



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

RECOVERY

RECOVERY OVERSIGHT ADVISORY

Bureau of Reclamation's Use of Memoranda of Agreements

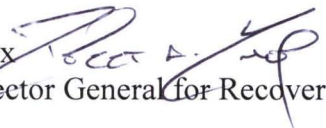


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JAN 20 2011

Memorandum

To: Chris Henderson
Senior Advisor to the Secretary for Economic Recovery and Stimulus

From: Robert A. Knox 
Assistant Inspector General for Recovery Oversight

Subject: Recovery Oversight Advisory – Bureau of Reclamation's Use of Memoranda of Agreements
Report No. RO-J-USBR-063-2011

This advisory, regarding the Bureau of Reclamation's (USBR) use of Memoranda of Agreements (MOA) to provide four California water districts with pumps, pipelines, and other associated equipment, is part of our ongoing effort to oversee and ensure the accountability of funding appropriated to the U.S. Department of the Interior (DOI) in the American Recovery and Reinvestment Act of 2009 (Recovery Act).

USBR furnished Government property to water districts through MOAs. A USBR staff member raised a concern that USBR was giving Government property away through MOAs, and that MOAs are not appropriate vehicles for the transfer of this property.

We reviewed the MOAs issued to the four water districts. USBR cited the Reclamation States Emergency Drought Relief Act (EDRA) of 1991 as the authority to provide the property, purchased with Recovery Act funds, to the water districts. EDRA authorizes the DOI Secretary to undertake construction, management, and conservation activities that will mitigate losses and damages resulting from drought conditions. Any construction activities, except for the drilling of wells, are limited to temporary facilities.

The USBR Mid-Pacific Region Drought Coordinator explained how the provision of pipes and pumps to the water districts complied with the requirements of the EDRA. The coordinator explained that the pipes and pumps were purchased by USBR and are temporarily provided to the various water districts.

Our review determined that MOAs are appropriate vehicles to provide the property on a temporary basis to address drought concerns. An executive agency is required to use a procurement contract to acquire property or services for the direct benefit or use of the Government, and grants or cooperative agreements are used to transfer money, property, services, or anything of value to eligible entities to accomplish a public purpose of support or

stimulation authorized by Federal statute.¹ A review of the MOAs confirmed that the property was not being given to the water districts and required the return of the equipment.

We will post this advisory on our Web site (www.doioig.gov/recovery/) and Recovery.gov. Information contained in this memorandum may also be included in our semiannual reports to Congress. We performed our work in accordance with the Quality Standards for Investigations adopted by the Council of the Inspectors General on Integrity and Efficiency. Please contact me if you have any questions.

cc: Deputy Secretary, U.S. Department of the Interior
Director, Office of Executive Secretariat and Regulatory Affairs
Commissioner, Bureau of Reclamation
Assistant Secretary for Policy, Management and Budget
Director, Office of Acquisition and Property Management
Acting Director, Office of Financial Management
Recovery Coordinator, Bureau of Reclamation
Departmental GAO/ OIG Audit Liaison
Audit Liaison, Office of the Secretary
Audit Liaison, Bureau of Reclamation

¹ 31 U.S.C. § 6301-6308; 505 DM 2.9.

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