



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

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Memorandum

To: Allen Lawrence
Division Chief, Internal Control and Audit Follow-up, Office of Financial Management

From: Jeff Carlson 
Director, Energy Audits Unit

Subject: Verification Review – Recommendations for the Report, “U.S. Department of the Interior’s Underground Injection Control Activities (Report No. CR-EV-MOA-0006-2012)
Report No. 2017-EAU-017

The Office of Inspector General (OIG) has completed a verification review of 18 of the 23 recommendations presented in our March 2014 evaluation report, “U.S. Department of the Interior’s Underground Injection Control Activities” (Report No. CR-EV-MOA-0006-2012). Our objective for this review was to determine whether the Department of the Interior (Department) implemented the recommendations reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget (PMB). Recommendations were made to the Office of Insular Affairs (OIA), PMB, Bureau of Indian Affairs (BIA), Bureau of Land Management (BLM), Bureau of Reclamation (USBR), National Park Service (NPS), and U.S. Fish and Wildlife Service (USFWS).

Our report found areas of concern with the Department’s management of Underground Injection Control (UIC) Class V wells. Specifically, we found that wells banned by the Environmental Protection Agency (EPA) were still being operated on Department-managed lands, and that bureaus and services did not have any comprehensive guidance for or understanding of UIC activities. The report made one recommendation to OIA, two recommendations to PFM, and four each to BIA, BLM, USBR, NPS, and USFWS.

The four recommendations to BIA were considered resolved and implemented at the time of final report issuance and are not included in this review. Of the remaining 19 recommendations, PFM reported that 18 outstanding recommendations had been closed. The remaining open recommendation was recommendation 6 to USFWS. We included all 18 closed recommendations in the scope of our review.

To accomplish our objective, we reviewed the supporting documentation that Department officials provided to PFM, discussed issues with staff, and collected and reviewed additional supporting documentation, as required, to verify each recommendation’s implementation independently.

We did not test internal controls, visit sites, or conduct fieldwork to determine whether the underlying deficiencies that we originally identified had been corrected. As a result, we did not conduct this verification review in accordance with Generally Accepted Government Auditing Standards issued by the Comptroller General of the United States, or Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

Recommendations Verified as Closed

Based on our review, we conclude that the following 11 recommendations have been resolved, implemented, and closed:

Recommendation 1: We recommend that the Assistant Secretary for Policy, Management and Budget develop and implement policies, and plans to ensure compliance with EPA's UIC regulations and help bureaus consistently identify, inspect, and manage UIC Class V wells.

Recommendation 2: We recommend that the Assistant Secretary for Policy, Management and Budget work with EPA to clarify the definition of large capacity cesspools to ensure consistency in application throughout the Department.

Recommendation 3: Develop and implement policies, procedures, and plans to include consistently identifying, authorizing, inspecting, and managing UIC Class V wells to ensure compliance with EPA's UIC regulations.

Closed for all Bureaus (BLM, USBR, NPS, and USFWS).

Recommendation 5: Develop and implement policies and procedures that will educate facility managers on EPA's rules concerning Class V wells, ensure consistent reporting of new and existing UIC Class V wells in accordance with EPA's regulations, and ensure compliance with EPA's regulations by conducting reviews to verify reporting requirements are being met.

Closed for all Bureaus (BLM, USBR, NPS, and USFWS).

Recommendation 6: Immediately close any banned Class V injection wells.

Closed for USBR only.

Recommendations To Be Opened

We determined the following seven recommendations have not been fully implemented.

Recommendation 4: Identify Class V underground injection wells and develop centralized systems for tracking existing and new wells.

BLM Actions Taken: BLM has not fully implemented a centralized system for tracking new and existing wells. Despite having issued two instruction memorandums, IM 2013-178 (Inventory of Class V Underground Injection Control Wells, Septic Systems and Pit Toilets) and IM 2014-060 (Compliance with Class V Underground Injection Control Well Program) and using the Facility Asset Management System to track Class V wells, BLM staff were unable to

provide a complete inventory without putting out a data call to State program leads. The inventory provided an incomplete assessment of the current status for the wells listed.

USBR Actions Taken: USBR has not fully implemented a centralized system for tracking new and existing wells. The inventories supplied to OIG during this review varied from one USBR region to another, both in format and content. The inventories were also incomplete and required additional discussions with regional staff to determine well status and type. USBR issued the memorandum titled ENVTRMR-69 and included it in the Reclamation Manual that outlines the inventory requirements for tracking Class V wells, but the inventory requirement has not been met, and additional work to create a standardized tracking system and to maintain uniform data entry definitions is needed.

NPS Actions Taken: NPS has not fully implemented a centralized system for tracking new and existing wells. The inventory of Class V wells supplied to us for review was based on well characteristics (flow capacity) and titled “NPS Potential Class V Wells.” This indicates that NPS has not positively identified these wells as Class V wells for permitting purposes and that the tracking system does not have the ability to track them as Class V wells. NPS staff stated that the definition of Class V wells may vary from state to state, but were unable to provide OIG with a definitive list of wells that had been classified as such. In closure documentation, NPS stated that a new attribute field had been added to the NPS Facility Management Software System that identified Class V wells; however, this was not evident in the inventory provided. NPS developed “Guidance on EPA UIC requirements for Class V wells,” which includes reporting and inventory requirements, but has not successfully implemented it.

USFWS Actions Taken: USFWS has not fully implemented a centralized system for tracking new and existing wells. In its corrective action plan for this recommendation, USFWS included a section on UIC in the USFWS Environmental Compliance Checklist and has begun using this checklist in environmental compliance audits. To date, only 21 percent of USFWS facilities have undergone an environmental compliance audit, using the updated checklist. As such, USFWS does not have a complete inventory of Class V wells.

Recommendation 6: Immediately close any banned Class V injection wells.

BLM Actions Taken: BLM has not implemented closure of all banned Class V injection wells. BLM provided documentation that supports the permanent closing of three of the four banned Class V wells it had identified; however, BLM did not respond to inquiries about the status of the final well. An additional 13 wells were identified as potentially banned Class V wells in the BLM-provided inventory.

NPS Actions Taken: NPS has not implemented closure of all banned Class V injection wells. While NPS has taken steps to identify banned Class V wells as noted above, an incomplete inventory makes it impossible to determine if any such wells continue to operate on NPS-managed land.

Recommendation 7: OIA is to work with EPA to develop an outreach program to include identifying, inspecting, and managing UIC Class V wells to ensure compliance with EPA’s UIC regulations.

OIA Actions Taken: OIA has not fully implemented this recommendation. Through a series of e-mails, OIA staff reached out to EPA staff concerning UIC well management. These actions occurred after the issuance of the draft report and prior to final report issuance. We knew of these efforts, but concluded that the recommendation had not been implemented at that time and that OIA should “continue to make overtures to EPA that would form partnerships and result in benefitting all stakeholders through better management of UIC wells.” To date, OIA has not made any additional efforts to contact EPA.

Conclusion

We informed BLM, USBR, NPS, USFWS, and OIA officials of the results of this review and we are asking PFM to open the seven identified recommendations.