

Summary: Investigation of Esri Contract

Report Date: March 25, 2013

At the request of the Bureau of Land Management (BLM), OIG conducted an investigation to determine whether a BLM contracting officer or the contracting officer's representative violated laws or regulations or had conflicts of interest during their administration of a contract with the Environmental Systems Research Institute Inc., now known simply as Esri. BLM became concerned about the contract, the purpose of which was to develop a geographic information system to collect, maintain, and store data about the boundaries of America's public lands, when the contract award increased dramatically—from \$533,180 in 2004 to over \$19 million in 2011.

While the investigation did not reveal any criminal conduct or conflicts of interest on the part of the BLM employees, we did identify 533 unauthorized charges, totaling \$380,311, that Esri made to the contract. Those charges included double billing the U.S. Government for profit on subcontracts and for indirect rates on travel and local mileage. Esri also billed the Government for conferences and network access that fell outside the contract's scope, for hotel expenses that exceeded per diem rates, and for network hosting costs that were incurred outside the contract's period of performance.

The U.S. Attorney's Office for the District of Colorado accepted the case, charging Esri with false claims under 31 U.S.C. § 3729. On November 5, 2014, the Government and Esri settled the case, with Esri agreeing to pay the Government \$550,000.

This is a summary of an investigative report that was issued internally to the U.S. Department of the Interior. This summary was posted to the web on June 1, 2015.

