Summary: Company Failed to Pay Federal Salt Royalties and Land Remediation Costs

Report Date: October 7, 2026 **Report Number: 24-0523**

The OIG opened this investigation after receiving a referral from the Office of Natural Resources Revenue (ONRR), which reported that Salt Products Company, LLC (SPC) and its president failed to report production and pay royalties from Federal sodium leases located in Milligan, California.

We could not verify SPC's total sodium lease sales because SPC was unable to produce timely or detailed records as required by 30 C.F.R. § 1212.200. Thus, we could not verify the amount of production SPC failed to report or the amount of royalties owed. Nevertheless, ONRR referred $390,851.11 in unpaid royalties and fees to the U.S. Department of the Treasury for the period of February 2017 through February 2025, based on SPC's self-reporting. As of June 2026, SPC had an outstanding balance of $646,645.59 on this debt, which includes interest and fees.

ONRR also relayed allegations from the Bureau of Land Management (BLM) that SPC trespassed and improperly stored hazardous materials on a 25-acre right of way (ROW) located on Federal land.

BLM issued SPC the first of several trespass notices in February 2023, requesting cleanup of materials and equipment SPC stored on the 25-acre ROW that SPC used as a processing site, adjacent to the land covered by SPC's sodium leases. SPC failed to comply with the trespass notices, and BLM issued SPC a trespass decision on November 28, 2023. After providing SPC the opportunity to rehabilitate and restore any damaged lands or resources, BLM formally found SPC in trespass on August 6, 2025, and billed SPC $82,315.10 for rent for its use of the ROW from November 28, 2023, to October 22, 2024 (i.e., the trespass period).

Regarding the hazardous substances, BLM contracted a survey to be performed on the 25-acre ROW in August 2024. This survey documented the trash, debris, and equipment SPC left on the ROW but did not establish that those items met the definition of "hazardous substances" as that term is defined by the Comprehensive Environmental Response, Compensation, and Liability Act.[1] Accordingly, we did not substantiate the allegations regarding hazardous materials. However, BLM billed SPC $900,000 on August 6, 2025, for the initial remediation costs, and an additional $108,000, for administrative costs. As of June 2026, SPC had not paid any of the $1,090,315.10 in BLM-imposed debts.

We presented our findings to the U.S. Attorney's Office for the District of Colorado Civil Division and U.S. Department of Justice, Environmental Crimes and Consumer Protection Section, both of which declined to pursue the matter.

This is a summary of an investigative report that we issued to the Directors of BLM and ONRR.

[1] 40 C.F.R. § 302.4 (2025) (designating as hazardous substances those listed in Table 302.4 pursuant to § 102(a) of CERCLA, and including unlisted solid wastes exhibiting ignitability, corrosivity, reactivity, or toxicity—per 40 C.F.R. §§ 261.20-261.24—which are not excluded from regulation as a hazardous waste under 40 C.F.R. § 261.4(b)).