



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

Report No. WR-VS-MOA-0011-2010  
September 24, 2010

Memorandum

To: Rhea S. Suh  
Assistant Secretary for Policy, Management and Budget

From: Michael P. Colombo  
Regional Manager

Subject: Verification Review of Three Recommendations from Our July 2008 Evaluation Report No. Y-EV-MOA-0003-2008 Titled "Absent Immediate Action the Department of the Interior Faces Looming Leasing Crisis"

The Office of Inspector General has completed a verification review of three recommendations presented in the subject evaluation report. The objective of the review was to determine whether the recommendations were implemented as reported to the Office of Financial Management, Office of Policy, Management and Budget. In a memorandum dated April 16, 2009, the Office of Financial Management reported to the Office of Inspector General that all of the recommendations in the subject report had been implemented, and the evaluation report was closed.

**Background**

Our July 2008 evaluation report, "Absent Immediate Action the Department of the Interior Faces Looming Leasing Crisis," (Report No. Y-EV-MOA-0003-2008) made three recommendations to the Department of the Interior (DOI) relating to the impact of a new General Services Administration (GSA) leasing regulation.

In an October 16, 2008 response to the draft of the subject report, DOI accepted all three of the recommendations. Based on this response, we considered the three recommendations as resolved but not implemented. We referred the three unimplemented recommendations for tracking of implementation in a January 14, 2009 Memorandum to the Assistant Secretary for Policy, Management and Budget.

**Scope and Methodology**

The scope of this review was limited to determining whether DOI took action to implement the recommendations. To accomplish our objective, we reviewed the supporting

documentation that the Office of Acquisition and Property Management (PAM) officials provided us relating to each of the three recommendations.

We did not perform any site visits or conduct any detailed fieldwork to determine whether the underlying deficiencies that were initially identified have actually been corrected. As a result, this review was not conducted in accordance with the “Government Auditing Standards” issued by the Comptroller General of the United States.

## **Results of Review**

Our current review found that DOI implemented all of the recommendations.

**Recommendation 1:** PAM should take a leadership role by clarifying with GSA its capacity to meet DOI leasing needs, the impact of leasing regulations on DOI operations and communicating GSA’s responses to the bureaus.

In its October 16, 2008 response to the report, DOI created a corrective action tracking matrix to implement each recommendation. For Recommendation 1 the corrective action tracking matrix established the following action items to implement this recommendation.

### **Action Item A: Poll bureaus for accurate and complete listing of all leases.**

On August 28, 2008, PAM requested all bureaus to submit a complete and accurate listing of all delegated space leases. All bureaus responded with their lists.

### **Action Item B: Compile master listing of all DOI direct leases by expiration date, to include special purpose and categorical authorizations.**

On January 15, 2009, PAM compiled a master list of all DOI direct space leases which included lease expiration dates and special and categorical authorizations.

### **Action Item C: Obtain the current status of all delegated space leasing actions submitted to GSA Central Office.**

On February 11, 2009, PAM received GSA’s comments on DOI’s spreadsheet indicating its position of granting or denying continued delegation for DOI direct space leases expiring by December 31, 2010. We also learned that GSA has implemented a website that allows all bureaus to monitor all leasing actions in real time without data calls.

### **Action Item D: Provide GSA Central Office with complete listing of all delegated space leases coming due in the next 18 months and discuss how GSA will fulfill these requirements.**

In September 2008, PAM staff met with GSA staff to determine GSA’s ability to meet DOI’s space leasing requirements. In November 2008, PAM forwarded to GSA the list of all DOI delegated space leases expiring in the next 2 years.

**Action Item E: Provide detailed information on Lease Authority Indicator of the FRPP [Federal Real Property Profile] to both asset and space management personnel.**

In August 2008, PAM hosted a joint meeting of the DOI Asset Management Partnership and the DOI Space Management Partnership. PAM distributed copies of the definitions from the Federal Management Regulations (FMR) and discussed the definitions of Provider of Choice, Categorical, Special Purpose and Independent Statutory Authorities. In addition, PAM has worked with the bureaus to make them aware of the issue, and, as a condition of certifying bureau data reported into the system, requires bureau space managers to verify and validate space leasing information reported in the FRPP.

**Action Item F: Assist SOL [Office of the Solicitor] and POB [Office of Budget] with potential improvements in Service First designation to clarify GSA requirements under both the Service First and FMR Bulletin 2008-B1 provisions. Quarterly Space Management Partnership meetings will update status of pending delegated space leasing requests.**

In PAM's September 2008 meeting with GSA the implications of FMR Bulletin 2008-B1 on the Service First Program were discussed. In December 2008, DOI officials met with the GSA Administrator regarding the importance of authority to ensure continuity in the Service First program. PAM staff and GSA continue to work closely to ensure that there is no disruption to the program. In addition, PAM meets quarterly with the Space Management Partnership (SMP) where information such as revised GSA space delegation policy is shared and discussed.

PAM has had discussions with the Solicitor's Office and Bureau of Land Management (BLM) to address the issue of FMR Bulletin 2008-B1, but BLM has taken the lead on this effort since it only affects them and not the Department as a whole.

After reviewing the documentation for each of the action items we conclude that Recommendation 1 has been resolved and implemented.

**Recommendation 2: Ensure that leases are classified correctly in FRPP.**

In its October 16, 2008 response to the report, DOI created a corrective action tracking matrix to implement each recommendation. For Recommendation 2, the corrective action tracking matrix established the following action items in order to implement this recommendation.

**Action Item A: Provide detailed information on Lease Authority Indicator of FRPP to both asset and space management personnel.**

This action item is the same as Action Item E for Recommendation 1 listed above.

**Action Item B: Review, validate and verify delegated leasing data in FRPP submissions of all bureaus.**

In November and December 2008, PAM staff reviewed the bureau entries into the fiscal year 2008 FRPP prior to submission to GSA. Discrepancies were identified and discussed with each bureau. In January and February 2009, PAM again compared FRPP data. Bureau's were notified of discrepancies and directed to update and verify the data reported into FRPP. PAM will continue to review and validate leasing data in the FRPP on a quarterly basis and notify bureaus of all discrepancies to be corrected.

**Action Item C: Provide clarification of requirements for delegated space leasing items in the FRPP to the Asset Management Team.**

In August 2008, PAM advised DOI bureau asset managers to ensure their real property staffs consulted with their space management staffs when entering lease information into the fiscal year 2008 FRPP. Prior to uploading the data into the fiscal year 2008 FRPP, PAM staff reviewed the bureau data for accuracy and consistency. In October 2008, FRPP reporting was discussed with the Asset Management Team.

After reviewing the documentation for each of the action items we conclude that Recommendation 2 is resolved and implemented.

**Recommendation 3: Provide GSA with all lease expiration dates for delegated leases.**

In its October 16, 2008 response to the report, DOI created a corrective action tracking matrix to implement each recommendation. For Recommendation 3 the corrective action tracking matrix established the following action items in order to implement this recommendation.

**Action Item A: Poll bureaus for accurate and complete listing of all leases.**

This action item is the same as Action Item A for Recommendation 1 listed above.

**Action Item B: Quarterly compile updated listing from the bureaus of all new and ongoing leasing action and provide summary to GSA Central Office.**

PAM sends a quarterly report to GSA of bureau direct space leases. We obtained a copy of these reports which includes details for each lease, including location, square feet, expiration date, and lease authority.

After reviewing the documentation for each of the action items we conclude that Recommendation 3 is resolved and implemented.

## **Conclusion**

We informed PAM officials of the results of this review on September 15, 2010, and they agreed with the results of our review.

If you have any questions about this report, please contact me at (916) 978-5653.

cc: Eric Eisenstein, Branch Chief, Internal Control and Audit Follow-up, Office of Financial Management (MS 2557-MIB)  
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