

Summary: Investigation of False Reporting by Renewable Energy Companies

Report Date: February 18, 2015

OIG investigated allegations by a Bureau of Land Management (BLM) biologist that renewable energy companies holding right-of-way (ROW) grants with BLM were falsely reporting animal takes associated with their activities on Federal land. The complaint also alleged that the companies prevented biological monitors from directly reporting their findings to BLM by requiring them to sign nondisclosure agreements (NDA).

The complainant explained that BLM's ROW grants required the companies to hire biological monitors and that the biologists should communicate directly with the agency about the project. The concern was that by requiring the biologists to sign NDA's, the energy companies had inserted themselves into the biological reporting process—the biologists reported their findings to the company for review, and then the company forwarded the wildlife take and relocation statistics to BLM. According to the complaint, BLM lacked a mechanism to verify that the numbers reported by the companies accurately reflected the biologists' observations at the project sites.

We interviewed witnesses and BLM management and found no evidence of false reporting or direct interference by the energy companies. The biological monitors required by the conditions of the ROW grants worked for BLM, but the energy companies paid for their services. BLM staff at one office received a specific company's biological reports on a monthly basis, which an independent third-party environmental compliance monitor reviewed. The third-party monitor compared the reports BLM received with those submitted to the company by the biological monitors, and found no significant differences in the data.

Several biologists who had worked for renewable energy companies believed that NDA's interfered with the performance of their duties and felt pressured by the companies to minimize adverse findings. They suggested that BLM could alleviate the confusion and tension between the biologists and energy companies by clarifying and enforcing the conditions of ROW grants.

At the time of this investigation, BLM management was drafting policy clarifications regarding BLM's ROW grant conditions, with the primary focus on the delivery of monitoring data from field sites. BLM believes these clarifications will alleviate reporting issues and conflicts of interest because energy companies will receive notification of their responsibilities at the outset of their projects. The updated policy and new ROW grants would include language from the applicable sections of the Code of Federal Regulations and would provide notice to the companies that BLM was authorized to suspend or terminate a ROW grant for noncompliance with any of the terms and conditions. At the time of this report, the draft policy update was under review by the Solicitor's office.

We forwarded our report to BLM for information.

This summary was posted to the web on December 7, 2015.

