



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

# **OFFICE OF INSPECTOR GENERAL'S ORGANIZATIONAL ASSESSMENT 2016**

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# Message From the Deputy Inspector General

The Office of Inspector General (OIG) for the U.S. Department of the Interior (DOI) deepens the public trust in the Federal Government by objectively examining potential wrongdoing or mismanagement in DOI.

We have always made the results of the majority of our audits, inspections, and evaluations public. This year we became one of the first OIGs to publish the results of most investigations. As the details in this assessment demonstrate, increased transparency has helped hold DOI accountable for prompt action and has provided Congress, the public, and stakeholders with timely notice of our investigative results so they, too, can hold DOI accountable.

OIGs have a strong tradition in the law enforcement community of identifying wrongdoing and providing information to those—such as DOI and the U.S. Department of Justice—who can hold wrongdoers accountable. We also conduct proactive audit work that identifies weaknesses and makes recommendations to DOI for improvement. We continue to serve the justice system and the American taxpayer—with 2016 results including 24 convictions, \$7.4 million in criminal penalties, 357 audit recommendations, \$12.6 million in questioned costs and funds put to better use, and an estimated return on investment of \$20 for every taxpayer dollar spent (from data analysis on a 5-year average, 2010 – 2014).

Our impact, however, far exceeds simple tallies. Our work has implications for DOI management well beyond the instance of the wrongdoing. For example, our investigation of sexual harassment at Grand Canyon National Park and a similar case at Canaveral National Seashore had significant implications for safety and equitable treatment in the workplace. These cases have initiated both changes in culture at the National Park Service and a Departmentwide survey to assess the prevalence of harassment among the organization's 70,000 employees.

Other cases on ethical violations resulted in congressional inquiries and led DOI to take corrective actions. The Director of the Bureau of Indian Education was removed from his position after our investigation found that he improperly influenced hiring actions for personal gain. Our work helped convince DOI to expedite the process of notifying customers of problems with scientific integrity in work completed by the now-closed U.S. Geological Survey's Energy Geochemistry Laboratory. Our work also helped bring attention to, and get action on, unacceptable health and safety conditions for children in Indian Country schools.

I am pleased to present this Organizational Assessment Report, which synthesizes our most significant work and resulting impact in fiscal year 2016.

Respectfully,



Mary Kendall  
Deputy Inspector General

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# Report Highlights

Highlights from this report are presented below. We also include summary statistics on products issued this fiscal year.

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## Requested and Discretionary Work

- Our reports on sexual harassment in two National Park Service (NPS) locations spurred congressional attention and demands for reform, bureau actions on decades-old recommendations, a Departmentwide harassment prevalence survey, national and international media attention, and additional complaints from employees at other NPS locations.
- We completed several cases on ethical violations, including one case on a book deal by the NPS Director that could have violated ethics regulations and another case on a senior U.S. Fish and Wildlife Service (FWS) employee who covered up his work for an outside organization and used almost \$100,000 of FWS funds for personal travel.
- Several of our cases resulted in indictments for fraud and other crimes by officials from DOI's bureaus, tribal officials, or oil and gas companies.
- We substantiated allegations of improper hiring practices by two high-level DOI officials, resulting in their removal or retirement from their positions.
- We found serious health and safety concerns, such as condemned buildings, asbestos, and radon, at 13 Indian Country schools.
- Our work hastened the notification of customers of the U.S. Geological Survey (USGS) Energy Geochemistry Laboratory in Lakewood, CO, about scientific misconduct and data manipulation issues at the lab.
- The Bureau of Indian Affairs (BIA) is working to implement seven recommendations we made so it can better meet the Southern Ute Tribe's energy-related needs.
- Our audits of DOI contracts and grants resulted in almost \$11 million in questioned costs.
- We found weaknesses in DOI's mobile device management, inventory, procurement, and security practices that could lead to excess spending and pose cybersecurity risks. We estimated that through better management of its mobile computing devices, DOI could save approximately \$1.8 million over the next 3 years.

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## Internal Improvements and Special Projects

- We implemented a new policy to publicly post the results of most investigations.
- We have taken multiple steps this year to increase OIG information security.
- We received high marks in the majority of areas that the annual Federal Employee Viewpoint Survey measures, including supervisors, job satisfaction, employee engagement, leadership and knowledge management, and others.
- We brought public auditors from affiliated island communities to our Lakewood, CO, office to provide technical training and improve their ability to ensure accountability for Federal funds awarded to island governments.

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## Key OIG Statistics for FY 2016

Figure 1 summarizes, by the numbers, the FY 2016 work of OIG's Office of Audits, Inspections, and Evaluations and Office of Investigations.

Office of Audits, Inspections, and Evaluations	
Reports issued	83
Recommendations made	357
Questioned and unsupported costs	\$10.8 million
Recommendations that funds be put to better use	\$1.8 million
Office of Investigations	
Cases closed	319
Criminal convictions	24
Criminal penalties	\$7.4 million
Civil settlements and recoveries	\$0

Figure 1. Audit reports and recommendations and investigative cases and outcomes, FY 2016.

Our audit findings and recommendations helped DOI address management weaknesses or detect wrongdoing in several areas. Our investigations of fraud, theft, and other wrongdoing provided crucial evidence used in the prosecution and conviction of individuals involved and the recovery of funds through criminal penalties.

Work by our Administrative Remedies Division provided information to DOI's Suspending and Debarring Official so that she could take actions regarding parties that pose risks to the Federal Government (see Figure 2). Suspension and debarment actions prevent these parties from doing business with the Government.

Administrative Remedy	FY 2016 OIG Referrals	DOI Action Taken*
Suspension	8	10
Debarment	25	26
Administrative agreement	1	1

\* Actions were taken on cumulative pending referrals (FY 2016 and prior years).

Figure 2. Administrative Remedies Division referrals and outcomes, FY 2016.

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# Introduction

The U.S. Department of the Interior's (DOI) Office of Inspector General (OIG) provides independent oversight and promotes excellence, integrity, and accountability within the programs, operations, and management of DOI. This Organizational Assessment Report summarizes our most significant mission-related and organizational achievements in fiscal year (FY) 2016 with respect to improving the quality of DOI programs, addressing wrongdoing, and enhancing DOI's capacity to provide good fiscal, environmental, and cultural stewardship of America's natural resources.<sup>1</sup>

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## About DOI

DOI achieves its mission through its bureaus and offices: the Bureau of Indian Affairs (BIA), Bureau of Indian Education (BIE), Bureau of Land Management (BLM), Bureau of Ocean Energy Management (BOEM), Bureau of Reclamation (USBR), Bureau of Safety and Environmental Enforcement (BSEE), National Park Service (NPS), Office of Surface Mining Reclamation and Enforcement (OSMRE), U.S. Fish and Wildlife Service (FWS), and U.S. Geological Survey (USGS).

Collectively, these bureaus manage about one-fifth of the land in the United States and 55 million acres of American Indian trust lands. Many of these lands provide recreational and cultural opportunities to national and international visitors. DOI is also responsible for 1.7 billion acres on the Outer Continental Shelf, including oil and gas leases, as well as a variety of water and underwater resources, including hundreds of dams and reservoirs. In addition, DOI—

- oversees the development of 23 percent of U.S. energy supplies;
- is the largest supplier and manager of water in the 17 Western States;
- maintains relationships with more than 500 federally recognized American Indian tribes;
- provides services to more than 1.9 million American Indian and Alaska Native peoples;
- is responsible for migratory bird and wildlife conservation, historic preservation, and endangered species conservation;
- protects and restores surface-mined lands;
- provides science that protects the public from hazards and informs decisionmaking on management of land and resources; and
- provides financial and technical assistance to the Insular Areas.

DOI employs 70,000 people and is responsible for managing America's vast natural and cultural resources.

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<sup>1</sup> For a more extensive compilation of OIG investigations, audits, evaluations, and inspections, see OIG's [Semiannual Report to Congress](#) and our website at [www.doiig.gov](http://www.doiig.gov).

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## About OIG

Staffed with approximately 270 employees, OIG conducts audit and investigative work that is requested or required by Congress or DOI, or initiated by OIG on a discretionary basis. DOI's size and complexity require us to prioritize our work, focusing our resources on areas that pose a significant risk or challenge to DOI. Some areas rise as matters of public and congressional attention and importance in a given year, such as this year's focus on sexual harassment and ethics (see Figure 3). Some areas we focus on year after year, due to their inherent risk, high-dollar value, strategic importance to DOI, or importance to the Nation. These areas include Indian affairs, energy, acquisition and financial assistance, and DOI information technology.

### Categories of Work OIG Focused On in FY 2016

Sexual harassment
Ethics
Indian affairs
Energy
Acquisition and financial assistance
DOI information technology

Figure 3. Areas of focus for OIG work in FY 2016.

OIG also works with DOI and contractors to help prevent and remedy wrongdoing. We conduct outreach to targeted groups to raise awareness of fraud indicators and other key issues, and our Administrative Remedies Division develops cases and refers recommendations to DOI's Suspending and Debaring Official (SDO). After the SDO initiates proceedings, Administrative Remedies Division staff serves as a case representative.

The Administrative Remedies Division not only recommends suspensions, debarments, or administrative agreements to the SDO, but also expends significant resources to review and point out deficiencies in the compliance and ethics programs of companies to address potential business risks to the Government without administrative actions.

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## About This Report

Part 1 of this report highlights audits, inspections, evaluations, and investigations requested by the Secretary or Congress. Part 2 of this report highlights significant discretionary audits, inspections, evaluations, and investigations in each FY 2016 focus area. Part 3 of this report covers our major organizational improvement efforts.



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## Part I. Requested Work

Inspectors General have a dual reporting responsibility to their departmental Secretary and to Congress. Although we initiate much of our work based on our own analysis and complaints submitted by DOI employees and the public, we sometimes receive requests directly from members of the Administration or Congress. Some of our most impactful and significant work this year came to us through these channels.

While we do not have the authority to require DOI to take corrective action, our role as an independent “watchdog” means that our investigative and audit work brings to light problems that might otherwise remain buried and unchecked, or be handled by those with a stake in the outcome. The objectivity and transparency we provide can trigger corrective actions, accountability for transgressions, and organizational changes to help prevent future wrongdoing.

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### Highlights

We began investigating sexual harassment at the Grand Canyon National Park (GRCA) River District when the Secretary brought us complaints from a group of 13 individuals who had been victims of sexual harassment at GRCA over a 15-year period. We also include in this section a similar complaint about sexual harassment by a law enforcement supervisor at the Canaveral National Seashore (CANA) in Florida, although we initiated that investigation per a complaint that NPS forwarded rather than a request from the Secretary or Congress.

We found that sexual harassment at GRCA River District continued for years, despite complaints made by multiple women through multiple avenues, with few corrective actions. We also substantiated complaints of longstanding sexual harassment at CANA. Our reports, and the resulting action—including worldwide media attention on our work, four subsequent congressional hearings, and two letters to NPS from Congress—highlighted the persistent failure of NPS leadership to hold wrongdoers accountable for sexual harassment and other ethical violations. Such a pattern of repeated offenses against multiple victims can only persist in the absence of sufficient leadership action to hold wrongdoers accountable, fix organizational weaknesses, and set an appropriate tone from the top. Our findings and the resulting continued negative media attention and congressional pressure are starting to bring about change.

For example, high-level DOI officials have publicly denounced the harassment. NPS spokesman James Doyle said: “No NPS employee should ever experience the kind of behavior outlined in the [GRCA] report.”<sup>2</sup> A High Country News article<sup>3</sup> credited our GRCA report with increasing “scrutiny of the Park Service’s Grand Canyon office, its leadership, its employees, and its institutional culture, which does little to encourage accountability in positions of power.” DOI Chief of Staff Tommy Beaudreau wrote in the official response to our GRCA report: “Your

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<sup>2</sup> Associated Press, January 12, 2016, “Report charts history of sexual harassment at Grand Canyon,” CBS News, <http://www.cbsnews.com/news/report-charts-history-of-sexual-harassment-at-grand-canyon/>.

<sup>3</sup> Lyndsey Gilpin, January 28, 2016, “Grand Canyon Park’s 15-Year Failure on Sexual Harassment,” High Country News, <https://www.hcn.org/articles/grand-canyon-national-parks-15-year-failure-to-address-its-systemic-sexual-harassment-problems>.

report also highlights serious deficiencies in the GRCA management’s response to [a long-term pattern of sexual harassment and hostile work environment].”

Members of Congress have acted in a bipartisan manner to hold NPS and DOI accountable for addressing the behavior, as well. Members wrote to NPS Director Jonathan Jarvis twice with specific requests to address our findings. The U.S. House of Representatives Committee on Natural Resources’ Subcommittee on Oversight and Investigations and the U.S. House of Representatives Committee on Oversight and Government Reform each held two hearings on sexual harassment and ethical violations. Deputy IG Mary Kendall testified on the findings of our work—including the GRCA and CANA reports—at three of them.

This pressure even within DOI has gradually led to changes in leadership and additional DOI action. David Ubueruaga, the Superintendent of GRCA at the time our report came out, retired. In a Departmentwide email, the Secretary announced three initiatives to strengthen DOI harassment policies: a survey to determine the prevalence of harassment at DOI, a new contracting mechanism for independent investigations of harassment, and in-person training for all managers on harassment.

Yet NPS’ action in response to our findings has not always been prompt. The chief ranger at CANA—who was the subject of four investigations in 4 years—continued to serve in that position until June 12, 2016, the day before we released our fourth report on his actions. This was a profound leadership problem that NPS failed to address for years. In addition, the superintendent at CANA had been there since 2010, was named as a subject in a 2012 OIG report about procurement violations, and was reassigned September 18, 2016, several months after we released our 2016 report.

Other independent bodies likewise noted the leadership problems at CANA. The employee who reported the allegations of procurement misconduct in the 2012 report made additional allegations of reprisal that were substantiated by the U.S. Merit Systems Protection Board (MSPB) and resulted in a settlement with NPS. MSPB noted that the CANA superintendent was aware of the allegations of procurement misconduct, did nothing to address the issue, and then failed to process an administrative request made by the whistleblower as reprisal against her for contacting OIG. In addition, based on our report, MSPB noted that the superintendent showed a “lack of candor” when responding to investigators and highlighted actions she took to obstruct the investigation.

We investigated alleged violations not only at specific parks, but also within the highest ranks of NPS—specifically, alleged ethical violations regarding NPS Director Jarvis’ publication of a book about the national parks. The Secretary’s Chief of Staff and DOI’s ethics official asked us to review a potential ethical lapse by Jarvis, who published the book without going through DOI’s Ethics Office. He informed the Secretary of the deal only after the book’s publication.

Of his book deal, Director Jarvis told our investigators during the investigation: “Would I have done the same thing? Probably. . . . I’ve never been afraid of a risk. . . . I’ve gotten my ass in trouble many, many, many times in the Park Service by . . . not necessarily getting permission. . . . I’ve always pushed the envelope.” Jarvis admitted that he intentionally avoided seeking

ethics guidance for his book project. This attitude conveys the message to employees that ethics rules are not important, perhaps even optional.

Following the release of our report, DOI's Deputy Secretary formally reprimanded Director Jarvis for violating multiple ethics rules, removed him from his position as NPS's ethics officer, and required him to attend monthly ethics training. Congress held several hearings that either focused or touched on the misconduct. In his June 14, 2016 written statement before the House Committee on Oversight and Government Reform, Jarvis publicly apologized and reversed the statements he made to our investigators. He said, were he to go back: "I would seek the appropriate guidance and approvals before I began writing, and I would take a much harder look at my actions in the context of the example I want to set for NPS employees."<sup>4</sup> He also apologized to NPS employees in a memo distributed in May, but Deputy IG Kendall told Representative Jason Chaffetz (R-UT) during the hearing that she thought the emailed apology to NPS "was terribly qualified and not as sincere as I would like to have seen."

In addition, Representative Jody Hice (R-GA) sent a letter to President Obama calling for Director Jarvis's resignation or removal should Jarvis choose not to resign.

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## **Summary of Significant Requested Work**

Below we list the significant work we conducted in FY 2016 at the request of the Administration or Congress. We touched on some of these cases in the highlights above, and provide further detail here.

### **Investigation of Alleged Sexual Misconduct at the Grand Canyon River District**

We found evidence of a long-term pattern of sexual harassment and hostile work environment in the GRCA River District, affecting at least 35 individuals.

NPS concurred with our conclusions. Measures taken, in addition to those cited above, include the following:

- NPS now requires addition of a misconduct-related question in all reference checks for potential employees and volunteers.
- NPS now requires that all cover emails transmitting Equal Employment Opportunity (EEO) investigation documents with personally identifiable or sensitive information include a statement with language to protect the individuals.
- DOI is mandating in-person training on prevention of workplace harassment for all DOI supervisors.
- DOI is conducting an agencywide survey to assess the prevalence of all (not just sexual) harassment.

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<sup>4</sup> "Statement of Jonathan B. Jarvis, Director, National Park Service, Department of the Interior, Before The House Committee On Oversight And Government Reform, Concerning Oversight Of The National Park Service," June 14, 2016, <https://oversight.house.gov/wp-content/uploads/2016/06/Jarvis-NPS-Statement-NPS-6-14.pdf>.

### **Investigation of Alleged Sexual Misconduct at Canaveral National Seashore**

We found that a law enforcement supervisor at CANA made an unwanted sexual advance toward a subordinate. In addition, we found a pattern of harassment involving this supervisor and two other CANA employees.

The CANA superintendent has been transferred and the law enforcement supervisor has been disciplined.

### **Investigation of a Book Deal by NPS Director**

We investigated whether NPS Director Jarvis used his public office for private gain in writing and publishing a book; whether he misused any Government resources in the process; what his involvement was in matters involving the book publisher at NPS at the time of his book deal; and his decision not to seek advice from DOI's Ethics Office. Although he knew he risked "[getting] in trouble," Jarvis wrote and published a book without consulting with the Ethics Office. He felt that if he had involved the Ethics Office and other DOI officials, the book would probably never have been published due to what he viewed as a lengthy approval process and some content that he believed was controversial.

DOI's Deputy Secretary issued a written letter of reprimand to Jarvis, relieved him of his responsibility to manage the NPS ethics program, and required him to attend a monthly ethics training for the remainder of his tenure. These actions, according to the Deputy Secretary, are to "address Director Jarvis' behavior, to strengthen the NPS ethics program, and to enhance the Department's ethics culture."

### **Investigation of Former Kentucky State Inspector and Former State Representative for Bribery Allegations**

At the request of the OSMRE Director, OIG and the Federal Bureau of Investigation conducted a joint investigation into bribery allegations involving Kelly Shortridge, former environmental inspector for the Kentucky Division of Mine Reclamation and Enforcement, and Keith Hall, former Kentucky State Representative. We substantiated allegations that Shortridge accepted bribes from Hall to give favorable treatments on mining violations.

We found that from 2009 through 2010, Shortridge, who was responsible for inspecting several coal mines owned, operated, or associated with Hall, was paid directly from Hall, or through associates, approximately \$46,000. Shortridge admitted to overlooking mining violations during his inspections. Shortridge established DKJ Consulting, LLC, to conceal the bribes. Hall claimed that the payments to Shortridge were consulting fees, even though Shortridge never performed any consulting work for Hall.

The SDO debarred Shortridge, Hall, and Hall's business Beech Creek Coal Company from participation in Federal procurement and non-procurement programs until 2019. A Federal grand jury indicted both Hall and Shortridge on bribery charges, and Shortridge was also indicted on charges of false statements and extortion. Shortridge pled guilty to bribery. He was sentenced to 2 years in prison. A trial jury convicted Hall of bribery. He was sentenced to 7 years in prison.

**“Office of Navajo and Hopi Relocation’s Eligibility and Relocation Practices”  
(Report No. 2015-WR-067)**

In response to a request from the House Appropriations’ Subcommittee on Interior, Environment, and Related Agencies, we evaluated the Office of Navajo and Hopi Indian Relocation’s (ONHIR) work to determine whether opportunities exist for streamlining and expediting the administrative appeals and relocation processes. We also followed up on Navajo Nation and Hopi Tribe relocatee complaints.

Although we did not find opportunities for streamlining the administrative appeals process, we found that there may be opportunities to streamline the on-reservation relocation process and expedite the overall relocation process.

This report follows a December 2014 report on the status of relocation efforts and ONHIR’s use of appropriations. Our report provided information to help the subcommittee, ONHIR, and other cognizant officials make decisions aimed at expediting the completion of ONHIR’s work. Absent additional requests from Congress, this concludes our work on the Navajo-Hopi relocation program.

**“BIA Funded and/or Operated Detention Programs” (Report No. 2015-WR-012)**

We evaluated the current conditions of detention programs and facilities that BIA funds or operates in Indian Country. In a 2004 evaluation, we found that BIA was not providing safe and secure facilities throughout Indian Country. In 2015, the House Committee on Appropriations requested that we update the 2004 report.

While improvements have been made at BIA detention facilities since our last report in 2004, opportunities exist for further improvement. We found issues that negatively affect the condition of detention facilities and the health and safety of inmates and correctional staff.

BIA concurred with the nine recommendations we made. Five of the nine have been implemented, and BIA has plans to implement the remaining four.

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## Part 2. Discretionary Work

In FY 2016, we concluded numerous audits, investigations, and other reviews to help improve how DOI administered its fiscal year appropriations of over \$18.5 billion. This work resulted in recommendations to improve program accountability and oversight, criminal convictions, and administrative actions to hold wrongdoers accountable. We also conducted outreach to targeted groups such as DOI contracting officers, grantees, and contractors to raise awareness of fraud indicators and other key issues, and we provided information to the SDO so she could take actions to address contractors and grantees that pose risks to the Government.

DOI's size and complexity require us to prioritize, focusing our resources on areas of importance to DOI. Here we highlight significant work in five key focus areas for FY 2016—ethics, Indian affairs, energy, acquisition and financial assistance, and DOI information technology.

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### Ethics

#### **Ethics Cases Can Have Far-Reaching Negative Impact**

Although the majority of DOI employees behave in an ethical manner, misconduct by a few receives notoriety and casts a shadow over the entire Department. Ethical violations, especially by high-ranking officials, and tolerance for unethical acts can have negative impact on employee morale, the reputation of all Federal employees, and the ethical tone set for the organization.

#### **OIG's Critical Role in Ethics Cases**

As an independent, objective body, OIG plays a critical role in ensuring that Federal agencies and employees uphold ethical standards while achieving the DOI mission. We have a specialized unit dedicated to investigating cases of ethical and other misconduct. Through our investigations, we expose Federal employee misconduct so employees can be held accountable, advise those who are brave enough to bring misconduct to the attention of OIG or other responsible officials, make transparent the consequences of misconduct, and deter future misconduct.

From our work, we have devised three tenets we believe strengthen ethics in problematic offices. First, a pattern and practice of accountability are paramount to a strong ethical environment. Consistent messaging by senior leadership—in other words, “the tone at the top”—must provide a clear message of expected behavior. Second, understanding where to go to get good ethics or other legal advice can help prevent misinterpretation of the rules. Third, training and awareness of laws and rules are necessary to combat ignorance of the rules and to allow for accountability.

We have used these principles not only to hold DOI accountable, but also to tailor how we do our work. For example, we are collaborating with DOI to provide training to procurement and nonprocurement awarding officials on ethics, fraud awareness, and suspension and debarment. We are also capitalizing on a willingness by most DOI employees to do the right thing and both seek advice and report it when others commit wrongdoing. We were one of the first OIGs to create a Whistleblower Protection Program, which is regularly referred to as a model by the U.S. Office of Special Counsel and other OIGs. Our Whistleblower Protection Program helps to

educate, and thereby protect, those brave enough to shine a light on the wrongdoing they observe or experience. In FY 2016, we helped approximately 56 complainants.

### **Ethics Cases Received Attention and Resulted in Action**

Our work received congressional attention and has helped spur action by senior DOI leadership, although areas exist for significant improvement. Deputy IG Kendall testified on our work related to DOI ethics during three separate congressional hearings, one held by the House Committee on Oversight and Government Reform<sup>5</sup> and two by the House Committee on Natural Resources' Subcommittee on Oversight and Investigations.<sup>6</sup> The House Committee on Oversight and Government Reform also committed to having a hearing every 99 days until sexual harassment and ethical issues are resolved.

The Secretary has taken our investigative findings seriously:

- The Secretary issued a memo (“Promoting an Ethical Culture at Interior”) to all DOI employees in June 2016, emphasizing the importance of upholding ethical standards. She provided sources for employees to seek ethics and legal advice, such as supervisors, procurement officials, and HR experts. She noted that she was “particularly troubled” by reports of sexual harassment and mistreatment of people in the workplace and called such conduct “poisonous . . . demeaning and damaging . . . and completely out of line with our values.” She indicated that systematic examination of sexual harassment at DOI was a priority. She set the expectation that employees report ethical violations and misconduct to a supervisor, DOI or bureau leadership, ethics officials, or OIG, to “unite in our commitment not to ignore or turn a blind eye to problems that occur in our midst.” Finally, she said that retaliation for reporting is illegal and runs counter to DOI culture.
- The Secretary issued a second memo in September 2016 (“Policy on Equal Opportunity and Workplace Conduct”) that reinforced her expectation that all DOI employees respect their coworkers and members of the public, report ethical violations and misconduct, obey rules governing the workplace, and comply with ethical responsibilities.
- The Deputy Secretary issued a memo in October 2016 (“Workplace Conduct”) that defined discrimination, harassment, and retaliation and provided a list of resources available to employees and managers, including an Intranet site on equal opportunity and workplace conduct.

Individual bureaus have also taken action to address the ethical violations we uncovered, set the expectation that employees behave in an ethical manner, offered avenues for employees to seek ethics and other legal counsel, and provided related training.

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<sup>5</sup> House Committee on Oversight and Government Reform, June 14, 2016, “Oversight of the National Park Service,” <https://oversight.house.gov/hearing/oversight-of-the-national-park-service/>.

<sup>6</sup> House Committee on Natural Resources, Subcommittee on Oversight and Investigations, May 24, 2016, “Investigating the Culture of Corruption at the Department of the Interior,” <http://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=400451>; House Committee on Natural Resources, Subcommittee on Oversight and Investigations, June 23, 2016, “Oversight Hearing on the Administration’s Response to Findings of Unethical and Criminal Conduct at the Department of the Interior,” <http://naturalresources.house.gov/calendar/eventsingle.aspx?EventID=400758>.

- In February of this year, after we alerted the Commissioner of USBR of a serious criminal matter involving a USBR employee, he immediately issued a memorandum to all Bureau employees condemning the criminal conduct. Such public condemnations of misconduct help set an appropriate tone at the top. The USBR memo also encouraged employees to report and discuss concerns of potential ethical lapses with ethics officials or OIG.
- Within the past year, the BLM and USGS Directors mandated ethics training for all their employees in response to analysis and discussion among OIG, bureau leadership, and ethics officials about allegations of wrongdoing by employees. This is an additional example of setting the right tone at the top.
- DOI's Senior Procurement Executive initiated revised policies for acquisition certification and appointment. DOI now requires annual ethics training and all contracting officers to file an annual financial disclosure report (OGE Form 450).

While we are happy to see these results from our work, DOI has not done well overall in holding those employees who violate laws, rules, and regulations accountable for their actions. More often than not, management only counsels these employees or transfers them to other duties rather than taking meaningful corrective action to hold them accountable for their misconduct.

### **Summary of Significant Ethics Work**

Below we list the significant investigative work we conducted in FY 2016 involving ethical violations.

#### **Investigation of Timothy Reid, Chief Ranger, Yellowstone National Park**

We investigated allegations that Chief Ranger Timothy Reid rented his NPS apartment to Yellowstone visitors and potentially violated his required occupancy agreement with NPS. We substantiated the allegations. Reid violated a requirement to live onsite in the park. Since 2009, Reid also allowed 19 individuals to stay at his NPS apartment. The then-superintendent and deputy superintendent at Yellowstone National Park took no corrective action.

NPS issued a letter of reprimand to Reid, decertified the chief ranger position as required occupant, reviewed the park's required occupancy positions and revised the handbook to clarify appropriate use of Government-furnished housing by family and friends, emphasized the terms of required occupancy status on the occupancy form, and issued written notices to Yellowstone's superintendent and deputy superintendent.

#### **Investigation of NPS Superintendent**

We investigated an allegation that an NPS park superintendent occasionally used park housing for personal use to stay overnight. We substantiated the allegation. The park superintendent stayed in park housing without properly compensating NPS.

NPS disciplined the superintendent by suspending him without pay for 5 days.



### **Investigation of Failure To Disclose Employment at FWS**

We investigated allegations the Stephen M. Barton, a senior FWS employee, covered up work he did as Western Association of Fish and Wildlife Agencies (WAFWA) treasurer while he was a Federal employee. We substantiated the allegations. In his role for the organization, Barton took inappropriate and prohibited actions, such as receiving but not reporting income from WAFWA, applying for FWS grants on behalf of WAFWA, and working on WAFWA business while on FWS time using FWS resources.

On March 31, 2016, we referred our findings to FWS for action. Barton retired on May 25, 2016, after receiving a letter of removal from FWS. In September 2016, Barton pleaded guilty to making false statements to conceal approximately \$300,000 of income from WAFWA. Sentencing is scheduled for January 2017.

### **Investigation of Potential Post-Employment Ethics Violations**

DOI's designated ethics official reported to us that former DOI Assistant Secretary for Water and Science Anne Castle, now an employee of the nonprofit S.D. Bechtel Jr. Foundation, may have communicated with USGS employees, violating restrictions against former Federal employees contacting current employees to request that they take official action. We found evidence that Castle violated that prohibition. Both Castle and a DOI deputy solicitor stated in their interviews that they felt Castle had received unclear ethics advice from the DOI attorney advisor she consulted after she began working for the foundation.

USGS did not consider any action with respect to Castle given that she is no longer a DOI employee. The DOI Chief of Staff scheduled annual mandatory legal and ethical training for political appointees. The Ethics Office also engaged in a process improvement effort to improve the analysis leading to, delivery of, and documentation of ethics advice and counsel.

### **Investigation of USGS Scientist**

We found evidence that a USGS scientist violated conflict of interest statutes by serving as the project officer for a cooperative sub-agreement on which her husband was named as the primary investigator.

USGS issued a written letter of reprimand to the scientist and gave oral counseling to the scientist's supervisors.

### **Investigation of Former BLM State Director and Deputy State Director for Natural Resources**

We investigated conflict-of-interest allegations involving Larry R. Denny, BLM Eastern States Deputy State Director for Natural Resources, and John Lyon, Former BLM State Director for Eastern States. Denny was compensated for 1,472 hours of work that he did not perform. Lyon concealed Denny's absence while Denny worked for the Chippewa Cree Tribe. Denny failed to disclose his second employment and compensation of \$79,000 from the Chippewa Cree to BLM. Denny also received \$112,000 in Federal wages, benefits, and a performance bonus.

The SDO debarred Denny and Lyon from conducting business with the Government until June 2018. A Federal grand jury indicted Denny and Lyon for wire fraud, false claims, and theft of

Government property. The grand jury also indicted Denny on one count of providing false statements. Denny pleaded guilty. A jury convicted Lyon on all charges. Denny was ordered to pay restitution totaling \$74,386, jointly and severally with Lyon. Denny was also sentenced to 1 year in prison, followed by 2 years of supervised release. Lyon was also sentenced to 6 months in prison, followed by 2 years of supervised release.

### **Investigation of BLM Land Sale, Henderson, NV**

We investigated allegations of potential improprieties surrounding the 2012 sale of a BLM land parcel (480 acres) outside Henderson, NV, to land developer Christopher Milam to build a sports stadium complex. We found that former BLM Director Robert Abbey was personally and substantially involved in the sale of the BLM land to Milam before he retired from BLM in 2012. Another former BLM employee involved in the land deal also had an unusually high level of access to BLM personnel and processes before and during the sale.

DOI terminated the land sale. BLM took disciplinary action against a realty specialist, who provided nonpublic information to the former BLM employee, and the BLM Director issued a letter to all employees reinforcing their responsibilities in maintaining an ethical culture. BLM also worked with DOI's Ethics Office to re-emphasize the importance of the recusal and screening process with staff. Because Abbey retired from Federal service, disciplinary action was not considered.

### **Investigation of David Hayes: Alleged Post-Government Ethics Violation**

At the request of the DOI Chief of Staff, we investigated concerns that David Hayes, Vice-Chair of the White House Advisory Council on Wildlife Trafficking (WHAC) and a former Deputy Secretary of the Interior, may have violated ethics rules related to his involvement in the WHAC. The ethics concerns pertained to his creation of an alliance against wildlife trafficking. We found that Hayes did not violate ethics laws or regulations.

DOI's Ethics Office completed a review of the matter after we released our report and concluded there were no ethics violations. The Chief of Staff decided that because there were no ethics violations, no action was warranted. He did, however, indicate that the Office of the Solicitor would consider potential lessons to be drawn from this matter with an eye toward refining and improving internal review processes.

### **Investigation of Alleged Improper Hiring in the Office of the Secretary**

We investigated allegations that Fay Iudicello, while serving as director of DOI's Office of the Executive Secretariat and Regulatory Affairs, used her position and influence to give a management analyst a hiring advantage over qualified applicants with master's degrees and veteran's preference. We found evidence of improper hiring practices by Iudicello and her staff.

DOI is pursuing appropriate discipline for the two subjects still employed by DOI. Iudicello retired from Federal service. DOI is also taking action to assess and improve the office's culture and workplace environment.

### **Investigation of Alleged OST Conflict of Interest**

We investigated allegations that an appraiser with the Office of the Special Trustee (OST) wrongfully represented his own mineral development company in an effort to influence a BLM management plan and environmental impact statement. We substantiated allegations that the appraiser did not disclose his involvement with a mineral development company, conducted business on behalf of his company during his Government workday, and advocated for the company to BLM.

OST suspended the employee without pay for 14 days.

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## **Indian Affairs**

### **DOI Funding for Tribes Remains Susceptible to Mismanagement and Fraud**

DOI's trust responsibilities and special commitments to American Indians and Alaska Natives are fraught with longstanding and seemingly intractable problems with fraud and mismanagement of funds meant to serve these groups. Fulfilling its responsibility to American Indians is consistently a top management challenge for DOI.

Through BIA and BIE, DOI provides services to more than 500 federally recognized American Indian tribes, and has trust responsibilities for 55 million surface acres and 57 million acres of subsurface mineral estates belonging to Indian tribes and individuals. DOI funds Indian Country programs that support education, agriculture and rangeland management, emergency management, law enforcement and detention services, tribal justice systems, social services, and more. BIE provides education services to almost 42,000 Indian children in approximately 180 schools and dormitories. In FY 2016, DOI awarded more than \$2.1 billion in new contracts, grants, and other financial assistance to Indian Country.

Single audits and OIG audits of tribal nations have identified numerous and significant problems, including inadequate employee background checks, improper payments to related parties, general financial mismanagement issues resulting in significant deficiencies, inadequate segregation of duties resulting in stolen funds, unallowable commingling of Federal funds with tribal funds, and flawed reporting systems. DOI-funded programs and operations in Indian Country are extremely susceptible to fraud, waste, mismanagement, and abuse due to nepotism, unqualified employees, failure to follow policies and procedures, the absence of internal controls or oversight, little or no transparency, and fear of reprisal for reporting wrongdoing.

When funding that is meant to benefit tribes is lost through mismanagement or malfeasance, these communities' access to basic human needs such as security and safety, education, social services, and water supplies suffer.

### **Our Work on Indian Schools and on High-Level Tribal and BIA Officials**

The quality of Indian education and the success of American Indian and Alaska Native students are ongoing concerns shared by DOI, the U.S. Department of Education, the White House, and Congress. Our work and work by the U.S. Government Accountability Office (GAO) have

reported longstanding, systemic problems with Indian education. Reports we issued in 2008<sup>7</sup> and 2010<sup>8</sup> concluded that Indian schools were not prepared to prevent violence and ensure the safety of students and staff. We focused our audit work on Indian schools—work we began more than 7 years ago and revisited in FY 2015 and this year because of its potential impact. The Economic Policy Institute has concluded that providing high-quality early childhood education and “maximizing the number of regular high school diplomas” received by Indian youth are two of four factors that can help improve both educational outcomes and the employment rate for American Indians.<sup>9</sup> Moreover, school safety—which has been a systemic problem in Indian Country—affects the quality of education that students receive. In FY 2016, we closed out a series of inspections assessing the prevention of school violence and programs to improve academic achievement.

We also investigated allegations against several individuals in high-level positions that affect Indian Country, within both the tribes and BIA. These high-level officials are suspected of abuse of power. When guilty, their misdeeds undermine trust and set an inappropriate tone that further reinforces longstanding challenges in Indian Country.

### **Holding Tribal Wrongdoers Accountable**

We investigated several complaints involving DOI or tribal officials. Our information led to actions holding those individuals accountable. While these investigations did not lead to wholesale changes in the agencies or tribes, holding wrongdoers accountable—especially when they are in authoritative roles—demonstrates that unethical and illegal behavior does not go unpunished when it is reported and allegations substantiated.

For example, about a month after DOI received our report that determined then-BIE Director Roessel inappropriately hired two individuals, he was removed from his position (on March 30, 2016). Our information also led DOI to debar an individual found guilty of stealing tribal funds from doing business with the Government.

### **Summary of Significant Indian Affairs Work**

Below we list notable OIG products related to Indian affairs for FY 2016.

#### **“Condition of Indian School Facilities” (Report No. C-EV-BIE-0023-2014)**

We examined the condition of 13 schools funded by BIA and BIE to determine if they were safe for students and staff and whether BIA and BIE provided the schools with the support necessary for creating and maintaining an environment conducive to learning. We found a number of systemic issues with facilities program management, as well as serious health and safety concerns, at the 13 schools that we visited. We focused on concerns that should be addressed immediately, including condemned buildings, damaged and deteriorated roofs, reliance on

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<sup>7</sup> DOI OIG Report No. NM-EV-BIE-0001-2008, “Evaluation of Controls to Prevent Violence at Bureau of Indian Education Operated Education Facilities,” August 2008, <https://www.doioig.gov/sites/doioig.gov/files/2008-G-00291.pdf>.

<sup>8</sup> DOI OIG Report No. NM-EV-BIE-0003-2008, “School Violence Prevention,” February 2010, <https://www.doioig.gov/sites/doioig.gov/files/2010-I-0010.pdf>.

<sup>9</sup> Algernon Austin, December 17, 2013, “Native Americans and Jobs,” Economic Policy Institute, <http://s3.epi.org/files/2013/NATIVE-AMERICANS-AND-JOBS-The-Challenge-and-the-Promise.pdf>.

temporary structures as permanent solutions, and problems with fire safety systems, asbestos, mold, and radon. Failure to report these problems could affect funding levels for Indian schools.

We did not receive a formal response from BIA, so we referred all 21 of our recommendations to DOI for resolution and implementation tracking.

**“Review of Academic Achievement at the San Ildefonso Day School”  
(Report No. C-IS-BIE-0038-2014)**

We evaluated programs in place at the BIE-operated San Ildefonso Day School in Santa Fe, NM, that are meant to help close the educational achievement gap and increase graduation rates. We found opportunities for improvement in how the San Ildefonso Day School assesses the academic needs of its students.

We recommended that the school update its assessment to reflect a more holistic evaluation of school strengths and needs.

**“Condition of BIA Facilities at the Pine Hill Boarding School”  
(Report No. C-IS-BIE-0023-2014-A)**

We found that Pine Hill Boarding School, a BIA-funded school facility in New Mexico, is not safe; facilities are not properly maintained; and known hazards that endanger students, staff, and visitors are ignored. Pine Hill Boarding School is not being maintained properly, despite receiving more than \$7.5 million for facility repair projects over 5 years. Proper collaboration between the school, BIA, and BIE should help prevent major problems with future facility repair and construction projects.

BIA concurred with all 12 of our recommendations and took corrective actions.

**Investigation of Alleged Theft of Healy Lake Funds**

In a joint investigation with the Federal Bureau of Investigation, we looked into allegations that Joanne Lorry Polston, the first chief of Healy Lake Village in Alaska, misappropriated Federal funds awarded to Healy Lake Village by BIA. Polston stole between \$49,000 and \$56,000 in funds awarded to the village by BIA.

The SDO debarred Polston for 1 year from conducting business with the Government. In September 2015, Polston pleaded guilty to one count of conversion of Government funds and one count of conversion of tribal funds. She was sentenced to 90 days’ home confinement and 3 years’ probation, and was ordered to pay \$4,578 in restitution to BIA and \$102,860 to the tribe.

**Investigation of Alleged Improper Hiring at BIE**

We investigated a complaint that BIE Director Charles Roessel inappropriately hired two individuals: a BIE program analyst with whom he was rumored to be having a romantic relationship, and a relative of his. We confirmed that Roessel abused his position by improperly hiring the two individuals. He acknowledged that he had hired a program analyst with whom he had an ongoing romantic relationship. He also said that he intervened in the hiring process for a position his relative had applied for to make sure she was selected.

DOI removed Roessel from the BIE Director position.

### **Investigation of a BIA Deputy Superintendent for Alleged Violation of Tribal Land Policies and Procedures and Conflicts of Interest**

We investigated allegations that the BIA Deputy Superintendent of the Cherokee Agency misused her official position to purchase property rights for lands held in Indian trust for personal gain, thereby creating a conflict of interest. Our investigation did not substantiate the allegation that the Deputy Superintendent misused her position, but we determined that her actions violated BIA policy.

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## **Energy**

### **Energy Remains a Top Management Challenge**

We first chose to focus on energy in 2008 due to the importance of energy production on DOI lands, the significant revenue it generates, issues of public and environmental safety, and its appearance on our list of DOI top management challenges since 2005. These factors have become even more critical over time.

### **Consequences of Mismanagement in Energy Development**

One of our most significant reports on energy this year involved a USGS laboratory that falsified data in as many as 24 coal, water, and environmental research projects, totaling approximately \$108 million in funding. Although USGS closed the lab, at the time of our report it had not notified all customers who used the flawed information. Lawmakers raised concerns about the damage caused by the manipulated data in a September 2016 letter to USGS Director Suzette Kimball. The House Committee on Natural Resources' Subcommittee on Oversight and Investigations' letter made 30 information requests—including training records and requirements, organizational charts going back to 1996, names of individuals responsible for preservation of scientific data, relevant policies, communications, work notebooks, contract and grant documents, and other information—to help the subcommittee assess the damage from the data manipulation.

In addition to this far-reaching USGS inspection report, our work led to improvements in multiple energy sectors and multiple agencies. For example, DOI is implementing recommendations we made to improve the management of revenue collection from energy development on DOI lands, to ensure BIA meets its obligations to oversee oil and gas development for the Southern Ute Tribe, and to ensure that only viable projects receive rights of way for wind development.

Our investigative work led to prosecution of companies and individuals who falsified information and restitution for resulting lost revenue.

### **Summary of Significant Energy Work**

Below we list notable energy-related products for FY 2016.

**“Inspection of Scientific Integrity Incident at USGS Energy Geochemistry Laboratory”  
(Report No. 2016-EAU-010)**

We completed an inspection of a scientific integrity incident involving the Inorganic Section of the USGS Energy Geochemistry Laboratory in Lakewood, CO. We found scientific misconduct and data manipulation issues at the lab. These problems led to retracted or delayed publications due to inaccurate information, damaged organizational integrity, diminished employee morale, and reduced public trust of USGS-generated information. Although USGS closed the laboratory on February 25, 2016, at the time of our inspection (issued in June 2016) it still had not informed its many stakeholders about the scientific integrity incident and how it may potentially have impacted them.

Following our one recommendation to do so, USGS completed the notification process to its internal and external customers.

**“Audit of Financial Management Division, Office of Natural Resources Revenue”  
(Report No. CR-IN-ONRR-0007-2014)**

In recent years the revenues that the Office of Natural Resources Revenue (ONRR) collects and distributes from natural resources produced on Federal and Indian lands have averaged over \$13 billion annually. We audited ONRR’s Financial Management Division, to assess the efficiency of the processes to collect and distribute energy- and mineral-related revenue. We identified various inefficient practices and procedures that prevent the Financial Management Division from functioning at the highest level. We also found issues regarding ONRR’s information system and potentially serious issues with ONRR’s oil price edits, negative estimates, and policies and procedures.

ONRR concurred with all of our 17 recommendations and plans to implement them all by 2018.

**“Management Advisory: Ongoing Concerns With Realignment Planning for BSEE”  
(Report No. 2015-EAU-077)**

This advisory is part of our ongoing effort to monitor and evaluate BSEE’s endeavor to realign its organization using the National Program Manager model. For over a year, BSEE had been discussing using this model to coordinate headquarters policy development with field execution. When we issued this advisory in October 2015, BSEE had yet to provide OIG with timelines associated with milestones for this initiative.

Subsequently, DOI confirmed in August 2016 that BSEE developed a FY 2016 action plan with more than 30 work plans to complete the cross-bureau initiative.

**“BIA’s Southern Ute Agency’s Management of the Southern Ute Indian Tribe’s Energy Resources” (Report No. CR-EV-BIA-0011-2014)**

The Southern Ute Indian Tribe conducts sizeable oil and gas activities in approximately 10 States, the Gulf of Mexico, and the Southern Ute Indian Reservation. Royalties collected on tribal leases totaled \$262 million for October 2010 through July 2014. We evaluated BIA’s management of the tribe’s energy resources and found that BIA is not fulfilling its tribal obligations. This has resulted in the tribe performing energy functions that should be fulfilled by

BIA, which leaves BIA vulnerable to potential liability and leaves the tribe at risk for lost revenue.

BIA concurred with our seven recommendations. One has been implemented and BIA is working to implement the remaining six.

**“BLM’s Determination Processes for Wind Energy Projects Proposed on Public Lands” (Report No. 2015-EAU-037)**

BLM’s more than 245 million surface acres of public lands include 20.6 million acres with potential for wind energy development. Before using public lands to develop wind testing and wind energy development facilities, companies and individuals must obtain a right-of-way. BLM is supposed to assess the applicant for technical and financial capability and the project for technical and economic feasibility when granting rights-of-way. As of December 2015, BLM granted rights-of-way on 73,000 acres of public land for wind facility development and on 654,000 of public land for wind testing.

We inspected BLM’s wind energy program and found that BLM’s reviews of applications do not consistently ensure the technical and economic capability of applicants or feasibility of projects. This shortcoming could preclude applications from other, more qualified applicants and projects.

BLM concurred with all five of our recommendations and developed plans to implement them by December 31, 2016.

**“BLM’s Management of Private Acquired Leases” (Report No. 2015-EAU-057)**

BLM administers oil and gas leases on Federal lands that include private acquired leases (PAQs), which are private mineral leases on lands the Government has acquired through Federal surface management agencies, mostly from non-DOI agencies such as the U.S. Forest Service and U.S. Army Corps of Engineers. Private acquired leases present a unique responsibility and create potential safety and environmental liabilities.

We reviewed BLM’s oversight of PAQs, to determine whether BLM’s regulations and staffing structure were sufficient to manage current oil and gas production from PAQs. We found that BLM does not have updated formal policies or procedures for managing these leases, has no role in PAQ acquisitions, has no assurance that revenues owed are fully paid, and is unable to keep up with the associated administrative workload, which is expected to increase with future oil and gas development. We also found that PAQ oil and gas operators could be underpaying royalties. ONRR processes PAQ royalty payments from operators without verification. Neither BLM nor ONRR has estimates on underpaid royalty amounts.

BLM concurred with all six of our recommendations and plans to implement them by January 2017.

**Investigation of Alleged Falsification of Approval of Oil and Gas Leases**

We investigated allegations that BIA employees falsified oil and gas documentation on the Blackfeet Indian Reservation in Montana. We substantiated the allegations. We found that the BIA Superintendent and Deputy Superintendent falsified oil and gas lease extension documents



related to an oil and gas exploration company on the reservation. The two officials backdated two National Environmental Policy Act review documents, and the 20 leases covered by those two documents, to reflect approval of lease extension documents prior to the exploration company's withdrawal notice.

BIA concurred with our findings and took disciplinary action against the Deputy Superintendent. The Superintendent retired in 2013.

### **Investigation of Alleged Theft of Oil Condensate From BLM Leased Unit in Wyoming**

We investigated allegations that oil condensate from a BLM lease had been sold by the lease operator without proper volume reporting or payment of Federal royalties to ONRR. The lease operator did not submit reports to ONRR documenting the removal of oil condensate. The company did, however, adjust its previously submitted reports to ONRR once it became aware of the unreported oil condensate.

ONRR concurred with our findings and will communicate our findings to production and royalty reporting groups to close the remaining reporting gaps.

### **Investigation of Alleged Misreporting of Production to ONRR and Underpaying of Royalties**

We investigated allegations that an oil and gas company operating tribal leases misreported oil and gas production to ONRR and underpaid royalties owed to the tribe. We confirmed that the company failed to accurately report production and pay royalties.

The company is currently working with ONRR to bring its information and royalty status into compliance.

### **Investigation of Alleged Management Interference With Lease 193 SEIS**

We investigated allegations of potential scientific integrity misconduct after receiving a complaint about the manipulation of scientific analysis and findings by a nonscientist manager for political purposes regarding the preparation of a second supplemental environmental impact statement (SEIS) drafted by BOEM for Oil and Gas Lease Sale 193. We also investigated allegations that upper-level management established a timeline for completing the SEIS that ultimately compromised its quality, and that management established this timeline to benefit the oil and gas industry.

We found that nonscientist BOEM managers edited the draft SEIS for political purposes, but the edits made did not alter the scientific analysis or findings. We also found that upper management did establish an expedited timeline for completing the SEIS, but we did not find any evidence that it was to benefit the industry.

DOI's Deputy Secretary concurred with our findings. Given that the report did not find any evidence of wrongdoing on the part of any employees involved in this matter, DOI is not taking any further action specific to this investigation.

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## **Acquisition and Financial Assistance**

### **Billions Awarded Through Acquisition and Financial Assistance**

DOI awarded approximately \$10.1 billion in new grants and contracts in FY 2016. DOI is challenged in its oversight of contractors and grantees who receive these billions of dollars. Our past work has identified concerns throughout the contracting process, from planning to post-award administration. As in previous years, we found problems with DOI's presolicitation planning and competition as well as post-award performance monitoring.

### **OIG Focused on High-Risk Contracts and Protecting Government From Nefarious Contractors**

By focusing on DOI procurement and nonprocurement awards, we can help DOI recover misspent Federal dollars and help ensure that future dollars are spent appropriately. In addition, OIG makes significant efforts to identify and teach DOI personnel about fraud indicators and past cases of fraud and public corruption. This year, OIG also renewed a 5-year service agreement with FWS to review State expenditures of grant funding awarded under the Wildlife and Sport Fish Restoration Program. Through the Program, FWS makes available more than \$1 billion to States and territories each year. State wildlife agencies use the funds to conserve, restore, and manage their sport fish and wildlife resources and to support activities related to hunting and sport fishing. Federal law requires these audits.

Figure 4 summarizes the financial impact of our work in this area. Our audits of Program grants alone for FY 2016 covered just over \$420 million in audit scope, and questioned approximately \$3.2 million in ineligible or inadequately documented Program reimbursements.

DOI addresses poor performance by contractors via established policies and procedures for suspension and debarment where there is no criminal indictment or conviction. OIG's Administrative Remedies Division reviews instances in which awards to contractors and participants have been terminated for default. When significant poor performance is indicated, we refer the contractors and participants to DOI's SDO, who can prevent the entities or individuals from doing business with any Government agency by suspending or debarring them for a period of time.

In this fiscal year, the SDO took 37 actions, including 26 debarments, 10 suspensions, and 1 compliance and ethics agreement, based on information we provided in this and prior fiscal years. A compliance and ethics agreement is used in lieu of suspension or debarment between a company or individual and an agency. This process enables the parties to remain eligible to do business with the Government and, with enhanced procedures, allows American jobs to be preserved. Taken together, debarments, suspensions, and compliance and ethics agreements help to protect money Governmentwide, not just in DOI, since they apply Governmentwide.

DOI also obtained its first two settlements under a newly reinvigorated Program Fraud Civil Remedies Act program in the fourth quarter of 2016. The Act, often called the "Mini False Claims Act," is an administrative remedy designed to ensure that Federal agencies have redress for false statements and smaller false and fraudulent claims not selected for enforcement litigation by the U.S. Department of Justice. We provided training to, and worked with, DOI's Office of the Solicitor and Office of Hearings and Appeals to resurrect the use of this important

remedy. In addition, we collaborated on an effort with the Federal Acquisition Institute to provide suspension and debarment training to Federal acquisition officials and the public, resulting in the training of approximately 1,000 people.

We investigated two cases and referred them for consideration under the Act. The resulting settlements were with former high-level DOI employees who misused Government credit cards for personal benefit while on temporary travel duty. DOI recovered more than \$8,000 between the two settlements.

### Summary of Significant Acquisition and Financial Assistance Work

Figure 4 summarizes the financial impact of our audit work in acquisition and financial assistance for FY 2016.

Questioned Costs From Financial Assistance and Contract Audits	
Financial Assistance	Questioned Costs
FWS Grants to States Under the Wildlife and Sport Fish Restoration Program	\$3,161,313
BLM Cooperative Agreement With Utah Correctional Industries	1,931,699
Interim Costs Claimed by Partner-Impact, LLC, Under Agreement No. FI5AC00480 With FWS	256,100
NPS Task Agreement Nos. PI3AC00875 and PI3AC0089I With the University of Rhode Island	150,452
Audit of the Abandoned Mine Land Reclamation Program, State of Indiana	723,361
Contracts	Questioned Costs
Interim Costs Claimed by Clean Venture Inc. Under Contract No. INFI4PD01910 With FWS	1,040
Interim Costs Claimed by Coastal Environmental Group, Under Contract Nos. INFI3PC00214 and INFI3PC00195 With FWS	2,009,036
Request for Equitable Adjustment by Dix Corporation on Contract No. RI1PCI0035 With USBR	2,232,917
Interim Incurred Cost Audit Claimed by Five Rivers Services Under Contract No. I1PC00013 With USGS	108,339
Interim Costs Claimed by Donjon Marine Company, Inc., Under Contract No. INFI4PD01909 With FWS	13,745
Interagency Agreement for Water Quality Monitoring and Other Services With USGS, Agreement No. RI3PG20058	191,336
<b>Total Questioned Costs</b>	<b>\$10,779,338</b>

Figure 4. Financial impact of FY 2016 grant and contract audits.

## **Key Investigations in Acquisition and Financial Assistance**

Below we list notable acquisition and financial assistance-related investigations for FY 2016.

### **Investigation of Alleged FAR Violations at Canaveral National Seashore**

We investigated reports that NPS employees at CANA violated procurement regulations when remodeling the visitor's entrance fee booth. We substantiated these allegations. Specifically, we found that CANA staff conducted the remodeling project without completing the contracting procedures required under the Federal Acquisition Regulation (FAR). We also discovered that the CANA chief ranger split credit card purchases to avoid exceeding the micro-purchase threshold and that the vendor invoiced the work using separate bills for the same reason.

NPS issued a letter of warning to the park's chief ranger, conducted parkwide purchase card accountability training with every individual who possesses a Government charge card, and provided training sessions clarifying policy and regulatory requirements.

### **Investigation of an NPS Contractor for Allegations of False Claims and Statements**

We investigated allegations that a prime contractor made false claims by submitting subcontractor payment certifications that it either never paid or did not pay in full for work at the Mammoth Cave National Park, Kentucky, and that it made false statements by presenting NPS with signed checks it never sent to its subcontractors.

We found no evidence that a prime contractor submitted false claims to NPS, but as a result of the prime contractor's failure to make prompt and complete payments to subcontractors, the prime contractor's surety bonding company paid approximately \$499,000 to settle debts owed to subcontractors.

### **Investigation of an Appraisal and Land Transactions Related to a Federal Grant Awarded to Livingston Parish in Louisiana Through the Coastal Impact Assistance Program**

We investigated the circumstances surrounding an appraisal used to support a Coastal Impact Assistance Program grant awarded to Livingston Parish in Louisiana for the acquisition of 2,367 acres of wetlands. We also examined two land transactions involving the property that occurred immediately before Livingston Parish purchased the land.

We determined that the land appraisal, which was used to justify the final purchase price, did not meet the required Federal standards. The deficient land appraisal for land sold to the Livingston Parish and paid for with Federal grant funds financially benefited numerous private parties. Despite the deficient appraisal, we found no criminal collusion among those involved in the appraisal and subsequent transactions.

### **Investigation of Confederate Group LLC, d.b.a. Total Barrier Works, and United Native Technologies, Inc.**

In a joint investigation with the U.S. Small Business Administration (SBA) OIG and the U.S. Air Force Office of Special Investigations, we investigated allegations that an NPS contractor used another company as a pass-through company to obtain SBA 8(a) Business Development Program and Service-Disabled Veteran-Owned Small Business Program contracts under false pretenses.

We found that Wesley Burnett and Yogesh Patel conspired and committed more than \$1.8 million in fraud against the Government using Burnett's company, Confederate Group LLC, d.b.a. Total Barrier Works, and Patel's company, United Native Technologies, to obtain SBA Government contracts under false pretenses.

Both Burnett and Patel were debarred from Government contracting and from directly or indirectly receiving benefits from any discretionary Federal assistance programs until 2022 and 2019, respectively. Following Federal indictments, both Burnett and Patel pleaded guilty to conspiracy to commit wire fraud. Burnett was sentenced to 42 months in prison followed by 3 years of supervised release, and agreed to forfeit \$694,893. Patel was sentenced to 21 months in prison followed by 3 years of supervised release, and agreed to forfeit \$554,541.

### **Investigation of Alleged Misuse of Government Fleet Cards by OSMRE Secretary**

We investigated allegations that Loren Estes, a former secretary from the OSMRE field office in Lexington, KY, had used Government fleet credit cards for personal expenses. She resigned from her position amid suspicions before administrative action could be taken.

Our investigation substantiated that, while employed at OSMRE, she used Government fleet credit cards to purchase gasoline for her personal vehicle and to make payments on her personal automobile loans and utility bills. The total loss to the Government was approximately \$1,900.

The SDO debarred Estes until December 2018. A Kentucky grand jury indicted Estes and she pleaded guilty to one count of theft of Government money. She was sentenced to 24 months of probation and ordered to pay approximately \$2,000 in fines and restitution.

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## **DOI Information Technology**

### **Cybersecurity: A Serious Economic and National Security Challenge**

America's economic prosperity and national security depend on cybersecurity, which are the measures taken to protect networks and data from attack, damage, or unauthorized access. The President and Congress have named cyber attacks one of the most serious economic and national security challenges facing our Nation.

Because DOI's networks are large and contain sensitive information, criminals and foreign intelligence services actively attempt to gain access to steal or acquire that information. DOI spends about \$1 billion annually on its IT assets, which support programs that protect and manage our Nation's natural resources and cultural heritage, provide scientific and other information to the public about those resources, and meet DOI's responsibilities to American Indians, Alaska Natives, and affiliated Insular Areas.

OIG has identified the management and security of DOI's IT programs and operations as a top management challenge since FY 2013. More broadly, GAO first included Federal information security on its High-Risk List in 1997.<sup>10</sup> In 2003, GAO expanded the list to include cyber-critical

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<sup>10</sup> Every 2 years GAO publishes a list of Federal programs and operations at high risk for waste, fraud, abuse, and mismanagement or in need of broad-based transformation; see <http://www.gao.gov/highrisk/overview>.

infrastructure protection, and in 2015 added protecting the privacy of personally identifiable information.

### **OIG Reviews Help DOI Strengthen Cybersecurity**

We report weaknesses in DOI's cybersecurity program so DOI can strengthen it. Our work identifies the consequences of ineffective protection of cyber assets, including disruption to operations, unauthorized use of IT resources, and damage to networks and equipment. By approaching IT security as an ongoing review area, OIG has provided timely and meaningful solutions to help DOI make immediate improvements to safeguard the confidentiality, integrity, and availability of information resources.

For example, as a result of our work this year, DOI and its bureaus strengthened security for Cloud-based environments and properly encrypted thousands of previously unencrypted laptops. Our work also provided information that led to debarment of a former employee who hacked into DOI systems after leaving DOI employment. Debarment helps protect all Government agencies by preventing individuals and companies who have committed wrongdoing from doing business with the Government for a specified period.

### **Summary of Significant DOI IT Work**

Below we list notable IT-related products for FY 2016.

#### **“Cloud Computing Security Documentation in the Cyber Security Assessment Management Solution” (Report No. 2015-ITA-017)**

We conducted an inspection to determine the completeness and adequacy of required IT security documentation for 16 IT systems that USBR, BSEE, and USGS moved to a public Cloud. We found that BSEE met security requirements for operational Cloud systems, but USBR and USGS did not meet DOI policy for maintaining required IT security documentation for Cloud systems.

USGS, USBR, and the Office of the Chief Information Officer (OCIO) concurred with all seven of our recommendations and reported that they are either implementing them or plan to implement them.

#### **“Management Advisory: Failure To Adequately Protect Sensitive Data on Thousands of DOI Laptop Computers” (Report No. ISD-IN-MOA-0004-2014-H)**

As part of a cybersecurity evaluation, we examined selected IT security controls to determine whether they were implemented correctly, operating as intended, and producing the desired outcome of protecting DOI systems and data. We found that nearly 15,000 encrypted DOI laptops did not use pre-boot authentication, potentially exposing sensitive data if lost or stolen.

We recommended that the OCIO mandate the use of pre-boot authentication on all laptops and implement a monitoring and enforcement program that mitigates noncompliant systems. The OCIO agreed.

**“DOI’s Continuous Diagnostics and Mitigation Program Not Yet Capable of Providing Complete Information for Enterprise Risk Determinations”  
(Report No. ISD-IN-MOA-0004-2014-I)**

We assessed the effectiveness of DOI’s Continuous Diagnostics and Mitigation (CDM) program for three high-value IT assets operated by three bureaus. We found that the CDM program is immature and not fully effective in protecting high-value IT assets from exploitation. DOI’s management practices failed to detect critical and high-risk vulnerabilities on one of its high-value IT assets and left thousands of critical and high-risk vulnerabilities unmitigated for years on three of its high-value assets.

The OCIO concurred with five of our recommendations and partially concurred with one recommendation, and is working to implement them.

**“DOI’s Management of its Smartphones, Tablets, and Other Mobile Devices”  
(Report No. 2015-ITA-032)**

We audited DOI’s management of smartphones, tablets, and other mobile devices to determine whether DOI effectively managed its costs. We also assessed the adequacy of DOI’s controls to lower security risks unique to mobile devices. We found weaknesses in DOI’s mobile device management, inventory, procurement, and security practices, which result in excess spending and cybersecurity risk. If DOI better manages its mobile devices, it could save \$1,763,423 over the next 3 years.

The OCIO agreed with two of our recommendations that address procurement and spending, and is working to implement them. The OCIO did not concur with two recommendations to require and enforce enrollment of all devices in DOI’s device management system, because it said not all devices are candidates for the system.

**“Inspection of Federal Computer Security at DOI” (Report No. 2016-ITA-032)**

In accordance with the Cybersecurity Act of 2015, we inspected policies, procedures, and practices for securing DOI’s computer networks and systems for all covered systems related to logical access control policies and practices, use of multifactor authentication, software inventory, threat prevention, and contractor oversight. Our inspection identified three areas of improvement to secure DOI’s computer systems.

DOI has implemented measures to reduce the risk of unauthorized access to its computer systems and prevent spending public funds on unused software. DOI, however, needs to update its logical access controls to meet current standards, ensure that its mobile computing devices are encrypted and securely configured, and obtain the ability to inspect encrypted traffic for malicious content.

**Investigation of Alleged IBC Computer Intrusion**

We investigated allegations that an unknown individual(s) remotely logged into an Interior Business Center (IBC) system administrator’s computer through another IBC employee’s system, and retrieved an unknown number of personnel documents. We found that Dana Beach, a retired IBC IT specialist, accessed IBC systems without authorization seven times after her retirement. She also exceeded her authorization by accessing stored communications 17 times while with IBC.

The SDO debarred Beach from receiving new Federal contracts and nonprocurement awards until October 2018. The other IBC employee was issued a letter of reprimand for sharing his administrative password. Beach pleaded guilty to one charge of computer intrusion, a misdemeanor. The court ordered restitution and 2 years of probation.



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## **Part 3. Internal Improvements and Special Projects Results**

Our achievements in audits and investigations depend on strong internal performance and processes. Our work is deeply rooted in a culture of innovation and continuous improvement. We have increased transparency of OIG operations, trained our audit and investigative teams on project design and presentation skills, increased OIG information security, improved and automated critical internal processes, and learned about employee job satisfaction and commitment from the results of an annual Governmentwide survey. We also undertook special projects to develop the audit and investigative skills of public auditors in the Insular Areas.

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### **Increased Transparency**

As an independent, objective body, OIG investigates violations of public trust. We do not have authority to compel actions based on our findings. Rather, we report those findings to DOI leadership and, when the findings involve criminal violations, to the Assistant U.S. Attorneys and other U.S. Department of Justice officials. These entities have the authority to take corrective action.

To encourage DOI action on our findings, we implemented a new policy to publicly post the results of most noncriminal investigation within 30 days of issuance to DOI and the results of most criminal investigations when the cases are closed. With a 30-day public release date, we hold DOI accountable for prompt action and provide Congress, the public, and stakeholder groups with more timely notice of our investigative results. Under the policy, we make public essentially all of our investigative reports, whether allegations are substantiated or not.

This effort at transparency—unparalleled in the OIG community—has its own challenges. In preparing public versions of investigative and audit results, we must address grand jury secrecy rules, privacy issues, confidential business and proprietary information protections, and protection of confidential sources.

Since October 1, 2015, we have posted the results of about 150 investigations (including retroactively published investigations from previous fiscal years) and we will continue our efforts to ensure transparency.

These new practices appear to be having an impact. We have witnessed an increased effort on the part of DOI's Deputy Secretary, Chief of Staff, and Office of the Solicitor to be more responsive and decisive in their actions regarding employee wrongdoing, as well as an improved "tone at the top."

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### **In-House Planning, Communication, and Facilitation Training**

This year we provided training in several key areas for improved organizational performance and professional development. First, we focused on audit and investigative planning and presentation training. We brought in outside experts to provide training to help our teams develop more

refined objectives—including meaningful audit questions and specific allegations and issues to investigate—when designing projects. The presentation training taught participants how to align presentations to the way people process information.

Then we applied lessons learned from the training to our work. For example, we are revamping a briefing we give on fraud to DOI employees, contractors, and grantees. Our new focus is a broader prevention focus, emphasizing why preventing wrongdoing and reporting it when it occurs benefits the audience. We also began requiring audit and investigative teams to build a “design matrix” to ensure that planning information such as the review objectives, methodology, scope, and limitations are articulated and agreed-upon upfront and throughout the project.

We also developed and delivered in-house facilitation training to 21 OIG employees. Our facilitation program began as a grassroots efforts more than 5 years ago to improve meetings and decisionmaking throughout OIG. Trained facilitators serve as a neutral party to guide discussion in meetings and other events, to ensure meaningful participation and help attendees meet their goals. As more facilitators become trained, the program can meet increased demand for facilitators at OIG meetings and events. The continued growth and success of this program shows what is possible with employee initiative and a culture of continuous improvement.

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## **Increased Information Security**

We have taken a number of steps this year to increase OIG information security. In January 2016, along with the rest of DOI, we implemented stronger authentication for accessing our email system, Bison Connect. We now require two-factor authentication, which for OIG means that users provide their physical access cards and a PIN. This additional security is increasingly important to protect OIG information from hackers, viruses, phishing attempts, and identity theft. In June 2016, we also switched to two-factor authentication for our encryption systems on laptops, requiring both a physical access card and a PIN to use an OIG laptop.

We also implemented a more secure VPN (virtual private network) system for remote access to the OIG network. It requires users to be logged onto the OIG network to use the Internet on OIG laptops. The VPN’s web filtering software reduces the possibility of malware being inadvertently downloaded and providing an opportunity for malicious attacks for our teleworkers and travelers.

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## **Process Improvement and Automation**

We continued to focus on process improvement, by identifying and improving those processes that are most critical to OIG. We have refined our hiring process, requiring managers to complete detailed hiring plans and use consistent, scripted interview questions and clear criteria for answers. We will develop and deliver training to help managers understand and appreciate these changes. The result is better identifying which applicants would be the best hires.

Part of our process improvement has been to automate processes that were once manual. In 2012, we began developing automated workflows via a tool we call AMP (Automating Manual Processes). Our continued development of AMP has led from 487 fully automated actions in 2013—the first year of implementation—to more than 10,000 actions in 2016. We added several workflows this year, including for IG award nominations, to document completion of six

separate certifications that audit and investigative employees are required to take, and to complete and route exit clearance forms.

Automation of these processes clearly saves time, but it has other benefits as well. For example, adding required certifications helps ensure that our employees are up-to-date on required training and are aware of restrictions such as those related to the use of Government vehicles. It makes transparent the steps and time involved in the process. Automation also helps ensure that we reduce unnecessary risks when employees leave, by adding checks to ensure employees have turned in all equipment and OIG has disabled their passwords.

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## **Continued Excellence on Federal Employee Viewpoint Survey Scores**

The results of our 2016 Federal Employee Viewpoint Survey, which is administered Governmentwide by the Office of Personnel Management (OPM), captured the perspectives of 91 percent of OIG employees who were eligible to take the survey (220 of 241 employees).

OIG remains strong in the majority of areas that the survey measures, including supervisors, job satisfaction, employee engagement, and leadership and knowledge management. “Strong” is defined by OPM as at least 65 percent positive responses. Of 15 index scores, which combine scores for questions on the similar topics, 13 were 71 percent positive or higher.

In addition, 89 percent or more of respondents said they know how their work relates to OIG’s goals and priorities, think their work is important, and rate the overall quality of their work unit as high; and 86 percent believe OIG is successful at accomplishing its mission.

Our scores on the majority of questions have met OPM’s benchmark for strength for the past 5 or 6 years, and they have been trending up. Our scores were not always this high. We believe the consistently high scores indicate institutionalization of a number of practices designed to create a workplace culture and environment that instills dignity and respect for our employees and our customers; promotes integrity in our operations; builds the skills necessary to deliver quality, objective, independent products to DOI and Congress; and achieves results.

Some of those successful practices include—

- mandated one-on-one weekly meetings between supervisors and direct reports;
- expecting executives to communicate in an honest and open manner, and to explain the rationale for decisions to employees;
- providing extensive communication and leadership training to executive, managers, and supervisors;
- formalizing an open door policy so employees feel comfortable raising concerns to any level manager in the organization;
- creating a formal process for employees to disagree with a work product;
- requiring calibration meetings to help ensure fairness in performance ratings;

- introducing After Action Reviews to learn from our experiences; and
- ensuring more timely notification to managers of funding available for awards and reminding them on a monthly basis of available funding and awards issued to date.

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## Capacity Building in the Insular Areas

We engaged in several efforts to promote fiscal accountability in the Insular Areas: We traveled to select islands to deliver training focused on report writing; brought Insular Area auditors to our Lakewood, CO office for more intensive training on the audit process; and attended and presented at several Insular Area conferences.

OIG's interest in the Insular Areas stems from DOI's obligation to fulfill special commitments to affiliated islands, as well as the Federal funds—from DOI and other agencies—that these islands receive. Insular Areas' Offices of Public Auditor (OPAs) do not have the resources to hire, train, and retain qualified audit and investigative staff. By focusing on building the capacity of the islands' audit and investigative staff, we can increase our potential impact on helping DOI fulfill its commitments. In our efforts, we seek to—

- assist OPAs with their oversight of Insular Area government financial activities and programs;
- develop the audit and investigative skills of OPA staff; and
- encourage the staff and Insular Area government officials to promote financial integrity.

In FY 2016 we delivered on-island training to audit and investigative staff from the Federated States of Micronesia (including its states, Pohnpei State, Chuuk State, Kosrae State, and Yap State), the Commonwealth of the Northern Mariana Islands (CNMI), the Republic of the Marshall Islands, and the Republic of Palau. This year we focused on report writing. The attendees received continuing education credits for the training (these credits are difficult for the staff to obtain due to the islands' remote locations). We also offered technical assistance to help OPAs apply lessons from the training to their current work. One attendee stated: "Overall, I think this was the most practical and effective training since it involved all the staff and allowed total participation in the report writing process."

We also provided investigative technical assistance to Kosrae's OPA during its investigations of theft of public funds by public officials. The investigations resulted in guilty pleas by two public officials. Two other investigations of a similar nature are ongoing.

In addition to the training and assistance provided on-island, in FY 2016 we developed the "Lakewood Experience," a structured, 2-week training program in our Lakewood office that encompasses the phases of an audit. This new program consists of mentoring and coaching by an OIG team leader, classroom training, and a case study with exercises covering the various phases of an audit. To allow for information sharing with OIG and among the various jurisdictions, the program was specifically focused on issues that the auditors would face in their offices.

Auditors from Guam, CNMI, Palau, and the Federated States of Micronesia attended the Lakewood Experience. In their course evaluations, many participants said that they would use

lessons learned from the training in their work. They also said that the training was some of the most effective training they have had, and highlighted how combining classroom training, coaching, and exercises helped reinforce the lessons learned.

OIG has also worked to promote integrity in the Pacific Region by participating in numerous conferences this past year. In March 2016 we sent three representatives to attend the FSM Public Auditors Conference in Kosrae. There we provided training on report writing, agreed-upon procedures, and how to develop an audit based on a referral from an investigation. In addition, Deputy IG Kendall served as the keynote speaker at the 2016 Association of Pacific Island Public Auditors Conference; her speech on promoting accountability and transparency in the public sector reached more than 300 attendees, including public auditors and government officials. Deputy IG Kendall also hosted an executive roundtable session on challenges and opportunities for running an audit office. She was also a special guest speaker at the 2016 Pacific Association of Supreme Audit Institutions Congress in Pohnpei.

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## **Looking Ahead**

As with FY 2016, managing personnel costs will remain a key component of budget execution in FY 2017. To accommodate uncertain budgets, in recent years we have pursued a conservative approach to hiring and spending. Even without additional hiring, personnel costs increase over time due to career ladder promotions, within-grade increases, and pay increases. Higher personnel costs limit funding available to make hires, travel for audits and investigations, and acquire valuable training.

We closely manage our budget by reviewing our staffing levels, travel, and training. We will also use the training completed in FY 2016 to develop more methodical planning processes and revamp our presentations outside OIG on topics such as whistleblower protection and how to prevent wrongdoing before it occurs. We are also examining ways to improve how we allocate the time we spend on each review (i.e., audits, evaluations, inspections, and investigations).

Some efforts we began in FY 2016 will continue to be a focus in FY 2017. For example, we will continue to emphasize the importance of publishing the results of our investigations to increase transparency.

To make best use of limited funding, we plan to focus internal improvement efforts in the coming year on developing and implementing a coordinated OIG outreach effort, developing and implementing more thorough and consistent planning when conducting our reviews, implementing IT improvements, and updating our OIG policy manual.

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# Abbreviations

AMP	Automating Manual Processes (OIG)
BIA	Bureau of Indian Affairs (DOI)
BIE	Bureau of Indian Education (DOI)
BLM	Bureau of Land Management (DOI)
BOEM	Bureau of Ocean Energy Management (DOI)
BSEE	Bureau of Safety and Environmental Enforcement (DOI)
CANA	Canaveral National Seashore (Florida, DOI)
CDM	Continuous Diagnostics and Mitigation program (DOI)
CNMI	Commonwealth of the Northern Mariana Islands
DOI	U.S. Department of the Interior
EEO	Equal Employment Opportunity
FAR	Federal Acquisition Regulation
FWS	U.S. Fish and Wildlife Service (DOI)
FY	Fiscal year
GAO	U.S. Government Accountability Office
GRCA	Grand Canyon National Park (Arizona, DOI)
IBC	Interior Business Center (DOI)
MSPB	U.S. Merit Systems Protection Board
NPS	National Park Service (DOI)
OCIO	Office of the Chief Information Officer (DOI)
OIG	Office of Inspector General
ONHIR	Office of Navajo and Hopi Indian Relocation
ONRR	Office of Natural Resources Revenue (DOI)
OPA	Office of Public Auditor
OPM	Office of Personnel Management
OSMRE	Office of Surface Mining Reclamation and Enforcement (DOI)
OST	Office of the Special Trustee
PAQs	Private acquired leases
SBA	U.S. Small Business Administration
SDO	Suspending and Debarring Official (DOI)
SEIS	Supplemental environmental impact statement
USBR	Bureau of Reclamation (DOI)
USGS	U.S. Geological Survey (DOI)
VPN	Virtual private network
WAFWA	Western Association of Fish and Wildlife Agencies
WHAC	White House Advisory Council on Wildlife Trafficking

# Fiscal Year 2016 Organizational Measures

Measure	Fully Satisfactory Target	Target Met or Exceeded
<b>Deputy Inspector General and Chief of Staff</b>		
1. OIG Fairness Index score as measured by the 2016 Federal Employee Viewpoint Survey (percentage positive).	51% – 54%	Yes
2. Improve OIG's processes and products through more consistent use of After Action Reviews (AARs): <ul style="list-style-type: none"> <li>a. Number of OIG-wide discretionary AARs held and posted to the AAR Intranet site</li> <li>b. Percentage of OIG-wide AAR results for mandatory and discretionary AARs posted to the AAR Intranet site with completed next steps section</li> <li>c. Number of OIG-wide internal communications encouraging increased use of AARs and/or showing benefits of AARs</li> </ul>	5 to 8 discretionary AARs held OIG-wide and posted to OIG Intranet site,  AND  51% – 70% of OIG-wide AAR results for mandatory and discretionary AARs posted to the AAR Intranet site with completed next steps section	Yes
3. Oversee the development of a plan for OIG distribution of managerial award allocations and collection of 2016 award nominations: <ul style="list-style-type: none"> <li>a. Communication plan approved by Chief of Staff by target date</li> <li>b. Percentage of award money allocated to managers in a timely manner</li> <li>c. Timely announcement and distribution of 2015 IG Awards</li> </ul>	Plan approved by April 30, 2016, or corrective action taken,  AND  70% of manager award	Yes

Measure	Fully Satisfactory Target	Target Met or Exceeded
<p>d. Percentage of communications in the Office of Management's communication plan that occurred by target dates</p>	<p>allocations provided to OIG managers by March 1, 2016,</p> <p>AND</p> <p>IG Awards for 2015 announced and distributed by April 1, 2016</p>	
<p>4. Improve OIG's transparency by working with the Office of General Counsel and Office of Investigations to produce and post timely summaries of investigative reports on the OIG public website:</p> <p>a. Percentage of administrative investigations that were posted in summary or redacted form on the OIG website in a timely manner after being distributed to the Department</p> <p>b. Percentage of non-administrative investigations that were posted in summary or redacted form on the OIG website in a timely manner</p>	<p>71% – 75% of administratively completed cases summarized or redacted and posted on the OIG website within 45 calendar days of distribution to the Department,</p> <p>AND</p> <p>71% – 75% of closed non-administrative cases posted in summary or redacted form on the OIG website within 45 calendar days of closure in CMS</p>	<p>Yes</p>



Measure	Fully Satisfactory Target	Target Met or Exceeded
<b>Office of General Counsel (OGC)</b>		
<p>1. Improve OIG's transparency by working with the Office of Investigations to produce and post timely summaries of investigative reports on the OIG public website:</p> <p>a. Percentage of administrative investigations that were posted in summary or redacted form on the OIG website in a timely manner after being distributed to the Department</p> <p>b. Percentage of non-administrative investigations that were posted in summary or redacted form on the OIG website in a timely manner</p>	<p>71% – 75% of administratively completed cases summarized or redacted and posted on the OIG website within 45 calendar days of distribution to the Department,</p> <p>AND</p> <p>71% – 75% of closed non-administrative cases posted in summary or redacted form on the OIG website within 45 calendar days of closure in CMS</p>	Yes
<p>2. Formalize the type and frequency of training provided to OIG employees by OGC by developing a multiyear internal training program to improve or sustain employee knowledge, skills, and abilities in core competency areas.</p>	<p>Needs assessment completed and briefed to leadership team by July 1, 2016 – coordinated through Chief of Staff</p>	Yes
<p>3. Improve the use of OGC's training allocation:</p>	<p>6 attorneys received 12 hours or</p>	Yes

Measure	Fully Satisfactory Target	Target Met or Exceeded
<ul style="list-style-type: none"> <li>a. Number of OGC attorneys who received specified number of training hours by the end of FY 2016</li> <li>b. Percentage of OGC training funds allocated in staff training by target date</li> </ul>	<p>more of legal training,</p> <p>AND</p> <p>75% of total OGC training funds allocated in staff training by July 1, 2016</p>	
<p>4. Develop, plan, and execute an executive-level communication plan to provide OIG managers and employees with information on legal, ethics, and other relevant information to assist them in accomplishing and performing their duties effectively. A schedule of prepared communication topics and delivery plans, developed in collaboration with OIG leadership, is to be included in the plan.</p>	<p>Communication plan with projected delivery dates for communication activities developed and submitted to Chief of Staff by May 1, 2016, and approved by June 1, 2016</p>	Yes
<b>Assistant Inspector General (AIG), Office of Audits, Inspections, and Evaluations (AIE)</b>		
<p>1. AIE Fairness Index score as measured by the 2016 Federal Employee Viewpoint Survey (percentage positive).</p>	51% – 56%	Yes
<p>2. Improve OIG's processes and products through more consistent use of AARs:</p> <ul style="list-style-type: none"> <li>a. Percentage of AIE's mandatory AARs held in accordance with AAR policy and posted to the AAR Intranet site</li> <li>b. Percentage of AIE's AAR results for mandatory and discretionary AARs posted to the AAR Intranet site with completed next steps section</li> </ul>	<p>100% of AIE's mandatory AARs held in accordance with AAR policy and posted to the AAR Intranet site,</p>	Yes

Measure	Fully Satisfactory Target	Target Met or Exceeded
<p>c. Number of AIE's discretionary AARs held and posted to the AAR Intranet site</p>	<p>AND</p> <p>75% – 85% of AIE's AAR results for mandatory and discretionary AARs posted to the AAR Intranet site with completed next steps section</p>	
<p>3. Increase the impact and effectiveness of audit products by increasing timeliness and reliability of quality control process, planning effectively, and communicating [the audit] plan OIG-wide:</p> <p>a. Percentage of products for which referencing was completed within the 2-week deadline</p> <p>b. New referencing policy developed and communicated to AIE employees in accordance with the executive correspondence process by an AIE policy memo by targeted deadline</p>	<p>70% – 74% of referencing completed within the 2-week deadline,</p> <p>AND</p> <p>New referencing policy developed, reviewed by other executives, and approved by Chief of Staff on or before March 22, 2016, and communicated in accordance with the executive correspondence process by an AIE policy</p>	<p>Yes</p>

Measure	Fully Satisfactory Target	Target Met or Exceeded
	memo by April 12, 2016	
<p>4. Improve timeliness in the audit and reporting process, to ensure that information communicated in reports is both relevant and timely:</p> <p>a. Percentage of AIE products that have initial HQ outline briefing held in a timely manner after team outline meeting is completed</p>	<p>51% – 60% of AIE projects completed initial HQ outline briefing within 30 days of completion of fieldwork conference</p>	Yes
<b>Assistant Inspector General (AIG), Office of Investigations (OI)</b>		
<p>1. OI Fairness Index score as measured by the 2016 Federal Employee Viewpoint Survey (percentage positive).</p>	54% – 57%	Yes
<p>2. Improve OIG's processes and products through more consistent use of AARs:</p> <p>a. Percentage of OI's mandatory AARs held in accordance with AAR policy and posted to the AAR Intranet site</p> <p>b. Percentage of OI's AAR results for mandatory and discretionary AARs posted to the AAR Intranet site with completed next steps section</p> <p>c. Number of OI's discretionary AARs held and posted to the AAR Intranet site</p>	<p>100% of OI's mandatory AARs held in accordance with AAR policy and posted to the AAR Intranet site,</p> <p>AND</p> <p>75% – 85% of OI's AAR results for mandatory and discretionary AARs posted to the AAR Intranet site with completed next steps section</p>	Yes

Measure	Fully Satisfactory Target	Target Met or Exceeded
<p>3. Improve OIG's transparency by working with the Office of General Counsel to produce and post timely summaries of investigative reports on the OIG public website:</p> <ul style="list-style-type: none"> <li>a. Percentage of administrative investigations that were posted in summary or redacted form on the OIG website in a timely manner after being distributed to the Department</li> <li>b. Percentage of non-administrative investigations that were posted in summary or redacted form on the OIG website in a timely manner</li> </ul>	<p>71% – 75% of administratively completed cases summarized or redacted and posted on the OIG website within 45 calendar days of distribution to the Department,</p> <p>AND</p> <p>71% – 75% of closed non-administrative cases posted in summary or redacted form on the OIG website within 45 calendar days of closure in CMS</p>	<p>Yes</p>
<p>4. 2016 OIG Employee Survey results for OI as measured by the following communication-focused questions (average score):</p> <ul style="list-style-type: none"> <li>a. Over the past year, my senior leader (SES) and/or Deputy AIG clearly explained the rationale for organizational decisions</li> <li>b. Over the past year, I observed consistency between communications from the senior executive in charge of my office and his/her actions</li> <li>c. I feel I can contact and speak openly with senior leaders (SES) if I want to</li> </ul>	<p>63% – 67% positive</p>	<p>No</p>

Measure	Fully Satisfactory Target	Target Met or Exceeded
<p>5. Plan and execute internal OI communications practices by developing a communication plan:</p> <p>a. Communication plan with projected delivery dates for communication activities prepared, submitted to, and approved by Chief of Staff by target dates</p> <p>b. Percentage of communications in the communication plan that occurred within the specified timeline</p>	<p>Communication plan with projected delivery dates for communication activities prepared and submitted to Chief of Staff by May 1, 2016, and approved by June 1, 2016</p>	Yes
<b>Assistant Inspector General (AIG), Office of Management (OM)</b>		
<p>1. OM Fairness Index score as measured by the 2016 Federal Employee Viewpoint Survey (percentage positive).</p>	66% – 70%	Yes
<p>2. Improve OIG's processes and products through more consistent use of AARs:</p> <p>a. Percentage of OM's mandatory AARs held in accordance with AAR policy and posted to the AAR Intranet site</p> <p>b. Percentage of OM's AAR results for mandatory and discretionary AARs posted to the AAR Intranet site with completed next steps section</p> <p>c. Number of OM's discretionary AARs held and posted to the AAR Intranet site</p>	<p>100% of OM's mandatory AARs held in accordance with AAR policy and posted to the AAR Intranet site,</p> <p>AND</p> <p>75% – 85% of OM's AAR results for mandatory and discretionary AARs posted to the AAR Intranet site with completed next steps section</p>	Yes

Measure	Fully Satisfactory Target	Target Met or Exceeded
<p>3. Improve the timeliness of OIG's hiring process:</p> <p>a. Percentage of new hiring actions completed within 80 calendar days from receipt of approval to hire by the Human Resources Division to EOB (employee on board)</p>	40% – 49%	Yes
<p>4. Develop a plan for OIG distribution of managerial award allocations and collection of 2016 Award Nominations:</p> <p>a. Communication plan approved by Chief of Staff by target date</p> <p>b. Percentage of award money allocated to managers in a timely manner</p> <p>c. Timely announcement and distribution of 2015 IG Awards</p> <p>d. Percentage of communications in the communication plan that occurred by target dates</p>	<p>Plan submitted for approval to Chief of Staff by March 30, 2016, and approved by Chief of Staff by April 15, 2016,</p> <p>AND</p> <p>80% of manager award allocations provided to OIG managers by February 25, 2016,</p> <p>AND</p> <p>IG Awards for 2015 announced and distributed by March 15, 2016</p>	Yes

# **Report Fraud, Waste, and Mismanagement**



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.



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<b>By Internet:</b>	<a href="http://www.doioig.gov">www.doioig.gov</a>	
<b>By Phone:</b>	24-Hour Toll Free:	800-424-5081
	Washington Metro Area:	202-208-5300
<b>By Fax:</b>	703-487-5402	
<b>By Mail:</b>	U.S. Department of the Interior Office of Inspector General Mail Stop 4428 MIB 1849 C Street, NW. Washington, DC 20240	