



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

**RECOMMENDATIONS 1, 3, 4, AND 5  
FROM THE REPORT TITLED “U.S. FISH  
AND WILDLIFE SERVICE’S  
MANAGEMENT OF OIL AND GAS  
ACTIVITIES ON REFUGES”  
(CR-EV-FWS-0002-2014)**




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

**MAR 26 2018**

Memorandum

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

From: Jeff Carlson   
Director, Energy Audits Unit  
Office of the Inspector General

Subject: Verification Review of Recommendations 1, 3, 4, and 5 from the Report Titled “U.S. Fish and Wildlife Service’s Management of Oil and Gas Activities on Refuges” (CR-EV-FWS-0002-2014)  
Report No. 2018-EAU-029

The Office of Inspector General has completed a verification review of Recommendations 1, 3, 4, and 5, presented in our evaluation report, *U.S. Fish and Wildlife Service’s Management of Oil and Gas Activities on Refuges* (CR-EV-FWS-0002-2014), issued March 1, 2015. Our objective for this review was to determine whether the U.S. Fish and Wildlife Service (USFWS) implemented Recommendations 1, 3, 4, and 5 in the evaluation as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget. We concur that these four recommendations have been resolved and closed.

## **Background**

Our report, *U.S. Fish and Wildlife Service’s Management of Oil and Gas Activities on Refuges*, dated March 1, 2015, made five recommendations designed to help the USFWS manage oil and gas activities in refuge system lands. The USFWS concurred with four of our recommendations and partially concurred with one and, in a memorandum dated December 29, 2014, detailed its plans to implement them. In a March 19, 2015 memorandum, we referred the recommendations to the Director of the Office of Financial Management to track their implementation.

## **Scope and Methodology**

The scope of this review was limited to determining whether the USFWS implemented the recommendations we reported. To accomplish our objective, we obtained all the documentation related to the actions the USFWS has taken to implement each recommendation. We did not perform internal control testing or conduct fieldwork to determine whether the underlying deficiencies that were initially identified have been corrected. As a result, this review was not conducted 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.

## **Results of Review**

Our current review found that USFWS had implemented recommendations 1, 3, 4, and 5.

**Recommendation 1:** Work with U.S. Department of the Interior's Office of the Solicitor to determine how best to utilize special use permits to improve accountability of operations on refuges.

**Action Taken:** USFWS propagated new regulations contained in 50 C.F.R. part 29 requiring operators to obtain permits for all new oil and gas operations for privately held minerals on refuges.

We consider recommendation 1 resolved and implemented.

**Recommendation 3:** Develop and implement policies and procedures to require owners to properly notify FWS when well and lease ownership is transferred.

**Action Taken:** USFWS propagated new regulations contained in 50 C.F.R. part 29 requiring operators to inform USFWS when changes to operator and ownership status occurs.

We consider recommendation 3 resolved and implemented.

**Recommendation 4:** Explore requiring additional bonds that could be used for plugging orphaned wells and remediating environmental damage in a timely manner.

**Action Taken:** USFWS propagated new regulations contained in 50 C.F.R. part 29 requiring operators to submit to USFWS financial assurances above and beyond any current state and federally required assurances in order to obtain use permits.

We consider recommendation 4 resolved and implemented.

**Recommendation 5:** Develop and implement a plan that includes timelines and requirements for obtaining, verifying, maintaining, and regularly updating oil and gas well and related infrastructure data.

**Action Taken:** USFWS developed and established responsibilities for maintaining an inventory of oil and gas facilities on refuges.

We consider recommendation 5 resolved and implemented.

## **Conclusion**

PFM reported to us that the recommendations had been addressed. We concur that Recommendations 1, 3, 4, and 5 have been resolved and implemented. We informed USFWS officials of the results of this review on March 8, 2018.

We would like to thank USFWS for providing information that we requested during our review. If you have any questions concerning this memorandum, please contact me at 303-236-9243.

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