



SEMIANNUAL REPORT TO THE CONGRESS  
APRIL 2007

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

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National Bison Range  
Photo by  
Hagerty/FWS



## MESSAGE FROM THE INSPECTOR GENERAL



I am pleased to present the results and accomplishments of the Office of Inspector General (OIG) from October 1, 2006, through March 31, 2007. During this reporting period, we completed three of the highest profile investigations conducted during my tenure. One involved millions of dollars in oil and gas royalties that went uncollected by the Minerals Management Service (MMS). The other two involved former Deputy Secretary J. Steven Griles' and former Congressman Robert Ney's interaction with convicted lobbyist Jack Abramoff.

In March 2006, we opened an investigation after the *New York Times* published an article alleging that oil and gas companies were not paying the correct amount of royalties due to the American taxpayer. Congressional testimony revealed that price thresholds, which required oil and gas companies in the Gulf of Mexico to pay royalties to the federal government when oil and gas prices reached a certain level, were not included in 1998 and 1999 leases issued by MMS. We found that MMS field personnel initially included price threshold language in the leases but stopped for 2 years and instead cited a regulation that they thought contained the same language – but, in fact, it did not. As stated during my testimony, this was an example of bureaucratic bungling that could end up costing taxpayers billions of dollars.

At the request of the Congress, we also audited the MMS process for conducting compliance reviews, which evaluate the “reasonableness” of reported oil and gas royalties. Historically, MMS has relied on audits to verify that companies are reporting oil and gas royalties. Compliance reviews can provide a broader coverage of royalties, using fewer resources than traditional audits. They do not, however, provide the same level of detail or assurance that a traditional audit provides. As a result, we concluded that compliance reviews should only be used in conjunction with audits, in the context of a well-designed, risk-based compliance strategy. MMS agreed with the report's three recommendations, which should result in an overall improvement in the compliance review process.

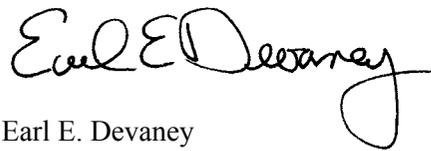
In addition to our recent activities involving MMS that received considerable media attention, we have finally completed a 3-year-long investigation into the relationship between J. Steven Griles, former Deputy Secretary of the Department of the Interior (DOI), and convicted lobbyist Jack Abramoff. In March 2007, Griles pleaded guilty in U.S. District Court for the District of Columbia to one count of obstruction of proceedings before the U.S. Senate.

Griles acknowledged that, contrary to his statement and Senate testimony, Abramoff had enjoyed special access to him at DOI. He admitted that, during his interview and testimony, he had lied about their relationship. Griles further admitted in his plea that Abramoff—both

directly and through an unnamed person—sought and received advice and intervention on issues within DOI’s jurisdiction that directly affected Abramoff and his clients. Griles is the 10th individual to face criminal charges in relation to the investigation into Abramoff’s lobbying activities and the highest-level Administration official.

We also concluded our joint investigation with the FBI into former Congressman Robert Ney’s assistance to Abramoff’s lobbying team. In exchange for personal favors, including an all-expense-paid golf trip to Scotland, Ney aided Abramoff and his clients by inserting amendments in the Help America Vote Act that opposed federal bans on Indian gaming in Texas. Ney was sentenced to 30 months of incarceration and ordered to pay a fine of \$6,000.

The hard work and dedication of all OIG personnel who contributed to these investigations and audits reflect the OIG’s commitment to promoting excellence and integrity in the Department. We will continue to work diligently with the Secretary and the Congress to improve transparency and accountability of government to the American public.

A handwritten signature in black ink that reads "Earl E. Devaney". The signature is written in a cursive style with a large, looping "y" at the end.

Earl E. Devaney  
Inspector General

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# INVESTIGATIONS STATISTICAL HIGHLIGHTS

OCTOBER 1, 2006, THROUGH MARCH 31, 2007

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# AUDITS STATISTICAL HIGHLIGHTS

OCTOBER 1, 2006, THROUGH MARCH 31, 2007

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## AUDIT AND EVALUATION IMPACTS

TOTAL MONETARY IMPACTS.....	\$46,910,602
Questioned Costs (includes unsupported costs).....	\$5,064,624
Recommendations That Funds Be Put to Better Use.....	\$12,989,272
Lost or Potential Additional Revenues .....	0
Wasted Funds* .....	\$28,856,706

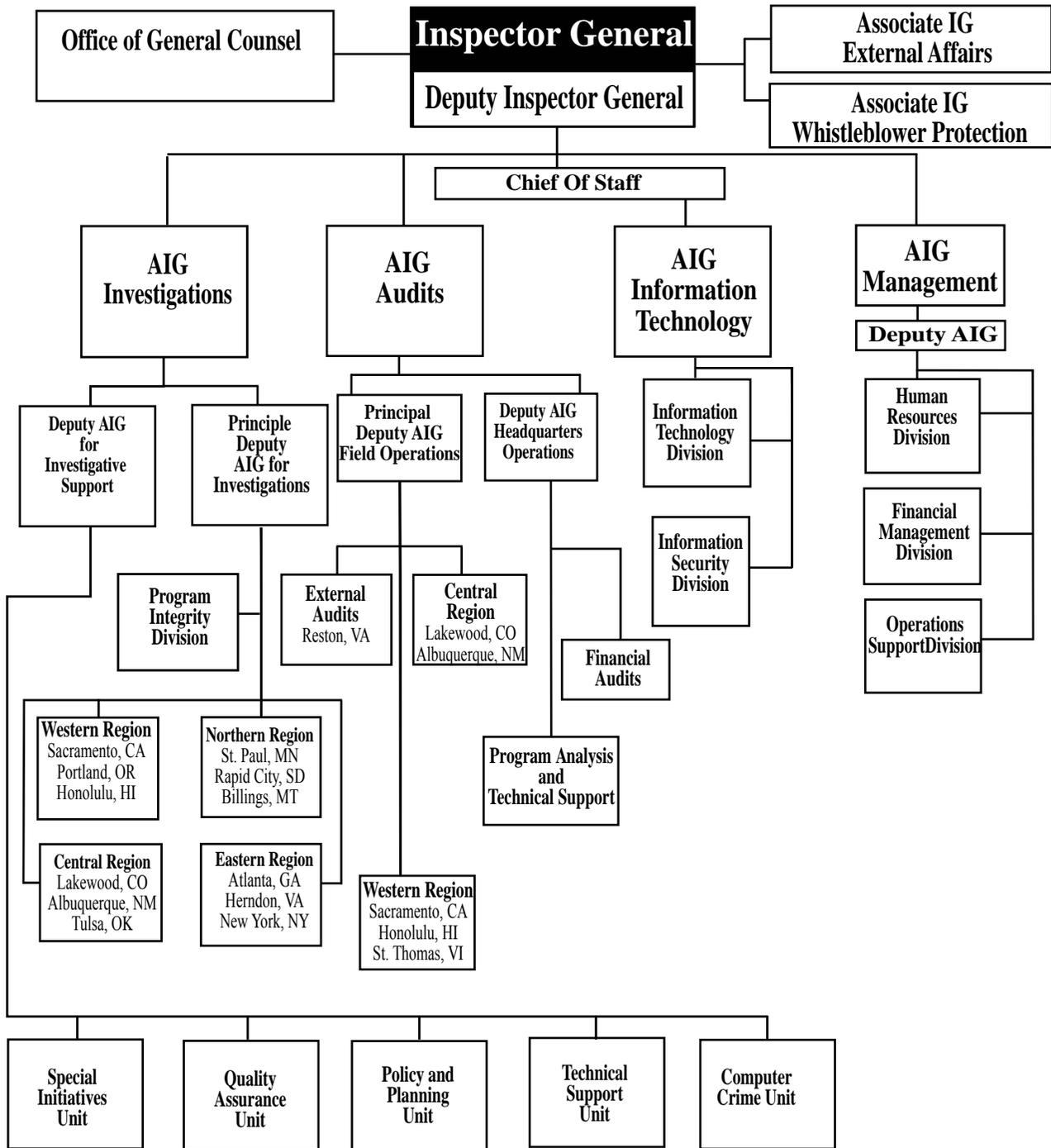
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\* Wasted Funds is a new category the OIG will be using to classify funds that were wasted and cannot be recovered.

# OIG Organization Chart



# MISSION AND TOP MANAGEMENT CHALLENGES FOR THE OFFICE OF INSPECTOR GENERAL

## MISSION

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

## RESPONSIBILITIES

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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

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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.

DOI'S TOP MANAGEMENT CHALLENGES
<b>Financial Management</b>
<b>Information Technology</b>
<b>Health, Safety, and Emergency Management</b>
<b>Maintenance of Facilities</b>
<b>Responsibility to Indians and Insular Areas</b>
<b>Resource Protection and Restoration</b>
<b>Revenue Collections</b>
<b>Procurement, Contracts, and Grants</b>

# DEPARTMENT OF THE INTERIOR



*Barnes/FWS*



## FORMER DEPUTY SECRETARY PLEADS GUILTY OF LYING TO CONGRESS

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J. Steven Griles, the former DOI Deputy Secretary, pleaded guilty in U.S. District Court for the District of Columbia to one count of obstruction of proceedings before the U.S. Senate.

Griles was interviewed by Senate investigators and later testified before the Senate Indian Affairs Committee regarding his ties to lobbyist Jack Abramoff. The Senate interview and subsequent hearing specifically focused on the level of access that Abramoff had to Griles; the nature and extent of the relationship between Griles, Abramoff, and an unnamed person; and whether Griles had intervened on behalf of Abramoff's clients on matters before DOI.

Griles admitted that, during his interview and testimony, he had lied about his relationship with Abramoff. Griles also acknowledged that, contrary to his statement and testimony, Abramoff had enjoyed special access to him. Griles claimed that his personal and sometimes romantic involvement with the unnamed operator of a purported non-profit organization contributed to Abramoff's access to him. This unnamed person introduced Griles to Abramoff, and Griles understood that Abramoff was a major contributor to the non-profit organization. In fact, during Griles' tenure at DOI, Abramoff's clients contributed almost \$500,000 to the non-profit organization.

Griles further admitted in his plea that Abramoff—both directly and through the unnamed person—sought and received advice and intervention on issues within DOI's jurisdiction that directly affected Abramoff and his clients.

## EMBEZZLEMENT CHARGES RESULT IN RECOVERY OF \$1.9 MILLION

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Janice Hughes, a former personnel manager with the National Plastering Industry's Joint Apprenticeship Trust Fund, pleaded guilty in U.S. District Court for the District of Columbia to 13 counts of bank fraud, mail fraud, and money laundering associated with the theft of \$911,420 in federal contract funds. She was sentenced to 51 months of incarceration and 36 months of supervised probation. Also, she was ordered to make full restitution to the victims of her embezzlement—Department of Labor, DOI, and



*Balestra/OIG*

the Trust Fund. In addition to restitution, she is subject to a criminal forfeiture order for the full amount of the loss, which will be paid to the Department of Justice (DOJ) asset forfeiture fund.

On April 1, 2003, the Department of Labor (DOL) OIG contacted the DOI OIG with information indicating that Gilbert A. Wolf, the former executive director of the National Plastering Industry's Joint Apprenticeship Trust Fund, and Janice Hughes, former personnel manager of the same fund, improperly converted proceeds from DOI and DOL contracts to their own use.

On March 13, 2005, a grand jury indicted Wolf and Hughes for six counts of bank fraud, five counts of mail fraud, and two counts of money laundering. Between 1995 and 2000, the couple had diverted trust fund monies to their personal account. Hughes, a 30-year trust fund employee, was terminated in February 2001 after she was discovered destroying general ledger records in the trust fund office.

Gilbert Wolf's trial began on February 27 and ended on March 8, 2007. The jury deliberated until March 15 but was unable to reach a verdict. The judge dismissed the jury and declared a mistrial. As of March 28, the U.S. Attorney's Office has made no decision about bringing this case to trial again.

The National Plastering Industry's Joint Apprenticeship Trust Fund is a non-profit training group governed by the Operative Plasterers' and Cement Masons' International Association. The fund provides pre-apprenticeship career training for disadvantaged youth at Job Corps centers administered by DOL and DOI.

## FORMER CONGRESSMAN PLEADS GUILTY AND IS SENTENCED

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Robert W. Ney, former U.S. Representative for the 18th Congressional District in Ohio, pleaded guilty in U.S. District Court, Washington, D.C., to one count of conspiracy and one count of making false statements. He was sentenced to 30 months of incarceration, to be followed by 24 months of supervised release, and ordered to pay a fine of \$6,000.

The charges stemmed from the ongoing Abramoff Task Force Investigation in which the DOI OIG participates. In addition to actions that transcend DOI, Ney's conviction was based on his assistance to the Abramoff lobbying team regarding Indian tribes in Texas. In

exchange for personal favors, Ney agreed to assist Abramoff by inserting amendments that opposed federal bans on Indian gaming in Texas into the Help America Vote Act. The amendments would have assisted Abramoff's tribal clients.

In exchange for this assistance, as well as other actions, Ney received an all-expense paid golf trip to Scotland, numerous meals and drinks at Washington, D.C., restaurants, and tickets allowing him to use Abramoff's box suites to attend sporting events and concerts in Washington, D.C. In sentencing Ney, the U.S. District Court exceeded the government recommended term of incarceration, citing Ney's failure to fully cooperate.

## **DEPUTY ASSISTANT SECRETARY INTERFERES WITH REPORTS, DISCLOSES NON-PUBLIC INFORMATION**

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Based on an anonymous complaint, the OIG investigated Julie MacDonald, Deputy Assistant Secretary, Fish, Wildlife and Parks, to determine whether or not she had been involved in unethical and illegal activities. Specifically, the complainant alleged that MacDonald had bullied, insulted, and harassed the professional staff of the U.S. Fish and Wildlife Service (FWS), requiring them to change documents and alter biological reports concerning the Endangered Species Program. As the OIG investigation progressed, it also became clear that MacDonald had disclosed nonpublic information to private sector sources.

The OIG interviewed various sources, including FWS employees and senior officials. The OIG also reviewed pertinent documents and e-mails. These confirmed that MacDonald had heavily edited, commented on, and reshaped scientific reports submitted by the field. MacDonald admitted that she had a degree in civil engineering but no formal educational background in the natural sciences, such as biology.

While the OIG discovered no illegal activity on her part, agents did determine that MacDonald disclosed nonpublic information to private sector sources, including the California Farm Bureau Federation and the Pacific Legal Foundation. In fact, MacDonald admitted that she released nonpublic information to public sources on several occasions during her tenure as Deputy Assistant Secretary.



*Del Vecchio/OIG*

Review by the OIG Office of General Counsel indicated that MacDonald's conduct violated the Code of Federal Regulations (C.F.R.) under 5 C.F.R. § 2635.703 (Use of Nonpublic Information) and 5 C.F.R. § 2635.101 (Basic Obligation of Public Service, Appearance of Preferential Treatment).

## DOI FINANCIAL STATEMENTS REVIEWED

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Under contract with DOI, the independent, certified public accounting firm of KPMG rendered an unqualified opinion on the consolidated DOI financial statements for FY2005 and 2006. KPMG identified one material weakness and seven critical but less significant internal control weaknesses (reportable conditions). KPMG also found one deficiency in the DOI internal controls that required reporting the condition of museum property, as well as three instances where DOI did not comply with laws and regulations.

KPMG also rendered unqualified opinions on the financial statements of DOI bureaus: the National Park Service (NPS); the Bureau of Land Management (BLM); the Office of Surface Mining, Reclamation and Enforcement; FWS; MMS; the Bureau of Indian Affairs (BIA); the Bureau of Reclamation; and the U.S. Geological Survey (USGS).

## SINGLE AUDITS SCRUTINY IDENTIFIES DEFICIENCIES

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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. The OIG recently completed 82 reviews with the following results:

- ◆ One auditor referral was made to the American Institute of Certified Public Accountants and to a state board of accountancy for substandard work.
- ◆ Seven reviews resulted in auditors reissuing the reports to correct deficiencies.
- ◆ Thirteen 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:

- ◆ In the Delaware Nation audit for the year that ended September 30, 2005, the auditor insufficiently documented the major program determination process, major program materiality, and identification of applicable compliance requirements. In addition, the auditor failed to prepare an audit program for audit work relating to major program internal controls and obtain an adequate understanding of internal control over compliance for the major programs.
- ◆ In the National Park Foundation audit for the year that ended June 30, 2005, there were no deficiencies requiring any changes or corrective action.

## PROGRAM ASSESSMENT RATING TOOL (PART) REVIEWS

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Federal agencies use PART, a standard questionnaire, to submit federal program information to the Office of Management and Budget (OMB). Then OMB uses the submitted information to determine program effectiveness, followed by recommended improvements for rated programs and follow-up on those improvements. The Deputy Secretary asked the OIG to review the programs assessed by OMB using PART and to suggest improvements for programs that could not demonstrate results. During the current period, the OIG conducted the following three reviews of DOI programs designated as “Results Not Demonstrated” by OMB:

- ◆ **BIA Road Maintenance Program:** Overall, BIA has made progress in addressing the three OMB recommendations related to the road maintenance program. BIA has developed a performance measure, issued regulations encouraging state and local governments to maintain their roads through Indian reservations, and arranged for the Federal Highway Administration to conduct an independent evaluation of the program. The OIG identified areas still needing improvement. Its report suggesting improvements is structured to correspond to key recommendations from OMB’s 2004 program assessment. If BIA satisfactorily addresses the areas of improvement identified by the OIG, the road maintenance program should be better positioned to achieve a positive rating in its upcoming PART reassessment.



*Balestra/OIG*

- ◆ **FWS National Wildlife Refuge System (NWRS) Program:** Overall, FWS has made significant progress in addressing the four OMB recommendations related to the wildlife refuge system. FWS has developed a 5-year draft strategic plan (2006-2010); developed and implemented an automated system that allows aggregation of performance data at national and regional levels; engaged an independent contractor to evaluate program effectiveness in addressing strategic goals; and made considerable progress in linking individual employee performance plans to appropriate targets. The OIG identified areas still needing improvement. The report suggesting improvements is structured to correspond to key recommendations from OMB's 2003 program assessment. If FWS satisfactorily addresses the areas identified for improvement, we believe the NWRS program will be better positioned to achieve a positive rating in its upcoming PART reassessment.
  
- ◆ **BIA Law Enforcement Program:** Based on BIA's 2003 law enforcement PART assessment, OMB recommended actions to improve program operations. The OIG reviewed the program in 2006 and observed some progress toward implementing each of OMB's recommendations. Specifically, the program has drafted an interagency agreement to coordinate activities with the DOJ Community Oriented Policing Services Program; drafted a strategic plan for the Office of Justice Services Division of Corrections; developed a prototype system for collection of performance data; and completed numerous reviews and inspections of field activities. A lot of work remains in order to improve the reliability of program performance information. The OIG report provides 25 suggestions for further improvement, and it is structured to correspond to key recommendations from OMB's 2003 program assessment.

## DOI AND DOD AUDIT ACQUISITION CENTERS

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Interagency contracting is a tool that, when effective, can help agencies to streamline the acquisition process and increase cost efficiency. DOI has two acquisition centers that assist other government agencies. These are GovWorks (National Business Center or NBC) and the Acquisition Services Division, Southwest Branch (SWB) of NBC. In FY2005, DOI executed procurements through these centers in excess of \$1.7 billion on behalf of the Department of Defense (DOD).

The National Defense Authorization Act for FY2006 required that the DOD Inspector General work with the other Inspectors General to review procurement policies, procedures, and internal controls, as well as administration for all agencies processing more than \$100 million in DOD procurements. To meet this requirement, the DOD OIG and the DOI OIG jointly audited the two DOI contracting centers that provide acquisition services to DOD. The audit sought to determine whether DOI complied with DOD procurement requirements, including whether DOI and DOD used and tracked funds properly. The DOD OIG also evaluated whether DOD had a legitimate need to use DOI contracting services.

Overall, the audit determined that neither GovWorks nor SWB complied in full with legal requirements, with federal acquisition regulations, and with DOD supplemental requirements. In fact, the contracting centers routinely violated rules designed to protect federal interests and the public trust. These actions put DOI at risk for Antideficiency Act violations, and put the acquisition centers at risk for loss of business as well as loss of public confidence and trust.

## RADIO COMMUNICATIONS PROGRAM

The DOI Radio Communications Program has an unsafe and unreliable radio environment that jeopardizes the health and safety of DOI employees and the public because:

- ◆ The poorly maintained infrastructure poses physical safety hazards and does not support reliable communications.
- ◆ The new radio technology adopted by DOI does not effectively meet users' needs.
- ◆ DOI has a fragmented radio communications program that fails to connect two critical components—infrastructure and equipment.

The OIG found that DOI's mandate to purchase advanced digital radios failed to consider user needs, did not include adequate training, and contributed to DOI's failure to meet the federal requirement to transition to narrowband radio technology by January 1, 2005. The OIG audit identified approximately \$25 million in unnecessary expenditures because of this mandate. Additionally, the OIG estimated that one bureau still could save approximately \$10.5 million if exempted from this mandate.



*Balestra/OIG*

Without fundamental changes to the radio communications program, DOI will continue to jeopardize the safety of its employees and the public, as well as squander resources. Given the critical nature of radio communications and the seriousness of the issues identified by the OIG, we believe that the radio communications program remains a material weakness for DOI. The OIG report provided seven recommendations intended to improve the safety and reliability of the program, improve cost management, and meet the narrowband requirement.

## AUDIT EXAMINES HURRICANE RELIEF EXPENDITURES

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The devastating hurricanes of 2005 had a two-fold impact on DOI. First, DOI assisted with federal relief efforts under the National Response Plan (NRP). Second, bureaus directly experienced the impact of the disasters. DOI sustained significant damage to 12 parks and preserves, 86 refuges, 68 water monitoring gauges, and the MMS Gulf of Mexico Regional Office. As of September 30, 2006, DOI spent approximately \$104 million on hurricane relief and recovery. This included approximately \$61 million for NRP activities and \$43 million with which to address internal damage. The OIG is pleased to report that, overall, the bureaus effectively managed their 2005 hurricane-related expenditures. Given the magnitude of Gulf Coast and DOI facilities' damages, the issues the OIG identified through expenditure testing proved relatively insignificant. The bureaus performed well.

## VERIFICATION REVIEWS COMPLETED

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DOI managers ensure that actions agreed upon during the audit process have, in fact, been taken. As part of the OIG's ongoing strategy to ensure such implementations, we performed verification reviews of 14 recommendations from 5 prior audit reports. These reviews determine whether or not managers actually implemented the recommendations they reported having completed.

Our review concluded that managers did not take appropriate actions to implement 4 (37 percent) of the 14 recommendations they had reported as implemented. Since one of these recommendations no longer applied, we proposed that it be considered closed and not implemented. As for the other 3, the OIG requested that DOI reinstate them and take appropriate follow-up action.

## QUALIFIED OPINION ON FINANCES ISSUED

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The Office of the Special Trustee for American Indians (OST) has made substantial progress in addressing internal control weaknesses during FY2006 and continues to focus its efforts on continual improvement. KPMG, under contract with OST, issued qualified opinions on FY2005 and 2006 Tribal and Other Trust Funds and on Individual Indian Monies Trust Funds financial statements prepared by OST.

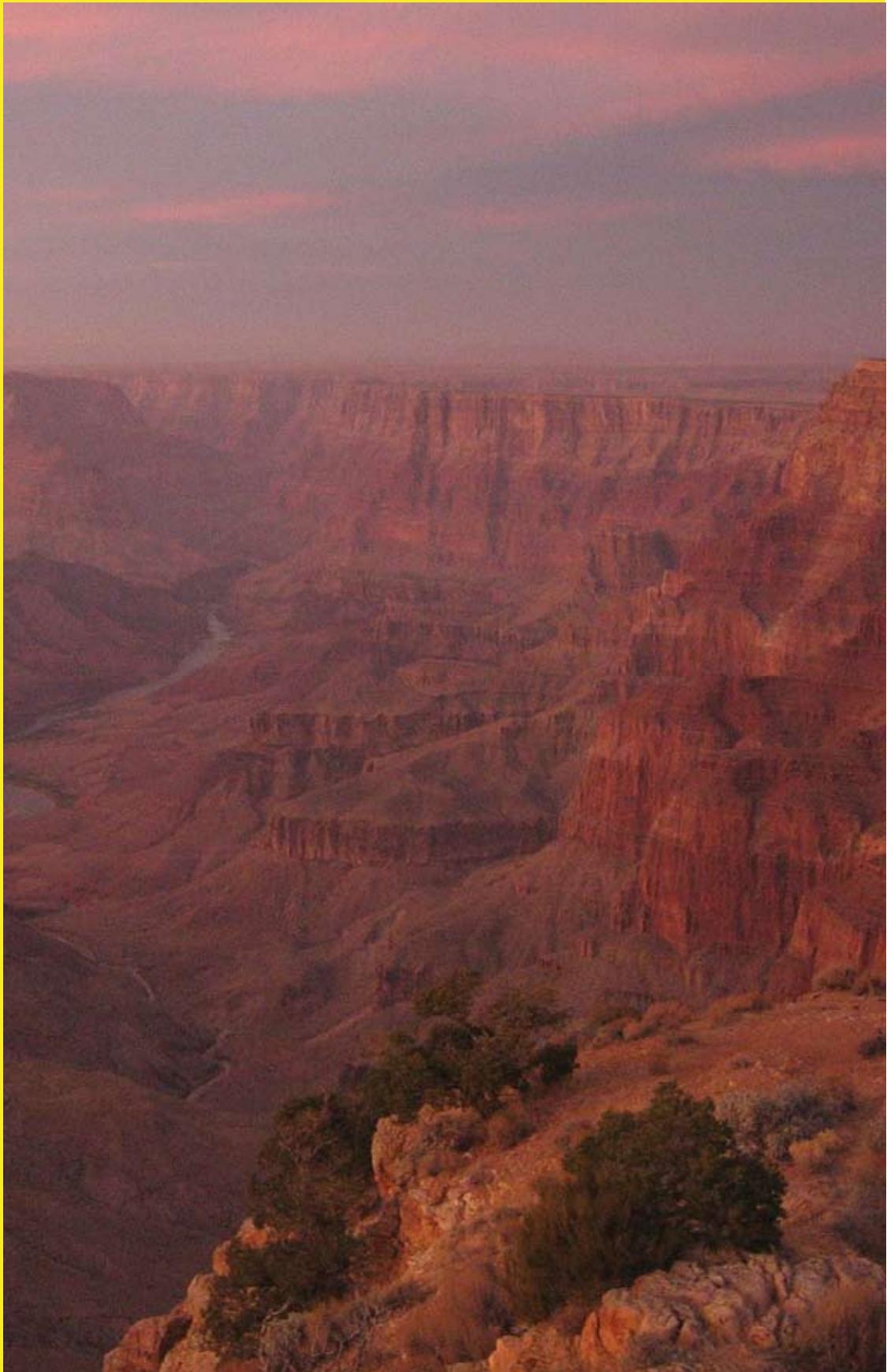
According to KPMG's report, it was not practicable for the auditors to extend their auditing procedures to determine the fairness of trust fund balances due to a class action lawsuit for an accounting of individuals' trust funds, disagreements with trustees on account balances, and legal claims against the federal government because of inadequacies in certain DOI trust-related systems and processes. The report also identified a material weakness related to OST's reliance on processing trust transactions at BIA, as well as unresolved financial reporting issues from prior periods.

## NBC TRUSTED INSIDER THREAT EVALUATED

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Currently the OIG is evaluating NBC's internal network security control architecture to understand the extent to which someone with insider knowledge and physical access could obtain unauthorized access to critical information technology (IT). During this evaluation, the OIG demonstrated that such unauthorized access can be obtained by an attacker with only physical facilities access. Using unauthorized access gained from its evaluation, the OIG obtained authentication credentials belonging to DOI's "Enterprise Admins" group, which facilitated substantial access to IT resources. As a result, DOI received a "Notice of Finding and Recommendations," containing specific measures to mitigate such risks.

# BUREAU OF INDIAN AFFAIRS



*Kelly/OIG*



## SCHOOL OFFICIALS INDICTED

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On October 26, 2006, seven school board members and employees of Twin Buttes School, Three Affiliated Tribes, Fort Berthold Reservation, ND, were indicted for alleged conspiracy and federal offenses resulting in illegal receipt of approximately \$665,000 of federal funds.

Melissa Starr, the Twin Buttes School Board president, was charged with fraud and misapplication of federal funds; embezzlement and theft from an Indian tribal organization; wire fraud; and conspiracy. She allegedly took more than \$330,000 in travel advances, cash, wire transfers, checks, and debit withdrawals. Tammy Grady, a former Twin Buttes School Board member, was similarly charged after allegedly taking more than \$126,000 in travel advances, cash, wire transfers, and checks.

Elaine Incognito, the former Twin Buttes principal, and Lillian Holen, the school's former financial officer, were similarly indicted. Incognito allegedly took more than \$67,000 in payroll advances, travel advances, wire transfers, checks, and cash, while Holen allegedly took more than \$35,000 in payroll advances, stipends, travel advances, checks, and cash. School Custodian Paul Fredericks was indicted on the same charges, allegedly having stolen more than \$63,000 in travel advances, travel reimbursement, stipends, checks, and cash.

With the single exception of wire fraud, school board members Hank Starr and Darwin Lone Bear faced the same charges. They allegedly had taken \$43,000 and \$25,000, respectively, in travel advances, travel reimbursement, checks, and cash.

## RADIO COMMUNICATIONS PROGRAM AUDITED

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An OIG audit identified that BIA purchased and stored an estimated \$3.6 million in radio equipment it could not use. BIA started purchasing equipment in FY2000 as part of its conversion to mandated narrowband radio technology. Since it lacked a plan to guide its equipment purchase, BIA wasted valuable resources buying unusable equipment for which it will continue to incur storage and maintenance costs, as well as extensive costs to upgrade, refurbish, replace, or dispose



*Barnes/FWS*

of the aging equipment. BIA also lacked inventory controls over approximately \$6.2 million in purchased equipment, resulting in greater potential losses due to fraud, theft, or negligence.

The OIG also found that BIA maintained inadequate contract documentation to support the \$20 million expended on this technology. Specifically, it failed to locate documentation for two contracts, while documentation for other procurements proved incomplete. Finally, BIA improperly awarded at least \$5.5 million in sole source tasks to a contractor by inappropriately modifying an existing task order in violation of the Federal Acquisition Regulation. Overall, the modifications more than quadrupled expenditures for the task order and nearly tripled the performance period.

## **TRIBAL CASINO EMPLOYEE PLEADS GUILTY TO THEFT**

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Marneka Milner, a former cashier/counter at a casino owned by the Poarch Band of Creek Indians, pled guilty on July 21, 2006, to a one-count indictment of theft. She was sentenced on November 15 to 5 years of probation. The court ordered her to pay \$10,000 in full restitution to the Tallapoosa Entertainment Center.

An inquiry began in March 2004 when the Assistant U.S. Attorney (AUSA), Middle District of Alabama, contacted a DOI special agent at the Indian Gaming Conference in Connecticut. The AUSA reported allegations of embezzlement from a casino owned by the Poarch Band of Creek Indians (Tallapoosa Entertainment Center) within his district. The AUSA also provided information that enabled the DOI OIG to launch an investigation.

On June 30, 2004, the OIG interviewed Marneka Milner, one of two second-shift employees working at the time of the theft. She confessed to taking \$10,000. On January 20, 2006, a true bill was returned by a federal grand jury in the Middle District of Alabama, indicting Milner, and an arrest warrant was issued. Milner was arrested on February 2, 2006, and pleaded not guilty at arraignment. At a pre-trial conference held on July 17, she accepted a plea agreement.

## **CHIEF FINANCIAL OFFICER ARRAIGNED FOR EMBEZZLEMENT**

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A lengthy multi-agency investigation that included the IRS, the California Department of Justice, and the DOI OIG led to the indictment of Kathy Redhorse, the former chief financial officer for the Shodakai Coyote Valley Casino, located in Ukiah, CA. Redhorse was

indicted on October 17, 2006, for the theft of casino funds, and charged with conspiracy and obstruction of justice.

## TRIBAL OFFICIALS SENTENCED

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Three former officials of the Standing Rock Sioux Tribe's Running Antelope District were sentenced for their roles in the theft of approximately \$100,000. Those officials included Chairman Leslie Bobtail Bear; Treasurer Susie Long Elk; and Councilman Allen Flying By.

As detailed in the October 2006 *Semiannual Report to the Congress*, Bobtail Bear and Long Elk pleaded guilty to embezzlement and theft charges, and Flying By was convicted by a federal jury of three felony counts, as well as one misdemeanor count of embezzlement and theft.

The \$100,000 represents approximately 10 percent of the \$1 million that the Standing Rock Sioux Tribe provided to the Running Antelope District during 2002. Those monies originated as federal compensation from a land claim settlement of approximately \$90.6 million held in trust by DOI. The tribe draws interest from the trust fund.

On October 16, 2006, Bobtail Bear and Long Elk were sentenced to probation and ordered to pay restitution. On December 18, 2006, Flying By was sentenced to 33 months of incarceration, 36 months of supervised probation upon release, and restitution.

Darrel Semmler, a businessman indicted in June 2006 for allegedly paying a kickback to Flying By, was acquitted of that charge by a federal jury at the conclusion of his October 2006 trial, held in Aberdeen, SD. Previously, seven other Running Antelope District officials had been indicted and sentenced to probation and restitution. One of those same seven also was sentenced to 14 months of incarceration.

## BUSINESSMAN INDICTED

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Craig Keith Potts, the former owner of Cash Systems, Inc., was indicted following an investigation in 2003 and 2004 that focused on contracting and possible corruption involving the Minnesota Ojibwe Leech Lake Band. Potts was charged with conspiracy, making a false statement, and obstruction of justice.



NPS

During 2003 and 2004, he represented his company in negotiations with the tribe to develop a new casino on lake front property near Walker, MN. During this time, Potts directed that \$35,000 be paid to the tribe's gaming director. Afterwards, during the subsequent investigation, he allegedly conspired with others to obstruct any discovery of the source and nature of the payment.

## HOUSING OFFICER ACCEPTED ILLEGAL GRATUITIES

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Frank Joseph, a former BIA housing officer in Aberdeen, SD, was sentenced for accepting illegal gratuities. As the administrator of a housing program allocating approximately \$2 million annually to Indian tribes and tribal organizations in North Dakota, South Dakota, and Nebraska, he oversaw renovation of dilapidated homes and the purchase of new homes for needy tribal members.

A previously filed indictment charged that Joseph, along with Gilbert Kills Pretty Enemy, a former housing specialist supervised by Joseph, accepted payments from a salesman of manufactured homes to ensure his company's selection as the new home vendor for structures purchased with BIA money. The salesman providing the payments died as the investigation began.

After their indictment, Joseph and Kills Pretty Enemy retired from the BIA. On October 16, 2006, Joseph was sentenced to 24 months of supervised probation and fined \$750. On December 29, 2006, Kills Pretty Enemy negotiated an agreement to pay a \$300 fine in exchange for the dismissal of all charges against him without prejudice. The October 2006 *Semiannual Report to the Congress* contained other case details.

## COMPANY OWNER GUILTY OF THEFT

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Robert Gipson, co-owner of Cedar River Construction, pleaded guilty in U.S District Court, Billings, MT, to one count of theft from an Indian tribal organization. He acknowledged entering into two fictitious contracts with the Crow Tribe, and accepting tribal funds totaling \$108,800, knowing that no goods, work, or service had been performed. Subsequently, he made kickback payments to Clifford BirdinGround, the Crow tribal chairman, and Kelly Passes, the Crow tribal finance director.

Kelly Passes and three other enrolled Crow Tribe members were previously convicted of felony charges that included conspiracy; theft from an Indian tribal organization; and obstruction of justice. A

fourth person negotiated a pretrial agreement. BirdinGround pleaded guilty. However, as a condition of his plea agreement, he was not charged for accepting Gipson's bribes.

## FT. PECK OFFICIALS ENTER GUILTY PLEA

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Desiree Lambert, the former Ft. Peck Department of Education director, pleaded guilty to filing false claims and to theft from an Indian tribal organization. Lambert was sentenced to 12 months of imprisonment, 3 years of supervised release, and \$13,855 in restitution, in conjunction with monies misappropriated from funds for student loans.

Her husband, Bernard Lambert, a Brockton School District former superintendent, pleaded guilty to conspiring with her. He was sentenced to 12 months of imprisonment; 3 years of supervised release, and a restitution payment of \$12,000.

Between November 26, 2001, and December 26, 2002, the couple received payments from fraudulent invoices under a contract that funded educational services on the Ft. Peck Indian Reservation. Desiree Lambert hired her husband to write grant applications for the schools. Although he never wrote the applications, the Lamberts still submitted invoices amounting to \$12,000. Ms. Lambert also submitted a false federal income tax return supporting her daughter's application for federal student aid. She claimed to be a single parent with a solitary income when, in fact, she was legally married and part of a dual income household.

Raymond Dolezilek, a former consultant to the Ft. Peck Tribes, likewise pleaded guilty to conspiring with Desiree Lambert to receive fraudulent invoice payments under a contract funding Ft. Peck educational services. Dolezilek filed these false invoices and then gave Lambert a kickback for each fraudulent voucher. He was sentenced to 3 years of supervised release and restitution of \$8,510 to the Ft. Peck tribes. Since Dolezilek already was serving a 10-month jail sentence for an unrelated bribery offense, the judge sentenced him to time served.

## FUGITIVE SENTENCED FOR DEFRAUDING TRIBE

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Neal Kenneth Allen was sentenced in U.S. District Court, Western District of Wisconsin, to 26 months of incarceration, followed by 3 years of supervised release. He was also ordered to repay \$291,693 to



NPS

the Lac du Flambeau Band of Lake Superior Chippewa Indians and \$71,345 to Aerotech Laboratories, Inc., of Phoenix, AZ. In sentencing Allen, the U.S. District Court recommended that he undergo a mental health evaluation.

Allen previously pleaded guilty to mail fraud in connection to his swindle of the Lac du Flambeau Band. He had been indicted in February 2004 but fled to Central America. He was arrested in December 2005 while attempting to enter Puerto Rico on a flight from Costa Rica.

Allen had posed as an expert in the field of mold testing and abatement, and he conned the Lac du Flambeau tribe into paying him to test numerous reservation homes for mold. Additional information on this case appeared in the April 2006 *Semiannual Report to the Congress*.

## PETROLEUM ENGINEER CONVICTED OF CHILD PORNOGRAPHY

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After two mistrials, a federal jury found a BIA petroleum engineer guilty of one felony count of possession of child pornography. Kenneth Young had stored the images on his government-issued computer.

Young possessed hundreds of child pornography images on his computer that he had obtained through interstate commerce. This investigation is a cooperative effort shared by the FBI and the OIG.

## TRIBAL OFFICIAL CONVICTED FOR EMBEZZLEMENT AND THEFT

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The DOI OIG initiated this investigation when it received information that Mary Margaret Lewis, a former bookkeeper for Kialegee Tribal Town (KTT), Wetumka, OK, was suspected of embezzling tribal and federal funds.

From banking records provided by KTT, as well as those obtained with grand jury subpoena authority, it was determined that Lewis had drafted tribal checks to the IRS, had them signed by KTT officials, and then altered the payee from the IRS to Mary M. Lewis, using a KTT typewriter. From February 2002 through September 2004, Lewis embezzled \$299,887 from KTT. This included DOI funds.

Lewis was indicted for one count of embezzlement and theft from an Indian tribal organization, and one count of theft from programs receiving federal funds. She pleaded guilty on July 19, 2006. On December 14, 2006, she was sentenced to 30 months of imprisonment and 24 months of probation. She was ordered to pay a full restitution of \$299,887.

## SIX FORMER KICKAPOO TRIBAL OFFICIALS PLEAD GUILTY

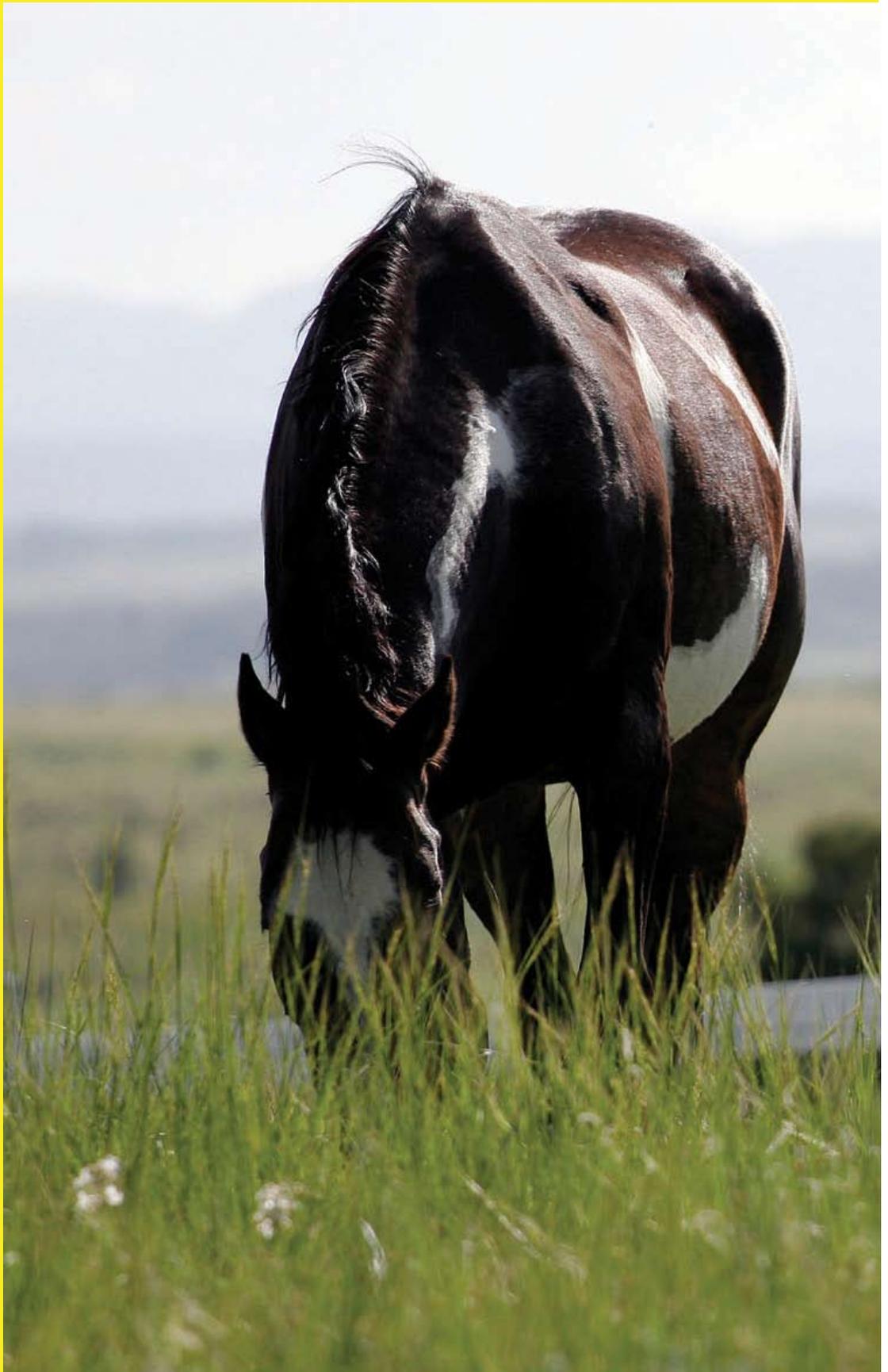
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On October 24, 2006, five former Kickapoo Traditional Tribe of Texas (KTTT) officials pleaded guilty to embezzlement and tax evasion conspiracies in U.S. District Court, Western District of Texas, Waco, TX, in connection with a scheme to steal more than \$900,000 in funds from the tribe. Raul Garza, Sr., former KTTT tribal chairman, pleaded guilty to one count of conspiracy to embezzle funds from the KTTT. Isidro Garza, Jr., former KTTT tribal representative, pleaded guilty to one count of conspiracy to embezzle funds from the KTTT and one count of conspiracy to evade income tax. Isidro Garza, Jr.'s wife, Martha Garza, and son Timoteo Garza (former Texas state representative), each pleaded guilty to one count of conspiracy to evade income tax. Arthur Lee Martin, former KTTT casino manager, also pleaded guilty to one count of conspiracy to embezzle funds from the tribal casino.

On November 14, 2006, the sixth defendant, Isidro Xavier Garza (the second son of Isidro Garza, Jr.) pleaded guilty to one count of failure to file an income tax return, in connection with a scheme to unlawfully use his company, Bay Area Consultants, to receive embezzled funds from his father.

On January 31, 2007, Isidro Xavier Garza was sentenced to 12 months of supervised release and fined \$3,000. The remaining five defendants await sentencing.

# BUREAU OF LAND MANAGEMENT





## GRAVEL COMPANY VICE PRESIDENT AND BLM GEOLOGIST CONVICTED

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Curtis Slade, former vice president of Newco Aggregate in Farmington, NM, pleaded guilty in the U.S. District Court for the District of New Mexico to providing gratuities to a public official. Newco held BLM sand and gravel permits. He gave Ralph Mason, a geologist with BLM's Farmington Field Office, gratuities to overlook permit requirements and accelerate the permit process.

Mason was convicted in 2006 for accepting bribes from Slade and Norman Geoff McMahon. Following the conviction, he was removed from federal employment. McMahon was acquitted of bribery charges in late 2006. Sentencing for Slade has been postponed until summer 2007.

## BLM TRUSTED INSIDER THREAT EVALUATED

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The OIG evaluated BLM's internal network security control architecture to understand the extent to which someone with insider knowledge and physical access could obtain additional, but unauthorized, access to critical IT. The OIG demonstrated that unauthorized access to information resources could be obtained by an attacker who only has physical access to BLM facilities. The OIG also identified similar configuration weaknesses in BLM's Information Access Centers. These weaknesses allow ordinary public users to arrive unannounced and then easily gain unauthorized access to internal IT resources that include sensitive information.

The OIG provided three technical briefings to BLM IT security staff to encourage them to implement security controls. The OIG also provided BLM with recommendations for specifically mitigating insider threat and requested that the bureaus be notified of these measures.

# MINERALS MANAGEMENT SERVICE





## MMS PROCESS REVIEWED

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MMS compliance reviews are a legitimate tool with which to evaluate the reasonableness of company-reported royalties and allow broad coverage of royalties while requiring fewer agency resources. However, compliance reviews only test the reasonableness of royalties paid. They lack the royalty verification provided by audits. Therefore, they should be part of a risk-based compliance strategy that incorporates both. Our audit disclosed weaknesses in MMS' compliance review management and its overall Compliance and Asset Management (CAM) Program. It determined that: MMS lacks reliable management information to adequately develop a compliance strategy, monitor progress, and assess results of CAM; MMS needs to improve its compliance review process to maximize outcomes; and MMS performance measures are inadequate and need to be revised. MMS agreed with the report's recommendations.

## LOSS OF ROYALTIES INVESTIGATED

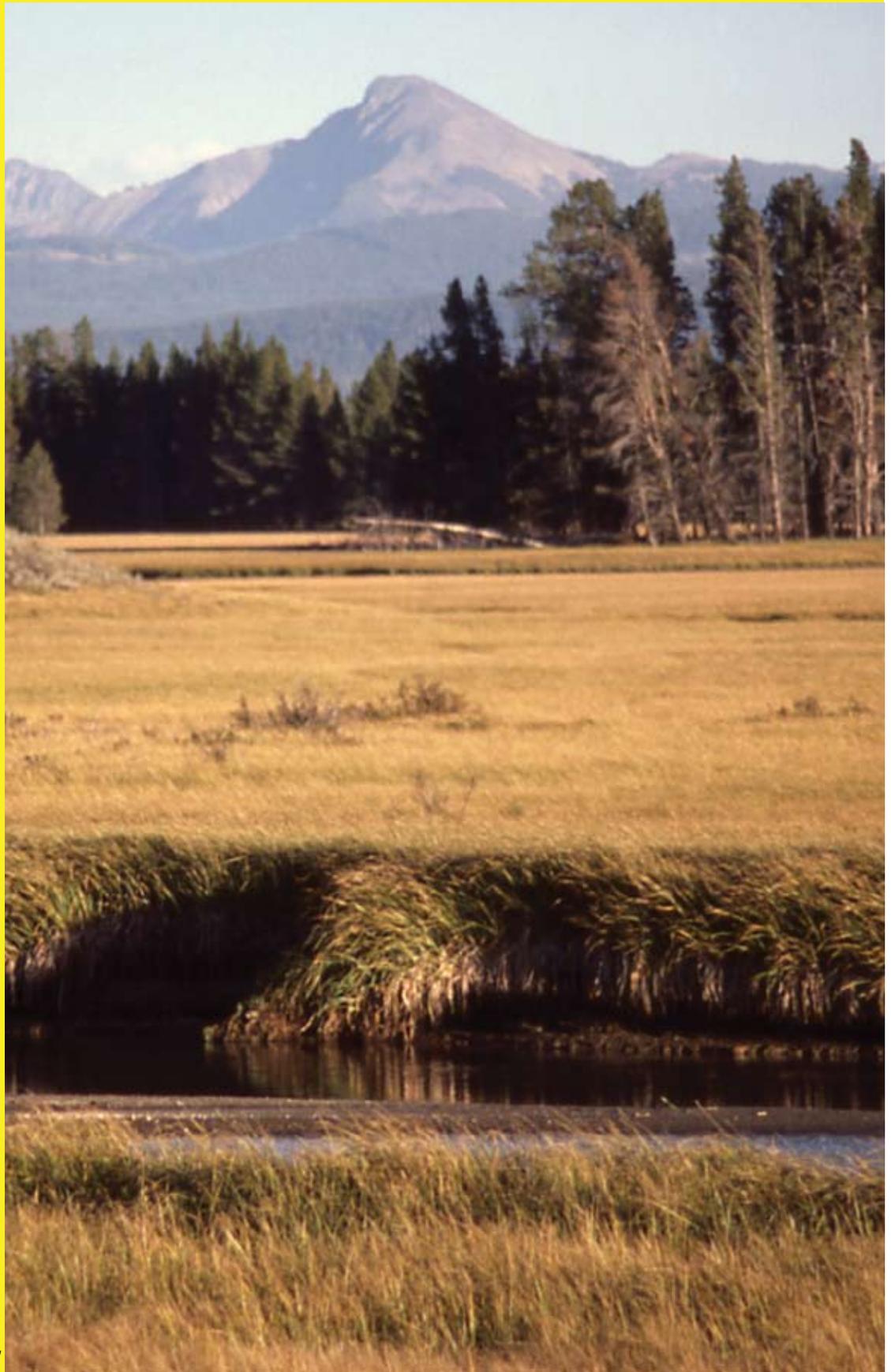
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In March 2006, the OIG opened an investigation to determine how MMS omitted price threshold language from 1998 and 1999 Gulf of Mexico oil and gas leases, which would have required companies to pay royalties when oil and gas prices reached a certain level. According to MMS, 1,032 leases were issued during this period without price thresholds, 570 of which remain active. The OIG conducted 44 interviews and reviewed approximately 19,000 e-mails and 20,000 document pages to determine how MMS omitted price threshold language, and when and with what response MMS officials learned of these omissions.

The OIG found that following the 1995 Outer Continental Shelf Deep Water Royalty Relief Act, MMS made a policy decision to include price thresholds in leases issued from 1995 to 2000. MMS field staff initially attached addenda to the leases containing price threshold language but stopped for 2 years, citing a regulation they thought contained the appropriate language, but that, in fact, did not. The MMS review process, which included the Office of the Solicitor, failed to identify the discrepancy.

The OIG found that once the omission was brought to the attention of the former Associate Director for Offshore Minerals Management (OMM) in 2000, she chose not to inform the former MMS Director, preferring to "work out a solution within OMM." Both the former MMS Director and Deputy Director said they learned of the issue contemporaneously with a January 2006 *New York Times* article. The current Director testified before Congress that she became aware of the issue either contemporaneously with, or just prior to, the article. A series of uncovered e-mails, however, suggest that the current Director may have been told of the omissions as early as 2004. Upon reviewing these e-mails, she conceded to the OIG that she must have been advised in 2004.

# NATIONAL PARK SERVICE



NPS



## NPS RANGER CONVICTED ON CHILD PORNOGRAPHY CHARGES

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Andrew Lewis, an NPS ranger at Salem Maritime National Historic Site in Salem, MA, was convicted on child pornography charges. He was sentenced on January 9 to 5 years in prison, 3 years of supervised release, mandatory registration as a sex offender, and participation in mental health programs while incarcerated.

On February 6, 2003, a computer that had been Lewis' personal property sat with several other computers as the batch were being prepared to be excessed and donated to local schools. During this process, Lewis' computer was found to contain pornographic images of young males. A forensic examination of Lewis' computer found evidence of newsgroup sites containing child pornography, as well as numerous pornographic images and movies with very young children. Investigators subsequently issued Inspector General subpoenas to Earthlink, Intergate, and Yahoo to obtain specified Internet Service Provider information on Lewis. Lewis consented to having his home computer searched. This search revealed further pornographic imagery. On February 16, 2004, Lewis provided a detailed confession of his actions.

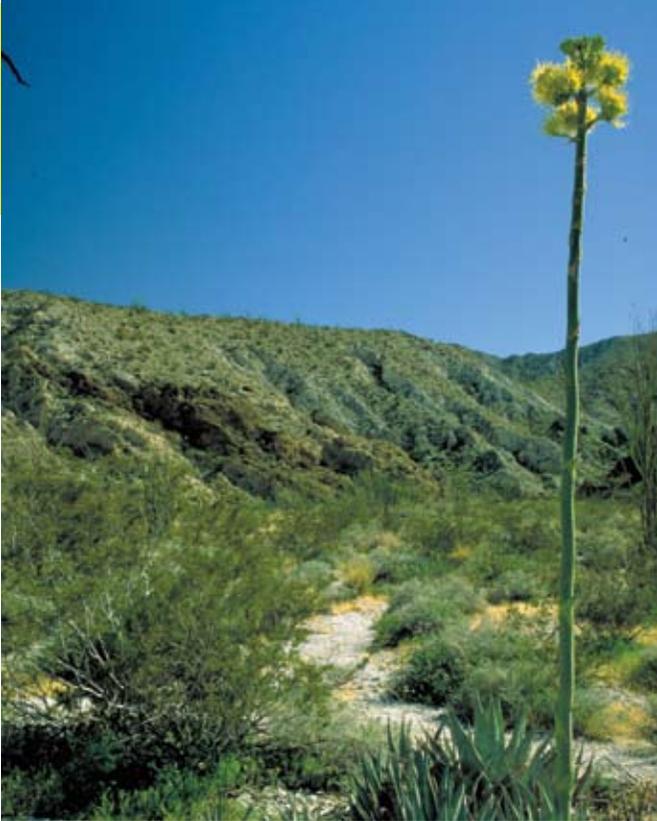
Lewis was indicted by a federal grand jury on one count of child pornography. During the investigation, agents learned that Lewis had been accused of sexually assaulting his daughter in November 2000. At the request of the AUSA, agents traveled to California to interview the child's mother, who confirmed Lewis' sexual assault and provided numerous documents regarding the investigation and her subsequent custody award.

## MAN FOUND DEAD IN HOME

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One month before reporting to a federal prison on charges related to trafficking in Native American cultural items, John Carta was found dead in his home. After pleading guilty, Carta previously had been sentenced to 1 year in federal prison and 1 year of probation by the U.S. District Court, District of Hawaii, for conspiring with his co-defendant, Daniel Taylor, to the trafficking scheme.

Carta admitted that from June to August 2004, he and Taylor profited from the theft and sale of Native Hawaiian artifacts found in an ancient burial cave known as Kanupa Cave on the island of Hawaii. Removal of these artifacts violated the Native American Graves Protection and Repatriation Act. The OIG recovered nearly all the stolen artifacts. Taylor is scheduled to be sentenced in May.



*Barnes/FWS*

## WOMAN CHARGED IN ARIZONA MEMORIAL MUSEUM THEFT

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Fe Nakahara was indicted in the U.S. District Court, District of Hawaii, for larceny and theft of government property. The indictment alleged that Nakahara, an employee with accounting and administrative duties at the Arizona Memorial Museum Association, stole museum property and cash currency valued at approximately \$170,000. This is an ongoing investigation jointly conducted by the NPS and the OIG.

## IMPROVED PROCESS WOULD INCREASE CONSTRUCTION PROJECT ACCOUNTABILITY

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NPS established its Partnership Construction Process during FY2004 and 2005 to provide accountability for expensive park projects constructed in partnership with private entities or with other federal, state, or local governmental agencies. Congress expressed particular interest in how these projects impacted park operation and maintenance (O&M) activities.

The Partnership Construction Process represents a positive step toward accountability, though NPS has not yet fully implemented it. For example, NPS has neither defined what constitutes a partnership nor identified partnership construction projects that meet this definition, so as to ensure that all projects are identified,



tracked, and reported to senior management and, as appropriate, to Congress.

Also, on a consistent basis, NPS has not prepared accurate and reliable O&M cost estimates for partnership construction projects. In addition, NPS needs to streamline the project review and approval process, and designate a single point of contact to track partnership construction projects. The OIG suggested six steps that, if taken, should improve both the implementation of the process and the accountability of partnership construction projects.

*Barnes/FWS*



# OFFICE OF INSULAR AFFAIRS



## FORMER DESK OFFICER SENTENCED

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On July 23, 2006, Roger Stillwell, the desk officer for the Commonwealth of the Northern Mariana Islands (CNMI), Office of Insular Affairs (OIA), retired from federal service. Less than a month later, on August 11, 2006, he pleaded guilty to 1 misdemeanor count under Title 18, cited as making a false certificate or writing. He was sentenced on January 9, 2007, to 24 months of supervised probation and fined \$1,000. Stillwell admitted to falsely reporting that he had not received gifts worth more than \$285 from any one source, when, in fact, gifts from lobbyist Jack Abramoff exceeded that amount.

## PROGRESS CONTINUES WITH INSPECTIONS AND TRAINING

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Progress continued with Insular Areas Governments' (IAG) financial and program management inspections, as well as with the development of capacity building opportunities for Insular Areas Public Auditor Offices. These activities improve investigative and auditing skills with which to evaluate the effectiveness of government management and, in particular, Compact funding usage and program accomplishments, as well as Compact accounting systems, controls, and reporting processes.

A review of IAG accountability found that control and compliance weaknesses regularly impact the financial and operational effectiveness of federally and locally funded programs. The U.S. funds involved are substantial—recently audited IAG reports showed at least \$683 million in federal funds—and the related accountability issues are well known by federal grantor agency officials, including OIA officials charged with monitoring IAG awards.

However, through the years, federal oversight and the enforcement of corrective actions have proven ineffective. As a result, federal grantor agencies need to critically evaluate their oversight responsibilities and the processes with which they identify and implement critical improvements. Such an evaluation also may require regular emphasis on the need for and benefits of improved accountability. In addition, annual government ethics training should be stressed because accountability issues regularly have resulted from questionable, weak management practices, and from ignoring or circumventing established policies and procedures. Instituting annual ethics training for IAG executive and legislative branch officials as a mandatory requirement for any future federal grant award also may be appropriate at this time. Recently identified misuse of Compact monies in excess of \$1 million in each of the States of Chuuk and Kosrae, and in the



Federated States of Micronesia, further underlines the need for IAG officials to receive mandatory ethics training.

The OIG provided the following capacity-building training opportunities to the Insular Areas Public Auditor Offices:

- ◆ **Mainland Training:** Two auditors from the Guam Public Auditor Office have been scheduled for training in Denver, CO. Similar training opportunities will be offered later in the year to the investigators and auditors of the other Public Auditor Offices.
- ◆ **On-Site Training:** The OIG presented training to Public Auditor Offices staff, focusing on the development of inspection objectives and scope. Other training, which will focus on the inspection of IAG revenue activities, will help staff determine whether the IAG have contained their fiscal deficits by implementing an effective revenue management system.

The OIG suggested ways in which OIA staff could improve development and oversight of Compact cash management and reporting controls in the Federated States of Micronesia and the Republic of the Marshall Islands.

## EVALUATION IDENTIFIES LOAN PORTFOLIO DEFICIENCIES

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The OIG found that serious loan portfolio deficiencies, coupled with a significant economic downturn, threaten the viability of the development bank of CNMI. The bank, operated under the Commonwealth Development Authority (CDA), was established to drive economic growth through loans to new and existing businesses. After 20 years of operation, CDA's uncorrected loan portfolio deficiencies have resulted in high delinquency rates and plummeting assets. The deficiencies are long-standing and have been documented both by our office and by a 2002 CNMI Public Auditor's report. Although CDA continues to operate at a reduced level of service, it cannot begin to correct loan deficiencies, build revenues, and meet its mandate to stimulate economic progress without immediate and decisive action.

What is needed is a strong board of directors committed to creating both the accountability framework of sound loan practices and the financial recovery strategy necessary to protect CDA assets

and ensure the bank's future financial viability. We made 7 recommendations that identified various best practices related to defining an effective board of directors and improving loan portfolio management, particularly in a depressed economy. In his response, the Governor concurred with our recommendations and submitted the CDA Strategic Development Plan, which incorporated the actions planned in response to our recommendations.

## AUDIT RECOMMENDATIONS CLOSED DUE TO LACK OF ACTION

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Due to lack of response, the OIG closed 59 recommendations made in 16 audit reports to the Insular Area Governments that do not involve DOI funds and issues. OIG policy requires closing out recommendations as unimplemented when the governments fail to provide information in a timely manner.

In the case of the Government of the Virgin Islands, the OIG closed 56 of the 133 recommendations provided in 15 reports—some open for as long as 9 years—after unsuccessful attempts to obtain information. The OIG did obtain sufficient information on the remaining 77 recommendations.

For the American Samoa Government, the OIG has been working to resolve and close three recommendations from its September 2005 report, *Top Leadership Commitment Needed to Break the Cycle of Fiscal Crisis*. Despite the OIG's efforts during this past year, these three recommendations also remained open and unresolved. Lack of response caused the OIG to close these unimplemented audit recommendations and to notify OIA of these closures.

# U.S. FISH AND WILDLIFE SERVICE



*Maslowski/  
FWS*



## EMPLOYEE PLEADS GUILTY TO EQUIPMENT THEFT

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On March 5, Matthew Strock, a tractor operator at the National Fish Hatchery in Orangeburg, SC, pleaded guilty to a felony. He was sentenced to a 4-year jail term, subsequently suspended to 5 years of probation, and ordered to repay \$5,063.

In September 2006, the OIG received notice of equipment theft at the fish hatchery. The hatchery supervisor discovered the missing equipment and filed a report, indicating that Matthew Strock had admitted to the theft. Strock, a 5-year employee, confessed to taking and pawning several pieces of government equipment valued at approximately \$23,400 between February and April 2006. Strock later gave the OIG a detailed list of stolen items and the locations where he had pawned them, as well as the amounts received for each. With the assistance of local authorities, the OIG recovered approximately \$18,400 worth of stolen equipment.

## STATE GRANT AUDITS IDENTIFY QUESTIONABLE COSTS AND UNREPORTED PROGRAM INCOME

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Audits of FWS grants awarded to ten states and the District of Columbia revealed a potential savings of \$4,431,493. The grants are awarded under the Federal Assistance Program for State Wildlife and Sport Fish Restoration (Federal Assistance Program). 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.

- ◆ **Licensing:** Eight of the audits identified licensing as a significant issue. Two deficiencies noted during the audits were: (1) the inability to provide documentation to demonstrate the hunting and fishing licenses revenues were used only for the administration of the state fish and wildlife agency, as required under federal regulation and (2) inaccurate license counts due to duplicate license holders and the failure to reduce the counts for those licenses that are no longer held by licensees.
- ◆ **Program Income:** Six of the audits identified program income as a significant issue. Three of the states did not report some or all



*Barnes/FWS*

program income from barter transactions on lands managed and maintained with Federal Assistance Program funds.

- ◆ **Personal property:** Four of the audits identified personal property as a significant issue. Two of the states and the District of Columbia had inadequate controls over personal property.

## EMPLOYEE PLEADS GUILTY TO CONFLICT OF INTEREST

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Susan Redman Bradberry, a former FWS employee, entered into a pre-trial diversion on a misdemeanor charge of conflict of interest in the Eastern District of Virginia. As part of the diversion, Bradberry agreed to pay \$7,500 and was given 40 hours of community service.

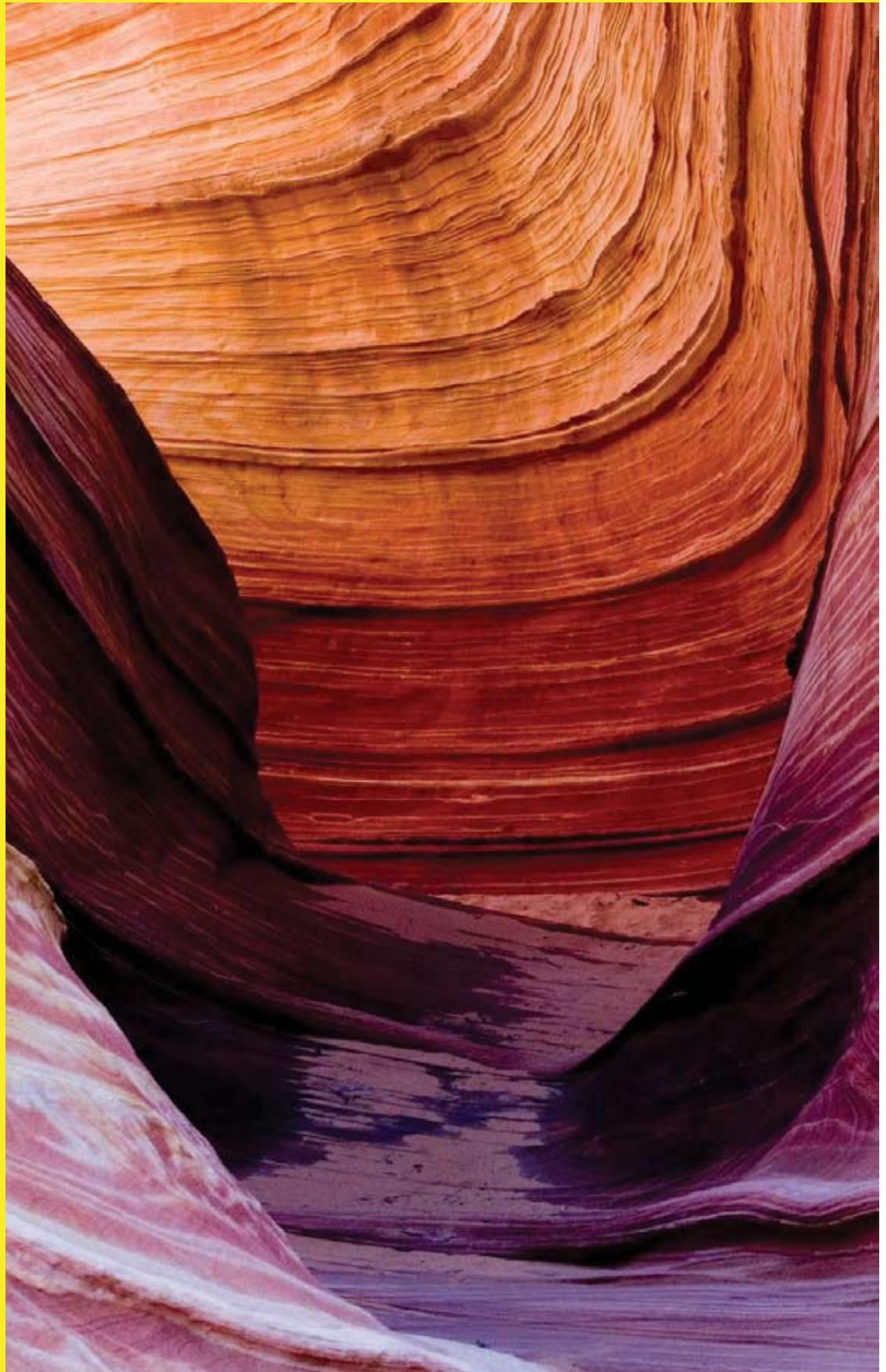
Bradberry admitted to negotiating employment with Federated Management Partners, Inc. (FMP), a contractor, while employed by FWS. She further admitted to “working back” on the FPM contracts with FWS after having participated personally and substantially in those contracts while employed by FWS. Bradberry’s pre-trial diversion was based on e-mail documents from her government computer, witness interviews, and her own admissions.



*Barnes/FWS*



# U.S. GEOLOGICAL SURVEY





## EMPLOYEE MISUSES FLEET AND PURCHASE CARDS

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Steven Ray Norton, a former USGS budget analyst, was sentenced on October 25, 2006, in U.S. District Court, District of Colorado. He was sentenced for felony embezzlement, theft, and conversion of DOI credit cards. Norton received 5 months of incarceration and 5 months of home detention with electronic monitoring. Following this, Norton is scheduled to serve 3 years of supervised release, pay the costs of his electronic monitoring, and make restitution of \$38,395.52 to USGS.

Norton used 4 USGS-issued Bank of America credit cards to make more than 350 illegal transactions and to receive cash and store credits 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 and control. He resigned from the agency after more than 22 years of federal service.

## USGS EXTERNAL PENETRATION TEST

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In accordance with the OIG's ongoing IT security evaluation program, the OIG performed an external penetration test of USGS IT infrastructure. The OIG's goal was to assess the effectiveness of that agency's Internet-facing IT infrastructure (equipment available from the Internet), as well as incident detection and response capabilities. Since USGS does not use and, thus, is not protected by DOI's Enterprise Services Network (ESN), it faces significant risk of undetected attacks. Several of these high-risk vulnerabilities enabled the OIG to penetrate nine servers during its test, suggesting that USGS IT infrastructure remains at significant risk. The OIG report recommended that USGS leverage the security capabilities offered by ESN and immediately implement the recommended information security controls.

# APPENDICES



## SUMMARY OF AUDIT AND RELATED ACTIVITIES FROM OCTOBER 1, 2006, THROUGH MARCH 31, 2007

Reports Issued To	<i>Audits and Related Activities Performed by:</i>			
	OIG Staff		OIG Single Audit Staff	Total
	Audits/Verifications	Evaluations	Quality Control Reviews	
Department/Office of the Secretary	8	0	2	10
Fish and Wildlife and Parks	18	3	0	21
Indian Affairs	6	0	0	6
Insular Affairs	1	0	0	1
Land and Minerals Management	8	0	0	8
Water and Science	5	0	0	5
<b>Total Reports Issued</b>	<b>46</b>	<b>3</b>	<b>2</b>	<b>51</b>

## REPORTS ISSUED DURING THE 6-MONTH PERIOD THAT ENDED MARCH 31, 2007

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This listing includes all audit-related reports (performance audits, financial audits, evaluations, contract and grant audits, verification reviews, and single audit quality assurance reviews) issued during the 6-month period that ended March 31, 2007. 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*, \*\*\*\* *Lost or Potential Additional Revenues*, and \*\*\*\*\**Wasted Funds*<sup>1</sup>).

### PERFORMANCE AUDITS, FINANCIAL AUDITS, EVALUATIONS, AND VERIFICATION REVIEWS

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#### BUREAU OF INDIAN AFFAIRS

C-IN-BIA-0017-2005	Bureau of Indian Affairs, Radio Communications Program (01/31/2007) *\$540,000*****\$3,900,706
X-IN-BIA-0014-2006	Independent Auditors' Report on the Indian Affairs Financial Statements for Fiscal Years 2006 and 2005 (03/07/2007)
C-RR-BIA-0010-2006	Program Assessment Rating Tool - Review of Bureau of Indian Affairs Road Maintenance Program (03/19/2007)
Y-RR-BIA-0004-2006	Program Assessment Rating Tool - Review of Bureau of Indian Affairs Law Enforcement Program (03/19/2007)

#### BUREAU OF LAND MANAGEMENT

X-IN-BLM-0022-2006	Independent Auditors' Report on the Bureau of Land Management Financial Statements for Fiscal Years 2006 and 2005 (02/12/2007)
C-VS-BLM-0003-2007	Verification of the Two Recommendations Contained in Our Audit Report, "Land Exchanges and Acquisitions, Bureau of Land Management, Utah State Office" (No. 2001-I-413) (02/22/2007)
X-IN-BLM-0007-2007	Management Letter Concerning Issues Identified During the Audit of the Bureau of Land Management's Financial Statements for Fiscal Years 2006 and 2005 (02/26/2007)
C-VS-BLM-0001-2007	Verification Review of the Two Recommendations From Our Audit Report, "Native American Graves Protection and Repatriation Activities, Bureau of Land Management" (No.00-I-377) (03/02/2007)

#### BUREAU OF RECLAMATION

X-IN-BOR-0023-2006	Independent Auditors' Report on the Bureau of Reclamation Financial Statements for Fiscal Years 2006 and 2005 (02/12/2007)
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<sup>1</sup> Wasted funds is a new funding category added during this reporting period.

X-IN-BOR-0008-2007 Management Issues Identified During the Audit of Bureau of Reclamation Fiscal Years 2006 and 2005 Financial Statements (03/27/2007)

C-VS-BOR-0002-2007 Verification Review of the Three Recommendations from Our Audit Report, "Identification of Unneeded Acquired Lands, Bureau of Reclamation" (No. 99-I-133) (03/30/2007)

#### COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

P-IN-NMI-0002-2005 Evaluation of the Commonwealth of the Northern Mariana Islands' Commonwealth Development Authority: Strong Governance and Accountability Framework Critical for Long-Term Viability (01/09/2007)

#### DEPARTMENTAL OFFICES

X-IN-OSS-0016-2006 Independent Auditors' Report on the Departmental Offices Financial Statements for Fiscal Years 2006 and 2005 (02/05/2007)

#### MULTI-OFFICE AUDITS

X-IN-MOA-0018-2006 Independent Auditors' Report on the Department of the Interior Financial Statements for Fiscal Years 2006 and 2005 (11/15/2006)

X-IN-MOA-0001-2007 Independent Auditors' Report on the Department of the Interior Special Purpose Financial Statements for Fiscal Years 2006 and 2005 (11/17/2006)

X-IN-MOA-0018-2005 FY2005 Department of the Interior Purchases Made on Behalf of the Department of Defense (01/09/2007)

C-IN-MOA-0007-2005 U.S. Department of the Interior Radio Communications Program (01/30/2007) \*\$10,500,000\*\*\*\*\*\$24,956,000

W-IN-MOA-0086-2004 Proper Use of Cooperative Agreements Could Improve Interior's Initiatives for Collaborative Partnerships (01/31/2007)

C-IN-MOA-0004-2006 DOI's 2005 Hurricane Relief Expenditures (03/22/2007)

#### MINERALS MANAGEMENT SERVICE

C-IN-MMS-0006-2006 Minerals Management Service's Compliance Review Process (12/05/2006)

X-IN-MMS-0019-2006 Independent Auditors' Report on the Minerals Management Service Financial Statements for Fiscal Years 2006 and 2005 (02/05/2007)

X-IN-MMS-0010-2007 Management Letter Concerning Issues Identified During the Audit of the Minerals Management Service's Financial Statements for Fiscal Years 2006 and 2005 (02/16/2007)

#### NATIONAL PARK SERVICE

B-EV-NPS-0011-2006 DC Water and Sewer Payments Fourth Quarter (11/20/2006)

P-VS-NPS-0002-2006	Verification Review of Four Recommendations From Our December 2003 Audit Report Concession Management and Fee Collection Operations, St. Croix National Park, National Park Service (No. V-IN-NPS-0004-2003-A) (12/01/2006)
X-IN-NPS-0017-2006	Independent Auditors' Report on the National Park Service Financial Statements for Fiscal Years 2006 and 2005 (02/08/2007)
B-EV-NPS-0003-2007	DC Water and Sewer Payments First Quarter (02/15/2007)
X-IN-NPS-0005-2007	Management Issues Identified During the Audit of National Park Service Fiscal Years 2006 and 2005 Financial Statements (03/01/2007)
W-VS-NPS-0002-2007	Verification Review of Recommendations From Our March 2003 Advisory Report, Yosemite National Park's Museum Operations, National Park Service (No. 2003-I-0013) (03/20/2007)
W-EV-NPS-0013-2006	Evaluation of Partnership Construction Process, National Park Service (03/22/2007)

#### OFFICE OF SPECIAL TRUSTEE

Q-IN-OST-0001-2006	Independent Auditors' Report on the Tribal and Other Trust Funds and Individual Indian Monies Trust Funds Financial Statements for Fiscal Years 2006 and 2005 Managed by the Office of the Special Trustee for American Indians (12/14/2006)
Q-IN-OST-0002-2007	Management Letter Concerning Issues Identified During the Audit of the Office of the Special Trustee for American Indians Financial Statements for Fiscal Years 2006 and 2005 (12/14/2006)

#### OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

X-IN-OSM-0021-2006	Independent Auditors' Report on the Office of Surface Mining Balance Sheets for Fiscal Years 2006 and 2005 (01/22/2007)
X-IN-OSM-0011-2007	Management Letter Concerning Issues Identified During the Audit of the Office of Surface Mining Balance Sheets for Fiscal Years 2006 and 2005 (02/12/2007)

#### U.S. FISH AND WILDLIFE SERVICE

Y-RR-FWS-0003-2006	Program Assessment Rating Tool - Review of U.S. Fish and Wildlife Service National Wildlife Refuge System Program (03/19/2007)
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#### U.S. GEOLOGICAL SURVEY

X-IN-GSV-0015-2006	Independent Auditors' Report on the U.S. Geological Survey Financial Statements for Fiscal Years 2006 and 2005 (01/19/2007)
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X-IN-GSV-0002-2007 Management Letter Concerning Issues Identified During the Audit of the U.S. Geological Survey Financial Statements for Fiscal Years 2006 and 2005 (03/29/2007)

## CONTRACT AND GRANT AUDITS

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### NATIONAL PARK SERVICE

W-CX-NPS-0003-2006 Agreed-Upon Procedures Review of National Park Service Contract with the University of California at Davis (No. C2350040050) (03/20/2007) \*\*\$486 \*\*\*\$596,245

W-CX-NPS-0010-2006 Agreed-Upon Procedures Review of National Park Service Contract with Air Resources Specialists, Inc. (No. C2350010850) (03/20/2007)

### U.S. FISH AND WILDLIFE SERVICE

R-GR-FWS-0027-2005 U.S. Fish and Wildlife Service, Federal Assistance Grants Administered by the State of Delaware, Department of Natural Resources and Environmental Control, Division of Fish and Wildlife, From July 1, 2003, Through June 30, 2005 (10/16/2006)

R-GR-FWS-0019-2005 U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of Oklahoma, Department of Wildlife Conservation, From July 1, 2003, Through June 30, 2005 (10/23/2006) \*\$1,736 \*\*\$19,275

R-GR-FWS-0020-2005 U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the District of Columbia, Department of Health, From October 1, 2002, Through September 30, 2004 (11/15/2006) \*\*\$49,392 \*\*\*\$1,290,047

R-GR-FWS-0006-2006 U.S. Fish and Wildlife Service Federal Assistance Grants Issued to the State of North Dakota, Game and Fish Department, From July 1, 2003, Through June 30, 2005 (01/04/2007)

R-GR-FWS-0002-2006 U.S. Fish and Wildlife Service Federal Assistance Grants Awarded to the State of Georgia, Department of Natural Resources, From July 1, 2003, Through June 30, 2005 (01/11/2007) \*\*\*\$42,920

R-GR-FWS-0003-2006 U.S. Fish and Wildlife Service Federal Assistance Grants Awarded to the State of Hawaii, Department of Land and Natural Resources, From July 1, 2003, Through June 30, 2005 (01/16/2007) \*\*\$9,571

R-GR-FWS-0014-2005 U.S. Fish and Wildlife Service Federal Assistance Grants Awarded to the State of Texas Parks and Wildlife Department, From September 1, 2002, Through August 31, 2004 (01/30/2007) \*\$1,274,000 \*\*\$2,536,399

R-GR-FWS-0018-2005 U.S. Fish and Wildlife Service Federal Assistance Grants Awarded to the State of Minnesota, Department of Natural Resources, Division of Fish and Wildlife, From July 1, 2002, Through June 30, 2004 (02/01/2007) \*\$505,600

R-GR-FWS-0025-2005	U.S. Fish and Wildlife Service, Federal Assistance Grants Awarded to the State of Maryland, Department of Natural Resources, From July 1, 2003, Through June 30, 2005 (02/08/2007) *\$73,143 **\$13,695 ***\$24,123
R-GR-FWS-0004-2006	U.S. Fish and Wildlife Service Federal Assistance Program Grants Awarded to the State of Missouri, Department of Conservation, From July 1, 2003, Through June 30, 2005 (02/23/2007) *\$94,793 **\$482,471
R-GR-FWS-0012-2005	U.S. Fish and Wildlife Service Federal Assistance Program Grants Awarded to the State of South Carolina, Department of Natural Resources, From July 1, 2003, Through September 30, 2005 (03/22/2007)

## SINGLE AUDIT QUALITY CONTROL REVIEWS

B-QC-MOA-0002-2007	The Delaware Nation for the Fiscal Year Ended September 30, 2005 (03/05/2007)
B-QC-MOA-0005-2007	The National Park Foundation Fiscal Year Ended June 30, 2005 (03/16/2007)

## MONETARY IMPACT OF AUDIT AND EVALUATION ACTIVITIES FROM OCTOBER 1, 2006, THROUGH MARCH 31, 2007

Activity	Questioned Costs*	Funds To Be Put To Better Use	Wasted Funds**	Total
Bureau of Indian Affairs	0	\$540,000	\$3,900,706	\$4,440,706
U.S. Fish and Wildlife Service	\$4,467,893	\$1,949,272	0	\$6,417,165
Multi-Office	0	\$10,500,000	\$24,956,000	\$35,456,000
National Park Service	\$596,731	0	0	\$596,731
<b>Total</b>	<b>\$5,064,624</b>	<b>\$12,989,272</b>	<b>\$28,856,706</b>	<b>\$46,910,602</b>
*Unsupported costs are included in questioned costs.				
**Wasted Funds is a new funding category added during the reporting period.				

## AUDIT AND EVALUATION RESOLUTION ACTIVITIES

TABLE I: INSPECTOR GENERAL 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.	31	\$12,733,589	\$3,986,337
B. Which were issued during the reporting period.	8	\$5,064,624	\$1,953,335
<b>Total (A+B)</b>	<b>39</b>	<b>\$17,798,213</b>	<b>\$5,939,672</b>
C. For which a management decision was made during the reporting period.	8	\$4,792,503	\$187,620
(i) Dollar value of recommendations that were agreed to by management.	7	\$4,688,926	\$90,408
(ii) Dollar value of recommendations that were not agreed to by management.	1	\$103,577	\$97,212
D. For which no management decision had been made by the end of the reporting period.	31	\$13,005,710	\$5,752,052
E. For which no management decision was made within 6 months of issuance.	22	\$7,961,370	\$3,798,717

\*Unsupported costs are included in questioned costs.

## AUDIT AND EVALUATION RESOLUTION ACTIVITIES

TABLE II: INSPECTOR GENERAL REPORTS WITH RECOMMENDATIONS THAT FUNDS BE PUT TO BETTER USE

	Number of Reports	Dollar Value
A. For which no management decision had been made by the commencement of the reporting period.*	15	\$16,715,330
B. Which were issued during the reporting period.	7	\$12,989,272
<b>Total (A+B)</b>	<b>22</b>	<b>\$29,704,602</b>
C. For which a management decision was made during the reporting period.	3	\$118,188
(i) Dollar value of recommendations that were agreed to by management.	3	\$118,188
(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.	19	\$29,586,414
E. For which no management decision was made within 6 months of issuance.	11	\$16,202,173

\*Beginning balance differs by \$85,852 from the October 2006 Semiannual Report ended balance due to corrective adjustments.

## AUDIT AND EVALUATION RESOLUTION ACTIVITIES

TABLE III: INSPECTOR GENERAL 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.	4	\$92,410,640
B. Which were issued during the reporting period.	0	0
<b>Total (A+B)</b>	<b>4</b>	<b>\$92,410,640</b>
C. For which a management decision was made during the reporting period.	0	0
(i) Dollar value of recommendations that were agreed to by management.	0	0
(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.	4	\$92,410,640
E. For which no management decision was made within 6 months of issuance.	4	\$92,410,640

## AUDIT AND EVALUATION RESOLUTION ACTIVITIES

TABLE IV: INSPECTOR GENERAL REPORTS  
WITH WASTED FUNDS\*

	Number of Reports	Dollar Value
A. For which no management decision had been made by the commencement of the reporting period.	0	0
B. Which were issued during the reporting period.	2	\$28,856,706
<b>Total (A+B)</b>	<b>2</b>	<b>\$28,856,706</b>
C. For which a management decision was made during the reporting period.	0	0
(i) Dollar value of recommendations that were agreed to by management.	0	0
(ii) Dollar value of recommendations that were not agreed to by management.	0	0
D. For which no management decision had been made by the end of the reporting period.	2	\$28,856,706
E. For which no management decision was made within 6 months of issuance.	0	0

\* Wasted Funds is a new category the OIG will be using to classify funds that were wasted and cannot be recovered.

## SUMMARY OF AUDIT AND EVALUATION REPORTS OVER 6 MONTHS OLD PENDING MANAGEMENT DECISIONS AT MARCH 31, 2007

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This listing includes a summary of audit [performance, financial, contract (except pre-awards), and grant], and evaluation reports that were more than 6 months old on March 31, 2007, 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 report.

### PERFORMANCE AUDITS, FINANCIAL AUDITS, AND EVALUATIONS

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#### BUREAU OF INDIAN AFFAIRS

- W-FL-BIA-0047-2002 School Construction Program, Bureau of Indian Affairs (02/24/2004); 1 Recommendation; \$2,100,000 Unresolved
- 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

#### 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 (12/06/2004); 6 Recommendations
- E-IN-MOA-0008-2004 Department of the Interior Workers' Compensation Program (05/09/2005); 2 Recommendations
- A-EV-MOA-0001-2005 Department of the Interior's Process to Manage Information Technology Security Weaknesses (09/23/2005); 3 Recommendations
- 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); 2 Recommendations
- C-EV-MOA-0003-2006 Department of the Interior's Information Technology Systems Inventory (08/30/2006); 4 Recommendations

### CONTRACT AND GRANTS

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#### NATIONAL PARK SERVICE

- 2000-E-0607 Costs Billed By Harrison & Palmer, Inc., From April 1, 1996, Through June 23, 1999, Under National Park Service Contract No. 143CX300094906 (08/08/2000); 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 No. 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 (11/07/2000); 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 No. 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 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
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-0014-2004	U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the Commonwealth of Puerto Rico, Department of Natural and Environmental Resources, From July 1, 2001, Through June 30, 2003 (09/19/2005); 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); 15 Recommendations; \$519,469 Unresolved
R-GR-FWS-0004-2005	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 (03/31/2006); 12 Recommendations; \$553,977 Unresolved

## SUMMARY OF PERFORMANCE AUDIT, FINANCIAL AUDIT, AND EVALUATION REPORTS MORE THAN 6 MONTHS OLD PENDING CORRECTIVE ACTION AT MARCH 31, 2007

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This is a listing of performance audits, financial audits, and evaluation reports more than 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
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 (09/01/2005); 2 Recommendations
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); 4 Recommendations
X-IN-BIA-0010-2006	Management Letter Concerning Issues Identified During the Audit of the Bureau of Indian Affairs' Fiscal Years 2005 and 2004 Financial Statements (03/03/2006); 3 Recommendations

### BUREAU OF LAND MANAGEMENT

1999-I-0808	Cultural Resource Management, Bureau of Land Management (09/03/1999); 2 Recommendations
W-IN-BLM-0009-2003	Audit of Oil and Gas Permitting Process, Bureau of Land Management (02/13/2004); 2 Recommendations
C-IN-BLM-0013-2005	Public Safety Issues at the Saginaw Hill Property Bureau of Land Management (03/15/2005); 1 Recommendation

### BUREAU OF RECLAMATION

2002-I-0052	Review of Central Valley Project Responsibilities Transferred Under Direct Funding Agreements Between BOR and Three California Water Authorities (09/30/2002); 1 Recommendation
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## 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); 1 Recommendation

## MULTI-OFFICE AUDITS

1996-I-1267 Inspection and Enforcement Program and Selected Activities, Bureau of Land Management (09/30/1996); 3 Recommendations

C-IN-MOA-0042-2003 Fleet Management Operations, U.S. Department of the Interior (02/09/2004); 5 Recommendations

X-IN-MOA-0027-2004 Trust Funds Management, U.S. Department of the Interior (09/10/2004); 1 Recommendation

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

E-IN-MOA-0008-2004 Department of the Interior Workers' Compensation Program (05/09/2005); 2 Recommendations

C-IN-MOA-0049-2004 Department of the Interior Concessions Management (06/13/2005); 5 Recommendations

C-IN-MOA-0040-2004 U.S. Department of the Interior Hazardous Materials Site Management (08/22/2005); 7 Recommendations

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); 16 Recommendations

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); 2 Recommendations

C-IN-MOA-0006-2005 Modified Water Deliveries to Everglades National Park (03/31/2006); 5 Recommendations

W-IN-MOA-0002-2005 Hazardous Fuels Reduction Program, U.S. Department of the Interior (04/17/2006); 5 Recommendations

E-EV-MOA-0017-2005 Department of the Interior's Gross Estimated Savings for FY 2004 Competitive Sourcing (06/23/2006); 4 Recommendations

## NATIONAL PARK SERVICE

2002-I-0045 Recreational Fee Demonstration Program - National Park Service and Bureau of Land Management (08/19/2002); 2 Recommendations

## Appendix Six

2003-I-0013	Yosemite National Park's Museum Collection, National Park Service (03/31/2003); 1 Recommendation
A-IN-NPS-0074-2003	Improvements Needed in Managing Information Technology System Security, National Park Service (03/29/2004); 5 Recommendations
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); 2 Recommendations
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); 1 Recommendation
P-IN-NPS-0074-2004	Hawaii Volcanoes National Park: Improved Operations Should Enhance Stewardship and Visitor Experience (03/31/2006); 10 Recommendations
W-IN-NPS-0006-2005	Administration of the Chesapeake Bay Gateways Network and Grant Program, National Park Service (07/28/2006); 2 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-0058-2004	Independent Auditors' Report on the Departmental Offices' Financial Statements for Fiscal Years 2004 and 2003 (12/06/2004); 1 Recommendation
E-IN-OSS-0008-2005	Management Issues Identified During the Audit of Departmental Offices' Fiscal Years 2004 and 2003 Financial Statements (02/24/2005); 6 Recommendations

### OFFICE OF THE SPECIAL TRUSTEES FOR AMERICAN INDIANS

1997-I-1169	Judgment Funds Awarded to the Papago Tribe of Arizona (09/15/1997); 1 Recommendation
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); 2 Recommendations

### U.S. FISH AND WILDLIFE SERVICE

1997-I-1305	Audit Report on the Automated Law Enforcement System, U.S. Fish and Wildlife Service (09/30/1997); 1 Recommendation
X-IN-FWS-0003-2006	Management Letter Concerning Issues Identified During the Audit of the Fish and Wildlife Service's Financial Statements for Fiscal Years 2005 and 2004 (02/27/2006); 2 Recommendations

## REPORTS ISSUED ON INFORMATION SECURITY

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ISD-EV-NBC-0001-2007	External Penetration Test of the U.S. Geological Service (12/2006)
ISD-EV-NBC-0012-2007	Notice of Finding and Recommendations to the National Business Center (03/13/2007)

## CROSS-REFERENCES TO THE INSPECTOR GENERAL ACT

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Section 5(a)(2)	Recommendations for Corrective Action With Respect to Significant Problems, Abuses, and Deficiencies	1-35
Section 5(a)(3)	Significant Recommendations From Agency’s Previous Reports on Which Corrective Action Has Not Been Completed	50-52
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	ii
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Section 5(a)(6)	Audit Reports Issued During the Reporting Period	38-42
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Section 5(a)(10)	Summary of Audit Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made	48-49
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\*N/A: Not applicable to this reporting period



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