



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

OPERATIONS OF THE OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION



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

DEC 15 2014

The Honorable Kenneth S. Calvert, Chairman
The Honorable James P. Moran, Ranking Member
House Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies
B-308 Rayburn House Office Building
Washington, DC 20515

Subject: Final Evaluation Report – Operations of the Office of Navajo and Hopi Indian Relocation
Report No. WR-EV-MOA-0003-2014

Dear Mr. Calvert and Mr. Moran:

This letter transmits our report on the operations of the Office of Navajo and Hopi Indian Relocation (ONHIR). We performed this evaluation at the request of the House Appropriations Subcommittee, which included language in ONHIR's fiscal year 2014 appropriation directing ONHIR to provide the Office of Inspector General (OIG) with funding for audits and investigations of ONHIR's operations.

Based on our evaluation, we concluded that it will not be possible for ONHIR to complete its relocation work and cease operations in the near future without legislative changes and/or an increase in annual appropriations. Our report provides background on the Navajo-Hopi Land Settlement Act and activities authorized by the Act, as well as up-to-date information on the status of ONHIR's relocation activities and the work that remains to be completed.

At the request of the Office of Management and Budget (OMB), ONHIR prepared a report in April 2014 setting forth funding options to accelerate the relocation work and alternatives to ONHIR's current practice of providing certified applicants with a relocation home. ONHIR's report to OMB included seven options for closing out ONHIR and the relocation program, including the possibility of providing a lump-sum payment to each certified applicant in lieu of a replacement home. The estimated costs of these options, some of which would require legislative changes, range from \$38.5 million to \$82 million. We concluded that ONHIR's estimates reasonably reflect its current operating costs and can be used by the congressional subcommittee members to determine which approach will best control costs and complete the relocation mission in an acceptable, fair, and expeditious manner.

We have provided four suggestions that the subcommittee may want to consider in determining what actions, if any, should be taken to expedite Navajo and Hopi relocation activities.

Should the subcommittee provide funding for additional oversight of ONHIR operations in fiscal year 2015, OIG anticipates reviewing ONHIR's eligibility determination, administrative appeal, and relocation practices. Our efforts would be focused on identifying and documenting the activities ONHIR performs within each of these processes, determining the amount of time spent on each activity, and identifying opportunities to eliminate activities or amend processes in order to expedite the completion of ONHIR's work. If you have any questions regarding this report, please do not hesitate to contact me at 202-208-5745.

Sincerely,



Mary L. Kendall
Deputy Inspector General

cc: Darren Benjamin, Professional Staff Member, House Committee on Appropriations,
Subcommittee on Interior, Environment, and Related Agencies
Rick Healy, Professional Staff Member, House Committee on Appropriations,
Subcommittee on Interior, Environment, and Related Agencies

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Results in Brief

Forty years after the passage of the Navajo-Hopi Land Settlement Act (Pub. L. No. 93-531) in 1974, we found that the relocation effort—to move Navajo households living on lands partitioned to the Hopi Tribe and Hopi households living on lands partitioned to the Navajo Nation—is not yet completed. Although all Navajo and Hopi households have moved off the lands partitioned to each other, some applicants still await eligibility determination and some eligible families await relocation benefits. The effort continues today at an appropriations total of about \$564 million as of fiscal year 2014.

The 1974 law put a 5-year timeframe on the relocation process. For a variety of reasons, this deadline was not met, and the relocation effort continues to this day with no clear completion date. We noted two causes for the delay: (1) the Office of Navajo and Hopi Indian Relocation (ONHIR) is still performing relocation benefit eligibility determinations; and (2) the administrative appeals process is not complete. The exact number of households entitled to receive relocation benefits will remain uncertain until ONHIR completes final eligibility determinations on all applications and all denied applicants who appeal ONHIR’s determination have their cases heard.

The relocation program’s completion date depends on several factors, including the length of time it will take to complete applicant eligibility determinations and administrative appeals, appropriation levels, and how quickly housing can be obtained for eligible families. In our opinion, setting a program completion date and providing the appropriations needed to fund housing for certified applicants are critical steps, because the longer the program continues, the greater the risk that litigation might further extend its life. Moreover, the longer relocations take to complete, the greater their cost due to the annual administrative costs involved and the potential loss of the historical and cultural knowledge of ONHIR staff members through attrition or otherwise.

A September 6, 2012 Congressional Research Service memorandum addressed to the House Appropriations Committee, Subcommittee on Interior, Environment, and Related Agencies, reported that some members of Congress have expressed frustration with the length of time and the cost of the relocation effort. The memorandum stated that, on at least two occasions, Congress has considered bills to set an end date for the relocation process and to abolish ONHIR and transfer its functions to the U.S. Department of the Interior.

Recently, the Office of Management and Budget (OMB) requested from ONHIR a report setting forth alternatives to ONHIR’s practice of providing certified applicants with a relocation home, including the possibility of providing a lump-sum payment to each certified applicant in lieu of a replacement home. In April 2014, ONHIR submitted to OMB a report with seven options for closing out

ONHIR and the relocation program. The close-out plans used an estimate of 200 families eligible for relocation homes at a cost of \$150,000 for each family for a replacement home and varying administrative and eligibility-determination costs. The estimated costs of the close-out options, some of which would require legislative changes, ranged from \$38.5 million to \$82 million.

As a result of our evaluation of ONHIR's historical costs and accomplishments, its current organizational structure, and the relocation work remaining to be completed, we concluded that the cost estimates and other assumptions in ONHIR's close-out options appear reasonable. For example, we noted that ONHIR's annual appropriations for the past 5 years have averaged about \$7.7 million, which has funded about 19 relocations a year. These data appear to be in line with ONHIR's first close-out option estimate that it can move 20 families in a year if given an appropriation level of \$8.2 million.

Based on our review of the program, ONHIR is not in a position to complete its work or cease operations in the near term unless legislative changes are made, such as the authorizing of a lump-sum payment in lieu of a replacement home. ONHIR's close-out options, which have merit and appear to be sound, are a good starting point when considering how long the relocation program should continue, how much to fund the program, and whether a target completion date for the program should be proposed.

We suggest 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. Along with this suggestion, we also offer three other suggestions in our report:

- Focus on completing eligibility determinations and administrative appeals.
- Legislate a sunset date for the relocation program and provide the requisite level of appropriations to meet ONHIR's statutory obligations by that date.
- Develop a transition plan for the eventual transfer of assets and remaining responsibilities to appropriate offices and agencies.

Introduction

Objective

The objective of our evaluation was to determine (1) the status of the Office of Navajo and Hopi Indian Relocation's (ONHIR) relocation efforts, and (2) how ONHIR is using its appropriated funds. See Appendix 1 for the scope and methodology of this report.

Background

In 1882, President Chester Arthur set aside a reservation, 70 miles long and 55 miles wide, for the Hopi and “such other Indians as the Secretary of the Interior may see fit to settle thereon.” At the time, about 1,800 Hopi and 300 Navajo Indians were living on the Hopi reservation. By 1958, when Congress passed the first law in an effort to resolve the land dispute between the tribes, there were about 8,800 Navajo residing within the 1882 Hopi reservation.

In a 1962 court case, *Healing v. Jones*, the Hopi claimed exclusive rights to the entire reservation and the Navajo claimed exclusive rights to about 80 percent of the reservation. The court held that, except for a portion of the reservation used exclusively by the Hopi (known as District 6), both tribes have joint and equal interests to the surface (and subsurface) lands. This jointly owned area (referred to as the Joint Use Area, or JUA) was used almost exclusively by the Navajo.

In 1974, Congress passed the Navajo-Hopi Land Settlement Act (Pub. L. No. 93-531), which partitioned the JUA and directed an even split of the area between the tribes. It also required Navajo households residing on lands partitioned to the Hopi Tribe to relocate, and Hopi households residing on lands partitioned to the Navajo Nation to relocate. (See Figure 1 for a location map of the reservation and Figure 2 for a map of Navajo and Hopi partitioned lands.)

The law established the Navajo and Hopi Relocation Commission to carry out the relocation process,¹ and instructed that the process be completed 5 years after Congress approved a relocation plan submitted by the Commission. Because this plan was approved by Congress in 1981, the relocation process should have been completed by July 7, 1986.

The law also established eligibility requirements for relocation benefits, which included the following:

¹ In 1988, Pub. L. No. 100-666 abolished the Commission and replaced it with ONHIR.

- The applicant had to be a head of a household as of July 7, 1986.
- The head of household or his or her immediate family must have been a legal resident of lands partitioned to the other tribe as of December 22, 1974, the date on which the relocation law was enacted.
- The applicant had to apply for relocation benefits before the July 7, 1986 deadline.²

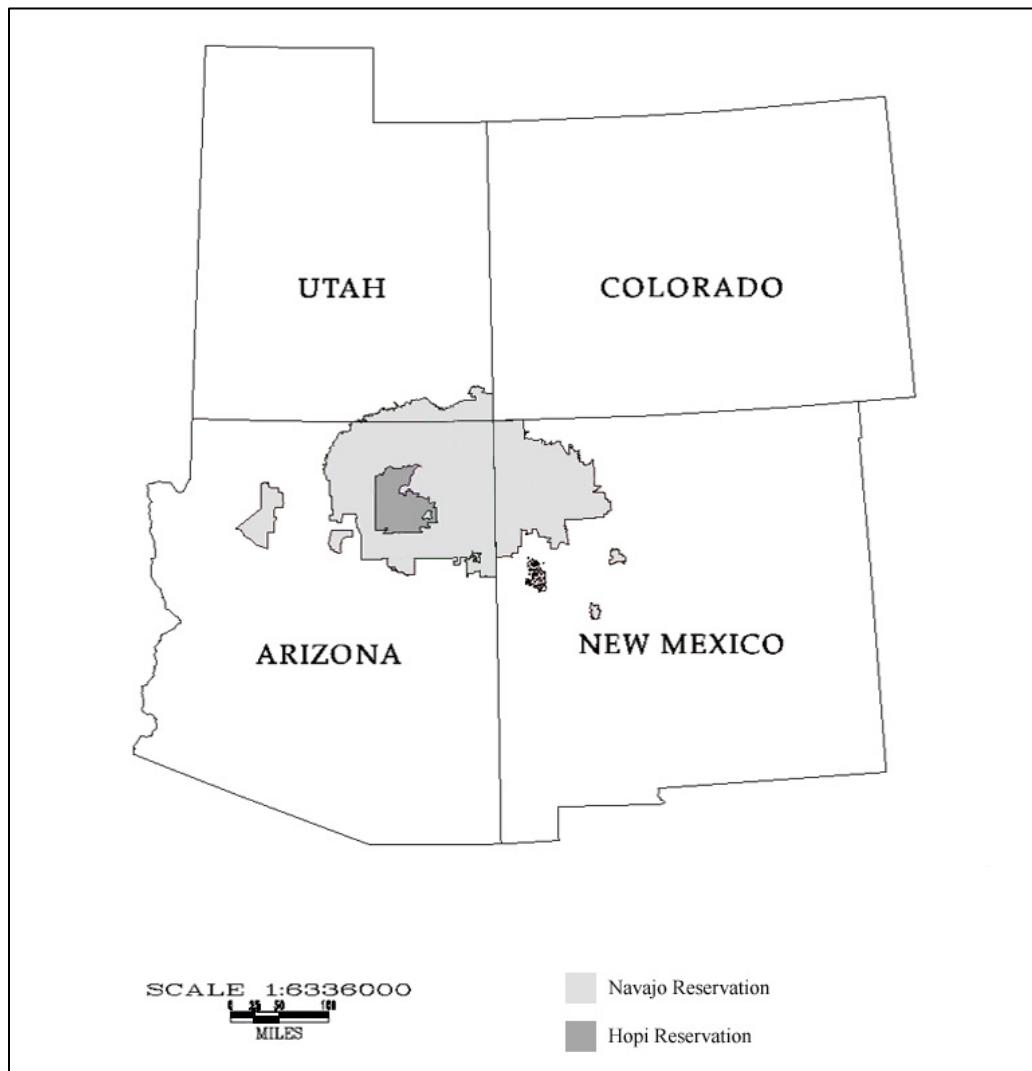


Figure 1. Navajo and Hopi reservation location map.

² ONHIR lost an Administrative Procedure Act (see Footnote 6) appeal of one of its eligibility determinations in 2008. As a result, some heads of household who met the eligibility criteria as of 1986 were able to apply for benefits as late as August 31, 2010. In the *Noller Pete Herbert* case—decided in February 2008—the U.S. District Court for the District of Arizona determined that ONHIR knew Noller Pete Herbert to be a member of a family residing on the Hopi Partitioned Lands and that he might qualify for relocation benefits on his own when he turned 18. The court found that ONHIR had not provided personal notice to Noller Pete Herbert before July 7, 1986, so as to enable him to apply for relocation benefits. In response to this decision and after consultation with the U.S. Department of Justice, ONHIR reopened the application process and accepted applications for relocation benefits from October 2008 through August 2010.

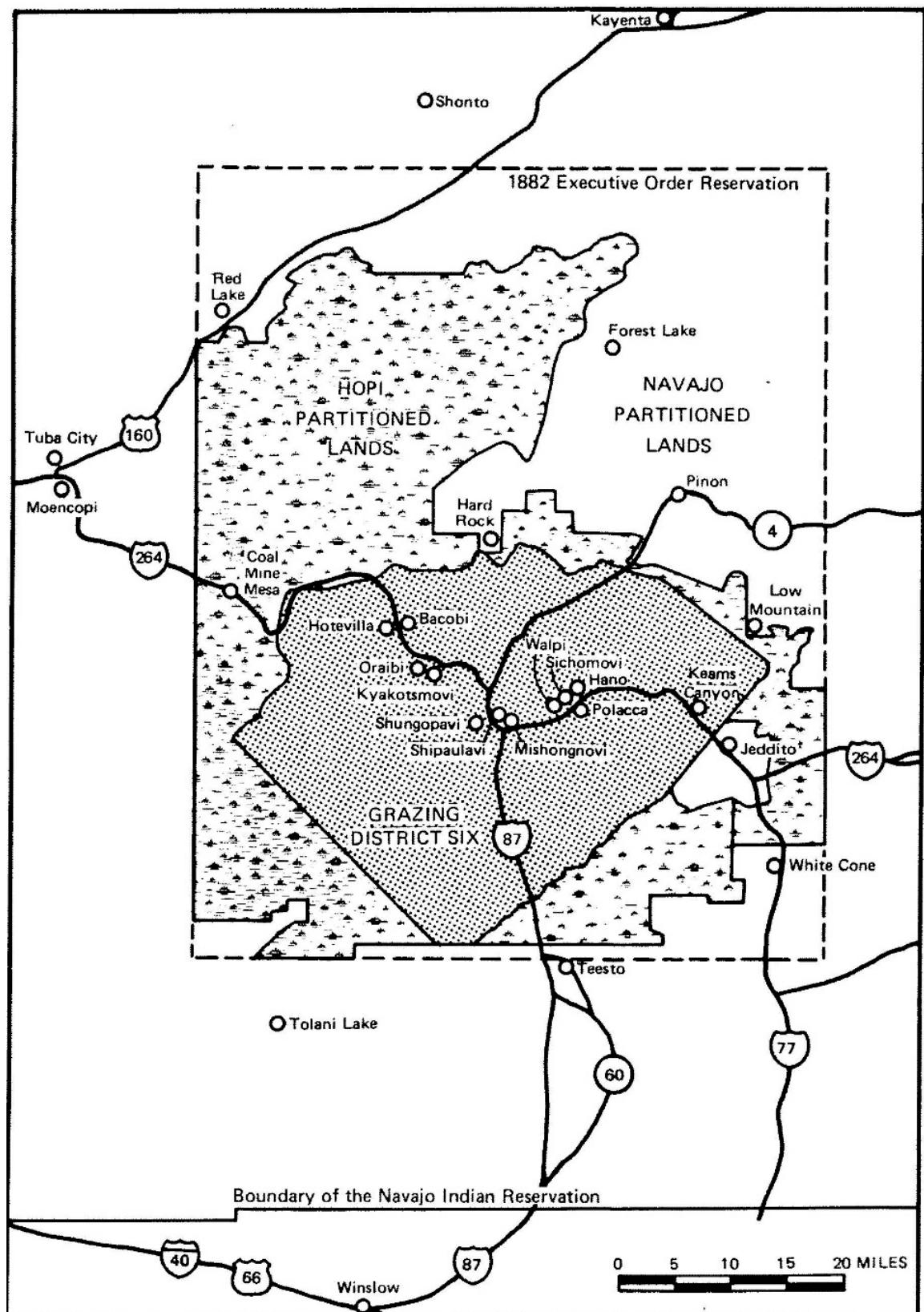


Figure 2. Navajo and Hopi partitioned lands.

Pub. L. No. 93-531 also provided for a range of relocation benefits for eligible families, including the provision of new housing; payments for moving expenses; bonus payments of up to \$5,000 for families that applied for relocation benefits within a certain time period; and relocation assistance payments for new housing, which were originally set at \$17,000 for a household of three or fewer, and \$25,000 for a household of four or more.³

The July 7, 1986 deadline for relocation was not met, and 28 years later, the relocation process continues. One reason the deadline was not met is that the number of households eligible for relocation benefits was nearly four times higher than initially anticipated. Also, in the early years of the program, several problems arose, including substandard housing provided to relocated families and relocated families having to adjust to life in new areas, particularly off the reservation. A shortage of suitable land to which the relocated households could move also delayed the relocation process.

The relocation law was amended several times, including the Navajo and Hopi Indian Relocation Amendments Act of 1980 (Pub. L. No. 96-305); the Navajo and Hopi Indian Relocation Amendments of 1988 (Pub. L. No. 100-666); and the Navajo-Hopi Land Dispute Settlement Act of 1996 (Pub. L. No. 104-301). These laws made a number of changes to the relocation process, including authorizing—

- the Secretary of the Interior to transfer additional land to the Navajo Nation to be used for relocation;⁴
- an increase in appropriations for bonus payments and housing benefits;
- funds for projects related to relocation;
- the Hopi Tribe to provide 75-year leases to Navajo households residing on the Hopi Partitioned Lands; and
- the abolishment of the original Commission and in its place the establishment of ONHIR to carry out the relocation process.

The Commission, and subsequently ONHIR, had several responsibilities in carrying out the relocation process. These responsibilities included certifying families as eligible for relocation benefits; acquiring relocation housing for eligible families; acquiring and managing land and constructing new housing and infrastructure where necessary; and providing pre- and post-move counseling and other services to assist eligible households with the transition.

A September 6, 2012 Congressional Research Service memorandum addressed to the House Appropriations Committee, Subcommittee on Interior, Environment,

³ The relocation assistance payments for new housing are currently set at \$123,000 for a household of three or fewer, and \$129,000 for a household of four or more.

⁴ Pub. L. No. 96-305 authorized the Secretary to transfer lands (not to exceed 250,000 acres) within the States of Arizona and New Mexico and under the jurisdiction of the Bureau of Land Management to the Navajo Nation; and accept title, on behalf of the United States in trust for the benefit of the Navajo Nation, to private lands (not to exceed 150,000 acres) acquired by the Navajo Nation.

and Related Agencies, reported that some members of Congress have expressed frustration with the length of time and the cost of the relocation effort. The memorandum stated that on at least two occasions Congress has considered bills to set an end date for the relocation process and to abolish ONHIR and transfer its functions to the U.S. Department of the Interior (DOI). In 1996, a bill was introduced (S. 2111, 104th Cong.) that would have abolished ONHIR on September 30, 2001, and transferred its remaining functions to a newly created Office of Relocation within DOI. The bill also would have prohibited any benefit payments to a head of household who was not certified as eligible for benefits by September 30, 2001, and provided for benefits to be held in trust for eligible heads of household who had not yet received replacement homes. In 2005, the Senate passed a bill (S. 1003, 109th Cong.) that included provisions similar to those in the 1996 bill. No final law was passed in either instance.

Status of Relocation Effort and Potential Future Operations

Relocation Program Status

Appropriations enacted for the Commission and ONHIR from fiscal years (FYs) 1976 to 2014 to carry out the relocation process total about \$564 million. The original estimate of the total cost of the relocation effort was \$41 million. ONHIR does not have a specific target completion date for the relocation process. Figure 3 provides a snapshot, as reported by ONHIR, of the accomplishments and status of the relocation effort.

| Relocation Status as of August 31, 2014 | |
|--|--|
| ONHIR has accepted a total of 7,211 applications for relocation benefits. Of this number, 3,828 (53 percent) have been certified, 3,318 (46 percent) have been denied, and 65 (1 percent) require an eligibility determination. | |
| Of the 3,828 certified as eligible for benefits, 3,589 (94 percent) have been relocated, 119 (3 percent) are awaiting relocation, and 120 (3 percent) have had their cases closed without relocating (generally because households were not responsive or the head of household died without an heir prior to relocation). | |
| Of the 3,589 relocations, 3,562 (99 percent) were Navajo relocations and 27 (1 percent) were Hopi relocations. (Note: No Hopi households are waiting to be relocated.) | |
| Of the 3,589 relocations, 2,389 (67 percent) relocated to homes on reservation lands and 1,200 (33 percent) relocated to homes off reservation lands. (Note: Of the 1,200 off-reservation relocations, at least 151 relocations—about 13 percent—were outside Arizona and New Mexico.) | |
| There are 119 certified applicants awaiting relocation. Of this number, 32 (27 percent) are either in the process of building or buying a home or are seeking a home or contract. The remaining 87 (73 percent) have not yet received home acquisition counseling and are awaiting availability of relocation benefit funds. | |
| Of the 65 applications that still require an eligibility determination, 47 are from applicants who have (1) not maintained contact with ONHIR and, therefore, ONHIR has no way of contacting these applicants; or (2) died, and ONHIR has no information on the identity of possible heirs or contact information for such heirs.* | |
| There are 294 pending administrative appeals. In addition, some or all of the 65 applicants whose eligibility has not yet been determined could appeal. | |
| Except for four “resisters,” all Navajos have moved off the Hopi Partitioned Lands. There are no plans to forcibly remove the resisters from the Hopi lands. | |

* ONHIR reported that it requested assistance from all 110 Navajo Nation chapter house presidents in obtaining current contact or heirship information, but as of September 9, 2014, no such information had been received. ONHIR planned to administratively close these pending applications if the information was not received by September 30, 2014.

Figure 3. Relocation accomplishments and status as of August 31, 2014.

ONHIR Organization and Operations

ONHIR was established as an independent entity under the Executive Office of the President with oversight provided by the Office of Management and Budget (OMB) and Congress. A presidentially appointed Commissioner serves as the head of ONHIR. This position has been vacant for about 20 years. A Senior Executive Service Executive Director, acting under delegated authorities, runs the office. The total staff size of the office is 35 people. If ONHIR should close, 20 of the 35 employees (57 percent) are eligible to retire, 9 employees (26 percent) are eligible for early retirement, and the remaining 6 employees (17 percent) would be offered severance pay.

Over the past 5 years, ONHIR expended an average of \$9.8 million and completed an average of 19 relocations per year.⁵ During this period, ONHIR received appropriated funds averaging \$7.7 million per year and used prior year carryover funds averaging \$2.1 million per year. On average, ONHIR used these funds in the following manner—

- \$5.6 million for administrative operations, which includes \$3.9 million for employee salaries and benefits;
- \$3.6 million for housing and bonuses for relocated households; and
- \$564,000 for discretionary activities.

The time it will take to relocate the remaining certified households and complete the eligibility appeal process depends on ONHIR’s appropriation levels, the speed in which housing can be obtained for the families that are certified and waiting to relocate, and the length of time needed for ONHIR to review pending applications and to hear the administrative appeals for relocation benefits. For applications with eligibility determinations made in FYs 2009 through 2013, we found the average time it took to perform these eligibility determinations was 704 days (or close to 2 years). Administrative appeals that were heard in FYs 2009 through 2013 took an average of 960 days (or over 2½ years) from the date the appeal was received to the date the hearing decision was made. Administrative appeals in connection to applications that were filed as a result of the *Noller Pete Herbert* court decision took an average of 506 days (or not quite 1½ years). Yet another factor affecting the speed in which the relocation efforts are completed is the right of an applicant who has been denied relocation benefits to seek Federal court review under the Administrative Procedure Act (APA).⁶ The statute of limitations for an applicant to file an appeal with a Federal court is 6 years from the date of ONHIR’s final agency eligibility determination.

⁵ In contrast, ONHIR reported that in FY 1991, with a staff of 95 people and a total budget of about \$33.6 million and expenditures of about \$31.9 million, 213 relocations were processed. Relocation benefits at that time were set at \$62,000 for households of three or fewer, and \$72,000 for households of four or more.

⁶ The APA, Pub. L. No. 79-404, enacted June 11, 1946, is the Federal statute that governs the way in which administrative agencies of the U.S. Government may propose and establish regulations. The APA also sets up a process for the Federal courts to directly review agency decisions.

Until ONHIR has completed all relocation benefit eligibility determinations and all administrative appeals have been decided, it is difficult, if not impossible, to know the exact number of households entitled to relocation benefits. Even after eligibility determinations are completed, successful eligibility appeals may extend the life of the relocation program; such was the case with the *Noller Pete Herbert* court decision, which resulted in ONHIR receiving about 3,000 additional applications after losing the appeal. In addition to the uncertainty about when the relocation process will be completed, there is also a problem of cost, because the longer relocations take to complete, the greater the cost of the relocation program due to the annual administrative costs incurred.

Operational Alternatives

Recently, OMB requested that ONHIR prepare a report setting forth alternatives to ONHIR's practice of providing certified applicants with a relocation home, including the possibility of providing a lump-sum payment to each certified applicant in lieu of a replacement home. In April 2014, ONHIR submitted a report to OMB with seven close-out plan options based on the assumptions of \$150,000 cost per replacement home (includes an infrastructure cost component), and 200 families left to move after September 30, 2014 (although they may not be all certified at that time). The estimated costs of the close-out options ranged from \$38.5 million to \$82 million. See Figure 4 for a summary of ONHIR's close-out plans.

| Close-Out Plan | Proposed Operational Alternatives |
|----------------|--|
| No. 1 | Move 20 families per year, assuming an appropriation level of \$8.2 million for 10 years, totaling \$82 million (includes annually \$4.3 million in administration costs, \$500,000 in eligibility determination costs, and \$400,000 in New Lands* improvement work). |
| No. 2 | Move 40 families per year, assuming an appropriation level of \$11.9 million for 5 years, totaling \$59.5 million (includes annually \$4.4 million in administration costs, \$1 million in eligibility determination costs, [†] and \$500,000 in New Lands improvement work). |
| No. 3 | Move 70 families per year, assuming an appropriation level of \$17.5 million for 3 years, totaling \$52.5 million (includes annually \$4.8 million in administration costs, \$1.7 million in eligibility determination costs, and \$500,000 in New Lands improvement work). |
| No. 4 | Mandatory buyout: 200 buyouts, totaling \$38.5 million (includes \$3.5 million in administration costs and \$5 million in eligibility determination costs). <i>This option would require legislative changes to the relocation law.</i> Any remaining appeals and certifications arising from those appeals would be done by another agency. A mandatory buyout could possibly be completed in 1 year. |
| No. 5 | Continue the program for 2 years with an optional buyout. Move 70 families per year, assuming an appropriation level of \$17.5 million for 2 years and 70 buyouts at the end, totaling \$45.5 million (includes annually \$4 million in administration costs, \$2.5 million in eligibility determination costs, and \$500,000 in New Lands improvement work). <i>The buyout option would require legislative changes.</i> |
| No. 6 | Turn the program over to the Bureau of Indian Affairs, another DOI office, or other Federal agency. <i>This option would require legislative changes.</i> |
| No. 7 | Turn the program over to the Navajo Nation. <i>This option would require legislative changes, and conflicts of interest may arise unless the eligibility processes are separated and given to another agency/office.</i> |

* ONHIR refers to the lands acquired pursuant to the relocation law as “New Lands.”

† ONHIR reported that the increase in estimated administration costs from Close-Out Plan No. 1 to Close-Out Plan Nos. 2 and 3 and the increase in estimated eligibility determination costs from Close-Out Plan No. 1 to Close-Out Plan Nos. 2 through 5 arise from ONHIR’s anticipated need for increased personnel (e.g., inspectors) and/or increased use of contracted services (e.g., the services of an independent hearing officer and outside counsel for the appeals process) in order to complete the relocation efforts in a shorter period of time.

Figure 4. ONHIR’s proposed operational alternatives, from an April 2014 report to OMB.

Based on our evaluation of ONHIR's historical costs and accomplishments, its current organizational structure, and the relocation work remaining to be completed, we concluded that the cost estimates and other assumptions in ONHIR's close-out options appear reasonable. For example, ONHIR's first close-out option estimate that it can move 20 families in a year if given an appropriation level of \$8.2 million appears in line with its current annual average of 19 relocations at an appropriation level of \$7.7 million. ONHIR's various operational scenarios demonstrate the direct relationship between ONHIR's appropriations and the speed in which the relocation mission can be completed. For example, ONHIR estimates that the 200 certified applicants presumed to be remaining can be relocated within 3 years if given an annual appropriation of \$17.5 million during those 3 years (for a total appropriation of \$52.5 million), and that the same 200 families can be relocated within 10 years if given an annual appropriation of \$8.2 million during that 10-year period (for a total appropriation of \$82 million). As shown in Figure 4, the longer the relocation time period, the more costly the relocation program becomes due to the annual administrative costs involved.

ONHIR's Close-Out Plan No. 4, which is a mandatory buyout option that could possibly complete the relocation mission in 1 year, offers the least costly alternative. This option would require legislative changes to the Navajo-Hopi Land Settlement Act. In evaluating this option, one issue to consider is whether to require that the \$150,000 lump-sum payment be used for replacement housing.

Absent from ONHIR's Close-Out Plan Nos. 6 and 7 are the cost estimates for turning over the relocation program to the Bureau of Indian Affairs, another DOI office or other Federal agency, or the Navajo Nation. ONHIR contends, and we agree, that given its knowledge of and expertise in the relocation program and the likelihood that such knowledge and expertise will be lacking in another office or agency, turning over the relocation program to another entity will have the effect of merely transferring the costs of the relocation program, not reducing them. Furthermore, we believe that transferring the program to another office or agency will, in all likelihood, increase program costs in the long run and further delay the completion of the relocation efforts.

Based on our review of the program, we concluded that it will not be possible for ONHIR to complete its work and cease operations in the near future without legislative changes and/or an increase in annual appropriations. We believe ONHIR's operational alternatives have merit and can be used as a reference tool when discussing how long the relocation program should continue, how much to fund the program, and whether a target completion date for the program should be proposed. In our opinion, setting a program completion date and providing the appropriations needed to fund housing for certified applicants are critical steps, because the longer the program continues, the greater the risk that litigation (or adverse APA decisions) might further extend its life. Moreover, the longer relocations take to complete, the greater their cost, due to the annual

administrative costs involved and the potential loss of the historical and cultural knowledge of ONHIR staff members who retire or otherwise leave the office.

Suggestions for Congressional Subcommittee Members, ONHIR, and Other Cognizant Officials

Based on our review of the relocation program, our suggestions to congressional subcommittee members, ONHIR, and other cognizant officials are as follows:

1. 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.
2. Focus on completing eligibility determinations and administrative appeals.
3. Legislate a sunset date for the relocation program and provide the requisite level of appropriations to meet ONHIR's statutory obligations by that date.
4. Develop a transition plan for the eventual transfer of assets and remaining responsibilities to appropriate offices and agencies.

Appendix I: Scope and Methodology

Scope

Our objective was to determine (1) the status of the Office of Navajo and Hopi Indian Relocation's (ONHIR) relocation efforts, and (2) how ONHIR is using its appropriated funds. The original objective included a third component of determining whether the ONHIR relocation and administrative operations are managed in compliance with applicable laws, regulations, directives, and sound business practices. We deferred work on the third objective in order to focus our initial efforts on operational alternatives to complete ONHIR's mission in a timely manner.

We did not perform an economy-and-efficiency review of ONHIR's eligibility determination, administrative appeals, and relocation processes.

Methodology

We conducted our evaluation in accordance with the Quality Standards for Inspection and Evaluation as put forth by the Council of the Inspectors General on Integrity and Efficiency. We believe that the work performed provides a reasonable basis for our conclusions and recommendations.

To accomplish the evaluation, we—

- reviewed laws, regulations, policies, and procedures related to the Navajo-Hopi relocation effort and ONHIR operations;
- obtained an understanding of ONHIR's relocation and administrative processes, including its eligibility determination, replacement housing or house acquisition assistance, new land development, appeals processes, and accounting and contracting activities;
- reviewed ONHIR's appropriated fund and expenditure data for fiscal years (FYs) 2009 through 2014; ONHIR's relocation program status as of August 31, 2014; ONHIR's FY 2015 "Passback: Report and Background Narrative" dated April 11, 2014, sent to the Office of Management and Budget (OMB); ONHIR's audited financial statements for FYs 2011, 2012, and 2013; and other data related to the relocation program;
- reviewed previous reports and testimony on ONHIR's operations, including—
 - a Congressional Research Service memorandum to the House Appropriations Committee, Subcommittee on Interior, Environment, and Related Agencies, dated September 6, 2012;
 - the U.S. Congress, Senate Committee on Indian Affairs, Navajo-Hopi Settlement, Hearing on S. 1003, Navajo-Hopi Land Settlement Amendments of 2005, 109th Cong., 1st sess. July 21, 2005, S. Hrg. 109-183; and

- a July 1986 Office of Inspector General report and April 1995, March 1991, October 1985, and July 1981 Government Accountability Office reports related to the Navajo and Hopi Indian relocation program;
- conducted site visits at ONHIR's Flagstaff, AZ, office;
- interviewed ONHIR, Bureau of Indian Affairs, and OMB officials regarding the relocation program;
- obtained legal advice from our Office of General Counsel; and
- met with ONHIR's certified public accountants in Phoenix, AZ.

Report Fraud, Waste, and Mismanagement



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.



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