



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

Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, FY 2020

In recognition of Secretarial Order No. 3380, we are providing estimated costs associated with certain work products. Applying a formula involving prior salary and benefit expenses, we estimate the cost of preparing this report to be \$51,000.



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Memorandum

To: David Bernhardt
Secretary of the Interior

From: Mark Lee Greenblatt
Inspector General

Subject: Final Report – *Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, FY 2020*
Report No. 2020-ER-043

In accordance with the Reports Consolidation Act of 2000, we are submitting what we have determined to be the most significant management and performance challenges facing the U.S. Department of the Interior (DOI), for inclusion in the DOI's *Agency Financial Report* for fiscal year 2020.

We have focused this report on the DOI's response to the COVID-19 pandemic and the implementation of the Great American Outdoors Act. Many of the challenges highlighted under these two main topics connect to issues we have identified in previous management challenges reports.

If you have any questions, please do not hesitate to contact our office at 202-208-5745.

cc: Todd Willens, Chief of Staff, U.S. Department of the Interior
Katharine MacGregor, Acting Deputy Secretary, U.S. Department of the Interior
James Cason, Associate Deputy Secretary, U.S. Department of the Interior
Scott Cameron, Acting Assistant Secretary for Policy, Management and Budget
Richard Cardinale, Director, Office of Executive Secretariat
Preston Heard, Deputy Director, Office of Executive Secretariat
Tonya Johnson, Deputy Chief Financial Officer and Director, Office of Financial Management
Chadrick Minnifield, Director, Internal Control and Audit Follow-Up, Office of Financial Management

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Introduction and Approach

In accordance with the Reports Consolidation Act of 2000, we are reporting what we have determined to be the most significant management and performance challenges facing the U.S. Department of the Interior (DOI). By statute, this report is required to be included in the DOI's *Agency Financial Report*.

Given the broad effects of the COVID-19 pandemic on not only the DOI but the United States as a whole during this fiscal year, we have modified our approach for this year's report to feature a detailed analysis of the DOI's pandemic response. We emphasize particularly the pandemic's cascading effect on the DOI's multiple mission areas and functions, as well as the fact that it has led directly to large and unanticipated expenditures. The pandemic may moreover exacerbate ongoing issues we have identified in previous management challenges reports, which are summarized in the chart below.

Previously Identified Challenge Areas Noted in This Report

These longstanding challenges are ongoing and interwoven with this report's focused analysis of the pandemic response and the Great American Outdoors Act.



Financial Management

The DOI manages significant financial assets, including contracts and financial assistance awards, as well as property and other resources.



Public Safety and Disaster Response

The DOI is responsible for the safety of more than 70,000 employees, as well as members of the public who visit or live near 500+ million acres of DOI-managed lands.



Responsibility to American Indians

The DOI provides services to 574 federally recognized tribes with a population of about 1.9 million American Indians and Alaska Natives. The DOI also has trust responsibilities for mineral resources on 56 million surface acres and 57 million subsurface acres of tribal land.



Energy Management

The DOI manages lands, subsurface rights, and offshore areas that produce approximately 18 percent of the Nation's energy.



IT Security

The DOI relies on complex, interconnected IT systems to carry out its daily operations.



Workplace Culture and Human Capital

Many factors affect workplace culture, including agency values, leadership behavior, and employee perceptions. The management of human capital affects the DOI's ability to execute its mission efficiently.



Water Programs

As the largest wholesaler of water in the country, the DOI must reconcile competing demands on its water resources.

We are not suggesting that the previously identified challenges have been resolved, but, under the circumstances, we believe that they should be viewed in light of the pandemic.

In addition to our focus on the unique challenges presented by the pandemic, this report identifies an emerging issue—namely, the implementation of the Great American Outdoors Act—and the DOI’s progress in preparing for and addressing this challenge.

This report is primarily based on Office of Inspector General (OIG) and U.S. Government Accountability Office (GAO) reviews (including the GAO’s [High-Risk List](#)¹), as well as our general knowledge of the DOI’s programs and operations. We link to the OIG reports related to the challenge areas throughout the report—a full list of reports cited is included in the appendix. Additional reports can be viewed on [our website](#). Our analysis generally considers the DOI’s challenges and progress as of September 30, 2020, unless otherwise noted.

Challenge Spotlight: COVID-19 Pandemic Response

The DOI was directly affected by the COVID-19 pandemic, which was declared a national emergency in March 2020. While many of the challenges highlighted below are longstanding, they are all exacerbated by the pandemic, which presents its own unique issues. Below, we summarize these challenges and discuss the DOI's plans and progress as it continues to respond to the pandemic.

Managing Emergency Spending

In March 2020, the U.S. Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which provided the DOI with \$949.9 million as of September 30, 2020.

This includes direct apportionments of \$756 million to support the needs of DOI programs, bureaus, Indian Country, and the Insular Areas. It also includes transfers of \$160.4 million from the U.S. Department of Education to the Bureau of Indian Education (BIE) and \$33.5 million from the U.S. Department of Health and Human Services to the Bureau of Indian Affairs (BIA). In May, we published a [report](#) describing our overall approach to CARES Act oversight.²

Related Challenge Areas:



Financial Management



Public Safety and
Disaster Response

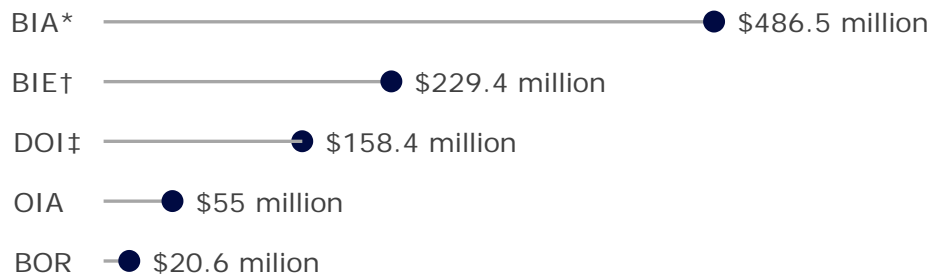


Responsibility to
American Indians

With past disasters, we have found that emergency supplemental funding presents a heightened risk of misuse and vulnerability to fraud. We anticipate that pandemic relief will present similar risks, as experience suggests that when recipients face a crisis and receive multiple sources of substantial funding, accountability mechanisms and safeguards may become ineffective because of time and resource constraints. To highlight these concerns, we issued a [flash report](#) presenting lessons learned from our prior work that the DOI should consider when spending CARES Act funding.³

In April, we began issuing monthly status reports that presented the DOI's progress in spending CARES Act funds through the end of the fiscal year (reports for [April](#), [May](#), [June](#), [July](#), [August](#), and [September](#)).⁴ Figure 1 on the next page shows the DOI components receiving the most CARES Act funding.

Figure 1: DOI Components Receiving the Most CARES Act Funds



* Includes \$33.5 million transferred from the U.S. Department of Health and Human Services.

† Includes \$160.4 million transferred from the U.S. Department of Education.

‡ The operations amount includes \$1 million for our office for oversight activities.

Abbreviations: BOR = Bureau of Reclamation, OIA = Office of Insular Affairs

As of September 30, 2020, grants and financial assistance awards made up approximately 95 percent of the more than 700 awards from DOI CARES Act funds. We noted in an [October flash report](#) that our past work has found that grant awards can present substantial risks.⁵ Moreover, awards made as part of emergency response are particularly risky because they are awarded quickly (often without competition) and have a higher purchase threshold than other acquisitions. In addition, each emergency situation presents its own distinct challenges and has the potential to grow rapidly in size, scope, or complexity. In an [August flash report](#), we identified key actions for the DOI to consider implementing to mitigate the increased risks of fraud and abuse due to increased purchase card thresholds and the fluid nature of disasters and emergency situations.⁶ As we noted, the DOI must carefully evaluate, manage, and monitor CARES Act funds to ensure that they are used for their intended purposes and that expenditures maximize the benefits to all recipients, the Federal Government, and the public.

Emergency spending challenges span all DOI activities but particularly apply to funds flowing to vulnerable populations with a need for immediate assistance that also have a history of fraud, abuse, and mismanagement of Federal funding. Our September [BIA Funding Snapshot](#) outlined the BIA's allotted CARES Act funds and formula for distribution to tribal governments, as well as key internal controls proven to mitigate fraudulent activity.⁷ Most (75 percent) of the CARES Act funding available to the DOI through fiscal year (FY) 2020 is directed toward Indian Country, where single audits* and our own audit work regarding tribes have identified numerous and significant problems—such as [improper payments to related parties](#),⁸ general financial mismanagement, unallowable commingling of Federal funds with tribal funds, and [flawed reporting systems](#)⁹—that leave federally funded programs and operations susceptible to fraud, waste, mismanagement, and abuse. We issued a [flash report](#) in June that provided the DOI, the BIA, and the BIE with lessons to consider as they spend CARES Act funds in Indian

* A single audit is required if an outside entity expends more than \$750,000 in Federal funds in a fiscal year. It is intended to ensure the recipient is complying with the requirements for uses of the money.

Country.¹⁰ In another [June flash report](#), we found that Office of Insular Affairs provided clear processes and guidance to the Insular Area governments and took prompt action in its allocation of CARES Act funds.¹¹

Ensuring Health and Safety

In an effort to protect the health and safety of its workforce during the COVID-19 pandemic, the DOI initially followed its *2007 Pandemic Influenza Plan*. As the situation continued to evolve, the DOI wrote and implemented new guidance and extended telework and other flexibilities. The DOI also established an information portal for employees to obtain health guidance from the U.S. Centers for Disease Control and Prevention (CDC); human resources, operational, and employee safety policies; and tools employees and managers could use to help assess risk and determine appropriate actions to prevent or mitigate the spread of COVID-19.

The DOI's complex mission and diverse functions complicate the implementation of staffing flexibilities—most notably, some work simply cannot be performed remotely. As a result, the DOI and its bureaus made decisions about site openings and employee telework on a case-by-case basis while considering employee health and safety. For example, in early May, most of the national parks remained partially or entirely closed, with approximately 6,800 employees—about 40 percent of the National Park Service (NPS) workforce—continuing to perform mission-critical functions onsite, while remaining employees were encouraged to telework. As another example, DOI law enforcement officers such as special agents and tribal police have continued to perform their mission-critical public safety functions throughout the pandemic.

Below we highlight the DOI's health and safety challenges, plans, and progress related to public lands, wildfire response, Indian Country schools, BIA detention centers, offshore drilling inspections, and the DOI workplace.

Public Lands

DOI bureaus, for example the Bureau of Land Management (BLM), the U.S. Fish and Wildlife Service (FWS), and the NPS, modified operations at recreation sites, wildlife refuges, national parks, and other public lands in an effort to slow the spread of COVID-19 and protect DOI employees and the public. The modifications ranged from partial to full closures and included reduced services (closed visitor centers and bathrooms) and suspended entrance fee collection at

Related Challenge Areas:



Public Safety and Disaster Response



Responsibility to American Indians



Energy Management

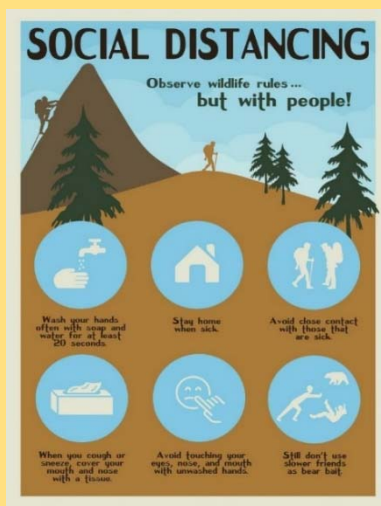


Workplace Culture and Human Capital

On March 22, 2020, the DOI implemented maximum telework and other leave and HR flexibilities. Even though not all DOI functions are conducive to telework, the DOI saw employee telework increase from 19 percent in February to a peak of 74 percent in April—an increase of more than 30,000 employees.

some sites. In a [June flash report](#), we found that the NPS issued guidance on reopening parks and operations on May 28, 2020, providing a framework for local and regional managers to make decisions on operations in consultation with NPS leadership, the newly created field special assistants, and DOI executives.¹² The NPS guidance also outlined considerations for resuming operations, such as State guidance, CDC recommendations, and mitigation strategies (social distancing, off-peak visitation, and limited group sizes). Subsequently, many national parks began to reopen in phases. Phased operations are likely to continue, as the NPS noted in its guidance that pandemic scenarios are anticipated to persist into FY 2021. In addition, many BLM offices and FWS refuges have restricted in-person access to visitor centers and other public areas but allowed visitors access to trails and open spaces.

NPS Operational Adjustments To Promote Health and Safety



Source: NPS.

The NPS made significant changes to its normal operations to promote the safety of its visitors, employees, volunteers, and partners.

These operational changes included closing most park buildings, facilities, and restrooms, and, in some cases, entire parks. Some outdoor recreational spaces remained open where local public health guidance allowed.

Internal NPS guidance directed parks to follow the most stringent public health guidance provided by Federal, State, and local officials when making decisions related to park operations.

The BLM, the FWS, and the NPS must balance public access with the risk to employees and the public. Even with the pandemic, tourist activity continued at national parks and recreation sites, as visitors turned to outdoor activities in lieu of other types of travel. Yellowstone National Park—typically one of the NPS’ most visited sites—saw a 21 percent increase in visits from September 2019 to September 2020. Yellowstone was closed to visitors from March to May 2020; four employees tested positive for COVID-19 from May to August, and an additional 16 employees tested positive in September.

Wildfire Response

Multiple DOI bureaus—the BIA, the BLM, the NPS, and the FWS—deploy firefighters every year to support wildfire response. This requires significant collaboration across a wide range of Federal agencies, States, tribes, local land managers, and other stakeholders. Fire camps can include a large number of personnel living together and working collectively to respond to a wildfire, often in remote areas. As of September 18, 2020, nearly 1,800 DOI employees were deployed in response to major fires across the western United States.

Wildland Fire Efforts To Ensure Firefighter Health and Safety

The Office of Wildland Fire and DOI bureaus work with interagency partners—including the U.S. Forest Service, the Federal Emergency Management Agency, the U.S. Fire Administration, the Natural Resources Conservation Service, the U.S. Department of Defense, and the National Weather Service—in an effort to fulfill their firefighting missions by:

- Monitoring developments and refining plans for hiring and training firefighters
- Protecting firefighters to mitigate against the spread of COVID-19
- Preparing for outbreaks during incidents
- Adapting wildfire response plans
- Continuing work to reduce wildfire risk



Source: BLM.

This year has marked the worst fire season in the West in at least 70 years. The National Interagency Fire Center reported 78 active large fires and nearly 4 million acres burned across the West, including more than 1.5 million acres of DOI and tribal lands nationally (see Figure 2 on the next page). In September 2020, 44 large fires burned in California, Oregon, Washington, and Colorado.

Figure 2: Map of Active Wildfires as of September 22, 2020



Key: Red symbols indicate active fires, and purple and yellow symbols are DOI fire stations that have been closed or curtailed.

Source: DOI ArcGIS Online.

In a [July flash report](#), we outlined the CARES Act funds the DOI allocated to its bureaus through its Wildland Fire Management Program.¹³ More recently, as of September 30, the DOI has approved \$11.6 million in CARES Act funding intended to support firefighter health and safety, including facilities needed to maintain social distancing and quarantine protocol; personal protective equipment (PPE), such as masks, gloves, sanitizers, and thermometers; additional human resources for operations and program management; and cleaning and sanitation of facilities and vehicles. Medical and public health experts from the DOI, the U.S. Department of Agriculture's U.S. Forest Service, the CDC, and State public health offices formed a special interagency team to review and synthesize COVID-19 guidelines developed by the Fire Management Board for wildfire operations. The team directed firefighters to follow CDC recommendations that identify extra precautions—such as using screening programs, disinfectants, quarantine periods, and PPE when appropriate—to protect firefighters and other personnel at fire camps from COVID-19. According to the CDC, research suggests exposure to smoke could increase the risk and severity of respiratory infections like COVID-19. With that increased risk and above-average fire activity, even the additional protection measures may not meet the health and safety needs of wildland fire employees.

Indian Country Schools

The BIE provides education services to about 46,000 students in 183 Indian Country schools and dormitories. We have previously identified challenges the BIE faces in providing high-quality education to its students due, in part, to poor facilities and limited access to broadband internet.

For example, in a [2018 investigation](#), we found that the tribally controlled Pine Hill School had been operating without fully functioning fire alarm and fire suppression systems since 2005.¹⁴ In an upcoming report, we plan to assess Pine Hill's progress in addressing longstanding issues identified in our previous reports. The BIE faces increased infrastructure and technology challenges and economic impacts due to the pandemic. As we noted in a [July flash report](#), the CARES Act funds the BIE received are intended to provide assistance for Indian Country schools and, in particular, enable them to modify facilities and improve technology to meet health and safety requirements.¹⁵ As of September 30, 2020, the BIE had obligated more than \$180 million to support K – 12 schools and tribal colleges and universities. The BIE faces challenges in ensuring that proper internal controls are in place to monitor and track these CARES Act funds. The BIE has stated that it intends to address these challenges by assigning financial analysts to monitor each bureau-operated or tribally controlled school it oversees, evaluating school spending plans, and centrally tracking spending.

Since 2017, the GAO's High-Risk List has included safety and health problems at BIE school facilities and weak oversight of school spending, problems that may be exacerbated during a pandemic.

BIA Detention Centers

The BIA operates or funds detention centers in Indian Country. The problems we have previously [reported](#), such as inmate overcrowding, understaffing, and issues with facility safety and maintenance, have been further exacerbated by the pandemic.¹⁶ The BIA now faces additional challenges such as monitoring the health of staff and inmates, managing any COVID-19 outbreaks, implementing tribal court decisions on early release or home confinement for nonviolent offenders, and implementing the CDC guidelines for social distancing and cleaning at detention facilities. During fieldwork for a forthcoming report, the BIA told us it developed COVID-19 screening tools for facilities to use before booking inmates or allowing entry by visitors, contractors, medical staff, and legal representatives. In addition, the BIA developed a decision tree for facilities to use to determine an inmate's risk for COVID-19. The BIA also told us that it distributed guidance and PPE to Indian Country detention facilities. We plan to further outline these findings in an upcoming flash report.

The CARES Act provided the BIA with \$2.2 million for personal protective equipment and \$7.9 million for COVID-19 related costs for its detention and corrections program.

Offshore Drilling Inspections

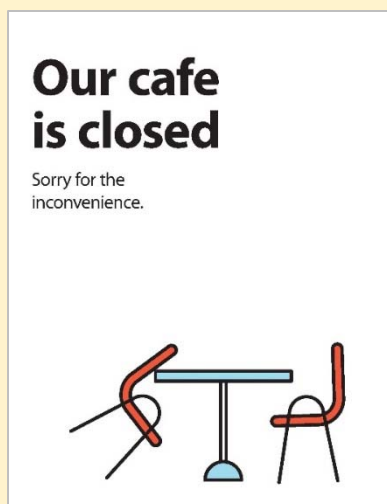
The Bureau of Safety and Environmental Enforcement's (BSEE's) Safety Inspection Program performs safety and environmental inspections of offshore oil and gas production operations. Annually, BSEE conducts more than 20,000 inspections at more than 2,300 facilities. Considering the COVID-19 exposure risks for personnel conducting offshore inspections and the

potential impact on safety, BSEE has faced significant challenges in completing its routine inspections; however, as of June 2020, BSEE reported that no inspections had been delayed beyond the annual statutory requirement. In a recent [flash report](#), we found that BSEE had implemented mitigating measures—such as completing screening procedures, providing PPE, and conducting remote monitoring—to protect its inspectors from the transmission of COVID-19.¹⁷ BSEE informed us that it developed, communicated, and updated COVID-19 guidance for all personnel involved with offshore inspections and worked closely with operators to stay informed about any virus outbreaks that occurred offshore.

DOI Workplace

The DOI's 70,000 employees, as well as numerous contractors, will be affected by the DOI's decisions and eventual return to Federal work sites. DOI bureaus may face particular logistical challenges balancing efforts to return to work sites with efforts to combat the spread of coronavirus.

Example Signage for Return to Workplace



Source: General Services Administration.

In its recent [Return to Workplace Strategy Book](#), the General Services Administration set forth several workplace modifications and procedures Federal agencies, including the DOI, may need to implement.¹⁸ These modifications may include:

- Planning and implementing physical alterations to workplaces (adding signs, closing areas, installing barriers, changing traffic patterns) to maintain physical distance
- Providing PPE and cleaning supplies
- Monitoring employee health and communicating the appropriate response if staff show symptoms
- Completing additional cleaning and deep cleaning when needed

As the DOI considers plans for returning personnel to work, it will continue to face challenges in ensuring a safe environment and healthy workforce. As part of the process to plan for a safe and effective return to onsite operations, the DOI told us it may evaluate whether to expand or make permanent some remote work, and if so, whether to reduce office space and renegotiate leases to reflect a smaller footprint. Additionally, the DOI may need to alter contingency plans for continuity of operations, establish new protocols for operations (e.g., for travel and meetings with constituents or other agencies and for communicating updates), and develop a plan to manage workloads if employees cannot return to work.

Accomplishing DOI Functions and Operations

The DOI has faced challenges in continuing to fulfill its mission during the COVID-19 pandemic. In a

[July report](#), we identified the following three

pandemic-related challenges the DOI may face:

(1) providing expedient assistance to vulnerable populations while ensuring the money reaches intended recipients for intended purposes,

(2) balancing public and employee safety with access to public lands, and (3) guarding against increasing cybersecurity threats.¹⁹ Bureaus and programs must

continue their critical work, despite disruptions in operations, potential work-life balance challenges, barriers to effective collaboration, strained resources, and staff or skill shortages. The DOI has used

collaborative meetings among leadership, field special assistants, and regional field committees in an effort to coordinate and share information across bureaus.

Related Challenge Areas:



IT Security



Workplace Culture and Human Capital



Public Safety and Disaster Response



Energy Management



Water Programs

As the DOI continues to address the consequences of the pandemic, new decisions or challenges may emerge from the changes made in operations, technology, and staffing levels. The DOI may also need to address how to carry out its mission in a changed world. For example, as summarized previously, the DOI has acknowledged that it may have to make decisions on whether and how to expand or make permanent some remote work and whether or how to fill positions that may no longer need to be tied to a physical location.

Below we highlight the DOI's programmatic and operational challenges, plans, and progress related to information technology (IT), hiring employees, law enforcement, workplace culture, revenues from oil and gas production, and water and power management.

Information Technology

The DOI relies on complex, interconnected IT systems to carry out its daily operations. When offices began implementing the U.S. Office of Management and Budget's March 2020 guidance on maximum telework flexibilities, there were increased demands on IT staff and systems to ensure DOI networks could support the number

of employees working remotely and provide reliable, stable ways to communicate and access critical applications and data. The Office of the Chief Information Officer (OCIO) stated that the DOI's recent migration to Microsoft Office 365 and corresponding increased capabilities, such as the Teams application, helped maintain connectivity for DOI staff while maximizing telework. In addition, the OCIO coordinated with contracting officers and the vendor to increase virtual private network licenses to ensure that teleworking employees could access DOI networks.

The DOI spends approximately \$1.2 billion annually on IT systems to support bureau operations and programs.

An increase in remote access to IT systems increases the risk of security breaches of remotely stored and transmitted data. In previous management challenges reports, we have identified deficiencies in IT security, incident response, continuous monitoring, and acquisitions. In a recent evaluation, we [reported](#) that the DOI did not have secure wireless networks, did not require regular testing of network security, and published contradictory, outdated, and incomplete guidance for wireless networks.²⁰ Potential security breaches of the wireless network infrastructure could have a severe adverse effect on DOI operations, assets, or individuals. All of these IT challenges are exacerbated by the increased demands on IT resources and staff during the pandemic. We made 14 recommendations to help the DOI address these issues. The DOI stated that resources were recently approved for sustaining OCIO risk management activities associated with improving WiFi security.

The BIE Faces Technology Challenges in Indian Country Schools



Source: Shutterstock.

While the BIE reopened some of its schools for in-person classes on September 16, 2020, other tribal communities have decided that students will not attend school in person in the 2020 – 2021 school year. Consequently, the BIE faces particular challenges in providing virtual learning and ensuring that each student has the needed IT equipment and internet access.

In addition, some tribal communities have limited cellular service, which hinders the effectiveness of wireless hot spots for at-home learners. Due to restrictions on in-person classes and technology

challenges, Native American students may be at risk of falling behind in their school curriculum.

In 2019, the BIE launched a project intended to help keep students connected to learning: its WiFi Bus project uses internet-enabled buses in an effort to help students stay connected while traveling (in some cases, over 200 miles roundtrip per day). This program is also intended to benefit students once schools resume in-person instruction.

Hiring New Employees

Hiring employees during a pandemic poses many challenges because of traditional reliance on in-person interactions, particularly for interviewing, vetting, onboarding, and training new hires.

The DOI implemented temporary procedures and used technology in an effort to promote continuity of hiring while protecting DOI employees and candidates from potential exposure to COVID-19. For example, the new procedures limited recruitment and hiring to mission-critical positions until routine processes can be reestablished. In addition, the DOI's procedures allowed delay or deferral of required onboarding processes—fingerprinting, obtaining DOI access cards,

and completing some medical examinations—to meet urgent and mission-critical needs. Hiring officials also used technology to complete new-hire paperwork, orient new employees (including administering their oaths of office), and ensure that all delayed and deferred onboarding steps are ultimately completed and recruited employees have been properly vetted. Although the DOI was challenged to adapt its hiring procedures, hiring officials told us that the DOI did not experience a significant decline in hiring in FY 2020 and was able to continue onboarding new employees during the pandemic (shown in Figure 3).

Figure 3: DOI Hiring by Fiscal Year



Law Enforcement

The DOI's law enforcement responsibilities include resource protection, visitor safety, special event management, and crowd control across jurisdictions. For example, each year the U.S. Park Police works to ensure public safety and protect national cultural assets during hundreds of First Amendment demonstrations on Federal lands, including the National Mall. The DOI's law enforcement responsibilities continue to grow. In May 2018, the DOI and the U.S. Border Patrol established long-term operations and staffing plans to increase the presence of DOI law enforcement officers on DOI-managed lands along the United States border with Mexico. In addition, a June 2020 executive order potentially expanded the DOI's law enforcement mission. As a result of these various missions, the DOI is developing policy to clarify law enforcement priorities.

The DOI has stated that the pandemic has increased the demands on its law enforcement officers, who perform essential duties related to law enforcement, investigation, security, and emergency response. The Federal Law Enforcement Training Center halted in-person training from March to June 2020, which delayed required training for new officers and renewal of certifications for current law enforcement officers. In addition, given their direct interface with the public, officers face challenges in fulfilling their duties while following proper precautions to prevent the spread of COVID-19, including carrying and using PPE as necessary.

Workplace Culture

Since 2017, we have stated that promoting and maintaining a culture of ethics has been a challenge for the DOI. Our work has found instances of [unethical](#)²¹ and [unwelcome](#)²² behavior, [misconduct](#),²³ and other actions that negatively affect the DOI workplace. In April 2020, the DOI sent a memo to employees acknowledging the changed work environment. This memo noted the range of hardships that employees might face due to the pandemic and specifically highlighted rules for the following topics: official time and DOI resources, partisan political activities, gifts, outside employment, and conflicts of interest and impartiality.

In response to our reports on unethical behavior and other misconduct over several years, the DOI has taken some steps to promote a safe and ethical work environment. The DOI refreshed the Departmental Ethics Office website in April 2020 to provide employees with immediate access to Federal ethics laws and rules, forms, guidance, and contact information for ethics officials. A recent [U.S. Office of Government Ethics review](#) found that the number of full-time ethics officials at the DOI increased from 21 in

April 2018 to 65 as of July 2020.²⁴ The same report closed all remaining recommendations from a 2016 review and did not make any new recommendations for improvement.²⁵

In April 2020, the DOI launched a mobile application—the DOI Ethics App—to provide employees easy access to Federal ethics laws and rules, guidance, and contact information for ethics officials.

Managing Revenues From Oil and Gas Production

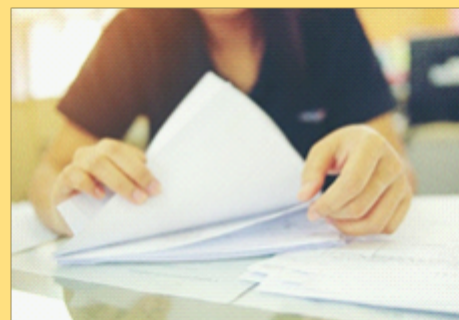
Royalty revenues from oil and gas production on Federal lands and waters are disbursed to States, certain Federal programs, and the U.S. Treasury. For example, offshore oil and gas revenues provide most or all of the funding for several Federal land conservation and restoration programs, including the Land and Water Conservation Fund, the Historic Preservation Fund, and the newly established National Parks and Public Land Legacy Restoration Fund.

The economic impact of the pandemic has significantly affected energy and mineral prices, production, and consumption. As a result, the DOI has received an unprecedented number of applications for temporary royalty relief, which is a reduction or halt of the royalties companies pay for oil and gas production on Federal lands and waters. The BLM processes applications for royalty relief for onshore oil and gas leases, while BSEE processes applications for royalty relief for offshore production.

Unprecedented Number of Applications for Temporary Royalty Relief

As of September 2020, the BLM reported that it had processed 1,698 applications for royalty relief, 581 of which were approved for a period of 60 days.

In late July 2020, the BLM stated that, because States were beginning to reopen, it would no longer consider COVID-19 as a factor when deciding to approve or deny royalty relief applications, and all the approved applications have since expired.



Source: Shutterstock.

As of September 2020, BSEE reported that it had received 213 applications for special-case royalty relief (an option for situations, such as national emergencies, that do not qualify for BSEE's other established relief programs). Of these, 69 were approved with terms developed on a case-by-case basis. In recent years BSEE received few applications for special-case royalty relief; for example, between FY 2004 and FY 2019, BSEE received a total of 13 special-case applications, 9 of which were approved.

In granting royalty relief, the BLM and BSEE must balance the potential effects of increased production when the oil market is saturated and prices are declining against the consequences that may occur if companies abandon their production sites located on Federal lands because they can no longer afford to continue operating. For example, although lessees and operators are responsible for decommissioning offshore assets, BSEE is often left to find alternative funding to conduct the expensive decommissioning for those operators that declare bankruptcy or otherwise abandon their interests. We have previously [noted](#) BSEE's need to implement a bureauwide decommissioning policy.²⁶

In a recent [report](#), the GAO found that BLM State offices interpreted guidance on relief decisions differently and made inconsistent decisions about approving applications for relief.²⁷

Specifically, some State offices approved applications when companies could not prove that royalty relief would enable them to operate profitably, while others did not approve such applications.

In FY 2019, leasable minerals and geothermal resources on Federal lands resulted in total disbursements of \$4.71 billion. These royalties are based on rates that vary depending on the type of production, but, before the pandemic, these rates were typically 12.5 percent to 18.75 percent. In FY 2020, some rates were lowered as part of the royalty relief implemented, with some companies paying as little as 0.5 percent. Royalty revenues through August 2020 have decreased 25 percent from FY 2019.

Given the decrease in these revenues stemming from the pandemic, stakeholders have expressed concern about whether FY 2020 revenues will be sufficient to fund the Federal and State programs that rely on them.

Offshore oil and gas royalties collected from April to August 2020 were well below those collected in that timeframe in previous years:

2016	\$1.05 billion
2017	\$1.27 billion
2018	\$1.97 billion
2019	\$2.11 billion
2020	\$915 million

Water and Power Management

The Bureau of Reclamation's (BOR's) mission to provide water and generate power is essential to the American people. During the pandemic, the BOR faces challenges in fulfilling its mission without interrupted or diminished service. The BOR told us it established alternative work schedules, hygiene controls, physical distancing practices, and hazard analysis processes in an effort to provide safe, consistent personnel coverage at field facilities while minimizing the risk of spreading COVID-19. The BOR reported that there have been no reductions in the delivery of water or production of power across its 17-State service area during the pandemic. In addition, the BOR participated in the COVID-19 Tiger Team of the Edison Electric Institute's Electricity Subsector Coordinating Council, a coordination forum for Federal and private utilities, which shared strategies, status information, and lessons learned.

Emerging Challenge: Implementation of the Great American Outdoors Act

The DOI oversees approximately 20 percent of the land in the United States, which serves nearly 500 million visitors per year. The Great American Outdoors Act became law in August 2020. It is intended to help address the backlog of deferred maintenance (i.e., maintenance that has been postponed rather than performed as needed) at national parks, other public lands, and Indian Country schools. It is also intended to permanently fund the Land and Water Conservation Fund (LWCF) to support conservation of lands and waters and provide recreation opportunities.

Related Challenge Areas:



Financial Management



Responsibility to American Indians



Energy Management



Water Programs

The Act designates funds for maintenance and conservation projects, specifically:

- \$9.5 billion over the next 5 years for deferred maintenance needs via the new National Parks and Public Land Legacy Restoration Fund (85 percent distributed to the NPS, the FWS, the BLM, and the BIE and 15 percent to the U.S. Department of Agriculture's U.S. Forest Service)
- \$900 million in mandatory spending per year to preserve and create public lands via the LWCF

National Parks and Public Land Legacy Restoration Fund

The Act distributes the National Parks and Public Land Legacy Restoration Fund appropriations for priority deferred maintenance projects among DOI bureaus: 70 percent will go to the NPS, and the FWS, the BLM, and the BIE will each receive 5 percent. Figure 5 illustrates the bureaus' deferred maintenance backlog amounts as of FY 2018.

Figure 5: DOI Deferred Maintenance Backlog Amounts as of FY 2018



The DOI will face challenges in effectively and promptly deploying the funding provided by the Great American Outdoors Act to address the deferred maintenance backlog.

The Act requires agencies to use the funding for priority deferred maintenance projects and annually submit to Congress a list of projects to be funded, including a detailed description and the estimated costs for each project. To carry out the Act and prioritize the DOI's deferred maintenance backlog, the DOI established a task force on August 11, 2020, which was directed to develop a strategy, compile a list of priority projects, and identify best practices to maximize implementation of the Act. The task force has also been directed to coordinate processes with other Federal agencies and tribes. The DOI reported that the task force has begun to identify and establish metrics to allow for monitoring of the program.

Many aging facilities and other structures require repair and restoration to mitigate risks to public health and safety. Over the years, maintenance funding has not kept up with need, and Congress has [questioned](#) whether funds have been used efficiently.²⁸

Annual fund amounts may vary because the Act provides that 50 percent of all Federal energy revenues—up to \$1.9 billion—will be deposited into the fund each year. Because the revenues are provided primarily through offshore oil and gas production, the reduction in revenues due to the pandemic (discussed above) may affect the funding available in FY 2021.

The NPS Deferred Maintenance Backlog

The NPS' deferred maintenance backlog is the largest among Federal land management agencies. The NPS has stated that nearly 42,000 of its 76,000 assets require repairs.

As shown in Figure 5, for FY 2018 (the most recent year available) the NPS' maintenance backlog was estimated at nearly \$12 billion. More than half of that amount is for transportation-related maintenance, such as for roads, tunnels, and parking areas. The rest of the backlog is associated with other facilities, such as housing, buildings, campgrounds, and trails.



Source: NPS.

Over the decade between FY 2009 and FY 2018, the NPS backlog was reduced by only \$0.368 billion after adjusting for inflation.

Land and Water Conservation Fund

Before enactment of the Great American Outdoors Act, nearly all annual appropriations for the LWCF were considered discretionary and were typically in amounts under \$900 million. The LWCF was authorized to accrue \$900 million annually, primarily from oil and gas leasing fees, but the money could not be spent unless appropriated by Congress. Over the last 10 years, appropriations for the fund were half that amount or less, resulting in an unappropriated balance

of approximately \$22 billion through FY 2019, which is to remain credited to the fund until appropriated or otherwise reduced by new laws.

The fund generally supports three main purposes: (1) land acquisitions, (2) grant programs for the States, and (3) other Federal programs with natural resource-related purposes. Previous reports from both our office and the GAO have found that the DOI does not have an adequate process to track information on lands acquired using grant funds and the LWCF. For example, a 2019 GAO [report](#) found that the BLM could not identify all lands acquired using the LWCF because the BLM did not properly code some of the information entered in its data system.²⁹ In addition, in a 2017 evaluation, we [reported](#) that the DOI is unable to identify how much grant money has been used to purchase land, how much land has been purchased, and whether that land is being used for its intended purpose because it does not centrally track this information.³⁰ In the report, we recommended that the DOI standardize the tracking of grants awarded for land purchases to ensure consistency across bureaus and develop guidance to inform awarding agencies and grantees of their responsibilities under 2 C.F.R. § 200.329. In January 2020, the DOI informed us that it had implemented these recommendations by adding requirements to 2 C.F.R. part 1402 and drafting a new policy outlining requirements for land purchased through financial assistance awards.

With permanent funding, the DOI may find long-term project planning easier, as it will have greater certainty surrounding the annual spending process. However, the DOI will continue to face challenges in properly collecting information on and overseeing the use of the funds.

Appendix: Publications Cited

The following endnotes identify the Office of Inspector General (OIG) work and other agency reports cited in this report, in order of appearance.

1. U.S. Government Accountability Office, Report No. GAO-19-157SP, *High-Risk Series: Substantial Efforts Needed to Achieve Greater Progress on High-Risk Areas*, issued March 6, 2019
2. *DOI OIG CARES Act Oversight Plan*, issued May 2020
3. Report No. 2020-FIN-037, *Lessons Learned for CARES Act Awards*, issued May 2020
4. Report No. 2020-FIN-036, *Where's the Money? DOI Use of CARES Act Funds as of April 28, 2020*, issued May 2020
Report No. 2020-FIN-046, *Where's the Money? DOI Use of CARES Act Funds as of May 31, 2020*, issued June 2020
Report No. 2020-FIN-052, *Where's the Money? DOI Use of CARES Act Funds as of June 30, 2020*, issued July 2020
Report No. 2020-FIN-059, *Where's the Money? DOI Use of CARES Act Funds as of July 31, 2020*, issued August 2020
Report No. 2020-FIN-068, *Where's the Money? DOI Use of CARES Act Funds as of August 31, 2020*, issued September 2020
Report No. 2020-FIN-072, *Where's the Money? DOI Use of CARES Act Funds as of September 30, 2020*, issued October 2020
5. Report No. 2020-ER-057, *Lessons Learned From Oversight of the Coastal Impact Assistance Program Grants*, issued October 2020
6. Report No. 2020-FIN-055, *Lessons Learned for Purchase Card Use*, issued August 2020
7. Report No. 2020-FIN-051, *Bureau of Indian Affairs Funding Snapshot*, issued September 2020
8. Report No. 2015-ER-069-A, *Audit of Contract Nos. A13AV00621 and A12AV00769/A15AV00265 Between the Bureau of Indian Affairs and the Lower Brule Sioux Tribe*, issued December 2016
9. Report No. 2017-FIN-042, *The Wind River Tribes Misapplied Federal Funds for the Tribal Transportation Program*, issued July 2018
10. Report No. 2020-FIN-045, *Lessons Learned for Indian Country*, issued June 2020

11. Report No. 2020-WR-041, *The Office of Insular Affairs Took Appropriate Action With CARES Act Funds*, issued June 2020
12. Report No. 2020-CR-039, *The National Park Service's Coronavirus Response Operating Plans*, issued June 2020
13. Report No. 2020-ER-042, *CARES Act Funds for DOI's Wildland Fire Management Program as of June 19, 2020*, issued July 2020
14. Report No. OI-CO-15-0246-I, *Failure to Maintain Fire Alarms at Pine Hill Schools*, issued June 2018
15. Report No. 2020-FIN-050, *Bureau of Indian Education Snapshot*, issued July 2020
16. Report No. 2015-WR-012, *Bureau of Indian Affairs Funded and/or Operated Detention Programs*, issued February 2016
17. Report No. 2020-CR-047, *The Bureau of Safety and Environmental Enforcement's Safety Inspection Program COVID-19 Response*, issued September 2020
18. General Services Administration, *Return to Workplace Strategy Book* (version 2.0), issued September 9, 2020
19. *U.S. Department of the Interior Top Management Challenges – Pandemic Response*, issued July 2020
20. Report No. 2018-ITA-020, *Evil Twins, Eavesdropping, and Password Cracking: How the OIG Successfully Attacked the DOI's Wireless Networks*, issued September 2020
21. Report No. 14-0579, *Building Management Employee Misused Charge Card and Participated in Bid Rigging*, issued September 2020
22. Report No. 19-0884, *Alleged Misconduct by Senior Official*, issued September 2020
23. Report No. 19-0228, *Sexual Misconduct by an NPS Employee*, issued September 2020
24. U.S. Office of Government Ethics, Report No. 20-41, *Ethics Program Review: U.S. Department of the Interior*, issued August 27, 2020
25. U.S. Office of Government Ethics, Report No. 16-43, *Ethics Program Review: U.S. Department of the Interior*, issued June 2016

26. Assignment No. 2016-EAU-063, *The Bureau of Safety and Environmental Enforcement's Decommissioning Program*, issued March 2019
27. U.S. Government Accountability Office, Report No. GAO-21-169T, *Federal Oil and Gas Revenue: Actions Needed to Improve BLM's Royalty Relief Policy*, issued October 6, 2020
28. Congressional Research Service, Report No. R43997, *Deferred Maintenance of Federal Land Management Agencies FY2009-FY2018: Estimates and Issues*, updated April 30, 2019
29. U.S. Government Accountability Office, Report No. GAO-19-346, *Land and Water Conservation Fund: Variety of Programs Supported, but Improvements in Data Collection Needed at BLM*, issued May 31, 2019
30. Report No. 2016-ER-016, *Evaluation of DOI's Tracking of Data for Land Purchases Made With Grant Funds*, issued September 2017

Report Fraud, Waste, and Mismanagement



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