



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



OFFICE OF INSPECTOR GENERAL'S ORGANIZATIONAL ASSESSMENT 2015

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Message From the Deputy Inspector General

I am pleased to present our Organizational Assessment Report for fiscal year (FY) 2015. The report summarizes our most significant achievements of FY 2015, provides data on cumulative impacts from prior years' work, and identifies emerging issues for FY 2016.

Thirty-seven years after their establishment, Offices of Inspector General (OIGs) have a more critical role than ever as the Nation faces trends such as historically low citizen confidence in the Federal Government, a constrained budget environment, and both real and perceived mismanagement of Federal programs, funds, and operations. By holding agencies accountable and ensuring sound fiscal stewardship of taxpayer dollars and other Federal revenue, OIGs can help temper these trends. Our reports, such as one on use of the Brinkerhoff Lodge in Grand Teton National Park and several on U.S. Department of the Interior (DOI) law enforcement misconduct, highlight our crucial role in providing trusted, objective, fact-based information to Congress, DOI, and the general public. As an agency that operates independently and follows strict standards of objectivity, we are sought out by Congress, DOI leaders, and the public when internal reviews by the Department might be questioned.

Other cases, such as our involvement in an interagency task force on the *Deepwater Horizon* oil rig explosion off the Gulf Coast in 2010, highlight the return on investment of our OIG for taxpayers: BP alone paid more than \$20.8 billion in fines and other penalties to the Government, \$18 billion of it the result of a settlement this summer. In FY 2015, our reviews of DOI programs and activities identified almost \$13.9 million in questioned and unsupported costs, with an additional almost \$32.2 million in recommendations that funds be put to better use. OIG investigations helped recover almost \$13.8 million through settlements, recoveries, and penalties (fines, special assessments, and restitution). The Brookings Institution reported in FY 2015 that our OIG returned \$20 for every taxpayer dollar spent, based on a 5-year average.

We also recognize that, to provide effective oversight to a department as large as DOI, we must improve as an organization. This report highlights our achievements in internal communication, office consolidation, and continuous improvement. Our scores on employee engagement and other areas measured by the annual Federal Employee Viewpoint Survey, administered by the Office of Personnel Management, consistently outpace overall Government and DOI scores.

OIG's highly skilled and engaged workforce is our greatest asset. Our successes in FY 2015 resulted from the hard work, dedication, and professionalism of our staff. One of our special agents even received the Environmental Protection Agency's highest award, the Gold Medal for Exceptional Service, for his work on the collaborative investigation by the Deepwater Horizon Task Force.

Respectfully,



Mary Kendall
Deputy Inspector General

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) 2015 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.¹

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 566 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.

¹ For a more extensive compilation of OIG investigations, audits, evaluations, and inspections, see OIG's [Semiannual Report to Congress](#).

About OIG

Staffed with approximately 275 employees, OIG conducts audit and investigative work that is legislatively required, requested by Congress, or initiated by OIG on a discretionary basis. Providing oversight to a department as large and diverse as DOI led us to establish key focus areas to prioritize our discretionary work. These focus areas represent significant or high-risk programs and functions in DOI (see Figure 1).

We selected these areas based on DOI's Strategic Plan, outreach to customers and stakeholders, and our professional judgment about the greatest risks to DOI's programs and functions. Conducting the majority of our audit and investigative work in key focus areas allows us to develop specialized expertise and knowledge that help us prevent fraud, waste, and mismanagement within the most vulnerable and critical programs in DOI.

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 (ARD) develops cases and refers recommendations either for administrative action or for no administrative action to DOI's Suspending and Debarring Official (SDO). After the SDO initiates proceedings, ARD staff serves as a case representative.

ARD 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 Federal Government without administrative actions. To that end, ARD's review sometimes reveals that the party has sufficient internal controls, policies, and procedures to detect and prevent violations of laws and regulations and has taken adequate corrective actions to protect Federal business interests. In such instances, ARD recommends that no administrative action be taken.

About This Report

Part 1 of this report highlights significant audits, inspections, evaluations, and investigations in FY 2015. We present the content by focus area, discussing for each area why we chose that focus area, our role, key work, and its impact. In some sections we also mention work completed in partnership with groups outside of OIG.

Part 2 of this report covers our major organizational improvement efforts. In FY 2015 we focused on reducing the OIG-wide real estate footprint through office consolidation, improving internal communication at all levels, formalizing and improving upon our After Action Review program, and training OIG employees as facilitators to engage participants and achieve meeting objectives.

OIG Focus Areas
Energy
Acquisition and financial assistance
DOI information technology
Indian affairs
Climate change
Water
Public and employee safety
Manager and law enforcement misconduct

Figure 1. OIG key focus areas.

Executive Summary

Highlights from each section of this report are presented below for easy location and review. We also include summary statistics on products issued this fiscal year.

Highlights: Part I. Significant Audit and Investigative Results

Energy

- Since 2008, monetary benefits (potential cost savings, settlements, and penalties) from our energy work have totaled approximately \$88 million. In that timeframe, OIG has initiated more than 100 energy- or mineral-related investigations; issued 37 audit, evaluation, and inspection reports and management advisories; and made 270 recommendations.
- In a review of BIA's Osage Agency, we made 33 recommendations for sweeping changes in the structure, policies, procedures, and systems of the Agency's program to manage the Osage Nation's mineral estate.
- Two of OIG's energy investigations resulted in criminal convictions and fines of \$3,300, and four resulted in more than \$3.18 million in civil settlements and recoveries.
- Five years after the *Deepwater Horizon* disaster in 2010, BP reached a settlement with DOJ that brings its civil obligations to \$20.8 billion, and its total cost for cleanup, fines, and penalties to almost \$54 billion. OIG employees contributed significant expertise as part of the Deepwater Horizon Task Force that helped develop DOJ's case against BP and other responsible parties.
- In FY 2015 we recommended to the Suspending and Debarring Official that DOI implement its first administrative agreement with a company involved in renewable energy. The agreement allows the company to keep doing business while addressing the Government's concerns.

DOI Information Technology

- We established a specialized IT Audits Unit in FY 2014 to help ensure that DOI maintains a robust IT security infrastructure, and we continued to develop expertise in this area in FY 2015.
- We found nearly 3,000 critical and high-risk vulnerabilities in hundreds of publicly accessible computers operated by three DOI bureaus. A remote attacker could use a compromised computer to severely degrade or cripple DOI operations. We briefed and testified before Congress on these findings.
- Four major reviews of DOI's IT assets in FY 2015 resulted in 26 recommendations to DOI to improve IT security.

Indian Affairs

- The valuable work done since 2011 as part of the Guardians task force—an anti-corruption task force focused on Indian Country—continued to produce indictments in FY 2015. Related OIG investigations have to date resulted in 32 indictments and 2 criminal charges filed against 18 individuals and 5 contractors.

- Without legislative changes, the Office of Navajo and Hopi Indian Relocation is not in a position to complete its mission in the near future—to relocate Navajo households living on lands partitioned to the Hopi Tribe and Hopi households living on lands partitioned to the Navajo Nation. These relocation efforts began in 1974.
- In a series of inspections regarding violence prevention at BIE-funded schools, we found that of the 16 schools we visited, only 2 had complete and updated emergency preparedness/security plans in place and less than half provided comprehensive training to both students and staff to help reduce the risk of violent incidents.
- In a series of inspections regarding academic achievement at BIE-funded schools, we found that only 1 of the 16 schools we visited had completed an assessment that fully covered eight critical areas widely accepted in the educational community. We also found that five schools had not administered the required English language learner assessment test.

Acquisition and Financial Assistance

- In FY 2015, areas of concern include insufficient planning and inadequate administration and oversight.
- Significant grant and contract audits resulted in \$19,493,427 in questioned costs.
- We led a team of eight law enforcement agencies in a complex investigation involving fraud committed by a bonding company against several Government agencies. Our investigation led to a guilty plea related to the DOI contracts and \$1.25 million in restitution.

Water and Climate Change

- We recommended a change to the cost allocation for a USBR project to ensure accurate representation of the Government's investment (currently understated by \$305.3 million).
- We confirmed that USBR implemented recommendations we made in 2012 to improve emergency planning and preparedness at 21 high-hazard dams, the failure of which would be devastating to the U.S. economy, security, and public health or safety.
- We confirmed that USBR implemented a recommendation from a 2013 report that will ensure stable and predictable repayment of the entire Federal investment in California's Central Valley Project between now and 2030.

Public and Employee Safety

- We determined that a historic NPS building—the Brinkerhoff Lodge in Grand Teton National Park, WY—was being operated as a lodge without ensuring the safety of visitors and without an adequate determination of the appropriate use for the building and its furnishings.
- We questioned nearly \$4.4 million in costs associated with the installation of retractable vehicle-restraint bollards to protect garage entrances in DOI's headquarters building.
- Two BIA wildland firefighters who were found guilty of intentionally setting 38 fires on BLM, tribal, and State trust lands were required to pay \$3.84 million in restitution and penalties.

Other Significant Audit, Investigative, and OIG Achievements

- We found that NPS was not charging as much as it could for entry into national parks. Partly in response to our report, NPS announced that about 130 park locations had plans to raise entry and recreation fees, significantly increasing the potential revenue generated.
- We made five recommendations to help BLM increase fee revenue and strengthen operations, to enhance its ability to protect and maintain recreation areas and improve the visitor experience.
- We identified wrongdoing in four cases involving law enforcement personnel in FY 2015—particularly significant given the ethical implications for those entrusted with enforcing the law.
- We provided training and technical assistance to investigators, auditors, and other government staff in the Insular Areas on OIG-relevant topics such as report-writing for high-profile topics, sensitive investigations, grant fraud, search warrants, and money laundering.
- We offered eight recommendations to the Government of Guam and the Guam Memorial Hospital Authority (GMHA)—the only public hospital on Guam—to help the GMHA recover costs and improve its ability to provide medical services to Guam’s approximately 150,000 residents.
- We initiated investigations based on whistleblower complaints, including one that led DOI to determine that the tribal government for the Chippewa Cree Tribe in Montana engaged in a prohibited retaliation against its chairman. DOI ordered \$648,000 in restitution to the tribal government whistleblower.

Highlights: Part 2. Internal Results

- According to an independent study by the Brookings Institution published in April 2015, we return \$20 for every taxpayer dollar spent, based on a 5-year average.
- We reduced our footprint by 11 percent in our Reston and Herndon, VA locations, by consolidating the spaces. We also achieved LEED certification for the new consolidated office.
- Since 2010, we have reduced our OIG-wide footprint by approximately 21,000 square feet and saved almost \$950,000 annually.
- We were shortlisted for a 2015 Melcrum Award in Expert Leadership and Manager Communications. Melcrum works with leaders and teams around the globe to build skills and know-how in internal communication.
- Since 2009, we have consistently scored in the top quartile (75 – 100 percent) on the Partnership for Public Service’s analysis of data from the annual Federal Employee Viewpoint Survey on topics such as effective leadership, work-life balance, and strategic management. In FY 2015, we ranked 15th on the Partnership’s “Best Places to Work” list of agency subcomponents and 4th on its list of agencies with an oversight mission.
- We trained all employees in the DiSC® model of understanding communication styles; implemented best practices to save travel dollars; and formalized internal programs, including our After Action Review program and an internal meeting facilitator program.

Key OIG Statistics for FY 2015

Figure 2 summarizes, by the numbers, the FY 2015 work of OIG’s Office of Audits, Inspections, and Evaluations (AIE) and Office of Investigations (OI).

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 and civil settlements. Approximately 83 percent of our discretionary work in FY 2015 addressed one or more focus areas.

Work by our Administrative Remedies Division provided information to the Suspending and Debaring Official so that she could take actions regarding contractors and grantees that pose risks to the Federal Government (see Figure 3). Suspension and debarment actions prevent these contractors and grantees from doing business with the Government.

Office of Audits, Inspections, and Evaluations	
Reports issued	97
Recommendations made	258
Questioned and unsupported costs	\$13.85 million
Recommendations that funds be put to better use	\$32.18 million
Office of Investigations	
Cases closed	456
Criminal convictions	34
Criminal penalties	\$10.03 million
Civil settlements and recoveries	\$3.73 million

Figure 2. AIE reports and recommendations and OI cases and outcomes, FY 2015.

Administrative Remedy	FY 2015 OIG Referrals	DOI Action Taken*
Suspension	14	9
Debarment	42	28
Administrative agreement	3	2

* Actions were taken on cumulative pending referrals (FY 2015 and prior years). Two referrals were resolved through one administrative agreement.

Figure 3. Administrative Remedies Division referrals and outcomes, FY 2015.

Part I. Significant Audit and Investigative Results

In FY 2015, OIG concluded numerous audits, investigations, and other reviews to help improve how DOI administered its FY 2015 appropriations of almost \$17.8 billion.² 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 Federal 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 seven focus areas—energy, DOI information technology, Indian affairs, acquisition and financial assistance, water and climate change, and public and employee safety. We also discuss notable work that does not fall into these categories, but was congressionally mandated; required under law, statute, or regulation; or of significant consequence.

Energy

Highlights

Since 2008, monetary benefits (potential cost savings, settlements, and penalties) from our energy work have totaled approximately \$88 million. In that timeframe, OIG has initiated more than 100 energy- or mineral-related investigations; issued 37 audit, evaluation, and inspection reports and management advisories; and made 270 recommendations.

In a review of BIA's Osage Agency, we made 33 recommendations for sweeping changes in the structure, policies, procedures, and systems of the Agency's program to manage the Osage Nation's mineral estate.

Two of OIG's energy investigations resulted in criminal convictions and fines of \$3,300, and four resulted in more than \$3.18 million in civil settlements and recoveries.

Five years after the *Deepwater Horizon* disaster in 2010, BP reached a settlement with DOJ that brings its civil obligations to \$20.8 billion, and its total cost for cleanup, fines, and penalties to almost \$54 billion. OIG employees contributed significant expertise as part of the Deepwater Horizon Task Force that helped develop DOJ's case against BP and other responsible parties.

In FY 2015 we recommended to the Suspending and Debaring Official that DOI implement its first administrative agreement with a company involved in renewable energy. The agreement allows the company to keep doing business while addressing the Government's concerns.

² Amount includes both annual (almost \$12.3 billion) and permanent (more than \$5.5 billion) appropriations.

Why Energy?

We chose energy as our first focus area in 2008 due to the national importance of energy production on DOI lands, the significant revenue it generates, and issues of public and environmental safety. These factors have become even more critical over time, and energy has remained a crucial OIG focus area. Additionally, due to identified weaknesses and the nature, complexity, and scale of energy operations and production, OIG has reported energy management as a top management challenge for DOI since at least 2005. Figure 4 summarizes the factors that make energy an OIG focus area.

Supply Aspect	Revenue Aspect	Safety Aspect
DOI Strategies To Meet Its Energy Goal of Securing America's Energy Resources		
Develop renewable energy potential and manage conventional energy development.	Account for energy revenue.	Ensure environmental compliance and the safety of energy development.
Facts and Figures		
<p>Lands and waters managed by DOI generate 23 percent of domestic energy production, including renewable and fossil fuels on and in 500 million acres of public land, 1.7 billion acres offshore, and 700 million acres of subsurface minerals; this also includes over 56,000 leases on approximately 83,000 acres of Federal land and the Outer Continental Shelf.</p> <p>Offshore, Federal waters hold an estimated 90 billion barrels of oil and 405 trillion cubic feet of natural gas.</p> <p>In 2013, the President challenged DOI to permit 20 gigawatts (GW) of clean energy projects on public lands by 2020.</p>	<p>Revenue from energy production on DOI-managed lands and waters is one of the largest nontax sources of Federal revenue.</p> <p>In FY 2014, DOI disbursed \$13.4 billion to States, local governments, 34 American Indian tribes, and over 34,000 individual Indian allottees, the U.S. Treasury, and other established funds.</p> <p>The Congressional Budget Office estimates that development of shale resources will lead to increased Federal tax revenue: about \$35 billion higher (0.8 percent) in 2020 and about 1 percent higher in 2040 than without these resources.</p>	<p>Exploring and producing energy carries significant operational and environmental safety risks. The 2010 <i>Deepwater Horizon</i> explosion, which killed 11 rig workers, and the resulting unprecedented oil spill, emphasized these safety risks. In 2013, the energy industry experienced 13 deaths from fires and explosions, according to the Bureau of Labor Statistics, more than any other private industry.</p> <p>Environmental concerns include remediation, consequences of fracking, and impact on endangered species, among others. For example, our 2015 report on FWS' management of oil and gas activities on wildlife refuges discusses orphaned or abandoned infrastructure that could threaten the health and safety of wildlife, endanger refuge visitors, and damage the environment.</p>

Supply Aspect	Revenue Aspect	Safety Aspect
Significance		
<p>Managing and protecting the domestic supply of both traditional and renewable energy has effects on national security, the economy, and energy prices. BLM reports that worldwide, wind energy grew 30 percent annually in the past decade. Scientific American reports similar growth for solar energy in the United States in 2014 and 2015.</p>	<p>Funds distributed to Federal, State, and local accounts support critical reclamation, conservation, recreation, and historic preservation projects.</p>	<p>Energy production and development occur on a large scale. The benefits and risks are complex and far-reaching. For example, <i>Deepwater Horizon</i> was the worst environmental catastrophe in U.S. history. Five years after more than 3 million barrels of spilled oil fouled beaches and wetlands from Texas to Florida, effects on wildlife and livelihoods linger.</p>
Concerns		
<p>Among OIG concerns are long permitting review times, process and database management problems, the risk of trespass into leased and unleased Federal lands containing oil and gas, a shortage of qualified personnel, and policy differences among various regions in the bureaus.</p>	<p>The Government Accountability Office placed DOI's royalty management on its high-risk list in FY 2011, where it remains today. Our reports have also found numerous instances in which DOI failed to capture all potential revenue.</p>	<p>In 2010, OIG issued an evaluation report that included a review of accident investigations by BSEE. We found this year that four of our six recommendations remained unimplemented 5 years later. In investigations this year, we also found that employees of two separate oil companies had falsified reports on the functionality of blowout preventers. A faulty blowout preventer was the culprit in the <i>Deepwater Horizon</i> spill.</p>

Figure 4. Factors that make energy a critical OIG focus area, considering supply, revenue, and safety.



Figure 5. Offshore wind turbines. (Photo courtesy of BSEE.)

Our Role

Energy development and royalty collection represents a significant oversight challenge and resource investment for OIG, due in part to their highly technical nature. OIG embraced this challenge in 2008 by creating two special energy units—one for audits and one for investigations. Our Energy Investigations Unit (EIU) investigates criminal and civil misconduct. Our Energy Audits Unit (EAU) conducts audits and evaluations of activities related to energy development and management. OIG has grown these units in size and expertise since 2008. While the units' sizes have fluctuated over time due to attrition, in FY 2015 we added two new energy investigative staff members (for a total of 12) and one new energy audit staff member (for a total of 16).

In previous years, we focused our audits, inspections, and evaluations primarily on bureaus whose missions contain a component of energy management: ONRR, BOEM, BSEE, and BLM. In FY 2015, leveraging our increased experience and dedicated resources, we strategically decided to expand our focus to include energy-related reviews in three bureaus without a primary role in energy management: BIA, FWS, and USGS.



Figure 6. Oil and gas development on a national wildlife refuge. (Photo courtesy of FWS.)

Key Energy Products

Figure 7 provides a list of notable energy-related products for FY 2015.

Audits, Inspections, and Evaluations	
Report Details	Summary
<p>“BIA Needs Sweeping Changes to Manage the Osage Nation’s Energy Resources” (Report No. CR-EV-BIA-0002-2013)</p> <p>Bottom line: BIA poorly manages the Osage Nation’s oil and gas resources, resulting in environmental degradation and lower royalties to those owning a portion of the mineral estate. BIA can only reform the program through sweeping changes in how the Osage Agency conducts oil and gas activities.</p> <p>We questioned \$146,200 in potential lost royalties and potential lost revenue from fines. Of the 33 recommendations we made, 9 have been implemented, 1 is unresolved (meaning there is disagreement between BIA and OIG on the recommendation), and the remaining are resolved but not implemented.</p>	<p>During our first major energy review in Indian Country, we found systemic flaws at the Osage Agency, a unit of BIA, that have created an ineffective program for managing the Osage Nation’s mineral estate (oil, gas, and other reservation subsurface minerals). Further, we found that the Osage Nation Minerals Council exerts significant influence over the Agency, which inhibits the Agency’s ability to manage the tribe’s oil and gas program.</p> <p>We also found that the Osage Agency has either vague policies and procedures or none at all for managing the Osage Nation’s mineral estate, does not comply with environmental law, does not have sufficient planning and mineral resource management, and does not have effective data management.</p> <p>Because the Osage Agency’s oil and gas management program is fundamentally flawed, BIA can only reform the program through sweeping changes in structure, policies, procedures, and systems. We made 33 recommendations to improve the Osage Agency’s management of the mineral estate.</p>

Audits, Inspections, and Evaluations	
Report Details	Summary
<p>“U.S. Fish and Wildlife Service’s Management of Oil and Gas Activities on Refuges” (Report No. CR-EV-FWS-0002-2014)</p> <p>Bottom line: FWS refuges currently face a growing problem with orphaned and abandoned wells and their infrastructures that pose environmental and safety dangers.</p> <p>FWS management concurred with all five of the recommendations that we made, and plans to implement them all by the summer of 2017.</p>	<p>Our first FWS energy review examined the nature and extent of the threat that orphaned and abandoned oil and gas wells and associated infrastructures pose to FWS refuges and refuge visitors. The National Wildlife Refuge System is a comprehensive network of lands devoted to conservation, management, and restoration of fish and wildlife populations and habitats.</p> <p>Our evaluation found that due to minimal and vague national guidance, and questions about FWS’ legal authority, the bureau’s management of oil and gas development activities on national wildlife refuges is inconsistent. As a result, FWS refuges are littered with orphaned or abandoned oil and gas infrastructure that could threaten the health and safety of wildlife, endanger refuge visitors, and damage the environment. We made five recommendations to help FWS improve its oil and gas management.</p>
<p>“Energy Resources Program, U.S. Geological Survey” (Report No. CR-EV-GSV-0003-2014)</p> <p>Bottom line: The quality management systems at USGS energy laboratories should be updated, and would benefit from having regular external reviews.</p> <p>USGS management concurred with all three of the recommendations that we made, but did not provide target dates for completion.</p>	<p>Our first USGS energy review assessed the quality control process of the Energy Resources Program’s (ERP) science center laboratories. Government and private organizations depend on ERP’s products to make resource-based decisions. The information provided by these laboratories, therefore, must be reliable.</p> <p>We found that decades after ERP’s creation in 1995, it is still developing a quality management system. We also found that ERP’s system of quality controls has failed to detect significant quality-related issues in its science center laboratories. We concluded that ERP should replace its current system of controls with a comprehensive quality management system that incorporates an independent review process conducted by a recognized scientific organization. We made three recommendations to increase ERP’s quality management and enhance its reputation for producing respected, science-based publications.</p>

Audits, Inspections, and Evaluations

Report Details	Summary
<p>“Bureau of Safety and Environmental Enforcement, Incident Investigation Program” (Report No. CR-EV-BSEE-0014-2014)</p> <p>Bottom line: We suspended our evaluation of BSEE’s Incident Investigation Program, which we will complete after the Bureau has concluded an in-progress realignment. Although we agreed to suspend our evaluation, we issued a report with our findings regarding unimplemented recommendations from a 2010 report. We also made four new recommendations.</p> <p>Representing an unprecedented level of OIG oversight, at our request BSEE will provide us with quarterly updates on the progress of its realignment and implementation of its National Program Manager initiative, as well as implementation of the four 2010 recommendations we identified as unimplemented.</p> <p>Of the four new recommendations made in this 2015 review, BSEE has implemented one, and the other three are resolved but not implemented.</p>	<p>In 2010, BSEE created an Incident Investigation Unit, made up of law enforcement and technical experts, to respond to alleged misconduct and unethical behavior by BSEE employees and oil and gas companies involved in offshore drilling and to respond quickly to emergencies such as accidents and spills. In an evaluation of BSEE’s Incident Investigation Program, we found, among other shortcomings, that regions were not reporting incidents to the unit as prescribed when it was established.</p> <p>We suspended our project when we learned that BSEE is realigning the organization and developing policies and procedures for a new National Program Manager initiative, which centralizes program managers at the headquarters level to establish policy that is implemented by regional specialists. To increase coordination and consistency across regions, the initiative establishes national programs for seven key mission areas: data stewardship, enforcement, investigations, environmental compliance, permitting, inspections, and safety and environmental management systems.</p> <p>We determined that four recommendations from a 2010 OIG report were reported as implemented and closed but were in fact not implemented. The four recommendations, which are critical to safety and determining accountability in the event of an accident, remain unimplemented. We recommended that BSEE reopen and implement the previously closed recommendations, as well as evaluate whether the realignment affects any of the 2010 recommendations and also revise or rescind any contradictory policies accordingly.</p>

Investigations	
Case Details	Summary
<p>Investigation of the Slawson Exploration Company for Royalty Liabilities on Leases in Indian Country</p> <p>Bottom line: We found that incorrect reporting resulted in an underpayment of royalties to American Indian mineral owners at the Fort Peck and Fort Berthold Indian Reservations. We also found that this was a recurring problem from previous production years for the responsible company, Slawson Exploration Company.</p> <p>In May 2014, Slawson agreed to settle the matter for \$66,000 plus interest (the total recovery was \$68,278.64). The agreement was executed in April 2015.</p>	<p>ONRR sent us allegations that Slawson Exploration Company, which holds mineral production leases at the Fort Peck and Fort Berthold Indian Reservations, was not adhering to lease provisions regarding the calculation of mineral value and royalties.</p> <p>Our investigation found that Slawson failed to correct production year 2011 royalties after ONRR notified Slawson that the royalties did not meet the published minimum valuation. This resulted in an underpayment of royalties to individual Indian mineral owners and the Three Affiliated Tribes of Fort Berthold and Fort Peck. The investigation revealed that Slawson had a history of failing to correct its calculations (for “dual accounting royalty liabilities” and “major portion” provisions in the leases) for previous production years.</p> <p>In April 2014, the U.S. Attorney’s Office for the District of Colorado notified Slawson of potential civil action for violations of the Civil False Claims Act.</p>
<p>Investigation of Case Sales Company, Inc., for Inaccurate Reporting and Fraudulent Activity</p> <p>Bottom line: We investigated Case Sales Company, Inc., for the improper distribution of assets from a dissolution proceeding to avoid paying a civil penalty assessed by ONRR. The improper distribution represented a fraudulent transfer under the Federal Debt Collections Procedures Act and a violation of the Federal Priority Statute. In May 2015, the company settled for \$175,000 to resolve the allegations.</p>	<p>We investigated Case Sales Company, an Oklahoma corporation that held five American Indian oil and gas leases for wells located near Anadarko, OK. Leaseholders are required by their lease agreements to submit certain reports at defined intervals. ONRR assessed a civil penalty against Case Sales in 2009 for failing to submit timely and accurate reports. Case Sales requested an administrative hearing on the penalty and then petitioned for dissolution and distributed its assets to creditors. ONRR requested that we investigate, alleging that Case Sales used a mortgage security agreement as a ruse to avoid paying the civil penalties.</p> <p>Based on the information we developed, the U.S. Attorney’s Office for the Western District of Oklahoma pursued charges against the</p>

Investigations	
Case Details	Summary
	<p>company, alleging that (1) Case Sales, through its dissolution receiver Thomas J. Morris III, fraudulently transferred proceeds from a lease assignment to Garry Davis based on an illegitimate security interest, and (2) the company made payments to a third-party creditor to satisfy a judgment while failing to pay ONRR for civil penalties assessed for failure to submit required production reports for the period 2004 through 2009.</p>
<p>Investigations of Statoil and SEECO Trespass Into Federal Minerals</p> <p>Bottom line: We conducted two separate investigations on trespass into Federal minerals, resulting in settlement agreements that are worth a combined \$2.94 million.</p> <p>We investigated allegations of mineral trespass by Statoil Oil and Gas, L.P., reported by BLM personnel. To resolve civil claims brought by the U.S. Attorney’s Office for the District of North Dakota, Statoil agreed to pay the Government \$1,989,560.72, the full value of oil and gas the company extracted from unleased parcels of federally owned minerals.</p> <p>Separately, we investigated allegations that SEECO, Inc., was drilling into unleased federally owned minerals in Arkansas. SEECO fully cooperated and agreed to pay \$950,000 to settle charges that it trespassed on Federal land over approximately 2 years.</p>	<p>We initiated two separate joint investigations with BLM’s Special Investigations Group, based on information the Bureau provided about companies possibly trespassing into Federal minerals.</p> <p>In the first investigation, we determined that from September 2012 through October 2013, Statoil extracted and sold significant volumes of oil and gas from an unleased parcel of federally owned minerals in the Bakken formation in North Dakota. We determined that the well had been planned by Statoil’s predecessor, Brigham Oil & Gas L.P., and was drilled approximately 2 weeks after Statoil acquired the company. As a result of our investigation, in March 2015 Statoil reached a negotiated settlement with the U.S. Attorney’s Office for the District of North Dakota to resolve mineral trespass claims.</p> <p>In the second case, we investigated SEECO for drilling into unleased federally owned minerals located in Conway and Van Buren Counties, AR. SEECO operates natural gas wells in that area. Based on our information, the U.S. Attorney’s Office for the Eastern District of Arkansas reached a settlement agreement with SEECO. SEECO allegedly trespassed into Federal minerals from January 2008 to April 2010, in one location for about 24 months and another for about 5 months.</p>

Investigations	
Case Details	Summary
<p>Investigations of Falsified Safety Tests on an Offshore Drilling Rig</p> <p>Bottom line: We conducted two separate investigations on falsified safety tests on offshore drilling rigs.</p> <p>We investigated Sean Granger, an employee of Pioneer Energy Services, Inc., and found that he manipulated test result documentation for tests designed to ensure the safety of workers and the environment aboard a drilling rig operating in the Gulf of Mexico. In November 2014, Granger pleaded guilty to violating the Outer Continental Shelf Lands Act by manipulating the test recording device. In March 2015, Granger was sentenced to 3 years of probation and ordered to pay a \$3,000 fine and a \$100 special assessment.</p> <p>Separately, we investigated offshore oil and gas platform supervisor Race Addington, a contractor for Stokes & Spiehler, for making false statements regarding blowout preventer testing. He was charged with two counts of false statements. He pleaded guilty to the charges, and in May 2015, he was sentenced to 1 year probation and fined \$200.</p> <p>In May 2015, DOI debarred Addington, making him ineligible for new Federal procurement and nonprocurement awards until close of business on May 14, 2018.</p>	<p>We investigated information received from BSEE that a blowout preventer (BOP) safety test conducted in June 2012 aboard a drilling rig operating in the Gulf of Mexico had been falsified. Our investigation determined that Sean Granger, an employee of Pioneer Energy Services, disguised one or more failed tests by altering test documentation. We found that Granger manipulated the test recording device by hand to compensate for poorly functioning safety equipment. We did not find a pattern of similar conduct by other Pioneer employees, or by employees of the operator assigned to the offshore lease. Granger admitted to manipulating the test recording device and pleaded guilty for this violation of the Outer Continental Shelf Lands Act in the U.S. District Court for the Eastern District of Louisiana.</p> <p>Separately, we investigated Race Addington, a contractor for Stokes & Spiehler, for making false statements related to BOP testing conducted on another offshore oil and gas platform in the Gulf of Mexico. Our investigation revealed that in November 2012, well operators tested the BOP system on the platform—but not all components were fully tested and the test documents were not properly signed and dated. Addington, the platform supervisor and highest ranking representative, saw the noncompliant documentation and instructed workers to create a false test chart. When BSEE inspectors conducted a routine inspection of the platform, Addington presented the fabricated test chart to the inspectors.</p> <p>In December 2012, Addington reported to BSEE inspectors that the false chart he provided was a test of the chart recorder and that the inspectors had mistakenly retrieved the wrong chart, even though he had directed workers to fabricate the test, which he</p>

Investigations	
Case Details	Summary
	<p>personally presented to the inspectors. In January 2015, the U.S. Attorney’s Office for the Eastern District of Louisiana charged Addington with two counts of false statements. Addington pleaded guilty to both counts in February 2015.</p>
<p>Investigation of Steve Black for Alleged Ethics Violations</p> <p>Bottom line: We investigated potential improper influence by a former senior counselor to former Interior Secretary Ken Salazar after learning from FWS agents in March 2013 that the senior counselor’s intimate relationship with a lobbyist for the renewable energy company NextEra Energy Resources may have influenced alternative energy decisions involving the company. We found several questionable actions taken by the senior counselor, who resigned from DOI in May 2013. We referred this report to the Secretary of the Interior for her review and any action deemed appropriate.</p>	<p>We received information from FWS agents in March 2013 about Steve Black, at the time a senior counselor to former Interior Secretary Ken Salazar. The agents were concerned that Black’s dating relationship with a lobbyist for the renewable energy company NextEra Energy Resources influenced alternative energy decisions involving the company.</p> <p>We found that, in addition to the lobbyist he was dating, Black was friendly with other lobbyists associated with NextEra. We also learned that DOI ethics officials attempted to persuade Black to recuse himself from involvement in NextEra matters, but he did not do so until approximately 6 months after he began dating the lobbyist. During this time, he was involved in permitting issues for the company with millions of dollars of tax credits at stake. He also referred one of the company’s solar projects to a White House list of priority projects. Additionally, some FWS and BLM employees relayed concerns about receiving pressure from Black to reexamine their scientific opinions and make unsupportable changes to renewable-energy-related projects.</p> <p>In addition, we confirmed that Black accepted items valued at \$1,183 from NextEra. He repaid the expenses after we interviewed him.</p>

Figure 7. Summary of energy-related products issued by OIG in FY 2015.

Remedies and Prevention

An administrative agreement is a negotiated agreement entered between a company or individuals and an agency to resolve suspension or debarment matters in lieu of award ineligibility. In FY 2015, we recommended to the SDO that DOI implement its first administrative agreement with a company involved in renewable energy.

In 2013, Duke Energy Renewables, Inc. (DER) pleaded guilty to two misdemeanor violations under the Migratory Bird Treaty Act (16 U.S.C. §§ 703 – 712), in connection with the deaths of protected birds at the company's commercial wind generation sites, and agreed to several mitigating actions to help prevent future bird deaths. The administrative agreement provided a framework for DER to demonstrate that it has implemented appropriate mitigating and remedial measures. Before entering into the agreement this fiscal year, DOI considered DER's cooperation, candor, and frequent communication with FWS, as well as the proactive measures the company had taken to ensure the safety of wildlife in the vicinity of its facilities. The administrative agreement preserves the SDO's ability to require that DER engage in certain training and other activities to ensure that DER effectively implements the agreed-upon measures. Our investigate casework and follow-up reviews by ARD in the energy sector also led to two debarments and one additional administrative agreement.



Figure 8. A golden eagle, one of the birds protected under the Migratory Bird Treaty Act. (Photo courtesy of FWS.)

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In FY 2015, OIG also continued outreach and educational efforts on energy-related topics. We conducted trainings focused on general fraud awareness, with specific examples, information, and cases in the energy arena. We trained approximately—

- 75 participants in ONRR new employee orientations and 65 participants in ONRR illegal acts training; many of these employees had worked for ONRR for 1 year or less, and they serve in various positions and levels, from new analysts to senior attorneys (collection, accounting, disbursement of mineral revenues);
- 7 BLM National Operations Center Personnel; and
- 24 BLM petroleum engineering technicians as part of their core curriculum.

Implications and Impact

OIG's energy presence enhances the Federal Government's ability to mitigate fraud risk; address program vulnerabilities, including actions that have resulted or could result in financial and environmental harm, risk to public safety, environmental and climate risk, and other forms of harm or risk; and initiate program improvements in this specialized area.

Our audit work identified opportunities to improve program operations, resource management, quality control, and revenue collection, among other findings. An efficient, responsible approach

to energy production on Federal lands and the Outer Continental Shelf is critical to the Nation's current energy production and its energy future.

We depend on DOI to implement our recommendations, as we have no direct authority over DOI programs. Reviewing DOI's implementation of our recommendations can help us hold DOI accountable. In FY 2015, for example, we obtained greater accountability in DOI's implementation of recommendations in two specific instances. First, as described above in our key energy work (Figure 7), BSEE will provide us with quarterly reports on the implementation of four recommendations made to increase safety on oil rigs and accountability when accidents occur. Second, we discovered that DOI was not tracking the implementation of recommendations made in energy-related management advisories issued by OIG to BLM. The Bureau wanted to protect the investigative information, but we sent the recommendations to DOI to track for increased accountability and because the investigations did not contain sensitive information.

Our audit recommendations often take some time for DOI to implement. To date, DOI has implemented 190 of the 270 energy recommendations in audit, evaluation, and inspection reports made since 2008. In part because of the delay in implementing recommendations, it is difficult to measure the true reach of our work. The specific examples below provide evidence of the attention our energy work garners, even with the lag in implementation:

- In October 2014, about 2 weeks after we issued an audit report on oil and gas trespass and drilling without a permit ("Bureau of Land Management: Federal Onshore Oil and Gas Trespass and Drilling Without Approval," Report No. CR-IS-BLM-0004-2014, issued September 29, 2014), the House Committee on Natural Resources sent a letter to the BLM Director urging action to implement our recommendations and asking for a copy of the Bureau's response to our report.
- In April 2015, the Senate Committee on Environment and Public Works held hearings on two of our reports—about underground injection controls ("U.S. Department of the Interior's Underground Injection Control Activities," Report No. CR-EV-MOA-0006-2012, issued March 31, 2014) and DOI's coal program ("Coal Management Program, U.S. Department of the Interior," Report No. CR-EV-BLM-0001-2012, issued June 11, 2013)—and asked the Deputy IG for the status of DOI's implementation of our 20 recommendations across the two reports.³

In yet another demonstration of our audit and investigative impacts, companies whose activities have violated rules, regulations, or laws enforced by DOI have approached the Government after having already taken significant steps to address the problems that led to prosecution.

Administrative agreements recognize these steps that companies have taken, while at the same time providing a mechanism to verify the completion and effectiveness of measures addressing issues that led to criminal convictions or civil penalties. ARD believes that such agreements may be particularly appropriate when a DOI bureau—for example, FWS in the DER case discussed above—has credited a company with being cooperative and undertaking substantial mitigation efforts.

³ For an archived Webcast of the Committee hearing, see <http://www.epw.senate.gov/public/index.cfm/hearings?ID=395EF3BD-ED1E-DC2F-1C13-DEE313025B2B>.

Our investigative work on the *Deepwater Horizon* tragedy helped the U.S. Department of Justice (DOJ) collect a total of \$20.8 billion in fines and settlements from BP, the largest ever civil settlement with a single entity. This amount includes an approximately \$18 billion settlement in July 2015, and brings BP's total cost for the spill to almost \$54 billion. OIG staff contributed valuable knowledge and expertise in oil and gas exploration issues to help secure the guilty pleas and fines that have resulted from the investigation. One of our special agents received the Environmental Protection Agency's (EPA) highest award, the Gold Medal for Exceptional Service, for his work on the multi-agency investigation.

The deterrent effect of our investigations is not always so easy to measure, but is nevertheless significant. David Uhlmann, a law professor at the University of Michigan and former chief of DOJ's environmental crimes section, said of BP's total price tag: "No company will ever conduct deep-water drilling in the way that BP did prior to the Gulf oil spill."⁴ Perhaps more subtly, the two cases summarized in Figure 7 on oil and gas trespass—in which companies extracted minerals from unleased Federal lands—serve as a strong reminder to all companies that DOI monitors federally owned mineral interests and that DOJ will prosecute offenders.

Multiple news outlets covered our investigation of the senior counselor to former Secretary Salazar, including *The Press Enterprise*, a daily newspaper in Riverside, CA.⁵ The article stated that "the Inspector General's 34-page investigative report provides a glimpse into a cozy relationship between government officials and a company whose projects on public land required approvals from the Department of Interior." The investigative report was received by the House Committee on Natural Resources, the House and Senate Energy Committees, the House and Senate Appropriations Committees, the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Oversight and Government Reform; the investigation also received interest from the Senate Committee on Environment and Public Works.

Perhaps more significantly, in response to that report, the DOI Solicitor asked ethics officials to strengthen DOI's identification and tracking of conflicts of interest and recusals as well as provide best-practice guidance to employees. The ethics office also held training for political appointees to remind them of their legal and ethical obligations.

Looking Ahead

In the coming fiscal year, ARD anticipates additional workload based on BLM's increased interest in addressing noncompliance relating to its oil and gas regulatory activities and FWS' interest in addressing avian protection efforts within the utility industry.

EAU plans to complete and initiate a number of energy-related audits, evaluations, and inspections in FY 2016. We plan to expand our areas of coverage and to continue our energy work in Indian Country, we are examining—

⁴ Kevin McGill, Rebecca Santana, and Michael Kunzelman, July 3, 2015, "BP to pay record \$18.7 billion to states affected by oil spill; total obligations of \$53.8B," *Star Tribune* [Minneapolis, MN], <http://www.startribune.com/bp-to-pay-record-18-7-billion-to-states-affected-by-spill/311550671/>.

⁵ David Danelski, November 26, 2014, "Environment: Federal workers pressured to advance big solar, wind projects," *The Press Enterprise* [Riverside, CA], <http://www.pe.com/articles/black-755085-nextera-report.html>.

- BIA’s oversight of the Navajo Nation’s energy resource management;
- BLM’s and BIA’s drainage programs, which require lessees to prevent drainage of oil and gas resources from Federal and tribal lands, or to pay lost royalties;
- BIA’s oversight of the Southern Ute Indian Tribe Department of Energy’s development of tribal energy resources;
- DOI’s Office of Indian Energy and Economic Development;
- OSMRE oversight of abandoned mine land reclamation; and
- BSEE’s contracting for information technology management systems.

We will also begin examining overlapping jurisdictions in energy management, a scenario that—given the absence of clearly defined roles, responsibilities, and expectations—leaves ample room for lax oversight and critical errors. Specifically, we will review the coordination between BOEM and the Federal Energy Regulatory Commission (FERC) for hydrokinetic projects, which harness energy produced by the motion in bodies of water.

DOI Information Technology

Highlights

We established a specialized IT Audits Unit in FY 2014 to help ensure that DOI maintains a robust IT security infrastructure, and we continued to develop expertise in this area in FY 2015.

We found nearly 3,000 critical and high-risk vulnerabilities in hundreds of publicly accessible computers operated by three DOI bureaus. A remote attacker could use a compromised computer to severely degrade or cripple DOI operations. We briefed and testified before Congress on these findings.

Four major reviews of DOI’s IT assets in FY 2015 resulted in 26 recommendations to DOI to improve IT security.

Why DOI Information Technology?

We chose to focus on DOI information technology (IT) because America’s economic prosperity and national security depend on cyber security. The President and Congress named cyber threats as one of the most serious economic and national security challenges we face.

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. DOI relies on complex, interconnected information systems to carry out its daily operations. Due to the large size of its networks and because those networks contain sensitive information, DOI’s IT resources are highly sought after by criminals and foreign intelligence services. DOI’s Chief Information Officer Sylvia Burns testified in July 2015 that DOI faces between 5 million and 6 million probing cyber attack events every week.

In one of the more high-profile incidents involving failed cyber security, the U.S. Office of Personnel Management (OPM) revealed this year that a series of data breaches compromised the

information of more than 21 million Federal Government employees, as well as that of their families and friends. Compromised information included Social Security numbers, financial data, work and residential history, and even fingerprints. Some of the compromised information was housed at DOI, but it does not appear that DOI vulnerabilities played a part in this particular breach. The breach nevertheless highlighted the risk posed by DOI's substantial connectivity to outside organizations, including other Federal agencies, private sector companies, and universities

Although less well-publicized, at least 19 incidents over the past few years reinforced the vulnerability of DOI's specific systems to attack. These security incidents resulted in the loss of sensitive data and disruption of bureau operations. Notable examples include the following:

- An October 2014 attack originating from European-based Internet-protocol (IP) addresses,⁶ which resulted in the loss of an unknown amount of data when the attackers gained control of two of DOI's public Web servers.
- Attacks in October and December 2014, in which hackers exploited vulnerable publicly accessible systems to steal user credentials with privileged (administrative) access to DOI systems. The intruders gained full functional control over DOI systems.
- A May 2013 attack originating from Chinese-based IP addresses that gave the attackers a sustained presence inside DOI's network. In the 4 weeks before DOI fully contained the breach, the attackers stole an unknown amount of data and uploaded malware with the intent to compromise other DOI systems.

In part because of attacks such as these and the vulnerabilities they highlight, OIG has identified the management and security of DOI's IT programs and operations as a top management challenge since FY 2013. More broadly, the U.S. Government Accountability Office (GAO) first included Federal information security on its High-Risk List in 1997. In 2003, GAO expanded the listing to include cyber critical infrastructure protection, and in 2015 added protecting the privacy of personally identifiable information.

Our Role

We identify weaknesses in DOI's cyber-security posture so DOI can strengthen it. Although we have had an IT oversight function for over 10 years, we have recently refined and refocused it. We created a specialized IT Audits Unit in FY 2014 with seven employees and continued to expand the unit's capabilities this year with specialized training that includes industrial controls and hacking. The unit conducts audits, evaluations, and inspections of DOI's diverse IT programs and performs technical vulnerability assessments and network penetration tests of DOI's computer networks and information systems.

Our IT audit staff consider the range of threats to cyber assets, including insider threats from disaffected or careless employees and business partners, escalating and emerging threats from

⁶ An Internet Protocol address, or IP address, is a unique online identifier—a numerical label assigned to each device (e.g., computer, printer) connected to a computer network that uses the Internet Protocol for communication. Internet Protocol is a method or standard for transmitting data over the Internet. The most widely used protocol on the Internet today is IP Version 4, which provides about 4.3 billion IP addresses for use worldwide.

around the globe, the ease of obtaining and using hacking tools, the steady advance in sophistication of attack technology, and the emergence of new and more destructive attacks. 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 rather than a limited engagement, OIG has provided timely and meaningful solutions to help DOI make immediate improvements to safeguard the confidentiality, integrity, and availability of information resources. Our focus this year was on—

- “defense in depth,” a multi-layer approach to information security that recognizes that no single technology or tool can protect against all cyber threats;
- Cloud computing; and
- DOI’s compliance with requirements of the Federal Information Security Management Act (Pub. L. No. 107-347).

Key DOI IT Products

Figure 9 provides a list of notable IT-related products for FY 2015.

Audits, Inspections, and Evaluations	
Report Details	Summary
<p>“Security of the U.S. Department of the Interior’s Publicly Accessible Information Technology Systems” (Report No. ISD-IN-MOA-0004-2014)</p> <p>Bottom line: DOI’s internal networks host computer systems that support mission-critical operations and contain highly sensitive data. A successful cyber attack against these internal computer networks could severely degrade or even cripple DOI operations.</p> <p>Of the six recommendations that we made, DOI agreed with all of them and is working to implement and close them.</p>	<p>We identified potential security weaknesses with the configuration of publicly available IT systems at three bureaus. Our findings fell under two main categories: (1) inadequate understanding or testing of publicly available systems, and (2) missing controls that would protect internal systems in the event that those publicly available systems are compromised.</p> <p>We found nearly 3,000 critical and high-risk vulnerabilities in hundreds of publicly accessible computers operated by the bureaus. We made six recommendations designed to mitigate identified vulnerabilities and strengthen security practices for DOI’s network architecture and its public-facing edge, lessen the opportunity for a malicious attack, and minimize the impact and potential opportunities to infiltrate nonpublic systems.</p>
<p>“U.S. Department of the Interior’s Adoption of Cloud-Computing Technologies” (Report No. ISD-EV-OCIO-0002-2014)</p> <p>Bottom line: We identified significant</p>	<p>We conducted an evaluation of selected DOI contracts for Cloud-computing services. At the time of our evaluation, eight bureaus had implemented Cloud services, while others were exploring how to leverage Cloud technologies to increase operational efficiencies. DOI has</p>

Audits, Inspections, and Evaluations	
Report Details	Summary
<p>deficiencies with the Cloud contracts we reviewed, including insufficient controls to monitor and manage the providers' and DOI's data stored in their Cloud systems. We also determined that with no accurate inventory of its Cloud-computing services, DOI was unaware of the 16 public Cloud services acquired by USGS through integrated charge card purchases.</p> <p>Of the six recommendations that we made, DOI agreed with all of them and has already implemented one.</p>	<p>projected significant increases in Cloud usage in future years.</p> <p>We reviewed four contracts that DOI entered into with Cloud-computing providers. We identified problems with DOI's acquisition of these services; privacy, retention, and data discovery and destruction requirements; security; and controls to monitor and measure data in the Cloud systems.</p> <p>While we recognize that DOI's adoption of Cloud-computing technologies can improve IT service delivery and reduce the costs of managing DOI's diverse programs, a more service-oriented approach to managing and delivering IT services is needed. We made six recommendations to help DOI mitigate business and IT security risks to strengthen Cloud-computing governance practices.</p>
<p>“Cloud Computing Security Documentation in the Cyber Security Assessment Management Solution” (Report No. 2015-ITA-017)</p> <p>Bottom line: As DOI transitions to the Cloud, improvements to its IT governance practices are needed to ensure that all Federal and departmental IT security requirements are met.</p> <p>We are waiting for a response from the Department, which is due in December 2015, to classify the recommendations.</p>	<p>As of September 2014, DOI reported that it had contracted for 26 operational Cloud computer information systems. We conducted an inspection to evaluate the completeness and adequacy of required IT security documentation for 16 systems that USBR, BSEE, and USGS had moved to a public Cloud.</p> <p>USBR and USGS did not meet DOI's policy for maintaining required IT security documentation. USBR had not completed any security documentation for its three operational Cloud systems, placing USBR data in the Cloud at risk of unauthorized access, disclosure, modification, or destruction. USGS moved its data to the Cloud in early 2013, but did not complete the necessary security documentation until late 2014. We offered seven recommendations to the DOI Office of the Chief Information Officer and affected bureaus to strengthen oversight of DOI's IT security program and close identified security gaps.</p>
<p>“Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for FY 2014”</p>	<p>The Federal Information Security Management Act (FISMA) requires Federal agencies to evaluate their information security programs annually to determine effectiveness and</p>

Audits, Inspections, and Evaluations	
Report Details	Summary
<p>(Report No. ISD-IN-MOA-0005-2014)</p> <p>Bottom line: In its evaluation of DOI’s compliance with FISMA requirements for FY 2014, independent public accounting firm KPMG LLP identified areas in which DOI sufficiently met requirements, as well as several areas for improvement.</p> <p>KPMG made seven recommendations to strengthen DOI’s information security program. We did not express an opinion on the report or on KPMG’s conclusions regarding DOI’s compliance with relevant laws and regulations. We referred KPMG’s recommendations to DOI’s Office of Financial Management for audit follow-up.</p>	<p>compliance with standards set by the National Institute of Standards and Technology (NIST). KPMG performed DOI’s FISMA evaluation for FY 2014, under a contract issued by DOI and monitored by OIG. Using a risk-based approach, KPMG reviewed a sample of 14 DOI and contractor information systems at 7 bureaus and offices for compliance with FISMA and guidelines from OMB and NIST.</p> <p>KPMG concluded that DOI has established and maintained security programs for continuous monitoring management, incident and response reporting, plan of action and milestones, remote access management, contractor systems, and security capital planning. However, KPMG identified needed improvements in maintaining the configuration management, identity and access management, risk management, contingency planning, and security training program areas. KPMG made seven recommendations to strengthen DOI’s information security program.</p>
Investigations	
Case Details	Summary
<p>Investigation of Misuse of Government Computers for Child Exploitation</p> <p>Bottom line: As a result of our efforts to identify employees misusing Government computers to exploit children, one DOI employee received a criminal conviction, while administrative actions are pending against several others.</p>	<p>OIG proactively targets DOI employees using their Government computers to engage in the exploitation of children. Using network security resources in place in DOI, we are able to identify potential subjects and initiate investigations where appropriate. These proactive examinations have resulted in the criminal conviction of one employee, and pending administrative actions against several others. By proactively identifying these employees, we are helping to ensure the DOI network is not a conduit of illegal and exploitive material, and helping to reduce time wasted with non-work related activities.</p>

Figure 9. Summary of DOI IT-related products issued by OIG in FY 2015.

Implications and Impact

Congress expressed interest in work done to provide DOI bureaus with the real-time information needed to quickly mitigate IT security risks. Congress was particularly interested in our findings regarding 3,000 critical and high-risk IT vulnerabilities in publicly accessible systems at three DOI bureaus (“Security of the U.S. Department of the Interior’s Publicly Accessible Information Technology Systems,” Report No. ISD-IN-MOA-0004-2014, highlighted in Figure 9):

- Given the IT security risks brought to light by the OPM breach, OIG agreed in July 2015 to brief key bipartisan congressional staff prior to the issuance of our final report. The staff were from the Senate Committees on Appropriations and on Homeland Security and Government Affairs, and the House Committee on Oversight and Government Reform.
- Subsequent to that briefing, we received a request from the Chair of the Senate Homeland Security and Governmental Affairs Committee for the draft report upon which our briefing was based. Making an exception to our usual protocol, we provided the draft report to the Chair and Ranking Member of that Committee, as well as to members of the other Committees represented at the bipartisan briefing. We made these exceptions for several reasons: (1) because of the importance of our findings; (2) because the affected DOI bureaus had been aware of our findings for some time; and (3) because we wanted to capitalize on the sense of urgency resulting from the OPM breach.
- OIG Deputy Inspector General Mary Kendall also testified before two subcommittees of the U.S. House of Representatives Committee on Oversight and Government Reform, specifically the Subcommittee on Information Technology and the Subcommittee on Interior, on July 15, 2015 (see Figure 10). Ms. Kendall spoke of our report, IT security at DOI, and the role of OIG’s oversight of DOI IT.



Figure 10. Deputy Inspector Kendall testifies before Congress on July 15, 2015.

Beyond DOI

Addressing the risks of cyber security requires a collective effort. Recognizing this, the Council of the Inspectors General on Integrity and Efficiency’s (CIGIE) IT Committee began a Governmentwide initiative to evaluate Federal agencies’ efforts to adopt Cloud computing technologies. As part of this consolidated Cloud computing review, CIGIE selected DOI OIG as one of 19 Federal OIGs to review their agency’s commercial Cloud contracts. We reviewed a sample of DOI’s Cloud computing contracts and provided our results to CIGIE for inclusion in its consolidated report. We also issued our own reports on our findings, described in Figure 9.

Further, we actively participated in CIGIE’s activities and initiatives, including providing feedback on proposed legislation for its Audit and Information Technology Committees. We also participated in CIGIE’s Information Security Continuous Monitoring Working Group to develop a maturity model approach to fulfill the annual evaluation required by the Federal Information Security Management Act, or FISMA (Pub. L. No. 107-347). The maturity model (a framework

to assess an agency's strengths and weaknesses) aims to increase consistency in the FISMA auditing process and results across the Federal Government.

Looking Ahead

OIG has identified as essential to help ensure that DOI has a robust IT system—

- assessing DOI's progress in meeting various Federal requirements, including those laid out in the President's Cybersecurity Cross-Agency Priority Goal in the Federal FY 2015 budget, OMB's required Information Security Continuous Monitoring Program, and the Federal Information Technology Acquisition Reform Act (Pub. L. No. 113-291);
- evaluating the security of IT assets that operate cyber-critical DOI infrastructure;
- conducting extensive technical vulnerability assessments and penetration tests of bureau information systems and computer networks;
- assessing the security of DOI's portfolio of mobile computing devices;
- evaluating the security and privacy of bureau information managed by public Cloud-computing providers;
- assessing DOI's capability to detect, respond to, and recover from IT security incidents; and
- determining whether DOI's governance model for its IT assets and programs promotes effective IT security and efficient use of public funds.

Insider Threats

Another area of potential emphasis for both audits and investigations is insider threats, generally defined as threats that comes from within the organization—employees, former employees, contractors, and others who have inside knowledge of the organization's security practices, data, and computer systems, and misuse or steal that information. In 2012, President Obama required Government agencies to develop programs to prevent against insider threats. OIG must work with DOI to obtain information and inform DOI of what we find timely to prevent, detect, and respond to a variety of insider threats.

We requested, but did not receive, additional FY 2016 funding to dedicate staff to an insider threat program. Our proposed FY 2017 budget requests another two IT staff for cyber security audits. Our ability to complete reviews in the above areas in a timely manner will depend, in part, on whether we receive funding to hire additional staff.

Indian Affairs

Highlights

The valuable work done since 2011 as part of the Guardians task force—an anti-corruption task force focused on Indian Country—continued to produce indictments in FY 2015. Related OIG investigations have to date resulted in 32 indictments and 2 criminal charges filed against 18 individuals and 5 contractors.

Without legislative changes, the Office of Navajo and Hopi Indian Relocation is not in a position to complete its mission in the near future—to relocate Navajo households living on lands partitioned to the Hopi Tribe and Hopi households living on lands partitioned to the Navajo Nation. These relocation efforts began in 1974.

In a series of inspections regarding violence prevention at BIE-funded schools, we found that of the 16 schools we visited, only 2 had complete and updated emergency preparedness/security plans in place and less than half provided comprehensive training to both students and staff to help reduce the risk of violent incidents.

In a series of inspections regarding academic achievement at BIE-funded schools, we found that only 1 of the 16 schools we visited had completed an assessment that fully covered eight critical areas widely accepted in the educational community. We also found that five schools had not administered the required English language learner assessment test.

Why Indian Affairs?

We focus on Indian affairs because of DOI's trust responsibilities and special commitments to American Indians and Alaska Natives, and the long-standing and sometimes seemingly intractable problems with fraud and mismanagement of funds dedicated to serve these groups. Responsibility to American Indians is consistently a top management challenge for DOI.

DOI's trust responsibilities affect at-need communities. Those who identify themselves as only American Indian or Alaska Native had a poverty rate of more than 29 percent in 2012.⁷ Although the first half of 2010 saw the highest unemployment rate for Caucasians, at 9.1 percent, in the first half of 2013, the Native American unemployment rate was 11.3 percent.⁸ In 2000, more than 14 percent of residences on reservations had no access to electricity, and in 2015, more than 30 percent of residences on the Navajo Nation specifically (the largest tribal trust land in the United States) did not have access to electricity.⁹ NPR recently broadcast a story of a Navajo Nation resident who stored food in an ice chest and hung it from roofing eaves in winter, until he received a solar panel unit through a tribal energy program that allows him to run a refrigerator,

⁷ Jens Manuel Krogstad, June 13, 2014, "One in four Native Americans and Alaskans are living in poverty," Pew Research Center, <http://www.pewresearch.org/fact-tank/2014/06/13/1-in-4-native-americans-and-alaska-natives-are-living-in-poverty/>.

⁸ Algernon Austin, October 29, 2013, "Native Americans are still waiting for an economic recovery," Economic Policy Institute, <http://www.epi.org/publication/native-americans-are-still-waiting-for-an-economic-recovery/>.

⁹ U.S. Department of Energy, Office of Indian Energy, September 2015, "Tribal Energy System Vulnerabilities to Climate Change and Extreme Weather," <http://energy.gov/sites/prod/files/2015/09/f26/Tribal%20Energy%20Vulnerabilities%20to%20Climate%20Change%208-26-15b.pdf>.

which he shares with his neighbor.¹⁰ The violent crime rate experienced in Indian Country is 2.5 times greater than in the rest of the country, with some reservations experiencing a crime rate as high as 20 times the national average; violence accounts for 75 percent of deaths of American Indian and Alaska Native youth aged 12 to 20.¹¹ In addition, studies have shown that Indian teens have the highest suicide rate of any population group in the Nation, and in 2005, suicide was the second leading cause of death for Native youth aged 10 to 25: suicide rates among American Indian youth were double those of Caucasian youth and three times those of other minority youth.¹²

The problems on reservations at times seem intractable, in part due to mismanagement and corruption within the tribes themselves. In an extreme example, a 2015 Human Rights Watch report¹³ asserts that human rights violations arose from corruption in one tribal government, that of the Lower Brule Sioux Tribe in South Dakota. According to the report, more than 40 percent of residents of the Lower Brule Indian Reservation live in poverty. Millions of dollars meant to provide basic needs such as drinking water, education, and other social programs allegedly went missing. These problems date back at least 14 years. In 1999, OIG issued a report finding cost overruns of \$7.1 million for the tribe. In 2006 and 2007, two more Federal audits revealed another \$1.2 million in funds used for purposes for which they were not intended.

Lower Brule is not alone among tribes in Indian Country that suffer from corruption and mismanagement. Single audits and OIG audits of tribal nations have identified 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.

In addition to the broad social, financial, and ethical challenges, a particular area of concern in Indian Country shared by DOI, the U.S. Department of Education, the White House, and Congress is the quality of Indian education and the success of Native students. Our work and work by GAO¹⁴ have reported long-standing, systemic problems with Indian education. Reports

¹⁰ NPR, April 21, 2015, “Solar Power Makes Electricity More Accessible on Navajo Reservation,” <http://www.npr.org/2015/04/21/401000427/solar-power-makes-electricity-more-accessible-on-navajo-reservation>.

¹¹ Attorney General’s Advisory Committee on American Indian and Alaska Native Children Exposed to Violence, November 2014, “Ending Violence so Children Can Thrive,” http://www.justice.gov/sites/default/files/defendingchildhood/pages/attachments/2015/03/23/ending_violence_so_children_can_thrive.pdf.

¹² Ibid.

¹³ Human Rights Watch, January 2015, “Secret and Unaccountable: The Tribal Council and Lower Brule and Its Impact on Human Rights,” <https://www.hrw.org/report/2015/01/12/secret-and-unaccountable/tribal-council-lower-brule-and-its-impact-human-rights>.

¹⁴ For example, “Indian Affairs: Preliminary Results Show Continued Challenges to the Oversight and Support of Education Facilities” (GAO-15-389T), February 27, 2015; “Indian Affairs: Better Management and Accountability Needed to Improve Indian Education” (GAO-13-774), September 24, 2013; “Bureau of Indian Education Schools: Improving Interior’s Assistance Would Help Some Tribal Groups Implement Academic Accountability Systems” (GAO-08-679), June 27 2008; “Bureau of Indian Affairs Schools: New Facilities Management Information System Promising, but Improved Data Accuracy Needed” (GAO-03-692), July 31, 2003.

we issued in 2008¹⁵ and 2010¹⁶ concluded that Indian schools were not prepared to prevent violence and ensure the safety of students and staff.

Through BIA and BIE, DOI works with 566 federally recognized American Indian tribes, has trust responsibilities for more than 55 million surface and 57 million subsurface acres of land belonging to Indian tribes and individuals. DOI funds Indian Country programs that provide support for education, agriculture and rangeland management, emergency management, tribal justice systems, social services, and more. BIE's mission is to provide quality education opportunities from early childhood through life in accordance with a tribe's needs for cultural and economic well-being, in keeping with the wide diversity of Indian tribes and Alaska Native villages as distinct cultural and governmental entities. BIE provides education services to almost 42,000 Indian children in approximately 180 schools and dormitories in 23 States.¹⁷

DOI spent an estimated \$140 million during FY 2015 in construction and facilities management for BIA programs. More than half of this money supports the approximately 180 Indian schools.

Our Role

We have chosen to focus our audit work on Indian schools, work we began more than 7 years ago and revisited 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.¹⁸ Moreover, school safety—which has been a systemic problem in Indian Country—affects the quality of education that students receive. In FY 2015 we completed a series of inspections to assess the prevention of school violence and programs to improve academic achievement. In addition, we completed a congressionally requested review of the Navajo-Hopi household relocation program.

We also focus on this area to help ensure that funds benefit those for whom they are intended. In FY 2014, DOI awarded more than \$1.6 billion in new contracts and grants to Indian Country. DOI-funded programs and operations in Indian Country are extremely susceptible to fraud, waste, and mismanagement 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. Mismanaged funds affect these communities' access to basic human needs such as security and safety, education, social services, and water supplies. A 2013 Associated Press review of tribal audits revealed that tribes are five times more likely to have “material weaknesses” that make them susceptible to fraud and mismanagement.

¹⁵ 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>.

¹⁶ 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>.

¹⁷ BIE, “Parents and Students,” <http://bie.edu/ParentsStudents/>; “Indian Affairs: Preliminary Results Show Continued Challenges to the Oversight and Support of Education Facilities” (GAO-15-389T), February 27, 2015.

¹⁸ 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>.



Figure 11. Moencopi Day School in Tuba City, AZ. (Photo courtesy of BIE.)

On our investigative side, approximately one-fifth of our investigations involve Indian Country. These investigations can be challenging due to remote locations, cultural differences, and the complexities of overlapping jurisdictional areas. Getting results in investigations also requires cooperation and information-sharing, which is often difficult when faced with distrust, conflict, withholding information, and limited transparency and accountability.

Key Indian Affairs Products

Figure 12 provides a list of notable products related to Indian affairs for FY 2015.

Audits, Inspections, and Evaluations	
Report Details	Summary
<p>“Operations of the Office of Navajo and Hopi Indian Relocation” (Report No. WR-EV-MOA-0003-2014)</p> <p>Bottom line: In our review of the Office of Navajo and Hopi Indian Relocation (ONHIR), requested by a congressional subcommittee, we concluded that ONHIR is not in a position to complete its work or cease operations in the near term without legislative changes, an increase in annual appropriations, or both.</p> <p>We suggested that the congressional subcommittee members and other cognizant officials choose from among ONHIR’s proposed operational alternatives to complete the relocations. We also offered three other suggestions to the House Committee on Appropriations’ Subcommittee on Interior,</p>	<p>ONHIR is an independent agency responsible for assisting Navajo and Hopi Indians affected by the relocation that Congress mandated in 1974 for members of the tribes who were living on each other’s land. The original 5-year timeframe for the relocation process was not met, and ONHIR efforts continue today.</p> <p>At the request of the House Committee on Appropriations’ Subcommittee on Interior, Environment, and Related Agencies, we evaluated ONHIR operations to determine (1) the status of the relocation efforts, and (2) how ONHIR is using its appropriated funds.</p> <p>In April 2014, ONHIR submitted to OMB a report with seven options for closing out ONHIR and the relocation program. In our evaluation, we concluded that the cost estimates and other assumptions in ONHIR’s close-out</p>

Audits, Inspections, and Evaluations	
Report Details	Summary
Environment, and Related Agencies in our report.	options appear reasonable. We suggested that the congressional subcommittee members and other cognizant officials consider ONHIR's proposed operational alternatives and determine which approach will best control costs and complete the relocation mission in an acceptable, judicious, and timely manner. We also made three additional suggestions that could help with long-term planning and completion of ONHIR's work.
<p>Violence Prevention at Schools Funded by BIE</p> <p>Bottom line: In a series of inspections regarding violence prevention at BIE-funded schools, we found that of the 16 schools we visited, only 2 had complete and updated emergency preparedness/security plans in place and less than half provided comprehensive training to both students and staff to help reduce the risk of violent incident. In addition, we found 8 schools that had 10 or less of the 18 safety measures we reviewed.</p>	<p>We initiated a series of 16 inspections regarding violence prevention at schools funded by BIE: 7 BIE-operated, 8 grant-operated, and 1 contract-operated (we completed and published 12 reports on the 16 schools visited in FY2015). We looked for schools to have in place emergency preparedness and security plans; training for staff and students in 6 key areas, including evacuation and lock-down drills; and an adequate mix from among 18 recommended physical security features. While no single safety measure is so critical that its absence at an educational facility is cause for immediate concern, we found that the more safety measures not in place, the less prepared the school is to respond to an incident.</p> <p>We reported our findings for each school, along with recommendations to address any identified gaps and improve school security for both staff and students.</p>
<p>Academic Achievement Programs at Schools Funded by BIE</p> <p>Bottom line: In a series of inspections regarding academic achievement at BIE-funded schools, we found that while most schools had conducted some sort of comprehensive needs assessment, used to keep the school on target for improved academic achievement, only 1 of the 16 schools we reviewed had an assessment that fully covered eight widely accepted critical areas. We also found that five schools had not administered the English language learner assessment test per their State's requirement.</p>	<p>We conducted inspections at 16 BIE-funded schools to evaluate the programs in place to improve educational achievement (we completed and published reports on 11 of the 16 schools we visited in FY2015). We focused on how BIE worked to close the educational achievement gap and increase the graduation rate at each school. Our reports specifically addressed whether schools had recently completed a comprehensive needs assessment, and whether they incorporated cultural awareness and language assessment in their education program.</p> <p>We found that while most schools had</p>

Audits, Inspections, and Evaluations	
Report Details	Summary
	<p>conducted some sort of comprehensive needs assessment, as required by the No Child Left Behind Act of 2001 (Pub. L. No. 107-110) and used to keep the school on target for improved academic achievement, only 1 of the 16 schools had an assessment that fully covered eight critical areas widely accepted in the educational community. Across the schools we also found that five schools had not administered the English language learner assessment test per their State's requirement.</p>

Investigations	
Case Details	Summary
<p>Investigation of Embezzlement at Indian Pueblo Federal Development Corporation</p> <p>Bottom line: We investigated allegations that the Indian Pueblo Development Corporation had embezzled money and committed other crimes. In September 2012, a Federal grand jury for the U.S. District Court for the District of New Mexico indicted the former Governor of Santa Ana Pueblo, and a Santa Fe real estate consultant for conspiracy, embezzlement, tax evasion, and willful failure to file a tax return. Both parties pleaded guilty to multiple allegations. Bruce Sanchez was sentenced to 51 months in prison, followed by 3 years of supervised release, and was ordered to pay \$3,575,000 in restitution and \$200 in a special assessment. Thomas Keesing's sentencing is scheduled for December 2015.</p>	<p>We investigated the Indian Pueblo Federal Development Corporation, jointly with the Internal Revenue Service's (IRS) Criminal Investigation Division, after receiving allegations that the corporation embezzled money and committed other crimes regarding the development of land that had once been the site of the Albuquerque Indian School operated by the Federal Government and held in trust for the Pueblo Indians.</p> <p>Our investigation determined that between January 2005 and November 2008 the corporation's former president and chief executive officer, Bruce Sanchez, who was also formerly the Governor of Santa Ana Pueblo, and Santa Fe real estate consultant Thomas Keesing conspired to embezzle \$3,575,000 from the corporation by submitting fraudulently inflated invoices that could not be supported, and for which nothing of value was provided.</p> <p>In September 2012, a Federal grand jury for the U.S. District Court for the District of New Mexico indicted Sanchez and Keesing for conspiracy, embezzlement, tax evasion, and willful failure to file a tax return. In January 2015, Sanchez pleaded guilty to embezzlement and tax evasion charges in connection with the embezzlement. The money that Sanchez illegally obtained was taxable income, but he had not</p>

Investigations	
Case Details	Summary
	reported it to the IRS. Also in January 2015, Keesing pleaded guilty to aiding and abetting embezzlement from an Indian tribal organization and willful failure to file an income tax return. Sanchez was sentenced in September 2015. Keesing's sentencing is scheduled for December 2015.

Investigation of Corruption in Rocky Boy's/North Central Montana Rural Water System Construction Project	
<p>We continued work started in 2011 as part of the Guardians Project—an anti-corruption task force focused on Indian Country—on public corruption investigations. The Guardians Project is a partnership led by the U.S. Attorney's Office for the District of Montana that merges the expertise that various OIGs have in oversight responsibilities with the resources and traditional public corruption investigation responsibility of the Federal Bureau of Investigation and the Internal Revenue Service. Our work focused on investigations at Rocky Boy Reservation, MT, involving the Chippewa Cree Tribes of Indians (CCT). USBR provided approximately \$27 million in American Recovery and Reinvestment Act (ARRA) funds to CCT to build a pipeline to deliver fresh water to the reservation. Investigators found that contractors and tribal officials misused the funds for personal gain, filed false reports, payed or accepted bribes, and committed other types of fraud. The following investigations resulted in indictments and convictions this year.</p>	
<p>Investigation of Darin Lee Miller for Tax Evasion</p> <p>Bottom line: Darrin Lee Miller was indicted by a Federal grand jury in May 2015 in Billings, MT, for three counts of income tax evasion. The evasion was for income from interest charged on loans to tribal employees. A trial date has not been scheduled.</p>	<p>Darin Lee Miller, employed as a pharmacist and later as the Chief Executive Officer at the Rocky Boy Health Clinic (RBHC), failed to disclose income he received between 2009 and 2011 from loans he provided under the IE Loan Program, which made short-term loans to tribal employees that were repaid via payroll deductions garnished from employees' salary by the tribal finance department. The income came from the 12 percent interest charged to tribal employees who took loans under the program. He was indicted for these crimes.</p>
<p>Investigation of Shad Huston for Embezzlement, Bribery, and Other Crimes</p> <p>Bottom line: Shad Huston was convicted of conspiracy to embezzle funds and bribery; he pled guilty to failure to file currency transaction reports in September 2015. Sentencing is scheduled for December 2015. In June and July 2015, he was indicted on criminal charges involving false claim conspiracy, wire fraud, bribery, and false claims. A plea hearing</p>	<p>Shad Huston and two of his companies were indicted and convicted of numerous crimes. Huston and K&N Consulting were convicted for a criminal conspiracy to embezzle CCT funds and for bribery of CCT Chairman Bruce Sunchild. Huston pled guilty in September 2015 to failure to file currency transaction reports for avoiding reporting requirements by intentionally structuring individual cash transactions exceeding \$10,000 into smaller transactions. In addition, Huston, through another of his companies, K Bar K Trucking, submitted false</p>

Investigation of Corruption in Rocky Boy's/North Central Montana Rural Water System Construction Project	
<p>was scheduled for November 2015. Huston received funds under ARRA for the CCT.</p>	<p>claims and remitted bribe payments to Timothy Rosette, former Director of the CCT Roads Branch, in connection with contracts Rosette awarded to K Bar K. In June 2015, a Federal grand jury in Billings, MT, indicted Huston on false claim conspiracy, wire fraud, bribery, and false claims. Huston was indicted in July 2015 on additional charges of false claim and conspiracy for a false claim for \$120,000 submitted by K&N Consulting.</p>
<p>Investigation of Timothy Rosette, Sr., for Bribery, False Claims, Conspiracy, and Theft</p> <p>Bottom line: Timothy Rosette, Sr., former Director of the CCT Roads Branch, was indicted for bribery, false claims, conspiracy, and theft from an Indian tribal organization. Rosette pled guilty to two counts of bribery and one count of theft from an Indian tribal organization. Sentencing is scheduled for December 2015.</p>	<p>Timothy Rosette, Sr., former Director of the CCT Roads Branch, was indicted in January 2015 by a Federal grand jury in Billings, MT, for bribery, false claims, conspiracy, and theft from an Indian tribal organization in connection with contracts Rosette awarded to Dr. James Eastlick, Jr., and Hunter Burns Construction; and Shad Huston and K&N Consulting, K Bar K Trucking, and TMP Services. The CCT Roads Branch operated with approximately \$2 million in annual funding from DOI and \$10.6 million in ARRA funds. In July 2015, Rosette pled guilty to two counts of bribery and one count of theft from an Indian tribal organization.</p>
<p>Investigation of Neal Paul Rosette, Billi Anne Raining Bird Morsette, and Dr. James Eastlick, Jr., for Embezzlement, Theft, and Other Crimes</p> <p>Bottom line: Neal Paul Rosette and Billi Anne Raining Morsette were indicted for embezzling \$55,792 from the CCT. A trial date has not been scheduled. They were separately indicted for 12 counts of conspiracy, wire fraud, bribery, and income tax evasion related to allegations they submitted \$1.2 million of false invoices from Ideal Consulting through the tribally owned First American Capital Resources (FACR).</p>	<p>We investigated Neal Paul Rosette and Billi Anne Raining Bird Morsette for embezzling \$55,792 from the CCT grants and contracts account at FACR. Rosette served as the chief executive officer of FACR, and Morsette served as its chief operating officer. They were indicted by a Federal grand Jury in Billings, MT, in July 2015 on conspiracy to embezzle tribal funds and theft from an Indian tribal organization.</p> <p>During this investigation, we uncovered a fraud scheme carried out by Dr. James Eastlick, Jr., Rosette and Morsette to embezzle CCT tribal funds. (Eastlick, the former co-owner of Hunter Burns Construction, was previously convicted of fraud and bribery involving CCT). Eastlick, Rosette, and Morsette owned and operated Ideal Consulting. Rosette and Morsette were indicted on 12 counts of conspiracy, wire fraud, bribery, and income tax evasion in September 2015. The indictment alleges that these individuals submitted \$1.2 million of false</p>

Investigation of Corruption in Rocky Boy's/North Central Montana Rural Water System Construction Project	
	<p>invoices from Ideal Consulting through the tribally owned FACR. The funds were paid to Ideal Consulting and then split evenly between Eastlick, Rosette, and Morsette. The indictment further alleges that Rosette and Morsette failed to pay appropriate Federal income taxes on the \$900,000 each received in tribal salary and on the payments they received from Ideal Consulting between 2010 and 2013.</p>
<p>Investigation of Melody and Frank Henry for Income Tax Evasion</p> <p>Bottom line: Melody and Frank Henry pleaded guilty to filing a false tax return and, in August 2015, were sentenced to 5 months' incarceration, ordered to pay restitution of \$47,301 jointly and severally to the Internal Revenue Service, and assessed a \$100 fee payable to the Victim Crime Fund.</p>	<p>Although Melody and Frank Henry were acquitted of bribery and conspiracy charges in connection with a scheme involving Hunter Burns Construction to embezzle tribal funds from Stone Child College, during the course of that investigation, we discovered that the Henrys failed to file Federal income taxes. In April 2015, the Henrys pled guilty to filing a false tax return in the U.S. District Court, Great Falls, MT.</p>
<p>Investigation of Wade Colliflower for Theft and Embezzlement</p> <p>Bottom line: In May 2015, Wade Colliflower was sentenced to 6 months' incarceration, 6 months' home confinement, 24 months' supervised release, restitution in the amount of \$44,750, and a special assessment of \$100.</p>	<p>Wade Colliflower pled guilty to theft from an Indian tribal organization in U.S. District Court, Great Falls, MT, in connection with the embezzlement of \$50,000 in Federal funds through a series of financial transactions and kickbacks involving the CCT Rodeo Association and Bear Paw Indian Rodeo Association.</p>
<p>Investigation of John Chance Houle for Theft, Bribery, Obstruction of Justice, and Tax Evasion</p> <p>Bottom line: After pleading guilty to multiple crimes in relation to his role in the theft of CCT funds and accepting bribes, John Chance Houle was sentenced to serve 68 and 60 months, concurrently, as a result of his guilty pleas, followed by 3 years of supervised release. He was ordered to pay \$525,237 in restitution to CCT, \$121,219 in restitution to the Internal Revenue Service, and a \$300 assessment to the Victim of Crime Fund.</p>	<p>John Chance Houle, former CCT Vice Chairman and the former president of the CCT Rodeo Association, pleaded guilty to theft of tribal funds, obstruction of justice, bribery, and tax evasion related to his role in the theft of CCT funds, accepting bribe payments, and obstruction of justice for submitting false documentary evidence to a Federal grand jury. In July 2015, Houle was sentenced to serve 68 and 60 months concurrent incarceration as a result of his guilty pleas. Included in his sentence was that he was "prohibited from serving in any fiduciary capacity by an entity in receipt of, directly or indirectly, federally funded grants, contracts, or programs without prior permission of the U.S. Probation Officer."</p>

**Reports Described in Energy Focus Area That Overlap With This Focus Area
 "BIA Needs Sweeping Changes to Manage the Osage Nation's Energy Resources"**

(Report No. CR-EV-BIA-0002-2013)
Investigation of the Slawson Exploration Company for Royalty Liabilities on Leases in Indian Country (Investigation)
Investigation of Case Sales Company, Inc. for Inaccurate Reporting and Fraudulent Activity (Investigation)
Report Described in Acquisition and Financial Assistance Focus Area That Overlaps With This Focus Area
“Crow Tribe Accounting System and Interim Costs Claimed Under Two Agreements With the Bureau of Reclamation” (Report No. ER-CX-BOR-0010-2014)
Report Described in Public and Employee Safety Focus Area That Overlaps With This Focus Area
Investigation of BIA Wildland Fire Arson (Investigation)

Figure 12. Summary of products related to Indian affairs issued by OIG in FY 2015.

Remedies and Prevention

In FY 2015, ARD made 13 referrals for suspensions and 24 referrals for debarments related to investigations in Indian Country. Of those totals, 12 suspension referrals and 10 debarment referrals resulted from Guardians task force cases. This year, the SDO issued 9 suspensions (8 from Guardians task force cases) and 27 debarments (6 from Guardians task force cases) to assist in efforts to protect Federal business interests in Indian Country.

Implications and Impact

In addition to our work this year at BIE schools, we confirmed that DOI implemented several recommendations made in work we completed on violence prevention at BIE schools in 2008 and 2010, and we recommended that BIE reopen other recommendations that we discovered had been closed but not implemented. Specifically, we determined that, based on our recommendations, BIE developed procedures, policies, and trainings for emergency management and continuity of operations in the schools we reviewed. The Bureau also completed a review of every BIE-operated school to evaluate the safety and security of each education facility we reviewed. BIE did not, however, provide evidence that it corrected the weaknesses highlighted in its own reviews, which was an important part of our original recommendations. DOI agreed to reinstate one recommendation in order to track BIE’s corrective actions.

Meanwhile, the Guardians Project has proven its impact in a short amount of time:

- In a July 2015 press release,¹⁹ USBR’s Great Plains Regional Director announced the Bureau’s decision for Chippewa Cree Tribe to reimburse \$3,085,460 of the more than \$12 million identified as questionable costs following the OIG audit involving funds provided to the tribe between 2006 and 2012 for the Rocky Boy’s North Central Montana Rural Water System construction project.
- OIG investigations conducted as part of the Guardians Project have resulted in 32 indictments and 2 criminal charges filed against 18 individuals and 5 contractors.

¹⁹ USBR Press Release, July 31, 2015, “Reclamation Announces Decision Regarding OIG Investigation and Questioned Costs for Rocky Boy’s North Central Project,” <http://www.usbr.gov/newsroom/newsrelease/detail.cfm?RecordID=49903>.

- DOI's SDO has taken 33 administrative actions based on work of the Guardians task force.

In addition, OIG's work on the Guardians Project has been well recognized:

- DOJ Inspector General Michael Horowitz praised the effort: "Corruption, fraud, and many other crimes do not fit neatly within the jurisdiction of individual federal agencies, and innovative collaborative efforts such as the Guardians Project are exactly the kind of efficient and effective solutions we need to achieve success in this critical area."
- The Assistant U.S. Attorney for the District of Montana and our OIG special agents have been invited to speak at several engagements, including the FY 2015 annual CIGIE conference for Assistant Inspector Generals for Investigations in Washington, DC.

Perhaps most significantly, the Guardians Project has provided a model for other efforts in Indian Country, in particular in South Dakota, North Dakota, Idaho, and possibly Arizona and Oklahoma. For example, our Rapid City Office has initiated a similar effort at the Lower Brule Indian Reservation in South Dakota. Our investigation there is in its early stages but auditors have already discovered significant problems with internal controls and misapplication of funds.

Looking Ahead

The House Appropriations Subcommittee on Interior, Environment, and Related Agencies asked that we continue to evaluate the ONHIR program. We are reviewing various processes involved in completing the relocation program and how long it takes to complete them. We are attempting to identify opportunities to eliminate activities or amend processes to expedite the completion of ONHIR's work. At the subcommittee's suggestion, we are also reviewing concerns about the conditions of the Navajo and Hopi relocation homes. Work on this assignment will continue in FY 2016.

We anticipate doing more audit and review work on tribes we determine to be high risk. This work will help us (1) identify potential funds to recover; (2) recommend measures to address underlying issues, thereby preventing recurrence of mismanaged funds; and (3) develop information to refer instances of suspected or identified fraud to our investigators. Our work on the Lower Brule Sioux Tribe should be completed and our report issued in 2016. We will also continue our work on the Guardians Project.

Acquisition and Financial Assistance

Highlights

In FY 2015, areas of concern include insufficient planning and inadequate administration and oversight.

Significant grant and contract audits resulted in \$19,493,427 in questioned costs.

We led a team of eight law enforcement agencies in a complex investigation involving fraud committed by a bonding company against several Government agencies. Our investigation led to a guilty plea related to the DOI contracts and \$1.25 million in restitution.

Why Acquisition and Financial Assistance?

We chose to focus on acquisition and financial assistance because of the historic fraud and waste experienced Governmentwide in procurement. OIG has consistently identified acquisition management as an area in need of improvement in its annual top management challenges report. Over time, growth in both the numbers of programs and levels of funding has created greater complexity in Federal acquisition and financial assistance management processes, requiring greater oversight. It is also an area of significant spending: DOI awarded approximately \$9.3 billion in new grants and contracts in FY 2015.

DOI is challenged in its oversight of contractors and grant recipients. Our work in past years has identified concerns throughout the contracting process, from planning to post-award administration. Previous audits revealed that DOI awarded contracts to undeserving, inexperienced, and seemingly dishonest contractors. Additional problems encountered included severe price gouging, timesheet forgeries, labor violations, fraudulent land appraisals, contractors lying to DOI staff, poor segregation of duties resulting in stolen funds, as well as improper related party transactions.

Our Role

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, by recommending improvements in DOI practices and identifying companies and individuals that pose a risk to the Federal Government. In addition, our Special Emphasis Unit (SEU) manages OIG's significant efforts to identify and teach DOI personnel about fraud indicators and past cases of fraud and public corruption.

In FY 2015, we identified problem areas with contractors and grantees, management of disaster response funds, and oversight by DOI. We made recommendations for sustainable, systemic improvements to address long-standing challenges.

Further, DOI is addressing poor performance by contractors via established policies and procedures for suspension and debarment where there is no criminal indictment or conviction. ARD 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 the SDO for suspension or debarment.

Key Acquisition and Financial Assistance Products

In Figure 13, we highlight one key audit in Indian Country and a body of work on a large FWS grant program. We do not detail the assignments associated with our other contract work, which contain proprietary information, but rather provide summary information on their financial impact in Figure 14 under “Implications and Impact.”

Audits, Inspections, and Evaluations	
Report Details	Summary
<p>“Crow Tribe Accounting System and Interim Costs Claimed Under Two Agreements With the Bureau of Reclamation” (Report No. ER-CX-BOR-0010-2014)</p> <p>Bottom line: In this contract audit, we identified \$400,542 in unsupported costs and \$75,857 in ineligible costs, for a total of \$476,399 in questioned costs. USBR concurred with all 12 of the recommendations that we made.</p>	<p>We reviewed the Crow Tribe’s accounting system and costs for two contract agreements for the rehabilitation of the Crow Irrigation Project and the construction of a municipal, rural, and industrial water system. We determined that the tribe billed USBR for various charges without having sufficient supporting documentation. We identified weaknesses in the tribe’s accounting system, including commingling of funds, unaccounted-for program income, a flawed reporting system, errors in development of project budgets, unclear and inconsistent policies and procedures, insufficient monitoring of general ledger accounts, and subrecipient monitoring.</p> <p>We made 12 recommendations to USBR to help the tribe improve its accounting system and implement better internal controls.</p>
<p>Audits of Grants Awarded Under the FWS Wildlife and Sport Fish Restoration Program (Various reports)</p> <p>Bottom line: For FY 2015, we published 11 reports with more than \$5 million in total questioned costs and 37 recommendations, almost a third of which (12) have been implemented. The reports covered grants awarded to the States of Kentucky, Oklahoma, Nevada, Virginia, Minnesota, Pennsylvania, Kansas, Rhode Island, New Mexico, and Colorado, as well as Puerto Rico.</p>	<p>DOI conducts several audits each year of one of DOI’s four largest grant programs: the Wildlife and Sport Fish Restoration Program, authorized under the Pittman-Robertson Wildlife Restoration Act and the Dingell-Johnson Sport Fish Restoration Act. Under the Program, FWS provides grants to States and territories to restore, conserve, manage, and enhance their sport fish and wildlife resources. The Program is critical to ensure continued opportunities for hunters and sport fishermen. We review State expenditure of these funds to ensure they are managed and spent properly.</p> <p>For FY 2015, FWS reported apportioning more than \$1 billion in grants under this Program.</p>

Investigations	
Case Details	Summary
<p>Investigation of Bonding Company TEC and Its Owner Abel Carreon for Fraud</p> <p>Bottom line: We led a joint investigation of a bonding company, Tripartite Escrow Corporation (TEC), that yielded indictments on 23 fraud-related counts, and guilty pleas to one count of mail fraud and one count of aggravated identity theft. In August 2015, the U.S. District Court for the Eastern District of California sentenced Abel Carreon, Jr., the owner of TEC, to 5 years and 5 months in prison, followed by 3 years of supervised release, and ordered him to pay \$1,253,000 in restitution.</p> <p>In addition, ARD recommended Carreon and his companies, American Construction Corporation and Federal Builders, Inc., for debarment, resulting in debarments for Carreon and his active companies.</p>	<p>We led a team of eight Federal law enforcement agencies in an investigation of a bonding company called Tripartite Escrow Corporation (TEC), owned by Abel M. Carreon, Jr. We initiated this investigation after a U.S. Department of Transportation employee reported that TEC had pledged the same collateral to support performance and payment bonds on several DOT contracts simultaneously.</p> <p>Our joint investigation confirmed that Carreon had pledged the same collateral—shares of stock in several companies that were worth a fraction of what he claimed—for numerous contracts with DOI and other Government agencies without disclosing those encumbrances. We further determined that those shares were ostensibly held by three individual sureties that did not actually exist. From approximately April 2005 through May 2011, TEC bonded Government projects with fraudulent bid bonds, payment bonds, and performance bonds, resulting in a loss of more than \$1 million to the Government. In July 2013, a Federal grand jury indicted Carreon on 23 fraud-related counts.</p> <p>In May 2015, Carreon pleaded guilty to one count of mail fraud and one count of aggravated identity theft.</p>
<p>Investigation of Appalachian Development Corporation’s Use of Grant Funds</p> <p>Bottom line: In an investigation conducted at the request of the Appalachian Regional Commission (ARC) Office of Inspector General, we confirmed that the Appalachian Development Corporation (ADC) did not use over \$1 million in ARC grant funds as the grant stipulated, but that that ADC board members did not receive personal gain from the misuse.</p>	<p>We conducted an investigation for the U.S. Appalachian Regional Commission (ARC) Office of Inspector General into allegations that the Appalachian Development Corporation (ADC) had misused more than \$1 million in grant funds. The ARC Inspector General, with whom we worked closely during the investigation, requested we conduct this investigation because that OIG does not maintain an investigative unit. Our investigation confirmed that ARC funds were not used as the grant stipulated. We also established that ADC board members did not receive personal gain from the misuse of ARC funds.</p> <p>This investigation is an example of collaboration</p>

Investigations	
Case Details	Summary
	with a fellow CIGIE organization on a matter critical to its operational integrity. This and other collaborative efforts demonstrate that DOI OIG is willing to support other CIGIE members and leverage our significant grant fraud expertise to provide assistance.
Report Described in Indian Affairs Focus Area That Overlaps With This Focus Area	
Investigation of Corruption in Rocky Boy's/North Central Montana Rural Water System Construction Project (Investigation)	
Reports Described in Water and Climate Change Focus Areas That Overlap With This Focus Area	
"Garrison Diversion Unit's Interim Cost Allocation" (Report No. WR-EV-BOR-0006-2014)	
"Issues Identified During Our Evaluation of Interagency Agreement No. RI3PG20058 Between the Bureau of Reclamation and the U.S. Geological Survey" (Report No. WR-EV-BOR-0024-2013A)	
"U.S. Department of the Interior's Climate Science Centers" (Report No. ER-IN-GSV-0003-2014)	

Figure 13. Summary of acquisition and financial assistance related products issued by OIG in FY 2015.

Remedies and Prevention

ARD reviews claims regarding the integrity and performance of contractors and participants, then recommends to DOI whether a company or individual should be allowed to conduct business with the U.S. Government or receive nonprocurement awards. In FY 2015, ARD made 56 referrals to the SDO and aided in negotiating 2 compliance and ethics agreements.

Moneys distributed as part of disaster response are particularly susceptible to fraud and misuse. DOI's response to Hurricane Sandy provided OI personnel with a unique outreach opportunity. In FY 2015, OIG special agents conducted more than 18 site visits to organizations and entities receiving Hurricane Sandy recovery funds. During these visits, they conducted 13 fraud awareness briefings and numerous other operational capability briefings for bureaus and partner entities, which provided OIG direct exposure to almost 140 individuals (key personnel related to Hurricane Sandy recovery efforts).

In addition to these Hurricane Sandy outreach efforts, in FY 2015, we also conducted 60 fraud awareness briefings to more than 2,000 employees of BIA, BIE, BLM, FWS, NPS, USBR, and USGS. In addition, ARD provided eight training sessions on administrative remedies to more than 300 Federal employees.

In another strategic approach to outreach, our investigation staff identified NPS parks that were receiving the largest amount of funding for construction-related projects for 2015 through 2020. OIG special agents then provided staff at these parks with an overview of investigations, discussed contracting-related risks and vulnerabilities, and showed them how OIG can assist

them in their work by identifying potential fraudulent behavior and emphasizing ethical standards. Visited parks included Big Cypress National Preserve, Everglades National Park, Dry Tortugas National Park, Biscayne National Park, Canaveral National Seashore, Hot Springs National Park, and Kennesaw Mountain National Battlefield Park.

Implications and Impact

As a result of our reviews, we made almost 60 recommendations to improve the overall management of procurement and nonprocurement awards. Common areas of concern include insufficient planning and inadequate administration and oversight. Figure 14 summarizes the financial impact of our work in this area.

Questioned Costs From Financial Assistance and Contract Audits	
Financial Assistance	Questioned costs
FWS Grants to States Under the Wildlife and Sport Fish Restoration Program	\$5,285,132
FWS Clean Vessel Act Grant Oversight	\$1,167,748
BOEM Cooperative Agreement With the University of Florida (Hurricane Sandy recovery)	\$59,793
Contracts	Questioned costs
Management of the Coastal Impact Assistance Program in the State of Louisiana	\$9,878,964
NY Asphalt, Inc., Contracts With NPS (Hurricane Sandy recovery)	\$988,203
Lockheed Martin Services, Inc., Task Order With BIA	\$781,247
MWH Americas, Inc., Contract With USBR	\$694,726
Crow Tribe Accounting System and Agreements With USBR	\$476,399
Management of National Heritage Area Program Funds	\$126,840
NPS Contract for Personnel Services	\$34,375
Total Questioned Costs	\$19,493,427

Figure 14. Financial impact of FY 2015 grant and contract audits.

In addition, the SDO took 37 actions, including 28 debarments, 9 suspensions, and 2 compliance and ethics agreements, based on information we provided in this and prior fiscal years.

A compliance and ethics agreement is used in place of suspension or debarment between a company or individual and an agency that identifies specific conditions that, if violated, can lead to debarment. These actions help to protect money Governmentwide, not just in DOI, since suspensions and debarments apply Governmentwide.

Looking Ahead

Our contract audits and investigations tend to be more reactive, completed when potential problems are identified. However, we target high-risk areas, such as activity in Indian Country, funds provided for disaster recovery, and large-dollar contracts. Our experience has also prepared us to deploy teams quickly to assist in review of awards and contracts for future disaster response to avoid the fraud, waste, mismanagement, and abuse that we identified in our Hurricane Sandy work.

Water and Climate Change

Highlights

We recommended a change to the cost allocation for a USBR project to ensure accurate representation of the Government's investment (currently understated by \$305.3 million).

We confirmed that USBR implemented recommendations we made in 2012 to improve emergency planning and preparedness at 21 high-hazard dams, the failure of which would be devastating to the U.S. economy, security, and public health or safety.

We confirmed that USBR implemented a recommendation from a 2013 report that will ensure stable and predictable repayment of the entire Federal investment in California's Central Valley Project between now and 2030.

Why Water and Climate Change?

Water

We focus on water due to DOI's vital role in supplying water across the Western States, and multiple risks to this supply. A reliable water supply is essential to sustain communities, ecosystems, and economies.

USBR and USGS are among several DOI bureaus that support water resource planning and management. With a budget of about \$1 billion, USBR places priority on securing a sustainable supply of water.²⁰ In the 17 Western States, USBR has financed and constructed power plants, canals, and dams and reservoirs, helping to bring water to more than 31 million people; provide one out of five Western farmers with irrigation water serving 10 million acres of farmland; and rank as the second largest producer of hydropower in the United States.

²⁰ "U.S. Department of the Interior Economic Report FY 2013," July 11, 2014, https://www.doi.gov/sites/doi.gov/files/migrated/ppa/economic_analysis/upload/FY2013-Econ-Report-FINAL.pdf.



Factors such as climate change and aging and deteriorating infrastructure make USBR's work challenging. Climate change affects the quality and availability of surface water and groundwater. Communities across the Nation face increasing problems with water scarcity, drought, and flooding. For example, in September 2015, the U.S. Department of Energy's Energy Information Administration reported that conventional hydropower generation will fall 10.4 percent in 2015, compared with 2014, due to California's drought and smaller snowpack.²¹

Figure 15. Impact of drought on Lake Meade. Photo courtesy of USBR.)

USBR operations are informed and supported by research and analysis provided by USGS. Water is one of the seven science mission centers of USGS, whose programs examine water quality in the Nation's streams and rivers, develop streamflow information to meet national needs, assess the availability of groundwater, and study the effect of climate change on water resources in the United States, among other activities.

Climate Change

We focus on climate change because it touches virtually every facet of DOI, posing risks to water quality and availability, energy generation, Federal and tribal lands, cultural resources, recreational opportunities, and other environmental and economic systems intertwined with DOI activities. Although we have not found an estimate of the potential economic impact on DOI of climate change, DOI reported that in FY 2013, activities on and production from DOI's lands were associated with nearly \$200 billion in estimated value added²² and supported about 2 million jobs. These numbers could be reduced in the future due to the changing and extreme weather conditions that threaten DOI's natural, cultural, energy, and recreational resources; a report published by University of Maryland researchers concludes that "climate change impacts will place immense strains on public sector budgets."²³

²¹ Energy Information Administration, "Short-Term Energy Outlook September 2015," <https://www.eia.gov/forecasts/steo/outlook.cfm>.

²² DOI defines "value added" as the contribution of an activity to overall Gross Domestic Product (GDP) and equals the difference between an industry's gross output (e.g., sales or receipts and other operating income, commodity taxes, and inventory change) and the cost of its intermediate inputs (including energy, raw materials, semi-finished goods, and services that are purchased from all sources). See "U.S. Department of the Interior Economic Report FY 2013," July 11, 2014.

²³ University of Maryland Center for Integrative Environmental Research, 2007, "The U.S. Economic Impacts of Climate Change and the Costs of Inaction," p. 3. Full report available at <http://cier.umd.edu/documents/US%20Economic%20Impacts%20of%20Climate%20Change%20and%20the%20Costs%20of%20Inaction.pdf>. See also <http://cier.umd.edu/climateadaptation/>.

The bureaus responsible for management of lands, waters, and wildlife have firsthand experience of the consequences of a rapidly changing climate. A few examples are provided below:

- In 1850, Glacier National Park had more than 150 glaciers. Today, the Montana park has only 25 glaciers—an 83 percent reduction in 164 years.
- Particular parks as a whole, or significant cultural and historical features, may disappear due to inundation of low-lying coastal areas from sea level rise.
- Climate change will likely have negative effects on hunting and fishing guides, boating concessionaires, beneficiaries of license revenues, and industries that support hunters and anglers.
- Low-lying and isolated Insular Area face loss of agricultural viability due to saltwater intrusion (into freshwater aquifers), disruptions in fisheries, coral bleaching, and damage to infrastructure from higher and more-forceful tides. Many residents have been forced to permanently relocate off the islands, or choose to do so to mitigate personal risk.

Our Role

Reviewing how DOI and its bureaus spend funds helps ensure that programs funded by taxpayer dollars have a positive impact, such as meeting the water needs of various stakeholders and addressing the effects and risks of climate change. Our focus on sound financial management also ties in with another of our focus areas, acquisition and financial assistance. In FY 2015, in the areas of water and climate change, we focused primarily on financial aspects of USBR operations and climate change grants.



Figure 16. Devastation from storms in the Marshall Islands. (Photo courtesy of USGS.)

Key Water and Climate Change Products

Figure 17 provides a list of notable products related to water and climate change for FY 2015.

Water Audits, Inspections, and Evaluations	
Report Details	Summary
<p>“Garrison Diversion Unit’s Interim Cost Allocation” (Report No. WR-EV-BOR-0006-2014)</p> <p>Bottom line: Due in part to a long time horizon for construction, USBR’s Garrison Diversion Unit did not develop as initially planned, resulting in an inaccurate cost allocation to the Government.</p> <p>We recommended that USBR reevaluate the project and take the steps necessary to complete the project as-is, to allow for a final cost allocation that accurately represents the project costs borne by the U.S. Government.</p>	<p>USBR’s Garrison Diversion Unit (GDU) is a multipurpose water project in North Dakota that was authorized for development in 1965. The GDU was primarily authorized for irrigation, municipal and industrial water supply, fish and wildlife enhancement, recreation, and flood control.</p> <p>Due to the way USBR allocated project costs to intended users, \$305.3 million of \$403.4 million in project costs will not be repaid, because 61,780 acres currently authorized for irrigation will likely not be developed. This difference increases the Government’s share of the total project cost by about 16 percent.</p> <p>We recommended that USBR request that Congress de-authorize the 61,780 acres of undeveloped irrigation land. This action would allow for project completion as-is and provide a final cost allocation that accurately represents the Government’s share of project costs.</p>
<p>“Issues Identified During Our Evaluation of Interagency Agreement No. RI3PG20058 Between the Bureau of Reclamation and the U.S. Geological Survey” (Report No. WR-EV-BOR-0024-2013A)</p> <p>Bottom line: USGS may have inappropriately supplemented its annual appropriations due to the way it calculates overhead rates for all interagency agreements and reimbursable activities.</p> <p>Based on the USGS response, we consider the one recommendation unresolved.</p>	<p>Under an interagency agreement signed in 2013, USGS provides USBR with water quality and monitoring services for the Upper Klamath River and Lost River Basins in Oregon and California. We found that the variance between USGS’ actual overhead rates and its administrative billing rate may have resulted in USGS overbilling entities by approximately \$6 million for the period from FY 2009 to FY 2013. Such overbillings would represent a potential augmentation of USGS’ appropriations, which GAO has specifically cautioned against.</p> <p>To ensure that its bureau-level overhead rate reflects its actual cost of providing service, we recommended that USGS implement a policy of recalculating and revising the overhead rate</p>

Water Audits, Inspections, and Evaluations	
Report Details	Summary
	annually, and charge the overhead rate on all interagency agreements and reimbursable activities. We made one recommendation.
Report Described in Acquisition and Financial Assistance Focus Area That Overlaps With This Focus Area	
“Crow Tribe Accounting System and Interim Costs Claimed Under Two Agreements With the Bureau of Reclamation” (Report No. ER-CX-BOR-0010-2014)	
Climate Change Audits, Inspections, and Evaluations	
Report Details	Summary
“U.S. Department of the Interior’s Climate Science Centers” (Report No. ER-IN-GSV-0003-2014)	DOI’s climate science centers (CSCs) are managed and funded by USGS. They award grants and cooperative agreements to complete climate-centered scientific research in eight geographically distinct regions in the United States. We audited the financial assistance awards made by four of the eight CSCs to determine whether they are awarded properly and managed effectively. We reviewed 48 agreements totaling more than \$13.7 million in financial assistance awards from FYs 2010 through 2013.
Bottom line: We found several areas of concern in the way the USGS-funded climate science centers manage and oversee financial awards.	We found problems with selection and awarding of financial assistance agreements, documentation and internal controls, risk assessments, and oversight and management of financial award processes.
Of the nine recommendations that we made, we consider five resolved but not implemented, one implemented, and three unresolved.	We provided nine recommendations to USGS to improve the management of grants and cooperative agreements associated with CSCs, and described three operational efficiencies that we identified in the management and oversight of CSCs.

Figure 17. Summary of water- and climate change-related products issued by OIG in FY 2015.

Implications and Impact

If implemented, our recommendations could help ensure that DOI and its bureaus correctly allocate costs for their projects and ensure that contractors and grantees spend funds appropriately. With droughts in the West posing challenges to water quality and supply, aging

USBR infrastructure, and other environmental and economic impacts from a changing climate, sound fiscal management of the resources dedicated to these challenges is critical.

Our work often leads to positive change in the years following a report's issuance. For example, our FY 2015 work included a review to verify that five recommendations made in a 2012 report and two recommendations made in a 2013 report were implemented, as reported by DOI and detailed below.

- For “Bureau of Reclamation’s Safety of Dams: Emergency Preparedness” (Report No. WR-EV-BOR-0007-2011, issued February 27, 2012), we confirmed that USBR has implemented an emergency action plan (EAP) oversight program to evaluate the emergency preparedness of regional and area office EAP programs; consistently documented and tracked recommended corrective actions resulting from EAP exercises; and developed guidance to ensure that emergency drills are conducted annually and dam personnel receive emergency management training. Implementation of our recommendations helped strengthen controls for USBR’s emergency management procedures at high-hazard dams.
- For “Central Valley Project, California: Repayment Status and Payoff” (Report No. WR-EV-BOR-0003-2012, issued March 26, 2013), we confirmed that USBR altered its rate setting practices to ensure more accurate estimates of water deliveries. This change will ensure stable and predictable repayment of the entire Federal investment in the Central Valley Project between now and 2030.

Looking Ahead

According to a recent report from the Pacific Association of Supreme Audit Institutions, “Climate change is the major environmental challenge in the Pacific today.”²⁴ Climate change threatens Insular Areas with rising sea levels, altered agricultural productivity, coastal erosion and salinization, and more intense and frequent severe weather events. Low-lying islands are particularly vulnerable to these impacts.

DOI’s Office of Insular Affairs (OIA) has requested a budget increase in FY 2016 to help our affiliated Insular Areas cope with the effects of climate change and develop an adaptation and resilience strategy. Ensuring funding—whether at existing or increased levels—progresses climate change mitigation initiatives and may be a matter of life and death to entire Insular Area communities. Yet Insular Area spending has a history of mismanagement. We therefore plan to conduct work in FY 2016 on the Insular Areas and their climate change adaptation strategies.

²⁴ Pacific Association of Supreme Audit Institutions, April 2015, “Report of the Coordinated Pacific Region Performance Audit: Climate Change Adaptation and Disaster Risk Reduction Strategies and Management,” http://www.pasai.org/site/pasai/files/co-op_regional_report/Climate%20Change%20Coop%20Audit_FINAL.pdf.

Public and Employee Safety

Highlights

We determined that a historic NPS building—the Brinkerhoff Lodge in Grand Teton National Park, WY—was being operated as a lodge without ensuring the safety of visitors and without an adequate determination of the appropriate use for the building and its furnishings.

We questioned nearly \$4.4 million in costs associated with the installation of retractable vehicle-restraint bollards to protect garage entrances in DOI’s headquarters building.

Two BIA wildland firefighters who were found guilty of intentionally setting 38 fires on BLM, tribal, and State trust lands were required to pay \$3.84 million in restitution and penalties.

Why Public and Employee Safety?

We chose to focus on public and employee safety because of the millions of visitors to DOI sites each year; the 70,000 employees, plus contractors, volunteers, and grantees, working in DOI-owned and leased buildings and on DOI-owned and controlled property; and the hundreds of tribes for which DOI has trust responsibilities. In some cases, the isolation of DOI lands and facilities presents unique vulnerabilities, making worker and public safety a challenge. Our primary concern is with ensuring that DOI takes steps necessary to safeguard these visitors and workers.

Our Role

OIGs play an important role in ensuring that agencies’ internal controls help the agencies achieve their missions while upholding ethical standards. One key internal control is tone from the top.



Figure 18. The view of Jackson Lake from the Brinkerhoff Lodge’s deck. (Photo courtesy of Grand Teton National Park.)

Consistent application of policies designed to promote safety, managerial attention to them, and the tracking of incident information are critical activities. In FY 2015, to help ensure that DOI emphasizes safety from the highest levels, we have focused on data integrity, policy compliance, and managerial roles and responsibilities involved in ensuring employee safety and health.

Our reviews on public safety spanned various sites and concerns, including operations at a historic lodge and fraud associated with firefighting efforts. We also examined the security at DOI’s headquarters in Washington, DC, where the Secretary of the Interior and DOI bureau leaders maintain their offices in addition to thousands of DOI employees and contractors, and where visitors from the general public enter each day.

Key Public and Employee Safety Products

Figure 19 highlights notable products related to public and employee safety for FY 2015.

Employee Safety Audits, Inspections, and Evaluations	
Report Details	Summary
<p>“Evaluation of Security Features of the Stewart Lee Udall U.S. Department of the Interior Building” (Report No. ER-EV-PMB-0005-2014)</p> <p>Bottom line: In our review of security features related to the major entrances at DOI’s headquarters building in Washington, DC, we found several issues that left the building vulnerable to unauthorized entry.</p> <p>DOI agreed with all six of the recommendations that we made, and has implemented three of them.</p>	<p>We reviewed the physical security features at the Stewart Lee Udall U.S. Department of the Interior Building. We found several issues with security at the building’s vehicle and pedestrian entrances, including retractable vehicle-restraint bollards that continually malfunction, ineffective risk mitigation and inconsistent tracking of bollard malfunctions, and lax security practices at pedestrian entrances.</p> <p>Attempts to fix the bollards, including completely replacing the mechanism used to raise and lower them, have not improved the overall reliability of the system. Moreover, DOI assumed the costs for repairing the bollards when their warranty expired in October 2015, but correctly budgeting for these repairs is impossible because DOI does not track malfunctions consistently. Because the bollards have never worked as intended, we questioned nearly \$4.4 million in costs associated with the system’s installation.</p> <p>In addition to the security problems at vehicle entrances, we found that the guards at the Udall Building’s two street-level pedestrian entrances were not consistently checking the identification of individuals entering the building, again leaving the Udall Building vulnerable to unauthorized entry.</p> <p>We provided six recommendations to the relevant DOI offices to improve overall security of the Udall Building and to protect its occupants and visitors.</p>

Public Safety Audits, Inspections, and Evaluations	
Report Details	Summary
<p>“Operation and Management of the Brinkerhoff Lodge at Grand Teton National Park” (Report No. 2015-WR-019)</p>	<p>The Secretary asked us to evaluate NPS’ operation and management of the Brinkerhoff Lodge, a historic structure in the Grand Teton National Park in Wyoming. The lodge is currently used as lodging and meeting space for</p>

Public Safety Audits, Inspections, and Evaluations	
Report Details	Summary
<p>Bottom line: In our evaluation of NPS' operation and management of the Brinkerhoff Lodge, we identified several safety and security concerns, including that guest safety had not been properly assessed and that the lodge does not meet Federal safety and fire requirements. Additionally, NPS has not determined how to best use and preserve the structure and its furnishings.</p> <p>Of the nine recommendations that we made, we consider all of them resolved and NPS has implemented two.</p>	<p>those visiting the park on official NPS business. We found safety issues that require NPS' immediate attention. Specifically, we learned that guest safety has not been properly assessed against applicable fire code requirements, and we found that the park has no asset security and protection plan in place for the lodge.</p> <p>In addition to these safety and security concerns, we also found that the park has not performed a historic structure report, which determines how best to use and preserve the historic structure, or a historic furnishings report.</p> <p>We made three recommendations to ensure the safety and security of the lodge and its guests; one recommendation to determine the best use of the structure; and five recommendations to improve NPS' management of the lodge should NPS decide to continue using it as a lodging facility.</p>

Public Safety Investigations	
Case Details	Summary
<p>Investigation of the U.S. Park Police's Response During a Missing-Person Investigation</p> <p>Bottom line: In our investigation of actions taken by USPP in response to a missing person, we found that USPP personnel did not act tactfully and failed to communicate effectively while handling the case. In addition, USPP's policy governing missing-person responses did not clearly define USPP's role when assisting another law enforcement agencies in a search. The investigation resulted in a disciplinary action against USPP personnel and an internal review by USPP.</p>	<p>At the request of NPS, we investigated the actions that USPP took in response to an incident in which an elderly woman went missing from the Ronald Reagan National Airport in May 2013 and was ultimately found dead in a wooded area not far from the airport property.</p> <p>Our investigation revealed that during telephone conversations, the USPP shift commander made inappropriate comments about the victim. We also found that information about the case was not always effectively communicated within USPP, and USPP's policy governing missing-person responses did not clearly define USPP's role when assisting other law enforcement agencies in a search.</p>
<p>Investigation of BIA Wildland Fire Arson</p>	<p>In a joint investigation with BLM's Office of Law Enforcement and Security, we investigated</p>

Public Safety Investigations	
Case Details	Summary
<p>Bottom line: Following our investigation, two BIA firefighters were convicted of being directly involved in starting 38 fires on BLM, tribal, and State trust lands in Arizona and California between 2009 and 2012. In February 2015, firefighter Blase Smith pled guilty to timber set afire, and was sentenced to 51 months in custody and ordered to pay \$3.8 million in restitution. Firefighter Joshua Gilbert pled guilty and was sentenced to 3 years' supervised probation and ordered to pay \$40,625 in penalties. The investigation revealed systemic issues within the BIA firefighting program.</p>	<p>allegations that BIA firefighters had intentionally started fires on tribal or BLM administered public lands, and that they had done so to receive hazard pay for their suppression activities. We determined that two BIA firefighters, Smith and Gilbert, were directly involved in starting 38 fires on BLM, tribal, and State lands in Arizona and California between 2009 and 2012. Further, a BIA supervisory forestry technician admitted that he had knowledge of Smith's involvement in starting fires since April 2009.</p> <p>The investigation identified a number of other firefighters involved in starting fires, or with knowledge of individuals starting fires, which indicated systemic issues within the BIA firefighting program.</p>
<p>“NPS Oversight of Tactical Law Enforcement Equipment” (Management Advisory)</p> <p>Bottom line: NPS continues to struggle with weapons accountability issues. Similar to our findings from previous years, we identified issues with NPS' basic firearms management processes and a lack of supervisory oversight.</p>	<p>We issued a management advisory to the NPS Director when we found that law enforcement rangers had purchased automatic weapons and “flash-bang” distraction devices, in violation of NPS policy. The investigation found a decade-long theme of inaction and indifference at all levels, and basic tenets of property management and supervisory oversight were missing from NPS' simplest processes. We made four recommendations to help NPS improve its internal controls, policies, and management of tactical law enforcement equipment.</p>

Figure 19. Summary of public and employee safety-related products issued by OIG in FY 2015.

Implications and Impact

Our public and employee safety work has received attention from the media as well as the U.S. Congress, and led to many improvements, including policy updates, program revisions, and increased physical security, both within DOI and across the Federal Government. Below are a number of examples of the impact and reach our work had over the past year:

- The Washington Post, among other print and electronic media outlets, covered our USPP missing-person investigation.²⁵ The investigative report was sent to the Senate Committee on Energy and Natural Resources, the Senate and House Appropriations Committees, the House Committee on Oversight and Government Reform, the Senate Committee on Homeland Security and Governmental Affairs, and the House Committee on Natural Resources.
- Although not directly linked to our investigation of the USPP missing-person case, in April 2015, a bill was introduced in the U.S. House of Representatives to provide grant funds to assist Federal, State, tribal, and local law enforcement agencies in rapid recovery of missing persons.
- The outcome of our recommendations increased security at the Udall Building and led to stronger policies and procedures.
- *Environment & Energy News*, among other media outlets, covered our report on the Brinkerhoff Lodge.²⁶
- Our investigation on BIA wildland fire arson, along with a similar investigation conducted in North Carolina, spawned an initiative to look at fraud associated with DOI's wildland firefighting efforts, primarily involving administratively determined firefighters on tribal lands.

Our review of the Brinkerhoff Lodge exemplifies the important role OIGs play in providing trusted, objective, independent information to Congress. We began the review after media coverage, including an article in *Time* magazine in October 2014,²⁷ raised concerns about Vice President Biden's use of the lodge for a family vacation in August 2014. Media interest also attracted the attention of the House Committee on Natural Resources. Although NPS began an internal review of the policies associated with stays at the Brinkerhoff Lodge, the Committee felt that NPS should not be conducting its own review of the policies, especially given that NPS Director Jarvis had also stayed at the lodge—and in a November 3, 2014 letter to Secretary Jewell, the Committee suggested that OIG conduct a review. As described in the work summary in Figure 19, our evaluation included a review of compliance with policies about use of the lodge, as well as other concerns we identified, such as safety and concerns over historic preservation.

²⁵ Dana Hedgpeth and Lori Aratani, October 23, 2014, "Audit faults handling of search for elderly woman found dead near National Airport," *The Washington Post*, https://www.washingtonpost.com/local/crime/audit-faults-handling-of-search-for-missing-elderly-woman-found-dead-near-national-airport/2014/10/23/2a5ed836-5a00-11e4-bd61-346aee66ba29_story.html.

²⁶ Kevin Bogardus, September 14, 2015, "Probe into Biden's use of VIP lodge to be released soon," *Environment & Energy News*, <http://www.eenews.net/greenwire/stories/1060024627/print> (subscription needed to see full article).

²⁷ Zeke Miller, October 28, 2014, "Joe Biden, Top Obama Officials Get Cheap Family Vacations at Federal Log Cabin," *Time* Magazine, <http://time.com/3544052/brinkerhoff-biden-cheap-vacations-log-cabin/#3544052/brinkerhoff-biden-cheap-vacations-log-cabin/>.

Looking Ahead

Increased public scrutiny of law enforcement professionals will likely have a direct effect on the work of OIG's Public Integrity Division, whose responsibilities include investigations into law enforcement misconduct. DOI law enforcement agencies have experienced a recent increase in complaints concerning law enforcement personnel, many of them involving use of force incidents. By the end of FY 2015, DOI had received 71 complaints related to use of force incidents from DOI law enforcement organizations. We are currently investigating numerous law enforcement personnel at one particular park for use of force issues, and we anticipate conducting even more of these types of investigations in the future. We recognize the importance of these safety issues and the influence they have on credibility and public trust.

Other Significant AIE Achievements—Revenue Enhancement

Highlights

We found that NPS was not charging as much as it could for entry into national parks. Partly in response to our report, NPS announced that about 130 park locations had plans to raise entry and recreation fees, significantly increasing the potential revenue generated.

We made five recommendations to help BLM increase fee revenue and strengthen operations, to enhance its ability to protect and maintain recreation areas and improve the visitor experience.

This section highlights significant audits, inspections, and evaluations that are outside of OIG focus areas, yet nonetheless consequential. In FY 2015, revenue enhancement was our most impactful AIE work outside of OIG's focus areas. We cover the largest source of DOI's nontax revenue—royalties from energy production—in discussion of our energy focus area. In these tight fiscal times, we chose this year to examine the revenues generated through recreation on DOI lands. Culminating a multiyear initiative to review selected programs for opportunities through which DOI could increase revenues, we published three reports addressing recreation programs at BLM and NPS.

In FY2014, almost 293 million people visited national parks. NPS needs \$11.5 billion for necessary repairs, NPS Director Jonathan Jarvis told the Associated Press in October 2015. Meanwhile, 10 of the 12 Western States with significant proportions of BLM-managed lands have among the fastest rates of population growth in the United States—and BLM staff told us that visitors have inundated recreational areas, including environmentally sensitive areas, on their public lands. The demand on BLM- and NPS-managed lands creates challenges for these bureaus to deliver recreational opportunities while protecting resources and providing needed public services.

BLM and NPS can generate revenue in two ways: (1) by charging recreation fees to the visitors who use their lands; and (2) by charging lease fees to the concessions that operate on the lands. In FY 2015, we examined BLM's and NPS' current fee structures and practices, and identified opportunities for the bureaus to increase revenue as well as strengthen their operations to continue these gains in the future.

Key Revenue-Enhancement Audit Products

Figure 20 provides a list of notable revenue-enhancement audit products for FY 2015.

Report Details	Summary
<p>“Review of Bureau of Land Management’s Concession Management Practices” (Report No. C-EV-BLM-0013-2013)</p> <p>Bottom line: BLM is misusing its legal authorities to manage the concessions on lands it manages along the lower Colorado River in Arizona and California, and is improperly retaining portions of the lease fees collected from the operations of these concessions.</p> <p>Of the seven recommendations that we made, BLM concurred with four and partially agreed with three. The Bureau is working to address all of the recommendations.</p>	<p>We examined BLM’s legal authority to (1) allow businesses to operate concessions, in the form of resort and recreational facilities, on lands it manages along the lower Colorado River in Arizona and California; and (2) continue to collect and retain lease fees from these businesses.</p> <p>We found that BLM’s lease practices are inconsistent with the provisions of the statute that authorizes it to issue concessions leases. BLM’s lease fees are not based on fair market value, and its cost-recovery amounts are not based on the actual costs of administering the leases. Further, BLM’s application of another law that allows it to retain a percentage of concession revenue is inconsistent with the authority, as concessions operating along the lower Colorado River include not only recreational activities, but also businesses such as gas stations, dining facilities, and convenience stores. We believe that BLM invokes multiple statutes because it does not have a clear concession program authority.</p> <p>We made seven recommendations intended to ensure that BLM properly applies the provisions of governing statutes, and to encourage BLM to seek explicit statutory authority to establish a robust concession program.</p>
<p>“Review of Bureau of Land Management’s Recreation Fee Program” (Report No. C-IN-MOA-0002-2013)</p> <p>Bottom line: BLM is not charging recreation fees in a way that will maximize its income.</p> <p>BLM generally concurred with all of the five recommendations that we made, and it has already implemented four.</p>	<p>We examined the recreation fees BLM charges for public use of its lands. We determined BLM is not charging recreation fees in some of its camping and day-use areas, even at sites where it could do so if a few basic amenities were added. In addition, at the long-term visitor areas we visited, fees were considerably lower than those of comparable local businesses.</p> <p>We made five recommendations to help BLM increase its fee revenue and enhance its ability</p>

Report Details	Summary
<p>“Review of National Park Service’s Recreation Fee Program” (Report No. C-IN-NPS-0012-2013)</p> <p>Bottom line: NPS is not charging recreation fees in a way that will maximize its income.</p> <p>We were pleased to learn that NPS began addressing some of our six recommendations shortly before we issued our report. NPS has now implemented two recommendations and is currently working to implement the rest.</p>	<p>to protect and maintain its recreation areas and improve the experiences of visitors.</p> <p>Our audit of NPS’ recreation fee program focused on NPS’ three largest means for generating recreation revenue: park-unit entrance fees, interagency entrance passes, and commercial bus tour fees.</p> <p>As with BLM, we found that NPS’ fee revenue has been lower than it could be, and our report identified several reasons why. First, in 2008 NPS imposed a moratorium on entrance fee increases, which kept fees at 2007 levels. Second, NPS’ procedures for updating fees consume time and resources that park units don’t always have. Third, NPS offers hundreds of thousands of free or substantially discounted entrance passes to certain groups. And finally, NPS has not updated its fee schedule for commercial bus tours since 1998.</p> <p>The subject of entrance fees at our national parks is a controversial one, balancing NPS’ need to provide the public with easy access to outdoor recreation with the need to fund park maintenance projects and visitor services. Therefore, over the years NPS has proven itself reluctant to raise its entrance fees. Taking action to update fees helps NPS address its fiscal shortfalls and positions it as a responsible steward of the funding it already has available. We made six recommendations encouraging NPS to assess its current fee policies, prices, and models to determine where it can make updates.</p>

Figure 20. Summary of revenue enhancement-related audit products issued by OIG in FY 2015.

Implications and Impact

Following our review of BLM's and NPS' current fee structures and practices, those bureaus have already implemented six, or one-third, of the recommendations we made. The changes in progress should help increase revenue and improve operations. BLM is also revising its "Recreation Permit and Fee Administration Handbook," which will provide its field offices with guidelines on establishing new fee sites and modifying existing fees. Revisions to policy will also require State directors to review the fees at each recreation site twice a year to ensure that they are based on fair market value, and ensure accountability for money collected.

In August 2014, NPS lifted a self-imposed fee moratorium that had been in effect since 2008, and authorized parks to begin soliciting public support for possible entrance fee changes. The Federal Lands Recreation Enhancement Act (Pub. L. No. 108-447), which authorizes agencies including NPS, FWS, BLM, and USBR to collect recreational fees from visitors at Federal sites, requires agencies to obtain and document public support before instituting or changing a recreation fee. By the summer of 2015, NPS decided to raise fees at about 130 NPS sites, with input from the public. NPS has also begun the review process for updating its commercial tour fee schedule.

Representative Gary Palmer (R-Alabama) mentioned our NPS recreation fee report during the "Modernizing the National Park Service Concession Program" hearing of the House Committee on Oversight and Government Reform's Subcommittee on Interior on July 23, 2015. Representative Palmer asked Lena McDowell, the Chief Financial Officer for NPS, about the status of her agency's progress in increasing recreation fees. Mrs. McDowell indicated that most parks that were going to raise fees have done so.

Parks with fee increases include popular ones such as Yellowstone, Bryce Canyon in Utah, Shenandoah, and Yosemite. Up to 80 percent of fees stay with a park, according to NPS, so the additional revenue can help with park maintenance and programs, such as trail rehabilitation, signage, water systems, and ranger programs.

Other Significant OI Achievements

Highlights

We identified wrongdoing in four cases involving law enforcement personnel in FY 2015—particularly significant given the ethical implications for those entrusted with enforcing the law.

Ensuring that those at the highest levels of DOI, as well as its law enforcement personnel, comply with the laws and regulations that all Federal employees and contractors must abide by is central to OIG's objective of investigating and reporting fraud, waste, and abuse. We completed numerous investigations of this nature in FY 2015, which overall help ensure that an appropriate ethical tone is established at the top to set an example for all DOI personnel.

Significant Investigative Products in FY 2015

Figure 21 provides a list of notable investigative products outside OIG focus areas for FY 2015.

Case Details	Summary
<p>Cases Involving DOI Law Enforcement Personnel Found Guilty of Misconduct</p> <p>Bottom line: We identified wrongdoing in four cases involving DOI law enforcement personnel.</p>	<p>We investigated four cases involving DOI law enforcement personnel, many of them senior officials and employees within internal affairs offices. In brief, the findings in each case were that the investigated person (1) selected a roommate to fill a 1-year term position as a seasonal law enforcement training program manager, (2) misplaced credentials and then made little effort to retrieve them from a contractor who found them, (3) failed to properly secure a handgun as evidence, which was instead placed with other law enforcement weapons, and (4) rented Government housing to visitors to a national park, while violating the terms of his required occupancy agreement by living at a family-owned home outside the park.</p>

Figure 21. Summary of significant investigative products issued by OIG in FY 2015.

Additional OI activities were related to debarments. ARD initiated efforts to address violations of the Lacey Act (16 U.S.C. §§ 3371–3378, a conservation law that prohibits trade in illegally acquired wildlife, fish, and plants), which is a key legislative tool used by FWS and other Federal agencies to combat illegal trafficking of animals and plants.

Implications and Impact

Individuals entrusted with leading DOI and with enforcing the law are held to a high standard of integrity. Convictions and related actions—including resignations—should improve DOI internal controls by ensuring that those guilty of improper actions are removed from positions of power and influence and held accountable for their actions.

Our ARD efforts resulted in the SDO’s first debarment based on importation of wildlife in contravention of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (an international agreement to ensure that international trade in wildlife and plants does not threaten their survival, also known as CITES). The debarment excludes the individual from receiving new procurement and nonprocurement awards or otherwise conducting business with the Government.

Other Significant OIG Work

Highlights

We provided training and technical assistance in the Insular Areas to investigators, auditors, and other government staff on OIG-relevant topics such as report-writing for high-profile topics, sensitive investigations, grant fraud, search warrants, and money laundering.

We offered eight recommendations to the Government of Guam and the Guam Memorial Hospital Authority (GMHA)—the only public hospital on Guam—to help the GMHA recover costs and improve its ability to provide medical services to Guam’s approximately 150,000 residents.

We initiated investigations based on whistleblower complaints, including one that led DOI to determine that the tribal government for the Chippewa Cree Tribe in Montana engaged in a prohibited retaliation against its chairman. DOI ordered \$648,000 in restitution to the tribal government whistleblower.

Capacity Building and Evaluation in the Insular Areas

DOI has administrative responsibility for coordinating Federal policy in our Insular Areas: four territories and three sovereign nations. DOI coordinates with the U.S. Department of State and other Federal agencies to promote economic development and budgetary self-reliance in these areas. OIA funds Insular Area government programs to improve education, health care, and infrastructure.

In the Insular Areas, oversight is challenging due to limited resources and the logistics of the remote locations. Together, these issues result in delayed audits, errors in reports, and sometimes no audit reports. We, therefore, have focused on capacity building. Each Insular Area government has an Office of the Public Auditor (OPA) or equivalent entity that helps assure the integrity of government operations and spending. OPAs face challenges in competing for and retaining qualified audit and investigative staff largely due to insufficient budgets and limited labor pools. Our capacity-building activities foster on-island ability to assure public accountability throughout the Insular Areas.

OIG provides training and technical assistance to enhance the capabilities of OPA staff. In FY 2015, our auditors conducted five training and technical assistance sessions for OPA staff in American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), the State of Kosrae, the Republic of the Marshall Islands, and the Republic of Palau. We tailored the training topics to the needs of each supported jurisdiction. The range of trainings included, for example—

- assistance on how to respond to changing requirements (Palau’s OPA staff are now required to conduct financial statement audits);
- new audit areas (how to audit failed banks in Palau to identify the causes of failure, to inform safeguards for other banks);
- report writing for high-profile topics (reporting on potential fraud in Kosrae); and
- updating and reinforcing audit and accounting practices (in CNMI, the Marshall Islands, and America Samoa).

In addition, we provided training to other government entities in Kosrae, CNMI, Marshall Islands, and America Samoa regarding general and government accounting.

Our investigators also provided technical assistance to Palau and Kosrae in connection with sensitive investigations being conducted by those offices. They gave classroom training to investigators, auditors, and other government staff from Guam, CNMI, Palau, Marshall Islands, and the Federated States of Micronesia (including its states, Pohnpei State, Chuuk State, Kosrae State, and Yap State). The training subjects, selected in collaboration with the public auditors, included planning, conducting, and managing investigations; grant fraud; interviewing; financial transactions and money laundering; ethics; elements of offenses and legal refresher; search warrants; report writing; and trial preparation.

We also completed an evaluation of the Guam Memorial Hospital Authority (GMHA), which—as the only public hospital on Guam—makes medical services available for more than 150,000 Guam residents. We reviewed GMHA’s ability to provide medical care to the people of Guam and to prepare for an anticipated increase in population resulting from the U.S. military buildup on Guam. In the 5 years leading up to our review, GMHA had received more than \$20 million in funding from OIA (through the Government of Guam). In our report “Guam Memorial Hospital Authority” (Report No. HI-EV-OIA-0001-2014, issued December 3, 2014), we found that GMHA’s cash flow is insufficient and its reimbursement rates and fee schedules are out of date.

Many of the weaknesses we found relate to GMHA’s inability to generate revenues, collect fees, and secure revenue sources that compensate for the care of uninsured patients. Without enough income, the hospital cannot expand and upgrade its infrastructure, maintain and replace supplies and equipment, or recruit and maintain necessary staffing. A private hospital that opened in 2015 could exacerbate GMHA’s financial challenges by drawing away self-paying and insured customers. We offered eight recommendations to help GMHA recover costs and improve its ability to provide medical services. The Government of Guam agreed with seven of the eight recommendations and is working to address the identified issues.

Whistleblower Protection

Whistleblower protection programs were originally established in 2003 in response to the Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (Pub. L. No. 107-174), now known as the No FEAR Act. Subsequent legislation expanded protection to current and former Federal employees, applicants for Federal employment, and non-Federal employees who blow the whistle on federally funded contracts and grants.

We have built a robust whistleblower protection program. We train stakeholders to prevent retaliation, we take whistleblower complaints when individuals feel they have been retaliated against, and, when complaints seem merited, we may determine that an investigation is appropriate.

Although we experienced an increase in stakeholder inquiries and initiated or completed more reprisal investigations in FY 2015 than in prior reporting periods, fewer complaints met the criteria for whistleblower reprisal. We attribute that decrease in actual reprisal to positive impacts from—

- training stakeholders on whistleblower rights and management responsibilities; and
- investigations that hold managers accountable for reprisal and make them aware of the seriousness with which OIG addresses reprisal complaints.

The majority of training we offer through one-on-one Webinars, including both general training and training for specific groups, such as contracting officer's representatives, new employees and supervisors, contract and fraud investigators, employees of DOI's Office of the Special Trustee for American Indians, and those who have a role in ensuring scientific integrity.

Examples of investigations arising from whistleblower protection include one conducted under the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, also known as ARRA), which provides whistleblower protection to non-Federal employees. OIG investigations in this ARRA case, which was also a Guardians task force case, led DOI to determine that the tribal government for the Chippewa Cree Tribe in Montana engaged in a prohibited retaliation against its chairman when he cooperated with a Federal investigation into mismanagement of nearly \$20 million in Federal subsidies. DOI ordered \$648,000 in restitution to the tribal government whistleblower for pay, legal fees, and travel.

Another whistleblower investigation was initiated based on an allegation that a Grade 15 supervisor attempted to improperly influence an employee to interfere with an ongoing Equal Employment Opportunity (EEO) investigation. The supervisor became aware of the employee's referral of the matter to OIG and launched a series of harmful personnel actions against the employee. During the investigative field work and at the conclusion of OIG interviews, the supervisor retired from Federal service and the employee was restored to meaningful work and opportunity.

Part 2. Internal Results

Our achievements in audits and investigations depend on strong internal performance and processes. OIG’s operations are deeply rooted in a culture of innovation and continuous improvement. We have been working consistently to save money by reducing our footprint and finding other, smaller cost-savings measures that can add up; improve communication at all levels; focus on learning by improving upon our After Action Review program; and training OIG employees as facilitators to engage our meetings participants and achieve the desired outcomes.

Highlights

According to an independent study by the Brookings Institution published in April 2015, we return \$20 for every taxpayer dollar spent, based on a 5-year average.

We reduced our footprint by 11 percent in our Reston and Herndon, VA locations, by consolidating the spaces. We also achieved LEED certification for the new consolidated office.

Since 2010, we have reduced our OIG-wide footprint by approximately 21,000 square feet and saved almost \$950,000 annually.

We were shortlisted for a 2015 Melcrum Award in Expert Leadership and Manager Communications. Melcrum works with leaders and teams around the globe to build skills and know-how in internal communication.

Since 2009, we have consistently scored in the top quartile (75 – 100 percent) on the Partnership for Public Service’s analysis of data from the annual Federal Employee Viewpoint Survey on topics such as effective leadership, work-life balance, and strategic management. In FY 2015, we ranked 15th on the Partnership’s “Best Places to Work” list of agency subcomponents and 4th on its list of agencies with an oversight mission.

We trained all employees in the DiSC[®] model of understanding communication styles; implemented best practices to save travel dollars; and formalized internal programs, including our After Action Review program and an internal meeting facilitator program.

Dollars and Sense

Reducing Our Real Estate Footprint

In FY 2015, we consolidated our Reston and Herndon, VA locations, reducing our footprint by about 3,700 square feet, or 11 percent, and saving more than \$267,000 annually.

For the Reston-Herndon consolidation, we met the requirements of the White House’s “Freeze the Footprint” program, which directs agencies to make more efficient use of the Government’s real estate assets, as well as its successor “Reduce the Footprint,” which requires agencies to create real property efficiency plans, including optimizing space use and setting annual targets to reduce agency portfolios over time.

The design of the consolidated office in Herndon is LEED certified. LEED, or Leadership in Energy & Environmental Design, is a green building certification program that recognizes cost-

effective and resource-efficient buildings and provides standards for design, construction, and operation. In the new office we have reduced energy usage, as well. The largest energy reduction was via installation of LED lighting throughout the entire space. Use of LED lighting reduces the upfront cost of installation, the lifecycle cost for energy for lighting, the heat load, and the need for maintenance.

We completed our design, construction, and move-in on time, officially occupying the suite in September 2015. The effort required coordination across the organization, including engaging OIG offices and external parties to ensure adequate safety, security, and IT equipment.

These activities are part of OIG's long-range plan, instituted in 2010, to reduce leased space costs through downsizing or office closures. We closed offices in Guam (2010); New York City (2011); Portland, OR (2012); and the U.S. Virgin Islands (2013). In July 2013, we downsized our offices in Honolulu, HI, and at the Stewart Lee Udall Department of the Interior Building in Washington, DC. Through the closures, we eliminated 8,013 square feet at a savings of \$351,386. Reducing our footprint in Hawaii and Washington, DC, eliminated 9,337 square feet at a savings of \$331,011.

Using Travel Systems for Accountability and Effective Spending

Travel is a large discretionary but necessary expense for us, about 50 percent of the discretionary spending allocation to each OIG office (the other 50 percent goes to training, contracts, and purchases). Gathering quality information for our project work requires that auditors and investigators go onsite for interviews and site visits. We can then form conclusions, make recommendations, and provide information to DOI to make improvements and, in partnership with DOJ, hold wrongdoers accountable. Our travelers rely primarily on an online booking and reimbursement system, which in turn helps the organization hold them accountable for following Government regulations and best practices that stretch limited travel dollars.

Over the last year and a half, OIG successfully transitioned to a new travel management system as part of a mandatory DOI-wide rollout. Our old system, GovTrip, was in place for 5 years, from 2008 to 2013. Our Financial Management staff delivered onsite training throughout OIG, wrote articles for our Intranet (the "Hub"), built an Intranet page to share information and answer travelers' questions, launched a newsletter to provide tips and training aids, provided manager training, and facilitated the migration to the new system, Concur Government Edition (CGE), for OIG staff. DOI used OIG training information and instructions to help other DOI staff follow policy and proper procedures for taking leave in conjunction with travel.

To assist with achieving lower travel costs, OIG also began employing best practices such as—

- declining collision insurance, toll transponders, and prepaid gas for rental cars;
- using the online reservation process instead of the higher priced phone assistance, which could save up to \$6,000 annually;
- reserving the lowest cost compact car and sharing rental vehicles;
- using IT such as WebEx and teleconferences to replace travel, where possible;
- reducing the number of participants that travel for a particular trip;
- using FedRooms (a GSA program that secures per diem or better rates for lodging);

- selecting the least expensive airfare;
- requesting hotel tax-exempt forms and making reservations early when possible; and
- clarifying travel compensatory time policies to limit the time allowable.

It would be difficult to calculate total savings from these best practices due to variations such as cost differences among various rental car companies and locations. All cost avoidance, however, provides opportunity to use the funding in other important areas, or to fund additional mission-critical travel.

Staffing the Highest Priority Areas

Given the size of the Department we support, OIG operates with limited staff. Fewer than 300 OIG employees oversee DOI's more than 70,000 employees, plus contractors, grantees and cooperators, and volunteers. We strongly believe that our strategic focus, which carries through to hiring, has literally paid off. We make careful staffing decisions to ensure robust coverage for our focus areas, or those areas of highest priority due to potential for fraud or mismanagement, dollar value, public interest, and other factors. According to research by the Brookings Institution,²⁸ our office returns \$20 for every dollar invested, through cost savings, monetary recoveries, and other monetary findings.

In FY 2015 we hired two special agents to work on energy investigations, bringing the total number of energy investigators to 12. We also transitioned our investigative staff working on energy cases to a specialized position description. We thus formalized the experience and expertise required to work on complex, far-reaching energy investigations.

Internal Communication Efforts Show Quantifiable Results and Win Awards

Rollout of DiSC®

About 6 years ago, OIG leaders made internal communication a strategic priority, supported by staffing decisions and targeted initiatives over the ensuing years. In FY 2015, we launched an internal communication effort using the DiSC Behavioral Model, a personal assessment tool that provides a common language for employees to identify their own and their colleagues' preferred communication style. By providing insight on how to adapt our communication style and understand colleagues' styles, DiSC can improve productivity, teamwork, and communication.

Nine employees became certified DiSC trainers and worked as a team to develop a consistent training program tailored to OIG. After delivering DiSC training to all OIG employees in early 2015, the trainers reinforced the DiSC concepts through a series of concept-sustaining learning activities in the months following training. Trainers also provided supplemental training and advice as requested by individuals and offices.

²⁸ See John Hudak and Grace Wallack, April 2015, "Sometimes cutting budgets raise deficits: The curious case of inspectors' general return on investment," Center for Effective Public Management at the Brookings Institution, <http://www.brookings.edu/~media/research/files/papers/2015/04/30-inspectors-general-roi-hudak-wallack/cepmhudakwallackoig.pdf>.

The team approach provided onsite DiSC expertise in each field location, allowing trainers to provide supplemental, tailored training without incurring travel expenses. It also allowed for consistent messaging from multiple colleagues (i.e., trainers), adding credibility to the material. Training evaluations were consistently glowing. Some examples of comments from the DiSC evaluations are provided below:

- “It was the best training I have received at DOI in over 10 years because the facilitators knew the subject matter, they provided detailed, actionable information, and they used examples that were directly relevant to OIG.”
- “I’m impressed with the team. I overheard similar sentiments this afternoon. Looking forward to participating in other related activities in the future.”
- “It appeared as though this was their full-time job to travel and present DiSC to groups.”
- “The training was informative, fun, and thought-provoking.”
- “All three instructors did a great job and worked exceptionally well as a training team.”
- “They clearly know the content and the class was lively. Just wanted to pass along that I’m impressed with the team.”
- “Strong presentation and delivery; personal stories added meaning to the DiSC experience.”

Sustaining activities have included visual displays of employee styles in each office, active use of the “Hub” (OIG Intranet) to share information, brown-bag lunches to discuss styles, and individualized training. Units from our offices of Audits, Investigations, and Management requested and received custom training tailored to unit members.

OIG has already seen improvements. For example, many employees have—

- posted their styles on their physical workspace wall;
- applied DiSC strategies to modify and tailor their presentations to decisionmakers based on the DiSC styles of the decisionmakers;
- changed email communication to craft clearer messages; and
- conversed about their styles and how they embrace the charms—and try to overcome the challenges—of all styles.

This effort serves as the latest chapter in ongoing internal communication improvements at OIG. While DiSC focuses on improving the communication skills of all employees, past efforts focused primarily on executives and managers.

Strengthening Internal Communication and Employee Engagement

OIG’s combined communication efforts contributed to recent highly positive survey responses on the Federal Employee Viewpoint Survey (FEVS) to questions related to communication and influence. In 2015, for example, 89 percent of respondents agreed with “I know how my work relates to the agency’s goals and priorities.” Since 2009, we have consistently scored in the top quartile (75 – 100 percent) on the Partnership for Public Service’s analysis of data from the annual FEVS on topics such as effective leadership, work-life balance, and strategic management (see <http://bestplacestowork.org/BPTW/rankings/detail/IN24>). OIG had a 94.8 percent response

rate to the 2015 FEVS survey, and our employee engagement score—calculated by OPM based on several questions about employee satisfaction—was 76 percent, compared with the Governmentwide score of 64 percent.

In just one year, our score on the Partnership for Public Service’s annual “Best Places to Work” rankings improved by almost 10 percentage points. At almost 78 percent, our score for FY 2015 placed us as 15th among 320 agency subcomponents on the list, and 4th among 15 agencies with an oversight mission. The score assesses employee intent to remain, and it is calculated using a proprietary weighted formula that factors in responses to three questions on the FEVS.

We were also shortlisted for a 2015 Melcrum Award in the Expert Leadership and Manager Communications category. A company specializing in internal communications, Melcrum works with leaders and teams around the globe to build skills and know-how in internal communication. The award category recognizes organizations that remove obstacles to strong executive communications and use leaders and managers to help communicate strategy in a meaningful way to the workforce, which in turn helps motivate and engage the workforce. Other notable companies on the shortlist include the Bill & Melinda Gates Foundation, Deloitte (who ultimately won), CNO Financial Group, Direct Energy, HSBC, Oxfam, RBS, Thompson Reuters, and Volvo Construction Equipment.

Continuously Improving Existing Programs

Facilitation Exemplifies OIG Employee Initiative

More than 4 years ago, a few employees took the initiative to introduce formal, employee-led facilitation to OIG—use of a trained, neutral party to guide discussion in meetings and other events, to help participants efficiently and effectively meet their goals. As this grassroots effort evolved, OIG leadership supported its development by providing funding for interested employees to receive 32 hours of facilitation training, mandating that certain events be led by a trained facilitator, and encouraging the use of facilitators in other meetings. This program’s success is indicative of what can be accomplished with employee initiative and a strong desire for continued improvement.

Facilitation has improved meetings and decisionmaking throughout OIG. All organizational components embrace it by consistently requesting internal facilitation services. We even facilitated two outside events in FY 2015: an event for the National Science Foundation and another for CIGIE.

With the increased use of and reliance on our few accomplished facilitators, this year OIG formalized the facilitation program by establishing minimum OIG requirements, qualifications, and expectations for OIG facilitators. In addition, a new policy now defines what a facilitator is and how OIG will use, select, and train facilitators.

OIG leadership designated four employees as OIG facilitators. This designation indicates that each employee has demonstrated the requisite knowledge, skills, and abilities to successfully facilitate a range of OIG meetings and events, using criteria set forth in the new policy. All

interested employees have been encouraged to become fully trained and operational OIG facilitators.

After Action Reviews Promote Learning and Growth

As part of an ongoing effort to improve OIG performance, we initiated the use of After Action Reviews (AARs) late in FY 2013. An AAR helps the organization learn from collective experiences. It is an evaluative, structured process conducted after a work activity to identify, analyze, and document mistakes and successes. The learning that takes place helps us improve or repeat successes. The results of an AAR can, for example, help clarify policies, create better processes and procedures, improve communication, and share lessons across OIG.

Since 2013, 37 AARs have been documented, with 11 of those occurring in FY 2015. Some specific outcomes have included—

- developing and holding in-house training on independence and audit risk assessment;
- revising the internal survey process by refining questions that better complement the FEVS results and gauge OIG improvement;
- developing a refined process for pre-screening information checks on OI applicants; and
- purchasing much-needed equipment to assist with search warrants.

To gauge the overall success of our AAR rollout, we asked employees about their AAR experience on our 2014 annual survey. Results were mixed. In response to the statement “The AAR process enabled me to express my observations and opinions about the completed project,” about 38 percent of respondents answered positively (strongly agree or agree). Almost 37 percent responded that they had not participated in an AAR, 16 percent responded neutrally (neither agree nor disagree), and 9 percent responded negatively.

In the spirit of learning from experience and to address these mixed survey results, in FY 2015 OIG leadership tasked a team of employees to review the current AAR policy, process, and employee experiences. The team’s review included examining whether employees are using AARs to capture lessons learned and make organizational improvements, identifying obstacles to using the AAR process, and suggesting improvements. The team reached out to employees throughout the organization for feedback. The team recommended—

- revising the AAR policy for clarification;
- routinely incorporating AARs, as well as reviews of prior AARs, before, during, or after a recurring project;
- revising the AAR form for sharing results;
- clarifying how to share those results and lessons learned within the organization;
- tracking and ensuring that action items identified during the AARs are completed;
- encouraging the use of trained facilitators to conduct the AARs; and
- training employees on how to conduct and participate in an AAR.

All OIG employees received training on conducting and participating in AARs in 2015. In addition to ensuring that employees know about AARs, the training created shared expectations and skills among OIG employees, and encouraged the use of AARs. We have early indications

of the benefits of the AAR review and subsequent training. Positive responses in FY 2015 to the AAR survey question quoted above increased 9 percent, to 46 percent positive. Additionally, respondents reporting they had not participated in an AAR dropped 5 percent, to 32 percent. Overall, institutionalizing the lessons learned from an AAR helps OIG avoid past mistakes, while also establishing best practices and ensuring that we are achieving organizational improvement.

Looking Ahead

Given recent congressional action that will most likely keep OIG's budget at the FY 2015 level, managing personnel costs remains a key component of budget execution in the next fiscal year. 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 our audits and investigations, and acquire valuable training. We closely manage our budget by reviewing our staffing levels, travel, and training.

We also continually strive to develop our staff, even in lean budget years. We have identified targeted training for OIG employees for FY 2016. First, we will improve the efficiency of our audits and investigations by focusing on planning. We will provide training to help our teams develop more refined objectives—including meaningful audit questions and specific allegations and issues to investigate—when designing projects. In addition, we will provide presentation training to OIG employees.

We will continue to emphasize improvements in our communications. Internally, we will roll out policies for an open-door workplace and how to ensure the vetting of nonconcurrency with OIG products, to create and formalize opportunities for employees' concerns to be heard and addressed. We will place emphasis in FY 2016 on external communications, as well. First, we will build on the success of various outreach efforts conducted by OIG components over the past several years. About 5 years ago, as part of our strategy of ensuring integrity in the spending of funding provided to DOI under ARRA, we provided fraud awareness training to contracting officers and grants managers, as well as recipients of DOI funds. Since then, our outreach activities have grown to include training provided to Insular Area audit and investigative groups, whistleblower protection training, training on administrative remedies, and training tailored to energy-specific investigative issues. In FY 2016, we will work to create a more formal, OIG-wide effort to coordinate and conduct outreach on various topics and to various audiences. We will also build greater capacity for conducting media outreach.

Fiscal Year 2015 Organizational Measures

Measure	Fully Satisfactory Target	Target Met or Exceeded
Deputy Inspector General and Chief of Staff		
1. OIG Employee Engagement Index score as measured by the 2015 Federal Employee Viewpoint Survey (percentage positive).	61% – 66%	Yes
2. Determine FY 2015 OIG strategic focus areas and provide AIGs direction to achieve work in those areas, as measured by percentage of completed AIE products in focus areas in 2015.	66% – 72%	Yes
3. Percentage change in 2015 Federal Employee Viewpoint Survey Leaders Lead Index score (percentage positive) for OI.	1% – 2% increase	Yes
4. Percentage of administrative investigations in which the subject of the investigation is interviewed prior to the completion of five interviews between February 1 and December 30, 2015.	51% – 60%	Yes
5. Establish a formal OIG Facilitation Program with a policy and procedures by target completion dates.	August 2015	Yes
Office of General Counsel (OGC)		
1. OIG Employee Engagement Index score as measured by the 2015 Federal Employee Viewpoint Survey (percentage positive).	61% – 66%	Yes
2. Develop and execute a project plan, approved by the Chief of Staff, to determine employee perceptions and beliefs regarding impediments to organizational objectivity and independence.	Plan proposed and approved by March 30, 2015	Yes
3. OIG Employee Survey 2015 results for OGC as measured by the following five questions (average positive score of all 5 questions): a. Over the past year, one-on-one meetings have helped me develop and/or maintain an effective	70% – 74%	Yes

Measure	Fully Satisfactory Target	Target Met or Exceeded
<p>relationship with my immediate supervisor.</p> <p>b. I received meaningful feedback in my one-on-ones this year.</p> <p>c. My career opportunities suffer by taking advantage of work-life balance programs.</p> <p>d. My immediate supervisor encouraged me to suggest and/or try new ways of doing business this past year.</p> <p>e. I understand how the OIG's strategy will help achieve its mission.</p>		
<p>4. Develop and implement a plan to increase proactive disclosures of closed investigative reports made available on the OIG public website.</p>	<p>Plan implemented by April 15, 2015, and at least 6 proactive disclosures of FY 2014 – 2015 reports by September 30, 2015.</p>	<p>Yes</p>
<p>Assistant Inspector General (AIG), Office of Audits, Inspections, and Evaluations (AIE)</p>		
<p>1. AIE Employee Engagement Index score as measured by the 2015 Federal Employee Viewpoint Survey (percentage positive).</p>	<p>66% – 70%</p>	<p>Yes</p>
<p>2. Percentage of projects in FY 2015 that meet post-survey target dates, as agreed upon by Deputy Inspector General.</p> <p>a. Conduct scheduled discussions with OIG Regional Managers and Directors between January 1, 2015, and December 31, 2015, focusing on dates of AIE deliverables, the importance of setting appropriate and realistic deadlines, and the management decisions involved in meeting the deadlines.</p> <p>b. Develop a schedule for BIE inspection reports, approved by Chief of Staff, and meet target dates for issuance.</p>	<p>61% – 65%</p> <p>Holds 5 to 7 discussions with at least 2 meetings before April 15</p> <p>-----</p> <p>5 reports issued that meet targeted deadlines by 2 weeks</p>	<p>Yes</p>

Measure	Fully Satisfactory Target	Target Met or Exceeded
<p>3. OIG Employee Survey 2015 results for AIE as measured by the following five questions (average positive score of all 5 questions):</p> <ul style="list-style-type: none"> a. I understand how my work impacts the Department's mission: To protect and manage the Nation's natural resources and cultural heritage; provide scientific and other information about those resources; and honor its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities. b. The OIG products (reports) issued over the past year were objective. c. Over the past year, the OIG conducted its work in a manner that was independent (free from improper influence) from the Department. d. Over the past year, the OIG conducted its work in a manner that independent (free from improper influence) from Congress. e. Over the past year, employees in my unit were held accountable for following established policies. 	64% – 72%	Yes
<p>4. Number of verification reviews regarding AIE report products, issued between January 1, 2011, and December 31, 2013, relating to OIG focus areas or DOI Top Management Challenges that have closed recommendations and considered implemented by DOI for at least a year and no more than 3 years.</p>	7 – 8	Yes
<p>5. Percentage of AIE products completed in FY 2015 in identified focus areas.</p> <ul style="list-style-type: none"> a. Develop reporting format for IT Vulnerability Assessments. b. Conduct meetings with Departmental officials. Information gathered will be discussed with AIE management team and incorporated into AIE's planning processes. 	<p>66% – 72%</p> <p>Format developed and approved by June 2015</p> <p>-----</p> <p>4 meetings scheduled and held</p>	Yes

Measure	Fully Satisfactory Target	Target Met or Exceeded
Assistant Inspector General (AIG), Office of Investigations (OI)		
1. OI Employee Engagement Index score as measured by the 2015 Federal Employee Viewpoint Survey (percentage positive).	66% – 70%	Yes
2. Realign resources for Investigative Support Division to improve complaint intake and analysis. a. New organizational chart and duties by March 1, 2015. b. New intake process approved by AIG for Investigations by April 1, 2015. c. Number of leads submitted to ISD after February 1, 2015 requiring investigative action by field agents decreased by October 1, 2015.	Organizational chart and duties completed by March 1 ----- New intake process approved by AIG/I by April ----- Number of leads requiring action by field agents reduced between 26% and 35%	Yes
3. Percentage change in 2015 Federal Employee Viewpoint Survey Leaders Lead Index score (percentage positive) for OI.	1% – 2% increase	Yes
4. Percentage of administrative investigations in which the subject of the investigation is interviewed prior to the completion of five interviews between February 1 and December 30, 2015.	51% – 60%	Yes
5. Deputy AIG for Investigations will develop a quality assurance plan for FYs 2015 and 2016 that identifies policies and practices that will be reviewed and with which compliance is determined.	Plan developed and approved by March 15, 2015.	Yes

Measure	Fully Satisfactory Target	Target Met or Exceeded
Assistant Inspector General (AIG), Office of Management (OM)		
1. OM Employee Engagement Index score as measured by the 2015 Federal Employee Viewpoint Survey (percentage positive).	66% – 70%	Yes
2. Percentage of new hiring actions completed within 65 days from receipt of approval to hire by the Human Resources Division to the job offer date.	67% – 71%	Yes
3. OIG Employee Survey 2015 results for OM as measured by the following five questions (average score): a. Over the past year, my senior leader (SES) and/or Deputy AIG clearly explained the rationale for decisions made in my office. b. Over the past year, I observed consistency between communications from the senior executive in charge of my office and his/her actions. c. My immediate supervisor encouraged me to suggest and/or try new ways of doing business this past year. d. This last year, I have had opportunities at work to learn and grow. e. In the last month, I have received recognition for doing good work.	71% – 74%	Yes
4. Timely completion of Herndon/Reston consolidation. a. Develop and implement a project and communication plan to facilitate consolidation preparations and keep employees informed.	Chief of Staff approves plan by March 15 and 70% of scheduled deadlines for preparatory actions completed as scheduled.	Yes
5. Develop roll-out plan during FY 2015 for OIG to use DOI's new appraisal form and process starting in FY 2016. a. Percentage of managers trained on new appraisal	61% – 70% ----- Employees are	Yes

Measure	Fully Satisfactory Target	Target Met or Exceeded
<p>form and process by August 17, 2015.</p> <p>b. Employees are notified of new plan and provided opportunity to attend informational session.</p>	<p>notified by September 1, 2015, through an executive memorandum on new plan and 2 sessions held before October 1, 2015.</p>	