



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

ENERGY RELATED MANAGEMENT ADVISORIES



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NOV 20 2014

Memorandum

To: Gregory J. Gould
Director, Office of Natural Resources Revenue

Neil Kornze
Director, Bureau of Land Management

From: Jeff Carlson *Jeff Carlson*
Director, Energy Audits Unit

Subject: Inspection Report – Energy Related Management Advisories
Report No. CR-IS-MOA-0005-2014

We have completed an inspection of nine energy-related management advisories issued to the Bureau of Land Management (BLM) and the Office of Natural Resources Revenue (ONRR) during fiscal years 2008 to 2013. The Energy Audits Unit (EAU) issued one advisory and the Energy Investigations Unit (EIU) issued eight advisories (see Attachment).

The objective of the inspection was to determine if BLM and ONRR responded to the advisories expressing either concurrence or non-concurrence with the recommendations and if the Office of Policy, Management and Budget's Office of Financial Management (PFM) tracked and monitored the implementation of the recommendations concurred to by the bureaus.

Based on our analysis of BLM's and ONRR's responses—

- 19 recommendations were implemented;
- 14 recommendations are being implemented; and
- 2 recommendations did not have concurrence.

We agreed with BLM's and ONRR's responses for the two non-concurrences and consider both recommendations resolved.

The 14 outstanding recommendations were from 4 EIU advisories issued to BLM and were outstanding between 3 and 4 years from the respective dates when BLM provided its initial responses. BLM indicated that 10 of the recommendations were incorporated into pending changes to Onshore Orders 3, 4, and 5. Implementation of three recommendations was delayed due to a lack of funding and one recommendation was to be incorporated into BLM's new AFMSS II database software.

Corrective action plans, including milestone dates and the names of officials responsible for ensuring implementation, are used by PFM to monitor implementing EAU-issued recommendations. BLM did not have corrective action plans for us to verify if there are current implementation timetables and designated officials responsible for implementation.

We noted that BLM's Division of Evaluations and Management Services was not providing oversight above the program level for the EIU advisories. A BLM official told us that the Division did not track recommendations issued by EIU because the advisories were initiated by investigations and BLM's practice was to keep the circumstances confidential so as not to compromise the investigations. Except for the use of names in the respective advisories, which could be redacted, however, the EIU advisories did not contain sensitive information.

Conclusion

We will refer the four advisory reports' 14 recommendations to PFM for tracking of implementation. We encourage BLM to ensure that the Division of Evaluation and Management Services track implementation of all Office of Inspector General management advisories with open recommendations including those recommendations issued by EIU. We also suggest that BLM prepare corrective action plans for the 14 recommendations still being implemented. The plans should include milestone dates for completing implementation and designate officials responsible for monitoring the implementation plan.

Scope and Methodology

In conducting our inspection on the status of energy related management advisories, we obtained and reviewed all documentation provided by BLM and ONRR and interviewed BLM, ONRR, and PFM personnel. We conducted our fieldwork from March through June, 2014.

We conducted the work pertaining to this inspection in accordance with the Quality Standards for Inspection and Evaluation as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe the work performed provides a reasonable basis for our conclusions.

The legislation creating the Office of Inspector General requires that we report to Congress semiannually on all audit, inspection, and evaluation reports issued; actions taken to implement our recommendations; and recommendations that have not been implemented.

We thank the officials from PFM, BLM, and ONRR who assisted us during our inspection. If you have any questions please call me at 303-236-9107.

Attachment

Inspection Universe
Nine Management Advisories with 35 Recommendations

Bureau	Title	Advisory Number	Date Issued	OIG Unit	Recommendations
BLM					
1	Berry Petroleum and Quinex Engineering	OI-CO-07-0389-I	5/26/09	EIU	6
2	Petrox Resources	OI-OG-09-0266-I	6/11/09	EIU	1
3	Southwestern, Inc.	OI-OG-09-0194-I	12/10/09	EIU	2
4			3/19/10	EIU	3
5	TEPPCO Partners	OI-OG-99-0346-I	3/31/14	EIU	7
6	BLM Oil and Gas Bonding Procedures	OI-OIG-12-0085-I	9/25/12	EIU	3
ONRR (MMS)					
1	MMS False Claims	Memorandum from IG to Assistant Secretary for Lands and Minerals Management.	11/4/07	EIU	9
2	Berry Petroleum	OI-CO-07-0359-I	6/18/08	EIU	1
3	Civil Penalty Sharing	CR-MA-ONRR-0003-2012	5/1/12	EAU	3

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