

April 2005

Semiannual

REPORT *to the Congress*

HIGHLIGHTS

Saginaw Hill

Contaminated mine waste and open mine shafts posed significant dangers on this Arizona property.

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Floyd Bennett Field

Dilapidated aircraft hangars created unsafe conditions for visitors.

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Recommendations implemented

Review finds that two bureaus carried out previous audit report guidance.

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U.S. DEPARTMENT OF THE INTERIOR
Office of Inspector General

Message from the Inspector General



I am pleased to present the accomplishments of the Office of Inspector General (OIG) from October 1, 2004, through March 31, 2005. During this reporting period, we issued two flash reports to bring attention to highly dangerous safety and health conditions, began penetration testing of the Department's unusual Information Technology (IT) security, and concluded a number of high-profile audits, evaluations, assessments, and investigations, which are summarized in the body of this report.

We issue flash reports only when we find conditions that are unsafe to the point that we believe the Department's senior officials as well as the public must be immediately informed. During this reporting period, the report about the safety hazards at the Saginaw Hill property in Arizona and the report on environmental concerns of public access sites at Floyd Bennett Historic Airfield in Brooklyn, NY, both met the criteria for issuing flash reports. At the Saginaw Hill site, we were concerned for the public's health and safety because contaminated mine waste and open mine shafts pose potential dangers to local residents who live in nearby homes or whose children attend an elementary school about one-third of a mile from the site. For our report on Floyd Bennett Field, our recommendations to the director of the National Park Service were outside the original scope of our audit; however, we felt that the public's unrestricted access to dilapidated structures and precariously stored hazardous materials posed a threat that required immediate action. The Department responded immediately to both reports, and it has made significant progress in mitigating our concerns.

Continually evolving technology provides numerous innovative means of storing and sharing information, although its dynamic nature also presents new challenges in protecting that information and preventing and correcting potential computer security vulnerabilities. The Federal Information Security Management Act (FISMA) requires that the Department maintain the integrity of its electronic data and be vigilant in securing that data from unauthorized internal or external access. The Department has made progress in its security effort and increased its IT security budget, staff, and procurement activities since we first began the FISMA evaluation process; however, given the complexities of the IT landscape and competing priorities within DOI, challenges remain. My office will continue to demand that the Department meet the technology and security standards that the American people deserve and will provide meaningful oversight activities to better inform senior managers and the Congress regarding the state of IT security at the Department.

In keeping with my office's longstanding commitment to promoting excellence, integrity, and efficiency, I submit this Semiannual Report on our recent activities.

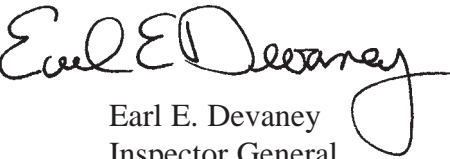

Earl E. Devaney
Inspector General

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Audit Impacts

TOTAL MONETARY IMPACTS	\$9,856,388
Questioned Costs (includes unsupported costs)	\$5,901,471
Recommendations That Funds Be Put to Better Use	\$3,108,264
Lost or Potential Additional Revenues	\$846,653
INTERNAL AUDIT RECOMMENDATIONS MADE	425
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Investigative Activities

CASES CLOSED THIS PERIOD	159
NEW CASES OPENED	215
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Criminal Investigative Results

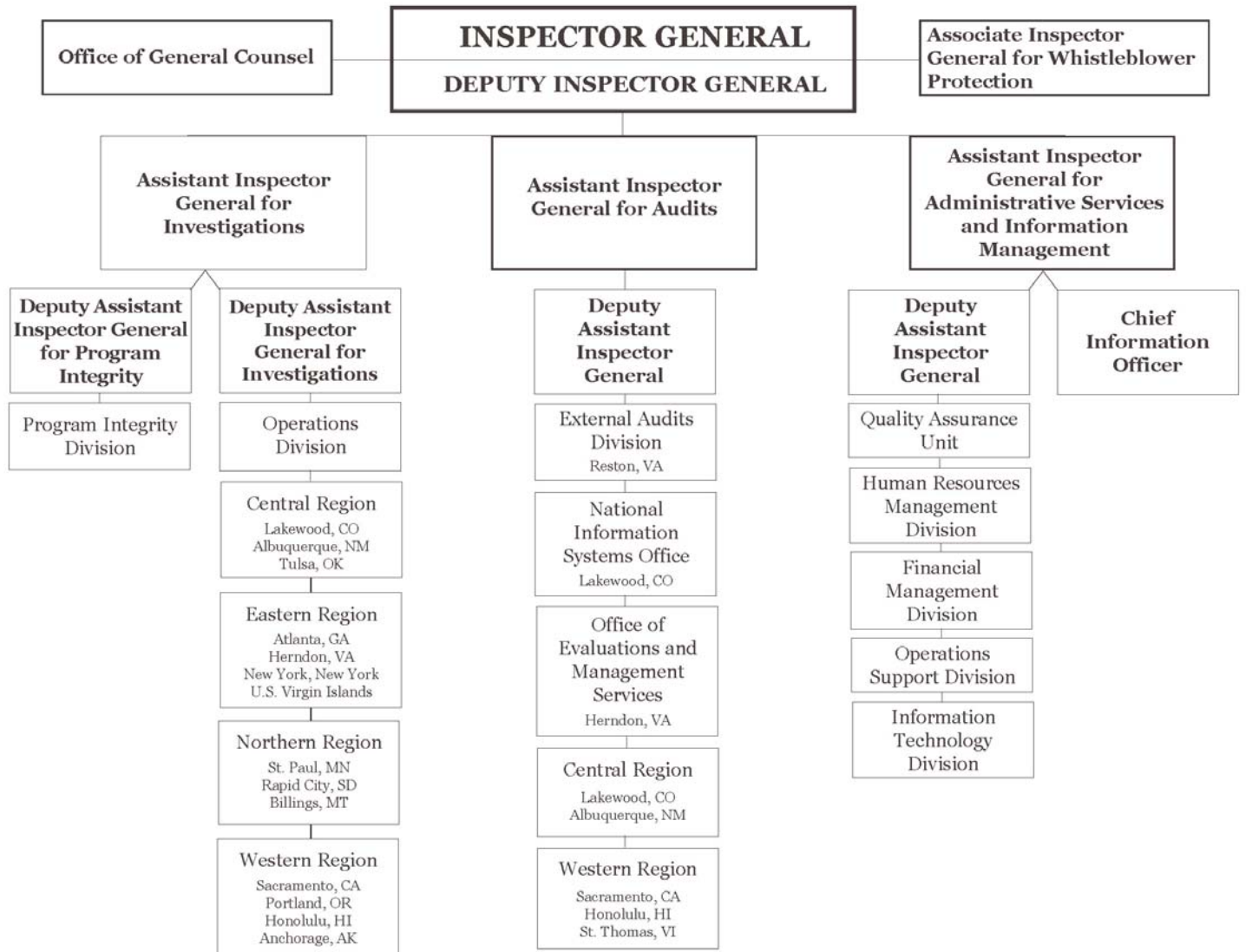
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Jail	95 months
Probation	402 months
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Criminal Judgments/Restitutions	\$1,098,310
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CIVIL RECOVERIES	\$1,750,000
CIVIL DECLINATIONS	2

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Removals	3
Suspensions	9
Resignations	5
Separations	2
Downgrades	1
Last Chance Agreements	1
Reprimands/Counseling	29
Reassignments/Transfers	4
General Policy Actions	5
Administrative Recoveries	\$10,738



MISSION

The mission of the Office of Inspector General is to promote excellence, integrity, and accountability in the programs, operations, and management of the Department of the Interior.



RESPONSIBILITIES

The Office of Inspector General (OIG) is responsible for independently and objectively identifying risks and vulnerabilities that directly impact, or could impact, the Department of the Interior's (DOI) ability to accomplish its mission. We are required to keep the Secretary and the Congress fully and currently informed about problems and deficiencies relating to the administration of departmental programs and operations. Effective implementation of this mandate addresses the public's demand for greater accountability and integrity in the administration of government programs and operations and addresses the demand for programs that work better, cost less, and get the results Americans care about most.

ACTIVITIES

The OIG accomplishes its mission by conducting audits, evaluations, assessments, and investigations relating to the programs and operations of DOI. Our activities are tied directly to DOI's major responsibilities and are designed to assist DOI in developing solutions for its most serious management and program challenges, most notably cross-cutting or department-wide issues. These activities are also designed to ensure that we keep critical issues prominent, which greatly influences key decision makers and increases the likelihood that we will achieve desired outcomes and results that benefit the public.

DOI'S TOP MANAGEMENT CHALLENGES

AS REPORTED IN THE DOI FY 2004 REPORT ON ACCOUNTABILITY

Financial Management

Information Technology

Health, Safety, and Emergency Management

Maintenance of Facilities

Responsibility to Indians and Insular Areas

Resource Protection and Restoration

Revenue Collections

Procurement, Contracts, and Grants



SCRUTINY OF SINGLE AUDITS IDENTIFIES DEFICIENCIES

The Single Audit Act Amendments of 1996 (Act) requires non-federal entities that expend a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year to obtain a single audit for that year. The Office of Management and Budget (OMB) issued Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, to set forth standards for obtaining consistency and uniformity among federal agencies for single audits required by the Act. OMB Circular A-133, Subpart D, Section .400, outlines the responsibilities for federal agencies identified as cognizant or oversight for non-federal entities. One responsibility of cognizant and oversight agencies is to conduct quality control reviews of selected audits made by non-federal auditors.

As part of our responsibility for single audits, we recently completed 102 reviews with the following results:

- Three auditor referrals were made to the American Institute of Certified Public Accountants (AICPA) and various state boards of accountancy for substandard reports.
- Eleven reviews resulted in the auditors reissuing the reports to correct deficiencies.
- Six reviews found that the auditor did not conduct sufficient tests of major programs or that the level of testing did not meet federal requirements.
- Sixty-seven reviews identified errors and deficiencies in the schedule of expenditures of federal awards (SEFA) and schedule of findings and questioned costs.
- Fifty-two reviews found that the audit reporting package was not submitted within the required 9-month time frame after the end of the audit period.
- Fifty reviews identified disagreements between financial statement components and deficient or omitted financial statement disclosures.
- Forty-four reviews identified errors and inconsistencies in the Data Collection Form (SF-SAC).

In addition, the OIG completed four comprehensive Quality Control Reviews (QCRs), which all resulted in requiring the auditors to reissue their reports to correct deficiencies.

DOI AND BUREAU FINANCIAL STATEMENTS UNQUALIFIED

DOI FINANCIAL STATEMENTS

The independent certified public accounting firm of KPMG LLP (KPMG), under contract with the OIG, rendered an unqualified opinion on the consolidated financial statements of DOI for fiscal year 2004. However, KPMG also identified 4 material weaknesses and 12 critical but less significant control weaknesses (reportable conditions). The material weaknesses, which are longstanding, are summarized below:

CONTROLS OVER PROPERTY, PLANT, AND EQUIPMENT

Weaknesses were reported in land rights, acquisitions, construction-in-progress, and leased property. For example, KPMG identified exceptions, such as not transferring costs in a timely manner and capitalizing costs that should have been expensed. As a result, DOI spent considerable time and resources analyzing and adjusting property, plant, and equipment balances.

YEAR-END CLOSING

DOI needs to improve controls over the recording and reporting of year-end transactions to ensure that transactions are promptly and properly recorded for timely and reliable financial reports. For example, KPMG reported that DOI incorrectly recorded approximately \$390 million of cash received in September 2004 as custodial revenue rather than as a decrease to accounts receivable related to the Minerals Management Service (MMS).

INTRA-GOVERNMENTAL RECONCILIATION

DOI is required to reconcile transactions and balances with other federal entities in accordance with Office of Management and Budget (OMB) guidance. However, DOI had not reconciled its non-fiduciary, intra-governmental transactions and balances because it did not perform the reconciliations during the year and because its trading partners did not consistently provide information necessary to properly reconcile the transactions.

TRUST FUND MANAGEMENT CONTROLS

DOI procedures and controls were not adequate to ensure that Indian trust fund activities and balances were recorded properly or timely. For example, controls need to be improved in resolving differences in trust fund balances from prior periods and in special deposit accounts, maintaining documentation for supervised accounts, and recording probate orders.

BUREAU FINANCIAL STATEMENTS

KPMG also rendered unqualified opinions on the financial statements of the National Park Service (NPS), Bureau of Land Management (BLM), Office of Surface Mining (OSM), U.S. Fish and Wildlife Service (FWS), Departmental Offices, Minerals Management Service (MMS), Bureau of Indian Affairs (BIA), Bureau of Reclamation (BOR) and the U.S. Geological Survey (USGS).

COUPLE CHARGED WITH DEFRAUDING UNION TRUST FUND AND U.S. GOVERNMENT OF MORE THAN \$900,000

Two former employees of the National Plastering Industry's Joint Apprenticeship Trust Fund were charged with defrauding the government of more than \$900,000 and using the money for personal expenses, including paying for a country club membership and mortgage payments.

A federal grand jury returned a 15-count indictment against Gilbert A. Wolf, and Janice R. Hughes, both of Davidsonville, MD, charging each defendant with six counts of bank fraud, five counts of mail fraud, two counts of money laundering, and one count of forfeiture of property. They allegedly defrauded DOI, the Department of Labor (DOL), and the Trust Fund of more than \$917,000 in 5 years.

Wolf was the executive director and Hughes was the office director of the Trust Fund, a non-profit training entity governed by the Operative Plasterers' and Cement Masons' International Association (OPCMIA). The Trust Fund provides pre-apprenticeship career training for disadvantaged youth at Job Corps centers administered by DOL and DOI.

According to the indictment, Hughes and Wolf developed a scheme in which they would write, sign, and issue checks — or cause checks to be written, signed, and issued — to current, former, and in some instances, fictitious vendors with whom the Trust Fund purportedly conducted business. These checks for fictional expenses would then be deposited in a hidden account allegedly operated by the defendants. Additionally, they deposited funds from unions belonging to the OPCMIA, their trust funds, and contractors and employers in the form of employee benefit contributions.

Wolf and Hughes allegedly used these stolen funds to pay for their personal expenses, including their mortgage payments, vehicle payments, a country club membership, and payments to various personal credit cards. Moreover, in an attempt to disguise the illegal source of the money, Hughes and Wolf laundered the stolen money through other accounts.

SECURITY OF DOI IT SYSTEMS CONTINUES TO BE ASSESSED

In the annual evaluation required by the Federal Information Security Management Act of 2002, we found improvements in the security over DOI's information systems but further improvements are needed. We noted that DOI's bureaus have not consistently followed DOI's guidance in implementing their security programs. Weaknesses were identified in the Certification & Accreditation process for a sub set of systems, resulting in the DOI's Office of the Chief Information Officer initiating a full quality assurance review of all Certification & Accreditations. We also began an evaluation of DOI's Plan of Actions & Milestones and have begun penetration testing of DOI's Internet accessible resources.

WIRELESS TECHNOLOGIES POSE POTENTIAL SECURITY RISK AND REQUIRE BETTER OVERALL MANAGEMENT BY DOI

Wireless networks and associated wireless communication technology hold great promise for efficiency, ease of use, mobility, and cost effectiveness; they also introduce increased risks to the confidentiality, integrity, and availability to DOI's information resources. Sensitive data can now reside on wireless devices, such as cellular telephones, Personal Digital Assistants, and laptops.

We found that while bureaus and offices had been using at least 700 wireless technology devices for more than 4 years, DOI management had not developed and implemented an overall strategy to manage its wireless capabilities. For example, all wireless network devices were not inventoried.

During our evaluation, DOI issued a policy requiring bureaus and offices to immediately disconnect any wireless network technology from DOI-wired networks. This may have alleviated some security concerns, but it does not address how DOI should handle the inevitable use of wireless technology in the future.

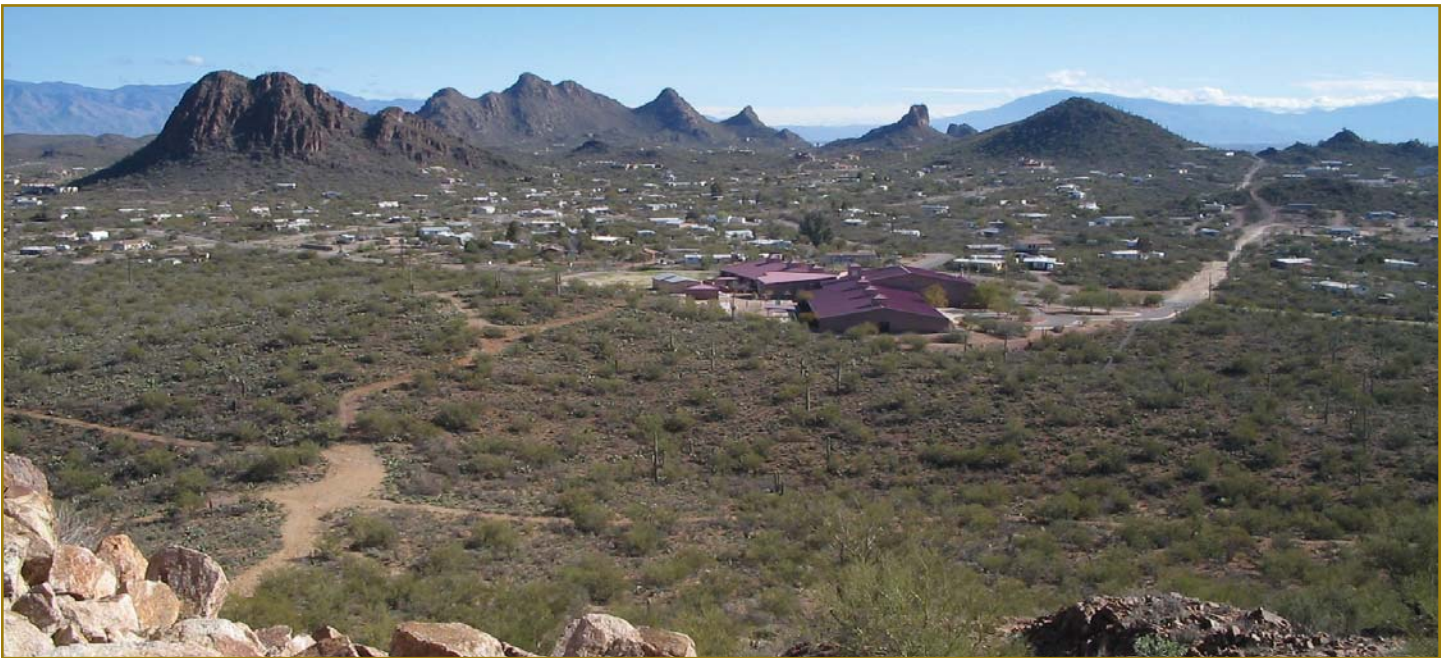
We made six recommendations to improve control over wireless technologies and presented industry best practices for DOI's consideration. DOI officials disagreed with our findings and recommendations, and they stated that they had implemented guidance to control the use of wireless technologies.

We do not agree with the Department; furthermore, we assert that DOI's issuance of limited guidance in fiscal years 2004 and 2005 does not constitute a well-planned program but instead represents an insufficient reaction to previously uncontrolled use of wireless technology by bureaus and offices.



UNRESTRICTED ACCESS ALLOWED AT SAGINAW HILL SITE WHERE ENVIRONMENTAL AND PHYSICAL HAZARDS EXIST

Our office discovered that the Saginaw Hill Property allowed the general public unrestricted access to numerous hazards, including contaminated mine waste and open mine shafts. Our audit of DOI's management of hazardous waste sites included the Saginaw Hill Property, which is a 540-acre parcel of land located in Pima County just outside the city of Tucson, AZ. An Indian casino, an elementary school, and new and existing homes, are immediately adjacent to the site, and we noted that the public often visits this property.



OIG PHOTO

This view from the Saginaw Hill Property shows a well-worn path leading from the school to the site.



An open mine shaft

OIG PHOTO

Our inspection disclosed that there were no signs anywhere on the property prohibiting entry or warning the public of the contamination and safety hazards at the site. Fencing erected in 2003 had been compromised, allowing unrestricted access.

An assessment in 1988 by Pima County identified more than 65 safety hazards, including many open mine shafts. The report recommended that all the open mining hazards be physically identified and covered with suitable materials. During our site visit we located 18 dangerous mine shafts and

determined that BLM had not mitigated many of the previously identified safety hazards.

Additionally, initial testing on a water well on adjacent private land showed unsafe levels of both lead and arsenic in the water. BLM had concerns about the validity of the testing methodology and results, and it plans to conduct additional tests on the well. BLM has known about the contamination at the site since the late 1980s and has not yet notified the National Response Center about the hazardous materials, as required by the Comprehensive Environmental Response, Compensation and Liability Act.

BLM has prepared a Community Involvement Plan to inform the local community of the progress of investigations at the site and to give the community the opportunity to provide input into the selection of removal action alternatives for the site. As of February 2005, this document had not been released to the public. During February, we discussed our findings in an exit conference with BLM officials. On April 11, 2005, BLM issued a Federal Register Notice to inform the public that it permanently closed 20 acres in Saginaw Hill that compromise public health and safety.

[Read full report.](#)



OIG PHOTO

Local residents, such as the ATV rider pictured above, frequently visit the site, unaware of the potential hazards.

ACCOUNTING TECHNICIAN AND FRIEND PLEAD GUILTY TO STEALING COMPUTER PASSWORDS TO EMBEZZLE MONEY

A former BLM accounting technician and her longtime friend pleaded guilty in connection with a scheme to steal more than \$600,000 from BLM.

Michelle Braun, former BLM accounting technician, and Lori O'Brien pleaded guilty in U.S. District Court, District of Colorado, to charges of conspiracy and theft. Additionally, Braun pleaded guilty to computer fraud for exceeding her authorized access to make entries into the BLM Collections and Billing System computer. She used other BLM employees' computer passwords to cause fraudulent BLM checks to be issued to O'Brien, her longtime high school friend.

Braun and O'Brien are scheduled to be sentenced in June 2005.

BLM CONTRACTOR SENTENCED FOR SUBSTITUTING SEED; ANOTHER INDICTED FOR MAKING FALSE STATEMENTS

One BLM contractor was sentenced and another was indicted for their roles in providing BLM with an inferior type of seed as a substitution for the seed that could help revitalize land destroyed by forest fires.

Boyd Goble, president of Goble Seed Company, was sentenced to 37 months of incarceration and 24 months of supervisory release in U.S. District Court, District of Utah, for charges of wire fraud, false statements, and false claims. Goble was also ordered to pay restitution in the amount of \$758,000.



NPS PHOTO

BLM contracted with Goble for the delivery of nearly 155,000 pounds of fourwing saltbush seed, collected from plants growing at higher altitudes in northern states, which is considered vital to the successful stabilization and restoration of lands debilitated by forest fires. Goble submitted invoices to the BLM totaling more than \$3 million after deliberately substituting inferior, less expensive seed, which would die or fail to thrive in the locations where the seed was to be planted.

Workers unload bags of seed at a warehouse.

James Reneau, owner, James Reneau Seed Company, was recently indicted by a federal grand jury in U.S. District Court, District of Colorado, for false statements in connection with his role in the scheme to provide BLM with non-conforming fourwing saltbush seed.



VERIFICATION REVIEW FINDS THAT MMS AND BLM IMPLEMENTED PRIOR AUDIT REPORT RECOMMENDATIONS

As part of our ongoing strategy to make sure that prior report recommendations were implemented as reported to DOI, we performed two verification reviews.

In the first review, we checked on two recommendations contained in our August 1999 audit report on the royalty rate reductions program for stripper (low producing) oil wells. The 1999 report made two recommendations to address the lack of an adequate system to process stripper royalty rate reduction notifications or to verify the reported royalty rates in a timely manner.

We determined, after interviewing program personnel and reviewing documentation MMS submitted to close the recommendations, that MMS actions were sufficient to implement the recommendations.

In the second verification review, we examined actions to implement two of eight recommendations made in our March 1995 audit report to correct weaknesses in BLM's right-of-way program. The two recommendations called for BLM to determine its actual costs to process right-of-way applications and to develop procedures to timely accumulate reimbursable costs on major right-of-way projects.

We found that BLM performed a study and proposed changes to its cost recovery procedures in new right-of-way regulations and issued procedures for expeditiously tracking the reimbursable costs on right-of-way projects. We believe that the changes are appropriate and will result in BLM increasing the fees for granting rights-of-ways.



[Read full MMS report.](#)

[Read full BLM report.](#)



TRIBAL LEADER, TEXAS STATE REP, CASINO MANAGER, AND OTHERS INDICTED FOR TRYING TO STEAL \$1 MILLION

Seven individuals were indicted by a federal grand jury in the U.S. District Court, Western District of Texas, in connection with a scheme to steal nearly \$1 million in tribal funds.

Those indicted include Raul Garza, Sr., former Kickapoo tribal leader; Isidro Garza, Jr., tribal gaming representative; Martha Garza, Isidro Garza, Jr.'s wife; Texas State Representative Timoteo Garza, Isidro Garza, Jr.'s son; Arthur Lee Martin, former Kickapoo casino manager; Isidro Xavier Garza, Isidro Garza, Jr.'s son; and Jose J. Ruiz, former tribal attorney. They were charged with embezzlement of tribal and casino funds and conspiracy to commit theft for a scheme intended to steal more than \$900,000.

Allegedly, Isidro Garza, Jr., manipulated casino operating accounts for personal benefit and used the casino's American Express corporate credit card to fund approximately \$40,000 in campaign expenses during his 2000 election bid for the U.S. House of Representatives.

Raul Garza, Sr., is accused of stealing more than \$1,700 from the Kickapoo Community Health Services, withdrawing more than \$213,000 from the casino cash cage, and using casino corporate credit cards to purchase two All Terrain Vehicles (ATVs) and \$58,000 worth of furniture and household appliances for both of his houses — one in the United States and one in Mexico.



Additionally, Isidro Garza, Jr.; Raul Garza, Sr.; and Ruiz allegedly devised a scheme to transfer a \$311,000 loan from an insurance company intended for casino improvements. The defendants allegedly transferred the loan money from the casino's checking account into Ruiz' law office escrow account to be used as they saw fit.

Raul Garza, Sr.; Isidro Garza, Jr.; Martha Garza; and Martin were also charged with conspiring to violate civil rights for oppressing, threatening, and intimidating members of the Kickapoo Traditional Tribe of Texas in the free exercise and legal right to petition the Tribal Council. Members of the tribe wanted to hold a recall election to remove Raul Garza, Sr., and other members of the Tribal Council from office. Allegedly, the defendants interfered with meetings of the tribal election committee and threatened to withhold those loans that they provided to individual members unless that member would sign an affidavit to have his or her name removed from the recall petition.

This investigation is part of a multi-agency task force.

MEMBER OF SKULL VALLEY BAND OF GOSHUTES PLEADS GUILTY TO LESSER FELONY CHARGE IN FRAUD CASE

A member of the Skull Valley Band of Goshutes pleaded guilty to a lesser charge of misusing tribal funds in exchange for assisting the government attorneys against the other defendants in the case.

Tribal member Sammy Blackbear was accused of illegally accessing tribal accounts. He and Goshute tribal members Marlinda Moon, Miranda Walsh, and their attorney, Duncan Steadman, were each charged with one count of theft from an Indian tribal organization and five counts each of bank fraud and aiding and abetting. Blackbear's sentencing and restitution hearing are still pending.

The indictment accused the three Goshutes and Steadman of using a fabricated, notarized certification of tribal election to access tribal bank accounts and open new ones. The foursome was accused of opening new accounts and transferring nearly \$385,000 from other accounts. Prosecutors also accused them of withdrawing \$250,000 from the tribe's bank account.

The indictment also alleged that the foursome used the document to secure a \$45,800 check from Zions Bank, which they deposited into a Wells Fargo Bank account and used for unauthorized purposes. The indictment claimed Steadman received about \$11,000 of that money.

The indictments followed an investigation conducted jointly by our office with the U.S. Attorney's Office, the FBI, and the Internal Revenue Service (IRS) of alleged corruption within the Goshute Tribe.

TWO EMPLOYEES OF FORT BELKNAP INSURANCE COMPANY PLEAD GUILTY TO EMBEZZLEMENT AND THEFT CHARGES

Two employees of the Fort Belknap Insurance Company, including a tribe's former Chief Executive Officer, pleaded guilty to theft/embezzlement from an Indian Tribal Organization for personal use of an unauthorized debit card.

As we reported in our last Semiannual Report, we conducted an investigation of suspected embezzlement by Gregory Morris Powderface, a contract employee and former Chief Executive Officer of the Tribe, and Roxanne Blue Horse, the former accounting technician of the insurance company, at the request of elected officials of the Assiniboine and Gros Ventre Tribes of the Fort Belknap Indian reservation.

Powderface pleaded guilty to one count of theft/embezzlement from an Indian Tribal Organization and one count of filing a false tax return. He was sentenced to 18 months incarceration and 36 months of supervised probation, and he was ordered to pay restitution of about \$68,000 to the Fort Belknap Insurance Company.

Blue Horse, pleaded guilty to a misdemeanor violation of theft/embezzlement from an Indian Tribal Organization. She was sentenced to 6 months incarceration and 12 months of supervised probation, and she was ordered to pay restitution of about \$1,800 to the Fort Belknap Insurance Company.

CROW FINANCE DIRECTOR AND OTHERS CONVICTED AND SENTENCED IN SCHEME TO HELP CHAIRMAN PAY LEGAL FEES

Four people, including the former finance director, have pleaded guilty to charges relating to a scheme in which they created fake contracts to steal tribal money to help pay for their former tribal chairman's legal bills.

Our office conducted this investigation into allegations that Kelly Passes, former Crow Tribe Finance Director, created fictitious contracts and inflated real contracts worth thousands of dollars and awarded them to friends and family for the express purpose of generating money for former Crow Tribal Chairman Clifford G. BirdinGround's legal defense.

As we reported in our last Semiannual Report, Kelly Passes, his brother Brenden Passes, and tribal members Harvest White and Elliot Mountain Sheep were indicted for their roles in a kickback scheme designed to steal money from the Crow Tribe of Indians to help Chairman BirdinGround pay for his defense attorneys in regards to criminal corruption charges he was facing.

Our investigation revealed that Kelly Passes created a fictitious contract for his brother and inflated the amount of contracts awarded to White and Mountain Sheep. Since our last report, these four individuals pleaded guilty and were sentenced as follows:

Kelly Passes pleaded guilty to four counts of conspiracy and one count of obstruction of justice and was sentenced to 1 year of custody for each of the five counts to be served concurrently. Passes was also ordered to make restitution to the Crow Tribe of Indians in the amount of \$57,200.

Elliot Mountain Sheep pleaded guilty to one count of theft from an Indian tribal organization and was sentenced to 2 years probation and was ordered to make restitution to the Crow Tribe of Indians in the amount of \$25,000.

Brenden Passes pleaded guilty to one count of theft from an Indian tribal organization and was sentenced to 3 years probation and was ordered to make restitution to the Crow Tribe of Indians in the amount of \$14,000.

Harvest White pleaded guilty to one count of theft from an Indian tribal organization and was sentenced to 2 years probation and was ordered to make restitution to the Crow Tribe of Indians in the amount of \$8,200.

Additionally, Kelly Passes admitted his role in the creation of a fictitious consulting contract awarded to Tammy Findley, Court Clerk, Big Horn County Courthouse, Hardin, MT. Findley is the mother of Kelly Passes' children. She performed no work on this contract, although she negotiated two \$5,000 tribal checks, with the proceeds going to BirdinGround to pay for his defense attorney. Trial on this matter is currently pending in the District of Montana.

FORMER FORT SILL APACHE CONSULTANT PLEADS GUILTY TO RESELLING DISCOUNT MEDICAL DRUGS FOR PROFIT

A former consultant to the Fort Sill Apache Tribe (FSAT) pleaded guilty to charges relating to a plan to illegally buy discount pharmaceuticals and resell them for profit.

Fred Solmor and Wilbur “Bill” Swift, Jr., formerly under a consulting agreement with the FSAT to establish a tribal pharmacy, allegedly illegally purchased pharmaceuticals at discounted federal-contract prices. Swift and Solmor then resold the pharmaceuticals for personal profit. Swift and Solmor abused the FSAT’s federally recognized status and its Indian Self Determination Act contracts to obtain these discounted pharmaceuticals, which were restricted for the tribe’s internal use and not eligible for resale. The investigation determined that Swift and Solmor approached several other federally recognized Indian tribes throughout the United States to promote this same scheme.

As we reported in our October 2004 Semiannual Report, Solmor and Swift were charged with interstate transportation of property obtained by fraud in connection with this illegal pharmaceutical diversion fraud scheme. Further court action against Swift is pending.



Solmor pleaded guilty in U.S. District Court, Southern District of Texas, to interstate transportation of property obtained by fraud. Sentencing is pending.

This investigation was conducted by our office, the Food and Drug Administration, and the FBI.

THREE FORMER LOAD STAR CASINO EMPLOYEES INDICTED FOR PAYROLL ADVANCE AND CHECK-CASHING SCHEMES

Three former employees of Crow Creek Sioux Tribe’s casino were indicted for their roles in a payroll advance scheme and check-cashing scheme, which netted them thousands of dollars.

Charlene Azure, former General Manager; Vienna Gourneau, former payroll clerk; and Sylvia Rockwood, former accounts payable clerk of the Load Star Casino, Crow Creek Sioux Tribe, were indicted by a federal grand jury in U.S. District Court, District of South Dakota, for theft charges related to their employment at the Load Star Casino.

Allegedly, Azure, Gourneau, and Rockwood carried out a fraudulent payroll advance scheme through which they obtained approximately \$74,000 for their own personal use and benefit. In addition, Azure allegedly carried out a fraudulent check-cashing scheme through which she obtained an additional amount of approximately \$33,000 for her own personal use and benefit.

National Indian Gaming Commission investigators assisted our office in this case.

ROAD CONSTRUCTION COMPANY SETTLES CIVIL CASE

Three engineering companies agreed to pay the U.S. Government \$250,000, and incur approximately \$1.5 million in expenses to repair a 12-mile road located on the Cheyenne River Indian Reservation.



in completing the road repairs.

This agreement was reached to resolve claims filed under the False Claims Act after the companies used inferior base aggregate materials to complete a \$3.5 million BIA road construction contract.

Engineering firm Aaron Swan & Associates, of Pierre, SD, will make the \$250,000 payment and join with Roadmakers, Inc., of Bismark, ND, and Duininck Brothers, Inc., of Prinsburg, MN,

Specifically, our investigation revealed that contractor personnel used laboratory reports to falsely reflect that base aggregate materials met federal contract specifications.

JUVENILE DETENTION CENTER SUPERVISOR AND CONTRACTOR PLEAD GUILTY TO BRIBERY CHARGES

The former supervisor and a contract employee of a juvenile detention center pleaded guilty to bribery charges stemming from an illegal agreement to exchange inflated and fictitious invoices for cash.

Pauline Jackson, correctional supervisor of the Fort Peck Juvenile Detention Center in Poplar, MT, pleaded guilty to bribery. She was sentenced to 12 months incarceration and 36 months supervised probation, and she was ordered to pay restitution to the BIA in the amount of about \$7,000.

Raymond Dolezilek, a contract employee who provided technical assistance to the Fort Peck Juvenile Detention Center, pleaded guilty to bribery. He has not been sentenced yet.

Our investigation revealed that Jackson, who supervised 23 employees, conspired with Dolezilek to have him prepare and submit inflated and fictitious invoices. Jackson agreed to overpay Dolezilek in exchange for cash kickbacks from Dolezilek on the fraudulent invoices.

Our investigation identified 50 invoices submitted for payment by Dolezilek to the juvenile detention center between October 2001 and September 2002, totaling nearly \$31,000.

FORMER NON-PROFIT COORDINATOR SENTENCED FOR EMBEZZLING MONEY INTENDED FOR INDIAN SCHOOLS

A former non-profit program coordinator was sentenced for embezzling money intended for Native American public schools.

Franklin E. Akoneto, former program coordinator, Lawton Johnson O'Malley Parent Committee, Inc., pleaded guilty in U.S. District Court, Western District of Oklahoma, and was sentenced to 5 months in prison for his role in an embezzlement fraud scheme.

Akoneto was charged with stealing funds from Lawton Johnson O'Malley Parent Committee, Inc., a non-profit organization that provides monetary assistance to children enrolled in a Native American education program. His scheme cost the BIA thousands of dollars intended for Native American children attending public schools in and around Lawton, OK.

Akoneto was also ordered by the court to spend 5 months of home confinement with electronic monitoring and to pay nearly \$36,000 in restitution to the BIA.

SCHOOL TECHNOLOGY COORDINATOR AND ACCOUNTS PAYABLE OFFICER INDICTED FOR THEFT/EMBEZZLEMENT

Two former employees of Marty Indian School (MIS) in South Dakota were indicted for theft and embezzlement charges, and one has pleaded guilty.

Richard Kazena, former MIS technology coordinator, and LaDonna Frederick, former MIS accounts payable officer, were indicted by a federal grand jury in South Dakota for theft and embezzlement charges.

Frederick pleaded guilty in a South Dakota federal court to one count of theft from an Indian Tribal organization. Sentencing is scheduled for June 10, 2005. Frederick fraudulently claimed and received approximately \$7,000 in overtime pay and used MIS credit cards to obtain more than \$30,000 in cash payments, which she used to gamble.

The indictment alleges that Kazena fraudulently claimed and received approximately \$19,000 in overtime pay. MIS is fully funded through the BIA's Office of Indian Education Programs.

HEALTH DIRECTOR CONVICTED OF MONEY LAUNDERING

A former Kickapoo Tribe health director was convicted of money laundering and embezzlement.

A federal jury convicted Maricela Mendoza, former Community Health Director, Kickapoo Traditional Tribe of Texas, for embezzling federal funds from the Kickapoo Tribe's health care program, as well as for money laundering. Kickapoo Community Health Services funds are used to pay for medical treatment and medication for tribal members.

The jury also awarded the federal government a monetary judgment against Mendoza in the amount of \$102,000. We had previously reported Mendoza's indictment in our April 2004 Semiannual Report.

MECHANIC PLEADS GUILTY, SUSPENDED FOR 30 DAYS FOR IMPROPER USE OF GOVERNMENT CREDIT CARD

A BIA mechanic who pleaded guilty to improperly using his government charge card in exchange for kickbacks has been suspended from his job.

Monte V. Whalen, BIA maintenance mechanic, Pine Ridge Agency, Pine Ridge, SD, received a 30-day suspension and a "Last Chance Agreement," which places strict conditions on Whalen's employment with BIA, in connection with his felony guilty plea.

We previously reported in our April 2004 Semiannual Report that Whalen, cooperating with several others, took part in a scheme known as "Operation Card Trix." Our investigation revealed that Whalen used a BIA-issued charge card to purchase nearly \$50,000 worth of electrical merchandise from West Lite Corporation. Whalen admitted that he made the purchases for the BIA Facilities Branch, Pine Ridge Agency, in exchange for kickback payments; he received a total of \$2,315.

VIRGIN ISLANDS PORT AUTHORITY LACKS CONTROL OVER PROCUREMENTS, MAY NOT USE FUNDS EFFICIENTLY

Our audit of the Virgin Islands Port Authority found that the Port Authority did not have adequate control over its procurement function and lacked assurance that it used funds efficiently.

During fiscal years 2002 and 2003, the Virgin Islands Port Authority awarded 24 construction and/or project management contracts for 11 capital improvement projects totaling \$85.3 million. Additionally, the Port Authority paid six professional service providers a total of \$1.9 million over periods of up to 6 years and issued 2,158 purchase orders totaling \$3.9 million during fiscal years 2002 and 2003. In completing these procurements, the Port Authority did not always comply with applicable federal and local procurement requirements, resulting in inadequate control over its procurement function and a lack of assurance that it used funds efficiently.

The Port Authority recognized that significant improvements in procurements were needed but did not agree with all our findings. Our findings are accurate, and we have asked the Port Authority for additional information on the status of the report's 10 recommendations.



Port Authority Inadequacies

SPECIFICALLY, WE FOUND THAT THE PORT AUTHORITY DID NOT:

Adequately document the process used to select contractors for major capital improvement projects.

Maintain complete contract files and require that contractors submit all necessary documents, including evidence of liability insurance coverage and appropriate business licenses.

Adequately plan a major construction project to minimize the need for contract change orders totaling \$13.7 million.

Use required competitive negotiations for all professional services to ensure that the most cost-effective combination of price and quality of service was obtained.

Issue contracts for all professional services, or did not issue contracts until the majority of work had been performed and significant payments had already been made to service providers.

Solicit at least two price quotations for purchases of \$2,500 or less, and did not issue contracts to vendors for purchases over \$2,500, as required by internal policies.

Deduct gross receipt taxes of \$846,653 from payments to contractors who performed services for the Authority, as required by the Virgin Islands Code.

FORMER DIRECTOR OF AMERICAN SAMOA GOVERNMENT'S DEPARTMENT OF EDUCATION PLEADS GUILTY TO FRAUD

The former director of the American Samoa Government Department of Education pleaded guilty to conspiring to commit bribery and fraud, admitting that he accepted cash and goods in exchange for fraudulently awarding contracts.

Kerisiano Sili Sataua, former director of the American Samoa Government Department of Education, pleaded guilty to one count of conspiring to commit bribery and fraud concerning federal programs. Sataua admitted to defrauding the U.S. Territory of American Samoa and federal agencies of at least \$61,000. Sataua also admitted that he agreed to fraudulently award contracts to his co-conspirators and their companies in exchange for cash and goods.

This is a joint investigation with the FBI and the U.S. Department of Education's Office of Inspector General. Sataua was prosecuted by the Public Integrity Section of the U.S. Department of Justice, Criminal Division.



NPS ADDRESSES IMMEDIATE PUBLIC SAFETY CONCERNS AT FLOYD BENNETT FIELD HISTORIC AIRFIELD IN NEW YORK



Read full report.

OIG PHOTO

Items stored haphazardly at the air hangar at Floyd Bennett Field.

During our audit of DOI's management of hazardous waste sites, we discovered dangerous conditions that are potential threats to visitors at Floyd Bennett Field, a historic airfield that is part of NPS's Gateway National Recreation Area. We promptly brought these hazards to the attention of management in a flash report.

We saw that the general public had unrestricted access to two aircraft hangars on the area that were dilapidated and presented potential safety risks. These hangars were not locked or secured in any way, and we did not observe any signs instructing the public not to enter. Dangerous conditions included:



OIG PHOTO

Partially collapsed roof

Unsafe structural conditions such as a partially collapsed roof. (Pictured, left.)

Unsecured storage of machinery, industrial equipment, chemicals, and other unlabeled and unknown substances. (Pictured, right.)

Uncovered vertical shafts, approximately 4- to 5-feet deep, some of which were filled with water, in the concrete floor of both aircraft hangars.



OIG PHOTO

Barrels used to store chemicals

NPS expeditiously responded to our report and informed us that corrective action had either already been taken or was underway.

COSTS OF MAINTAINING NATIONAL PARK SERVICE FACILITIES NOT ACCURATELY RECORDED OR REPORTED

NPS did not accurately capture or report its facility maintenance costs. Consequently, NPS does not know how much was or is being spent on facility maintenance activities.

Between fiscal years 2001 and 2003 NPS requested and received \$341 million more than it recorded spending for facility maintenance activities. We also found that there was little or no relationship between the facility maintenance work being done and labor costs recorded in the accounting system. This indicated that the problem was one of inaccurate data collection or recording rather than nonperformance of maintenance.



NPS PHOTO

A snow plow clears the road at Glacier National Park.

We identified four specific areas where NPS needs to make significant improvements — (1) accounting for time, (2) providing guidance to parks, (3) monitoring facility maintenance reporting, and (4) realigning the budget requests between facility operations and facility maintenance funds. NPS concurred with the findings and recommendations and also directed its regional directors to review all maintenance charges and ensure that they accurately reflect the type of maintenance that was conducted.

[Read full report.](#)

AUDIT FINDS INADEQUATE SUPPORT FOR COSTS CLAIMED BY GATEWAY NATIONAL RECREATIONAL AREA CONTRACTOR

An audit disclosed that an NPS contractor, The Ryan Company, Inc., submitted a claim for \$3 million more than its records support for the cost of a project.

The Ryan Company, Inc., submitted a claim for additional costs it alleges it incurred on an NPS contract for modifications to the utility systems at Gateway National Recreation Area. The claim was related to the cost of installing a sewage pipe under the Rockaway Inlet in New York.

Specifically, the Ryan Company claimed that it spent \$6.6 million to complete installation of the sewage pipe because differing site conditions and defective contract specifications caused Ryan to make multiple attempts before it was able to successfully drill under the Rockaway Inlet and install the pipe. By contrast, the contract included \$1.6 million for this task. Our audit disclosed that Ryan could provide records to support only \$3.2 million of the \$6.6 million claimed.



COAL MINE INSPECTIONS AND BOND RELEASES COMPLETED IN ACCORDANCE WITH LEGAL REQUIREMENTS

OSM is responsible for reclaiming and restoring land and water degraded by mining prior to 1977, minimizing off-site impacts during mining operations since 1977, and ensuring that land is restored to beneficial use after mining has ceased. The Surface Mining Control and Reclamation Act (SMCRA) of 1977 grants OSM this authority.

We evaluated the adequacy of inspection and bond release activities, potential regulatory program cost savings, and OSM's Government Performance and Results Act (GPRA) performance measures related to these activities. We concluded that the processes for performing surface mining inspections and bond releases were in compliance with SMCRA and OSM regulations for the four states we reviewed. Also, we concluded that current OSM regulations may require excessive inspections of low-risk mining sites. OSM's GPRA measure on bond release acreage is not appropriate because it is not under the control of OSM managers and is output oriented. In addition, we identified weaknesses in the GPRA data collection and verification processes.

We made six recommendations to the OSM director to improve the mine inspection process and GPRA reporting. All six recommendations have been resolved.

[Read full report.](#)

Office of the Special Trustee for American Indians

OPINION ON TRUST FUND FINANCES REMAINS QUALIFIED

The independent certified public accounting firm of KPMG LLP (KPMG), under contract with the Office of the Special Trustee for American Indians (OST), issued a qualified opinion on the Indian and Other Trust Funds and Individual Indian Monies Trust Funds financial statements for fiscal years 2003 and 2004 managed by OST.

According to KPMG's report, inadequacies in certain DOI trust-related systems and processes, disagreements with trustees on account balances, and legal claims against the U.S. Government made it impracticable for the auditors to extend auditing procedures to determine the fairness of trust fund balances. The report also identified material weaknesses related to OST's reliance on processing trust transactions at BIA and unresolved financial reporting issues from current and prior periods. KPMG also identified a reportable condition pertaining to internal controls over information technology systems.

This is the ninth consecutive time that the statements have been audited under OIG oversight and have received a qualified opinion.



AUDITS OF GRANTS AWARDED TO STATE AND INSULAR AREA GOVERNMENTS FIND POTENTIAL SAVINGS OF \$5.5 MILLION

Audits of grants that the FWS awarded to four states and one insular area government for sport fish and wildlife restoration projects revealed a potential savings of \$5.5 million. The grants finance up to 100 percent of projects sponsored by Insular Areas and 75 percent of state-sponsored projects, such as developing sites for boating access and acquiring and managing natural habitats.

During audits of grants in four states and one territory, we questioned the eligibility for reimbursements of \$2,468,216 and identified income of \$3,059,264 from grant-supported activities. The income could be used to defray program cost.

A breakdown of the significant issues disclosed in the audits follows. FWS is working with the states to resolve these matters.

The state of [New Jersey](#) claimed ineligible costs of \$548,749 primarily for labor and related indirect costs for non-federal grant activities. The legislature appropriated \$2 million from the state's license and permit funds for use on park improvements representing a potential diversion of \$2 million. In addition, program income of \$177,576 from leases on wildlife management areas and \$49,000 from the disposal of vehicles were not reported to FWS.

The state of [Colorado](#) claimed \$384,965 for volunteer instructors that was not supported by time sheets, and \$296,027 for a transfer of funds to another state agency without any supporting documentation. The state also did not report program income of \$56,153 derived from state wildlife areas receiving federal assistance.

The state of [North Carolina](#) overcharged FWS grants by approximately \$928,000 as a result of duplicating the fringe benefit rate for Social Security and Medicare. The state also underreported program income of \$2,825,535 on state game lands.

The state of [New Hampshire](#) claimed \$44,726 in media equipment usage charges that were unsupported. We also found that the state had not implemented recommendations from our prior audit report regarding the inability to reconcile its federal assistance accounting system to the state's official accounting system.

The Insular Area of [American Samoa](#) claimed excess drawdowns of \$19,574, and unsupported, unnecessary, and unreasonable costs of \$246,175. This included indirect costs for which the government did not have an approved indirect cost rate.

Summary of Ongoing Investigative Activities

BIA SENTENCINGS

FORMER TREASURER SENTENCED

The former treasurer of the Eagle Nest District was sentenced for stealing money from the organization for personal use.

Hanna Amiotte, former treasurer, Eagle Nest District, Oglala Sioux Tribe, Wanblee, SD, was sentenced in U.S. District Court, District of South Dakota, to 2 years of probation, ordered to pay restitution in the amount of \$1,600, and ordered to pay a special assessment fee of \$100 for theft from an Indian Tribal Organization. Amiotte stole funds from the Eagle Nest District by writing district checks to various casinos and using Eagle Nest District funds for her personal use.

FORMER SOCIAL SERVICES DIRECTOR SENTENCED

Richard Thomas, former Social Services Director, Santee Sioux Tribe of Nebraska, was sentenced in U.S. District Court, District of Nebraska, to 2 years of supervised probation, 80 hours community service, and ordered to pay restitution in the amount of approximately \$5,600.

As we reported in our last Semiannual Report, Thomas pleaded guilty to charges of theft from a program that receives federal funds and theft from an Indian tribal organization. Thomas used a tribal credit card for personal expenses, including making cash withdrawals at casinos. Thomas paid the credit card charges with checks he diverted from the Santee Sioux Tribe. These checks included federal funds received from the BIA through a Public Law 93-638 contract.

FORMER SCHOOL CUSTODIAN SENTENCED



A former school custodian was sentenced after spending government money that was accidentally deposited in her account.

Jeanette Lawrence, former custodian, Tate Topa Tribal Grant School, Fort Totten, ND, was sentenced in U.S. District Court, District of North Dakota, to 2 years of probation for theft of government property. Lawrence was ordered to pay approximately \$20,000 in restitution to DOL, to pay a special assessment fee of \$100, and to perform 100 hours of community service. Lawrence was also ordered to attend a gambling addiction evaluation program.

As reported in our last Semiannual Report, Lawrence, who had been receiving worker's compensation since March 1998, spent more than \$20,000 of federal funds, knowing that she was not entitled to it. DOL had inadvertently deposited an overpayment of worker's compensation benefits into Lawrence's bank account.

BLM GUILTY PLEA

FORMER PETROLEUM ENGINEERING TECHNICIAN PLEADS GUILTY

A former BLM employee pleaded guilty to making false statements related to his attempts to conceal non-government work and claim overtime pay.

John James, former petroleum engineering technician, BLM, pleaded guilty to one count of making false statements in the U.S. District Court of Wyoming. James attempted to conceal his non-government work from BLM by submitting false Confidential Financial Disclosure Reports. James also submitted official Time and Attendance records to the BLM containing false overtime claims totaling approximately \$4,745.

James was sentenced to 2 years of probation and was ordered to pay the full amount of the overtime claims in restitution.

NPS GUILTY PLEA

FORMER MAINTENANCE WORKER PLEADS GUILTY

Todd Anthony Jeanes, former maintenance worker, Buffalo National River, NPS, pleaded guilty to one count of theft of government property, in the Western District of Arkansas, U.S. District Court. While employed with NPS, Jeanes stole and sold NPS property on eBay.

Jeanes resigned from NPS prior to the completion of the investigation. Jeanes was released on bond. Further court action is pending.

BIA GUILTY PLEA

SCHOOL INFORMATION TECHNOLOGY ASSISTANT PLEADS GUILTY

A Crow Indian School Information Technology (IT) assistant pleaded guilty to theft after using the school's credit card to buy a big screen TV, leather recliners, and a DVD player.

A BIA investigation into the administration of Johnson O'Malley educational funding provided to the Lodge Grass Schools on the Crow Indian reservation revealed the misuse. Marion Not Afraid Calvin, IT assistant, misused the school's credit card to purchase numerous personal items including a Phillips 43" big screen television, DVD player, digital camcorder, two leather recliners, and a Sony PlayStation Game console. A search of her home in May 2004, revealed that many of these items were located there. Calvin pleaded guilty to a felony theft charge. She has not been sentenced yet.

FWS TERMINATION

FORMER INFORMATION TECHNOLOGY SPECIALIST TERMINATED

Mark Cantrell, former information technology specialist, FWS, was terminated from federal service for creating a false government identification (ID) card. Our investigation disclosed that Cantrell created the false government ID card and, with the assistance of Randol Martinez, former FWS contractor whose contract was not renewed, provided it to a private citizen. The private citizen subsequently used the false government ID card to obtain a federal government reduced lodging rate.

SUMMARY OF AUDIT AND RELATED ACTIVITIES FROM OCTOBER 1, 2004, THROUGH MARCH 31, 2005

	OIG STAFF	OTHER FEDERAL AUDITORS (With Review And Processing by OIG Staff)	OIG STAFF SINGLE AUDIT	
	INTERNAL, GRANT, AND CONTRACT AUDITS	CONTRACT AND GRANT AUDITS	QUALITY CONTROL REVIEWS	TOTAL
REPORTS ISSUED TO				
Department/Office of the Secretary	10	0	0	10
Fish and Wildlife and Parks	15	0	0	15
Indian Affairs	4	0	2	6
Insular Affairs	2	0	0	2
Land and Minerals Management	9	0	2	11
Water and Science	4	0	0	4
Other Federal Agencies	0	0	0	0
TOTAL REPORTS ISSUED	44	0	4	48

REPORTS ISSUED OR PROCESSED DURING THE 6-MONTH PERIOD ENDED MARCH 31, 2005

This listing includes all internal reports (internal audits, advisory reports, assessments, and evaluations), contract and grant audits, and single audit quality assurance review reports issued during the 6-month period ended March 31, 2005. It provides report number, title, issue date, and monetary amounts identified in each report (* Funds To Be Put To Better Use, ** Questioned Cost, *** Unsupported Cost, and **** Lost or Potential Additional Revenues).

Internal Reports

BUREAU OF INDIAN AFFAIRS

E-IN-BIA-0059-2004	Independent Auditors' Report on the Bureau of Indian Affairs' Financial Statements for Fiscal Years 2004 and 2003 (12/29/2004)
E-IN-BIA-0004-2005	Management Issues Identified During the Audit of the Bureau of Indian Affairs' Fiscal Years 2004 and 2003 Financial Statements (02/28/2005)

BUREAU OF LAND MANAGEMENT

C-FL-BLM-0091-2004	Verification Report on Recommendations Considered Resolved and Implemented from Audit Report No. 95-I-747 Titled "Right-of-Way Grants, Bureau of Land Management" (11/12/2004)
C-IN-BLM-0062-2004	Independent Auditors' Report on the Bureau of Land Management's Financial Statements for Fiscal Years 2004 and 2003 (01/12/2005)
C-IN-BLM-0002-2005	Management Issues Identified During the Audit of the Bureau of Land Management's Fiscal Years 2004 and 2003 Financial Statements (02/10/2005)
C-IN-BLM-0013-2005	Public Safety Issues at the Saginaw Hill Property, Bureau of Land Management (03/15/2005)

BUREAU OF RECLAMATION

C-IN-BOR-0063-2004	Independent Auditors' Report on the Bureau of Reclamation's Financial Statements for Fiscal Years 2004 and 2003 (01/31/2005)
C-IN-BOR-0003-2005	Management Issues Identified During the Audit of the Bureau Reclamation's Fiscal Years 2004 and 2003 Financial Statements (02/11/2005)

GEOLOGICAL SURVEY

E-IN-GSV-0057-2004	Independent Auditors' Report on the U.S. Geological Survey's Financial Statements for Fiscal Year 2004 (11/24/2004)
E-IN-GSV-0005-2005	Management Issues Identified During the Audit of the U.S. Geological Survey's Fiscal Year 2004 Financial Statements (03/21/2005)

MINERALS MANAGEMENT SERVICE

E-IN-MMS-0055-2004	Independent Auditors' Report on the Minerals Management Service's Financial Statements for Fiscal Years 2004 and 2003 (02/03/2005)
E-IN-MMS-0006-2005	Management Issues Identified During the Audit of the Minerals Management Service's Fiscal Years 2004 and 2003 Financial Statements (03/03/2005)

MULTI-OFFICE AUDIT

A-EV-MOA-0006-2004	Annual Evaluation of the Information Security Program of the Department of the Interior (10/06/2004)
C-FL-MOA-0093-2004	Verification Report on Recommendations Considered Implemented from Audit Report No. 99-I-782 Titled "Processing Notifications for the Stripper Oil Well Property Royalty Rate Reduction Program, Minerals Management Service" (11/03/2004)
X-IN-MOA-0054-2004	Independent Auditors' Report on the Fiscal Year 2004 Annual Report on Performance and Accountability of the U.S. Department of the Interior (11/15/2004)
E-EV-MOA-0002-2005	District of Columbia Water and Sewer Authority Payments for July 1, 2004 through September 30, 2004 (11/30/2004)
X-IN-MOA-0002-2005	Applying Agreed-Upon Procedures for Intragovernmental Activity and Balances (12/02/2004)
A-IN-MOA-0004-2004	Evaluation Report on the Department of the Interior's Management and Security of Wireless Technologies (12/06/2004)
E-EV-MOA-0010-2005	District of Columbia Water and Sewer Authority Payments for October 1, 2004 through December 31, 2004 (02/01/2005)
X-IN-MOA-0004-2005	Management Issues Identified During the Audit of the Department of the Interior's Fiscal Years 2004 and 2003 Financial Statements (03/14/2005)

NATIONAL PARK SERVICE

C-IN-NPS-0001-2005	Public Safety Concerns At Floyd Bennett Field, Gateway National Recreation Area (11/18/2004)
E-IN-NPS-0056-2004	Independent Auditors' Report on the National Park Service's Financial Statements for Fiscal Years 2004 and 2003 (12/10/2004)
C-IN-NPS-0013-2004	Final Audit Report The National Park Service's Recording of Facility Maintenance Expenditures (01/26/2005)
X-EV-NPS-0003-2005	National Park Service Travel Costs for Fiscal Year 2004 and First Quarter of Fiscal Year 2005 (02/01/2005)
E-IN-NPS-0007-2005	Management Issues Identified During the Audit of the National Park Service's Fiscal Years 2004 and 2003 Financial Statements (03/03/2005)
E-EV-NPS-0095-2004	U.S. Park Police Compensatory Time (03/07/2005)

OFFICE OF SURFACE MINING

S-IN-OSM-0087-2003	Final Evaluation Report on State Operated Coal Regulatory Programs, Office of Surface Mining Reclamation and Enforcement (10/27/2004)
C-IN-OSM-0065-2004	Independent Auditors' Report on the Office of Surface Mining Reclamation and Enforcement's Financial Statements for Fiscal Years 2004 and 2003 (12/01/2004)
C-IN-OSM-0005-2005	Management Issues Identified During the Audit of the Office of Surface Mining Reclamation and Enforcement's Fiscal Years 2004 and 2003 Financial Statements (02/11/2005)

OFFICE OF THE SECRETARY

E-IN-DMO-0058-2004	Independent Auditors' Report on the Departmental Offices' Financial Statements for Fiscal Years 2004 and 2003 (12/06/2004)
E-IN-OSS-0008-2005	Management Issues Identified During the Audit of the Departmental Offices' Fiscal Years 2004 and 2003 Financial Statements (02/24/2005)

OFFICE OF THE SPECIAL TRUSTEE FOR AMERICAN INDIANS

Q-IN-OST-0066-2004	Independent Auditors' Report on the Tribal and Other Trust Funds and Individual Indian Monies Trust Funds Financial Statements for Fiscal Years 2004 and 2003 Managed by the Office of the Special Trustee for American Indians (11/29/2004)
Q-IN-OST-0004-2005	Management Issues Identified During the Audit of the Office of the Special Trustee for American Indians' Fiscal Year 2004 Financial Statements (01/10/2005)

U.S. FISH AND WILDLIFE SERVICE

C-IN-FWS-0064-2004	Independent Auditors' Report on the Fish and Wildlife Service's Financial Statements for Fiscal Years 2004 and 2003 (02/08/2005)
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VIRGIN ISLANDS

V-EV-VIS-0003-2005	Verification of Watch Quota and Jewelry Quota Data for Calendar Year 2004 Submitted by Firms Located in the U.S. Virgin Islands (03/11/2005)
V-IN-VIS-0001-2004	Procurement Practices, Virgin Islands Port Authority, Government of the Virgin Islands (03/28/2005) **\$1,124 ***\$4,236 *****\$846,653

Contract and Grant Audits

NATIONAL PARK SERVICE

E-CX-NPS-0001-2005	Review of Accounting Records and Internal Controls Related to Concession Fees Paid by Carriages in the Park, Inc., an Acadia National Park Concessioner (01/19/2005)
C-CX-NPS-0039-2004	Costs Claimed by The Ryan Company, Inc., Under the Horizontal Directional Drilling Portion of the National Park Service Contract No. 1443C4500000906 (02/09/2005) **\$3,427,887

U.S. FISH AND WILDLIFE SERVICE

R-GR-FWS-0011-2004	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of North Carolina, Division of Marine Fisheries, from July 1, 2001 through June 30, 2003 (12/01/2004)
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Appendix Two

R-GR-FWS-0003-2004	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of Colorado, Division of Wildlife, from July 1, 2001, through June 30, 2003 (03/08/2005) *\$56,153 **\$680,992
R-GR-FWS-0010-2004	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of New Jersey, Department of Environmental Protection, Division of Fish and Wildlife, from July 1, 2001, through June 30, 2003 (03/15/2005) *\$226,576 **\$257,315 ***\$291,434
R-GR-FWS-0013-2004	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the American Samoa Government, Department of Marine and Wildlife Resources, from October 1, 2001, through September 30, 2003 (03/31/2005) **\$33,473 ***\$232,276
R-GR-FWS-0009-2004	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of New Hampshire, Fish and Game Department, from July 1, 2001, through June 30, 2003 (03/31/2005) ***\$44,726
R-GR-FWS-0004-2004	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of North Carolina, Wildlife Resources Commission, from July 1, 2001, through June 30, 2003 (03/31/2005) *\$2,825,535 **\$928,008

Single Audit Quality Control Reviews

BUREAU OF INDIAN AFFAIRS

B-QC-MOA-0003-2005	Yurok Tribe, Fiscal Year Ended September 30, 2003 (11/22/2004)
B-QC-MOA-0004-2005	Quileute Tribal School, Fiscal Year Ended June 30, 2002 (03/03/2005)

BUREAU OF LAND MANAGEMENT

B-QC-MOA-0002-2005	County of Nelson, Virginia, Fiscal Years Ending June 30, 2002 and 2001 (01/21/2005)
B-QC-MOA-0005-2005	County of Richmond, Virginia, Fiscal Year Ended June 30, 2003 (03/24/2005)

MONETARY IMPACT OF AUDIT ACTIVITIES FROM OCTOBER 1, 2004, THROUGH MARCH 31, 2005

ACTIVITY	QUESTIONED COSTS*	FUNDS TO BE PUT TO BETTER USE	REVENUES	TOTAL
Fish and Wildlife Service	\$2,468,224	\$3,108,264	0	\$5,576,488
Insular Area:** U.S. Virgin Islands	\$5,360	0	\$846,653	\$852,013
National Park Service	\$3,427,887	0	0	\$3,427,887
TOTAL	\$5,901,471	\$3,108,264	\$846,653	\$9,856,388

*Unsupported costs are included in questioned costs.

**Includes monetary impact of non-federal funds.

NON-FEDERAL FUNDING INCLUDED IN MONETARY IMPACT OF AUDIT ACTIVITIES DURING THE 6-MONTH PERIOD THAT ENDED MARCH 31, 2005

V-IN-VIS-0001-2004 “Procurement Practices, Virgin Islands Port Authority, Government of the Virgin Islands,” dated March 28, 2005. The report identified \$852,013 as monetary impact consisting of \$1,124 questioned costs, \$4,236 unsupported costs, and \$846,653 unrealized revenues. All of the funds were Insular funds.

AUDIT RESOLUTION ACTIVITIES

Table 1: Inspector General Audit Reports with Questioned Costs*

	NUMBER OF REPORTS	QUESTIONED COSTS	UNSUPPORTED COSTS
A. For which no management decision had been made by the commencement of the reporting period. ¹	36	\$9,891,124	\$693,510
B. Which were issued during the reporting period.	6	\$5,896,103	\$568,436
TOTAL (A+B)	42	\$15,787,227	\$1,261,946
C. For which a management decision was made during the reporting period.	7	\$1,692,437	\$262,205
(i) Dollar value of recommendations that were agreed to by management.	2	\$1,069,573	\$0
(ii) Dollar value of recommendations that were not agreed to by management.	5	\$622,864	\$262,205
D. For which no management decision has been made by the end of the reporting period.	35	\$14,094,790	\$999,741
E. For which no management decision was made within 6 months of issuance.	33	\$9,832,112	\$692,910

* Unsupported costs are included in questioned costs.

¹ Beginning balance differs from October 2004 Semiannual Report ending balance by \$181,188 (decrease) because of corrective adjustments.

AUDIT RESOLUTION ACTIVITIES

Table II: Inspector General Audit 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	16	\$65,380,412
B. Which were issued during the reporting period.	3	\$3,108,264
TOTAL (A+B)	19	\$68,488,676
C. For which a management decision was made during the reporting period.	7	\$14,836,764
(i) Dollar value of recommendations that were agreed to by management.	5	\$13,953,010
(ii) Dollar value of recommendations that were not agreed to by management.	2	\$883,754
D. For which no management decision had been made by the end of the reporting period.	12	\$53,651,912
E. For which no management decision was made within 6 months of issuance.	9	\$53,403,466

¹ Beginning balance differs from October 2004 Semiannual Report ending balance by \$519,400 (decrease) because of a deletion of non-federal funds.

AUDIT RESOLUTION ACTIVITIES

Table III: Inspector General Audit Reports
With Lost or Potential Additional Revenues

	NUMBER OF REPORTS	DOLLAR VALUE
A. For which no management decision has been made by the commencement of the reporting period. ¹	9	\$219,065,640
B. Which were issued during the reporting period.	0	\$0
TOTAL (A+B)	9	\$219,065,640
C. For which a management decision was made during the reporting period.	1	\$1,700,000
(i) Dollar value of recommendations that were agreed to by management.	1	\$1,700,000
(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.	8	\$217,365,640
E. For which no management decision was made within 6 months of issuance.	8	\$217,365,640

¹Beginning balance differs from April 2004 Semiannual Report ending balance by \$1,700,000 (increase) because of a corrective adjustment.

SUMMARY OF AUDIT REPORTS MORE THAN 6 MONTHS OLD PENDING MANAGEMENT DECISIONS OCTOBER 1, 2004 THROUGH MARCH 31, 2005

This listing includes a summary of internal, contract (except pre-awards), and grant audit reports that were more than 6 months old on March 31, 2005, and still pending a management decision. It provides report number, title, issue date, number of unresolved recommendations, and unresolved amount of monetary benefits identified in the audit report.

Internal Audits

BUREAU OF INDIAN AFFAIRS

W-FL-BIA-0047-2002 School Construction Program, Bureau of Indian Affairs (02/24/2004);
2 Recommendations Unresolved

BUREAU OF LAND MANAGEMENT

W-IN-BLM-0009-2003 Audit of Oil and Gas Permitting Process, Bureau of Land Management
(02/13/2004); 1 Recommendation Unresolved

MULTI-OFFICE AUDIT

2001-I-0297 Audit Report on the Stripper Oil Well Property Royalty Rate Reduction Program
(03/30/2001); 2 Recommendations Unresolved

NATIONAL PARK SERVICE

A-IN-NPS-0074-2003 Improvements Needed in Managing Information Technology System Security,
National Park Service (03/29/2004); 1 Recommendation Unresolved

Contract and Grant Audits

BUREAU OF INDIAN AFFAIRS

1994-E-0784 Audit Of Costs Claimed By Diversified Business Technologies Corporation,
Albuquerque, New Mexico (06/10/1994); 1 Recommendation, \$825,170
Unresolved (Circumstances beyond the Bureau's control have delayed resolution
of the costs.)

1994-E-0919 Audit Of Costs Claimed By Diversified Technologies Corporation, Albuquerque, New Mexico (06/30/1994); 1 Recommendation, \$247,414 Unresolved (Circumstances beyond the Bureau's control have delayed resolution of the costs.)

BUREAU OF LAND MANAGEMENT

C-CX-BLM-0044-2003 Costs Claimed by Sletten Construction of Wyoming, Inc., Under Contract No. NDC000037 to Build the National Historic Trails Interpretive Center (05/19/2004); 1 Recommendation, \$256,526 Unresolved

BUREAU OF RECLAMATION

E-CX-BOR-0032-2004 Costs Billed by Veridian Corporation, Information Solutions Division, During the Fiscal Years Ended September 30, 2002 and 2003, Under General Services Administration Contract No. GS35F0038J, Bureau of Reclamation Delivery Order No. 02PE810774 (09/16/2004); 1 Recommendation, \$51,641 Unresolved

NATIONAL PARK SERVICE

2000-E-0289 J.C.M. Control Systems, Inc., Costs Billed During Fiscal Years 1997, 1998, and 1999 Under NPS Contract No. 1443CX300094906 (03/24/2000); 1 Recommendation, \$83,125 Unresolved (Circumstances beyond the Bureau's control have delayed resolution of the costs.)

2000-E-0607 Harrison and Palmer, Inc., Costs Billed Under National Park Service Contract No. 1443CX00094906 (08/08/2000); 1 Recommendation, \$52,703 Unresolved (Circumstances beyond the Bureau's control have delayed resolution of the costs.)

2000-E-0706 Southern Insulation, Inc. (09/29/2000); 1 Recommendation, \$86,262 Unresolved (Circumstances beyond the Bureau's control have delayed resolution of the costs.)

2001-E-0035 Callas Contractors, Inc. (11/07/2000); 1 Recommendation, \$16,425 Unresolved (Circumstances beyond the Bureau's control have delayed resolution of the costs.)

2001-E-0036 Final Costs Audit of Capitol Mechanical Construction (11/07/2000); 1 Recommendation, \$98,194 Unresolved (Circumstances beyond the Bureau's control have delayed resolution of the costs.)

2001-E-0244	Audit of Costs Billed by EMS Consultants from May 1, 1996 through June 1, 1999 (02/27/2001); 1 Recommendation, \$327,330 Unresolved (Circumstances beyond the Bureau's control have delayed resolution of the costs.)
2001-E-0336	Audit of Subcontract Overhead Costs Billed By JCM Control Systems, Inc. (04/23/2001); 1 Recommendation, \$109,865 Unresolved (Circumstances beyond the Bureau's control have delayed resolution of the costs.)
2002-E-0002	Community Central Energy Corporation, Amounts Billed Under National Park Service Contract No. CX-4000-0-0023 from October 1, 1993 through September 30, 2000 (12/19/2001); 1 Recommendation, \$779,274 Unresolved
C-CX-NPS-0027-2004	Costs Claimed by Remediation Constructors, Inc., to Construct an Access Road and Parking Area at Sequoia Kings National Park in California, Contract No. 1443C8000010903 (07/08/2004); 2 Recommendations; \$348,792 Unresolved

U.S. FISH AND WILDLIFE SERVICE

2003-E-0001	Costs Claimed by the U.S. Virgin Islands, Department of Planning and Natural Resources, Division of Fish and Wildlife, Under Federal Aid Grants from the U.S. Fish and Wildlife Service from October 1, 1996 through September 30, 1998 (10/07/2002); 10 Recommendations; \$212,322 Unresolved
2003-E-0022	Costs Claimed by the State of Missouri, Department of Conservation, Under Federal Aid Grants from the U.S. Fish and Wildlife Service from July 1, 1997 through June 30, 1999 (06/11/2003); 8 Recommendations Unresolved
R-GR-FWS-0021-2003	Costs Claimed by the State of Indiana, Department of Natural Resources, Under Federal Assistance Grants from the U.S. Fish and Wildlife Service From July 1, 2000, Through June 30, 2002 (12/22/2003); 1 Recommendation Unresolved
R-GR-FWS-0029-2003	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of Washington, Department of Fish and Wildlife from July 1, 2000, through June 30, 2002 (03/04/2004); 2 Recommendations Unresolved
R-GR-FWS-0030-2003	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of Wyoming, Game and Fish Department, From July 1, 2000, Through June 30, 2002 (04/22/2004); 6 Recommendations Unresolved
R-GR-FWS-0025-2003	U.S Fish and Wildlife Service Federal Assistance Grants Administered by the State of New York, Department of Environmental Conservation, Division of Fish, Wildlife and Marine Resources, From April 1, 2000, Through March 31, 2002 (05/06/2004); 8 Recommendations; \$1,649,120 Unresolved

R-GR-FWS-0005-2004 U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of Vermont, Agency of Natural Resources, Department of Fish and Wildlife, From July 1, 2001, Through June 30, 2003 (09/16/2004); 15 Recommendations; \$272,039 Unresolved

U.S. GEOLOGICAL SURVEY

1993-E-0339 Closing Statement, TGS Technology, Inc. (12/22/1992); 1 Recommendation \$786,501 Unresolved

SUMMARY OF INTERNAL AUDIT AND EVALUATION REPORTS OVER 6 MONTHS OLD PENDING CORRECTIVE ACTION OCTOBER 1, 2004, THROUGH MARCH 31, 2005

This is a listing of internal audit and evaluation reports with management decisions more than 6 months old for which corrective action has not been completed. It provides report number, title, issue date, and the number of recommendations without final corrective action. These audits and evaluations continue to be monitored by the Focus Leader for Management Control and Audit Follow-up, Assistant Secretary - Policy, Management and Budget, for completion of corrective action.

BUREAU OF INDIAN AFFAIRS

2003-I-0055	Evaluation of the Bureau of Indian Affairs Process to Approve Tribal Gaming Revenue Allocation Plans (06/11/03) 3 Recommendations
W-FL-BIA-0047-2002	School Construction Program, Bureau of Indian Affairs (02/24/2004) 3 Recommendations
C-IN-BIA-0007-2003	Bureau of Indian Affairs, Office of Indian Education Programs, Central Office Management of Administrative Funds (03/30/2004) 1 Recommendation
Q-IN-BIA-0098-2003	Bureau of Indian Affairs Contract With the Navajo Nation for Social Services (09/30/2004) 1 Recommendation

BUREAU OF LAND MANAGEMENT

1992-I-0828	Onshore Geophysical Exploration Fees, Bureau of Land Management (05/26/1992) 2 Recommendations
1995-I-0379	Follow-up of Recommendations Relating to Bureau of Land Management User Charges for Mineral-Related Document Processing (01/23/1995) 2 Recommendations
1995-I-0747	Right-Of-Way Grants, Bureau of Land Management (03/31/1995) 6 Recommendations
1997-I-1300	Issuance of Mineral Patents, Bureau of Land Management and Office of the Solicitor (09/30/1997) 1 Recommendation
1999-I-0808	Cultural Resource Management, Bureau of Land Management (09/03/1999) 2 Recommendations

2001-I-0421	Audit of Bonding for Oil and Gas Wells on Indian Trust Lands (09/24/2001) 1 Recommendation
C-IN-BLM-0076-2003	Independent Auditors' Report on the Bureau of Land Management's Financial Statements for Fiscal Years 2003 and 2002 (12/10/2003) 11 Recommendations
C-IN-BLM-0021-2004	Management Issues Identified During the Audit of the Bureau of Land Management's Fiscal Year 2003 Financial Statements (12/30/2003) 2 Recommendations
W-IN-BLM-0009-2003	Audit of Oil and Gas Permitting Process, Bureau of Land Management (02/13/2004) 4 Recommendations

BUREAU OF RECLAMATION

2000-I-0376	Concessions Managed by the Bureau of Reclamation (05/08/2000) 1 Recommendation
2002-I-0004	Improvements Needed in Security Management of Information Technology Systems Supporting Energy and Water Operations (11/16/2001) 1 Recommendation
C-IN-BOR-0067-2002	Contract Administration, Denver Office, Bureau of Reclamation (09/30/2004) 2 Recommendations

MINERALS MANAGEMENT SERVICE

E-IN-MMS-0066-2003	Independent Auditors' Report on the Minerals Management Service's Financial Statements for Fiscal Years 2003 and 2002 (12/09/2003) 5 Recommendations
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MULTI-OFFICE AUDIT

2000-I-0300	Supporting Documentation for Operators Participating in the Stripper Oil Well Property Royalty Rate Reduction Program (03/27/2000) 1 Recommendation
X-IN-MOA-0080-2003	Independent Auditors' Report on the U.S. Department of the Interior's Fiscal Year 2003 Annual Report on Performance and Accountability (11/28/2003) 39 Recommendations
C-IN-MOA-0042-2003	Fleet Management Operations U.S. Department of the Interior (02/09/2004) 5 Recommendations
X-IN-MOA-0043-2004	Management Issues Identified During the Audit of the Department of the Interior's Fiscal Year 2003 Financial Statements (02/12/2004) 19 Recommendations

Appendix Seven

C-EV-MOA-0094-2003 Department of the Interior Contracting for Temporary and Critical Staffing Needs (09/30/2004) 5 Recommendations

NATIONAL PARK SERVICE

1998-I-0406 Followup of Recommendations Concerning Utility Rates Imposed by the National Park Service (04/15/1998) 5 Recommendations

2002-I-0045 Recreational Fee Demonstration Program, National Park Service and Bureau of Land Management (08/19/2002) 4 Recommendations

2003-I-0013 Yosemite National Park's Museum Collection, National Park Service (03/31/2003) 2 Recommendations

E-IN-NPS-0067-2003 Independent Auditors' Report on the National Park Service's Financial Statements for Fiscal Years 2003 and 2002 (12/22/2003) 10 Recommendations

E-IN-NPS-0037-2004 Management Issues Identified During the Audit of the National Park Service's Fiscal Year 2003 Financial Statements (01/07/2004) 15 Recommendations

A-IN-NPS-0074-2003 Improvements Needed in Managing Information Technology System Security, National Park Service (03/29/2004) 12 Recommendations

NORTHERN MARIANA ISLANDS

2003-I-0073 Saipan Harbor Improvement Project, Commonwealth Ports Authority, Commonwealth of the Northern Mariana Islands (09/30/2003)
1 Recommendation

OFFICE OF THE SECRETARY

2003-I-0056 Department of the Interior Working Capital Fund (06/16/2003)
2 Recommendations

E-IN-DMO-0068-2003 Independent Auditors' Report on the Departmental Offices' Financial Statements for Fiscal Years 2003 and 2002 (12/19/2003) 18 Recommendations

E-IN-DMO-0034-2004 Management Issues Identified During the Audit of the Departmental Offices' Fiscal Year 2003 Financial Statements (01/21/2004) 7 Recommendations

OFFICE OF SPECIAL TRUSTEE FOR AMERICAN INDIANS

1997-I-1167 Judgment Funds Awarded to the Turtle Mountain Band of Chippewa Indians (09/22/1997) 1 Recommendation

1997-I-1168	Judgment Funds Awarded to the Navajo Nation (09/22/1997) 1 Recommendation
1997-I-1169	Judgment Funds Awarded to the Papago Tribe of Arizona (09/15/1997) 2 Recommendations
2002-I-0027	Independent Auditors' Report on the Office of Special Trustee for American Indians Tribal and Other Trust Funds and Individual Indian Monies Trust Funds Financial Statements for Fiscal Years 2001 and 2000 (04/25/2002) 3 Recommendations
Q-IN-OST-0075-2003	Independent Auditors' Report on the Tribal and Other Trust Funds and Individual Indian Monies Trust Funds Financial Statements for Fiscal Years 2003 and 2002 Managed by the Office of the Special Trustee for American Indians (12/09/2003) 3 Recommendations
Q-IN-OST-0025-2004	Management Issues Identified During the Audit of the Office of the Special Trustee for American Indians' Fiscal Year 2003 Financial Statements (12/22/2003) 3 Recommendations

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

2003-I-0074	Review of the Abandoned Mine Land Program, Office of Surface Mining Reclamation and Enforcement (09/30/2003) 1 Recommendation
C-IN-OSM-0024-2004	Management Issues Identified During the Audit of the Office of Surface Mining Reclamation and Enforcement's Fiscal Year 2003 Financial Statements (12/30/2003) 3 Recommendations

U.S. FISH AND WILDLIFE SERVICE

1997-I-1305	Automated Law Enforcement System, U.S. Fish and Wildlife Service (09/30/1997) 2 Recommendations
2000-I-0050	Miscellaneous Receipts, U.S. Fish and Wildlife Service (11/09/1999) 4 Recommendations
2003-I-0045	Reporting and Recovery Planning and Implementation for Endangered Species (04/22/2003) 1 Recommendation
C-IN-FWS-0078-2003	Independent Auditors' Report on the U.S. Fish and Wildlife Service's Financial Statements for Fiscal Years 2003 and 2002 (12/22/2003) 8 Recommendations
C-IN-FWS-0023-2004	Management Issues Identified During the Audit of the U.S. Fish and Wildlife Service's Fiscal Year 2003 Financial Statements (12/23/2003) 1 Recommendation

SUMMARY OF INSULAR AREA REPORTS WITH OPEN RECOMMENDATIONS MORE THAN 6 MONTHS OLD

Note: These Insular Area reports contain recommendations made specifically to Insular Area governors and other Insular Area officials, who do not report to the Secretary and are not subject to the policy, guidance, and administrative oversight established by the Assistant Secretary for Policy, Management, and Budget.

Internal Audits

GUAM

2002-I-0016 Bond Services, Trust Fund Activities, Guam Economic Development Authority, Government of Guam (02/28/2002); 4 Recommendations, \$68,018,988

VIRGIN ISLANDS

1998-I-0468 Followup of Recommendations Relating to the Bureau of Corrections, Department of Justice, Government of the Virgin Islands (05/29/1998); 1 Recommendation

1999-I-0365 Followup of Recommendations Relating to Personnel Management Practices, Division of Personnel, Government of the Virgin Islands (03/26/1999); 1 Recommendation, \$8,300,000

2001-I-0107 Administrative Functions, Legislature of the Virgin Islands, Government of the Virgin Islands (12/29/2000); 8 Recommendations, \$1,320,293

2002-I-0009 Virgin Islands Housing Finance Authority, Government of the Virgin Islands (12/31/2001); 1 Recommendation

2002-I-0042 Federal Highway Grants, Department of Public Works, Government of the Virgin Islands (08/30/2002); 1 Recommendation

2003-I-0002 Public Finance Authority, Government of the Virgin Islands (11/22/2002); 9 Recommendations, \$30,891,687

2003-I-0003 Compliance With the Memorandum of Understanding Between the Governor of the Virgin Islands and the Secretary of the Interior (01/06/2003); 6 Recommendations

2003-I-0067 Emergency Service Surcharge Collections by Innovative Telephone Corporation on Behalf of the Government of the Virgin Islands (09/26/2003); 1 Recommendation, \$256,380

CROSS REFERENCES TO THE INSPECTOR GENERAL ACT

INSPECTOR GENERAL ACT OF 1978, AS AMENDED		PAGE
Section 4(a)(2)	Review of Legislation and Regulations	N/A*
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	1-24
Section 5(a)(2)	Recommendations for Corrective Action With Respect to Significant Problems, Abuses, and Deficiencies	1-24
Section 5(a)(3)	Significant Recommendations From Agency's Previous Reports on Which Corrective Action Has Not Been Completed	40-44
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	iv
Section 5(a)(5)	Matters Reported to the Head of the Agency	N/A
Section 5(a)(6)	List of Audit Reports Issued During the Reporting Period	25-32
Section 5(a)(7)	Summary of Significant Reports	1-24
Section 5(a)(8)	Statistical Table – Questioned Costs	33
Section 5(a)(9)	Statistical Table – Recommendations That Funds Be Put to Better Use	34
Section 5(a)(10)	Summary of Audit Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made	36-39
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 05(b) of the Federal Financial Management Improvement Act of 1996	N/A

*N/A = Not applicable this reporting period.

Report

WASTE, FRAUD, ABUSE, AND MISMANAGEMENT

Waste, fraud, abuse, and mismanagement in government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and abuse related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.

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