



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

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MAY 24 2013

The Honorable Judith T. Won Pat
Speaker
30 th Guam Legislature
55 Hesler Street
Hagatña, Guam 96910

32-13-483
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date 4/4/13
Time 8:15 AM
Received by [Signature]

Dear Madame Speaker:

We are pleased to provide you a copy of the Office of Inspector General's Semiannual Report covering the 6-month period October 1, 2012 through March 31, 2013.

If you need additional copies of the Semiannual Report, please contact this office at (703) 487-5443 or visit our website www.doioig.gov.

Sincerely,

Kimberly Elmore

Kimberly Elmore
Assistant Inspector General for Audits,
Inspections, and Evaluations

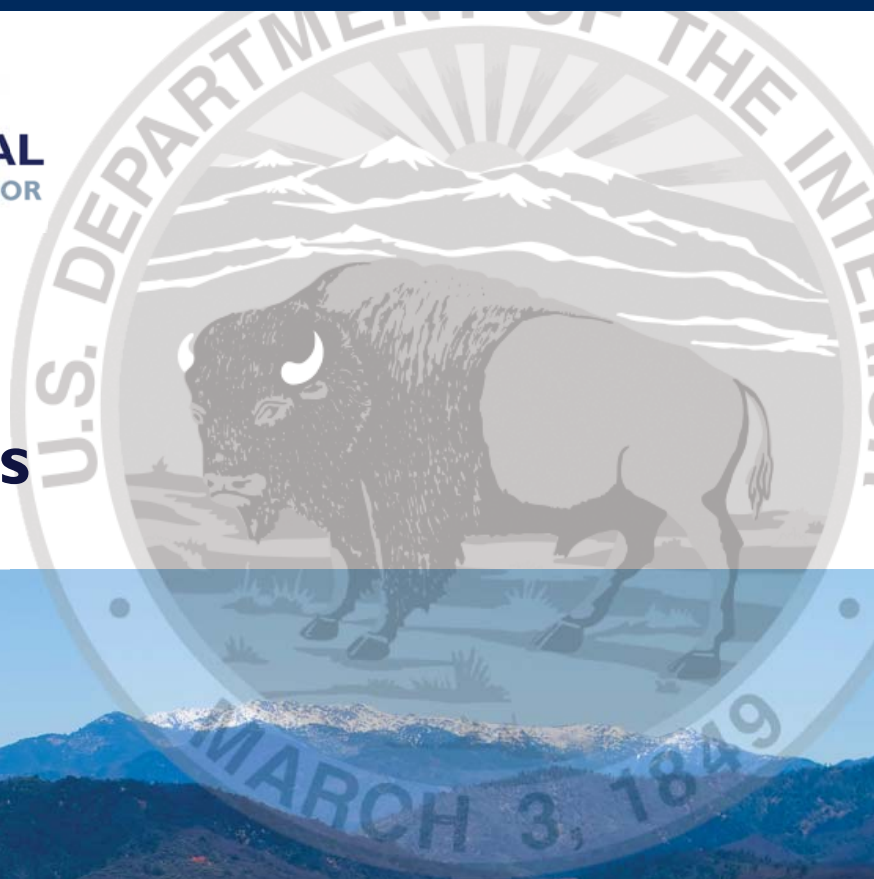
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Enclosure



OFFICE OF
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Semiannual Report to Congress



April 2013

Cover photo of Shasta Dam, a component of the Central Valley Repayment Project, which spans the Sacramento River in Northern California.

This report is printed on recycled paper with soy-based inks.



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U.S. DEPARTMENT OF THE INTERIOR

April 2013

October 1, 2012 - March 31, 2013

Contents

About DOI and OIG.....	ii
Message From the Deputy Inspector General.....	iii
OIG Operating Principles.....	v
Summaries of Significant Reports and Investigations.....	2
Appendices.....	22

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About DOI and OIG

The U.S. Department of the Interior (DOI) is a large, decentralized agency with employees and volunteers serving in approximately 2,400 operating locations across the United States, Puerto Rico, U.S. territories, and freely associated states. DOI is responsible for 500 million acres of America's public land, or about one-fifth of the land in the United States, and 56 million acres of Indian Trust lands. DOI is also responsible for a variety of water and underwater resources, including hundreds of dams and reservoirs and thousands of oil and gas leases on millions of acres of the outer continental shelf. Approximately 30 percent of the Nation's energy production comes from projects on DOI-managed lands and offshore areas. DOI scientists conduct a wide range of research on biology, geology, and water to provide land and resource managers with critical information for sound decisionmaking. DOI lands also provide outstanding recreational and cultural opportunities to numerous visitors worldwide.

The Office of Inspector General (OIG) promotes excellence, integrity, and accountability in these DOI programs. With fewer than 260 full-time employees, the organization is driven by a keen sense of mission and is dedicated to providing products and services that impact DOI mission results.

Message From the Deputy Inspector General



The U.S. Department of the Interior is a huge cabinet agency with a venerable 164-year history. Employing about 70,000 professionals across 9 distinct bureaus and many other offices, DOI's diverse responsibilities range from managing and preserving our national parks and fish and wildlife to overseeing oil, gas, and renewable energy production on Federal lands and waters to partnering through Government-to-Government relationships with American Indian and Native tribes to serving as stewards of land and water resources to promoting science research and activities across the country.

In a department this large and with complex legal, regulatory, and policy mandates, how do we, the Office of Inspector General, fulfill our mission to provide independent oversight and promote excellence, integrity, and accountability within the programs, operations, and management of DOI? We do so through a strategic and systematic approach that targets DOI's most important activities for oversight by our own workforce of auditors, evaluators, investigators, and other professionals. In a time of Governmentwide budget cuts and tight resources, we focus our audit, inspection, evaluation, and investigative planning using a variety of factors, including working with the Department on identifying its top management challenges, as well as employing our OIG strategy mechanisms and continuously communicating with our stakeholders in Congress and elsewhere.

In addition to the mandated and requested projects worked by our Office of Audits, Inspections, and Evaluations, the office focuses on discretionary projects related to DOI business processes and operations; climate change; Indian and Insular affairs; health, safety, security, and maintenance; water; asset protection and preservation; and energy. To safeguard Federal funds and uphold the integrity of departmental officials, our Office of Investigations focuses its investigative priorities on contract and grant fraud, energy, scientific misconduct, ethical violations, and public safety.

In this semiannual report covering the 6-month period from October 1, 2012, to March 31, 2013, we highlight how these targeted categories drive the decisionmaking behind the audit and investigative priorities we pursue. Of the 32 audit, inspection, and evaluation products issued in the past 6 months, 12—or almost 40 percent—fit into our targeted categories.

Our Office of Investigations, both in the past and present, has focused approximately 83 percent of its investigative cases on one of our five investigative priorities, leaving flexibility to open other cases that may be important or significant for reasons that fall outside the identified priorities.

We recognize the importance of providing objective and actionable reports to our customers and stakeholders. By targeting these specific areas, we marshal our resources so that we address the most significant issues within the Department and fulfill our responsibilities to the public to prevent fraud, waste, and mismanagement in Government programs and operations.

A handwritten signature in black ink, reading "Maupia S. Kendall". The signature is written in a cursive style with a large, stylized initial "M".

Deputy Inspector General

OIG Operating Principles

Mission

OIG's mission is to provide independent oversight and promote excellence, integrity, and accountability within the programs, operations, and management of the U.S. Department of the Interior.

Values

OIG operates as an independent oversight organization responsible to the American people, DOI, and Congress. We abide by the highest ethical standards and have the courage to tell our customers and stakeholders what they need to know, not what they wish to hear. Our core values help us fulfill our mission and include—

- placing highest value on objectivity and independence to ensure integrity in our workforce and products;
- striving for continuous improvement; and
- believing in the limitless potential of our employees.

Responsibilities

OIG is responsible for independently and objectively identifying risks and vulnerabilities that directly impact DOI's ability to accomplish its mission. We are required to keep the Secretary and Congress informed of problems and deficiencies relating to the administration of DOI programs and operations. As a result of us fulfilling these responsibilities, Americans can expect greater accountability and integrity in Government program administration.

Activities

OIG accomplishes its mission by conducting audits, inspections, evaluations, and investigations relating to DOI programs and operations. Our activities are tied to major departmental responsibilities and assist DOI in developing solutions for its most serious management and program challenges. These activities are designed to ensure that we prioritize critical issues. Such prioritizing provides opportunities to influence key decisionmakers and increases the likelihood that we will achieve desired outcomes and results that benefit the public.

Summaries of Significant Reports and Investigations



Office of Audits, Inspections, and Evaluations

Outdated Guidance Leads to Inconsistent Oversight of Geothermal Program

OIG evaluated the Bureau of Land Management’s (BLM) geothermal program, which is responsible for issuing leases, inspecting drilling sites, enforcing safety and environmental rules, and other activities related to the development and production of geothermal resources on Federal lands. Geothermal energy is defined as heat from the Earth and offers the Nation a clean, domestic, and abundant renewable resource. Geothermal resources, which can be used to power electrical generators, are identified as all products of geothermal processes, including indigenous steam, hot water, and hot brines.

Our review identified two issues that hinder a more effective program. First, operational orders for geothermal resources, which were issued by BLM to implement and enforce Federal regulations, were approved more than 30 years ago and fail to account for technological advancements. BLM personnel reported that four of the seven orders are no longer applicable, as the provisions have been incorporated into the current Federal regulations.



Geothermal power station.

They also reported that they only use two orders—both of which were approved in 1975—for regulating geothermal activity. Absent a uniform, current set of orders, BLM relies on outdated information to oversee the geothermal program and risks noncompliance with Federal regulations.

Second, BLM has no standardized policy governing the geothermal inspection and enforcement program; therefore, many offices have developed their own inspection processes, creating inconsistencies among BLM’s State and field offices. We identified variations in the types of inspections conducted, in the formats used for conducting inspections, in the frequency of inspections performed, and in the qualifications and training required for inspectors. We also found inconsistencies in data collection for inspections because of no formal guidance on data collection.

We believe that our recommendations to review and update existing orders to create an up-to-date, uniform set of policies and to standardize and routinely examine the inspection and enforcement process for geothermal operations provides BLM the opportunity to manage its geothermal resources more effectively.

Years of Federal Helium Control May Have Left Critical Resources Undervalued

OIG audited the Bureau of Land Management’s (BLM) helium program to determine if BLM is charging market value prices for its helium sales to nongovernmental purchasers and whether BLM needs additional guidance to manage the program.

The Federal Government has effectively controlled the market for helium for almost a century through its position as a predominant supplier—BLM provides about 40 percent of the Nation’s helium and 30 percent of helium to the world market. BLM has a responsibility to receive a fair return on its helium inventory. Current prices, however, are established based on cost rather than on market value. The market value of BLM’s helium inventory will be potentially much higher as new and expanding technologies create significant growth in demand.

OIG’s review of the program found that BLM does not have the capability needed to identify and maintain market value prices for its helium reserve. BLM has historically sold helium through a limited number of private refiners, which has restricted its ability to determine market value for its sales by limiting open competition. Due to existing and potential new pending legislation, BLM likely will sell the vast majority of its remaining helium inventory to private or nongovernmental purchasers by 2020, so without change to the program, there is no assurance that BLM will receive market value on the sale of helium.

BLM's current helium inventory is valued at approximately \$1 billion. For each percentage point increase in value, BLM would collect approximately \$10 million in additional revenues. To capitalize on the opportunity to collect additional revenues, BLM needs to identify and charge market value for all helium sales to nongovernmental purchasers. In addition, BLM's program has been operating without formal procedures for nongovernmental sales since it assumed responsibility for the helium program in 1996; BLM would benefit from the establishment of formal written procedures for nongovernmental sales to protect against fraud, waste, and mismanagement and to support helium sales as a revenue enhancement opportunity for the Government.

Timely action is required to ensure the helium program can operate effectively over the coming years. The program has a current debt of approximately \$44 million, resulting from large helium purchases made in the 1960s. Program operations are currently funded through BLM's ability to access a helium production fund, in which sales proceeds are accumulated. The statutory authorization for the helium fund expires upon repayment of program debt, which BLM projects will occur in 2013. After this repayment, the fund established to support the program will terminate. According to BLM, this would have the effect—absent reauthorization of the fund or other appropriations action—of ending its ability to pay for program operations.

We recommended that BLM work with DOI's Office of Minerals Evaluation to develop a process to identify the fair market value price of helium sold to nongovernmental buyers. Given the urgency required, we further recommended that BLM implement the new pricing process by the end of 2013. In addition, we recommended that BLM prepare and implement comprehensive procedures for managing helium sales to nongovernmental buyers. BLM agreed with all three recommendations.

DOI To Improve Emergency Action Planning Regulations at Dams on Federal Land

OIG evaluated the high-hazard dams of the Bureau of Land Management (BLM), National Park Service (NPS), and Office of Surface Mining Reclamation and Enforcement (OSM) to determine if emergency action plans (EAPs) are in place, reviewed, updated, and exercised appropriately. DOI is responsible for managing and ensuring dam safety for the more than 2,600 dams across the Nation, and the "Departmental Manual" requires that EAPs be prepared for all high- and significant-hazard dams. High-hazard dams are those whose failure could result in loss of life; significant-hazard dams are those whose failure would not cause a loss of life but could result in a significant economic loss.

BLM, NPS, and OSM manage or regulate 838 dams throughout the United States; 29 of those dams are classified as high hazard. BLM and NPS lands also have about 324 privately owned dams, of which 133 are classified as high hazard. These privately owned dams are those that are owned by State and local governments or private landowners, but located within BLM and NPS lands. OSM does not know how many high-hazard dams are in the non-Federal program. Dams in the non-Federal program are those in States that have chosen to exercise their primacy and create an OSM-approved regulatory program; these primacy States have direct regulatory authority over dams located within their boundaries. BLM, NPS, and OSM do not have a requirement to directly regulate privately owned or non-Federal dams.

DOI classifies 584 of its 2,600 dams as high or significant hazard. We learned that at these 584 dams, there is an average of 4 dam incidents that occur annually across DOI. These incidents, while not necessarily resulting in dam failure, can potentially put the public and property at risk.

We found that OSM, BLM, and NPS either have no requirement for EAPs to be in place for all high-hazard dams under their purview, or have not adequately reviewed, exercised, or formalized the EAPs that are in place. We also found that none of the three bureaus have a written policy requiring after-action reports to be prepared following EAP exercises, and when after-action reports are prepared, recommended corrective actions in these reports are not tracked for implementation.



The Imperial Dam on the Colorado River, northeast of Yuma, AZ.

In addition, we found there is no uniform approach to monitoring the privately owned, high-hazard dams located on BLM and NPS lands, as well as high-hazard, non-Federal dams over which OSM has no direct regulatory jurisdiction. Neither BLM, NPS, nor OSM have a requirement to directly regulate such dams, but OIG believes that it is important to both alert DOI to the existence of these dams and to provide information on how DOI can better monitor and enforce health and safety concerns.

We issued seven recommendations to help DOI better monitor the high-hazard dams that BLM, NPS, and OSM are responsible for managing and regulating, including making updates to existing regulations, ensuring that EAPs are exercised and updated according to regulations, requiring after-action reports, and including recommended corrective actions that can be tracked for implementation. We also made four recommendations to help DOI better monitor the high-hazard dams it does not own, including that Federal officials request observer status during inspections of privately owned dams and that DOI implement a uniform approach to monitoring and emergency action planning for privately owned dams on DOI lands. BLM, NPS, and OSM concurred with all recommendations.

Population Increase To Affect Guam's Public Safety Needs

OIG evaluated the ability of Guam's Police Department (GPD), Fire Department (GFD), and Homeland Security (GHS) to meet the safety and response needs of Guam's citizens and prepare for the increase in population due to the potential buildup of U.S. Marine forces. The protection from and prevention of events endangering the public's safety, such as crime and natural and manmade disasters, is a vital function of any government. Guam faces increased challenges in meeting the current public safety needs of its citizens, as well as the needs associated with the potential military buildup.

GPD, GFD, and GHS are responsible for safeguarding Guam citizens and visitors. In 2011, Guam's population, including the U.S. military, was approximately 180,000. Due to the potential military buildup, Guam's population will increase with the relocation of Marines and their dependents and support services to the island. At the time of our evaluation, the proposed buildup, based on the relocation of 8,600 Marines, projected an increase of 80,000 people in Guam. The projected increase includes not only the Marines, but their families, construction workers, and other jobs that arise with a population increase. The exact impact on Guam's population is unknown. Recent developments, however, indicate that the number of relocating troops may be closer to 4,500.

The Government of Guam (GovGuam) has a public safety program, but it is not well planned or funded. GPD and GFD are unable to meet the needs of the citizens of Guam or prepare for any increase in population because of shortcomings in staffing, infrastructure, vehicles, maintenance, and training.

GHS currently is better prepared to meet the needs of Guam's citizens, but it receives 100 percent of its budget from Federal funds with no plan to cover the losses of a Federal revenue stream that will decrease due to grant fund reductions.

Many of the weaknesses we found resulted from inadequate planning and funding from GovGuam. Specifically, GovGuam has been reactive in funding the agencies' needs, such as staffing, vehicles, and maintenance. It also has heavily relied on Federal funding for many of the agencies' operational needs. To better address public safety concerns, GPD, GFD, and GHS should compare the current level of service to the desired level of service and reconcile any differences through planning, budgeting, and monitoring activities. Guam, however, does not have sufficient funding to provide the level of service required by Guam laws or Federal standards. GPD, GFD, and GHS identified areas of need regarding the military buildup, but funding has not been identified to fulfill those needs. Instead of relying on Federal funding, which has become common practice, GovGuam needs to find other ways to secure funds for public safety entities, such as improving the tax collection process and making adjustments to GovGuam's tax and fee revenue structure.

To better meet its public safety responsibilities, OIG recommended that GovGuam identify needs, resources, and service expectations for GPD and GFD and establish a review process to determine if goals are achieved. We also recommended that GovGuam develop a method to acquire public safety funding from local sources of revenue.

CVP Rate-Setting Policies Need Adjusting To Ensure Recovery of Federal Investment

OIG evaluated the Bureau of Reclamation's (USBR) Central Valley Project (CVP) to determine whether the Federal Government is on track to recoup its investments by the legally established deadline of 2030.

USBR began construction of the CVP in California in October 1937. The CVP is currently one of the largest water supply projects in the United States, providing water to more than 3 million acres of farmland and to nearly 1 million households each year. As of 2011, the total reimbursable Federal investment in the CVP facilities providing water for irrigation and municipal and industrial purposes was \$1.3 billion.

To recover the Federal investments, USBR established contracts that guaranteed irrigation and municipal and industrial contractors a fixed, annual repayment rate for 40 years. USBR was required to establish water rates that generate revenue at least sufficient to cover annual operations and maintenance costs and the appropriate share of fixed (capital) costs of the project. The operations and maintenance costs, however, eventually exceeded revenues generated by the fixed water rates specified in these contracts, making the fixed rates insufficient to recover the Federal investment in the CVP. As a result, in the first 40 years of the CVP operation, little progress was made toward repayment of the Federal investments. In 1986, Congress passed legislation addressing operational repayment deficits and required repayment of the Federal investment in the CVP by 2030.

USBR is not making steady progress toward recovery of Federal investments in the CVP because current CVP rate-setting policies, water projection methods, and contract provisions do not ensure that sufficient revenue is generated each year. For example, water deliveries to the CVP contractors can be highly variable from year to year. When actual water deliveries are less than projected deliveries, revenues are insufficient to recover the Federal investment in the project. When actual water deliveries exceed projected deliveries, however, existing contract provisions stipulate that excess revenues collected by USBR must be refunded to the contractors.

USBR has 18 years remaining to ensure that the repayment requirement is met. The longer USBR waits to act, the greater the impact will become as 2030 approaches. This could cause significant, if not unsustainable, rate increases to water contractors, creating the potential for rates to exceed contractors' ability to pay. Rate increases could also lead to contractors requesting that Congress extend the repayment deadline beyond 2030, or provide additional repayment relief.

Our report included two recommendations, to which USBR concurred, to help USBR improve its rate-setting policies and ensure stable repayment of the entire Federal investment by 2030.

Inadequate Communication a Problem for BIA's Social Services Program

The Bureau of Indian Affairs (BIA) provides tribes about \$137 million each year in social services funding to provide welfare assistance for almost 2 million individuals in 566 recognized tribes. OIG reviewed the social services program to determine whether BIA has established and effectively communicated well-defined roles and responsibilities for delivering social services, and has provided adequate support and oversight of BIA-managed or tribally contracted social services programs, such as welfare and child assistance.

OIG found unclear guidance as it relates to performance standards and roles and responsibilities that kept Bureau personnel from understanding and successfully conducting their work. We also found that communication among managers, staff, and tribes was ineffectual, demonstrated by the absence of clear instructions for data calls, inability to share social service information across all necessary BIA social service channels, and failure to respond to funding requests for welfare assistance applicants.

Such inadequate communication has hindered effective functioning of social services programs. It also made it difficult for us to precisely determine if BIA's social service program was effectively administered, if cases were adequately managed, if Bureau-level social services data were accurate or reliable, and if tribal members applying for social services were receiving what they needed.

We offered seven recommendations that suggested BIA update the Bureau manual to clearly define the roles and responsibilities of its employees, create a training plan for tribes that clarifies programmatic points of contact and addresses roles and responsibilities for tribes and BIA, benchmark elements of the program that can serve as best practices, and develop a performance plan that includes outcome-based goals and measures to help BIA manage its social services resources more effectively. BIA concurred with all but one of our recommendations.

Strict Internal Controls Safeguard DOI Check-Writing Program

OIG evaluated DOI's check-writing program to review internal controls related to third-party drafts (TPDs) and convenience checks at the Bureau of Land Management (BLM), the National Park Service, and the Bureau of Reclamation.

While DOI must by law pay by electronic funds transfer for most goods and services acquired to further the DOI mission, payment by convenience check connected to U.S. Government charge-card accounts can be used when a merchant does not accept charge cards or for emergency incident response. Convenience checks can be used up to \$3,000 for supplies; \$2,500 for services; \$2,000 for construction; \$10,000 for emergency incidents; and \$25,000 for the Alaska Fire Crew. Until the end of fiscal year 2011, some bureaus also used TPDs to make these payments, but use of TPDs has been discontinued.

We found that internal controls over convenience checks, if implemented in accordance with established procedures, should help reduce the risk of fraud, waste, or mismanagement in the check-writing program. Established procedures for check writing include—

- a detailed review of monthly charge-card statements requiring approving officials to review each transaction;
- a monthly program review by the agency or organizational program coordinator; and
- retaining the original receipt along with a carbon copy of the check as supporting documentation.

In addition, DOI has started a pilot program at BLM that includes a process to reconcile charge-card and convenience-check purchases electronically. OIG will test the pilot program and work with DOI to ensure that internal controls are in place with the electronic charge-card reconciliation.

To further safeguard the check-writing program from fraud, waste, and mismanagement, OIG recommended that all check-writing bureaus evaluate their monthly reconciliation process and that DOI require training more frequently than every 3 years for check writers and their approving officials. DOI concurred with both recommendations.



Alaska Fire Crew team at work.

Office of Investigations

OIG Takes Proactive Approach to Oversight of Super Storm Sandy Recovery Efforts

In October 2012, Super Storm Sandy devastated States along the East Coast from Florida to New England, prompting President Obama to issue major disaster declarations in Connecticut, New Jersey, and New York, as well as emergency declarations in Delaware, the District of Columbia, Maryland, Massachusetts, New Hampshire, Pennsylvania, Rhode Island, Virginia, and West Virginia.

In the wake of one of the costliest natural disasters in U.S. history, DOI mobilized resources to expedite storm recovery on impacted Federal and tribal lands. OIG responded accordingly, as those emergency declarations invoked acquisition flexibilities authorized in the Federal Acquisition Regulation and gave rise to unusual and compelling needs for supplies and services.



Damage to Breezy Point, NY, resulting from Super Storm Sandy.

OIG has taken a proactive stance with oversight related to DOI's emergency recovery efforts. We have increased oversight of purchase-card usage and developing contracts, escalated our outreach efforts and fraud awareness briefings with responding DOI bureaus, coordinated with the Recovery Accountability and Transparency Board, and liaised with the U.S. Attorneys' Offices in affected States, as well as the U.S. Department of Justice's Anti-Trust Division. We continue to collaborate with the Federal Emergency Management Agency and the FBI. We support DOI as it restores the damage created by Super Storm Sandy and are monitoring every channel of recovery spending.

Termination of Unauthorized Degree Funding Saved DOI \$60,000

OIG investigated the Chief for the Assistant Secretary Support Division of Indian Affairs after receiving a complaint that the Chief approved an unauthorized request for academic-degree training for a subordinate employee. The Chief terminated the complainant's employment, subsequent to acknowledging that he suspected the employee had submitted the complaint. The complainant later alleged that his employment was terminated because he reported the unauthorized degree funding to OIG.

OIG determined that the Chief authorized \$83,160 to fund an employee's request for a master's of business administration (MBA) degree at Georgetown University in Washington, DC. Our investigation revealed that the authorization was not preplanned and that the employee did not sign a continued-service agreement, as required.

As a result of our investigation, the complainant received \$35,000 in back pay and was hired for a 6-month term position with the Bureau of Indian Affairs. The Chief received a 14-day suspension, and the financing of the MBA was terminated, saving DOI approximately \$60,000.

Tribal Officials Indicted for Theft of Federal Funds

In January 2011, the FBI informed OIG of allegations concerning theft of tribal funds by tribal members of the Mashantucket Pequot Tribal Nation. The joint investigation found that Steven Thomas was provided a salary for a job he never performed, and other tribal members made numerous purchases on tribal credit cards for personal benefit.

On January 4, 2013, Steven Thomas and his brother, Michael Thomas, were indicted in the U.S. District Court for the District of Connecticut on one count of theft from an Indian tribal organization and two counts of theft from an Indian tribal government receiving Federal funds. Trial was scheduled for November 12, 2013.

Fort Peck Community College Instructor Pleads Guilty to Theft of Federal Funds, False Claims

In a joint investigation with the U.S. Attorney's Guardians Project, the FBI, and the Internal Revenue Service's Criminal Investigative Division, OIG investigated Jerome Seaman, a mathematics instructor and grant administrator at the Fort Peck Community College in Poplar, MT, for submitting false travel records.

Seaman was responsible for providing training and meeting opportunities designed to benefit the college and enhance the benefits of Federal grants that he was responsible for administering. These opportunities required travel, and since the travel was job related, it was reimbursable from the Federal grants received by the college.

The investigation found that Seaman submitted false records for 12 trips he completed between December 2009 and March 2011. Seaman often made alternate travel plans, failed to attend trainings or conferences for which the travel was scheduled, and made claims against Federal and college finances as if he had not engaged in personal activities while on travel.

Seaman fabricated and falsified hotel receipts to support his reimbursement claims. He received a total of \$19,359 in reimbursement of travel costs. He also received \$9,668 in wages from the college for time periods covered by these trips that he would not have been entitled to receive if the college knew that he traveled on what amounted to unauthorized personal leave.

Seaman pled guilty on March 29, 2013, in the U.S. District Court for the District of Montana to theft from an Indian tribal organization receiving Federal grants, a Federal False Claims Act violation, and false writings affecting Federal monies. Sentencing was scheduled for July 1, 2013.

Crow Tribe Employees Indicted on Multiple Charges of Theft and Defrauding the Government

OIG, the FBI, and the Internal Revenue Service's Criminal Investigation Division conducted a joint investigation of Crow Tribe Historic Preservation Office (THPO) employees for receiving payment for cultural monitoring duties directly from the companies for whom the monitoring work was being performed. Crow Tribe officials indicated that this practice circumvented the procedure that requires the Crow Tribe financial office to submit invoices to companies for cultural monitoring work performed, and the companies remit payment to the Crow Tribe for those services.

The investigation determined that the former THPO director told companies to pay the THPO employees directly for performing cultural monitoring duties. In addition, the majority of individuals who received direct payments for performing cultural monitoring duties were relatives of the former director.

The investigation also determined that only two individuals were properly trained to conduct cultural monitoring and that two individuals that claimed to be THPO employees and were paid for performing cultural monitoring duties were never employed by THPO.

Between July 17, 2009, and November 21, 2011, seven individuals, including three relatives of the former director, received direct payments totaling more than \$500,000 from companies for cultural monitoring duties performed on behalf of THPO.

The former director and the seven individuals were indicted on November 14, 2012, by a Federal Grand Jury in the U.S. District Court for the District of Montana for conspiracy to defraud the Crow Tribe, mail fraud, theft from an organization receiving Federal funds, theft from an Indian tribal organization, extortion involving a Federally funded program, and Federal income tax fraud.

One defendant died on December 5, 2012. In January 2013, three defendants pled guilty in U.S. District Court for the District of Montana pursuant to plea agreements, two pled guilty to theft from an organization receiving Federal funds, and one pled guilty to a superseding information charging him with theft. The sentencing date was scheduled for May 1, 2013. The trial for the remaining defendants was scheduled for June 10, 2013.

Two Executives Fraudulently Obtain Millions in Federal Contract Payments

On March 13 and March 15, 2013, Keith Hedman and Dawn Hamilton, of an Arlington, VA-based security company, pled guilty to fraudulently obtaining more than \$31 million in Government contract payments that should have gone to disadvantaged small businesses. Hamilton pled guilty to major fraud against the United States, while Hedman pled guilty to major fraud against the United States and conspiracy to commit bribery. DOI's National Business Center contracted with one of the businesses in 2010 with payments totaling \$52,682; these funds were involved in the fraud scheme and are subject to restitution. OIG assisted the National Aeronautics and Space Administration OIG, the Small Business Administration OIG, and the U.S. Department of Homeland Security OIG during the investigation. Sentencing was scheduled for June 2013.

Contractor Pleads Guilty to Defrauding Oil Lease Investors

OIG and the FBI conducted a joint investigation into allegations that Mike Alfons Campa, an employee from Domestic Energy Solutions (DES), a private energy company, engaged in a fraudulent oil lease investment scheme on the Fort Peck Indian Reservation. The Bureau of Indian Affairs provided a copy of a March 7, 2011 letter from Campa—acting under the alias Mike Heretel—to an investor in which Campa purported that a \$4,000 investment entitled the investor to a 0.5 percent ownership in DES and all income generated from three specific oil leases on the Reservation. Fort Peck Agency personnel confirmed that Campa did not own the oil leases referenced in the letter.

We determined that Campa and five others—Suzette Gulyas Gal, Andras Zoltan Gal, Steven William Carpenter, Krisztian Zoltan George Gal, and Dana Yvonne Kent—solicited approximately \$673,406 from investors in connection with their fraudulent oil and gas leases on the Fort Peck Indian Reservation.

On September 5, 2012, the Federal Grand Jury in the U.S. District Court for the District of Montana indicted the six individuals. The indictments charged each defendant with one count of conspiracy, one count of wire fraud, and one count of mail fraud.

Kent pled guilty to wire fraud on January 2, 2013. Trial for the remaining defendants was scheduled for April 29, 2013.

Energy Companies Renegotiate Settlement to Federal Government

Following a joint investigation between the OIG Energy Investigations Unit and the U.S. Department of Justice (DOJ), Gunnison Energy Corporation (GEC) and SG Interests I and VII Ltd. (SG) renegotiated settlements of \$245,000 and \$206,250, respectively, to the Federal Government to resolve allegations that they violated the False Claims Act by bidding on four natural gas leases sold at auction by the Bureau of Land Management (BLM) after agreeing not to compete. The investigation found that GEC and SG entered into two improper agreements under which it was agreed that SG would bid on leases at the BLM auctions, and if it won, would assign an undivided 50 percent interest in the Federal leases to GEC.

As part of BLM's bidding process, however, SG completed and signed a bid form certifying that the winning bid was reached independently and without collusion for the purpose of restricting competition and that it had not unlawfully combined or intimidated bidders. The investigation found that SG falsely certified these forms since SG and GEC colluded to drive down the price of the bids for leases.

DOJ renegotiated the original settlement value of \$550,000 after a judge ruled in part that the earlier settlement, which included alleged civil antitrust violations, should have been negotiated separately.

Offshore Oil Company Pleads Guilty to Tampering With Water Quality Results

OIG and the U.S. Environmental Protection Agency jointly investigated W&T Offshore Inc. (W&T) for falsely representing the levels of pollutants contained in its water samples. Between January 1, 2009, and January 3, 2013, W&T operated a manned offshore facility designed for the production of oil and gas in the Gulf of Mexico. W&T was required to conduct its production in accordance with a National Pollutant Discharge Elimination System (NPDES) permit, which limited the type and amount of pollutants that W&T was legally allowed to discharge into the Gulf of Mexico.

The investigation found that W&T had failed to follow prescribed procedures and testing outlined by the NPDES permit. On at least six occasions, employees of a contractor working for W&T had run the produced water samples through coffee filters before submitting the samples to a laboratory for testing.

By filtering the water, the contractor negated the authenticity of the water samples, which decreased regulatory oversight on W&T and reduced additional costs to which W&T may have been subjected.



Offshore drilling rig in the Gulf of Mexico.

The investigation also found that on or about November 22, 2009, oil vented out of the facility's flare boom and onto a grated platform and production equipment. Bureau of Safety and Environmental Enforcement inspectors arrived on site approximately 5 days later and observed oil stains on the platform. W&T did not report the issue to the Coast Guard National Response Center prior to the arrival of the inspectors.

On January 3, 2013, W&T pled guilty in the U.S. District Court for the Eastern District of Louisiana to one felony count of tampering with, falsifying, or rendering inaccurate a monitoring method required to be maintained under the Clean Water Act and one misdemeanor count of negligent discharge of oil into the navigable waters of the United States. W&T was ordered to pay the United States a monetary penalty of \$1 million, placed on probation for 36 months, and ordered to pay a special assessment fine of \$525. During the probationary period, W&T is required to submit to audits on most of its 107 offshore facilities.

Petroleum Company Pays \$416,000 Settlement

An investigation into Yates Petroleum Corporation (YPC) resulted in a settlement agreement in which YPC agreed to pay \$416,000 to settle civil claims that it submitted false statements and underpaid Federal mineral royalties associated with the measurement and reporting of natural gas produced from 12 Federal leases within Wyoming's Powder River Basin.

As a Federal onshore lease operator, YPC was required to comply with all Federal regulations and Bureau of Land Management (BLM) gas measurement standards. The investigation found that the company used gas measurement devices that did not comply with measurement standards established by BLM, and YPC continued to use noncompliant gas measurement devices on Federal wells until April 2012 despite notification from BLM in January 2009 that the devices were not approved for use on Federal leases. In addition, YPC submitted compliance plans stating it would comply with BLM standards yet still continued using the noncompliant devices.

This investigation was settled with assistance provided by BLM and the Office of Natural Resources Revenue.

USGS Employee Removed From Service for Misuse of Government Credit Card

OIG investigated allegations that Brandon Barnes, a U.S. Geological Survey (USGS) information technology specialist, used his Government-issued credit card to purchase merchandise for personal use. DOI discovered the theft after identifying thousands of dollars in gift cards

purchased using the employee's credit card.

OIG determined that Barnes charged \$38,431 in merchandise for personal use over a 15-month period and concealed the illegitimate purchases by altering receipts to make them appear to be information technology purchases for use in the office. The purchases remained undetected because the statements only stated a purchase amount and retailer on the description of itemized purchases. USGS paid directly for all of the purchases. Barnes ultimately confessed to the misuse of his Government credit card and was removed from his position on August 17, 2012.

On December 4, 2012, a Federal Grand Jury in the U.S. District Court for the District of Colorado indicted Barnes on 38 counts of theft of Government property. Barnes pled guilty on February 22, 2013, to one count of theft of Government funds and was scheduled for sentencing on May 20, 2013.

DOI Employee Misuses Government Purchase Card, Will Pay Personal Restitution

An OIG investigation revealed that between June and September 2012, an Office of the Secretary office manager misused a Government purchase card by making unauthorized purchases that were personal in nature and did not pertain to official Government business. The employee will pay personal restitution in the amount of \$18,343 to the financial institution that issued the purchase card.

Contractor Sentenced on Wire Fraud Count

After receiving a referral from two Government Accountability Office investigations and from the Recovery Accountability and Transparency Board, OIG investigated Patrick Large, the owner of Quality Tile Roofing (QTR), for fraudulently obtaining Federal set-aside contracts through the U.S. Small Business Administration (SBA) HUBZone Program. The investigation found that Large conspired with others to operate two additional roofing companies, Construction Service Corporation (CSC) and McDonald Roofing and Construction (MRC). CSC and MRC were used as pass-through companies to obtain Federal contracts that QTR then performed or subcontracted. Between 2005 and 2010, MRC, CSC, and various other related partnerships and joint ventures were awarded more than 21 questioned Government contracts with award amounts totaling over \$21 million. Twelve of those were awarded through various DOI agencies. CSC was awarded three DOI HUBZone set-aside contracts, and MRC was awarded one DOI HUBZone set-aside contract.

CSC and MRC made false statements regarding their business operations, ownership, and control to qualify for the SBA HUBZone Program and obtain set-aside Government contracts that QTR would otherwise not have been eligible to receive. The investigation revealed that QTR, or other companies subcontracted by QTR, performed the majority of the work.

Large pled guilty in the U.S. District Court for the District of Idaho on September 18, 2012, to one count of wire fraud and was sentenced on January 8, 2013, to 2 years of probation, including 8 months of home confinement, 80 hours of community service, and a fine of \$20,000. He also forfeited \$150,000 to the Government.

Guam Contractor Pleads Guilty to Wire Fraud

OIG investigated Cynthia De Castro, the operations manager of CHB International, Inc., for attempting to defraud the Government by knowingly supplying noncompliant equipment to DOI. CHB was contracted to supply and install emergency generators with shelters for five public schools in Guam. De Castro knew that the generators were required to meet U.S. Environmental Protection Agency (EPA) standards but devised a scheme to defraud the Government of Guam and DOI by obtaining money from them by supplying generators that were manufactured in China and that she knew did not meet EPA standards.

De Castro pled guilty on January 29, 2013, in the U.S. District Court for the Territory of Guam to one count of wire fraud. She was scheduled to be sentenced on May 30, 2013.

Former NPS Employee Pleads Guilty to Viewing Child Pornography

OIG investigated Lino Sanchez, a National Park Service (NPS) employee, for viewing child pornography after an automatic network screening tool alerted officials of an unauthorized use of a Government computer. Our investigation determined that Sanchez used a Government computer to browse the Internet to locate, view, and download child pornographic material. Sanchez retired as soon as eligible upon investigation.

On January 25, 2013, Sanchez pled guilty in the U.S. District Court for the Eastern District of Virginia to one count of accessing the Internet with intent to view child pornography. Sentencing was scheduled for July 12, 2013.

Former USGS Employee Confesses to Viewing Pornography

OIG investigated a former U.S. Geological Survey (USGS) employee after receiving information that the employee was viewing child pornography using Government-issued equipment. The DOI Advance Security Operations Center reported that an IP address, originating from USGS, was used to access child pornographic Web sites in Russia.

Computer analysis reflected that the employee had surreptitiously masked his computer use so it would appear that a coworker accessed the Russian Web sites. Further investigation indicated that the employee accessed the Web sites remotely through his coworker's computer.

The employee subsequently confessed that he viewed nude photographs of mature women only and remotely accessed his coworker's computer to avoid detection because he had been counseled in the past for similar behavior. On November 2, 2012, the employee retired in lieu of termination and voluntarily waived any future employment or contractual obligations with DOI.

Former BIA Employee Sentenced to 30 Months of Incarceration

Working jointly with the U.S. Department of Homeland Security's Office of Investigations, OIG investigated Jasper Blair, a Bureau of Indian Affairs (BIA) employee, for viewing child pornography. BIA terminated Blair's employment. Blair was indicted on one count of knowingly and unlawfully receiving an image of child pornography.

Blair pled guilty on May 31, 2012, in the U.S. District Court for the District of Oregon to one count of possession of child pornography and was sentenced on October 4, 2012, to 30 months of Federal incarceration, followed by 10 years of probation. Blair voluntarily surrendered to begin serving his sentence on October 5, 2012.

Appendices



Investigations Statistical Highlights

October 1, 2012 – March 31, 2013

Investigative Activities

Cases Closed.....	167
Cases Opened.....	173
Complaints Received From All Sources.....	245

Criminal Investigation Outcomes

Indictments/Informations.....	20
Convictions.....	13
Sentencings.....	5
Jail.....	30 months
Community Service.....	80 hours
Probation.....	300 months
Criminal Penalties.....	\$4,401,175,825
Criminal Matters Referred for Prosecution.....	20
Criminal Matters Declined This Period.....	10

Civil Prosecution Outcomes

Civil Referrals.....	6
Civil Declinations.....	4
Civil Settlements.....	\$867,250

Administrative Investigation Outcomes

Restitution.....	\$18,344
Resignations/Retirements.....	2
Reprimands/Counseling.....	8
General Policy Actions.....	10
Procurement and Non-Procurement Exclusions	
Suspensions.....	4
Debarments.....	7

Audits, Inspections, and Evaluations Statistical Highlights

Audit, Inspection, and Evaluation Activities

Reports Issued.....	32
Performance Audits, Financial Audits, Evaluations, Inspections, and Verifications.....	19
Contract and Grant Audits.....	13
Single Audit Quality Control Reviews.....	0

Audit, Inspection, and Evaluation Impacts

Total Monetary Impacts.....	\$2,287,839
Questioned Costs (includes unsupported costs).....	\$1,929,163
Recommendations That Funds Be Put to Better Use.....	\$358,676
Audit, Inspection, and Evaluation Recommendations Made.....	130
Audit, Inspection, and Evaluation Recommendations Closed.....	55

Reports Issued During the 6-Month Reporting Period

This listing includes all audit, inspection, and evaluation reports issued during the 6-month period that ended March 31, 2013. It provides the report number, title, issue date, and monetary amounts identified in each report (* Funds To Be Put to Better Use, ** Questioned Costs, and *** Unsupported Costs).

Audits, Inspections, and Evaluations

Bureau of Land Management

K-MA-BLM-0005-2012

Management Advisory – Issues Identified During Our Audit of Nevada Fire Safe Council Claimed Costs Under Cooperative Agreements with Bureau of Land Management From January 1, 2008, Through February 29, 2012 (11/05/2012)

CR-EV-BLM-0004-2012

Final Evaluation Report – Bureau of Land Management’s Geothermal Resources Management (03/07/2013)

Bureau of Reclamation

WR-EV-BOR-0003-2012

Final Evaluation Report – Central Valley Project, California: Repayment Status and Payoff (03/26/2013)

ISD-AT-BOR-0002-2012

Final Inspection Report – IT Security of the Hoover Dam Supervisory Control and Data Acquisition System (03/29/2013)

Indian Affairs

WR-EV-BIA-0003-2013

Management Advisory – Impediments to the Management of Social Services in the Bureau of Indian Affairs (12/13/2012)

ZZ-IN-BIA-0002-2013

Office of Inspector General's Independent Report on the Bureau of Indian Affairs' Fiscal Year 2012 Accounting and Performance Summary Review Reports for the Office of National Drug Control Policy (02/28/2013)

WR-EV-BIA-0001-2012

Final Evaluation Report – Management of Social Services in BIA: Opportunity for Action (03/18/2013)

Insular Area Reports

HI-EV-GUA-0002-2011

Final Evaluation Report – Guam Public Safety (11/20/2012)

VI-EV-VIS-0002-2013

Evaluation – Verification of Watch Quota and Jewelry Quota Data for Calendar Year 2012 Submitted by Firms Located in the U.S. Virgin Islands (03/14/2013)

Multi-Office Assignments

ER-SP-MOI-0002-2012

Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior (10/15/2012)

C-EV-MOA-0009-2011

Final Evaluation Report – Controls over Check Writing (10/31/2012)

C-IN-MOA-0010-2011

Final Audit Report – Bureau of Land Management's Helium Program (11/09/2012)

ISD-EV-MOA-0001-2012

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for Fiscal Year 2012 (11/13/2012)

X-IN-MOA-0002-2012

Independent Auditors' Report on the U.S. Department of the Interior Financial Statements for Fiscal Years 2012 and 2011 (11/15/2012)

X-IN-MOA-0003-2012

Independent Auditors' Report on the U.S. Department of the Interior Special-Purpose Financial Statements for Fiscal Years 2012 and 2011 (11/16/2012)

X-IS-MOA-0001-2013

Final Inspection Report – Information Technology Security With the Departmental Cloud Email Solution (12/12/2012)

WR-EV-MOA-0015-2011

Final Evaluation Report – Bureau of Land Management, National Park Service, and Office of Surface Mining Reclamation and Enforcement's Safety of Dams: Emergency Preparedness (12/27/2012)

Office of Insular Affairs

HI-EV-OIA-0003-2012

Final Evaluation Report – Guam Public Safety (11/20/2012)

Office of the Special Trustee for American Indians

X-IN-OST-0005-2012

Independent Auditors' Report on the Office of the Special Trustee for American Indians Tribal and Other Trust Funds and Individual Indian Monies Trust Funds Financial Statements for Fiscal Years 2012 and 2011 (11/09/2012)

Contract and Grant Audits

Bureau of Land Management

C-CA-BLM-0005-2012

Audit of the Cooperative Agreement (L09AC15370) Between the Bureau of Land Management and Pueblo de Cochiti to Co-Manage the Kasha-Katuwe Tent Rocks National Monument (11/23/2012)

K-CA-BLM-0004-2012

Audit – Nevada Fire Safe Council Claimed Costs Under Cooperative Agreements With Bureau of Land Management From January 1, 2008, Through February 29, 2012 (01/30/2013) **\$962,623 ***\$581,597

Bureau of Reclamation

ER-CX-BOR-0001-2013

Final Audit Report – Claimed Costs by Chenega Security and Protection Services Under Contract No. 10PC20754 With the Bureau of Reclamation (02/20/2013)
\$58,482 *\$28,725

U.S. Fish and Wildlife Service

R-GR-FWS-0013-2012

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Alaska, Department of Fish and Game, From July 1, 2009, Through June 30, 2011 (10/24/2012)

R-GR-FWS-0009-2012

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Connecticut, Department of Energy and Environmental Protection, Bureau of Natural Resources, From July 1, 2009, Through June 30, 2011 (10/25/2012) *\$24,833

X-CX-FWS-0006-2012

Final Audit Report – Costs Claimed by K-Con, Inc., for Request for Equitable Adjustment Under Contract No. F-10PD79322 with the U.S. Fish and Wildlife Service (10/25/2012) **\$218,106 ***\$1,308

R-GR-FWS-0008-2012

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of New York, Department of Environmental Conservation, From April 1, 2009, Through March 31, 2011 (11/02/2012)
**\$32,997

R-GR-FWS-0012-2012

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Government of Guam, Department of Agriculture, From October 1, 2009, Through September 30, 2011 (11/14/2012)

R-GR-FWS-0011-2012

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Iowa, Department of Natural Resources, From July 1, 2009, Through June 30, 2011 (11/28/2012)

R-GR-FWS-0010-2012

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program
Grants Awarded to the State of Nebraska, Game and Parks Commission, From
July 1, 2009, Through June 30, 2011 (11/30/2012) *\$14,886

R-GR-FWS-0014-2012

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program
Grants Awarded to the State of Ohio, Department of Natural Resources, From
July 1, 2009, Through June 30, 2011 (03/22/2013) *\$318,957

R-GR-FWS-0004-2013

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program
Grants Awarded to the State of Illinois, Department of Natural Resources, From
July 1, 2010, Through June 30, 2012 (03/29/2013)

U.S. Geological Survey

ER-CX-GSV-0002-2013

Final Audit Report – Interim Cost Audit Claimed by ASRC Research and
Technology Under Contract No. 08PC91508 With the U.S. Geological Survey
(03/22/2013) **\$45,325

Monetary Resolution Activities

Table 1: Inspector General Reports With Questioned Costs*

	Number of Reports	Questioned Costs*	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period.	2	\$516,454	\$200,965
B. Which were issued during the reporting period.	5	\$1,929,163	\$611,630
Total (A+B)	7	\$2,445,617	\$812,595
C. For which a management decision was made during the reporting period.	3	\$257,900	\$1,308
(i) Dollar value of recommendations that were agreed to by management.		\$257,900	\$1,308
(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	\$2,187,717	\$811,287

*Note: Does not include non-Federal funds.

Monetary 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 has been made by the commencement of the reporting period.	1	\$8,504
B. Which were issued during the reporting period.	3	\$358,676
Total (A+B)	4	\$367,180
C. For which a management decision was made during the reporting period.	2	\$343,790
(i) Dollar value of recommendations that were agreed to by management.		\$343,790
(ii) Dollar value of recommendations that were not agreed to by management.		\$0
D. For which no management decision had been made by the end of the reporting period.	2	\$23,390

*Note: Does not include non-Federal funds.

Summary of Reports Over 6 Months Old Pending Management Decision

This listing includes a summary of audit, inspection, and evaluation reports that were more than 6 months old on March 31, 2013, and still pending a management decision. It provides report number, title, issue date, and number of unresolved recommendations.

Audits, Inspections, and Evaluations

Bureau of Ocean Energy Management

CR-EV-MMS-0015-2010

A New Horizon: Looking to the Future of the Bureau of Ocean Energy Management, Regulation and Enforcement (12/07/2010); 1 Recommendation

Indian Affairs

CR-EV-BIA-0001-2011

Final Evaluation Report – Oil and Gas Leasing in Indian Country: An Opportunity for Economic Development (09/24/2012); 2 Recommendations

WR-EV-BIA-0001-2011

Advisory – Indian Land Consolidation: Mass Appraisals of Indian Lands (06/13/2011); 1 Recommendation

WR-EV-BIA-0005-2011

Final Evaluation Report – Bureau of Indian Affairs’ Law Enforcement Recruitment Services Contract with the National Native American Law Enforcement Association (05/09/2012); 1 Recommendation

WR-EV-BIA-0009-2012

Advisory – Indian Land Consolidation: Probate and Estate Planning Activities (08/16/2012); 3 Recommendations

Insular Area Reports

HI-EV-GUA-0001-2011

Final Report – Evaluation of Guam Power Authority (08/09/2012);
1 Recommendation

P-EV-FSM-0001-2007

Kosrae State, Federated States of Micronesia: Property Accountability Process
Needs To Be Improved (10/17/2007); 3 Recommendations

VI-EV-VIS-0002-2009

Evaluation Report – Energy Production in the Virgin Islands (12/28/2009);
4 Recommendations

VI-IN-VIS-0001-2010

Audit Report – Administrative Functions - Legislature of the Virgin Islands
(11/28/2011); 1 Recommendation

VI-IN-VIS-0003-2009

Final Audit Report – Capital Improvement Projects Administrative Functions -
Procurement Deficiencies Plague the Virgin Islands Port Authority (09/08/2010);
1 Recommendation; \$443,300 unresolved

VI-IS-VIS-0004-2009

Inspection Report – Security Improvements at the Governor’s Private Residence
(01/19/2010); 4 Recommendations; \$490,000 unresolved

Multi-Office Assignments

C-IN-MOA-0013-2010

Final Audit Report – Management of Rights-of-Way in the U.S. Department of
the Interior (09/27/2012); 1 Recommendation

U.S. Fish and Wildlife Service

C-IS-FWS-0017-2010

Inspection – Status of Rocky Flats National Wildlife Refuge (07/21/2011);
1 Recommendation

WR-EV-FWS-0003-2011

Evaluation Report – U.S. Fish and Wildlife Service Conservation Easement Monitoring and Enforcement (01/09/2012); 2 Recommendations

Contract and Grant Audits

Insular Area Reports

P-GR-NMI-0003-2005

Evaluation of Saipan Public Health Facility Project: Oversight of Capital Improvement Projects, Commonwealth of the Northern Mariana Islands (06/08/2007); 1 Recommendation

U.S. Fish and Wildlife Service

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-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 (03/31/2004); 1 Recommendation

Summary of Reports Over 6 Months Old Pending Corrective Action

This listing includes audit, inspection, 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, inspections, and evaluations continue to be monitored by the Branch Chief for Internal Control and Audit Follow-up, Assistant Secretary for Policy, Management and Budget, for completion of corrective action.

Bureau of Land Management

CR-EV-BLM-0002-2009

Evaluation of Bureau of Land Management's Oil and Gas Lease Auction Process (08/26/2009); 1 Recommendation

CR-EV-BLM-0001-2009

Evaluation Report of the Bureau of Land Management's Oil and Gas Inspection and Enforcement Program (12/02/2010); 5 Recommendations

C-IS-BLM-0018-2010

Bureau of Land Management Wild Horse and Burro Program (12/13/2010); 3 Recommendations

CR-EV-BLM-0004-2010

Final Evaluation Report – Bureau of Land Management's Renewable Energy Program: A Critical Point in Renewable Energy Development (06/12/2012); 7 Recommendations

ER-IS-BLM-0003-2012

Inspection – Bureau of Land Management: Meadowood Equestrian Facility (09/27/2012); 2 Recommendations

Bureau of Ocean Energy Management

CR-EV-MMS-0015-2010

A New Horizon: Looking to the Future of the Bureau of Ocean Energy Management, Regulation and Enforcement (12/07/2010); 24 Recommendations

Bureau of Reclamation

C-IS-BOR-0006-2010

Inspection Report – Museum Collections: Preservation and Protection Issues with Collections Maintained by the Bureau of Reclamation (01/29/2010);
1 Recommendation

WR-FL-BOR-0007-2010

Follow-up – Bureau of Reclamation’s Management of Exclusive Use Recreation Areas (02/24/2011); 2 Recommendations

WR-EV-BOR-0007-2011

Final Evaluation Report – Bureau of Reclamation’s Safety of Dams: Emergency Preparedness (02/27/2012); 1 Recommendation

Indian Affairs

WR-EV-BIA-0002-2010

Evaluation – Coordination of Efforts to Address Indian Land Fractionation (01/04/2011); 6 Recommendations

WR-EV-BIA-0001-2011

Advisory – Indian Land Consolidation: Mass Appraisals of Indian Lands (06/13/2011); 1 Recommendation

ER-IN-BIA-0016-2009

Final Audit Report – Bureau of Indian Affairs: Wildland Fire Suppression (07/13/2011); 3 Recommendations

ER-IS-BIA-0010-2011

Inspection – U.S. Department of the Interior Program Startup Inspection: Bureau of Indian Affairs Youth Initiative Program (11/10/2011); 2 Recommendations

WR-EV-BIA-0009-2012

Advisory – Indian Land Consolidation: Probate and Estate Planning Activities (08/16/2012); 1 Recommendation

CR-EV-BIA-0001-2011

Final Evaluation Report – Oil and Gas Leasing in Indian Country: An Opportunity for Economic Development (09/24/2012); 6 Recommendations

Insular Area Reports

V-IN-VIS-0004-2005

Controls Over Video Lottery Terminal Operations, Government of the Virgin Islands (06/08/2007); 2 Recommendations

P-EV-FSM-0001-2007

Kosrae State, Federated States of Micronesia: Property Accountability Process Needs To Be Improved (10/17/2007); 5 Recommendations

V-IN-VIS-0011-2006

Collection of Outstanding Taxes and Fees, Government of the Virgin Islands (01/10/2008); 3 Recommendations

V-IN-VIS-0001-2007

Administrative Functions, Roy Lester Schneider Regional Medical Center, Government of the Virgin Islands (07/28/2008); 4 Recommendations

P-EV-GUA-0002-2008

Tax Collection Activities, Government of Guam, Revitalized Tax Collection and Enforcement Effort Needed (11/26/2008); 2 Recommendations

V-IN-VIS-0003-2007

U.S. Virgin Islands Workers' Compensation Benefits at Risk (11/28/2008); 3 Recommendations

VI-IS-VIS-0002-2008

Final Evaluation Report – Virgin Islands Police Department Evidence Integrity at Risk (03/31/2009); 10 Recommendations

VI-IN-VIS-0003-2009

Final Audit Report – Capital Improvement Projects Administrative Functions - Procurement Deficiencies Plague the Virgin Islands Port Authority (09/08/2010); 1 Recommendation

VI-EV-VIS-0002-2010

Evaluation Report – Administrative Functions of the Virgin Islands Government Employees Retirement System (09/27/2011); 6 Recommendations

VI-IN-VIS-0001-2010

Audit Report – Administrative Functions - Legislature of the Virgin Islands (11/28/2011); 10 Recommendations

HI-EV-GUA-0001-2011

Final Report – Evaluation of Guam Power Authority (08/09/2012);
4 Recommendations

VI-EV-VIS-0002-2011

Final Evaluation Report – Juan F. Luis Hospital and Medical Center (09/19/2012);
10 Recommendations

Multi-Office Assignments

2002-I-0045

Recreational Fee Demonstration Program - National Park Service and Bureau of Land Management (08/19/2002); 1 Recommendation

C-IN-MOA-0049-2004

Department of the Interior Concessions Management (06/13/2005);
1 Recommendation

C-IN-MOA-0007-2005

U.S. Department of the Interior Radio Communications Program (01/30/2007);
5 Recommendations

C-IN-MOA-0004-2007

Abandoned Mine Lands in the Department of the Interior (07/24/2008);
2 Recommendations

X-IN-MOA-0011-2008

Independent Auditors' Report on the Department of the Interior Financial Statements for Fiscal Years 2008 and 2007 (11/15/2008); 3 Recommendations

WR-EV-MOI-0008-2008

Employee Relocation, U.S. Department of the Interior (09/21/2009);
3 Recommendations

C-IN-MOA-0010-2008

Audit Report – Department of the Interior Museum Collections: Accountability and Preservation (12/16/2009); 9 Recommendations

CR-IS-MOA-0004-2009

Inspection Report – BLM and MMS Beneficial Use Deductions (03/08/2010); 4 Recommendations

C-IN-MOA-0001-2009

Final Audit Report – Department of the Interior’s Management of Land Boundaries (07/16/2010); 3 Recommendations

ER-EV-MOA-0012-2009

Wildland Urban Interface: Community Assistance (07/30/2010); 3 Recommendations

C-EV-MOA-0010-2010

Final Evaluation Report – Portable Nuclear Gauges (09/28/2011); 1 Recommendation

WR-EV-MOA-0004-2010

Final Evaluation Report – U.S. Department of the Interior’s Video Teleconferencing Usage (12/20/2011); 5 Recommendations

ER-EV-MOA-0002-2011

Final Evaluation Report – Bureau of Land Management and Bureau of Indian Affairs Bridge Safety Programs (04/12/2012); 1 Recommendation

C-IN-MOA-0013-2010

Final Audit Report – Management of Rights-of-Way in the U.S. Department of the Interior (09/27/2012); 16 Recommendations

National Park Service**C-IN-NPS-0013-2004**

The National Park Service’s Recording of Facility Maintenance Expenditures (01/26/2005); 2 Recommendations

HI-EV-NPS-0001-2010

Evaluation – National Park Service: Climate Friendly Parks Initiative (08/12/2011); 3 Recommendations

ER-IS-NPS-0014-2011

Inspection – National Park Service Visitor Donation Boxes (03/08/2012); 3 Recommendations

Office of Insular Affairs

VI-IN-OIA-0005-2012

Final Evaluation Report – Juan F. Luis Hospital and Medical Center (09/19/2012); 1 Recommendation

Office of Natural Resources Revenue

CR-MA-ONRR-0003-2012

Management Advisory – Civil Penalty Sharing Provisions of 30 U.S.C. § 1736 for Federal Oil and Gas Leases (05/01/2012); 2 Recommendations

Office of Surface Mining

ER-IS-OSM-0011-2011

Inspection – U.S. Department of the Interior Program Startup Inspection: Office of Surface Mining Appalachian Regional Reforestation Initiative (11/10/2011); 1 Recommendation

Office of the Secretary

WR-EV-OSS-0012-2009

Evaluation Report on the Department of the Interior's Appraisal Operations (12/23/2009); 1 Recommendation

Office of the Secretary – NBC

ER-IS-NBC-0003-2011

Inspection – Acquisition Service Directorate - Sierra Vista Organization (07/14/2011); 2 Recommendations

U.S. Fish and Wildlife Service

NM-EV-FWS-0001-2010

Evaluation – The National Bison Range (03/30/2011); 1 Recommendation

WR-EV-FWS-0003-2011

Evaluation Report – U.S. Fish and Wildlife Service Conservation Easement Monitoring and Enforcement (01/09/2012); 3 Recommendations

Cross-References to the Inspector General Act

		Page
Section 4(a)(2)	Review of Legislation and Regulations	N/A*
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	2 – 20
Section 5(a)(2)	Recommendations for Corrective Action With Respect to Significant Problems, Abuses, and Deficiencies	2 – 20
Section 5(a)(3)	Significant Recommendations From Agency’s Previous Reports on Which Corrective Action Has Not Been Completed	34 – 40
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	22
Section 5(a)(5)	Matters Reported to the Head of the Agency	N/A
Section 5(a)(6)	Audit Reports Issued During the Reporting Period	24 – 28
Section 5(a)(7)	Summary of Significant Reports	2 – 20
Section 5(a)(8)	Statistical Table: Questioned Costs	29
Section 5(a)(9)	Statistical Table: Recommendations That Funds Be Put to Better Use	30
Section 5(a)(10)	Summary of Audit Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made	31 – 33
Section 5(a)(11)	Significant Revised Management Decisions Made During the Reporting Period	N/A
Section 5(a)(12)	Significant Management Decisions With Which the Inspector General is in Disagreement	N/A
Section 5(a)(13)	Information Described Under Section 804(b) of the Federal Financial Management Improvement Act of 1996	N/A

*N/A: Not applicable to this reporting period.



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