to ensure Single Audits are conducted and submitted.

Key Report

[*The Office of Insular Affairs Needs To Ensure Insular Areas' Compliance With Federal Regulations Related to Single Audit Submissions*](#) |
Report No. 2025-FIN-005 | September 2025

Supplemental Spending

In recent years, DOI has received significant supplemental funds, including more than \$28 billion from the Infrastructure Investment and Jobs Act (IIJA),² approximately \$8.1 billion plus permanent annual funding for the Land and Water Conservation Fund from the Great American Outdoors Act,³ \$6.6 billion from the Inflation Reduction Act,⁴ and over \$3 billion from the American Relief Act.⁵

DOI relies on contracts, grants, and other financial assistance agreements to achieve its goals for a significant amount of these supplemental funds, and all of the challenges noted above apply to DOI in this context as well. Moreover, some of the other challenge areas we have noted—particularly, deferred maintenance and expenditures regarding the Insular Areas—involve supplemental funding.

Capacity, Subject Matter Expertise, and Risks Presented by New Programs

In some cases, DOI programs have received a significant influx of funds without a proportionate increase in administrative staff and support. This creates challenges for DOI to effectively oversee these programs, ensure program objectives are achieved, and verify funds are spent properly. In particular, DOI staff must issue guidance, conduct timely reviews of financial and performance reports, and follow up on those reports, as appropriate. Recipients must track, manage, document, and report their spending and ensure program activities are moving forward and achieving results. Subrecipients must similarly track, document, and report their spending and ensure that the work supported by the funds is achieved—for example, orphaned well plugging and abandoned mine land remediation.

Our recent work has highlighted weaknesses in these areas. For example, in one report, we concluded that program staff were not organized and allocated in a manner proportional to the increase in IIJA funding, which reduced the staff's ability to expend IIJA funds for their intended purposes, prevent award delays, reduce inefficiencies, and allow for adequate monitoring of IIJA grants. Another report found internal control weaknesses related to OWF's oversight and management of IIJA fuels management funds to ensure the funds were spent in accordance with the IIJA and to reduce the risk of fraud, waste, and abuse. Additional

work has highlighted the benefits of examining long-term staffing plans to ensure that programs have adequate resources and subject matter expertise to fulfill their responsibilities to oversee these important Federal programs. GAO has also identified strategic workforce planning and oversight on its priority recommendations list for DOI; we note that some of these GAO recommendations arise from reports issued in 2021 and 2023. In light of DOI's recent and ongoing organizational changes, DOI may continue to face challenges in ensuring adequate staff with the necessary programmatic and financial knowledge to conduct recipient risk assessments and monitor the financial and performance reports submitted by recipients. DOI should remain aware that our past work has demonstrated that a lack of trained and knowledgeable oversight staff can put funds at increased risk of fraud, waste, abuse, and mismanagement.

In addition, some supplemental funding established new programs and program offices. For example, OWPO was established in January 2023 to award and oversee more than \$4.5 billion in new funding to support orphaned well plugging. Not only does DOI programmatic success require staff who are knowledgeable about Federal rules and programmatic subject matter, it requires recipients and subrecipients to have adequate capacity, resources, and knowledge to execute the program and ensure that funds are being spent properly. As highlighted in recent reports, new programs that fund organizations that have not historically received DOI funds present risks due to lack of experience. DOI faces challenges in mitigating these risks and supporting recipients and subrecipients in addressing their own capacity, knowledge, and training challenges.

Key Reports

[*The Orphaned Wells Program Office Needs to Improve Its Oversight of the Infrastructure Investment and Jobs Act Funding to States | Report No. 2023-INF-025 | December 2024*](#)

[*The Office of Surface Mining Reclamation and Enforcement Should Improve Efforts for Expenditure of Infrastructure Investment and Jobs Act Funds | Report No. 2023-INF-014 | September 2024*](#)

GAO High-Risk Areas

[*Strategic Human Capital Management*](#)

[*Improving the Delivery of Federal Disaster Assistance*](#)

² Pub. L. No. 117-58.

³ Pub. L. No. 116-152.

⁴ Pub. L. No. 117-169.

⁵ Pub. L. No. 117-158.

Cybersecurity

Cybersecurity continues to be a high-risk area for Federal agencies; cyberattacks and related threats pose serious risks for DOI operations and programs. DOI relies on complex, interconnected information systems to carry out its daily operations. According to the Federal IT Portfolio Dashboard, DOI spent almost \$2 billion in FY 2025 on its portfolio of IT assets.

Our work has described ongoing challenges and the importance of implementing an enterprise cybersecurity program that balances compliance, cost, and risk while enabling bureaus to meet their diverse missions. For example, the FY 2024 annual independent Federal Information Security Modernization Act audit identified necessary improvements and made 27 recommendations intended to strengthen DOI's information security program as well as those of the bureaus and offices. Additionally, in 2023, we evaluated DOI's information system risk management practices to determine if DOI had appropriately authorized its systems to operate and if it analyzed and monitored security weaknesses to reduce the risk of compromise. We found that multiple DOI systems were operating without authorization and that DOI did not consistently analyze and monitor security weaknesses. These deficiencies, which we attributed to a lack of resource prioritization and clear guidelines, increased the risk of compromise for the Federal information systems under DOI's responsibility.

We note that DOI has not yet fully implemented several significant recommendations in this area. For example, we recommended that DOI's OCIO develop and implement a process to evaluate all systems' Authorizations to Operate annually for accuracy and completeness to ensure systems are operating with a valid authorization determined by actual risk. We have designated this recommendation, which was issued in 2023, as one of DOI's three highest priority open recommendations awaiting corrective action. In February 2024, we recommended that DOI's OCIO regularly test DOI's data loss prevention capability to ensure that sensitive data is protected against exfiltration attempts. This recommendation likewise remains open. We have also evaluated DOI's cyber threat hunting program and its efforts to remediate known software vulnerabilities and made recommendations for improvement in both areas.

DOI will continue to face challenges in improving management of its complex information systems and operation of a secure infrastructure to protect



its Federal computer networks and data from cyber threats. Additionally, DOI is currently undergoing the consolidation of its administrative functions, including IT, within the Office of the Secretary. DOI's plan to redefine roles, responsibilities, and authorities remains pending.

We will continue to provide oversight of DOI's cybersecurity posture, including an anticipated inspection of DOI's data leakage prevention and the annual Federal Information Security Modernization Act audit for FY 2025. We will also continue to monitor and report on DOI's progress implementing our prior recommendations.

Key Reports

The U.S. Department of the Interior Information Systems at Increased Risk Due to Unmitigated Known Vulnerabilities | Report No. 2023-ITA-007 | September 2025

Summary: Evaluation of the U.S. Department of the Interior's Cyber Threat Hunting Program | Report No. 2023-CTD-039 | August 2025

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Compliance with the Federal Information Security Modernization Act for Fiscal Year 2024 | Report No. 2024-CTD-006 | March 2025

The U.S. Department of the Interior Needs To Better Protect Data Stored in the Cloud From the Risk of Unauthorized Access | Report No. 2022-ITA-025 | February 2024

The U.S. Department of the Interior's Cyber Risk Management Practices Leave Its Systems at Increased Risk of Compromise | Report No. 2020-ITA-030 | February 2023

GAO High-Risk Areas

[Ensuring the Cybersecurity of the Nation](#)
[Improving IT Acquisitions and Management](#)

CHALLENGE AREA

Delivering Core Services

Each of DOI's bureaus and offices serves a unique role and has specific responsibilities to deliver core services in support of DOI's mission. These core services support DOI's ability to fulfill its responsibilities—such as managing and protecting the Nation's natural resources and cultural heritage, conserving land and water, and upholding Tribal trust and related responsibilities. Below, we summarize DOI's most significant challenges in delivering core services related to natural resources and energy management, responsibility to Native Americans, and wildfire management.

Natural Resources and Energy Management

DOI oversees one-fifth of the land in the United States and is the steward of Federal energy resources—including oil, gas, coal, and renewable energy—that provide 30 percent of the United States domestically produced energy. DOI collected almost \$15 billion in oil and gas revenues in FY 2024. Energy and natural resource revenues benefit every American, either directly through payments to Tribes and individual mineral owners or indirectly through contributions to Federal and State programs and the U.S. Treasury.

As we identified in our previous management challenge reports, DOI continues to face challenges in managing complex energy operations (including collecting revenues), overseeing leasing, and ensuring that development is safe and efficient. For example, we found that the bureaus did not maintain complete or accurate Federal oil and gas bankruptcy data. This data is needed to help bureaus make informed decisions and take appropriate steps to reduce the risks of incurring costs related to entities' decommissioning and reclamation responsibilities if the entities do not pay their debts to the bureaus. Separately, we investigated allegations that an oil company and its subsidiaries failed to conduct decommissioning operations within one year after expiration of its Federal leases as required. The company later filed for bankruptcy, and DOI filed multiple proofs of claims, including over



\$4 billion in protective claims seeking to preserve the United States' right to enforce or otherwise demand the company's regulatory compliance with its decommissioning obligations related to 276 properties.

We have also recommended improvements to ONRR's royalty adjustments process. Specifically, payors who report sales from oil and gas leases to ONRR and pay royalty obligations can make adjustments when necessary to correct overpayments or underpayments. We found that ONRR needed to strengthen its internal controls to ensure that royalty adjustments, especially those that reduce royalties paid to the Federal Government, are accurate. ONRR recently completed corrective actions sufficient to close the final three open recommendations from this 2022 report.

Illustrating the significance of these issues, OIG's Energy Investigations Unit has conducted more than 243 investigations in 29 States, resulting in over \$234 million in monetary results and 61 criminal convictions or civil settlements in the last 16 years. For example, a recent investigation led to the first Federal prosecution under the Federal Oil and Gas Royalty Management Act. The defendant eventually pleaded guilty to charges of failing to pay royalties owed to the Jicarilla Apache Nation, the Navajo Nation, and the Federal Government; the defendant also pleaded guilty to wire fraud and submitting fraudulent oil and gas extraction reports.

As our prior work has demonstrated, DOI will continue to face challenges ensuring that the public receives a fair return for the resources that are extracted from Federal lands and waters, especially in light of recent executive actions aimed at increasing domestic energy production.

DOI also faces challenges in addressing another natural resource—namely, water. BOR is the country's largest wholesale water supplier, operating 296 reservoirs with a total storage capacity of 140 million acre-feet. It also provides 10 million farmland acres and 140,000 western farmers—1 out of every 5—with irrigation water. In addition to managing water, BOR operates 53 hydroelectric power plants that annually produce, on average, 40 billion kilowatt-hours, making it the second largest producer of hydropower in the United States. Complicating BOR's mission, the Western States have experienced ongoing historic drought over the last two decades.

Our work has identified multiple challenges in this area. For example, we audited BOR's cost allocation and ratesetting processes for the Central Valley Project and determined that BOR did not have internal controls sufficient to ensure the accuracy of those processes, which is necessary to ensure that costs are accurately allocated and that construction and operations costs are recouped by the Federal Government as appropriate. As another example, we investigated allegations that a manager of a local water district in California illegally diverted water from State of California and BOR waterways and profited from the subsequent sale of the stolen water. BOR estimated that over 42 billion gallons of water, valued at over \$25 million, were stolen during a 23-year period. We substantiated the allegations; in the resulting prosecution, the defendant pleaded guilty, and the local water district entered into a civil settlement.

DOI faces ongoing challenges in managing the delivery of water, the protection of fish and wildlife habitat, and the generation of hydroelectric power. Moreover,

most existing Colorado River Basin conservation agreements expire in 2026; BOR is currently analyzing alternatives for long-term (post-2026) operations. Our oversight of these challenges continues with ongoing audits related to drought mitigation efforts for the Lower and Upper Colorado River Basins and the Salton Sea. We also anticipate oversight work related to BOR's canal improvement projects and domestic water supply projects.

Key Reports

[Failure to Decommission Offshore Platforms |](#)
Report No. 24-0057 | July 2025

[Summary: Panoche Water District General Manager Conspired to Illegally Divert Federal Water |](#)
Report No. 24-0745 | February 2025

[U.S. Department of the Interior Bureaus Must Improve Federal Oil and Gas Internal Controls To Ensure Oversight of Financial Risks to the Government From Bankruptcies |](#)
Report No. 2023-CR-003 | December 2024

[Stronger Controls Needed Over the Bureau of Reclamation's Central Valley Project Cost Allocation and Ratesetting Processes |](#)
Report No. 2022-WR-048 | August 2024

[Flash Report: The Bureau of Reclamation's Drought Mitigation Plans and Activities |](#)
Report No. 2023-WR-032 | March 2024

[Better Internal Controls Could Ensure Accuracy of the Office of Natural Resources Revenue's Royalty Reporting and Adjustments |](#)
Report No. 2020-CR-009 | January 2022

GAO High-Risk Area

[Management of Federal Oil and Gas Resources](#)



Responsibility to Native Americans

DOI is the primary Federal agency charged with carrying out the United States' trust responsibilities to American Indians and Alaska Natives, maintaining the Government-to-Government/Nation-to-Nation relationship with federally recognized Indian Tribes, and promoting and supporting Tribal self-determination. DOI Indian Affairs, which includes BIA, BIE, BTFA, and the Office of the Assistant Secretary for Indian Affairs, supports federally recognized American Indian and Alaska Native Governments by directly administering or by funding tribally administered programs. Indian Affairs seeks to enhance the quality of life, promote economic opportunities, and fulfill the Federal trust responsibility to American Indians and Alaska Natives, including the protection and preservation of trust assets.

Our work has identified an array of challenges in this area. For example, conditions at BIE schools have been a longstanding challenge for DOI; both our office and GAO have reviewed BIE schools for decades and found systemic weaknesses in the facilities management program. Recently, we have published the results of safety and health inspections of three Indian schools supported or overseen by BIE. Our inspections have found repeat safety and health deficiencies, deficiencies that have gone unaddressed well past abatement deadlines, and numerous errors with data in BIE's facility management system that tracks work orders and maintenance issues. As noted previously, we have also found that Indian Affairs is not effectively managing deferred maintenance at BIE schools, in part due to unreliable work order data that we have identified in other reviews. While Indian Affairs has made some progress addressing recommendations related to deferred maintenance, its efforts to close a number of significant recommendations are ongoing. In particular, a recommendation from our 2016 report on the condition of Indian school facilities remains open and is one of our three highest priority recommendations awaiting corrective action.

We have also identified health and safety concerns at Indian detention facilities. For decades, detention facilities in Indian Country have been affected by understaffing, overcrowding, and poor facility conditions. Our recent work acknowledged actions to correct deficiencies but also identified challenges with issues such as staffing shortages, overcrowding, and incomplete facility condition information.

DOI will continue to face challenges improving its management of programs that serve Tribes and their members. We will accordingly continue to provide oversight of DOI's efforts, including our ongoing series of safety and health inspections at individual BIE schools. We also have ongoing work related to BIA's administration and oversight of acquisitions functions, BIA's Missing and Murdered Unit's efforts, and BTFA's process to collect death data.

Key Reports

[*The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness, Security, and Facility Management System Accuracy at Riverside Indian School*](#) | Report No. 2024-ISP-040 | July 2025

[*Indian Affairs Still Needs to Improve Management of BIA-Funded and/or -Operated Detention Programs*](#) | Report No. 2022-WR-040 | February 2025

[*Risks Identified With a Bureau of Indian Education Contractor*](#) | Report No. 2024-ISP-014-A | February 2025

[*The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Facility Management System Accuracy at Tule Topa Tribal School*](#) | Report No. 2024-ISP-014 | December 2024

[*The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness and Security at Havasupai Elementary School*](#) | Report No. 2023-ISP-040 | October 2024

[*Indian Affairs Is Unable To Effectively Manage Deferred Maintenance of School Facilities*](#) | Report No. 2022-CR-036 | March 2024

[*Detention Facility Health and Safety Concerns*](#) | Report No. 2022-WR-040-A | April 2023

GAO High-Risk Area

[*Improving Federal Management of Programs That Serve Tribes and Their Members*](#)



Wildfire Management

Wildfires can have devastating effects on local communities, public resources, ecosystems, life, and personal property. According to the National Interagency Fire Center, almost 65,000 wildfires burned around 8.9 million acres in the United States during 2024. The reported number of wildfires and acres burned Nationwide in 2024 was noticeably higher than the previous 5- and 10-year averages, and 2024's fires exceeded the 10-year average by 27 percent. In 2024, DOI fire suppression costs totaled more than \$466 million. DOI's wildfire management program consists of OWF and the four bureaus with wildland fire operations—BIA, BLM, FWS, and NPS. The program manages wildfire response for more than 500 million acres of national parks, wildlife refuges and preserves, other public lands, and Indian reservations, and it is part of the Federal interagency wildfire response framework. OWF provides governance, policy guidance, budget oversight, and operational accountability. In 2024, DOI employed 5,780 wildland fire personnel.

DOI continues to face challenges we have previously reported, including maintaining and recruiting a firefighting workforce, managing ecosystems to reduce fuels, and responding to active wildfires. In 2024, we evaluated whether DOI's wildland firefighting bureaus routinely inspected their firefighting vehicles for mechanical and safety issues as required and found that overall, they did not. Our two significant recommendations from that report remain open. Moreover, as wildfires and suppression costs have continued to increase, DOI is also likely to continue to face increased costs associated with responding to wildfire activity, which is exacerbated by abnormally dense vegetation, increased development in or near wildlands, drought, and other climate stressors. In 2025, we conducted an audit to determine whether OWF and the bureaus with firefighting responsibilities are efficiently managing IIJA fuels management funds and spending the funds in accordance with

IIJA requirements. We found that OWF and the bureaus did not always comply with the IIJA's directive to prioritize fuels management projects in areas with a "very high" wildfire hazard potential. We made 34 recommendations to OWF and the bureaus; 8 of these recommendations have been implemented. We will be monitoring DOI's progress implementing our remaining recommended improvements.

In June 2025, the President issued an executive order directing the Secretaries of the Interior and Agriculture to consolidate their wildland fire programs,⁶ and, in September 2025, DOI issued a secretarial order implementing the provisions of the President's executive order. These changes are intended to streamline the Federal Government's wildfire prevention and response, strengthen wildfire mitigation, and improve coordination with non-Federal partners. The consolidation of DOI and U.S. Department of Agriculture wildland fire programs potentially presents new challenges with the integration of organizations with currently disparate staff, technologies, and budgets. We anticipate conducting oversight work regarding fire management, and, in doing so, we will take these new directives into account.

Key Reports

Improvements Needed in the U.S. Department of the Interior's Management and Oversight of Infrastructure Investment and Jobs Act Funding for Fuels Management | Report No. 2023-CR-009 | August 2025

The U.S. Department of the Interior Did Not Ensure Its Wildland Firefighting Bureaus Conducted Routine Vehicle Inspections | Report No. 2022-ER-021 | March 2024

⁶ The President's Fiscal Year 2026 budget also proposes a consolidation of the U.S. Department of Agriculture's U.S. Forest Service and DOI wildland fire management programs, establishing a new U.S. Wildland Fire Service within DOI. Under this new organization, command and appropriations from all existing wildland fire management activities within DOI bureaus and the Department of Agriculture's Forest Service will be consolidated.



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

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