



U.S. Department of the Interior
Office of Inspector General



SEMIANNUAL

Report to the Congress

We believe that to produce meaningful results for the American people, we need to go beyond detecting deficiencies and actually assist the Department in finding better ways of conducting business.

April 2006

Message From the Inspector General

I am pleased to present the results and accomplishments of the Office of Inspector General (OIG) from October 1, 2005, through March 31, 2006. During this reporting period, we have continued to emphasize our results-oriented approach to audit and investigative activities. We have been dedicated to going beyond detecting fraud, waste, abuse, and mismanagement, and actually assisting the Department of the Interior (DOI) in identifying and implementing better ways of performing its operations. We are accomplishing this by taking a more solution-based approach to our audit and investigative activities and measuring our success through results.



We believe that to be effective and to achieve positive results, we need to educate and inform rather than simply criticize. The written products we generate offer recommendations, suggestions, and examples of best practices to assist DOI and its bureaus in improving operations. In this Semiannual Report, we discuss our ongoing efforts to assess security at DOI's law enforcement and security programs. We specifically reviewed security of the Bureau of Reclamation's (BOR) numerous dams. Securing these facilities is paramount in protecting our nation from terrorist attacks. In our report, we praised BOR for making significant progress in securing these facilities within a relatively short period of time; however, we provided BOR with 12 recommendations that will facilitate its continued development of the law enforcement and security program and, overall, improve security at the nation's dams.

In addition to providing suggestions for change, we believe that in order to address problems affecting DOI, we need to measure what truly matters. We must look beyond statistics, such as questioned costs, arrests, and convictions, to measure our accomplishments and look at the impact of our recommendations. We have also started tailoring our activities to address cross-cutting or DOI-wide issues, focusing on DOI's most serious management and program challenges. We do this so both the OIG and DOI will achieve desired short- and long-term outcomes. We want to produce reports with recommendations that will impact multiple bureaus, not just one.

For example, in this Semiannual reporting period, we highlight our evaluation of the risks versus the benefits of interagency procurement services performed through fee-for-service organizations, affecting multiple bureaus and offices at DOI. Problems came to light for DOI with the discovery that, in fiscal year 2004, the National Business Center inappropriately acquired interrogation services for the Department of Defense, using an information technology contract. During our evaluation, we found that DOI and other organizations providing these services failed to follow procurement laws and regulations, creating significant consequences for both service providers and recipients.

We hope the accomplishments we outline in this Semiannual Report demonstrate our commitment to producing results for the American people.

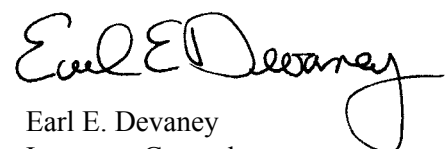

Earl E. Devaney
Inspector General

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INVESTIGATIONS STATISTICAL HIGHLIGHTS

October 1, 2005, Through March 31, 2006

Investigative Activities

Cases Closed	216
New Cases Opened	218
Hotline Complaints/Inquiries Received	72

Criminal Investigative Activities

Indictments/Information	35
Convictions	21
Sentencings	25
- Jail	302 months
- Probation	831 months
- Community Service	200 hours
- Criminal Judgements/Restitutions	\$1,304,295
Criminal Matters Referred for Prosecution	31
Criminal Matters Declined	24

Civil Investigative Activities

Civil Referrals	3
Civil Declinations	1

Administrative Investigative Activities

Removals	3
Suspensions	4
Resignations	4
Retired	1
Downgrades	2
Reprimands/Counseling	12
Reassignments/Transfers	3
Restitution	1
General Policy Actions	5
Bill for Collection Issued	1
Administrative Recoveries	\$17,677

AUDITS

STATISTICAL HIGHLIGHTS

October 1, 2005, Through March 31, 2006

Audit Activities

Reports Issued.....39

Internal Audits..... 32

Contracts and Grant Audits..... 5

Single Audit Quality Control Reviews 2

Audit Impacts

Total Monetary Impacts\$4,098,204

Questioned Costs (includes unsupported costs)..... \$591,420

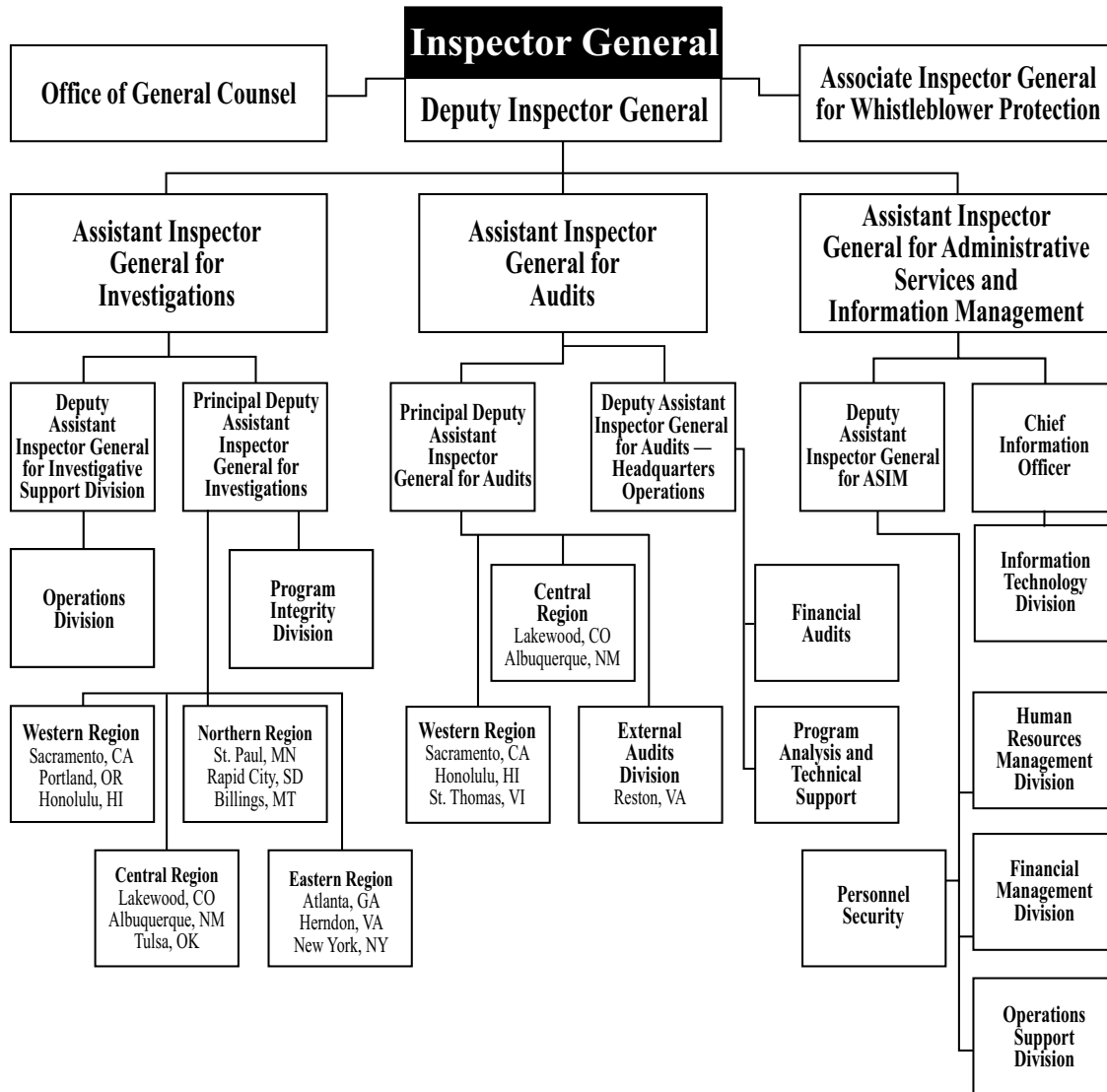
Recommendations That Funds Be Put to Better Use..... \$721,784

Lost or Potential Additional Revenues \$2,785,000

Internal Audit Recommendations Made.....373

Internal Audit Recommendations Resolved.....106

OIG Organization Chart



Mission and Top Management Challenges for the Office of Inspector General

Mission

The mission of the OIG is to promote excellence, integrity, and accountability in the programs, operations, and management of DOI.

Responsibilities

The OIG is responsible for independently and objectively identifying risks and vulnerabilities that directly impact, or could impact, DOI's 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 DOI 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 DOI-wide issues. These activities are also designed to ensure that we keep critical issues prominent, which greatly influences key decisionmakers and increases the likelihood that we will achieve desired outcomes and results that benefit the public.

<i>DOI's Top Management Challenges</i>	
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	

Department of the Interior



BOR makes progress securing the nation's dams

As part of its ongoing efforts to examine DOI law enforcement and security programs, the OIG recently published an assessment of the Bureau of Reclamation's (BOR) Security, Safety and Law Enforcement Program (SSLE), with specific attention to the security of BOR's numerous dams. Our assessment revealed that, within a relatively short period of time, BOR has made significant progress in developing a coordinated, comprehensive program to secure its facilities in response to continued threats to national security.

BOR established a program that methodically assesses risks at its dams, strives to ensure implementation of appropriate countermeasures, and maintains a high level of accountability with program funding. However, we did observe delays in achieving policy and oversight needs, and we continue to be concerned about BOR's timeliness in security enhancement implementation at some critical facilities. We also found that its law enforcement component lacked leadership and focus in carrying out its mission and responsibilities. Overall, this has hindered SSLE program development.

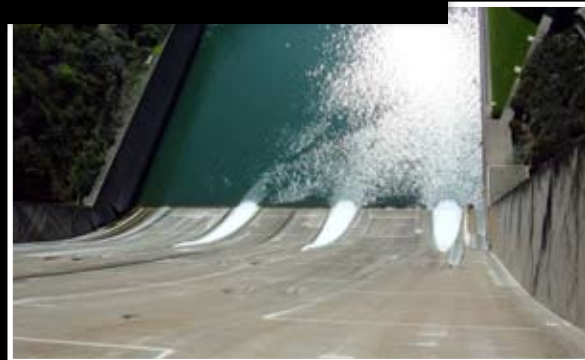
We provided BOR with 12 recommendations. BOR officials agree that these will facilitate their continued development of the SSLE program and improve security at the nation's dams.



Shasta Dam.



Security at the Grand Coulee Dam.



Aerial view of Shasta Dam on the Sacramento River, above Redding, CA.

DOI contributes to delays in Everglades project

An OIG audit found that DOI has not participated effectively in modified waters delivery to the Everglades National Park project. DOI participation has been ineffective because it neither developed and communicated a comprehensive, unified restoration strategy, nor clearly defined its project consultation role. These oversights contributed to project delays and cost increases.

Authorized in 1989, the project was intended to improve water flows into Everglades National Park. Congress directed the Army Corps of Engineers (Corps) to plan and implement the project in consultation with DOI. Although the Corps has responsibility for this project, DOI participates in the planning and design. Appropriations have been channeled through the National Park Service (NPS).



Satellite view of southern Florida. Photo courtesy of NASA and Visible Earth, (<http://visibleearth.nasa.gov/>)

Since its inception, the project has been subject to significant delays and escalating costs. It is currently 8 years behind schedule and has a projected price tag approaching \$400 million – nearly five times its original estimate. While DOI has contributed to these delays and cost increases, many other causes outside DOI's responsibility and control also have occurred. For example, public controversies and conflict have led to litigation and redesigns of the project. The Miccosukee Tribe, one of many stakeholders for the project, faces the need to raise its village because the project will result in higher water levels.

OIG auditors made six recommendations aimed at ensuring that DOI effectively participates in the modified water deliveries to the Everglades National Park project. Effective participation can best be achieved by using a project management approach to participation, which includes:

- ◆ appointment of a proven project manager,
- ◆ a clearly defined DOI-level consultation plan,
- ◆ a unified DOI approach to restoration,
- ◆ a single line of communication with the Corps,
- ◆ improved coordination and communication with stakeholders, and
- ◆ improved DOI project monitoring and reporting. (Read full Report)

Benefits of fee-for-service activities may not outweigh risks

Recent audits at DOI and other federal agencies highlighted concerns with interagency procurement services performed through fee-for-service organizations. Specifically, DOI and other organizations providing these services failed to follow procurement laws and regulations. This created significant consequences for both service providers and recipients. The problem came to light for DOI with the discovery that, in fiscal year 2004, the National Business Center (NBC) inappropriately acquired interrogation services for the Department of Defense (DOD), using an information technology contract.

OIG evaluation results provided DOI management with information to determine the benefits versus the risks of fee-for-service organizations. We identified fee-for-service organizations within DOI that provide administrative and technical activities for other federal agencies and identified the benefits of those activities.

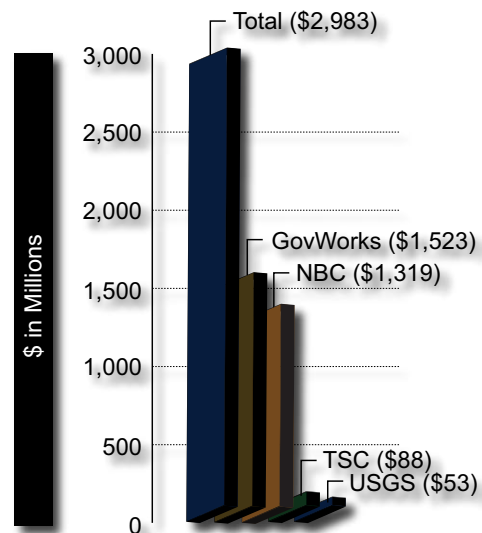
Four DOI entities operate self-sustaining, business-like, fee-for-service operations. They are GovWorks, NBC, BOR's Technical Service Center, and the U.S. Geological Survey's (USGS) working capital fund. These organizations provide administrative and technical services to DOI, as well as to other federal agencies. They reported combined revenues of approximately \$3 billion in fiscal year 2005.

OIG auditors attempted to identify and quantify the benefits related to GovWorks and NBC, DOI's two major fee-for-service organizations. Managers of these organizations claimed monetary and nonmonetary benefits that include the following:

- ◆ Use of approximately \$22 million in GovWorks income to fund DOI initiatives.
- ◆ Reduction in DOI's administrative costs due to lower indirect costs and achievement of economies of scale.
- ◆ Development of expertise to assist DOI with its procurements.

Except for the \$22 million transferred from GovWorks to DOI to fund its initiatives, management provided no documentation that allowed auditors to quantify and substantiate the monetary benefits of fee-for-service operations. Further, auditors were unable to determine that the nonmonetary benefits cited by GovWorks significantly affected DOI's operations. In the absence of significant, quantifiable benefits, it is questionable whether the overall advantages of these activities outweigh the risks brought to management's attention through previous and ongoing audits. **(Read full Report)**

FY 2005 Revenue: Fee-for-Service Entities



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 fiscal years 2004 and 2005 Tribal and Other Trust Funds and on Individual Indian Monies Trust Funds financial statements 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 federal government made it impracticable for 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 the Bureau of Indian Affairs (BIA), as well as unresolved financial reporting issues from prior periods.

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

DOI and bureau financial statements unqualified

DOI Financial Statements

The independent, certified public accounting firm of KPMG, under contract with the OIG, rendered an unqualified opinion on the consolidated financial statements of DOI for fiscal year 2005. However, KPMG also identified 2 material weaknesses and 19 critical but less significant control weaknesses (reportable conditions). The material weaknesses are summarized below:

- ◆ Controls Over Implementing New Accounting Policies and Procedures

DOI did not fully develop accounting policies, procedures, and posting models to change its way of recording receivables and liabilities for the Western Area Power Administration, Bonneville Power Administration, and the U.S. Department of the Treasury General Fund by the due date of September 30, 2005, in accordance with Office of Management and Budget (OMB) guidance.

- ◆ Trust Fund Management Controls

DOI procedures and controls were insufficient to ensure that Indian Trust Fund activities and balances were recorded properly and in a timely manner.

Bureau Financial Statements

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

Scrutiny of single audits identifies deficiencies

The Single Audit Act Amendments of 1996 require nonfederal entities that expend federal awards equal to or greater than \$500,000 (in any fiscal year) to obtain a single audit for that year. One responsibility of the OIG is to conduct quality control reviews of selected audits made by nonfederal auditors. As part of this responsibility, we recently completed 115 reviews with various results, including the following:

- ◆ One auditor referral was made to the American Institute of Certified Public Accountants and a state board of accountancy for substandard work.

- ◆ Seven reviews resulted in auditors reissuing the reports to correct deficiencies.
- ◆ Eight reviews found that the auditor did not conduct sufficient tests of major programs or that the level of testing did not meet federal requirements.

In addition, the OIG completed two comprehensive Quality Control Reviews. The Quality Control Review of the Territory of American Samoa audit covered the year ending September 30, 2003, and found that the auditor conducted insufficient tests of one major program. The auditor also failed to identify a certain program as major and omitted all required testing for that program. In addition, one member of the auditor's engagement team did not obtain the required hours of continuing professional education. The Quality Control Review of the Narragansett Indian Tribe audit covered the year ending December 31, 2002, and found that the auditor reported audit findings inconsistently throughout the audit reporting package.

Security assessments, evaluations reveal weaknesses

The annual 2005 OIG Federal Information Security Management Act (FISMA) evaluation assessed DOI's compliance with FISMA and identified significant weaknesses in its information technology (IT) security program. Fiscal year 2005 audits, evaluations, and technical testing of these systems revealed issues with implementation of various departmental policies and noncompliance with OMB requirements for Certification and Accreditation (C&A). Additionally, problems in DOI's overall Plan of Actions & Milestones program, which is a critical element for managing and prioritizing remediation activities, indicated that DOI management cannot be assured that IT security risks are properly identified, understood, prioritized, and mitigated.

Indeed, penetration testing of DOI's wide area networks and applications revealed poor network and application security, inadequate network segmentation, and poor security configurations. These have the potential to make DOI vulnerable to unauthorized access from internal and external threats. Recently, DOI has issued several directives and a number of initiatives to correct these issues.

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Bureau of Indian Affairs



Nine individuals indicted in casino embezzlement

Susie Long Elk, former treasurer for the Running Antelope District, pleaded guilty in U.S. District Court to embezzlement and theft for her role in the disappearance of approximately \$100,000 from the Standing Rock Sioux Tribe's Running Antelope District. Sentencing for Long Elk is pending. Alvina Howard, the district's former planning commissioner, was previously sentenced to 5 years of probation and ordered to pay \$10,500 in restitution.

Additionally, eight former Running Antelope District officials were indicted for their alleged involvement in the same scheme. Those officials include Allen Flying By, tribal council representative; Leslie Bobtail Bear, chairman; Virgil Standing Crow, vice chairman; Gayle Henry, secretary; Dale Weasel, planning commissioner; Jennifer White Eyes, planning commissioner; Leroy White, planning commissioner; and Ralph Taken Alive, planning commissioner. All eight defendants are currently awaiting trial in the District of South Dakota. As part of their plea agreements, Long Elk and Howard are expected to testify against these other officials. Additional individuals are expected to be charged.

Former committee member, his wife, and his secretary enter guilty pleas

James Wayne Pedro, Sr., a former Cheyenne-Arapaho Business Committee member, along with his wife, Lea E. Schantz, and his former secretary, Peggy Bigpond, filed plea agreements, following felony charges of theft and/or false statements, in the U.S. District Court for the Western District of Oklahoma. They were charged with embezzling approximately \$275,000 in funds from the Lucky Star Casino, owned by the Cheyenne-Arapaho Tribe in Concho, OK. Sentencing is pending.

Texas judge indicted for false campaign reports

Texas State District Judge Amado J. Abascal III, 365th District Court, Maverick County, Texas, has been indicted by a Texas state grand jury in Travis County, Texas, for two counts of tampering with a government record, a third-degree felony punishable by 2 to 10 years in prison.

In 2002, Abascal submitted false information on his campaign finance reports to the Texas Ethics Commission. He reported that he received 15 separate campaign contributions of \$1,000 each from 15 different contributors, when, in fact, he received \$15,000 in cash from Isidro Garza, a Kickapoo Traditional Tribe of Texas representative. Garza removed \$15,000 from the Kickapoo Lucky Eagle Casino, which he delivered in cash to Abascal. In addition, Garza provided Abascal with a list of 15 names representing straw contributors. Abascal then used these names on his campaign finance reports, certifying the donors contributed \$1,000 each.

Abascal's actions violated three sections of the Texas Election Code. The first limits judicial candidates from receiving any political contribution exceeding \$1,000 from any person or entity. The second limits any candidate for elected office from receiving more than \$100 in cash from any one person. The third prohibits anonymous contributions to candidates for elected office and requires them to report the actual source of a contribution.

Abascal's trial is pending. This matter was investigated as part of a multiagency task force, including this OIG, investigating public corruption involving the Kickapoo Traditional Tribe of Texas.

Fugitive returned to Wisconsin to face mail fraud sentencing

On February 9, 2006, Neal Kenneth Allen pleaded guilty to mail fraud for a crime committed in 2003 when he swindled \$286,342 from the Lac du Flambeau Band of Lake Superior Chippewa Indians. Posing as a mold testing and abatement expert, he convinced the Lac du Flambeau Tribe to pay him for testing reservation homes.

Allen was indicted and a warrant was issued for his arrest on February 4, 2004. However, he remained at large until December 2005 when he was arrested attempting to enter Puerto Rico on a flight from Costa Rica. Allen remains in custody, awaiting sentencing.

Former construction representative sentenced to 3 months in jail

Delphina Begay, a former construction representative with the Western Regional Office, BIA, was sentenced in Maricopa County Superior Court of Arizona to 3 months in jail and 3 years of probation. The court ordered her to pay \$3,200 in restitution to BIA and \$1,825 in fees. Begay used her government Bank of America fleet cards to purchase items for her personal use and receive cash back on legitimate transactions.

When interviewed, Begay admitted to using her BIA-issued fleet cards to purchase tires, a catalytic converter, and other automotive parts for her roommate's car. She also admitted that she purchased gas for both her personal car and her roommate's car. In addition, she acknowledged receiving cash back from her purchases at Xtreme Carwash. The investigation disclosed that she purchased speakers, struts, a gas filter, a PCV valve, and a lift support for a 1994 Dodge Shadow, owned by her roommate.

Former tribal chairman pleads guilty to mail fraud

Darrell "Chip" Wadena, a former chairman of the White Earth Band of Chippewa Indians, Minnesota, and Guillermo Gonzalez, a used car dealer from Hollywood, FL, were indicted for mail fraud and conspiracy to commit mail fraud, respectively. Wadena and Gonzalez were accused of operating an automobile title fraud scheme, which involved registering salvaged and unsafe cars through the motor vehicle offices of two northern Minnesota Indian reservations.

Gonzalez and Wadena pleaded guilty to one count of mail fraud. Both men await sentencing, pending completion of other aspects of this ongoing criminal investigation. Wadena was chairman of the White Earth Band for 20 years, until his conviction in 1996 on 15 federal charges for fraud and theft.

Attorney sentenced for role in embezzling tribal funds

In further developments concerning our investigation of the Skull Valley Band of Goshute Indians, Duncan Steadman, a Salt Lake City, Utah attorney, was sentenced in the U.S. District Court for the District of Utah for his role in assisting certain members of the band to create documents later used to deceive local bank officials and gain access to approximately \$833,000 of tribal money. Steadman's sentence follows his prior guilty plea to a one-count violation of theft from an Indian tribal organization.

Steadman's sentence stems from a lengthy OIG investigation of former tribal chairman Leon Bear. Bear allegedly was influenced by Private Fuel Storage, a consortium of Minnesota-based utility companies, to sign contracts providing funds to store 40,000 metric tons of high-level nuclear waste on the tribe's reservation 45 miles southwest of downtown Salt Lake City. Bear and other tribal members were previously convicted and sentenced for embezzling tribal funds.



Storage Drums.

Tribal court official found guilty of embezzlement

A federal jury trial held in Minot, ND, resulted in a guilty verdict for Yvette LaFloe Falcon, former chief clerk of court for the Turtle Mountain Band of the Chippewa Indians Tribal Court, Belcourt, ND. Falcon was found guilty of a one-count felony violation of conspiracy to commit offenses against the United States, and a two-count felony violation of embezzlement from an Indian tribal organization, for her part in a conspiracy to steal travel funds and create and submit false travel documents. Falcon's guilty verdict follows guilty pleas previously entered by three other Turtle Mountain Band tribal court employees.

Falcon received a sentence of 18 months of incarceration, 3 years of supervised release, 100 hours of community service, and a fine for restitution of \$11,509. Falcon has appealed her sentence.



Former casino employees sentenced for payroll advance scheme

Former general manager Charlene Azure, former payroll clerk Vienna Gourneau, and former accounts payable clerk Sylvia Rockwood, employed by the Load Star Casino on the Crow Creek Sioux Tribe, were sentenced in U.S. District Court, District of South Dakota. Azure was sentenced to 18 months of imprisonment and 3 years of probation. She was also ordered to make restitution of \$83,000. Gourneau was sentenced to 5 years of probation and ordered to pay restitution of \$7,349. Rockwood was sentenced to 5 years of probation and ordered to pay restitution of \$7,044.

The three former casino employees pled guilty to charges related to their roles in a payroll advance scheme. Azure was also charged for her role in a check-cashing scheme. These activities resulted in the theft of \$97,393 from the tribe.

National Indian Gaming Commission investigators assisted the OIG in this investigation.

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Bureau of Land Management



Two men indicted for bribery of a former BLM employee

Curtis Slade, the former vice president of Newco Aggregate in Farmington, NM, was indicted by a federal grand jury in the U.S. District Court for the District of New Mexico for bribing a public official. Since Newco held a permit to extract sand and gravel from BLM land in northwestern New Mexico, Slade allegedly gave Ralph Mason, a former geologist with BLM's Farmington Field Office, bribes and gratuities to overlook permit requirements and accelerate the permit process.

Norman Geoff McMahon, the former president of Newco, was also indicted for the same charges. Trial dates are pending.

BLM field manager sentenced for embezzlement of public funds

BLM field manager Robert Beehler pled guilty to one count of embezzlement of public funds. He was sentenced to 3 years of probation, fined \$5,000, and ordered by the Northern District of California to pay \$17,939 in restitution.

An e-mail referral from NBC first noted suspicious activity on Beehler's government charge card and alerted investigators. Ultimately, the investigation determined that Beehler used his government charge card to buy personal items such as furniture, oil changes, car brakes, a car battery, a set of tires for his personal vehicle, fine china, books, clothing, food, and music.



This investigation uncovered weaknesses in the BLM California State office's government charge card procedures. As a result, the office has instituted new policy to ensure better accountability for this program.

Former BLM collection officer sentenced to prison term

Michelle Braun, a former collection officer with BLM's Colorado State Office, received 15 months of imprisonment and 3 years of supervised release for conspiracy, theft of government funds, and computer fraud. The court also ordered Braun to pay \$140,937 in restitution.

Braun used her position to issue \$165,000 in refund checks from BLM to Lori O'Brien, her long-time high school friend. During the first years of Braun's scheme, she altered and falsified paperwork, which enabled the refund checks to be issued. Eventually, Braun used other employees' user names and passwords to initiate the checks.

After O'Brien told Braun she no longer wanted to be involved in the theft, Braun opened a post office box, continued to issue checks in O'Brien's name, and forged the checks payable to her husband.

O'Brien also was sentenced to 5 years of probation and ordered to pay \$103,825 in restitution, as well as a \$3,000 fine for agreeing to receive and negotiate 18 U.S. Treasury checks issued by Braun.

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Minerals Management Service



Deferred prosecution agreement executed with oil and gas company

During January 2006, a deferred prosecution agreement was executed between the U.S. Attorney's Office, District of North Dakota, and Citation Oil & Gas Corporation in Houston, Texas, as well as its wholly-owned subsidiary, Citation Crude Marketing, Inc., also in Houston.

The Deferred Prosecution Agreement was executed to resolve an ongoing criminal investigation into the conduct of the two companies and their officers, directors, and employees. The investigation concerned altered documents submitted by the companies during an audit of oil and gas royalties paid on federal leases in North Dakota. In the agreement, the companies acknowledged that if they breached the terms of the agreement, the U.S. Attorney's Office would file criminal charges on the matter investigated.

MMS is expected to initiate civil and/or administrative proceedings to achieve a financial settlement in this case.

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National Park Service



Hawaii antique shop owner pleads guilty to conspiracy



Artifacts removed from the Kanupa Cave.

Daniel Warren Taylor, an antique shop owner on the island of Hawaii, pleaded guilty in U.S. District Court, District of Hawaii, to conspiring with co-defendant John Andrew Carta to traffick in Native American cultural items. Taylor and Carta were earlier charged with the conspiracy offense.

Taylor admitted that from June to August 2004, he and Carta found artifacts in an ancient burial cave known as Kanupa Cave on the island of Hawaii. They removed the artifacts in disregard of the Native American Graves Protection and Repatriation Act (NAGPRA).

The two men removed approximately 157 artifacts from the cave.

Taylor attempted to sell a necklace pendant to a collector for \$40,000. He successfully sold a matching wooden bowl and lid to a collector for \$2,083, and he also posted a wrist ornament for sale on the Internet for \$5,600.

The investigation recovered nearly all of the artifacts stolen by Taylor and Carta. The prosecution of Taylor is the first ever of a NAGPRA violation in the State of Hawaii. Carta is scheduled to enter a plea before a U.S. Magistrate Judge in April 2006.

In addition to being the first NAGPRA prosecution in Hawaii, the case revealed critical weaknesses in DOI's administration of the NAGPRA program. Investigative findings, as well as recommendations, will be forwarded to the national NAGPRA coordinator for review and action.

NPS manager pleads guilty to possession of child pornography

On March 2, 2006, Lawrence Hartmann, former chief of the Resource Management and Science Division of the Great Smoky Mountains National Park in Tennessee and North Carolina, entered a guilty plea to one count of possession of child pornography. Hartmann was sentenced to 8 years in prison and 3 years of supervised probation. Once out of prison, Hartmann will be required to register as a sex offender. His position with the park was terminated, effective August 24, 2005.

During Hartmann's interview, he acknowledged using his government computer to visit Web sites containing images of unclothed young children. He said he had been doing this for a number of years and storing these images on an external USB hard drive as well as CD-ROMs. He also admitted to taking inappropriate pictures of his adopted daughter, who was approximately 1 year old at the time.



A forensic examination of Hartmann's government laptop computer, external USB hard drive, and CD-ROMS revealed tens of thousand of pornographic images of children. A total of more than 30,000 pictures of

suspected child pornography were sent to the National Center for Missing and Exploited Children to be compared with possible known child victims.

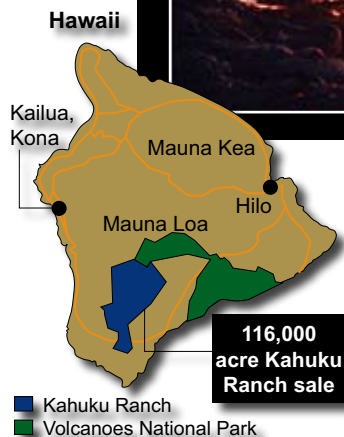
The National Center for Missing and Exploited Children identified 1,012 images and 1 video of known child victims among the material taken from Hartmann's computer media.

In addition to the images Hartmann downloaded from the Internet, the forensic examination led to the discovery of a hidden video camera that Hartmann had installed in the bathroom of his home. Using that camera, Hartmann videotaped children who came to visit and converted them into digital videos and images stored on his government computer equipment.

Improved operations to enhance visitor experience at volcanoes

By adopting a more business-like approach in its operations, Hawaii Volcanoes National Park could significantly improve its commercial and interpretive services, as well as its maintenance operations. Taken together, these changes could improve the quality of visitor experiences at the park. Such an approach would include the following:

- ◆ Updating the park's General Management Plan to include changes that affect visitor enjoyment (e.g., how newly acquired acreage will be used).
- ◆ Developing detailed plans for day-to-day operations of park commercial and interpretive services and maintenance operations.
- ◆ Strengthening park controls over government purchase cards, fee collections, and the museum collection to reduce the risk of fraud, waste, and abuse in these areas.



Lava flow at Hawaii Volcanoes National Park. Photo courtesy of U.S. Department of the Interior, U.S. Geological Survey. (<http://hvo.wr.usgs.gov/kilauea/update/archive/2005/Jan/main.html>)

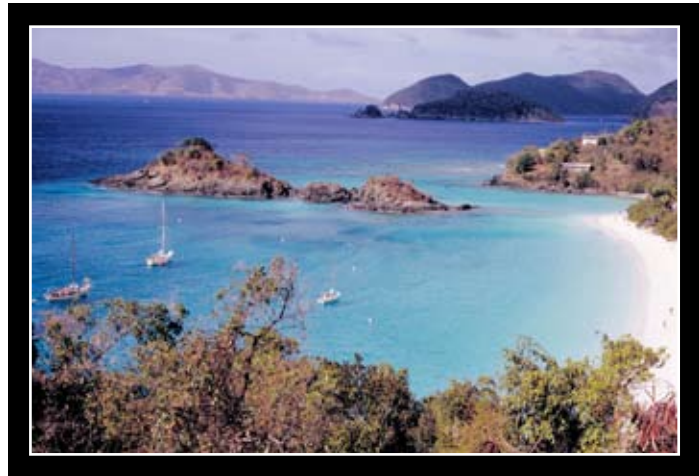
OIG found that, to date, lack of a business-like approach has cost the park an estimated \$2.7 million from commercial air tour operators, \$85,000 from commercial bus tour operators, \$38,800 in water payments from the park concessionaire, and a potential \$50,000 in franchise fees over the past 5 years.

The OIG made 12 recommendations to improve planning and oversight. Implementation of these recommendations would help the park adopt a more business-like approach, while significantly improving its commercial, interpretive, and maintenance services. NPS has concurred with, and is beginning to implement, these recommendations. (Read full Report)

Former fee-collection program supervisor guilty of embezzlement

As reported in the Fall 2005 Semiannual Report to Congress, Genevieve Segura, a former fee collection program supervisor at the Virgin Islands National Park on St. John, Virgin Islands, was found guilty of 14 counts of embezzling and stealing. The theft amounted to \$7,643 taken from the park, beginning approximately in June 1999 and extending through May 2002.

On December 14, 2005, Segura was sentenced to 4 years of supervised probation, 6 months of house confinement with electronic monitoring, payment of a \$576 criminal assessment fee, and restitution of \$7,743 to the Virgin Islands National Park.



Virgin Islands National Park.

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Office of Insular Affairs

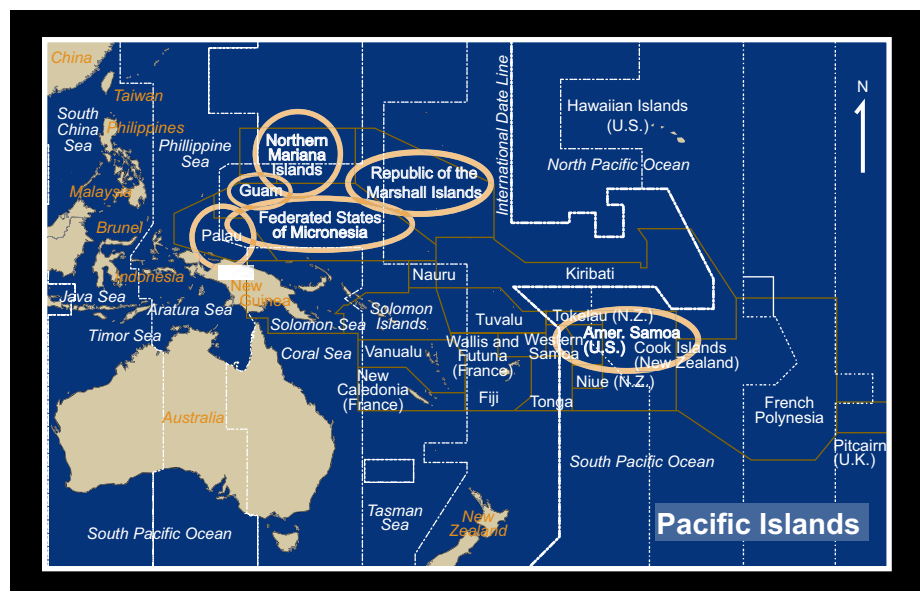
Insular Areas liaison reports progress in audits, investigations

The OIG Insular Areas field liaison for the Pacific reported progress in several areas that included increased capacity of the Insular Areas Public Auditor Offices to perform audits and investigations pertaining to the use of Compact and local funds, as well as the review of related accounting systems, controls, and reporting processes.

The OIG continued its efforts to improve training opportunities for Public Auditor Offices. As a result, three auditors and one investigator attended stateside, on-the-job training. These individuals came from the Public Auditor Offices in Guam and the Federated States of Micronesia. Additional training opportunities for Public Auditor Office staff are being planned for fiscal year 2006.

The completion of inspection assignments for several Insular Areas governments also resulted in preparation of the following documents:

- ◆ Evaluation Report: Compact Implementation, Federated States of Micronesia
- ◆ Advisory Report: Status of Closed School Cafeteria and Suspended Student Meals Program, Chuuk State, Federated States of Micronesia
- ◆ Flash Report: Environmental and Public Health Concerns, Chuuk State, Federated States of Micronesia
- ◆ Memorandum: Compact Implementation, Republic of Palau
- ◆ Memorandum: New Capitol Complex Maintenance Issues, Republic of Palau



In addition, the OIG provided inspection training to Public Auditor Office staff in the Republic of the Marshall Islands and the Federated States of Micronesia to improve report productivity. Requests from several Insular Areas governments resulted in training being scheduled on Compact grant management processes, including system improvements and reporting, beginning in fiscal year 2006. Also, the Office of Insular Affairs' Honolulu-based staff has Compact Sector financial oversight training scheduled in April 2006.

The OIG also continued efforts to resolve long-outstanding internal audit recommendations. As of March 31, 2006, a total of 213 recommendations contained in 37 reports were processed and closed.

Former director sentenced for conspiring to commit bribery and fraud

Kerisiano Sili Sataua, former director of the American Samoa Government's Department of Education, was sentenced to 30 months of imprisonment and ordered to pay \$61,000 in restitution after pleading guilty to conspiring to commit bribery and fraud concerning federal programs.

Sataua admitted to accepting cash and goods in exchange for fraudulently awarding contracts. He defrauded the U.S. Territory of American Samoa and federal agencies of at least \$61,000 when he awarded these contracts to his co-conspirators and their companies.

This investigation was jointly conducted with the FBI and the U.S. Department of Education's OIG. Sataua was prosecuted by the Public Integrity Section of the U.S. Department of Justice, Criminal Division.

U.S. Fish and Wildlife Service

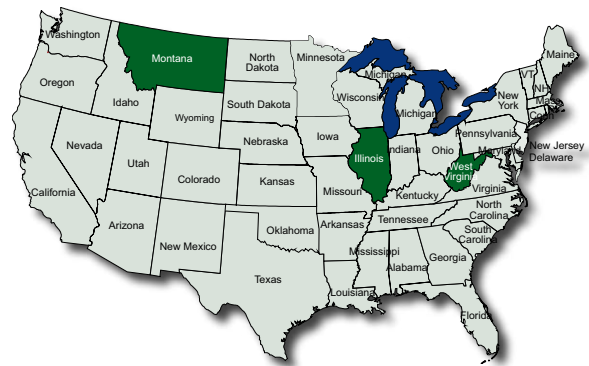


Audits of state grants identify \$1.2 million in questionable costs

Audits of grants that the FWS awarded to three states revealed a potential savings of \$1.2 million. The grants finance up to 75 percent of state-sponsored projects, such as developing sites for boating access and acquiring and managing natural habitats.

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

- ◆ The State of West Virginia did not report proceeds of at least \$495,770 from the disposal of real property acquired with federal assistance funds. Also, it did not report program income of at least \$137,214 and used federal assistance lands for unauthorized purposes. The audit also found that West Virginia claimed costs of \$37,443 contributed to the state's retirement system for temporary employees not entitled to such benefits.
- ◆ The State of Montana's personal property and fixed assets inventory listings were neither accurate nor complete. Also, the state's drawdown procedures need to be revised.
- ◆ The State of Illinois claimed \$553,977 of questionable costs that consisted of unauthorized activities and unsupported charges for labor and in-kind services. Also, the audit identified issues concerning state use of license revenues, the state's assent legislation, and the ownership and use of federal assistance land.



Individual charged in misuse of purchase and credit card

Aaron M. Smith, a private citizen in Philadelphia, PA, was arrested as part of an international fraud investigation conducted and coordinated by the OIG's Central Region Investigations office. The investigation involved the widespread misuse of Bank of America MasterCard numbers fraudulently obtained from DOI's purchase and credit card program.

Smith was charged in a Pennsylvania State Court with five felony counts of theft, forgery, and access device fraud, and 40 additional local charges, after he made approximately \$9,000 in fraudulent transactions with credit card numbers assigned to NPS. Smith's fraudulent credit card transactions covered the purchase of Dell computers, payment of his Comcast cable bill, and payment for food from several local restaurants. Based on leads developed by OIG special agents, a search warrant was executed by NPS special agents and local law enforcement officials at Smith's residence in Philadelphia. The search failed to locate any of the Dell computers. However, investigators later determined that Smith sold the computers at a local pawn shop.

Although the OIG first learned of this potential crime through information provided by FWS, the crime actually transcended that agency to impact many other DOI bureaus.

Former FWS employee sentenced for possession of child pornography

Gary Heet, a former FWS employee first mentioned in the Fall 2005 Semiannual Report, was sentenced to 21 months in prison, followed by 2 years of supervised release, and a \$5,000 fine. He was sentenced for possession of child pornography.

In 2003, his supervisor at the Seney National Wildlife Refuge in Seney, MI, discovered a computer virus with a sexually suggestive title on Heet's computer. An OIG computer forensics examination of the hard drive identified more than 2,000 pornographic images, a substantial number of which were of children. Based on this information, the OIG and the FBI obtained a search warrant for Heet's residence, where additional evidence was seized. Heet, who retired due to medical disabilities, began his prison sentence on January 2, 2006.



U.S. Geological Survey



Employee indicted for misusing fleet and purchase cards

Steven Ray Norton, a former USGS budget analyst, was indicted by a U.S. District Court federal grand jury in Colorado on 24 felony counts of embezzlement, theft, and conversion of DOI credit cards. Norton used four USGS-issued Bank of America credit cards to purchase \$38,395 worth of items for personal use and then receive cash and store credit on what appeared to be legitimate purchases. Norton attempted to hide his activity by manipulating and transferring entries on USGS accounts entrusted to his oversight.

Norton has resigned from his employment with the USGS as a result of the investigation.

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Summary of Audit and Related Activities From October 1, 2005, Through March 31, 2006

	<i>Audits Performed by:</i>		
	OIG Staff Internal, Grant, and Contract Audits	OIG Single Audit Staff Quality Control Reviews	Total
Reports Issued To			
Department/Office of the Secretary	9	2	11
Fish and Wildlife and Parks	10	0	10
Indian Affairs	3	0	3
Insular Affairs	2	0	2
Land and Minerals Management	7	0	7
Water and Science	5	0	5
Other Federal Agencies	1	0	1
Total Reports Issued	37	2	39

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Reports Issued During the 6-Month Period That Ended March 31, 2006

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 that ended March 31, 2006. 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

X-IN-BIA-0006-2005	Independent Auditors' Report on the Bureau of Indian Affairs' Financial Statements for Fiscal Years 2005 and 2004 (12/20/2005)
X-IN-BIA-0010-2006	Management Letter Concerning Issues Identified During the Audit of the Bureau of Indian Affairs Financial Statements for Fiscal Years 2005 and 2004 (03/03/2006)

Bureau of Land Management

C-ST-BLM-0001-2006	Status Review of the Five Recommendations in Our March 2005 Flash Report No. C-IN-BLM-0013-2005, Titled "Public Safety Issues at the Saginaw Hill Property, Bureau of Land Management" (01/30/2006)
X-IN-BLM-0012-2005	Independent Auditors' Report on the Bureau of Land Management's Financial Statements for Fiscal Years 2005 and 2004 (01/31/2006)
X-IN-BLM-0005-2006	Management Letter Concerning Issues Identified During the Audit of the Bureau of Land Management's Financial Statements for Fiscal Years 2005 and 2004 (02/7/2006)

Bureau of Reclamation

X-IN-BOR-0013-2005	Independent Auditors' Report on the Bureau of Reclamation's Financial Statements for Fiscal Years 2005 and 2004 (12/28/2005)
X-IN-BOR-0007-2006	Management Letter Concerning Issues Identified During the Audit of the Bureau of Reclamation's Financial Statements for Fiscal Years 2005 and 2004 (02/10/2006)
B-VS-BOR-0004-2006	Verification Review on Recommendations Considered Implemented From Our September 2004 Audit Report Titled "Bureau of Reclamation, Denver Office, Contract Administration" (03/07/2006)

U.S. Geological Survey

X-IN-GSV-0008-2005	Independent Auditors' Report on the U.S. Geological Survey's Financial Statements for Fiscal Years 2005 and 2004 (11/23/2005)
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X-IN-GSV-0011-2006 Management Letter Concerning Issues Identified During the Audit of the U.S. Geological Survey's Financial Statements for Fiscal Years 2005 and 2004 (01/31/2006)

Minerals Management Service

X-IN-MMS-0010-2005 Independent Auditors' Report on the Minerals Management Service's Financial Statements for Fiscal Years 2005 and 2004 (12/08/2005)

X-IN-MMS-0006-2006 Management Letter Concerning Issues Identified During the Audit of the Minerals Management Service's Financial Statements for Fiscal Years 2005 and 2004 (02/10/2006)

Multi-Office

X-IN-MOA-0019-2005 Independent Accountants' Report on the Application of Agreed-Upon Procedures for the Office of Personnel Management (10/05/2005)

X-IN-MOA-0011-2005 Independent Auditors' Report on the Department of the Interior's Annual Report on Performance and Accountability for Fiscal Year 2005 (11/15/2005)

X-IN-MOA-0002-2006 Independent Auditors' Report on the Department of the Interior's Special Purpose Financial Statements for Fiscal Years 2005 and 2004 (11/18/2005)

C-ST-MOA-0009-2005 Status Review on Recommendation 4 From our March 2000 Audit Report No. 00-I-300 Titled "Supporting Documentation for Operators Participating in the Stripper Oil Well Property Royalty Rate Reduction Program, Bureau of Land Management and Minerals Management Service" (11/25/2005)

X-IN-MOA-0013-2006 Independent Accountants' Report on Applying Agreed-Upon Procedures for Intragovernmental Activity and Balances for Fiscal Year 2005 (12/02/2005)

X-IN-MOA-0009-2006 Management Letter Concerning Issues Identified During the Audit of the Department of the Interior's Financial Statements for Fiscal Years 2005 and 2004 (02/28/2006)

C-IN-MOA-0006-2005 Modified Water Deliveries to Everglades National Park (03/31/2006)

C-EV-MOA-0016-2005 Fee-for Service-Organizations, Department of the Interior (03/31/2006)

National Park Service

B-EV-NPS-0012-2005 District of Columbia Water and Sewer Authority – July 1, 2005, Through September 30, 2005 (10/31/2005)

X-IN-NPS-0009-2005 Independent Auditors' Report on the National Park Service's Financial Statements for Fiscal Years 2005 and 2004 (12/21/2005)

X-IN-NPS-0008-2006 Management Letter Concerning Issues Identified During the Audit of the National Park Service's Financial Statements for Fiscal Years 2005 and 2004 (01/31/2006)

B-EV-NPS-0001-2006	District of Columbia Water and Sewer Authority – October 1, 2005, Through December 31, 2005 (02/03/2006)
P-IN-NPS-0074-2004	Hawaii Volcanoes National Park: Improved Operations Should Enhance Stewardship and Visitor Experience (03/31/2006) *\$88,800 ****\$2,785,000

Office of Surface Mining Reclamation and Enforcement

X-IN-OSM-0004-2006	Independent Auditors' Report on the Office of Surface Mining Reclamation and Enforcement's Balance Sheets as of September 30, 2005 and 2004, and the Related Financial Statements for the Year Ended September 30, 2004 (12/30/2005)
X-IN-OSM-0004-2006	Financial Statements Management Letter Concerning Issues Identified During the Audit of the Office of Surface Mining's Financial Statements for Fiscal Years 2005 and 2004 (02/17/2006)

Office of Special Trustee for American Indians

Q-IN-OST-0002-2005	Independent Auditors' Report on the Tribal and Other Trust Funds and Individual Indian Monies Trust Funds Financial Statements for Fiscal Years 2005 and 2004 Managed by the Office of the Special Trustee for American Indians (11/22/2005)
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U.S. Fish and Wildlife Service

X-IN-FWS-0015-2005	Independent Auditors' Report on the U.S. Fish and Wildlife Service's Financial Statements for Fiscal Years 2005 and 2004 (01/30/2006)
X-IN-FWS-0003-2006	Management Letter Concerning Issues Identified During the Audit of the U.S. Fish and Wildlife Service's Financial Statements for Fiscal Years 2005 and 2004 (02/27/2006)

U.S. Virgin Islands

V-EV-VIS-0001-2006	Supplemental Review of Insurance and Pension Costs Provided by U.S. Virgin Islands Watch and Jewelry Producers for Calendar Years 2003 and 2004 (03/09/2006)
V-IN-VIS-0002-2006	Watch Quota and Jewelry Quota Data for Calendar Years 2005 Submitted by Firms Located in the U.S. Virgin Islands (03/31/2006)

Contract and Grant Audits

National Park Service

K-CX-NPS-0017-2005	Cost Proposal Submitted by Bunting Graphics, Inc., Under the National Park Service Service-wide Sign Management Program Solicitation No. N1105050001 (03/31/2006)
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U.S. Fish and Wildlife Service

R-GR-FWS-0007-2004	Final Audit Report on the U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of Montana, Department of Fish, Wildlife and Parks, From July 1, 2001, Through June 30, 2003 (11/21/2005)
R-GR-FWS-0005-2005	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of West Virginia, Division of Natural Resources, From July 1, 2002, Through June 30, 2004 (02/06/2006) *\$632,984 **\$37,443
R-GR-FWS-0004-2005	Final Audit Report on the U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of Illinois, Department of Natural Resources, From July 1, 2002, Through June 30, 2004 (03/31/06) **\$93,698 ***\$460,279

Single Audit Quality Control Reviews

B-QC-MOA-0011-2005	Narragansett Indian Tribe Special Revenue Funds for the Year Ended December 31, 2002 (10/28/2005)
B-QC-MOA-0009-2005	Territory of American Samoa for the Fiscal Year Ended September 30, 2003 (2/7/2006)

Other Reports

W-RR-OIG-0005-2005 ¹	Audit of Expenditures by the California Secretary of State's Office Under the Help America Vote Act of 2002 (10/11/2006)
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¹ This report was issued to the U.S. Election Assistance Commission. The Commission has the responsibility for all actions on this report.

Monetary Impact of Audit Activities From October 1, 2005, Through March 31, 2006

Activity	Questioned Costs**	Funds to be Put To Better Use	Revenues	Total
Bureau of Indian Affairs	0	0	0	0
Bureau of Land Management	0	0	0	0
Bureau of Reclamation	0	0	0	0
U.S. Fish and Wildlife Service	\$591,420	\$632,984	0	\$1,224,404
Insular Areas*	0	0	0	0
Multi-Office	0	0	0	0
Office of the Secretary	0	0	0	0
National Park Service*	0	\$88,800	\$2,785,000	\$2,873,800
Total	\$591,420	\$721,784	\$2,785,000	\$4,098,204

* Includes monetary impact of nonfederal funds.

** Unsupported costs are included in questioned costs.

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Audit Resolution Activities

Table I: 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	40	\$17,220,153	\$4,232,952
B. Which were issued during the reporting period.	2	\$591,420	\$460,279
Total (A+B)	42	\$17,811,573	\$4,693,231
C. For which a management decision was made during the reporting period.	5	\$2,062,644	\$508,982
(i) Dollar value of recommendations that were agreed to by management.	4	\$1,790,996	\$237,334
(ii) Dollar value of recommendations that were not agreed to by management.	1	\$271,648	\$271,648
D. For which no management decision had been made by the end of the reporting period.	37	\$15,748,929	\$4,184,249
E. For which no management decision was made within 6 months of issuance.	35	\$15,157,509	\$3,723,970

* Unsupported costs are included in questioned costs.

¹ The number of reports has been increased by one due to 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 had been made by the commencement of the reporting period.	15	\$60,848,715
B. Which were issued during the reporting period.	2	\$721,784
Total (A+B)	17	\$61,570,499
C. For which a management decision was made during the reporting period.	5	\$40,024,051
(i) Dollar value of recommendations that were agreed to by management.	5	\$40,024,051
(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	12	\$21,546,448
E. For which no management decision was made within 6 months of issuance.	10	\$20,824,664

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 had been made by the commencement of the reporting period.	8	\$217,365,640
B. Which were issued during the reporting period.	1	\$2,785,000
Total (A+B)	9	\$220,123,640
C. For which a management decision was made during the reporting period.	2	\$43,840,000
(i) Dollar value of recommendations that were agreed to by management.	1	\$43,200,000
(ii) Dollar value of recommendations that were not agreed to by management.	1	640,000
D. For which no management decision had been made by the end of the reporting period.	7	\$176,283,640
E. For which no management decision was made within 6 months of issuance.	6	\$173,525,640

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Summary of Audit Reports Over 6 Months Old Pending Management Decisions at March 31, 2006

This listing includes a summary of internal, contract (except pre-awards), and grant audit reports that were over 6 months old on March 31, 2006, 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 Audit

Bureau of Indian Affairs

W-FL-BIA-0047-2002	School Construction Program, Bureau of Indian Affairs (02/24/2004); 2 Recommendations; \$2,100,000 Unresolved
E-EV-BIA-0063-2003	Process Used To Assess Applications to Take Land Into Trust for Gaming Purposes (09/01/2005); 1 Recommendation
C-IN-BIA-0015-2004	Bureau of Indian Affairs Use of Facilities Improvement and Repair Funds (08/29/2005); 1 Recommendation; \$10,200,000 Unresolved

Bureau of Land Management

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); 5 Recommendations
W-IN-BLM-0009-2003	Audit of Oil and Gas Permitting Process, Bureau of Land Management (02/13/04); 1 Recommendation

Multi-Office Audits

A-EV-MOA-0006-2004	Annual Evaluation of the Information Security Program of the Department of the Interior (10/06/2004); 2 Recommendations
A-IN-MOA-0004-2004	Department of the Interior's Use of Wireless Technologies (12/6/2004); 6 Recommendations
E-IN-MOA-0008-2004	Department of the Interior Workers' Compensation Program (05/9/2005); 2 Recommendations
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); 1 Recommendation
X-IN-MOA-0027-2004	U.S. Department of the Interior, Interior Trust Funds Management (06/06/2005); 7 Recommendations
A-EV-MOA-0001-2005	The Department of the Interior's Process To Manage Information Technology Security Weaknesses (09/23/2005); 5 Recommendations

National Park Service

A-IN-NPS-0074-2003	Improvements Needed In Managing Information Technology System Security, National Park Service (03/29/2004); 1 Recommendation
C-IN-NPS-0001-2005	Public Safety Concerns at Floyd Bennett Field, Gateway National Recreational Area (11/18/2004); 2 Recommendations
E-IN-NPS-0007-2005	Management Issues Identified During the Audit of the National Park Service's Fiscal Years 2004 and 2003 Financial Statements (01/05/2005); 4 Recommendations
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); 2 Recommendations

Office of Surface Mining Reclamation and Enforcement

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); 1 Recommendation
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U.S. Fish and Wildlife Service

C-IN-FWS-0064-2004	Independent Auditors' Report on the U.S. Fish and Wildlife Service's Financial Statements for Fiscal Years 2004 and 2003 (02/14/2005); 3 Recommendations
X-IN-FWS-0017-2005	Audit of U.S. Fish and Wildlife Service Administrative Costs to Support Wildlife and Sport Fish (08/29/2005); 2 Recommendations

Contract and Grants

Bureau of Indian Affairs

1994-E-0784	Audit of Costs Incurred by Diversified Business Technologies Corporation Under Bureau of Indian Affairs Contract No. CBM000047 (06/10/1994); 1 Recommendation; \$825,170 Unresolved
1994-E-0919	Audit of Costs Incurred by Diversified Business Technologies Corporation Under Contract No. CBM000174 (06/30/1994); 1 Recommendation; \$247,414 Unresolved

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, Bureau of Land Management (05/19/2004); 1 Recommendation; \$256,526 Unresolved
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National Park Service

2000-E-0289	JCM Control Systems, Inc., Costs Billed From January 1, 1997, Through July 16, 1999, Under National Park Service Contract No. 443CX300094906 (03/24/2000); 1 Recommendation; \$83,125 Unresolved
2000-E-0607	Costs Billed By Harrison & Palmer, Inc., From April 1, 1996, Through June 23, 1999, Under National Park Service Contract No. 143CX300094906 (08/8/2000); 1 Recommendation; \$52,703 Unresolved
2000-E-0706	Audit of Costs Billed by Southern Insulation, Inc., From November 21, 1994, Through June 1, 1999, Under National Park Service Contract Number 1443CX300094906 (09/29/2000); 1 Recommendation; \$86,262 Unresolved
2001-E-0035	Audit of Costs Billed by Callas Contractors, Inc., From January 1, 1997 Through June 1, 1999, Under National Park Service Contract No. 1443CX300094906 (11/07/2000); 1 Recommendation; \$16,425 Unresolved
2001-E-0036	Audit of Costs Billed by Capitol Mechanical Contractors, Inc., From January 1, 1997, Through June 1, 1999, Under National Park Service Contract No. 1443CX300094906 (11/7/2000); 1 Recommendation; \$98,194 Unresolved
2001-E-0244	Audit of Costs Billed by E.M.S. Consultants, Inc., From May 1, 1996, Through June 1, 1999, Under National Park Service Contract Number 1443CX300094906 (02/27/2001); 1 Recommendation; \$327,330 Unresolved
2001-E-0336	Audit of Costs Billed By JCM Control Systems, Inc., From January 1, 1994, Through July 16, 1999, Under National Park Service Contract No. 1443CX300094906 (04/23/2001); 1 Recommendation; \$109,865
2002-E-0002	Audit of Amounts Billed by the Community Central Energy Corporation From October 1, 1993, Through September 30, 2000, Under National Park Service Contract No. CX-4000-0-0023 (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 (07/8/2004); 2 Recommendations; \$348,792 Unresolved
C-CX-NPS-0039-2004	Costs Claimed by The Ryan Company, Inc., Under the Horizontal Directional Drilling Portion of National Park Service Contract No. 1443C4500000906 (02/9/2005); 1 Recommendation; \$3,427,887 Unresolved

U.S. Fish and Wildlife Service

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 (03/21/2004); 1 Recommendation
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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); 5 Recommendations; \$980,616 Unresolved
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 (03/08/2005); 9 Recommendations
R-GR-FWS-0008-2004	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of Idaho, Department of Fish and Game, From July 1, 2001, Through June 30, 2003 (09/30/2005); \$156,189 Unresolved
R-GR-FWS-0007-2005	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the Commonwealth of Massachusetts, Executive Office of Environmental Affairs, Department of Fish and Game, Division of Fisheries and Wildlife, From July 1, 2002, Through June 30, 2004 (09/30/2005); 14 Recommendations; \$159,815 Unresolved

Summary of Internal Audit and Evaluation Reports Over 6 Months Old Pending Corrective Action at March 31, 2006

This is a listing of internal audit and evaluation reports over 6 months old with management decisions 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 (06/11/2003); 3 Recommendations
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); 21 Recommendations
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); 36 Recommendations
C-IN-BIA-0015-2004	Bureau of Indian Affairs Use of Facilities Improvement and Repair Funds (08/29/2005); 2 Recommendations
E-EV-BIA-0063-2003	Process Used To Assess Applications to Take Land Into Trust for Gaming Purposes (09/1/2005); 2 Recommendations

Bureau of Land Management

1992-I-0828	Onshore Geophysical Exploration Fees (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
1997-I-1300	Issuance of Mineral Patents, Bureau of Land Management and the Office of the Solicitor (09/30/1997); 1 Recommendation
1999-I-0808	Cultural Resource Management, Bureau of Land Management (09/30/1997); 2 Recommendations
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 2002 Financial Statements (12/31/2003); 2 Recommendations

W-IN-BLM-0009-2003	Audit of Oil and Gas Permitting Process, Bureau of Land Management (02/13/2004); 3 Recommendations
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); 5 Recommendations
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); 6 Recommendations
C-IN-BLM-0013-2005	Public Safety Issues at the Saginaw Hill Property Bureau of Land Management (03/15/2005); 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
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); 18 Recommendations
E-IN-MMS-0006-2005	Management Issues Identified During the Audit of the Minerals Management Service's Fiscal Years 2004 and 2003 Financial Statements (02/03/2005); 10 Recommendations

Multi-Office Audits

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); 3 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
C-EV-MOA-0094-2003	Department of the Interior Contracting for Temporary and Critical Staffing Needs (09/30/2004); 5 Recommendations
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); 66 Recommendations
E-IN-MOA-0008-2004	Department of the Interior Workers' Compensation Program (05/09/2005); 2 Recommendations

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); 1 Recommendation
C-IN-MOA-0049-2004	Department of the Interior Concessions Management (06/13/2005); 6 Recommendations
C-IN-MOA-0040-2004	U.S. Department of the Interior Hazardous Materials Site Management (08/22/2005); 7 Recommendations

National Park Service

1998-I-0406	Follow-up of Recommendations Concerning Utility Rates Imposed by the National Park Service (04/15/1998); 5 Recommendations
2003-I-0013	Yosemite National Park's Museum Collection, National Park Service (03/31/2003); 1 Recommendation
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); 11 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
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); 26 Recommendations
E-IN-NPS-0007-2005	Management Issues Identified During the Audit of the National Park Service's Fiscal Years 2004 and 2003 Financial Statements (01/05/2005); 30 Recommendations
C-IN-NPS-0013-2004	The National Park Service's Recording of Facility Maintenance Expenditures (01/26/2005); 7 Recommendations

Office of the Secretary

2003-I-0056	Evaluation Report on the 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
E-IN-OSS-0058-2004	Independent Auditors' Report on the Departmental Offices' Financial Statements for Fiscal Years 2004 and 2003 (12/06/2004); 18 Recommendations

E-IN-OSS-0008-2005 Management Issues Identified During the Audit of Departmental Offices' Fiscal Years 2004 and 2003 Financial Statements (02/24/2005); 31 Recommendations

Office of the Special Trustees for American Indians

1997-I-1169 Judgment Funds Awarded to the Papago Tribe of Arizona (09/15/1997); 2 Recommendations

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

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 Managed by the Office of Trust Funds Management (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

Q-IN-OST-0066-2004 Independent Auditors' Report on the Tribal and Other Trust Funds and Individual Indian Trust Funds Financial Statements for Fiscal Years 2004 and 2003 Managed by the Office of the Special Trustee for American Indians (11/29/2004); 8 Recommendations

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); 4 Recommendations

Office of Surface Mining Reclamation and Enforcement

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

S-IN-OSM-0087-2003-D Evaluation Report on State Operated Coal Regulatory Programs (10/27/2004); 2 Recommendations

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); 3 Recommendations

U.S. Fish and Wildlife

97-I-1305	Audit Report on the 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 (11/09/99); 1 Recommendation
C-IN-FWS-0078-2003	Independent Auditors' Report on the US 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
C-IN-FWS-0064-2004	Independent Auditors' Report on the Fish and Wildlife Service's Financial Statements for Fiscal Years 2004 and 2003 (02/14/2005); 2 Recommendations
C-IN-FWS-0004-2005	Management Issues Identified During the Audit of the Fish and Wildlife Service's Fiscal Years 2004 and 2003 Financial Statements (04/07/2005); 6 Recommendations

U.S. Virgin Islands

V-IN-VIS-0072-2004	Grants for Waste Disposal Projects, Department of Public Works, Government of the Virgin Islands (05/11/2005); 1 Recommendation
V-IN-VIS-0078-2004	Fish and Wildlife Grants for Boating Access Facilities, Government of the Virgin Islands (08/19/2005); 2 Recommendations

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Summary of Insular Area Reports With Open Recommendations Over 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

American Samoa

P-IN-AMS-0117-2003 American Samoa: Top Leadership Commitment Needed to Break the Cycle of Fiscal Crisis (09/19/2005); 3 Recommendations

U.S. Virgin Islands

1997-I-0040	Division of Agriculture, Department of Economic Development and Agriculture, Government of the Virgin Islands (10/21/1996); 1 Recommendation
1998-I-468	Followup of Recommendations Relating to the Bureau of Corrections, Department of Justice, Government of the Virgin Islands (05/29/1998); 1 Recommendation
1999-I-365	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-107	Administrative Functions, Legislature of the Virgin Islands (12/29/2000); 8 Recommendations; \$1,320,293
2002-I-0001	Virgin Islands Fire Service, Government of the Virgin Islands (10/30/2001); 2 Recommendations; \$2,014,994
2002-I-0009	Virgin Islands Housing Finance Authority, Government of the Virgin Islands (12/31/2001); 1 Recommendation
2002-I-0010	Administrative Functions, Virgin Islands Police Department, Government of the Virgin Islands (02/13/2002); 5 Recommendations; \$2,592,873
2002-I-0042	Federal Highway Grants, Department of Public Works, Government of the Virgin Islands (08/16/2002); 5 Recommendations; \$462,747
2002-I-0046	Professional Service Contracts, Government of the Virgin Islands (09/30/2002); 1 Recommendation; \$1,019,791
2003-I-0002	Public Finance Authority, Government of the Virgin Islands (11/22/2002); 9 Recommendations; \$30,524,687

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 Services Surcharge Collections by Innovative Telephone Corporation on Behalf of the Government of the Virgin Islands (09/26/2003); 1 Recommendation; \$256,380
V-IN-VIS-0001-2004	Procurement Activities, Virgin Islands Port Authority, Government of the Virgin Islands (03/28/2005); 10 Recommendations; \$852,013
V-IN-VIS-0110-2003	Indirect Cost Fund, Government of the Virgin Islands (06/22/2005); 2 Recommendations
V-IN-VIS-0078-2004	Fish and Wildlife Grants for Boating Access Facilities, Government of the Virgin Islands (08/19/2005); 1 Recommendation
V-IN-VIS-0100-2004	Contracts for Facility Improvements, Virgin Islands Fire Service, Government of the Virgin Islands (09/20/2005); 2 Recommendations; \$81,500

List of Reports Issued on Information Security

NSM-EV-MOI-0013-2005	Annual Evaluation of the Department's Information Security Program, October 6, 2005.
NSM-EV-OSS-004-2006	Flash Report, "Security Vulnerabilities at the Information Technology Center Place Sensitive Data at Risk," January 17, 2006.

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