



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

Semiannual Report to Congress



April 2015



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About DOI and OIG

The U.S. Department of the Interior (DOI) is a large, decentralized agency with about 70,000 employees serving in approximately 2,400 operating locations across the United States, Puerto Rico, U.S. territories, and freely associated states. DOI is responsible for 500 million acres of America's public land, or about one-fifth of the land in the United States, and 56 million acres of Indian Trust lands. DOI is also responsible for a variety of water and underwater resources, including hundreds of dams and reservoirs and thousands of oil and gas leases on millions of acres of the Outer Continental Shelf. Approximately 30 percent of the Nation's energy production comes from projects on DOI-managed lands and offshore areas. DOI scientists conduct a wide range of research on biology, geology, and water to provide land and resource managers with critical information for sound decisionmaking. DOI lands also provide outstanding recreational and cultural opportunities to numerous visitors worldwide.

The Office of Inspector General (OIG) promotes excellence, integrity, and accountability in these DOI programs. With fewer than 265 full-time employees, the organization is driven by a keen sense of mission and is dedicated to providing products and services that impact DOI mission results.

Message From the Deputy Inspector General



Looking toward the Bubbles from the shore of Jordan Pond in Acadia National Park in Maine.

In this semiannual report, I am pleased to submit a summary highlighting the Office of Inspector General's successful work covering the 6-month period from October 1, 2014, through March 31, 2015. To promote excellence, integrity, and accountability within the programs, operations, and management of the U.S. Department of the Interior, our audit and investigative work focused on high-priority areas like energy, Indian affairs, revenue enhancement, public safety and security, bribery and corruption, theft of Government funds, false statements, and wildland firefighting.

In addition to our work on performance audits, inspections, evaluations, and investigations, we continued our efforts focused on prevention of reprisal and education on whistleblower protection and are dedicated to investigating reprisal complaints where prevention and education have not been successful. We have also initiated a requirement for bureaus and offices to submit to us accountability reports in closed reprisal cases. We credit the Office of the Special Trustee for American Indians for proactively seeking OIG whistleblower protection training for all employees with an emphasis on prevention, transparency, and early resolution of complaints. Our Whistleblower Protection Office has seen great success in investigating and resolving reprisal actions.

Our Administrative Remedies Division also continues its groundbreaking work, recently recommending to DOI's Suspending and Debarring Official its first administrative agreement with a company involved in the renewable energy field. In late 2013, Duke Energy Renewables' wind facilities in Wyoming pleaded guilty to two misdemeanor violations under the Migratory Bird Treaty Act and agreed to a 60-month probation term and implementation of a Migratory Bird Compliance Plan, development of an Eagle Conservation Plan and applications for take permits, and payment of agreed-upon amounts for restitution and community service. DOI entered into the agreement after considering the company's cooperation, candor, and frequent communication with the U.S. Fish and Wildlife Service, and the proactive measures the company took to ensure safety for wildlife in the vicinity of its facilities.

The recommended administrative agreement, which the Suspending and Debarring Official executed, provides a framework for the company to demonstrate that it has put into place appropriate mitigating and remedial measures to address DOI's concerns.

Finally, we recently established a new unit, the Information Technology Audit Division, to focus specifically on DOI's diverse information technology (IT) programs and to perform vulnerability assessments and network penetration of its computer networks and information systems. DOI relies on complex, interconnected information systems to carry out its daily operations and spends about \$1 billion annually on its portfolio of IT assets.

We are proud of the work we completed in the first half of fiscal year 2015 that contributed to our mission to prevent fraud, waste, and mismanagement and improve the programs and operations of DOI. We look forward to continuing to provide objective and actionable reports to Congress, DOI and its bureaus, and our other customers and stakeholders.

A handwritten signature in black ink, appearing to read "Maurice Kendall", written in a cursive style.

Deputy Inspector General

OIG Operating Principles

Mission

OIG's mission is to provide independent oversight and promote excellence, integrity, and accountability within the programs, operations, and management of the U.S. Department of the Interior.

Values

OIG operates as an independent oversight organization responsible to the American people, DOI, and Congress. We abide by the highest ethical standards and have the courage to tell our customers and stakeholders what they need to know, not what they wish to hear. Our core values help us fulfill our mission and include—

- placing highest value on objectivity and independence to ensure integrity in our workforce and products;
- striving for continuous improvement; and
- believing in the limitless potential of our employees.

Responsibilities

OIG is responsible for independently and objectively identifying risks and vulnerabilities that directly impact DOI's ability to accomplish its mission. We are required to keep the Secretary and Congress informed of problems and deficiencies relating to the administration of DOI programs and operations. As a result of OIG fulfilling these responsibilities, Americans can expect greater accountability and integrity in Government program administration.

Activities

OIG accomplishes its mission by conducting audits, inspections, evaluations, and investigations relating to DOI programs and operations. Our activities are tied to major departmental responsibilities and assist DOI in developing solutions for its most serious management and program challenges. These activities are designed to ensure that we prioritize critical issues. Such prioritizing provides opportunities to influence key decisionmakers and increases the likelihood that we will achieve desired outcomes and results that benefit the public.

Summaries of Significant Reports and Investigations



Audits, Inspections, and Evaluations

Data Withheld From USGS Hinders Energy Resources Program

During an evaluation of the quality assurance controls of the U.S. Geological Survey's (USGS) Energy Resources Program (ERP), we learned of a problem that affects the Program's ability to conduct a resource assessment for the States bordering the Gulf of Mexico. We found that ERP has been unable to obtain certain information from the Bureau of Ocean Energy Management (BOEM) that ERP needs to conduct analytical work.

ERP's mission is to understand the processes related to geologically based energy resources, assess those resources, and study their impact on environmental and human health. In accomplishing this mission, ERP conducts research and assessment projects, relying on laboratory work performed in three science centers across the Nation. One of those projects, known as the Gulf Coast Energy, Geohazards, and Environmental Health Issues (Gulf Coast Project), is assessing the energy resources located onshore and in State-owned waters along the Gulf of Mexico.

ERP's work on the Gulf Coast Project is hindered because ERP does not have full access to the data it needs for resource analysis. To develop a complete geologic understanding of the potential oil and gas reserves, ERP needs access to the data for offshore areas known as the Outer Continental Shelf (OCS), which falls under BOEM's jurisdiction. While overseeing energy development on the OCS, BOEM acquires geologic and geophysical data, such as geologic structural maps and the location, composition, and estimated volume of oil and gas resources, from oil and gas operators. Public release of these data could harm the operators' competitive advantage or position. Therefore, the operators consider the data proprietary and not for public release. Federal regulations also require assurance that proprietary information received will be maintained and limit the disclosure of this information to the States.

Access to these data would increase ERP's understanding of the Gulf States' geology and result in better estimates of the potential undiscovered oil and gas resources in State waters and lands. The data would also help assure consistent geologic interpretations across USGS' and BOEM's boundaries of responsibility. BOEM, however, is concerned that proprietary information could be released to the public through ERP's publications on separate State waters and land. ERP has stated that it will protect the BOEM-acquired data from improper public release, as required by law, and has assured BOEM that it has extensive experience in using and safeguarding proprietary data.

We recommended that USGS work with BOEM and the Office of the Solicitor to enable the timely exchange of proprietary OCS data. This effort should abide by the problem resolution provisions contained in a 1987 memorandum of understanding between USGS and the former Minerals Management Service (now BOEM), which identifies and clarifies the responsibilities of both bureaus and allows the bureaus to use and safeguard each other's data.

USGS agreed with all six of our recommendations and provided detailed plans for implementation.

BLM, ONRR Have Implemented Recommendations From Energy-Related Management Advisories

We completed an inspection of nine energy-related management advisories that our office issued to the Bureau of Land Management (BLM) and the Office of Natural Resources Revenue (ONRR) in fiscal years 2008 through 2013 to determine if BLM and ONRR implemented our recommendations. We also reviewed if the Office of Policy, Management and Budget's Office of Financial Management (PFM) tracked and monitored implementation of the recommendations.

Our analysis of BLM's and ONRR's responses concluded that the bureaus have implemented 19 recommendations, are currently implementing 14 recommendations, and did not concur with 2 recommendations. We reviewed the basis for the non-concurrences and supported the justifications. We consider both recommendations resolved.

We determined that the 14 outstanding recommendations were from 4 advisories issued by our Energy Investigations Unit to BLM. BLM did not provide corrective action plans for us to verify timetables for implementation or designated officials responsible for implementation. PFM uses those plans, including milestone dates and the names of officials responsible for ensuring implementation, to monitor resolution. A BLM official told us that it did not track these recommendations because the advisories were initiated by investigations, and it was BLM practice to keep the circumstances confidential so as not to compromise the investigations. These advisories, however, did not contain sensitive information.

We referred these 14 recommendations to PFM to track implementation and suggested that BLM prepare corrective action plans. We also encouraged BLM to track implementation of all open recommendations from our office, including those stemming from investigations.

Inconsistent Oversight Leads to Incomplete Data on Wells Drilled on FWS Lands

We evaluated oil and gas activities on national wildlife refuge lands managed by the U.S. Fish and Wildlife Service (FWS) to determine the nature and extent of the threat that orphaned wells and their associated infrastructures pose to refuges. We also evaluated current management practices of active wells to better understand some of the underlying causes of orphaned wells. Our evaluation revealed inconsistent oversight of oil and gas activities, insufficient policy regarding orphaned wells and infrastructure, and inaccurate and incomplete data on oil and gas wells.

FWS manages more than 560 national wildlife refuges and 38 wetland management districts that provide habitat for more than 700 species of birds, 220 species of mammals, 250 reptile and amphibian species, and 1,000 species of fish. In addition, FWS is tasked with protecting about 380 threatened or endangered plants, animals, and fish on its refuges.

On many of these refuges, FWS acquired only the surface rights to the land, and the mineral estate remained in private or State ownership. Under these circumstances, the mineral estate owner may conduct oil and gas exploration and development. There are approximately 5,000 wells associated with oil and gas exploration and development on more than 200 refuges and wetland management districts. Two-thirds of these wells are either inactive or their status is unknown to FWS. In addition, approximately 1,275 miles of transmission pipelines cross refuge lands, transporting a variety of petroleum products, including crude oil, refined petroleum products, and natural gas.



Abandoned well infrastructure on national wildlife refuge land.

These wells and their infrastructures pose a variety of environmental and safety dangers. We identified three areas contributing to FWS' management difficulties—inconsistent oversight and enforcement, safety and environmental problems with orphaned and abandoned wells, and poor data management.

First, FWS staff from five refuges we visited reported that they had little or no management authority over any type of oil and gas operations on refuge lands. Staff referred to the FWS Handbook, which states that FWS should pursue permitting arrangements with the mineral estate owner to specify the limits of the intended operations. As a result, many refuge managers have developed their own policies with varying degrees of success.

Second, regarding safety and environmental issues, we identified one instance in which a well in the Lower Rio Grande Valley refuge in Texas, a completed well drilled in early 2013, was on a well pad measuring 62,500 square feet, which is excessive for the minimal onsite production equipment. Another instance occurred at the same refuge when an abandoned storage tank became detached from its pad and floated to a different part of the refuge during a 2011 flood. We also found numerous instances of abandoned well infrastructures on refuges. These included abandoned pump-jacks and pump-jack stands, tank batteries, processing equipment, and flow lines, as well as miscellaneous dumping on well sites.

Finally, we found that the data FWS staff use are inadequate for managing oil and gas activities on refuges. Without basic data on oil and gas operations, refuge staff cannot create and implement effective management policies and programs. Often, the data do not include such basic facts as status or ownership of a well or the existence or location of infrastructures, such as tank batteries and oil and gas gathering pipelines. Without knowing the status of wells on refuges, FWS cannot determine what problems may exist and where to apply its resources.

We made four recommendations that FWS concurred with and another recommendation it partially concurred with. Most of the recommendations are being addressed through proposed rule-making. We are encouraged by FWS' positive response to our report and the comprehensive efforts underway to address our recommendations.

BIA Needs Sweeping Changes To Manage the Osage Nation's Energy Resources

We evaluated the Bureau of Indian Affairs' (BIA) Osage Agency's effectiveness in managing the Osage Nation's oil and gas program after receiving allegations of mismanagement. Our review found systemic flaws at the Agency that have created an ineffective program for managing the Osage Nation's mineral estate (oil, gas, and other subsurface minerals). Further, we found that the Osage Nation Minerals Council (Council), a tribal group that represents the headright holders (those owning a portion of the mineral estate), is exerting significant influence over Agency management activities, which inhibits the Agency's ability to manage the Osage Nation's mineral estate.

The Osage Nation's mineral estate covers approximately 1.5 million acres in Osage County, OK. The combined oil and gas royalties in fiscal years (FYs) 2010 and 2011 were \$224 million.

Agency records indicate that the Osage Nation has 4,453 current leases with approximately 14,500 producing wells, and Agency officials expect that operators will drill an additional 7,500 wells between FYs 2012 and 2027, generating \$13.6 billion in estimated royalties.

Legislation passed in 1906 directed that the Tribe's headright holders receive the estate's royalty revenues and specifically excluded the Osage Nation from other Indian oil and gas regulations. As a result, the Council has resisted assistance in managing the estate from the Bureau of Land Management, BIA, and the Office of Natural Resources Revenue. We believe, however, that the Council's refusal extends beyond its unique status, effectively avoiding more oversight and merely maintaining the status quo with no incentive to opt into a more rigorous system of accountability.

Overall, our evaluation found the program fundamentally flawed. More specifically, the Agency has vague policies and procedures for managing the Osage Nation's mineral estate, does not comply with environmental law, does not have sufficient planning and mineral resource management, and does not have effective data management. For instance, the Agency does not verify transportation allowances by companies, does not sufficiently monitor non-arms-length sales, and allows lessees to underpay royalties because lessees sell natural gas at less than market value. In addition, we found an environmental assessment was not completed for any of the Applications for a Permit to Drill that we sampled. We also found that the Agency places an undue emphasis on gauging (measuring oil tank volumes), rather than conducting lease inspections.

We made 33 recommendations to BIA targeting specific issues that will help the Agency create a more rigorous and responsible management system. BIA concurred with all 33 recommendations, citing the actions it would take or has already taken and target dates for completion. We believe that full implementation of our recommendations will assist BIA's Osage Agency in managing the Osage Nation's mineral resources more effectively.

Changes in Legislation or Increased Appropriations Could Accelerate Navajo and Hopi Indian Relocation

At the request of the House Committee on Appropriations' Subcommittee on Interior, Environment, and Related Agencies, we evaluated the Office of Navajo and Hopi Indian Relocation's (ONHIR) operations to determine the status of relocation efforts and how ONHIR uses its appropriated funds. Our evaluation determined that ONHIR will be unable to complete its relocation mission in the near future without changes in legislation or an increase in annual appropriations.

In 1974, Congress passed legislation requiring the relocation of Navajo and Hopi Indians who were living on each other's reservation lands in Arizona. ONHIR is responsible for accomplishing the relocation process.

The 1974 law put a 5-year timeframe on the relocation effort—to move Navajo households living on lands partitioned to the Hopi Tribe and to move Hopi households living on lands partitioned to the Navajo Nation. For a variety of reasons, this deadline was not met, and the relocation effort continues with no clear completion date. ONHIR's annual appropriations averaged \$7.7 million for the five fiscal years ending in 2013, and the total amount of funds appropriated for the relocation effort since 1976 is approximately \$564 million.

Although all Navajo and Hopi households have moved off the lands partitioned to each other, a significant amount of work remains. Some applicants still await ONHIR's initial determination of whether they are eligible to receive relocation benefits. In addition, applicants determined ineligible have the right to appeal the decision, and a substantial number of such appeals are pending. Finally, some eligible applicants are waiting to be relocated due to insufficient funding. Relocation benefits available to eligible applicants include the construction or purchase of a home, payments for moving expenses, and pre- and post-move counseling and other services. Currently, ONHIR estimates the average cost of providing a replacement home (including associated infrastructure) at \$150,000 per relocation.

In April 2014, ONHIR submitted to the Office of Management and Budget a report with seven options for closing out the relocation program. Three options involved continuing the program in its current form with varying annual appropriation levels. Two options included providing a lump-sum payment to each certified applicant in lieu of a replacement home. The final two options involved ONHIR turning its remaining relocation work over to the Navajo Nation, the Bureau of Indian Affairs, or some other agency or office.

The estimated cost of these options, some of which would require legislative changes, ranges from \$38.5 million to \$82 million. We concluded that the cost estimates and other assumptions in ONHIR's close-out options appeared reasonable and that the subcommittee members could use these estimates to determine which approach will best control costs and complete the relocation mission in an acceptable, fair, and expeditious manner.

We provided four suggestions for the subcommittee to consider in determining what actions, if any, should be taken to expedite Navajo and Hopi relocation activities—namely, to select one of ONHIR's proposed close-out options, to focus on completing eligibility determinations and administrative appeals, to legislate a sunset date for the relocation program and provide the necessary level of appropriations, and to develop a transition plan for transfer of ONHIR assets and remaining responsibilities to appropriate offices and agencies.

BLM and NPS Have Opportunities To Increase Revenues Through Recreation Fee Programs

As part of a portfolio of work we did to identify ways for DOI to maximize the income from its revenue-generating programs, we conducted audits of the Bureau of Land Management's (BLM) and the National Park Service's (NPS) recreation fee programs. Overall, we found that both bureaus have missed opportunities to generate revenue and protect resources by charging recreation fees to people who visit public lands.

Charging modest recreation fees at some of its camping and day-use areas enables BLM to provide its visitors with recreation services and activities, as well as a safer and more pleasant visitor experience. Our audit of BLM's recreation fee program revealed, however, that at some sites, BLM has all of the amenities required to charge a fee but does not do so; at other sites, it is not charging fees when it could do so if it added just a few basic amenities. Instead, BLM allows the public to use these sites at no cost, even when doing so creates health and safety issues or when added fee revenue would cover the initial costs of the new amenities and provide other lasting benefits in the form of increased funding for regional offices. We also found that at the long-term visitor areas we visited, fees were considerably lower than those charged by comparable local businesses.

Our audit of NPS' recreation fee program focused on NPS' three largest mechanisms for generating recreation revenue: park-unit entrance fees, interagency entrance passes, and commercial bus tour fees. Park units (e.g., national parks, national recreation areas, or national monuments) use the revenues from these mechanisms for projects that enhance the visitor experience, such as facility maintenance and visitor information and services. We found that NPS' fee revenue has been lower than possible for several reasons, including a longstanding moratorium on raising entrance fees, time-consuming procedures for updating fees, free or substantially discounted entrance passes for certain groups, a commercial bus tour fee schedule that has not been updated since 1998, and only interim guidance for parks to use when setting fees for commercial tour operators, resulting in inconsistencies in how the fees are determined and managed.

To accomplish their goals of protecting America's resources while ensuring the best possible experience for visitors to public lands, BLM and NPS need to examine opportunities for enhancing their revenues through recreation fees to visitors.

In our report on BLM's recreation fee program, we recommended that BLM add amenities in order to charge fees at the heavily used non-fee campgrounds that were part of our review. We also recommended that BLM direct its field offices to periodically review its sites' suitability for charging fees, that it implement fees where appropriate based on these analyses, and that it ensure fees are set at market value, both now and in the future. Our report on NPS' program offered six recommendations to NPS to assess its current fee policies, prices, and models and to determine where it can make updates.

Both BLM and NPS generally concurred with the recommendations we offered in our reports. BLM is currently working to implement our recommendations. We were pleased to learn that NPS began to address some of our recommendations even before we issued our final report.



Sunrise over the Blue Ridge Mountains from the Blackrock Summit in Shenandoah National Park in Virginia.

BLM Misused Its Authorities When Managing Concessions Along the Lower Colorado River

We evaluated the Bureau of Land Management's (BLM) legal authorities to (1) allow businesses to operate concessions, in the form of resort and recreational facilities, on lands it manages along the lower Colorado River in Arizona and California; and (2) continue to collect and retain lease fees from these businesses. Our review revealed that BLM is misusing its legal authorities to manage the concessions, and that it is improperly retaining portions of the lease fees collected from the operators of these concessions.

We initiated this evaluation because the statutes cited by BLM did not appear to provide clear authority to operate concessions and retain the revenues from them. We focused on the lease provisions of the Federal Land Policy and Management Act (FLPMA), which BLM invokes as its authority to allow businesses to operate concessions on these lands. We also analyzed BLM's application of the Federal Land Recreation Enhancement Act's (FLREA) "special recreation permit fee" provision for collecting and retaining lease fees from businesses operating under BLM-issued leases.

We found that while FLPMA does authorize BLM to issue leases to operate concessions, BLM's methods of determining lease fees and cost-recovery amounts, as well as its fee retention practices, are inconsistent with FLPMA's lease authority. BLM charges lease fees to its leaseholders without any evidence that it has determined fair market value for the fees, as required by FLPMA's implementing regulations. In addition, while FLPMA allows BLM to recover costs incurred from administering leases, BLM retains what appears to be an arbitrary percentage of its concession leases instead of depositing it in the U.S. Treasury General Fund.

BLM's application of FLREA's special recreation permit fee provision also appears to be inconsistent with the intent of the authority. BLM is authorized under FLREA to charge and retain a percentage of revenues from recreational activities. Its concessions along the lower Colorado River, however, include not only recreational activities, such as campgrounds and horseback-riding tours, but also gas stations, dining facilities, and convenience stores. Such operations appear to extend well beyond the definition of bona fide recreational activities and thus are not appropriate for FLREA authority.

BLM invokes multiple statutes for its concession practices because, in contrast to its sister agency the National Park Service, it does not have clear concession program authorities. Our report offered seven recommendations intended to ensure that BLM properly applies the provisions of the statutes it currently invokes, and to seek explicit statutory authority to establish a robust concession program. BLM concurred with most of our recommendations and is working to implement them.

Guam Memorial Hospital Authority Must Take Action To Remedy Current State of Affairs and Prepare for Population Increase

We evaluated the Guam Memorial Hospital Authority's (GMHA) ability to meet the medical care needs of the citizens of Guam and to prepare for the population increase expected from the upcoming U.S. military buildup on the island. Our evaluation found that GMHA's financial situation may jeopardize the future medical needs of the citizens of Guam. Unless GMHA can generate enough revenue, collect appropriate fees, and secure adequate revenue sources to cover expenses for uninsured patients, it will be unable to sustain the services it currently provides or prepare for future population growth.

Access to quality medical and health care services is important for the well-being of Guam's citizens. Currently, GMHA, located in Tamuning, Guam, is the only public hospital on Guam, and it services more than 159,000 citizens. GMHA receives partial funding from Government of Guam (GovGuam) appropriations through budget requests set by the priorities stipulated by the board of trustees and GMHA management. GMHA also receives Medicare and Medicaid reimbursements toward patient care costs.

GovGuam is expecting a relocation of approximately 5,000 Marines and 1,300 dependents by 2020. The U.S. Department of Defense's (DoD) Final Environmental Impact Statement for the relocation predicts an indirect impact as a result of the buildup. While DoD health care providers will continue to handle most routine care for military and DoD dependent care, GMHA will handle medical services necessary for those who move to the island to carry out the jobs associated with a military buildup.

We found that GMHA is not well funded, does not maximize opportunities to generate revenue, and has difficulty collecting payments from patients. GMHA has not adjusted its fees since the early 1990s, and current fees are not sufficient to cover operating costs. In addition, the hospital's Medicare and Medicaid reimbursement rates have not kept pace with the cost of providing medical services. Without the necessary funding, GMHA cannot pay its vendors, leaving the hospital with longstanding and increasing accounts payable. Further, GMHA's funding challenges make it difficult to develop and maintain the infrastructure necessary to provide medical services. Finally, a new, private hospital opening in 2014 may exacerbate GMHA's current difficulties in maintaining quality staff and retaining patients who can afford to pay for services.

GMHA has the potential to remain a valuable asset for the citizens it serves. In collaboration with GovGuam, however, GMHA has to take a realistic view of the services that Guam's population needs and the services that the hospital can and cannot provide due to financial and operational constraints. GMHA must take action to remedy its current state of affairs and the potential impacts expected to result from the private hospital opening and from the population increase from the impending military buildup.

We offered eight recommendations to help GMHA recover costs and improve its ability to provide medical services to Guam's citizens. GovGuam generally agreed with our recommendations and is working to address the identified issues. The Office of Insular Affairs will track implementation and resolution of our recommendations.

Evaluation Revealed Physical Security Flaws at DOI Headquarters

Every day, nearly 2,000 people (including employees, officials, contractors, and members of the public) visit the Stewart Lee Udall Department of the Interior building in Washington, DC. With the safety of so many at stake, DOI must ensure adequate physical security at its headquarters.

We evaluated the building's security features at vehicle and pedestrian entrances to determine whether access to the building is being properly controlled. Our review uncovered several issues:

1. The retractable vehicle-restraint bollards that protect the entrances to the building's underground garage routinely malfunction.
2. When the bollards malfunction, the garage entrances are often protected by only a single unarmed guard and plastic traffic cones.
3. Despite frequent maintenance and equipment upgrades, this problem has occurred continually since the bollards were installed, causing us to question nearly \$4.4 million in costs associated with the system's installation.
4. DOI does not track the bollard malfunctions consistently, which will make it impossible to budget for repairs when DOI assumes responsibility for these costs in 2015.
5. The guards at the building's two street-level pedestrian entrances do not consistently check the identification of individuals entering the building, again leaving the building vulnerable to unauthorized entry.

We made recommendations to the relevant DOI offices to improve the overall security at its headquarters and to protect its occupants and visitors. We recommended replacing the flawed bollard system or developing an alternative means of ensuring security at garage entrances, resolving the cost of the bollards' installation, consistently closing the garage entrances when bollards malfunction, and using backup entrances or other secure measures to replace the use of traffic cones. We also recommended tracking bollard malfunctions and ensuring that the guards at the pedestrian entrances properly check the identification of people entering the building. DOI concurred with all of our recommendations and is working to implement or close them.

NPS Lockup Facilities Do Not Comply With DOI or NPS Requirements Regarding Inmate Monitoring

We inspected lockup facilities at Yellowstone National Park and Yosemite National Park to determine if the parks complied with applicable DOI and National Park Service (NPS) policies. We found that neither Yellowstone nor Yosemite complied with DOI or NPS requirements on the use of closed-circuit television (CCTV) in lockup facilities.

NPS operates lockup facilities at 26 different locations around the Nation. These lockup facilities are used to temporarily house suspected offenders prior to their first appearance before the judge or transfer to another law enforcement agency. Proper operation of these facilities is necessary to protect the health and safety of those in custody. We focused our review on Yellowstone and Yosemite because of the high volume of arrests (about 150 at each park) reported each year.

Our inspection revealed that neither park complied with DOI or NPS requirements regarding inmate monitoring, inspection frequency, emergency planning, or evacuation planning. Specifically, we found that neither park performed annual inspections of the facilities and neither park had a prepared emergency and evacuation plan, as required. We also found that neither park complied with the departmental requirement that detention officers personally observe inmates at irregular intervals, with no more than 15-30 minutes between rounds.

At Yellowstone, we found that dispatch staff—not detention officers, as specified in the NPS manual—observed inmates via CCTV, as a collateral duty, at a location a quarter-mile away from the lockup facility. In addition, we learned that during the busy season, the dispatcher may not monitor the CCTV for several hours at a time and would only know of an emergency if they were monitoring the cameras at that time or if an inmate used the call button to communicate with dispatch. We issued a management advisory expressing our concerns for inmate health and safety, to which Yellowstone officials responded that it would staff the lockup facility with a detention officer to personally monitor inmates. At Yosemite, we found that detention officers did personally check on the inmates, but with more than 15-30 minutes between rounds.

In addition, NPS requires lockup facilities to archive CCTV video for 6 months. While Yellowstone met this requirement, Yosemite officials told us that they can archive CCTV video for only 80 days due to technical limitations.

We made seven recommendations focused on bringing lockup facilities into compliance with DOI and NPS requirements that we believe will help improve operations and inmate safety, increase accountability, and reduce liability to NPS.

During our inspection, we also learned that DOI began revising its policies on lockup facilities. The revisions require independent staff not involved with jail operations to perform annual inspections of the facilities, detention officers' posts to be adjacent to inmate living areas so the officers can immediately respond to emergencies, and bureaus to annually certify compliance with the requirements and update their standard operating procedures as necessary. We believe that implementation of our recommendations, coupled with these revisions, will improve operations at NPS lockup facilities.



A herd of bison move along the Firehole River in Yellowstone National Park in Wyoming.

Inspection of USGS' Ethics Program Identified Concerns on Financial Disclosure Filings, Ethics Training, and Operational Inefficiencies

We inspected the U.S. Geological Survey's (USGS) ethics program to determine whether USGS appropriately managed its financial disclosure filings and ethics training program. Our inspection revealed several concerns regarding financial disclosure filings, ethics training, and other operational inefficiencies.

USGS' 8,298 employees are subject to conflict of interest restrictions, but only some are required to file a financial disclosure report. USGS uses the criteria established in Federal regulations to determine whether employees meet the eligibility requirements for filing a financial disclosure report. USGS ethics personnel use these reports, among other tools, to determine whether employees comply with ethics laws and regulations.

We found that USGS does not have detailed guidance necessary for determining who is required to file confidential financial disclosure reports. The responsibility for making these determinations is delegated to various regions and mission areas of USGS programs across the country. As a result, USGS inconsistently applied the criteria for confidential financial disclosure filings. Also, in 2013, USGS did not disseminate the USGS Financial Guide explaining the specific prohibitions and limitations applicable to USGS employees, as done for the past 10 years.

Of the bureau's 8,298 employees, only 802 employees were required to file financial disclosure forms and receive annual ethics training. In addition, 30 of the 802 USGS filers did not complete ethics training in calendar year 2013, which violated Federal regulations requiring that all filers complete ethics training by December 31 of each year.

Further, the USGS Ethics Office has continued to use manual methods for delivering and tracking ethics training and recording financial disclosure filings for hundreds of employees, even though automated systems are available. The USGS Ethics Office also uses financial disclosure filing information from two different tracking systems that do not communicate with each other. One of these systems is obsolete, so the USGS Ethics Office has to manually reconcile the lists generated from both systems and does not have a standard operating procedure for combining and reconciling these two lists.

Our report provided six recommendations to help USGS improve its financial disclosure filings and ethics training, as well as the other operational inefficiencies identified in our report.

Office of Investigations

OIG Investigations Lead to Guilty Pleas in Corruption Cases Involving Contracts Issued by the Chippewa Cree Tribe

In our April and October 2014 Semiannual Reports to Congress, we reported on several criminal investigations into allegations involving officials of the Chippewa Cree Tribe of Indians and several tribal contractors that resulted in indictments of those contractors and their respective individual owners for multiple counts of bribery; theft of tribal funds; conspiracy to submit false claims; money laundering; and wire, bank, bankruptcy, and Federal income tax fraud. The majority of these cases involved subcontracts awarded by the Chippewa Cree Construction Corporation for the Rocky Boy's/North Central Montana Regional Water System, a federally funded construction project awarded to the Tribe by the Bureau of Reclamation (USBR). This project was partially funded with \$27 million from the American Recovery and Reinvestment Act. The following cases were developed from our investigation of the corporation.

Tony and Hailey Belcourt

As we previously reported, a Federal grand jury in Billings, MT, indicted Tony Belcourt, who served as the Chippewa Cree Construction Corporation chief executive officer and contracting officer, and his wife, Hailey Belcourt, for conspiracy, theft of tribal funds, bribery, bank fraud, money laundering, and tax fraud in connection with \$667,000 in cash they received from four contractors doing business with the Chippewa Cree Construction Corporation: T Leischner Consulting; Hunter Burns Construction, LLC; TMP Services; and K&N Consulting.

On April 2, 2014, Tony Belcourt appeared in U.S. District Court in Great Falls, MT, and pleaded guilty to two counts of accepting a bribe, theft from a tribal government, and tax fraud. Hailey Belcourt pleaded guilty on April 3, 2014, to accepting a bribe, tax fraud, and bank fraud.

On July 17, 2014, the DOI Suspending and Debarring Official debarred Tony Belcourt from receiving new Federal procurement and nonprocurement awards for 3 years.

The court sentenced Tony Belcourt on August 14, 2014, to 7½ years in prison followed by 3 years of supervised release and ordered him to pay a \$300 assessment to the Victim of Crime Fund. He was also ordered to pay \$667,183 in restitution, jointly and severally, to the Chippewa Cree Tribe and the Internal Revenue Service (IRS), fulfill all tax obligations, and not engage in any gambling or wagering or visit any establishment where that is the primary business. Lastly, he was debarred from any employment or contracts involving federally funded grants, contracts, or programs during the period of his supervised release.

In addition, the court ordered the criminal forfeiture of \$311,000 for money and property obtained as a result of Tony Belcourt's criminal offense, including cash, a residence, and 2 acres of land located in Box Elder, MT, and his ownership interests of a business located in Billings, MT, called M T Waterworks.

On August 14, 2014, the court sentenced Hailey Belcourt to 2 months in prison followed by 3 years of supervised release and ordered her to pay a \$300 assessment to the Victim of Crime Fund. She was also ordered to pay \$156,183 in restitution, jointly and severally, to the Chippewa Cree Tribe and the IRS, fulfill all tax obligations, and not engage in any gambling or wagering or visit any establishment where that is the primary business. On September 9, 2014, the DOI Suspending and Debarring Official debarred her for 3 years.

Tammy Leischner

We last reported that Tammy Leischner, the owner of T Leischner Consulting, was indicted by a Federal grand jury in Billings, MT, for her role in providing a \$163,000 bribe to Tony Belcourt in connection with an overpayment to Leischner's company for a contract to ship steel pipe from Denver, CO, to the Rocky Boy's/North Central Montana Regional Water System job site.

On May 8, 2014, Tammy Leischner pleaded guilty to aiding and abetting theft from a tribal government. On March 11, 2015, in connection with this charge and others we detail further in the next section, the court sentenced Tammy Leischner to 2 years in prison followed by 3 years of supervised release and ordered her to pay \$311,000 in restitution, jointly and severally, plus a \$100 special assessment.

James H. Eastlick, Sr.

James H. Eastlick, Sr., Tammy Leischner's father, was indicted along with his daughter for his role in bribing Tony Belcourt.

On April 21, 2014, Eastlick, Sr. pleaded guilty in U.S. District Court in Great Falls, MT, to aiding and abetting theft from a tribal government. He was sentenced on September 25, 2014, to 1 year in prison followed by 1 year of supervised release. He was also ordered to pay \$311,000 in restitution, jointly and severally, to the Chippewa Cree Tribe for the Rocky Boy's/North Central Montana Regional Water System.

Shad Huston

In our April 2014 Semiannual Report to Congress, we reported that in February 2014, Huston and his two companies, K&N Consulting and TMP Services, were charged in a 14-count indictment that alleged a criminal conspiracy to embezzle Federal and tribal funds from the Tribe and bribery in connection with \$322,500 in payments made to Tony and Hailey Belcourt.

On August 25, 2014, Huston appeared in the U.S. District Court in Great Falls, MT, and pleaded guilty to bribery, theft from an Indian tribal organization, and failure to file a currency transaction report.

He also pleaded guilty to theft from an Indian tribal organization on behalf of K&N Consulting. Huston's sentencing hearing was scheduled for November 24, 2014, but was postponed after Huston filed objections to the pre-sentence report filed by the U.S. Probation Office. On March 12, 2015, the court rejected Huston's plea agreement and set the matter for trial on June 8, 2015. The DOI Suspending and Debarring Official suspended Huston, K&N Consulting, and TMP Services from receiving new Federal procurement and nonprocurement awards, pending the outcome of the legal proceedings.

Hunter Burns Construction

As we reported in our April 2014 Semiannual Report to Congress, James Eastlick, Jr., Tammy Leischner's brother and co-owner of Hunter Burns Construction, was indicted by a Federal grand jury in Billings, MT, in September 2013 on charges of theft and bribery in connection with \$135,000 in payments from Hunter Burns Construction for the benefit of Tony Belcourt in exchange for the award of four construction contracts that USBR awarded to the Chippewa Cree Tribe for the Rocky Boy's/North Central Montana Regional Water System.



Construction on the Rocky Boy's/North Central Montana Regional Water System.

Eastlick, Jr., Hunter Burns Construction, and the company's other co-owner, Hunter Burns, were also indicted in October 2013 for the submission of a false claim and theft of Federal program funds in connection with a \$100,000 claim submitted by Hunter Burns Construction and approved by Tony Belcourt in April 2010 in connection with a \$1.7 million contract that Belcourt awarded to the company for a project involving the Rocky Boy's/North Central Montana Regional Water System.

Pursuant to a plea agreement with the U.S. Attorney's Office, Burns pleaded guilty in U.S. District Court in Great Falls, MT, on April 2, 2014, to conspiracy to submit a false claim on behalf of himself and his company.

On July 10, 2014, Burns was sentenced to 2 months in prison, followed by 4 months of home confinement and 3 years of supervised release, fined \$125,000 jointly with Hunter Burns Construction, and assessed \$100 payable to the Victim of Crime Fund. In addition, Hunter Burns Construction was sentenced to 42 months of probation and assessed \$400 payable to the Victim of Crime Fund. The U.S. Attorney's Office dismissed the false claim and theft of Federal program funds charges against Eastlick, Jr.

Further Investigation of Chippewa Cree Tribe of Indians Officials and Contractors Leads to Additional Indictments and Guilty Pleas

Our investigation of the Belcourts, Leischners, Eastlick, Jr., and Huston spawned additional investigations and indictments of companies and their respective owners in connection with criminal offenses related to the Chippewa Cree Tribe of Indians.

Hunter Burns Construction

In April 2014, Eastlick, Jr. was named in two more indictments on charges of tax fraud and bribery in connection with payments he authorized from Hunter Burns Construction totaling \$258,000 for the benefit of John Houle, vice chairman of the Chippewa Cree Tribe, who also served on the Chippewa Cree Construction Corporation Board of Directors.

Pursuant to a plea agreement with the U.S. Attorney's Office, on May 1, 2014, Eastlick, Jr. pleaded guilty to two counts of bribery and one count of tax fraud. On March 11, 2015, the U.S. District Court in Great Falls, MT, sentenced Eastlick, Jr. to 6 years in prison, followed by 3 years of supervised release and ordered him to pay \$424,800 in restitution, a \$100,000 fine, and a \$300 special assessment.

John Houle, Wade Colliflower, and Mark Leischner

We also investigated Houle, Wade Colliflower, and contractor Mark Leischner for theft of tribal funds in connection with contracts awarded for Chippewa Cree Tribe rodeo and pow wow events between 2009 and 2012.

As a result of our investigation, in June 2014, a Federal grand jury in Billings, MT, issued two indictments against Houle, who also served as the president of the Chippewa Cree Tribe Rodeo Association, Colliflower, and Leischner.

The first indictment charged Houle, Colliflower, and Leischner with theft of tribal funds in 2009 and 2010. We found that Leischner received two contracts from Houle and the Chippewa Cree Tribe Rodeo Association in 2009 for \$135,000 and two more contracts in 2010 for \$133,000. Leischner, however, performed only minimal tasks against these four contracts and then split the excess funds with Houle. Houle and Leischner were also charged with two counts of obstruction of justice for creating and submitting false documentary evidence to the Federal grand jury in response to a subpoena for business records from Leischner's company.

The second indictment charged Houle and Colliflower with theft of tribal funds from 2010 through 2012. During that timeframe, Colliflower served as the President of the Bear Paw Indian Rodeo Association, a tribal subsidiary rodeo association that received funds directly from Houle and the Chippewa Cree Tribe Rodeo Association. Our investigation revealed that Colliflower returned \$76,500 of these funds directly for the personal benefit and use of Houle.

We arrested Houle on June 24, 2014. His trial on the first indictment was scheduled to begin on December 8, 2014, and his trial on the second indictment was scheduled to begin January 20, 2015. On December 8, 2014, however, Houle pleaded guilty to theft of tribal funds, obstruction of justice, bribery, and tax evasion. Sentencing was scheduled for May 28, 2015. On January 21, 2015, the DOI Suspending and Debaring Official suspended Houle from receiving new Federal procurement and nonprocurement awards. He will remain suspended pending the conclusion of the legal proceedings and any ensuing debarment proceeding.

Colliflower's trial was also scheduled to begin January 20, 2015, but on December 1, 2014, Colliflower pleaded guilty to theft from an Indian tribal organization in connection with embezzling \$50,000 from Federal funds through transactions involving both the Chippewa Cree Tribal Rodeo Association and the Bear Paw Indian Rodeo Association checking accounts. Sentencing in this matter was scheduled for May 7, 2015. The DOI Suspending and Debaring Official suspended Colliflower on March 20, 2015.

Leischner pleaded guilty to theft from an Indian tribal organization and obstruction of justice – impeding a Federal grand jury. On March 17, 2015, Leischner was sentenced to 2 years in prison, followed by 3 years of supervised release. He was also ordered to pay restitution in the amount of \$217,221 and a \$200 special assessment.

Melody and Frank Henry

We investigated Melody Henry, former president of Stone Child College in Box Elder, MT, and her husband, Frank Henry, former facilities department manager of Stone Child College, for allegations of theft from the college, which is a Chippewa Cree Tribe college.

Our investigation revealed that between 2010 and 2013, Stone Child College received \$9.3 million in direct Federal funding from DOI. We found that Melody Henry awarded more than \$530,000 between September 2010 and December 2012 in construction contracts to Hunter Burns Construction. During that timeframe, the Henrys solicited and received more than \$242,000 in direct payments from Hunter Burns Construction for their own personal use, benefit, and unjust enrichment.

On August 22, 2014, a Federal grand jury in Billings, MT, indicted the Henrys on charges of bribery and a criminal conspiracy to embezzle tribal funds from Stone Child College. Both defendants pleaded not guilty at their arraignments in U.S. District Court on September 22, 2014. Their trial was scheduled for February 17, 2015, and on February 20, 2015, a jury acquitted the Henrys of these charges. Based on the acquittal, on March 4, 2015, the DOI Suspending and Debarring Official terminated the Henrys' February 13, 2015 suspensions.

In addition, on January 23, 2015, a Federal grand jury in Great Falls, MT, indicted the Henrys for Federal income tax fraud. They entered a plea of not guilty and their trial was scheduled to begin April 27, 2015.

Tammy, Mark, and Brenden Leischner

As part of our comprehensive investigation into T Leischner Consulting, in April 2014, Tammy Leischner; her husband, Mark Leischner; and their son, Brenden Leischner, were indicted on charges of conspiracy, false statements, identity theft, and theft of Federal funds that they obtained in connection with student loans and financial aid. During the 4-year period of the indictment, Brenden Leischner was a full-time student enrolled at the University of Great Falls in Montana seeking a bachelor's degree in criminal justice.

The indictment charged the Leischners with failing to disclose all of the income that they received from the shipping contract for the Rocky Boy's/North Central Montana Regional Water System and from four tribal contracts awarded to Mark Leischner in connection with the Chippewa Cree Tribe annual rodeo and pow wow events on the financial aid applications that they submitted annually to the U.S. Department of Education between July 2010 and May 2013. In addition, the indictment accused both Mark and Brenden Leischner of aggravated identity theft for an application that they submitted in September 2012 for a loan issued in Mark Leischner's name that was purportedly cosigned by a third party.

On September 30, 2014, Tammy and Brenden Leischner appeared in U.S. District Court where they pleaded guilty to conspiracy and false statements, and Federal student loan fraud, respectively. Mark Leischner pleaded guilty to conspiracy to defraud the United States. The U.S. Attorney's Office dismissed the remaining charges against him in this case. Sentencing for all three defendants was scheduled for December 17, 2014.

On November 5, 2014, however, we arrested Tammy Leischner on charges of blackmail. Our investigation revealed that Tammy Leischner authored and mailed via certified receipt a letter in which she demanded \$595,000 from a family member in exchange for Tammy's agreement not to name that family member in the criminal conspiracy involving Tony Belcourt. In the letter, Tammy Leischner alleged that the family member had forged Tammy's name on the pipe shipping contract. She pleaded not guilty to the charges and was released on her own recognizance.

On December 10, 2014, Tammy Leischner pleaded guilty to blackmail. On March 11, 2015, she was sentenced in connection with her guilty pleas to a total of 2 years in prison and 3 years of supervised release and ordered to pay \$375,092 in restitution and a \$300 special assessment.

On December 17, 2014, the court sentenced Brenden Leischner to 5 years of probation, the first 6 months of which he will spend in a halfway house, and ordered him to pay \$82,237 in restitution to the U.S. Department of Education and \$2,500 to the Clerk of Court toward the costs associated with his court-appointed legal counsel.

On March 11, 2015, in connection with his guilty pleas, the court sentenced Mark Leischner to a total of 2 years in prison and 3 years of supervised release and ordered him to pay \$281,313 in restitution and a \$300 special assessment.

Shad Huston and Bruce Harold Sunchild

We also investigated Shad Huston and former Chippewa Cree Tribe Chairman Bruce Harold Sunchild for allegations of bribery and embezzlement of Federal and tribal funds.

We found that Huston gave Sunchild a Chevrolet Suburban in connection with a \$300,000 payment that Huston's company, K&N Consulting, received in December 2011 from the Tribe. Huston also submitted a false invoice for \$27,200 from his other company, TMP Services, to the Chippewa Cree Construction Corporation in October 2012. Sunchild, who also served as chairman of the Board of Directors for the Corporation, received a \$15,000 cashier's check from Huston and K&N Consulting the day after the false invoice was paid.

On June 19, 2014, a Federal grand jury in Billings, MT, indicted Huston and Sunchild on charges of bribery, theft from a tribal government and a tribal organization, and a criminal conspiracy to embezzle tribal funds from the Tribe. We arrested Sunchild on June 24, 2014.

On August 25, 2014, Huston appeared in U.S. District Court in Great Falls, MT, and pleaded guilty to bribery, theft from an Indian tribal organization, and failure to file a currency transaction report.

On that same day, Huston pleaded guilty on behalf of K&N Consulting to theft from an Indian tribal organization. Huston's sentencing hearing was scheduled for November 24, 2014. On March 12, 2015, the court rejected these defendants' plea agreements and permitted Huston and K&N Consulting to withdraw their guilty pleas, setting trial for June 8, 2015.

On November 10, 2014, Sunchild pleaded guilty to tax evasion, bribery, and two counts of theft from a tribal organization. The DOI Suspending and Debarring Official suspended Sunchild and proposed him for debarment on November 18, 2014. He was subsequently debarred until November 17, 2017.

On March 10, 2015, in connection with his guilty pleas, the court sentenced Sunchild to a total of 2 years and 10 months in prison, followed by 3 years of supervised release and ordered him to pay \$370,088 in restitution and a \$400 special assessment.

Timothy W. Rosette

On January 23, 2015, a Federal grand jury in Great Falls, MT, issued three indictments against Timothy W. Rosette, former Director of the Chippewa Cree Tribe Roads Branch. The indictments charged Rosette with bribery, false claims, conspiracy, and theft from a tribal organization in connection with contracts involving James Eastlick, Jr. and Hunter Burns Construction, and Shad Huston and K&N Consulting, K Bar K Trucking, and TMP Services, a storage company. On February 3, 2015, Rosette pleaded not guilty to these charges. Rosette's trial was scheduled for July 20, 2015.

Former Governor of Santa Ana Pueblo and Santa Fe Real Estate Consultant Pleaded Guilty to Embezzlement

We investigated the Indian Pueblo Federal Development Corporation, jointly with the Internal Revenue Service Criminal Investigation Division, after receiving allegations that the Corporation embezzled money and committed other crimes regarding the development of land that had once been the site of the Albuquerque Indian School operated by the Federal Government and held in trust for the Pueblo Indians. The Secretary of the Interior approved the Corporation, which is an Indian tribal organization formed by the 19 Pueblos of New Mexico, to develop the land for economic betterment. The Bureau of Indian Affairs currently leases two of the buildings—which were once valued at more than \$70 million—on this land.

Our investigation determined that the Corporation's former President and Chief Executive Officer and former Governor of Santa Ana Pueblo Bruce Sanchez and Santa Fe Real Estate Consultant Thomas Keesing conspired to embezzle \$3,575,000 from the Corporation by submitting fraudulently inflated invoices.

Between January 2005 and November 2008, Keesing submitted to Sanchez more than 100 fraudulent invoices for professional services. Sanchez then approved the inflated invoices, which totaled \$3,575,000. In return, Keesing shared \$1,652,823 with Sanchez and kept the balance for himself. Completion of the services that Keesing reported in the invoices could not be supported, and Keesing acknowledged that Sanchez provided nothing of value in return for this money.

On September 25, 2012, a Federal grand jury for the U.S. District Court for the District of New Mexico indicted Sanchez and Keesing for conspiracy, embezzlement, tax evasion, and willful failure to file a tax return.

On January 28, 2015, Sanchez pleaded guilty to embezzlement and tax evasion charges in connection with embezzling \$3,575,000 from the Corporation. The money that Sanchez illegally obtained was taxable income, but he did not report it to the IRS. Also on January 28, Keesing pleaded guilty to aiding and abetting embezzlement from an Indian tribal organization and willful failure to file an income tax return. Sanchez's and Keesing's sentencing hearings have yet to be scheduled.

Former BLM Eastern States Director and Deputy Guilty of Wire Fraud, False Claims, and Theft of Government Property

In our October 2014 Semiannual Report to Congress, we reported that a Federal grand jury for the U.S. District Court for the District of Montana indicted Bureau of Land Management (BLM) Eastern States Director John Grimson Lyon and Deputy State Director for Natural Resources Larry Ray Denny for wire fraud, false claims, and theft of Government property. Denny was also indicted on one count of providing false statements.



The Jupiter Inlet Lighthouse Outstanding Natural Area in Florida falls under the jurisdiction of BLM's Eastern States office.

We investigated Lyon and Denny after receiving information that Denny had moved from Virginia to Montana in July 2012 and was still receiving his Federal salary even though he never returned to the BLM duty office in Springfield, VA. Our investigation confirmed that although Denny had vacated his BLM position and ceased providing any work, from July 2012 through March 2013, he was compensated for 550 hours of regular hours worked, 461 hours of sick leave, 389 hours of annual leave, and 72 hours for Federal holidays.

We found that Lyon, Denny's direct supervisor, knowingly concealed Denny's absence by approving and submitting false time and attendance information, resulting in Denny receiving approximately \$112,302 in Federal wages and benefits. In November 2012, Lyon rated Denny's performance "exceptional" and approved a \$3,262 bonus. Lyon communicated with Denny directly and instructed other employees not to discuss or contact Denny and rebuffed any inquiries by subordinates.

The investigation also revealed that Denny simultaneously received compensation from the Chippewa Cree Tribe. In January 2012, Denny negotiated a contract to perform oil and gas consulting services. In July 2012, the Tribe hired Denny as the manager of its energy board and also paid a Thrift Savings Plan loan for Denny. From March 2012 through March 2013, Denny received approximately \$79,896 in compensation from the Tribe and failed to disclose \$49,070, which he earned in 2012, to BLM.

On March 18, 2015, Denny pleaded guilty to wire fraud, false claims, theft of Government property, and providing false statements, as well as the criminal forfeiture of \$112,302. His sentencing hearing was scheduled for June 25, 2015.

On March 25, 2015, a jury found Lyon guilty of wire fraud, false claims, and theft of Government property. His sentencing hearing was also scheduled for June 25, 2015.

Charges of Theft, False Statements Dismissed Against BIA Firefighters

In previously issued Semiannual Reports to Congress, we reported the results of our investigation into charges of theft and false statements against several Bureau of Indian Affairs (BIA) wildland firefighters at Pine Ridge Agency (PRA) in Pine Ridge, SD, for working unnecessary overtime hours and falsifying official records on firefighter physical fitness tests in 2009. Most recently, the U.S. District Court for the District of South Dakota dismissed these charges against PRA Deputy Superintendent Harold Compton and PRA Fire Management Officer Daigre Douville.

Our investigation into Compton, Douville, and PRA Supervisory Wildland Fire Operations Specialist Michael Twiss revealed that Twiss knowingly provided false information when he said that he administered the arduous duty pack test—which requires firefighters to carry a 45-pound backpack and walk 3 miles in less than 45 minutes—so that Compton could serve and collect pay in 2009 as a collateral duty wildland firefighter. We also found that, at the request of Douville, Twiss entered false test results for Compton in the Incident Qualification Certification System, an electronic system that shares firefighter training certification data with all Federal wildland firefighting agencies.

In addition, we identified overtime hours claimed in 2009 by Twiss, Douville, and Compton in which they received \$29,000; \$56,000; and \$30,000, respectively, and found that they did not need to work at least 50 percent and as much as 80 percent of the overtime for which BIA paid them.

On November 19, 2013, a Federal grand jury in the U.S. District Court for the District of South Dakota charged Twiss with one count of theft of Government property and one count of false statements. A superseding indictment filed on February 19, 2014, amended the false statement charge filed against Twiss. On December 17, 2013, a Federal grand jury charged Douville with one count of theft of Government property, and a superseding indictment filed on March 18, 2014, added one false statement count. Also on March 18, 2014, a Federal grand jury charged Compton with one count of theft of Government property.

On April 11, 2014, Twiss pleaded guilty in U.S. District Court for the District of South Dakota to theft of Government property. As part of the plea agreement, the court dismissed the count charging him with false statements. On July 22, 2014, the court sentenced Twiss to 5 years of probation and ordered him to pay \$16,800 in restitution.

During Douville's criminal trial, which began on February 23, 2015, Twiss could not answer questions that the prosecution needed to prove loss related to theft. As a result, on February 26, 2015, the court acquitted Douville of the theft charge against him. In addition, Compton testified during the trial that he did, in fact, complete the arduous duty pack test. The jury subsequently acquitted Douville of the false statement charge when the trial concluded on February 27, 2015.

On March 3, 2015, at the request of the U.S. Attorney's Office, the court dismissed the charges filed against Compton.

We referred our investigative findings regarding Douville on March 3, 2015, to BIA to consider potential administrative action. We did not complete an administrative referral for Compton because he retired from BIA on May 3, 2013.

Emergency Firefighters Sentenced for Intentionally Starting Fires

In conjunction with the Bureau of Land Management (BLM) Office of Law Enforcement and Security (OLES), we investigated federally employed firefighters for intentionally starting fires on public lands to obtain hazard pay from the Federal Government. According to the allegations, firefighters at the Bureau of Indian Affairs' Fort Yuma Agency had either intentionally started fires on tribal or BLM-administered public lands, or had paid someone else to start the fires.

Our investigation determined that Blase Smith and Joshua Gilbert were responsible for starting the fires. Our investigation revealed that Smith, a former firefighter, and Gilbert, a current firefighter, were directly involved in starting 38 fires on BLM, tribal, or State trust lands in Arizona and California between 2009 and 2012. During the investigation, Smith provided details regarding his involvement in starting the majority of the fires, and Gilbert admitted to starting two fires. In addition, we determined that a BIA supervisory forestry technician knew of Smith's involvement in starting fires since April 2009. Our investigation also identified several other Federal emergency firefighters involved in starting fires or who knew of others starting fires.

In February 2014, BIA proposed removal of the supervisory forestry technician for misconduct, and in March 2014, that individual resigned from BIA in lieu of termination.

On August 7, 2014, Smith pleaded guilty in the U.S. District Court for the District of Arizona to timber set afire, and on February 3, 2015, he began a 51-month prison sentence. The court also sentenced him to 3 years of supervised release upon completion of his prison term and ordered him to pay a total of \$3,814,083.82 in criminal monetary penalties. On September 16, 2014, Gilbert also pleaded guilty to timber set afire. On February 23, 2015, the court sentenced Gilbert to 3 years of supervised probation and ordered him to pay \$40,624.94, jointly and severally with Smith, in restitution to BIA.

Drilling Company Agreed To Pay Almost \$2 Million Settlement

Our Energy Investigations Unit, with the Bureau of Land Management's (BLM) Special Investigations Group, jointly investigated Statoil Oil and Gas, L.P. (Statoil) for drilling a well through three unleased parcels of federally owned minerals in the Bakken formation in North Dakota. In October 2013, BLM's North Dakota field office developed information indicating that Statoil had drilled into unleased federally owned minerals. Our investigation determined that from September 2012 through October 2013 Statoil extracted and sold significant volumes of oil and gas from the unleased land. We determined that the well had been planned by Statoil's predecessor, Brigham Oil & Gas L.P., and was drilled approximately 2 weeks after Statoil acquired the company.

In March 2015, Statoil—which fully cooperated with our investigation—negotiated a settlement with the U.S. Attorney’s Office for the District of North Dakota to resolve mineral trespass claims and agreed to pay \$1,989,560.72, the full value of the oil and gas extracted.

Oil Rig Employee Guilty of Falsifying Blowout Preventer Tests

We investigated Pioneer Energy Services, Inc., after receiving information from the Bureau of Safety and Environmental Enforcement’s (BSEE) Office of Safety Management that an important safety test had been falsified. During a routine inspection, BSEE inspectors found suspicious test documentation for a blowout preventer (BOP) and issued two incident of noncompliance citations. A BOP is designed to quickly shut in a well in the event that something goes wrong, thereby protecting the platform, its workers, and the environment from an uncontrolled release of oil and gas or explosions. For this reason, regulations require well operators to test BOP equipment frequently and maintain documentation that the equipment complies with specific standards.

Our investigation determined that Sean Granger, an employee of Pioneer Energy Services, Inc., disguised one or more failed tests by altering documentation of a test conducted in June 2012 aboard a drilling rig operating in the Gulf of Mexico. We found that Granger manipulated the test recording device by hand to compensate for poorly functioning equipment.



Oil rig operating in the Gulf of Mexico.

On November 24, 2014, Granger pleaded guilty in the U.S. District Court for the Eastern District of Louisiana to tampering with or rendering inaccurate any monitoring device or method of record required to be maintained under the Outer Continental Shelf Lands Act. On March 18, 2015, the court sentenced Granger to 3 years of probation and ordered him to pay a \$3,000 fine and a \$100 special assessment.

Offshore Well Platform Supervisor Charged With False Statements

We investigated Race Addington, an employee of Stokes & Spiehler, for making false statements related to blowout preventer (BOP) testing conducted on an offshore oil and gas platform in the Gulf of Mexico.

Our investigation revealed that in November 2012, well operators conducted production and well work-over operations, which required testing of the BOP system, on the platform. The BOP pressure chart that recorded the testing of the BOP on November 27, 2012, showed that, contrary to specific requirements in the Code of Federal Regulations, only six of the seven required components were tested, and no platform representative had signed or dated the test. Addington, the platform supervisor and highest ranking representative, saw the noncompliant documentation of the BOP test and instructed workers to create a false test. When Bureau of Safety and Environmental Enforcement (BSEE) inspectors conducted a routine inspection of the platform on November 29, 2012, Addington presented the fabricated test chart to the inspectors.

On December 6, 2012, Addington further reported to BSEE inspectors that the false chart he provided was a test of the chart recorder and that the inspectors had mistakenly retrieved the wrong chart, even though he had fabricated the test and personally presented it to the inspectors.

On January 26, 2015, the U.S. Attorney for the Eastern District of Louisiana charged Addington with two counts of false statements. If convicted, Addington faces up to 10 years in prison and a fine of up to \$500,000.

OIG Investigated Former DOI Official for Ties to Renewable Energy Company

We investigated potential improper influence by Steve Black, a former senior counselor to former Interior Secretary Ken Salazar, after learning from U.S. Fish and Wildlife Service (FWS) agents in March 2013 that Black's intimate relationship with a lobbyist for the renewable energy company NextEra Energy Resources may have influenced alternative energy decisions involving the company.

During our investigation, we learned of several other potential issues, which we investigated as well:

- Black's friendships with other NextEra lobbyists;
- the timing of Black's eventual recusal from NextEra projects;
- the timing of the transfer of the lobbyist Black was dating to Washington, DC;
- items of value that Black accepted from NextEra after his recusal;
- Black's interest in becoming the CEO of a professional wind energy association while still employed by the Federal Government; and
- possible pressure placed on FWS and Bureau of Land Management (BLM) employees to move renewable energy projects forward, despite environmental concerns.

We found that, in addition to the lobbyist he was dating, Black was friendly with other lobbyists associated with NextEra. None of the Federal employees we interviewed who were involved in permitting for NextEra projects, however, reported that Black gave preferential treatment to the company or that they felt pressured to make decisions that specifically benefited the company.

We also learned that DOI ethics officials attempted to persuade Black to recuse himself from involvement in NextEra matters, but he did not do so until approximately 6 months after he began dating the lobbyist. In addition, although the lobbyist told us she recused herself from NextEra's DOI-related projects, we found evidence that she remained involved with some of them. We did not find that Black influenced her move to Washington, DC. We confirmed that Black accepted items of value from NextEra, including hotel rooms and meals during business trips he took as the lobbyist's guest, but he repaid these expenses after we interviewed him.

Regarding the other matters we investigated, a DOI ethics official stated that he did not find Black violated any regulations when seeking employment with the wind association. Some FWS and BLM employees, however, did relay concerns about receiving pressure from Black to reexamine their scientific opinions and make unsupportable changes to renewable-energy-related projects.

Black resigned from DOI in May 2013. We referred this report to the Secretary of the Interior for her review and any action deemed appropriate.

Former FWS Refuge Officer Sentenced for Child Pornography

On May 3, 2014, we received information from the U.S. Fish and Wildlife Service (FWS) that Refuge Officer James Coates, who at the time was on detail to the Office of Professional Responsibility (OPR), had allegedly sent a pornographic image of a child from his personal Gmail account.

Google intercepted the image and notified the National Center for Missing and Exploited Children, which conducted a preliminary investigation and turned the matter over to the West Virginia State Police for investigation.

On May 29, 2014, Coates resigned from FWS. The West Virginia State Police arrested him on May 30, 2014, on four counts of possession of child pornography. On September 15, 2014, Coates pleaded guilty to one count of possession of child pornography in the Circuit Court of Jefferson County, West Virginia. The court sentenced him on December 11, 2014, to 2 years in prison, which the judge suspended, and 3 years of probation. Coates was also required to register as a sex offender for life.

Geographer Pleaded Guilty to Possessing Obscene Materials

We investigated U.S. Geological Survey (USGS) Geographer Douglas Wheeler after DOI's Advanced Security Operations Center, which monitors all Internet traffic on the agency's network, had alerted us that a computer assigned to Wheeler was attempting to access sites flagged for hosting child pornography. We monitored Wheeler's network traffic and found at least one image that appeared to depict sexually explicit conduct between a minor child under the age of 12 and an adult abuser. We also found dozens of computer-generated graphics that depicted improper sexual relationships between minor children and adults. A forensic examination of Wheeler's computer later recovered more than 2,000 pornographic images that had been downloaded, 53 of which appeared to depict sexual activity involving individuals under the age of 18.

The U.S. Attorney's Office for the Eastern District of Virginia declined prosecution of this case based on the limited number of images showing potential child pornography. On November 21, 2014, the Virginia Fairfax County police arrested Wheeler and charged him with one count of possession of child pornography. Wheeler pleaded guilty on March 31, 2015, to possessing obscene materials, a misdemeanor in the Commonwealth of Virginia. He was sentenced to 12 months in jail, with 11 suspended, and also received 1 year of probation.

We forwarded our report to USGS for action as deemed appropriate.

Chief Learning Officer Resigned Amid Allegations of Impropriety

We investigated Sandra Wells, Director of the Office of Strategic Employee and Organizational Development (OSEOD) and DOI Chief Learning Officer, after receiving allegations that Wells committed various acts of mismanagement and misconduct. The complaint alleged that Wells hired friends as contractors to conduct training seminars and also hired two friends as GS-15 employees after bragging that the interview process was just a formality.

During our investigation, OSEOD employees further alleged that Wells circumvented procurement regulations to acquire furniture and make other purchases related to OSEOD's move to the second floor of the Stewart Lee Udall Department of the Interior Building and that Wells took an unauthorized extended trip to Alaska.

During our investigation, Wells admitted that the manner in which she hired a friend to develop and teach the One DOI Supervisory course may have violated departmental procurement regulations and also had the appearance of impropriety. We also found that Wells directed the hiring of a speaker for a Senior Executive Service forum and paid the speaker costs that exceeded the contract price. In addition, Wells admitted to wasting Government funds and circumventing procurement regulations during the OSEOD move. We found no evidence, however, that Wells bypassed Federal regulations when she hired the two GS-15 employees or that her trip to Alaska was unauthorized.

Wells resigned from her position with DOI in November 2014.

NPS Associate Director Denied That Friendship With Contractor Constituted Conflict of Interest

OIG investigated several confidential complaints against an associate director with the National Park Service (NPS). The complainant alleged that in 2012 the associate director instructed NPS' Washington Contracting Office to award a noncompetitive cooperative agreement to the National Collaborative for Women's History Sites (NCWHS), whose president was a former NPS employee and a friend of the associate director. The complainant also alleged that NCWHS was not uniquely qualified for a noncompetitive agreement because NCWHS did not have the required capability, knowledge, or expertise to complete the agreement's tasks. Finally, the complainant alleged that the associate director and the associate director's assistant created a hostile work environment and retaliated against employees in their unit, and that the associate director may have used Government travel for personal benefit.

The cooperative agreement was part of a departmental initiative to increase awareness of women's contributions to American history. The agreement authorized the expenditure of almost \$95,000 in Federal funds for NCWHS to research archives and other repositories for historic information that would benefit historical preservation offices' interpretation and preservation programs, and to develop a workshop to assist with evaluating, nominating, and designating properties as national historic landmarks.

The associate director denied that the friendship with the NCWHS president influenced the associate director's decision to initiate the cooperative agreement, but acknowledged that the relationship was not disclosed to NPS contracting officers during the agreement's award process. Both the original contracting officer and the current contracting officer said that the associate director should have disclosed this information to help them avoid the appearance of a conflict of interest, but the current contracting officer did not feel that the associate director had attempted to steer his decisionmaking or acted inappropriately with regard to the agreement.

We also found no evidence that NCWHS failed to meet the "unique qualifications" standard for cooperative agreements. Our interviews of NPS staff and reviews of the agreement's documentation revealed that NPS considered NCWHS to be the organization best suited for completing the agreement's objectives because of NCWHS' focus on women's history and its past work with NPS on similar projects.

We provided our report on this investigation to the NPS Director for any action he deemed appropriate. The Director later informed us that the associate director had been counseled on the requirement to disclose information that might create the appearance of a conflict of interest.

Regarding the remaining complaints, we referred the complaint about hostile work environment and retaliation to the Office of Special Counsel. The complaint about travel abuse was referred to NPS, which reviewed it and found no evidence of impropriety.

Longstanding Public-Private Relationships Resulted In BIE Officials' Conflict of Interest

As the result of Office of Management and Budget interest in a Bureau of Indian Education (BIE) organizational assessment requested in 2009, BIE, under Director Keith Moore and then new Chief of Staff Brian Drapeaux, initiated contractual steps to fulfill this request. Moore's and Drapeaux's interest in Indian education, as well as conversations through the years with educators they had known at the University of South Dakota School of Education, led to their support for the project. They acknowledged having little or no experience with Federal procurement regulations, however, which ultimately led to alleged contractual improprieties with the project.

These allegations resulted in our investigation and identification of a conflict of interest at the highest BIE managerial levels. Although he had been asked by the contract specialist to recuse himself on multiple occasions, Drapeaux failed to recuse himself from the procurement action because of a longstanding friendship with the senior executive of a company applying for the two-part organizational assessment contract; Drapeaux had worked for that company less than 12 months before accepting his BIE position.

The contract specialist alleged that repeated efforts to identify and correct the conflict of interest led to her removal and replacement by a less experienced employee. Our investigation determined that:

1. Drapeaux had worked for PerGroup, the organization applying for the contract, within 12 months of his BIE employment;
2. His close involvement with the procurement process during the time PerGroup competed for and received the contract led to the conflict of interest because Drapeaux had not been separated from PerGroup for the required year prior to his involvement with the contract;
3. The contract specialist's repeated efforts to resolve the conflict resulted in her transfer and replacement;
4. Senior BIE officials involved with the contract appear to have acted in violation of Federal ethics regulations governing impartiality; and
5. Other BIE officials who knew of the conflict appeared to ignore it during the procurement process.

Citing inexperience with Federal regulations, both Moore and Drapeaux expressed frustration that those they felt were well qualified to fulfill the contract had no guarantee of receiving it. The contracting specialist's efforts to remedy Drapeaux's conflict of interest within the requirements of Federal regulations subsequently increased this frustration and caused Drapeaux to ignore all communications from the employee.

We determined that Moore elevated the issue to staff for the Assistant Secretary – Indian Affairs, where further discussions were held. Though originally supporting the contract specialist's actions, the former director for BIA's Office of Acquisition and Property Management determined to move the project along by reassigning it to another office. Ultimately, PerGroup did participate as a subcontractor in the assessment.

Although Drapeaux and Moore had already left the agency by the conclusion of our investigation, the Office of Human Capital Management, Assistant Secretary – Indian Affairs, reported that administrative action had been taken on this case as of September 30, 2014.

U.S. Park Police's Actions After Woman's Disappearance Revealed Issues With Internal Communication, Search Policies

We investigated the actions taken by the U.S. Park Police (USPP) in response to the disappearance and subsequent death of an 83-year-old woman who went missing from Ronald Reagan National Airport in May 2013.

While our investigation revealed that USPP’s actions during the search complied with its policies and procedures, we found that internal communications were sometimes ineffective and the policies covering USPP’s role in missing-person searches were unclear.

On the afternoon of May 3, 2013, Ms. Victoria M. Kong, who was traveling alone and who reportedly suffered from dementia, arrived at National Airport after a trip to visit relatives. Her family had arranged to meet her at the baggage claim area, but security-camera footage showed her leaving the airport instead. The cameras captured a final image of Ms. Kong walking alone up a bicycle path toward Gravelly Point Park, just north of the airport.

The Metropolitan Washington Airport Authority (MWAA) Police Department initiated a search for Ms. Kong when her family realized she was not at the agreed-upon meeting place. Because USPP has patrol responsibility over Gravelly Point, its officers assisted MWAA in the search. Other local law enforcement agencies and volunteers also participated, but Ms. Kong was found dead 3 days later in a wooded area of Gravelly Point.

Our investigation revealed that the shift commander, in a recorded telephone conversation with another USPP officer, described Ms. Kong as a “9,000-year-old Alzheimer’s woman” and said that she probably “went into the [expletive] river.” When we interviewed the shift commander, he admitted that his comments were “crass” and explained that at the time he had been frustrated about staffing shortages on his shift.

Despite the shift commander’s remarks, we found that USPP’s assistance during the search complied with its policies and procedures. We did, however, note two issues:

1. USPP did not always effectively communicate information about the case from shift to shift and person to person, leaving some employees uninformed about USPP’s activities during the search.
2. USPP’s policy governing its response to missing-person incidents does not clearly define its role when assisting another law enforcement agency in a search; it merely leaves search activities up to the discretion of the shift commander on duty.

After we issued our report, USPP took several actions to address our findings. Some USPP personnel were disciplined for misconduct, and USPP updated its policies on professional conduct, disseminating information, and missing-person cases.

Appendices



Investigations Statistical Highlights October 1, 2014 - March 31, 2015

Investigative Activities

Cases Closed.....	243
Cases Opened.....	239
Complaints Received From All Sources.....	384

Criminal Prosecution Activities

Indictments/Informations.....	13
Convictions.....	24
Sentencings.....	18
Jail.....	513 months
Probation.....	708 months
Criminal Penalties.....	\$5,497,163.76
Criminal Matters Referred for Prosecution.....	20
Criminal Matters Declined This Period.....	10

Civil Investigative Activities

Civil Referrals.....	4
Civil Declinations.....	7
Civil Settlements.....	2: \$2,539,560.72

Administrative Investigative Activities

Personnel Suspensions.....	4: 82 days
Reprimands/Counseling.....	13
Resignations.....	4
Removals.....	1
General Policy Actions.....	10
Contractor/Participant Suspensions.....	6
Contractor/Participant Debarments.....	7
Administrative Compliance Agreements.....	2

Audits, Inspections, and Evaluations

Statistical Highlights

October 1, 2014 - March 31, 2015

Audit, Inspection, and Evaluation Activities

Reports Issued.....	29
Performance Audits, Financial Audits, Evaluations, Inspections, and Verifications.....	19
Contract and Grant Audits.....	5
Other Report Types ¹	5

Audit, Inspection, and Evaluation Impacts

Total Monetary Impacts.....	\$39,083,030
Questioned Costs (includes unsupported costs).....	\$6,936,830
Recommendations That Funds Be Put to Better Use.....	\$32,146,200 ²
Audit, Inspection, and Evaluation Recommendations Made.....	173
Audit, Inspection, and Evaluation Recommendations Closed.....	62

¹ Other report types include management advisories, special projects, and other types of reports that are not classified as audits, inspections, or evaluations. These types of reports generally do not contain recommendations.

² Includes \$146,200 in non-Federal funds for the Osage Nation from report CR-EV-BIA-0002-2013.

Reports Issued During the 6-Month Reporting Period

This listing includes all audit, inspection, and evaluation reports issued during the 6-month period that ended March 31, 2015. It provides report number, title, issue date, and monetary amounts identified in each report (* Funds To Be Put to Better Use, ** Questioned Costs, and *** Unsupported Costs).

Audits, Inspections, and Evaluations

Bureau of Land Management

C-EV-BLM-0013-2013

Review of Bureau of Land Management's Concession Management Practices
(03/30/2015)

C-IN-MOA-0002-2013

Review of Bureau of Land Management's Recreation Fee Program
(02/18/2015)

CR-IS-MOA-0005-2014

Energy Related Management Advisories
(11/20/2014)

Indian Affairs

C-IS-BIE-0007-2014

Review of Violence Prevention at the Moencopi Day School
(02/10/2015)

C-IS-BIE-0017-2014

Review of Academic Achievement at the Moencopi Day School
(03/03/2015)

CR-EV-BIA-0002-2013

BIA Needs Sweeping Changes to Manage the Osage Nation's Energy Resources
(10/20/2014)

*\$146,200

Insular Area Governments and Office of Insular Affairs**2015-ER-033**

Verification of Watch Quota Data for Calendar Year 2014 Submitted by Belair Quartz, Inc., Located in the U.S. Virgin Islands
(03/31/2015)

HI-EV-GUA-0002-2012

Guam Memorial Hospital Authority
(12/03/2014)

HI-EV-OIA-0001-2014

Guam Memorial Hospital Authority
(12/03/2014)

Multi-Office Assignment**ISD-IN-MOA-0005-2014**

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for Fiscal Year 2014
(01/29/2015)

X-IN-MOA-0005-2014

Independent Auditors' Report on the U.S. Department of the Interior Financial Statements for Fiscal Years 2014 and 2013
(11/14/2014)

X-IN-MOA-0006-2014

Independent Auditors' Report on the U.S. Department of the Interior Special Purpose Financial Statements for Fiscal Years 2014 and 2013
(11/17/2014)

National Park Service**C-IN-NPS-0012-2013**

Review of National Park Service's Recreation Fee Program
(02/19/2015)
*\$32,000,000

Non-Interior

WR-EV-MOA-0003-2014

Operations of the Office of Navajo and Hopi Indian Relocation
(12/15/2014)

Office of Special Trustee for American Indians

X-IN-OST-0008-2014

Independent Auditors' Reports on the Tribal and Other Trust Funds and Individual
Indian Monies Trust Funds Statements for Fiscal Years 2014 and 2013
(11/07/2014)

Office of the Secretary

ER-EV-PMB-0005-2014

Evaluation of Security Features of the Stewart Lee Udall U.S. Department of the
Interior Building
(12/29/2014)
**\$4,358,221

U.S. Fish and Wildlife Service

CR-EV-FWS-0002-2014

U.S. Fish and Wildlife Service's Management of Oil and Gas Activities on
Refuges
(03/01/2015)

U.S. Geological Survey

CR-IS-GSV-0006-2014

U.S. Geological Survey's Ethics Program
(03/30/2015)

CR-IS-GSV-0008-2014

Information Sharing between the U.S. Geological Survey and the Bureau of
Ocean Energy Management
(10/23/2014)

Contract and Grant Audits

National Park Service

X-CX-NPS-0001-2014

Final Costs Claimed by NY Asphalt, Inc., Under Contract Nos. INPSANDY12003, INP13PX28237, and INP13PX22222 With the National Park Service

(10/21/2014)

\$24,604 *\$963,599

U.S. Fish and Wildlife Service

R-GR-FWS-0002-2014

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Minnesota, Department of Natural Resources, From July 1, 2011, Through June 30, 2013

(12/19/2014)

R-GR-FWS-0007-2014

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of Puerto Rico, Department of Natural and Environmental Resources, From July 1, 2011, Through June 30, 2013

(11/26/2014)

***\$1,261,546

R-GR-FWS-0008-2014

U.S. Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Kansas, Department of Wildlife, Parks, and Tourism From July 1, 2011, Through June 30, 2013

(03/27/2015)

***\$328,860

R-GR-FWS-0009-2014

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Rhode Island, Department of Environmental Management From July 1, 2011 through June 30, 2013

(03/10/2015)

Other Assignment Types

Multi-Office Assignment

2015-FIN-027

Progress Made by the U.S. Department of the Interior in Implementing Government Charge Card Recommendations
(01/29/2015)

ER-SP-MOI-0008-2014

Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior
(10/20/2014)

National Park Service

ER-MA-NPS-0016-2014

Issues Identified During our Audit of Final Costs Claimed by NY Asphalt, Inc., Under Contract Nos. INPSANDY12003, INP13PX28237, and INP13PX22222 With the National Park Service
(10/21/2014)

U.S. Bureau of Reclamation

ISD-IN-MOA-0004-2014A

Information Security Technical Vulnerability Assessment - U.S. Bureau of Reclamation
(01/15/2015)

U.S. Geological Survey

ISD-IN-MOA-0004-2014B

Information Security Technical Vulnerability Assessment - U.S. Geological Survey
(03/31/2015)

Monetary Resolution Activities

Table 1: Inspector General Reports With Questioned Costs*

	Number of Reports	Questioned Costs*	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period.	2	\$3,452,921	\$564,627
B. Which were issued during the reporting period.	4	\$6,936,830	\$2,554,005
Total (A+B)	6	\$10,389,751	\$3,188,632
C. For which a management decision was made during the reporting period.	2	\$4,922,848	\$564,627
(i) Dollar value of costs disallowed.	1	\$564,627	\$564,627
(ii) Dollar value of costs allowed.	1	\$4,358,221	\$0
D. For which no management decision had been made by the end of the reporting period.	4	\$5,466,903	\$2,554,005

*Does not include non-Federal funds.

Monetary Resolution Activities

Table II: 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.	1	\$408,444
B. Which were issued during the reporting period.	1	\$32,000,000
Total (A+B)	2	\$32,408,444
C. For which a management decision was made during the reporting period.**	1	\$4,000,000
(i) Dollar value of recommendations that were agreed to by management.	1	\$4,000,000
(ii) Dollar value of recommendations that were not agreed to by management.	0	\$0
D. For which no management decision had been made by the end of the reporting period.**	2	\$28,408,444

*Does not include non-Federal funds.

**Report No. C-IN-NPS-0012-2013, "National Park Service's Recreation Program," is included in both line C and line D because management has agreed to implement the recommendation involving \$4 million but has not reached a resolution on the recommendation involving \$28 million. In addition, \$408,444 from Report No. ER-IN-FWS-0010-2013 are pending the results of an OIG investigation.

Summary of Reports More Than 6 Months Old Pending Management Decision

This listing includes a summary of audit, inspection, and evaluation reports that were more than 6 months old on March 31, 2015, and still pending a management decision. It provides report number, title, issue date, and number of unresolved recommendations.

Audits, Inspections, and Evaluations

Bureau of Land Management

CR-EV-MOA-0003-2013

Onshore Oil and Gas Permitting, U.S. Department of the Interior
(06/26/2014)

1 Unresolved Recommendation

Bureau of Safety and Environmental Enforcement

CR-EV-BSEE-0006-2013

Offshore Oil and Gas Permitting, U.S. Department of the Interior
(09/30/2014)

1 Unresolved Recommendation

Indian Affairs

CR-IN-BIA-0001-2011

Oil and Gas Leasing in Indian Country: An Opportunity for Economic
Development
(09/24/2012)

1 Unresolved Recommendation

National Park Service

WR-EV-NPS-0022-2013

U.S. Park Police Law Enforcement Services for the Presidio Trust
(09/30/2014)

3 Unresolved Recommendations

U.S. Fish and Wildlife Service

CR-EV-MOA-0006-2012

U.S. Department of the Interior's Underground Injection Control Activities
(03/31/2014)

1 Unresolved Recommendation

ER-IN-FWS-0010-2013

Management of the Coastal Impact Assistance Program in the State of Louisiana
(09/30/2014)

4 Unresolved Recommendations

Peer Reviews of OIG Operations

Audits, Inspections, and Evaluations

Peer reviews are conducted of an OIG audit organization's system of quality control on a 3-year cycle in accordance with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) "Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General," based on requirements in the "Government Auditing Standards." Federal audit organizations can receive a rating of pass, pass with deficiencies, or fail.

In the most recent peer review of our audit organization, the National Railroad Passenger Corporation (AMTRAK) OIG reviewed the system of quality control for our Office of Audits, Inspections, and Evaluations (AIE). Based on its review, AMTRAK determined that AIE's system of quality control in effect for the year ending September 30, 2013, provided reasonable assurance that AIE conforms to applicable professional standards in all material respects. AIE received a peer review rating of pass.

The report's accompanying letter of comment contained four recommendations that, while not affecting the overall opinion, were offered to further strengthen our system of quality control over independence, planning, audit documentation, competence, and reporting. We have implemented all four recommendations.

Investigations

In accordance with the 3-year schedule established by CIGIE, the U.S. Department of Transportation (DOT) OIG conducted a peer review of our investigative operations in December 2013. DOT OIG found that our Office of Investigations fully complied with our internal safeguards and management procedures, and it did not make any recommendations.

We conducted a peer review of the system of internal safeguards and management procedures for the investigative function of the Small Business Administration (SBA) OIG between September 4 and September 15, 2014, in conformity with CIGIE's "Quality Standards for Investigations" and "Qualitative Assessment Review Guidelines." We issued our final report on November 13, 2014; the SBA OIG's system of internal safeguards and management procedures in effect for the reviewing year complied with the quality standards established by CIGIE and the applicable Attorney General guidelines.

Cross-References to the Inspector General Act

		Page
Section 4(a)(2)	Review of Legislation and Regulations	N/A*
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	2-35
Section 5(a)(2)	Recommendations for Corrective Action With Respect to Significant Problems, Abuses, and Deficiencies	2-35
Section 5(a)(3)	Significant Recommendations From Agency's Previous Reports on Which Corrective Action Has Not Been Completed	46-47
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	37
Section 5(a)(5)	Matters Reported to the Head of the Agency	29-30
Section 5(a)(6)	Audit Reports Issued During the Reporting Period	39-43
Section 5(a)(7)	Summary of Significant Reports	2-35
Section 5(a)(8)	Statistical Table: Questioned Costs	44
Section 5(a)(9)	Statistical Table: Recommendations That Funds Be Put to Better Use	45
Section 5(a)(10)	Summary of Audit Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made	46-47
Section 5(a)(11)	Significant Revised Management Decisions Made During the Reporting Period	N/A
Section 5(a)(12)	Significant Management Decisions With Which the Inspector General is in Disagreement	N/A
Section 5(a)(13)	Information Described Under Section 804(b) of the Federal Financial Management Improvement Act of 1996	N/A

*N/A: Not applicable to this reporting period.

Cross-References to the Inspector General Act

		Page
Section 14(A)	Results of Peer Reviews Conducted by Another Office of Inspector General During the Reporting Period	N/A*
Section 14(B)	Most Recent Peer Review Conducted by Another Office of Inspector General	48
Section 15	Outstanding Recommendations From Any Peer Review Conducted by Another Office of Inspector General	N/A
Section 16	Peer Reviews Completed of Another Office of Inspector General During the Reporting Period or Previous Recommendations That Have Not Been Fully Implemented	48

*N/A: Not applicable to this reporting period.



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