



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

# **SEMI ANNUAL REPORT TO CONGRESS**

For the period ending March 31, 2018



# Highlights

OFFICE of AUDITS, INSPECTIONS, and EVALUATIONS

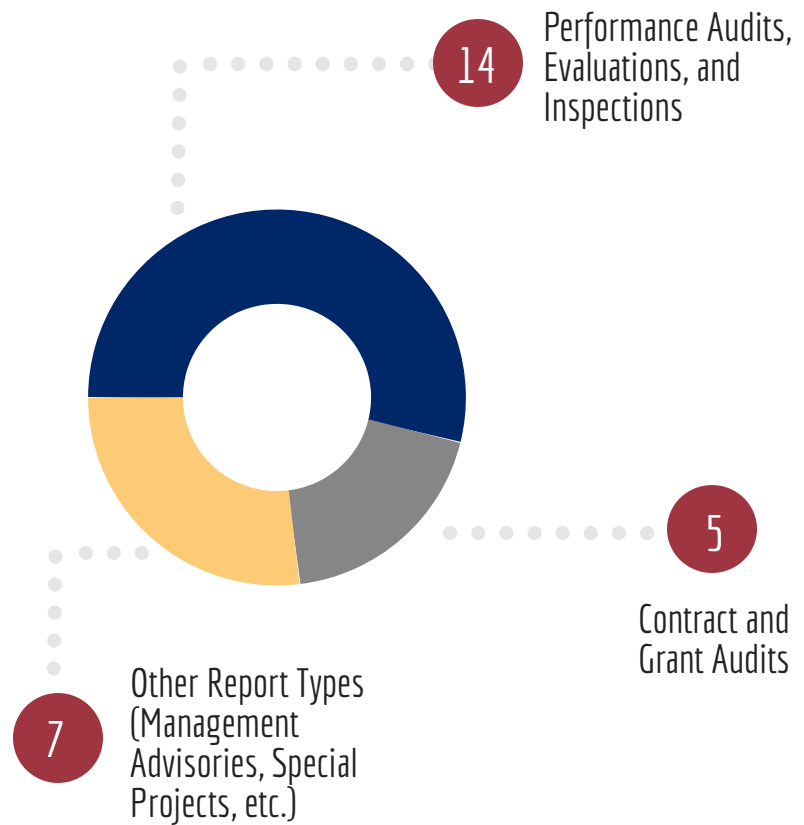


Recommendations Made



Recommendations Closed

## Reports Issued



\$3,601,912

Questioned and Unsupported Costs

+

=

\$9,305,593

Funds To Be Put to Better Use

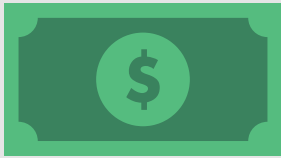
\$12,907,505



Total Unsupported Costs

# Highlights

OFFICE of INVESTIGATIONS



\$374,711.58

Criminal Fines & Restitution

9

Convictions



19

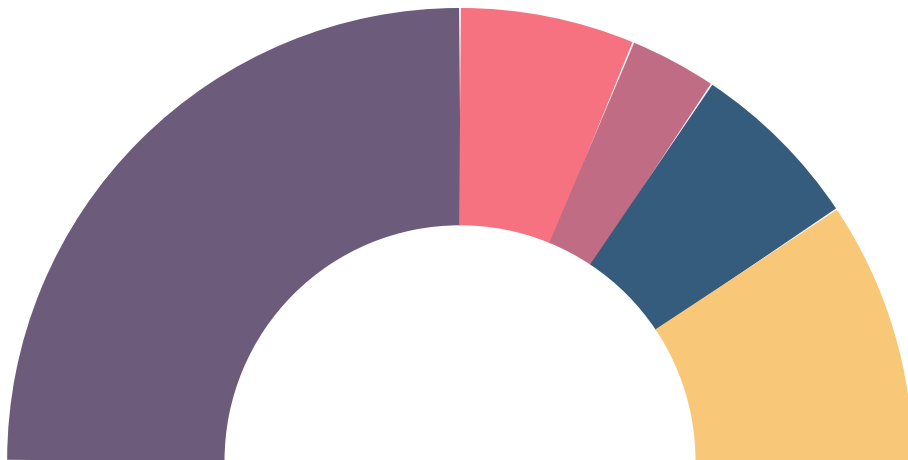
Criminal Matters Referred for Prosecution

7

Sentencings



## Administrative Investigative Activities



- Debarments [8]
- Suspensions [2]
- Resignations [1]
- Removals [2]
- Retirements [3]

Opened Investigations



Closed Investigations



Complaints Received



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# OUR OPERATING PRINCIPLES

**As the Office of Inspector General (OIG)** for the U.S. Department of the Interior (DOI), we provide independent oversight and promote excellence, integrity, and accountability within the programs, operations, and management of the DOI by conducting audits, inspections, evaluations, and investigations.

We keep the Secretary and Congress informed of problems and deficiencies relating to the administration of DOI programs and operations. As a result of us fulfilling these responsibilities, Americans can expect greater accountability and integrity in Government program administration.

Our core values define a shared OIG way, guiding employee behavior and decisions at all levels. Adhering to these values—objectivity and independence, integrity, and getting results—we build a foundation to develop trustworthy information that improves the DOI.

- **Objectivity and independence** define us and are the bedrock of our credibility. These concepts are closely related. Independence impairments impact objectivity. The OIG and its employees must remain independent from undue outside influence and approach work with intellectual honesty.
- **Integrity** is a character trait as well as a way of doing business. By acting with integrity in all we do, we build trust and a reputation for producing actionable and accurate work.
- **Getting results** depends on individual and team efforts. We positively impact the DOI by detecting fraud and other wrongdoing; deterring unethical behavior and preventing deleterious outcomes; confirming that programs achieved intended results and were fiscally responsible; and highlighting effective practices.

## A Message From Deputy Inspector General Mary Kendall

I am pleased to submit this semiannual report detailing the work we completed between October 1, 2017, and March 31, 2018. Our dedicated workforce, made up of auditors, investigators, attorneys, analysts, and various support staff, contributed to our successful efforts to promote excellence, integrity, and accountability within the programs, operations, and management of the U.S. Department of the Interior (DOI).

In the first half of fiscal year 2018, we identified various improvements the DOI can make to its programs and grants. For example, our assessment of the DOI's internal controls over its second quarter financial and award data submissions, as required by the Digital Accountability and Transparency Act of 2014 (DATA Act), identified deficiencies in completeness, timeliness, quality, and accuracy. Because the DOI is required to submit this data on a quarterly basis, we were able to identify areas of concern to ensure that the Department can improve its submissions and comply with standards.

In addition, our audit of the Department's incident response program found that the Office of the Chief Information Officer (OCIO) had not fully implemented the capabilities recommended by the National Institute of Standards and Technology incident detection and response. During internal threat simulation testing, our efforts to recreate malicious cyber attacks initially went unnoticed by the DOI. Because of decentralized management and authority across the OCIO and the bureaus, the DOI could not timely detect, respond, or recover from these types of attacks.

Once it became aware of the threats, however, the OCIO took actions to contain them. Promptly detecting and containing cyber threats will help maintain the availability, confidentiality, and integrity of the DOI computer systems and data.

Our investigative work revealed mismanagement and wrongdoing by senior Government officials, to include allegations of retaliation, sexual harassment, conflicts of interest, and ethical violations. We also investigated and substantiated allegations of bribery, theft, mishandling evidence, embezzlement, ethics violations, misuse of position, misconduct, and sexual harassment.

The Department took various actions to address the misconduct identified in our reports, to include removal, suspension, reprimand, and counseling. Several other employees either retired or resigned rather than face potential adverse action against them.

We are committed to our mission to provide independent and objective oversight and to provide the Department, Congress, and the public with timely, accurate, and actionable reports to improve the Department's programs and operations.



Deputy Inspector General



# Office of Inspector General U.S. Department of the Interior 2017 Organizational Assessment

## Accountability

The public expects that Government agencies fulfill their missions, and that they avoid wrongdoing and waste when doing so. We help to ensure excellence in DOI by promoting accountability.

## Objectivity and Independence

As a non-partisan Federal agency, we develop objective, fact-based information on DOI programs and operations, and on alleged wrongdoing by DOI employees, contractors, and grantees.

## Integrity

In conducting our work, we treat people with dignity and respect.

## Getting Results

We cannot compel action, but we produce information so decision makers can take action.



**5-YEAR AVERAGE RETURN ON INVESTMENT**

Source: Brookings Institution 2015 Report

### WE PROVIDE OVERSIGHT OVER ALL DOI BUREAUS AND OFFICES

- Bureau of Indian Affairs (BIA)
- Bureau of Indian Education (BIE)
- Bureau of Land Management (BLM)
- Bureau of Ocean Energy Management (BOEM)
- U.S. Bureau of Reclamation (USBR)
- Bureau of Safety and Environmental Enforcement (BSEE)
- National Park Service (NPS)
- Office of Insular Affairs (OIA)
- Office of the Secretary (OS)
- Office of Surface Mining Reclamation & Enforcement (OSMRE)
- U.S. Fish and Wildlife Service (FWS)
- U.S. Geological Survey (USGS)

**OUR WORK  
BENEFITS:**

THE PUBLIC

DOI AND ITS  
STAKEHOLDERS

CONGRESS

CONTACT US IF YOU SUSPECT FRAUD, WASTE, OR MISMANAGEMENT  
AT DOI: [WWW.DOIOIG.GOV](http://WWW.DOIOIG.GOV)

# Our Fiscal Year 2017 Budget in Perspective

DOI

about **70,000**  
EMPLOYEES

**\$17.80 B**  
BUDGET

OIG

about **254**  
EMPLOYEES

**\$00.05 B**  
BUDGET

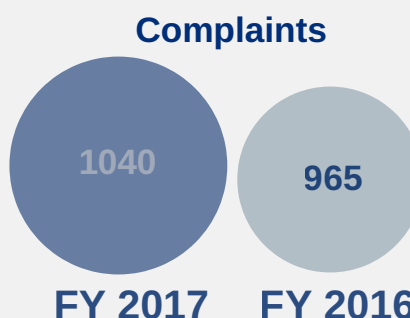
**83%** of our budget pays auditors, investigators, and support staff

**13%** pays for largely uncontrollable, recurring costs such as rent

## INCREASES FROM FY 2016 TO FY 2017 IN:

**0%** Budget

**7%** Complaints



COMPLAINTS

## TRENDS IN COMPLAINT DISPOSITION FROM FY 2016 TO FY 2017 IN:

Complaints we received that we referred to DOI or bureau

FY 2017	FY 2016
<b>43%</b>	<b>32%</b> ↑

Complaints we received that we initiated as an investigation

<b>8%</b>	<b>12%</b> ↓
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about **276** 

Approximate number of DOI employees per **OIG** employee (FY 2017)

## OTHER SELECT DEPARTMENT EMPLOYEE:OIG EMPLOYEE RATIOS FOR COMPARISON (FY 2016 DATA)

<b>13:1</b>	Housing and Urban Development
<b>67:1</b>	Environmental Protection Agency
<b>71:1</b>	NASA

Only 3 of the 23 OIGs for which we have data have higher ratios than we do: the Departments of Justice, Treasury, and Veteran's Affairs.



# Some of the problems we found in DOI in 2017

## Audits, Inspections, and Evaluations

Bureaus most included in our audit reports. (Many of our reports include findings about multiple bureaus.)

**25**

REPORTS

**FWS**

**19**

REPORTS

**NPS**

**17**

REPORTS

**BIA**

**15**

REPORTS

**BLM**

**11**

REPORTS

**USGS**

Our audits, inspections, and evaluations are proactive reviews of DOI programs and operations. Inclusion in our reports does not necessarily indicate a higher rate of problems. For example, at FWS' request we audit grants they make to states under the Sportfish and Wildlife Restoration Program. Eleven of the 25 reports that included FWS were grant audits.

## Investigations

Bureaus most included in OIG investigations closed in FY 2017

**20**

REPORTS

**BIA  
OR  
BIE**

**19**

REPORTS

**NPS**

**16**

REPORTS

**FWS**

**9**

REPORTS

**BLM**

**4**

REPORTS EACH

**BSEE, OS,  
ONRR**



**Wasted money**

NPS would have had about an additional \$52.5 million available for projects if it adequately complied with contract closeout requirements.



**Harassment**

Unwanted and inappropriate comments and actions were made toward female employees at Yellowstone National Park.



**Concealment**

Company pleaded guilty to concealing Clean Water Act violations.

**25**

**ETHICS**

**23**

**CONTRACT AND GRANT FRAUD**

**14**

**ENERGY**

Most frequently included allegations in investigations we closed in FY 2017.

Investigations respond to allegations of wrongdoing by DOI employees or those doing business with DOI. Investigations may be criminal, civil, or administrative in nature. We have a policy to post on our website the results of all investigations, with few exceptions. Investigations serve an important role not only in identifying wrongdoing, but also identifying when allegations are unfounded.

## Outreach

ABOUT **35** OUTREACH BRIEFINGS TO **400** INDIVIDUALS

These briefings help prevent fraud, waste, and mismanagement by educating employees and contractors about actions they can take to safeguard against wrongdoing in their operations. The briefings also provide red flags to look for and what to do if participants see them. **v**

# Accountability: Select FY 2017 OIG Work In the News

**DEC** THE NATIONAL PARK SERVICE HAS A BIG SEXUAL HARASSMENT PROBLEM  
--*THE ATLANTIC*

In FY 2017, we identified about 19 wrongdoers in cases we initiated based on 17 complaints of sexual harassment in DOI. Of the complaints received, 8 were from NPS.

**JAN** GOV'T OFFICIAL VIOLATED ETHICS RULES TO GET "BURNING MAN" TICKETS  
--*THE DAILY CALLER*

The Government official, who was also the subject of another OIG investigation, is no longer with DOI.

**FEB** IG: INTERIOR RISKS EXPOSING SENSITIVE DATA  
--*FCW*

**20,135**  
critical and high risk vulnerabilities found at BIA and BIE

**MAR** OWNER OF COMMERCIAL SUPPLY COMPANY ADMITS CONSPIRING TO DEFRAUD APPROXIMATELY 40 COMPANIES OF MORE THAN \$1 MILLION  
--*DOJ PRESS RELEASE*

<b>3</b> DOI bureaus impacted	<b>9</b> DOI contracts	<b>60</b> months in prison
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**APR** NPS ANSWERING 'WAKE UP CALL' TO ADDRESS SEXUAL HARASSMENT, EMPLOYEE MISCONDUCT  
--*FEDERAL NEWS RADIO*

**"Tone at the top"**  
could not be more important for NPS and its future."  
-Mary Kendall, Deputy IG

**OCT** FEDERAL, LOCAL OFFICIALS FIND V.I. PUBLIC FINANCE AUTHORITY PRACTICES LED TO \$150 MILLION IN QUESTIONABLE EXPENSES  
--*THE VIRGIN ISLANDS DAILY NEWS*

**\$150 million**  
in financial reporting discrepancies, conflicts of interest, and questionable expenditures

**DEC** LAWMAKERS ASK INTERIOR DEPARTMENT TO RECOVER "MISSPENT" FUNDS  
--*UKIAH DAILY JOURNAL*

**\$50 million**  
amount USBR understated the full cost of participation in the State of California's Bay Delta Conservation Plan

# monetary impact

**\$148 million**

Includes questioned and unsupported costs, funds to be put to better use, and criminal fines and restitution

**1%**

Percent of costs we audited in FY 2017 that we questioned in the FWS Wildlife and Sportfish Restoration Program grants. We audit this program every year. It was worth \$768 million in FY 2017.

**15%**

Percent of costs we audited in FY 2017 that we questioned in other DOI grant programs, which are not subject to routine OIG oversight.

**Why the difference?** Studies by the Association of Certified Fraud Examiners show that active oversight and controls reduce fraud. We believe, and have heard anecdotally, that our consistent presence often helps to ensure grant recipients of the Sportfish and Wildlife Restoration Program (i.e., States) spend grant funds as intended by the program.

# non-monetary impact

**952**

**MONTHS SERVED AS JAIL TIME OR PROBATION**

**5750**

**HOURS OF COMMUNITY SERVICE**

**330**

**RECOMMENDATIONS MADE BY OIG TO DOI**

**483**

**OIG RECOMMENDATIONS IMPLEMENTED BY DOI**  
This number includes recommendations made in prior FYs.

## transparency

**207**

**FREEDOM OF INFORMATION ACT (FOIA) REQUESTS RESPONDED TO**

We received a total of 218 FOIA requests in FY 2017.

**84**

**INVESTIGATIVE WORK REPORTED ON OUR WEBSITE**

These 84 reports of investigation and investigative summaries covered 95% of investigations closed in FY 2017.

**65**

**AUDIT-RELATED WORK REPORTED ON OUR WEBSITE**

These 65 reports and summaries include various products from our audits, inspections, and evaluations unit. It covers 90% of audit-related reviews completed in FY 2017.

## workforce

**79%**

**GLOBAL SATISFACTION INDEX SCORE ON THE FY 2017 FEDERAL EMPLOYEE VIEWPOINT SURVEY**

# Looking ahead



In part to address budget cuts, and in part to help ensure a consistent skill set among the workforce, we will continue to implement in-house training on key areas such as investigative planning and report development. We will also work to plan a more complete internal training program, beginning with manager training.

## Internal Training

Budgetary cuts and stagnation continue to challenge us. About 96% of our budget goes to staffing, rent, and other largely uncontrollable costs. As an agency that returns \$20 for each \$1 spent, and lays the foundation for public trust, we will seek to increase our budget to meet our resource demands.

## Budget

We purchased a new case management system in FY 2017. We will focus on its implementation in FY 2018. The new system should help us with tracking cases and reporting on critical statistics, such as those in our semiannual reports to Congress and requests by DOI and Congress.

## Case Management

## Planning and Risk

We are working with the Council of Inspectors General for Integrity and Efficiency to identify ways to incorporate risk in an enterprise-wide manner. We will be using this approach internally as well as to help plan the audits, inspections, and evaluations we undertake in DOI.

**2017 OIG ORGANIZATIONAL PERFORMANCE MEASURES**

<b>Measure</b>	<b>Office(s)</b>	<b>Fully Successful Target</b>	<b>Target Met or Exceeded</b>
Percentage of products for which referencing was completed within the 2-week deadline	AIE	85%-89%	✓
Percentage of AIE products that have initial headquarters outline briefing held within 24 days or less after the team outline meeting is completed and approved by the Deputy IG.	AIE	51-60%	✓
Project plan to standardize the planning and execution of [unit's] products developed and approved by COS by target date	AIE OI OM	3/2/2017-4/1/2017	✓ (all offices)
OIG Fairness Index score for [unit] as measured by the 2017 Federal Employee Survey (percentage positive)	AIE OI OM	54%-57%	✓ (all offices)
OIG Fairness Index score for the OIG as measured by the 2017 Federal Employee Survey (percentage positive)	OGC COS	51%-54%	✓ (both offices)
Number of [unit's] After Action Reviews (AARs) completed according to the AAR policy and posted to the AAR website with the next step section	AIE OI OM	7-10	✓ (all offices)
Communication plan with projected delivery dates for communication activities prepared, submitted to, and approved by COS by target dates.	AIE OI OM OGC	4/15/2017	✓ (all offices)
Percentage of approved communications in the communication plan that occurred within the specified timeline.	OGC	26%-49%	✓
Percentage of cases that were posted in summary or redacted form on the OIG website within 35 days or less of report issuance.	OI OGC COS	50%-64%	✓ (all offices)
Percentage of Inspector General Manual policies submitted for legal review and returned to policy team with completed legal analysis and General Counsel clearance by the specified due date	OGC	50%-75%	✓
Inspector General Manual revised by target dates	COS	60%-74% of "Critical" and "Urgent" policies by 7/31/2017	✓
OIG-wide internal communication plan presented to OIG Leadership and implemented by target dates	COS	Implemented 7/1/2017-7/31/2017	✓

## 2017 TOP MANAGEMENT CHALLENGES

**The 2017 Top Management Challenges Report** summarizes the most significant management and performance challenges facing the DOI. By statute—the Reports Consolidation Act of 2000—this list is required to be included in the DOI’s “Agency Financial Report” for fiscal year 2017.

Nine challenge areas are included in this year’s report, namely—

- Energy management
- Public safety and disaster response
- Information technology
- Water programs
- Responsibility to American Indians and Insular Areas
- Acquisition and financial assistance
- Climate effects
- Operational efficiencies
- Workplace culture and ethics

We met with DOI officials to gain their perspectives and together agreed on these challenge areas, which reflect continuing vulnerabilities and emerging issues faced by the DOI.



# **Reporting Highlights**

# Financial, Contract, and Grant Audits

## **Contract and Grant Audits Identified Deficiencies in Data Submission and Oversight**

Our assessment of the DOI's compliance with the Digital Accountability and Transparency Act of 2014 (DATA Act) identified deficiencies in the data submitted by the DOI, and our audit of grant money awarded to the State of Connecticut's Department of Economic and Community Development identified inadequate oversight by the National Park Service. We made a total of 20 recommendations focused on improving data submissions and complying with standards and on recovering questioned costs and complying with contracting procedures.

### **DATA Act Submissions Conformed to Standards, but Deficient in Completeness, Timeliness, Quality, and Accuracy**

We assessed the DOI's internal controls over its fiscal year 2017 second quarter financial and award data submissions under the DATA Act and submission standards developed by the U.S. Department of the Treasury and the U.S. Office of Management and Budget (OMB). The DATA Act requires a series of oversight reports by agency OIGs, including an assessment of the internal controls over the DATA Act submissions, and completeness, timeliness, quality, and accuracy of data submitted. The first OIG audit reports were required in November 2017, on agency fiscal year 2017 second quarter DATA Act submissions.

Our assessment found that, while the data submitted contained most of the required information and conformed to the OMB and Treasury standards, there were deficiencies in completeness, timeliness, quality, and accuracy of the data submissions we sampled. We found that 16 of the 385 transactions we tested were incomplete; 53 were not timely; 145 did not meet quality standards; and 145 were not accurate.

We offered eight recommendations to help the DOI improve its submissions, comply with standards, and ensure appropriate DOI bureau or office inclusion. All eight recommendations have been resolved and the DOI is working on implementation.



## **The DECD Did Not Comply With Federal or State Regulations or Grant Terms and Conditions**

We audited costs claimed by the State of Connecticut's Department of Economic and Community Development (DECD) on Grant No. P13AF00113 with the National Park Service (NPS) to determine whether the costs on the \$8,014,769 grant were reasonable, supported, allowable, and allocable, and whether the DECD complied with Federal regulations, State and NPS policies and procedures, and grant agreement terms and conditions. We also reviewed the use of grant funds for site survey work and determined that it was allowable under the governing legislation.

We reviewed \$5,002,392 in costs claimed by the DECD between July 1, 2013, and March 31, 2017, and determined that \$1,912 of the costs claimed on the grant was unallowable, and that there was an undetermined amount of unallowable administrative costs under Federal regulations, State and NPS policies and procedures, and grant agreement terms and conditions. We also identified \$244,978 in unallowable costs, but the DECD provided us with the required approval after we brought these costs to its attention.

In addition, we identified compliance deficiencies related to tracking administrative costs, paying costs outside of the period of performance without timely approval, properly segregating Federal funds, making ineligible purchases, misidentifying Federal Government property, improperly documenting subgrant monitoring, and improperly completing Federal financial reports.

These deficiencies occurred because the DECD misapplied or misunderstood the Federal regulations, State and NPS policies and procedures, and grant agreement terms and conditions, which resulted in \$1,912 in ineligible costs and an undetermined number of other questioned costs because the DECD did not properly track expenditures.

We made nine recommendations to help the NPS develop policies and procedures to ensure the DECD's compliance with Federal regulations, State and NPS policies and procedures, and grant agreement terms and conditions. The DECD agreed with six recommendations, which we considered resolved but not implemented, and disagreed with three recommendations, which we considered unresolved. We referred the recommendations to the Office of Policy, Management and Budget (PMB) to track resolution and implementation.

During our audit work, we also identified several issues with NPS oversight of the DECD's performance. Specifically, we found that the NPS did not clearly define administrative costs when monitoring expenses, properly review the Federal Financial Reports, or document or communicate major funding changes to Congress.

We highlighted these issues in a management advisory to the NPS and offered three recommendations for resolution. The NPS agreed with all three recommendations, which we referred to the PMB to track implementation.

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## **Audits of Wildlife and Sport Fish Grants Covered More Than \$235 Million in Claimed Costs and Identified Potential Program Improvements**

Through its Wildlife and Sport Fish Restoration Program (WSFRP), the U.S. Fish and Wildlife Service (FWS) awards grants to States and Territories to support conservation-related projects, such as the acquisition and management of natural habitats for game species or site development for boating access. Under a reimbursable agreement with the FWS, we audit all States over the course of a 5-year cycle as required by Federal law.

In this semiannual period, we audited four agencies:

- Iowa (Department of Natural Resources)
- Hawaii (Department of Land and Natural Resources)
- Guam (Department of Agriculture)
- New York (Department of Environmental Conservation, Division of Fish and Wildlife)

In our audit of Iowa, we did not question any costs and found that the State provided reasonable assurance of compliance with applicable grant accounting and regulatory requirements.

In our audit of Hawaii, we identified about \$5,000 in program income that should have been reserved for use in the State's hunter education program. The State did not have an accounting mechanism in place to ensure this specific use, and could only attest that the funds remained in wildlife-related activities.

Further, some of this program income was not properly reported to the FWS during the turnover of accounting staff. In addition, we found that a hunter education facility was used for unauthorized purposes without documentation of any compensation.



*The California Valley Quail can be hunted in Hawaii during certain hunting periods.*

In our audit of Guam, we found a number of control deficiencies:

- Guam claimed labor costs based on budgeted percentages rather than actual hours.
- Guam's financial reports to the FWS were not submitted timely, even after extensions were granted.
- Motor vehicles purchased with grant funds should have been restricted for official business only, but were not.

- The authorities granted to Guam’s chief technology officer may present a breach of the assent legislation required for continued eligibility for WSFRP funding. Federal law requires that States and Territories assent to certain requirements, including the requirement that the administrator of the fish and wildlife agency retain control over the use of license revenue. The chief technology officer’s overriding authority contravenes this protection.
- Guam’s equipment inventory was not complete, nor was it reconciled to a number of tracking systems. Notably, 35 percent of the items in the inventory did not include cost information that would be needed to return any residual value to the WSFRP when property is disposed.
- We identified capital equipment acquired with past WSFRP grants that was no longer used to benefit the Fish and Wildlife Division due to the relocation of staff to other facilities. We recommended an examination of whether compensation for the equipment’s residual value, if any, is due the Division (or the FWS).
- We found that numerous Division staff had been relocated into a building previously constructed with WSFRP funds for fisheries staff. We recommended an examination of whether the relocation interferes, in particular, with WSFRP-supported fisheries research and aquatic education activities. Federal regulation stipulates that, when such interference is identified, grant-funded real property must be fully restored to its authorized purpose.
- In the course of our audit work, we noted that the FWS failed to initiate and address, in a timely manner, the consultation processes regarding environmental compliance for some of Guam’s WSFRP projects. Specifically, concerns were identified regarding Section 7 of the Endangered Species Act, and Essential Fish Habitat consultation. As we prepared our audit report for Guam, we learned from FWS officials that these environmental consultation processes have been streamlined and improved.

In our audit of New York, we found a number of control deficiencies:

- We identified a tract of land acquired with WSFRP funds and license revenue that should have been protected for game propagation, hunting, and trapping. Instead, the property had been developed as the site for an environmental education center run by an outside group.

- We found that another State agency was occupying—without charge—facilities that should have been reserved for the benefit of the Fish and Wildlife Division.
- The State’s lands inventory included at least 74 land tracts, associated with 15 grants, that were not reconciled with FWS records. Reconciliation of lands records helps to assure the protection of tracts for specific, authorized purposes.
- The Division had not completed its required equipment inventory, and motor vehicles purchased with grant funds were not included in the inventory listing provided for our audit.
- The State had subawarded \$20.6 million, associated with 6 WSFRP grants, without publicly reporting these subawards as required by Federal regulation.
- The State had inaccurately reported the completion of a boating access project. We found that work was not complete and at a standstill, awaiting additional engineering plans.
- The State had not reported at least 40 barter agreements that should have been disclosed to FWS in accordance with Federal regulation.

Overall, we made 20 recommendations for program improvements across 3 of the 4 audits published this semiannual period. The FWS is working with the recipient agencies to resolve the issues and to implement corrective actions.

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## **Fiscal Year 2017 Financial Audit Identified Internal Control Weaknesses**

Under a contract issued by the DOI and monitored by the OIG, KPMG, an independent public accounting firm, audited the DOI’s fiscal year 2017 financial statements and found no issues. As such, KPMG issued an unmodified opinion.

KPMG did, however, identify three significant internal control deficiencies:

- *Lack of Sufficient Controls over General Property, Plant, and Equipment*

KPMG found that the DOI's controls were not operating effectively to determine that completed construction in progress (CIP) projects are monitored and transferred to property, plant, and equipment in a timely manner. As of September 30, 2017, the DOI reported \$21.4 billion in property, plant, and equipment, net of accumulated depreciation, including \$2 billion in CIP.

- *Lack of Sufficient Controls over Accounts Payable*

KPMG found that the DOI did not properly design and implement controls to perform a comprehensive review of policies, procedures, and estimation methodology variances impacting accounts payable to determine whether balances were in accordance with applicable accounting standards and were not misstated in the financial statements. The DOI reported \$1.9 billion in accounts payable as of September 30, 2017.

- *Lack of Sufficient General Information Technology Controls*

KPMG found that the DOI did not have adequate preventive or detective controls over user access rights, monitoring of individuals with access to the development and production environments, documentation and timely assessment and application of system patches, and removal of user access rights due to changes in assigned duties or separations.

Under a separate contract issued by the DOI and monitored by the OIG, KPMG audited the financial statements of the Individual Indian Monies Trust Funds and the financial statements of the Tribal and Other Trust Funds managed by the Office of the Special Trustee for American Indians (OST) for fiscal year 2017. KPMG issued an unmodified opinion on the financial statements of the Individual Monies Trust Funds and a qualified opinion on the financial statements of the Tribal and Other Trust Funds. KPMG issued a qualified opinion because it could not satisfy itself as to the fairness of the tribal trust fund balances.

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U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT



**Bureau of Land  
Management**

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# Bureau of Land Management

## **Program Management Issues Resulted in the BLM's Inability To Reduce the Number of Idle Wells**

We inspected whether the Bureau of Land Management's (BLM's) implementation of its 2012 Idle Well Review and Data Entry policy reduced its number of idle wells in accordance with policy. Specifically, we assessed whether the BLM (1) maintained an accurate inventory of idle wells; (2) developed a clear strategy for reviewing idle wells; (3) ensured required idle well reviews, approvals, and tests were performed; and (4) maintained reliable idle well data.

Based on data received from the BLM, we determined the Bureau did not reduce the number of idle wells from 2013 through August 2016. The number of reported idle wells in the BLM's inventory at the end of fiscal year 2013 was 4,546 and, as of August 2016, it was 4,618. These numbers, however, are hardly reliable because of the BLM's deficient implementation of its Instruction Memorandum (IM 2012-181), which updated policy to ensure the BLM regularly reviewed and maintained information for its idle wells.

We found various program management issues that have contributed to the BLM's inability to reduce the number of its idle wells. Specifically, the BLM has not applied the correct definition of an idle well, which makes it unable to maintain an accurate inventory of its idle wells. The BLM also does not have a clear strategy for conducting idle well reviews, and has an ineffective process for monitoring the required well reviews and approvals. Further, the BLM has not established all the guidance needed to manage its idle wells. Finally, the BLM monitors its idle wells using a database that is unreliable due to inaccurate well status and absence of necessary data fields.

We made 11 recommendations to help the BLM better determine, manage, and reduce its idle well inventory, thus reducing the potential liability. The BLM concurred or partially concurred with nine recommendations and did not concur with two recommendations. We modified these recommendations to maintain our intent while addressing the BLM's concerns. We considered all recommendations resolved but not implemented and referred them to the Office of Policy, Management and Budget to track implementation.



## The BLM Can Improve Its Oil and Gas Drainage Program

We completed the survey phase of our evaluation of the BLM Oil and Gas Drainage Program to determine to what extent the BLM addressed onshore oil and gas drainage and the impacts of drainage, which is the gradual removal of oil and gas from beneath a specific property by a producing well on an adjoining property. The BLM may negotiate drainage agreements when it appears that Federal lands are being drained of oil or gas by wells draining on adjacent lands.

We found that from fiscal year 2014 through the first quarter of fiscal year 2017, the BLM opened numerous drainage cases but rarely pursued protective actions because drainage was not evident. Understanding the geology of where the oil and gas congregates and how it is extracted from a formation is vital information in identifying and determining if drainage is geologically possible. We were told geological reviews could be used earlier in the process to determine whether drainage in an area is even possible before a case is administratively screened. Based on our limited analysis and the interviews conducted, we learned that the BLM could improve its process if it performed geological reviews earlier.



*An active oil pump on BLM land in Vernal, UT.*

## **Allegations of Retaliation and Nepotism by BLM Management Official**

The OIG investigated allegations that a senior management official within the BLM retaliated against a BLM employee. The complainant alleged that after he made disclosures about the official, the official retaliated against him by implementing a workplace climate assessment that resulted in the complainant being placed on an extended detail. The complainant also alleged that two members of the official's family worked within the official's chain of command and that the official directed BLM officials to intervene on an overtime matter related to one of those family members. Finally, the complainant claimed that the official knew he told BLM leadership about his nepotism allegations.

Our investigation found no correlation between the workplace climate assessment or the complainant's subsequent detail positions and his disclosures. We concluded that the official's predecessor, not the official, had proposed and approved the workplace climate assessment in response to complaints made against a group of managers. Based on the assessment results, the official coordinated with another senior official and human resources personnel before placing the complainant on detail.

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## **Unfounded Conflict of Interest Allegations Involving a Former BLM Employee**

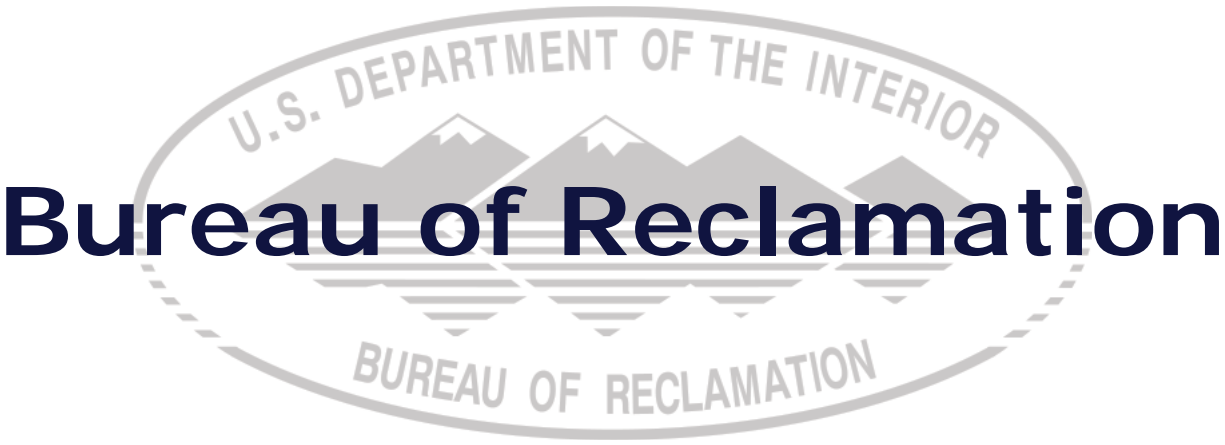
The OIG investigated allegations that a retired BLM employee negotiated for employment with two companies while serving as the contracting officer on awards to those companies.

We did not substantiate the allegations. While the former contracting officer had been approached by both companies regarding post-retirement employment and she did sign consulting agreements with both companies after she retired, we did not find any evidence that she negotiated with those companies while employed by the BLM.

## **Unsubstantiated Allegations of Inappropriate Procurement and Budget Actions by BLM Office**

The OIG investigated allegations that the BLM's Wyoming State Office (WYSO) had entered into an unnecessary contract for oil-and-gas-record digitization services, had improperly selected the contractor, and had improperly carried the funds for the digitization project across fiscal years. We also investigated an allegation that the WYSO had not received proper compensation for record copying and other clerical services it had performed for an oil and gas company.

Our investigation did not substantiate these allegations. The BLM Washington, DC Office had encouraged the WYSO and other state offices to identify high-value records, which included the WYSO's oil and gas records, and to begin digitizing them to improve record retention and reduce costs for storing physical records. The WYSO used a contractor that was competitively selected by the U.S. Government Publishing Office to provide scanning and digitization services to multiple Federal agencies. We confirmed that the WYSO had carried funds used for this project across fiscal years, but we learned that it had the authority to do so and used the appropriate financial mechanism. We also confirmed that the WYSO was paid for the copies and the other services it provided to the oil and gas company.



# **Bureau of Reclamation**

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## Bureau of Reclamation

### **The USBR May Be Able To Recoup Additional Revenue in the Federal Investment in Water Projects From the Conveyance of Nonproject Water**

We conducted a review of the Bureau of Reclamation's (USBR's) administration of transfers and conveyances of water. Our objective was to determine whether the transfers and conveyances facilitated by the USBR were done in accordance with applicable laws, regulations, and policies.

We could not make a determination because a legal opinion on application of the Warren Act of 1911, which governs conveyance of nonproject water through Federal facilities, is needed. In a review of water data for California's Central Valley Project (CVP) for 2012 to 2015, we found that contractors charged other contractors more than they paid the USBR for water conveyance. Specifically, we found that contractors potentially generated revenue between \$192 million and \$1 billion on water conveyed under the Warren Act.

We found no formal legal opinion on whether the USBR is entitled to revenue generated through water conveyance under the Warren Act, but the language of a subsequent law says that "all moneys or profits . . . derived from the sale or rental of surplus water under the Warren Act . . . shall be credited to the project." Thus the USBR may have the opportunity to recoup millions of dollars that could be applied toward repayment of the Federal investment in water projects such as the CVP.

We recommended that the USBR obtain a legal opinion from the DOI's Office of the Solicitor to determine whether (1) contractors are allowed to collect revenue in excess of costs and make a profit on the conveyance of nonproject water through Federal facilities, and (2) any moneys or profits derived from such conveyances must be credited to the project or division of the project to which the construction cost has been charged or to the U.S. Treasury.

## **Audit Identified Budget and Invoice Concerns With the Panoche Drainage District Cooperative Agreement**

While auditing the USBR's cooperative agreement with the Panoche Drainage District (PDD) to operate and maintain the San Luis Demonstration Treatment Plant located in the San Luis Unit of California's Central Valley Project, we learned that the USBR was considering the PDD's request for a reallocation of the cooperative agreement's budget to task areas for which we have questioned costs and that the PDD may also request a funding increase for this agreement.

We have concerns about the proposed budget reallocation or any funding increase to this cooperative agreement, as we have identified questionable costs and found the USBR's administration of the agreement to be inadequate. Specifically, we audited \$772,974 in claimed costs and currently estimate questioning or disallowing nearly 30 percent of these costs. We also identified invalid single audits, conflicts of interest with key personnel, an absence of project oversight, and questionable use of a cooperative agreement as the legal instrument.

We issued a management advisory so that the USBR could promptly address our concerns. We offered three recommendations for the USBR to review budget and funding requests, in addition to the management and internal controls related to reviewing and approving invoices.



*Aerial view of the San Luis Reservoir in Merced County, CA.*

## **The USBR Pursues Varied Strategy to Maintain and Increase Hydroelectric Power Generation**

We completed the survey phase of our evaluation of the USBR's hydroelectric facility management to examine the USBR's strategy for maintaining and increasing hydroelectric power generation. We found that the USBR pursues a varied strategy to accomplish this, including a robust maintenance program, technological improvements to existing facilities, and hydrologic studies to identify locations for new facilities.

Our work revealed that the USBR relies on replacing older generation components with technologically superior ones as the older components reach the end of their effective lifespans. These newer components can either increase overall capacity or are more efficient than the components that they replace. The USBR is focusing on enhancing efficient generation of hydroelectric power at its facilities, as opposed to trying to increase capacity. To accomplish this, it is augmenting systems to deliver consistent power supplies with variable water availability.

The USBR has also performed various studies to determine areas for increased hydroelectric power generation, as well as new areas for hydroelectric power development, which has led to increasing hydroelectric power capacity at USBR facilities and leasing USBR facilities for new hydroelectric power development.

In examining performance measures for this program, we identified missing data in the USBR's tracking system. The USBR was aware of the system's limitations and was in the process of taking corrective action. We encouraged the USBR to continue to improve its performance tracking systems.

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## **Allegations of Retaliation at the Bureau of Reclamation**

The OIG investigated allegations that USBR managers removed a law enforcement supervisor as retaliation for claims of gender-based discrimination and hostile work environment.

We found that the supervisor made at least three complaints of gender discrimination and hostile work environment, and that the USBR managers involved in the removal knew of at least one of the complaints.

In addition, one of the managers believed the supervisor had threatened to file an Equal Employment Opportunity complaint against him.

We determined that after the first complaint, the USBR managers took actions that had a significant impact on the supervisor's working conditions and after the third complaint, the USBR managers removed the supervisor from that position. Both managers stated that the complaints had no bearing on their decision to remove the supervisor, and the action was based on performance issues. Finally, we reviewed the supervisor's last two performance ratings and did not identify any documented deficiencies.

We provided this report to the Acting USBR Commissioner.





# Indian Affairs

# Indian Affairs

## **Stronger Internal Controls Needed Over Indian Affairs Loan Guaranty Program**

The Division of Capital Investment (DCI) is part of the Office of Indian Energy and Economic Development (IEED) and its key responsibility is managing the Loan Guaranty, Insurance and Interest Subsidy Program (Program). We evaluated whether the DCI had controls in place to effectively manage its loan guarantee program.

We found that the DCI's controls were inadequate and did not provide reasonable assurance of meeting the loan guarantee program's purpose. As a result, we found loan guarantees that the DCI approved that were not fully supported and in excess of the monetary cap required by regulation. This created unnecessary risk to the Federal Government for loans already considered risky. These issues occurred because IEED has provided limited oversight over the program, and DCI management believes that internal controls do not pertain to programs of this size. The monetary impact of our findings totaled \$12.9 million. Appropriate controls are important due to the level of risk of this program.

We made 13 recommendations to assist the IEED with improving its internal controls and clarifying the responsibilities of its staff. The IEED concurred with all recommendations. We considered 3 recommendations resolved and implemented and 10 recommendations resolved but not implemented. We referred the recommendations to the Assistant Secretary for Policy, Management and Budget to track implementation.

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## **BIE Is Not Ensuring That Background Checks at Indian Education Facilities Are Complete**

We evaluated the Bureau of Indian Education (BIE) to determine whether BIE employees, contractors, and volunteers who have regular contact with children at Indian education facilities have met the requirements for background checks and regular reinvestigations. We found that the BIE is not ensuring that the required background checks are complete and being reinvestigated on schedule, leaving children vulnerable to contact with persons who would be determined to be unfit based on a completed background check.

BIE leadership has not provided the necessary guidance and tools to ensure background checks are complete. First, the BIE requires initiation of local law enforcement checks, but not their completion. Second, BIE's backlog of background reinvestigations is growing. Reinvestigations are required every 5 years, but the BIE follows an out-of-date process that cannot meet this requirement. Therefore, any crimes committed by an employee after being hired may go unidentified. Third, the BIE Budget and Finance office, whose grants specialists review background checks at tribally controlled schools, does not have clear guidelines regarding oversight roles and responsibilities. BIE leadership has not created long-term guidance, and, as a result, the BIE risks reverting to the previous inconsistent oversight process for ensuring the schools have complete background checks. Finally, the BIE Personnel Security office is unable to effectively conduct, track, and monitor background checks due to its outdated guidance and an inadequate information system. As a result, the BIE is not training schools on current background check processes, schools may not be complying with background check requirements, and BIE's background check data are unreliable.

We made 11 recommendations to help the BIE improve its background check processes for both BIE-operated and tribally controlled schools. The BIE concurred with all recommendations; we considered 10 recommendations resolved but not implemented and 1 recommendation unresolved. We referred the recommendations to the Assistant Secretary for Policy, Management and Budget for resolution or to track implementation.

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## **Contractors and Officials Sentenced for Roles in Bribery Schemes and False Statements**

The OIG investigated allegations of bribery, embezzlement, and falsifying documents involving multiple contractors and officials at the Chippewa Cree Tribe (CCT). Specifically, we investigated allegations that (1) contractors bribed CCT officials to sign and backdate agreements and that employees conspired to embezzle funds from the Tribe; (2) that Kevin McGovern, owner of three different construction companies, paid bribes, both personally and through his companies, to CCT officials; and (3) that former Chippewa Cree Construction Corporation Chief Financial Officer Violet Eagleman falsified quarterly financial reports filed with the Bureau of Reclamation.

We substantiated all allegations, and all cases were prosecuted in the U.S. District Court of Montana.

## **Indian Community Councilman Failed to Pay Lease Fees**

The OIG investigated allegations that an Indian community councilman failed to pay the Bureau of Indian Affairs (BIA) the required fees associated with farming and grazing leases on an Indian reservation.

Our investigation determined the councilman failed to pay the required fees for his leases from 2008 to 2014, resulting in a \$135,375 delinquency owed to the affected tribe. The councilman admitted to the tribal council that he had not paid his lease fees and agreed to pay the tribe \$13,537 each year for 10 years. We also determined that the BIA Realty Office was aware in 2013 that the councilman had not paid the required fees and subsequently canceled the councilman's leases for nonpayment.

As the councilman had entered into a repayment plan and the BIA had canceled his leases, we closed our investigation. The U.S. Attorney's Office for the District of Montana declined to prosecute.

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## **BIA Manager Allegedly Sexually Harassed Three Subordinate Employees**

The OIG investigated allegations that a BIA manager had sexually harassed his direct subordinate. The employee and two other women, both of whom had reported to the manager in the past, told us that he had subjected them to unwelcome and inappropriate touching or sexual remarks. The employee said the manager touched her inappropriately and made unwelcome remarks of a sexual nature to her. The second woman, also a BIA employee, said the manager had made inappropriate remarks to her when she worked for him. The third woman, who no longer worked for the BIA, said that when she worked for the manager he had regularly hugged her when she did not want him to.

When we interviewed the manager, he denied most of the allegations against him, but he later admitted it was possible he had made an inappropriate remark to the first employee. The manager left the DOI after we began our investigation.

We also found during our investigation that two regional BIA managers knew about some of the manager's alleged misconduct and should have acted sooner to address it.

We provided this report to the BIA Director.

## **Insufficient Actions by BIA Management and Human Resources Officials in Response to Sexual Harassment Reports**

The OIG investigated allegations that BIA management and human resources (HR) officials refused to take action in response to reports that a BIA employee harassed Colorado River Indian Tribes employees and tribal members by sending them sexually explicit text and Facebook messages. We previously investigated the allegations against the BIA employee, who resigned from Federal service on May 5, 2017.

We learned that over a period of 2 years several women reported being sexually harassed by the BIA employee. These reports were made to the employee's immediate supervisor, who informed the BIA manager and an HR official. The HR official advised that the employee could not be disciplined because the complainants were not Government employees and the harassment did not appear to be connected to the workplace.

We also found that based on the HR official's guidance, the BIA supervisors did not discipline the employee even though they knew his actions, which were substantiated in our separate investigation, damaged the BIA's reputation, undermined the trust of local tribal members, and negatively affected his coworkers. Finally, we found that little or no effort was made by BIA supervisors, management, or HR officials to investigate the veracity of the allegations or to determine the extent of the problem.

The employee left the DOI. We provided this report to the BIA Director.

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## **BIA Senior Police Officer Mishandled Seized Cash and Drug Evidence**

OIG investigated allegations that several thousand dollars were missing from a BIA police department evidence room. We also investigated allegations that a senior officer with the police department mishandled evidence, falsified employee timesheets, associated with a known drug dealer, and was impaired by pain medication while on duty.

Our investigation confirmed that cash was missing from the evidence room, but we could not determine the disposition of the missing money or the full amount missing due to deficiencies in evidence handling procedures at the police department.

We also confirmed the senior officer kept in his office safe a “slush fund” of cash removed from the evidence room (which he used to make unapproved purchases), and drug evidence that had not been properly processed. Finally, the senior officer admitted that he falsified subordinates’ timesheets, hired a known drug user and drug dealer to clean his house, and had been on duty while impaired by pain medication.

This matter was presented to the U.S. Department of Justice, which declined the case for prosecution. We provided our report to the BIA.

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### **Former Administrator Embezzled Approximately \$300,000 from Alaska Tribal Organization**

The OIG investigated allegations of theft of Federal funds by former Tribal Administrator Delia Commander from the Skagway Traditional Council, a federally recognized tribe in Skagway, Alaska.

We substantiated the allegation of theft and determined that Commander embezzled \$297,731.58 from the Tribe through unauthorized use of the tribal credit card.

Commander embezzled the money by taking cash advances at casinos and other locations, and by making personal purchases with tribal funds. These expenditures included paying for personal travel that included a trip to Hawaii for herself and a family member, online university courses, personal credit card bills, personal vehicle maintenance, and personal shopping, among other things.

Commander resigned from her tribal position and pleaded guilty to one count in violation of 18 U.S.C. § 1163, Embezzlement from an Indian tribal organization in U.S. District Court for the District of Alaska and was sentenced to 18 months of incarceration, followed by 3 years of supervised release, and ordered to pay restitution in the amount of \$297,731.58. We further determined that the employee attended social functions and accepted at least one meal from the second Government contractor, a prohibited source. The employee also failed to disclose multiple outside employment interests and income as required by Government regulation.

## **Ethics Violations by Former BIA Employee**

The OIG investigated allegations that a former BIA contracting employee had a conflict of interest involving a Government contractor. We also investigated allegations that the employee had an inappropriate relationship with a second Government contractor.

Our investigation confirmed the allegations. The employee signed an agreement with a contractor to assist the contractor in obtaining Government contracts in exchange for the employee receiving help to develop business on an Indian reservation. Although, the employee denied the conflict of interest, the contractor provided us with the contract, which bore the employee's signature.

The employee left the DOI. The U.S. Attorney for the District of New Mexico declined prosecution.

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## **BIA Employees Made Improper Purchases**

The OIG investigated allegations that a BIA employee improperly used a BIA purchase card to purchase speakers, headphones, and electronic tablets.

Prior to any significant involvement by our office, we learned that the BIA had already investigated the matter and confirmed that two employees inappropriately purchased and gave to colleagues eight headphones and two wireless speakers, totaling \$2,931.92. One of the employees also used his personal funds to improperly purchase five tablet computers at a discounted rate through a BIA contract. Both employees involved in the purchases left the DOI.

Our investigation also found two supervisors were responsible for approving the purchase card purchases. One supervisor received a letter of reprimand, and the other was removed from Federal service.

The United States Attorney's Office for the District of South Dakota declined prosecution of this matter.

We provided our report to the BIA.

## **BIA Employee Stole Recyclable Metal From a BIA School**

OIG investigated allegations from the Office of Law Enforcement Services, Crow Creek Agency (CCA), that a BIA employee removed recyclable metal from a condemned BIA-owned school building and sold the metal for personal gain. In addition, we investigated allegations of an additional theft of recyclable metal from the school.

Our investigation confirmed the employee and a business associate removed several trailer loads of metal from the building, sold the material to a recycler for \$2,200, and split the proceeds. We also found that during the same period, a local resident also stole metal from the same building and sold it to a recycler for \$400.

The employee left the DOI. The U.S. Attorney's Office for the District of South Dakota declined prosecution of this investigation.

We provided our report to the BIA.

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## **Embezzlement at Shonto Preparatory School**

The OIG and the FBI jointly investigated allegations that two employees stole school funds from the Shonto Preparatory School (SPS) in Arizona, which is funded by grants from the Bureau of Indian Education.

The investigation determined that former SPS Business Manager Felicia Barlow stole \$20,430.87 by fraudulently obtaining three SPS checks. Barlow pleaded guilty to one count in violation of 18 U.S.C. § 1163, Embezzlement and theft from Indian tribal organizations, in U.S. District Court for the District of Arizona, and was sentenced to 2 years of probation and ordered to pay \$20,430.87 in restitution. A second SPS employee was not charged.



## **BIE Teachers' Federal Salaries Illegally Supplemented**

The OIG investigated allegations that BIE native language teachers accepted payments from a tribe, which illegally supplemented their Federal salaries.

We substantiated the allegations. We identified BIE native language teachers who received two or three supplemental payments each, ranging from \$1,490.48 to \$5,544.43 per payment during the 2014 and 2015 school years. Several teachers admitted that prior to the first payment they were aware that accepting the money violated ethics rules and Federal law. Several also admitted they had been admonished by their supervisors and informed the payments violated Federal law. We also determined that at least one teacher solicited for payments at district and Tribal council meetings.

The U.S. Attorney's Office for the District of South Dakota declined prosecution. One of the teachers left the school shortly after we interviewed her, one teacher is now deceased, and the remaining teachers are still employed at the school.

We provided this report to the BIE.



# National Park Service

## The NPS Properly Appropriated Federal Funds for Centennial Challenge Projects and Programs

We completed the survey phase of our audit of the National Park Service (NPS) Centennial Challenge projects and programs. Our audit intended to determine whether the NPS (1) received and verified the full non-Federal partner match for the Centennial Challenge projects and programs, (2) managed the partner matches in accordance with the partnership agreements and applicable policies and regulations, and (3) appropriately monitored the projects and programs.

We gathered information about NPS financial systems and tested internal controls used to manage the Centennial Challenge projects within our scope, as well as considering previous OIG audit results and a U.S. Government Accountability Office audit that essentially found the Centennial Challenge program worked as planned. We also looked at how the NPS verified receipt of the matching funds and how it managed and monitored the projects and the controls used to administer the program. In particular, we reviewed how the NPS accounted for Centennial Challenge project funds by testing transactions for each reviewed project.

Our survey work found that the NPS verified that the parks received the required non-Federal match for the projects we reviewed and that it properly appropriated those projects' Federal funds. We also found that the NPS managed and monitored the reviewed projects according to applicable guidance.



*A hiking trail sign at the top of Cadillac Mountain in Acadia National Park. Reducing deferred maintenance on park trails is a Centennial Challenge project.*

## **Misuse of Position by NPS Ethics Counselor**

We investigated a complaint received from officials at another Federal Government agency (hereinafter referred to as the agency) concerning alleged actions taken by an NPS ethics counselor. The NPS ethics counselor allegedly used his official title to represent a family member before agency officials regarding a negative performance review that the family member received and regarding her use of sick leave. The NPS ethics counselor allegedly falsely represented to the agency that his family member needed to use sick leave to assist him at times when he was actually working and may have submitted false medical documentation to the agency to support his family member's use of sick leave.

We found that the NPS ethics counselor violated Federal regulations by using his official title when communicating with agency officials. We also found that the NPS ethics counselor did not obtain approval, as required, to represent his family member to the Federal Government. The NPS ethics counselor admitted that when communicating with agency officials, he used his official title with the intent to influence them to act in his family member's favor.

We did not find that the NPS ethics counselor presented false medical documentation to the agency on behalf of his family member. We also did not find sufficient evidence that the NPS ethics counselor intentionally misrepresented information to the agency related to his family member's use of sick leave.

We provided this report to the NPS.

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## **Misconduct by NPS Senior Manager and Subordinate**

The OIG investigated allegations that an NPS senior manager purchased personal gifts with Government funds, reprised against an employee, committed travel fraud, misused Government-owned vehicles, wasted training funds, improperly permitted park guests to lodge in a ranger station, and used her personal credit card to pay for lodging of park guests. We also investigated an alleged conflict of interest by a subordinate of the NPS senior manager.

We substantiated several of the allegations, including that the senior manager used park funds to purchase \$600 worth of items that could not be located or accounted for. We also confirmed the senior manager lowered the performance rating of an employee after concerns were reported related to the senior manager's official travel.

We further determined that the senior manager permitted visitors and park employees to lodge at a ranger station that was not approved as park housing. We also substantiated that the senior manager drove a Government vehicle home prior to official travel without the required written approval, and that the senior manager paid for a visitor's lodging with personal funds and then claimed reimbursement from the Government. We did not find evidence that the senior manager committed travel fraud or wasted training funds as alleged.

We also confirmed that a subordinate of the NPS senior manager improperly used park funds to purchase antiques from a family member, a violation of conflict of interest regulations.

We referred this matter to the U.S. Attorney's Office for the Western District of New York, which declined prosecution. We provided this report to the NPS.

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## **NPS Senior Official Created the Appearance of Using his Public Office for Private Gain**

The OIG investigated allegations that an NPS senior official in the Northeast Region used his position for personal gain when he requested unnecessary design and construction improvements to a park housing unit he expected to rent as his personal residence. We also investigated allegations that the senior official made improper position changes by preselecting a staff member who did not meet qualifications and that he improperly served on park partner organization boards.

We found that the NPS senior official created the appearance of using his public office for private gain when he asked his subordinate employee to include specific design and construction changes in the renovation proposal for a historic townhouse, which was the park housing unit in which he planned to reside. The changes were included in the final design plans and added approximately \$32,000 to the cost of the project, but at the time of our report, the senior official had decided not to move into the unit and NPS had delayed the renovations.

We also found that some employees and contractors did not agree with the proposed changes, and only one person raised these concerns before the project was awarded. In addition, we found that members of the Regional Development Advisory Board, whose role was to review and approve the proposed renovation plans, were not aware that the senior official had intended on moving into the unit.

We did not substantiate that the NPS senior official made improper position changes by preselecting staff members, and we found that while the senior official did serve as an NPS liaison for two park partners, his participation did not violate NPS or ethics regulations.

We provided this report to the NPS.

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## **Theft of Funds from the Petrified Forest National Park**

The OIG investigated discrepancies identified after the NPS conducted an electronic audit of the fee collection software at the Petrified Forest National Park (PEFO), located in eastern Arizona, which compared cash collected at the park with cash deposits made into the bank.

Our investigation determined that from approximately 2010 through March 2016, Sharon Baldwin, Supervisory Visitor Use Assistant, exploited vulnerabilities in the NPS remittance process at PEFO and stole approximately \$313,000 in fees collected at the park. Baldwin pled guilty in Federal court in Arizona to violating Title 18 U.S.C. § 641, theft of Government money, and was sentenced to 1 year and 1 day in prison and ordered to pay \$313,000 in restitution to PEFO.

We also found that the PEFO staff who assisted Baldwin with the cash counts were never formally trained on the NPS remittance process and relied on the training given to them by Baldwin, which contributed to Baldwin's scheme remaining undetected for several years. We provided this report to the NPS.



*The Crystal Forest in the Petrified Forest National Park in Arizona.*

## **Manager at Grand Canyon National Park Sexually Harassed Intern**

The OIG initiated an investigation after receiving allegations that a manager at Grand Canyon National Park (GRCA) sexually harassed an intern.

Our investigation substantiated that the manager sexually harassed the intern. The manager, who was the intern's supervisor, pursued a relationship with the intern for several months. The intern initially told the manager she did not want to get involved with her supervisor, but she eventually agreed to go out with him on one occasion. According to the intern, she did not go out with the manager again, but she and the manager continued to communicate through text messages until she ended the personal communication approximately 2 months later. Despite her objections, the manager continued to pursue a relationship with the intern by sending her unwelcome text messages. The intern further alleged the manager touched her inappropriately while at work after she stopped the personal communication. The manager admitted to sending the unwelcome messages but said he did not recall touching the intern at work.

Our investigation also found that NPS officials responded in accordance with DOI and NPS policy after the intern reported the sexual harassment.

The manager resigned from the NPS on October 10, 2017—approximately 1 month after we interviewed him for this investigation.

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## **Violations of Government Charge Card and Contracting Rules by NPS Employee in the Northeast Region**

The OIG investigated allegations that an NPS employee who served as an administrative officer for several parks directed the misuse of Government charge cards. In addition, we investigated alleged conflicts of interest related to the employee's use of contractors.

We found numerous examples of prohibited split purchasing directed by the employee to avoid exceeding the spending limits of Government charge cards, and identified charge card purchases that should have been made through competitive contracting procedures. Both of these findings were in violation of the Federal Acquisition Regulation as well as Department and NPS policies.

The employee also excessively directed the use of an online payment system, which afforded less protections than traditional charge card purchases. The transactions included two occasions when it was used to pay the wages of two IT contract workers.

In an appearance of a conflict of interest, we found that the employee hired a water testing vendor that subcontracted some of the park water testing to a company owned by the employee's family and in which the employee himself had a financial interest. We did not find that the employee specifically requested the vendor use his family's company. Lastly, we found that the employee created the appearance of preferential treatment and using his official position for private gain by hiring park contractors to conduct personal work on his home and rental properties.

We issued this report to the NPS.





# **Office of Natural Resources Revenue**

# Office of Natural Resources Revenue

## Misreporting of Royalty Information Results in Civil Settlement

The OIG investigated allegations that Citation Oil & Gas Corporation (Citation) misreported mineral royalty data to the Office of Natural Resources Revenue (ONRR) and underpaid Federal royalties associated with the production of coalbed methane gas from Federal wells located in Wyoming.

We determined that for the period January 2006 through December 2015, Citation deducted transportation costs and field fuel volumes inconsistent with marketable condition rules when it calculated and reported royalties to the ONRR.

In December 2017, Citation entered into a settlement agreement with the U.S. Department of Justice, and agreed to pay \$2,250,000 to resolve the civil false claims and related matters pending before the Interior Board of Land Appeals.



*Federal oil and gas leases in Wyoming yielded more than 1.2 trillion cubic feet of natural gas, generating over \$760 million of revenue for the public.*

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The seal of the U.S. Department of the Interior is centered in the background. It features a bison in the foreground, mountains in the middle ground, and a sunburst in the background. The text "U.S. DEPARTMENT OF THE INTERIOR" is written around the top inner edge, and "MARCH 3, 1849" is written around the bottom inner edge.

# **Office of the Secretary and Multi-Office Assignments**

# Office of the Secretary

## **Incomplete Documentation of Secretary Zinke's Travel**

While conducting an investigation into multiple allegations regarding Secretary Ryan Zinke's travel, we discovered several issues regarding travel documentation and accountability that require changes to current Immediate Office of the Secretary procedures.

We requested the documentation necessary to complete our investigation, and made two recommendations to the Office of the Secretary. We received the requested documentation, in addition to a response from the Immediate Office of the Secretary, which stated the DOI is evaluating our recommendations to build a process that creates value and ensures compliance with all applicable laws, rules, and regulations.

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## **Falsification of Sick Leave by former OST Employee**

The OIG investigated allegations that an employee at the Office of the Special Trustee for American Indians (OST) lied about her cancer diagnosis, forged medical records, falsified documents, and abused her own sick leave and leave donated by coworkers.

Our investigation confirmed the allegations. We found no evidence that the OST employee had been diagnosed with cancer or that she received medical care for cancer as she claimed. On 15 occasions, the employee submitted physicians' notes to the OST containing forged signatures from 5 separate medical providers. As a result of the falsified physicians' notes, the employee was authorized 256 hours of her own sick leave and received 28 hours of donated leave from her coworkers.

The employee left the DOI before we issued our report.

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# Multi-Office Assignments

## Interior Incident Response Program Calls for Improvement

We evaluated the DOI to determine whether it effectively follows the incident response lifecycle, as defined by the National Institute of Standards and Technology (NIST). We found that the Office of the Chief Information Officer (OCIO) had not fully implemented the capabilities recommended by NIST in its incident detection and response program. During internal threat simulation testing, most of our efforts to conduct reconnaissance, identify vulnerabilities, exfiltrate sensitive data, and communicate with known malicious command and control servers on the internet went unnoticed by the DOI.

The DOI's decentralized management and authority across the OCIO and bureaus, combined with the flattened internal networks, has eliminated many of the technical security boundaries within the DOI's network—essentially creating blind spots where the OCIO cannot detect malicious activity. Our emulation of malicious activity was successful, in part, because of these blind spots. The DOI's assignment of responsibilities between the OCIO and the bureaus emphasized the DOI's inability to detect and respond to these blind spots.

The bureaus and offices had varying levels of capabilities, resources, and approaches to incident response. Even those with more incident response resources relied heavily on the OCIO for perimeter security controls and monitoring services, which were inconsistently shared with the bureaus. Because the OCIO did not establish the foundation necessary to successfully prepare for responding to incidents, the DOI could not detect, contain, or recover from incidents in a timely manner.

Without a centralized program, the DOI and bureau incident response teams did not have an effective roadmap outlining policies, procedures, and responsibilities for handling incident response activities.

We made 23 recommendations to help the DOI improve its incident response program, so it can promptly detect and fully contain cyber threats to maintain the availability, confidentiality, and integrity of the DOI computer systems and data. The DOI concurred with all of our recommendations and is working to implement them.

## **Independent Auditors Identified Improvements in the DOI's Information Security Programs**

The Federal Information Security Modernization Act (FISMA) requires Federal agencies to have an annual independent evaluation of their information security programs and practices. KPMG, an independent public accounting firm, performed the DOI fiscal year 2017 FISMA audit under a contract issued by the DOI and monitored by the OIG.

KPMG reviewed information security practices, policies, and procedures at the DOI Office of the Chief Information Officer and 15 DOI bureaus and offices, and identified needed improvements in the areas of risk management, configuration management, identity and access management, and information system continuous monitoring.

KPMG made 20 recommendations intended to strengthen the Department's information security program, as well as those of the Bureaus and Offices. In its response to the draft report, the Office of the Chief Information Officer concurred with all recommendations and established a target completion date for each corrective action.

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## **The DOI Law Enforcement's Body Camera Policy and Practices Are Not Consistent With Industry Standards**

We evaluated the DOI's draft body camera policy and bureau body camera practices and determined that they were not consistent with industry standards. We identified two leading authorities on law enforcement use of body cameras—the International Association of Chiefs of Police and the Police Executive Research Forum—and concluded that by adopting their recommendations, the Department and bureaus will strengthen their body camera policies and practices.

Specifically, the DOI's draft policy would benefit from including standards for controls over body camera recordings, prohibition of manipulating and sharing recordings, requirements to note recordings in incident reports, requirements to document when a recording is not made or not completed, requirements to categorize videos, direction on sharing recordings, requirements for supervisors to review recordings, and requirements to inspect body cameras before shifts.

The DOI has not yet issued and implemented a final policy on the use of body cameras by law enforcement. To date, bureau use of body cameras has been voluntary and decisions to purchase equipment are generally made at the field or regional level.

Meanwhile, the bureaus have or are in process of issuing their own policies. Without a Departmentwide policy, however, these bureau policies vary in content and implementation. We found that bureau practices deviate from industry standard by not: controlling cameras and recordings, tracking camera inventory, identifying recordings in incident reports, purging recordings after the retention period expires, or enforcing supervisory review of recordings.

Until the DOI issues a final body camera policy that includes critical industry standards, implementation of a successful body camera program is at risk, particularly in areas such as data quality, systems security, and privacy. The inconsistent use of body cameras and failure to adhere to industry standards also increases the risk that investigative or judicial proceedings will be challenged for failure to properly maintain evidence chain of custody, and could lead to an erosion of public trust in bureau law enforcement programs.

We made 13 recommendations to address the deficiencies in the DOI's draft policy and bureau practices that, if implemented, will improve consistency with industry standards and reduce the risks described above. The DOI concurred with seven of our recommendations, did not concur with one recommendation, and did not address five recommendations. Based on the DOI's response, we considered 12 recommendations resolved but not implemented and one recommendation resolved and implemented. We referred the recommendations to the Assistant Secretary for Policy, Management and Budget to track implementation.

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## **Progress Made by the DOI in Implementing Government Charge Card Recommendations**

We are required to conduct periodic risk assessments of agency purchase cards and convenience checks, combined integrated card programs, and travel card programs to analyze the risks of illegal, improper, or erroneous purchases and payments. We must report to the Office of Management and Budget Director by January 31 each year on the DOI's progress in implementing our audit recommendations related to Government charge cards.

We issued three reports related to internal controls over Government purchase cards and travel cards within the past 6 years, and reported five open recommendations to the OMB for fiscal year 2016. As of September 30, 2016, four of those recommendations were resolved but not implemented and one remained unresolved. During fiscal year 2017, three of those five open recommendations were implemented and closed. As of September 30, 2017, two resolved but unimplemented recommendations remained, each from a different report.

We also reported to the OMB that we anticipate the issuance of one charge card-related report in 2018 involving a Federal initiative managed by the Council of the Inspectors General on Integrity and Efficiency. The DOI has also selected a new charge card contractor to replace J.P. Morgan Chase; the new contractor will begin work to meet the required November 2018 deadline for implementation of the new charge card program.

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## **The Udall Foundation Implemented OIG Recommendations**

We reviewed the Morris K. Udall and Stewart L. Udall Foundation's (Foundation's) implementation of the eight recommendations presented in our 2017 audit report titled "Compliance, Allocated Costs, and Scholarship Awards at the Morris K. Udall and Stewart L. Udall Foundation." Our objective was to review the actions that the Foundation has taken and determine whether the Foundation implemented the recommendations. Based on our review, we concur that all eight recommendations have been resolved and implemented.

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## **Alleged Ethics Violations by a Senior DOI Official**

We investigated allegations that a senior DOI official made several comments that caused other DOI employees to question his ethics. He allegedly expressed his intent to assist two American Indian tribes he had worked with before becoming a DOI employee, encouraged subordinates to hire his former business associates and to arrange for the DOI to approve payment of the guarantee on a tribal loan he had been involved with before he came to the DOI, and asked a DOI employee to hire one of his relatives.

We found that in the short time the senior official worked for the DOI, he made several comments that created an appearance to employees that he was planning to give preferential treatment to entities he had relationships with:

- He told employees that he intended to continue assisting two tribes he had worked with before coming to the DOI. We found he assisted these tribes only once as a DOI employee, when he volunteered to schedule meetings for them with Secretary of the Interior Ryan Zinke.
- He spoke to subordinates about hiring his former business associates and approving the loan guarantee payment. Although this did not violate regulations, his statements made his subordinates uncomfortable.



- He asked a DOI employee to hire his relative. He claimed that his request had been meant as a joke, but the employee believed he had been serious.

The senior official has left the DOI. We provided this report to the Deputy Secretary of the Interior.

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**Office of Surface Mining  
Reclamation and  
Enforcement**

# Office of Surface Mining Reclamation and Enforcement

## OSMRE Employee Attempted to Send PII to Personal Computer

The OIG investigated an allegation that an employee with the Office of Surface Mining Reclamation and Enforcement (OSMRE) attempted to send a spreadsheet containing personally identifiable information (PII) for 182 DOI employees to his personal email account. We found that the employee emailed the spreadsheet to a group of employees from several DOI bureaus, who were able to access the PII of employees in DOI bureaus outside their own. We determined that the group members had no business- or training-related need for the PII of employees from other bureaus.

We also found that the employee made repeated attempts to send the spreadsheet from his Government email account to his personal account, but the DOI's IT security systems blocked the emails and prevented the PII from being transmitted to his personal account or computer. The employee's supervisor confiscated the employee's work computer the day he learned of the attempts to email the spreadsheet and placed the employee on administrative leave. We referred this case to the U.S. Attorney's Office in Washington, DC, which declined to prosecute. We provided our report to the OSMRE.

The DOI employee's unnecessary transmittal of the spreadsheet placed the PII of 182 employees at an increased risk of compromise. In a management advisory to the DOI, we encouraged the DOI to review its procedures for limiting access to PII only to those with a business need to know.

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## Theft by OSMRE Employee

The OIG investigated allegations that an OSMRE employee stole Government equipment and committed time and attendance fraud.

We determined the employee stole two stereoscopes and a mapping tool from the OSMRE and that the equipment was obsolete and valued at approximately \$150. The employee admitted she had the items in her possession without authorization. She said she later donated the property to a charity. We did not substantiate the allegation of time and attendance fraud.

The U.S. Attorney's Office for the District of Colorado declined prosecution. We provided our report to the OSMRE.



# **U.S. Fish and Wildlife Service**

# U.S. Fish and Wildlife Service

## Management Practices at FWS Region 5

The OIG investigated allegations that FWS personnel within the Region 5 Headquarters office in Hadley, MA, violated procurement regulations; engaged in retaliation and reprisal, created a hostile work environment, and otherwise mismanaged the Region. We investigated 19 allegations and examined whether an overall hostile work environment and culture of reprisal existed within the 3 regional divisions where most of the complaints originated.

We did not substantiate most of the allegations, but we did substantiate three of them:

- A Region 5 employee inflated performance evaluations and violated Federal regulations by awarding Quality Step Increases to compensate those employees for a reduction in locality pay following an office move.
- Numerous hardcopy contract files were missing from the regional contracting office.
- Region 5 officials violated the FWS policy and OIG directives when they improperly and without authorization distributed copies of an unredacted OIG investigative report, which contained personally identifiable information.

We did not find evidence that an overall hostile work environment or culture of reprisal existed within the Region 5 Headquarters office. Rather, we found that allegations of hostile work environment within specific work units had been reported to Region 5 management in the past. Region 5 officials were aware of the issues, and had addressed or were working to address them. We provided our report to the FWS.



*Cross Island National Wildlife Refuge—one of five refuges that make up the Maine Coastal Islands National Wildlife Refuge—is part of FWS Region 5.*

## **FWS Supervisor Violated Conflict of Interest Ethics Law**

The OIG investigated allegations that Richard Ruggiero, Chief of the Division of International Conservation (DIC), International Affairs, U.S. Fish and Wildlife Service (FWS), violated Federal ethics regulations when he issued a cooperative agreement and was involved in two grants to nonprofit organizations with which a family member was associated.

We found that Ruggiero violated Federal conflict of interest laws and regulations by participating in an FWS cooperative agreement that financially benefited his family member, and neither Ruggiero nor his family member disclosed their relationship in writing to the FWS. Ruggiero also shared nonpublic FWS information about the agreement with his family member. Ruggiero initially told us he did not participate in any decisions related to the agreement, but he later admitted his involvement and said he should have documented the potential conflict and recused himself from working on the agreement.

Other FWS employees, to include one of Ruggiero's senior employees, knew that Ruggiero's family member was involved with the agreement, and that Ruggiero authorized additional funding to the agreement. The senior employee consulted with the FWS Ethics Office on behalf of Ruggiero, but failed to follow the guidance he received to have Ruggiero draft a recusal memorandum and submit it to the ethics office for review. Neither Ruggiero nor any of the other FWS employees reported the conflict of interest to the FWS Ethics Office.

We also found that Ruggiero was a decision maker on other grants awarded by the FWS to organizations with which his family member was involved.

We provided this report to the FWS.

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## **FWS Refuge Supervisor Failed to Deposit Public Donations into the U.S. Treasury**

The OIG investigated allegations that an FWS supervisor and a family member, also an FWS employee, mishandled and potentially embezzled cash collections and donations at an FWS refuge.

Our investigation determined that the FWS employees at the refuge violated the Treasury Financial Manual by not depositing the cash donations received from the public into the U.S. Treasury. We found that between October 2008 and October 2017, the employees sent \$67,568.45 in cash donations to the refuge's nonprofit partner for deposit into the partner's accounts, not into the U.S. Treasury as required. We did not find evidence of embezzlement.

We provided our report to the FWS.

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## **FWS Employees Unlawfully Obtained and Used Protected Personnel Records**

The OIG investigated allegations that an FWS human resources employee accessed the protected personnel files of a Federal employee without authorization, and that another unknown FWS employee removed a document from the office of a senior manager.

We found that the human resource employee unlawfully accessed the electronic official personnel folder and USA Staffing databases and queried records related to a Federal employee who had been selected for a position. According to the human resources employee who accessed the records, she did so at the behest of another FWS employee, who was upset that she had not been selected for the position.

We also determined that the human resources employee unlawfully shared information and documents from the employee's personnel files, which were protected under the provisions of the Privacy Act of 1974, to the FWS employee requesting the information and to another FWS employee. The FWS employee who requested the protected information from the human resources employee then used information from those records to facilitate FOIA requests she made to the FWS and to further Equal Employment Opportunity claims she had made.

We also found that another FWS employee wrongfully obtained a copy of a draft email prepared by a senior FWS manager, and provided the email to other FWS employees, including the two employees that received the protected information from the human resources employee.

We referred our findings to the U.S. Attorney's Office for the Northern District of Georgia, which declined prosecution. We provided our report to the FWS.



# Appendices



# STATISTICAL HIGHLIGHTS

## Audits, Inspections, and Evaluations Activities

Reports Issued .....	26
Performance Audits, Evaluations, and Inspections .....	14
Contract and Grant Audits.....	5
Other Report Types <sup>1</sup> .....	7
Total Monetary Impacts .....	\$12,907,505
Questioned Costs (includes unsupported costs).....	\$3,601,912
Funds To Be Put to Better Use .....	\$9,305,593
Audits, Inspections, and Evaluations Recommendations Made.....	152
Audits, Inspections, and Evaluations Recommendations Closed .....	94

## Investigative Activities<sup>2</sup>

Complaints Received .....	983
Complaints Referred to the Department.....	288
Investigations Opened.....	45
Investigations Closed .....	44

## Criminal Prosecution Activities

Indictments/Informations .....	13
Convictions.....	9
Sentencings.....	7
Jail .....	3: 42 months
Probation.....	6: 156 months
Criminal Restitution .....	2: \$358,961.58
Criminal Fines .....	4: \$15,750.00
Criminal Special Assessments.....	7: \$725
Criminal Asset Forfeiture .....	\$0
Criminal Matters Referred for Prosecution .....	19
Criminal Matters Declined This Period .....	22

<sup>1</sup> Other report types include management advisories, special projects, and other types of reports that are not classified as audits, inspections, or evaluations. These types of reports generally do not contain recommendations.

<sup>2</sup> The OIG has previously reported investigative statistics as complaints received from all sources, cases opened, and cases closed. We have seen a significant increase in complaints received, and the new statistical categories better reflect how we handle these matters and report our findings. Cases previously referred to both complaints and investigations; investigations, however, are more formal and the basis for the reports we issue to the Department and summarize on our website and in our Semiannual Report. In addition, the number of complaints we refer to the Department identifies matters we did not fully investigate, but believe the Department should be aware of or act upon.

## Civil Investigative Activities

Civil Referrals.....	5
Civil Declinations .....	5
Civil Settlements or Recoveries.....	3: \$2,805,900.08

## Administrative Investigative Activities

Personnel Actions .....	9
Removals .....	2
Resignations .....	1
Retirements .....	3
Restitution .....	1: \$11,748.57
Suspensions.....	2: 134 days
Procurement and Nonprocurement Remedies .....	8
Debarments.....	8
General Policy Actions .....	8

## REPORTS ISSUED

This listing includes all reports issued by the Office of Audits, Inspections, and Evaluations during the 6-month reporting period that ended March 31, 2018. It provides the report number, title, issue date, and monetary amounts identified in each report.

\* *Funds To Be Put to Better Use*

\*\* *Questioned Costs*

\*\*\* *Unsupported Costs*

### Audits, Inspections, and Evaluations

#### *Bureau of Land Management*

**2016-EAU-061**

Bureau of Land Management's Idle Well Program (01/17/2018)

**2017-EAU-034**

The Bureau of Land Management Can Improve the Oil and Gas Drainage Program (12/28/2017)

#### *Bureau of Reclamation*

**2017-EAU-054**

Survey Report – U.S. Bureau of Reclamation Hydroelectric Facility Management (01/09/2018)

**2017-WR-029**

Management Advisory – Potential Opportunity for Revenue in the Conveyance of Non-Project Water (01/17/2018)

#### *Indian Affairs*

**2016-CR-036**

Stronger Internal Controls Needed Over Indian Affairs Loan Guarantee Program (11/09/2017) \*\$9,300,000 \*\*\$3,600,000

**2017-WR-024**

The Bureau of Indian Education Is Not Ensuring That Background Checks at Indian Education Facilities Are Complete (02/08/2018)

***Multi-Office Assignments*****2016-ITA-020**

Interior Incident Response Program Calls for Improvement  
(03/12/2018)

**2017-FIN-026**

Independent Auditors' Report on the U.S. Department of  
the Interior Financial Statement for Fiscal Years 2017 and 2016  
(11/15/2017)

**2017-FIN-026-A**

Independent Auditors' Report on the U.S. Department of the Interior  
Closing Package Financial Statements for Fiscal Year 2017  
(11/15/2017)

**2017-ITA-052**

Independent Auditors' Performance Audit Report on the U.S.  
Department of the Interior Federal Information Security Modernization  
Act for Fiscal Year 2017 (03/08/2018)

**2017-WR-012**

U.S. Department of the Interior Law Enforcement's Body Camera Policy  
and Practices Are Not Consistent With Industry Standards  
(01/30/2018)

***National Park Service*****2017-CR-044**

Audit of NPS Centennial Challenge Project Partnerships (01/02/2018)

***Office of Special Trustee for American Indians*****2017-FIN-025**

Independent Auditors' Reports on the Tribal and Other Trust Funds and  
Individual Indian Monies Trust Funds Statements for Fiscal Years 2017  
and 2016 (11/10/2017)

***Office of the Secretary*****2017-FIN-038**

U.S. Department of the Interior DATA Act Submission for Second  
Quarter FY 2017 (11/02/2017)

## Contract and Grant Audits

### *National Park Service*

#### **2017-FIN-032**

Audit of Grant No. P13AF00113 Between the National Park Service and the Connecticut Department of Economic and Community Development (01/08/2018) \*\*\$1,912

### *U.S. Fish and Wildlife Service*

#### **2016-EXT-042**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Hawaii, Department of Land and Natural Resources From July 1, 2013, Through June 30, 2015 (11/27/2017) \*\$5,593

#### **2017-CR-047**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Iowa, Department of Natural Resources From July 1, 2014, Through June 30, 2016 (12/28/2017)

#### **2017-EXT-006**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Government of Guam, Department of Agriculture, From October 1, 2014, Through September 30, 2016 (03/26/2018)

#### **2017-EXT-051**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the New York State Department of Environmental Conservation, Division of Fish and Wildlife, From April 1, 2014, Through March 31, 2016 (02/28/2018)

## Other Assignment Types

### *Bureau of Land Management*

#### **2018-EAU-028**

Verification Review of Recommendation 9 from the Report Titled Bureau of Land Management's Renewable Energy Program: A Critical Point in Renewable Energy Development (CR-EV-BLM-0004-2010) (03/29/2018)

***Bureau of Reclamation*****2017-WR-048-A**

Management Advisory – Proposed Modifications to USBR’s Cooperative Agreement No. R16AC00087 With the Panoche Drainage District (11/27/2017)

***Multi-Office Assignments*****2017-ER-050**

Inspector General’s Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior (11/02/2017)

**2018-FIN-008**

Progress Made by the U.S. Department of the Interior in Implementing Government Charge Card Recommendations (01/30/2018)

***National Park Service*****2017-FIN-032-A**

Management Advisory – Issues Identified During Our Audit of Grant No. P13AF00113 Between the National Park Service and the Connecticut Department of Economic and Community Development (01/08/2018)

***Non-Interior*****2018-CR-023**

Udall Progress Review – Recommendations for the Report, “Compliance, Allocated Costs, and Scholarship Awards at the Morris K. Udall and Stewart L. Udall Foundation,” Report No. 2015-CR-026 (03/05/2018)

***U.S. Fish and Wildlife Service*****2018-EAU-029**

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) (03/26/2018)

## MONETARY RESOLUTION ACTIVITIES

**Table 1: Inspector General Reports With Questioned Costs\***

	Number of Reports	Questioned Costs*	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period.	3	\$53,503,191	\$50,394,114
B. Which were issued during the reporting period.	2	\$3,601,912	\$0
<b>Total (A+B)</b>	<b>5</b>	<b>\$57,105,103</b>	<b>\$50,394,114</b>
C. For which a management decision was made during the reporting period.	5	\$57,105,103	\$50,394,114
(i) Dollar value of costs disallowed.		\$3,505,103	\$394,114
(ii) Dollar value of costs allowed.		\$53,600,000	\$50,000,000
D. For which no management decision had been made by the end of the reporting period.	0	\$0	\$0

\* Does not include non-Federal funds. Unsupported costs are included in questioned costs.

## MONETARY RESOLUTION ACTIVITIES

**Table 2: Inspector General Reports With Recommendations  
That Funds Be Put to Better Use\***

	Number of Reports	Dollar Value
A. For which no management decision has been made by the commencement of the reporting period.	0	\$0
B. Which were issued during the reporting period.	2	\$9,305,593
<b>Total (A+B)</b>	<b>2</b>	<b>\$9,305,593</b>
C. For which a management decision was made during the reporting period.	2	\$9,305,593
(i) Dollar value of recommendations that were agreed to by management.		\$9,305,593
(ii) Dollar value of recommendations that were not agreed to by management.		\$0
D. For which no management decision had been made by the end of the reporting period.	0	\$0

\* Does not include non-Federal funds.



## REPORTS PENDING DECISION

This listing includes a summary of audit, inspection, and evaluation reports that were more than 6 months old on March 31, 2018, and still pending a final management decision. It includes recommendations with which the OIG and management have disagreed, and the disagreement has been referred to the Assistant Secretary for Policy, Management and Budget for resolution. Also included are recommendations with which management did not provide sufficient information to determine if proposed actions will resolve the recommendation. It provides the report number, title, issue date, number of recommendations referred for resolution, and number of recommendations awaiting additional information.

### Audits, Inspections, and Evaluations

#### *Bureau of Reclamation*

**2015-WR-080**

Audit of the Bureau of Reclamation's Klamath Basin Water User Mitigation Program (10/11/2016)  
Referred for Resolution: 2

### Contract and Grant Audits

#### *Indian Affairs*

**2015-ER-069-A**

Audit of Contract Nos. A13AV00621 and A12AV00769/A15AV00265 Between the Bureau of Indian Affairs and the Lower Brule Sioux Tribe (12/16/2016)  
Referred for Resolution: 1

#### *National Park Service*

**2015-ER-061**

Audit of Task Agreement Nos. P13AC00279, P13AC01094, and P14AC00445 Between the National Park Service and the Student Conservation Association Under Cooperative Agreement No. P09AC00402 (02/03/2017)  
Referred for Resolution: 3  
Awaiting Information: 2

## Other Assignment Types

### *Bureau of Reclamation*

#### **2015-WR-080-B**

Management Advisory - Operations and Maintenance Cost Allocation  
for the Klamath Project Reserved Works (09/27/2016)

Referred for Resolution: 1

## REPORTS WITH UNIMPLEMENTED RECOMMENDATIONS

This listing provides a summary of reports issued by the Office of Audits, Inspections, and Evaluations before October 1, 2017, that still had open (unimplemented) recommendations as of March 31, 2018. Unimplemented recommendations are divided into resolved, management disagreed, and awaiting management decision categories. Recommendations with which management has disagreed have been referred to the DOI for resolution. Recommendations are classified as awaiting management decision if either management did not respond or management's response was not sufficiently detailed to consider the recommendation resolved.

Open: 342      Resolved: 332      Disagreed: 7      Awaiting Decision: 3

Questioned Costs: \$102,450,445

Funds That Could Have Been Better Used: \$20,687,671

### **Audits, Inspections, and Evaluations**

#### *Bureau of Land Management*

##### **2015-EAU-057**

Bureau of Land Management's Management of Private Acquired Leases (12/11/2015)

Resolved: 1

##### **2015-ITA-072**

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for Fiscal Year 2015 (02/24/2016)

Resolved: 6

##### **2016-WR-027**

The Bureau of Land Management's Wild Horse and Burro Program is Not Maximizing Efficiencies or Complying With Federal Regulations (10/17/2016)

Resolved: 2

##### **C-IN-BLM-0002-2012**

Bureau of Land Management's Mineral Materials Program (03/31/2014)

Resolved: 2

**C-IN-MOA-0013-2010**

Management of Rights-of-Way in the U.S. Department of the Interior  
(09/27/2012)

Resolved: 4

**CR-EV-BLM-0004-2012**

Bureau of Land Management's Geothermal Resources Management  
(03/07/2013)

Resolved: 3

**CR-EV-MOA-0006-2012**

U.S. Department of the Interior's Underground Injection Control  
Activities (03/31/2014)

Resolved: 2

**CR-IS-BLM-0004-2014**

Inspection Report – BLM Federal Onshore Oil and Gas Trespass and  
Drilling Without Approval (09/29/2014)

Resolved: 2

***Bureau of Reclamation*****2015-ITA-072**

Independent Auditors' Performance Audit Report on the U.S.  
Department of the Interior Federal Information Security Management  
Act for Fiscal Year 2015 (02/24/2016)

Resolved: 1

**2015-WR-080**

Audit of the Bureau of Reclamation's Klamath Basin Water User  
Mitigation Program (10/11/2016)

Disagreed: 2

**2016-WR-026**

Improvements Needed in the Bureau of Reclamation's Oversight of  
Tribal Rural Water Projects (07/31/2017)

Resolved: 2

Awaiting Decision: 1

**2016-WR-040**

The Bureau of Reclamation Was Not Transparent in Its Financial Participation in the Bay Delta Conservation Plan (09/07/2017)

Resolved: 1

Questioned Costs: \$50,000,000

**CR-EV-MOA-0006-2012**

U.S. Department of the Interior's Underground Injection Control Activities (03/31/2014)

Resolved: 1

**ISD-IS-BOR-0003-2013**

IT Security of the Grand Coulee Dam Supervisory Control and Data Acquisition System (04/10/2014)

Resolved: 2

**ISD-IS-BOR-0004-2013**

IT Security of the Glen Canyon Dam Supervisory Control and Data Acquisition System (03/26/2014)

Resolved: 2

**WR-EV-MOA-0015-2011**

Bureau of Land Management, National Park Service, and Office of Surface Mining Reclamation and Enforcement's Safety of Dams: Emergency Preparedness (12/27/2012)

Resolved: 1

***Bureau of Ocean Energy Management*****CR-EV-BOEM-0001-2013**

U.S. Department of the Interior's Offshore Renewable Energy Program (09/25/2013)

Resolved: 1

***Bureau of Safety and Environmental Enforcement*****CR-EV-BSEE-0006-2013**

Offshore Oil and Gas Permitting, U.S. Department of the Interior (09/30/2014)

Resolved: 1

***Indian Affairs*****2016-ITA-021**

Information Technology Security Weaknesses at a Core Data Center  
Could Expose Sensitive Data (02/15/2017)

Resolved: 6

**C-EV-BIE-0023-2014**

Condition of Indian School Facilities (09/30/2016)

Resolved: 5

**C-IS-BIE-0023-2014-A**

Condition of Bureau of Indian Affairs Facilities at the Pine Hill Boarding  
School (01/11/2016)

Resolved: 3

**CR-EV-BIA-0002-2013**

BIA Needs Sweeping Changes to Manage the Osage Nation's Energy  
Resources (10/20/2014)

Resolved: 7

Better Use: \$97,000

**CR-EV-BIA-0011-2014**

Bureau of Indian Affairs' Southern Ute Agency's Management of the  
Southern Ute Indian Tribe's Energy Resources (02/09/2016)

Resolved: 1

**NM-EV-BIE-0003-2008**

School Violence Prevention (02/03/2010)

Resolved: 1

***National Park Service*****2015-ITA-072**

Independent Auditors' Performance Audit Report on the U.S.  
Department of the Interior Federal Information Security Management  
Act for Fiscal Year 2015 (02/24/2016)

Resolved: 2

**2015-WR-019**

Operation and Management of the Brinkerhoff Lodge at Grand Teton  
National Park (09/30/2015)

Resolved: 1

**2016-CG-068**

National Park Service Contract Closeout Procedures (07/31/2017)

Resolved: 1

**2016-ITA-062**

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for Fiscal Year 2016 (03/10/2017)

Resolved: 1

**2017-FIN-019**

Inspection of Perini Management Services, Inc., Billings for Task Order No. P14PD00557 With the National Park Service (09/29/2017)

Resolved: 1

**CR-EV-MOA-0006-2012**

U.S. Department of the Interior's Underground Injection Control Activities (03/31/2014)

Resolved: 2

**WR-IS-NPS-0009-2013**

NPS Contractor Oversight of Visitor Tent Cabins at Yosemite National Park Involved in Hantavirus Outbreak (05/15/2013)

Resolved: 2

***Office of Special Trustee for American Indians*****2016-ITA-062**

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for Fiscal Year 2016 (03/10/2017)

Resolved: 1

***Office of Surface Mining Reclamation and Enforcement*****2016-EAU-007**

Office of Surface Mining Reclamation and Enforcement's Oversight of the Abandoned Mine Lands Program (03/30/2017)

Resolved: 11

**C-IN-OSM-0044-2014-A**

Oversight of Annual Fund Transfer for Miner Benefits Needs Improvement (03/29/2017)

Resolved: 17

Questioned Costs: \$38,878,548

Better Use: \$19,900,000

**WR-EV-MOA-0015-2011**

Bureau of Land Management, National Park Service, and Office of Surface Mining Reclamation and Enforcement's Safety of Dams: Emergency Preparedness (12/27/2012)

Resolved: 3

***Office of the Secretary*****2015-CR-001**

Inspection of the U.S. Department of the Interior's Occupational Safety and Health and Workers' Compensation Programs (02/09/2016)

Resolved: 2

**2015-ER-011**

U.S. Department of the Interior's Internal Controls for Purchase Cards and Fleet Cards (09/30/2016)

Resolved: 1

**2015-ITA-032**

U.S. Department of the Interior's Management of its Smartphones, Tablets, and Other Mobile Devices (06/22/2016)

Resolved: 1

**2015-ITA-072**

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for Fiscal Year 2015 (02/24/2016)

Resolved: 6

**2016-ER-016**

Evaluation of DOI's Tracking of Data for Land Purchases Made With Grant Funds (09/25/2017)

Resolved: 2



**2016-ER-070**

Insufficient Documentation of Use of Extended Administrative Leave at the U.S. Department of the Interior (03/30/2017)

Resolved: 3

**2016-ITA-021**

Information Technology Security Weaknesses at a Core Data Center Could Expose Sensitive Data (02/15/2017)

Resolved: 1

**2016-ITA-062**

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for Fiscal Year 2016 (03/10/2017)

Resolved: 7

**2017-FIN-036**

U.S. Department of the Interior's Compliance With the Improper Payments Elimination and Recovery Act of 2010 in its Fiscal Year 2016 "Agency Financial Report" (05/15/2017)

Resolved: 2

**C-IN-MOA-0010-2008**

Audit Report - Department of the Interior Museum Collections: Accountability and Preservation (12/16/2009)

Resolved: 3

**C-IN-MOA-0013-2010**

Management of Rights-of-Way in the U.S. Department of the Interior (09/27/2012)

Resolved: 2

**C-IN-MOA-0049-2004**

Department of the Interior Concessions Management (06/13/2005)

Resolved: 1

**CR-IN-ONRR-0007-2014**

Financial Management Division, Office of Natural Resources Revenue (06/03/2016)

Resolved: 1

**ER-EV-PMB-0005-2014**

Evaluation of Security Features of the Main Interior Building  
(12/29/2014)

Resolved: 1

**ER-IN-VIS-0015-2014**

Significant Flaws Revealed in the Financial Management and  
Procurement Practices of the U.S. Virgin Islands' Public Finance  
Authority (09/29/2017)

Resolved: 1

**ISD-EV-OCIO-0002-2014**

DOI's Adoption of Cloud-Computing Technologies (05/21/2015)

Resolved: 1

**ISD-IN-MOA-0004-2014**

Security of the U.S. Department of the Interior's Publicly Accessible  
Information Technology Systems (07/15/2015)

Resolved: 5

**ISD-IN-MOA-0004-2014-I**

U.S. Department of the Interior's Continuous Diagnostics and  
Mitigation Program Not Yet Capable of Providing Complete Information  
for Enterprise Risk Determinations (10/19/2016)

Resolved: 6

**WR-EV-OSS-0005-2009**

Aviation Maintenance Tracking and Pilot Inspector Practices - Further  
Advances Needed (04/14/2009)

Resolved: 1

***U.S. Fish and Wildlife Service*****2015-ER-034**

Climate Effects Program Coordination (03/17/2017)

Resolved: 1

**2015-FIN-021**

Performance Audit of Expenditures and Obligations Used by the  
Secretary of the Interior in Administering the Wildlife and Sport Fish  
Restoration Programs Improvement Act of 2000, Public Law 106-408  
for Fiscal Years 2013 and 2014 (08/27/2015)

Resolved: 1

**2015-ITA-072**

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for Fiscal Year 2015 (02/24/2016)

Resolved: 4

**2016-FIN-074**

Independent Auditors' Biennial Report on the Audit of Expenditures and Obligations Used by the Secretary of the Interior in the Administration of the Wildlife and Sport Fish Restoration Programs Improvement Act of 2000 for Fiscal Years 2015 Through 2016 (08/07/2017)

Resolved: 4

**2016-ITA-062**

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for Fiscal Year 2016 (03/10/2017)

Resolved: 2

**CR-EV-FWS-0002-2014**

U.S. Fish and Wildlife Service's Management of Oil and Gas Activities on Refuges (03/01/2015)

Resolved: 1

**CR-EV-MOA-0006-2012**

U.S. Department of the Interior's Underground Injection Control Activities (03/31/2014)

Resolved: 2

***U.S. Geological Survey*****2016-ER-057**

Evaluation of USGS Scientific Collection Management Policy (09/28/2017)

Resolved: 1

**2016-ITA-062**

Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Management Act for Fiscal Year 2016 (03/10/2017)

Resolved: 7

**2016-WR-071**

Management Advisory - The U.S. Geological Survey Needs To Improve the Strategic Planning, Performance Measurement, and Transparency for its National Water Census Program (02/15/2017)

Resolved: 3

**CR-EV-GSV-0003-2014**

Energy Resources Program, U.S. Geological Survey (05/13/2015)

Resolved: 3

**CR-IS-GSV-0008-2014**

Information Sharing between U.S. Geological Survey and Bureau of Ocean Energy Management (10/23/2014)

Resolved: 1

## **Contract and Grant Audits**

### ***Bureau of Land Management***

**2015-WR-062**

Bureau of Land Management Cooperative Agreement No. L12AC20673 With Utah Correctional Industries (11/27/2015)

Resolved: 2

Questioned Costs: \$1,931,699

**2016-CG-006**

Audit of Bureau of Land Management Cooperative Agreement No. L10AC20002 With The Piney Woods School (02/14/2017)

Resolved: 3

Questioned Costs: \$524,478

**WR-CA-BLM-0013-2013**

Cooperative Agreement No. JSA071001/L08AC13913 between the Utah Correctional Industries and the Bureau of Land Management (09/27/2013)

Resolved: 2

Questioned Costs: \$2,004,553

***Bureau of Reclamation*****ER-CX-BOR-0010-2014**

Crow Tribe Accounting System and Interim Costs Claimed Under Agreement Nos. R11AV60120 and R12AV60002 With the Bureau of Reclamation (06/24/2015)

Resolved: 12

Questioned Costs: \$476,399

***Indian Affairs*****2015-ER-069-A**

Audit of Contract Nos. A13AV00621 and A12AV00769/A15AV00265 Between the Bureau of Indian Affairs and the Lower Brule Sioux Tribe (12/16/2016)

Disagreed: 1

**2016-CG-030**

Audit of Incurred Costs of Contract Associated with Public Voucher No. PV08C55091 Between the Bureau of Indian Affairs and the Chippewa Cree Tribe (08/28/2017)

Resolved: 3

Questioned Costs: \$2,000,000

**2016-FIN-075**

Audit of Agreement No. A13AP00009 Between the Bureau of Indian Affairs and the Chippewa Cree Tribe (08/21/2017)

Resolved: 5

Questioned Costs: \$1,503,191

***National Park Service*****2015-ER-061**

Audit of Task Agreement Nos. P13AC00279, P13AC01094, and P14AC00445 Between the National Park Service and the Student Conservation Association Under Cooperative Agreement No. P09AC00402 (02/03/2017)

Resolved: 3

Disagreed: 3

Awaiting Decision: 2

Questioned Costs: \$740,681

**X-CX-NPS-0001-2014**

Final Costs Claimed by NY Asphalt, Inc., Under Contract Nos. INPSANDY12003, INP13PX28237, and INP13PX22222 With the National Park Service (10/21/2014)

Resolved: 2

Questioned Costs: \$988,203

***U.S. Fish and Wildlife Service*****2015-EXT-005**

U.S. Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of Massachusetts, Department of Fish and Game, Division of Fisheries and Wildlife, From July 1, 2012, Through June 30, 2014 (01/07/2016)

Resolved: 2

**2015-EXT-008**

U.S. Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Texas, Texas Parks and Wildlife Department, From September 1, 2012, Through August 21, 2014 (08/24/2017)

Resolved: 19

Questioned Costs: \$921,373

Better Use: \$131,435

**2015-EXT-009**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Utah, Department of Natural Resources, Division of Wildlife Resources, From July 1, 2012, Through June 30, 2014 (09/19/2016)

Resolved: 12

Questioned Costs: \$208,752

**2015-EXT-043**

U.S. Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Alabama, Department of Conservation and Natural Resources, Division of Wildlife and Freshwater Fisheries, From October 1, 2012, Through September 30, 2014 (09/07/2016)

Resolved: 2

**2015-EXT-044**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of the Northern Mariana Islands, Department of Lands and Natural Resources, From October 1, 2012, Through September 30, 2014 (08/10/2016)

Resolved: 4

Questioned Costs: \$42,580

**2016-EXT-003**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Maryland, Department of Natural Resources From July 1, 2013, Through June 30, 2015 (09/14/2017)

Resolved: 8

Questioned Costs: \$49,962

Better Use: \$548,903

**2016-EXT-005**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Government of the Virgin Islands, Department of Planning and Natural Resources, From October 1, 2012, Through September 30, 2014 (02/21/2017)

Resolved: 7

**2016-EXT-043**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Delaware, Department of Natural Resources and Environmental Control, Division of Fish and Wildlife, From July 1, 2013 Through June 30, 2015 (02/15/2017)

Resolved: 2

**2016-EXT-046**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of North Dakota, Game and Fish Department, From July 1, 2013, Through June 30, 2015 (09/25/2017)

Resolved: 2

Questioned Costs: \$380,142

**2017-EXT-005**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Connecticut, Department of Energy and Environmental Protection, Bureau of Natural Resources From July 1, 2014, Through June 30, 2016 (09/25/2017)  
Resolved: 2

**R-GR-FWS-0002-2014**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Minnesota, Department of Natural Resources, From July 1, 2011, Through June 30, 2013 (12/19/2014)  
Resolved: 1

**R-GR-FWS-0003-2013**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of South Dakota, Department of Game, Fish, and Parks, From July 1, 2010, Through June 30, 2012 (06/04/2013)  
Resolved: 1

**R-GR-FWS-0004-2009**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Minnesota, Department of Natural Resources, From July 1, 2005, Through June 30, 2007 (09/21/2009)  
Resolved: 1

**R-GR-FWS-0006-2007**

U.S. Fish and Wildlife Service Federal Assistance Program Grants Awarded to the Virgin Islands, Department of Planning and Natural Resources, Division of Fish and Wildlife, From October 1, 2003, Through September 30, 2005 (10/18/2007)  
Resolved: 2

**R-GR-FWS-0006-2008**

Audit on U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Idaho, Department of Fish and Game, From July 1, 2005, Through June 30, 2007 (01/26/2009)  
Resolved: 1



**R-GR-FWS-0006-2011**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Government of the Virgin Islands, Department of Planning and Natural Resources, From October 1, 2008, Through September 30, 2010 (11/03/2011)  
Resolved: 5

**R-GR-FWS-0006-2014**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Wisconsin, Department of Natural Resources, From July 1, 2011, Through June 30, 2013 (09/15/2014)  
Resolved: 1

**R-GR-FWS-0007-2011**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Maryland, Department of Natural Resources, From July 1, 2008, Through June 30, 2010 (11/30/2011)  
Resolved: 2

**R-GR-FWS-0008-2014**

U.S. Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Kansas, Department of Wildlife, Parks, and Tourism From July 1, 2011, Through June 30, 2013 (03/27/2015)  
Resolved: 6  
Questioned Costs: \$328,860

**R-GR-FWS-0009-2004**

U.S. Fish and Wildlife Service Federal Assistance Grants Administered by the State of New Hampshire, Fish and Game Department, from July 1, 2001, through June 30, 2003 (03/31/2005)  
Resolved: 1

**R-GR-FWS-0010-2012**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Nebraska, Game and Parks Commission, From July 1, 2009, Through June 30, 2011 (11/30/2012)  
Resolved: 2

**R-GR-FWS-0010-2013**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Wyoming, Game and Fish Department, From July 1, 2010, Through June 30, 2012 (10/29/2013)  
Resolved: 1

**R-GR-FWS-0010-2014**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the American Samoa Government, Department of Marine and Wildlife Resources, From October 1, 2011, Through September 30, 2013 (12/17/2015)  
Resolved: 7  
Questioned Costs: \$209,442  
Better Use: \$10,333

**R-GR-FWS-0011-2009**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Utah, Department of Natural Resources, Division of Wildlife Resources, From July 1, 2006, Through June 30, 2008 (01/29/2010)  
Resolved: 1

**R-GR-FWS-0011-2010**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Wisconsin, Department of Natural Resources, From July 1, 2007, Through June 30, 2009 (11/22/2010)  
Resolved: 1

**R-GR-FWS-0011-2013**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Montana, Department of Fish, Wildlife and Parks From July 1, 2010, Through June 30, 2012 (02/24/2014)  
Resolved: 2

**R-GR-FWS-0011-2014**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of Pennsylvania, Game Commission From July 1, 2011, Through June 30, 2013 (05/05/2016)  
Resolved: 9

**R-GR-FWS-0012-2010**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of Kentucky, Department of Fish and Wildlife Resources, From July 1, 2007, Through June 30, 2009 (11/29/2010)

Resolved: 1

**R-GR-FWS-0012-2011**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Maine, Department of Inland Fisheries and Wildlife, From July 1, 2008, Through June 30, 2010 (03/01/2012)

Resolved: 1

**R-GR-FWS-0012-2013**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Idaho, Department of Fish and Game, From July 1, 2010, Through June 30, 2012 (05/19/2014)

Resolved: 1

Questioned Costs: \$564,627

**R-GR-FWS-0013-2014**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of West Virginia, Division of Natural Resources, From July 1, 2011, Through June 30, 2013 (12/17/2015)

Resolved: 1

**R-GR-FWS-0014-2014**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Colorado, Division of Parks and Wildlife From July 1, 2011 Through June 30, 2013 (07/21/2015)

Resolved: 7

Questioned Costs: \$696,955

## **Other Assignment Types**

### ***Bureau of Reclamation***

**2015-WR-080-B**

Management Advisory - Operations and Maintenance Cost Allocation for the Klamath Project Reserved Works (09/27/2016)

Disagreed: 1

**2015-WR-080-C**

Management Advisory - Reimbursement of A-Canal Head Gates and Fish Screens on the Klamath Project (09/27/2016)

Resolved: 2

***Office of the Secretary***

**2016-ER-016-A**

Management Advisory – PAM’s Misinterpretation of Federal Regulations Resulted in PAM Disagreeing With Recommendations To Track Data for Land Purchases Made With Grant Funds (09/25/2017)

Resolved: 3

**2016-WR-022**

Management Advisory- Office of Aviation Services’ Maintenance System Presents a Threat to Public Health and Safety (06/29/2016)

Resolved: 3

**ER-IN-VIS-0015-2014-A**

Management Advisory – Major Procurement and Management Issues Concerning Bond Proceed Use in the U.S. Virgin Islands (09/29/2017)

Resolved: 1

## PEER REVIEWS OF OIG OPERATIONS

Government auditing and investigative standards require each statutory OIG to receive an independent, comprehensive peer review of its audit and investigative operations once every 3 years, consistent with applicable standards and guidelines. In general, these peer reviews determine whether the OIG's internal quality control system is adequate as designed and provides reasonable assurance that the OIG follows applicable standards, policies, and procedures. The Inspector General Act of 1978 requires that OIGs provide in their semiannual reports to Congress information about peer reviews of their respective organizations and their peer reviews of other OIGs.

Peer reviews are conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency's "Guide for Conducting External Peer Reviews of the Audit Organizations of Federal Offices of Inspector General," based on requirements in the "Government Auditing Standards." Federal audit organizations can receive a rating of pass, pass with deficiencies, or fail.

### **Audit Peer Review**

The Small Business Administration (SBA) issued its report on our audit organization's system of quality control for the year ended September 30, 2016, on May 26, 2017. The SBA determined that our system of quality control provided reasonable assurance that our office of Audits, Inspections, and Evaluations conforms to applicable professional standards in all material respects, and we received a peer review rating of pass. The SBA did not make any written recommendations and no recommendations are outstanding from previous peer reviews.

### **Investigative Peer Reviews**

During the October 1, 2016, through March 31, 2017 reporting period, our Office of Investigations underwent a peer review by the U.S. Environmental Protection Agency OIG, and peer reviewed the Amtrak OIG. Each review was conducted without incident or negative findings.

## INVESTIGATIONS INVOLVING SENIOR GOVERNMENT OFFICIALS

**OI-PI-17-0328-I**

*Allegations of Retaliation and Nepotism by BLM Management Official*  
(see page 11)

**OI-PI-17-0017-I**

*Allegations of Retaliation at the Bureau of Reclamation*  
(see page 16)

**OI-CA-15-0731-I \***

*Insufficient Evidence to Prove or Disprove Allegations of False Claims  
Involving Federal Water Funds*

**OI-GA-17-0012-I \***

*Allegations that BSEE Employees Created False Records in Database  
Unfounded*

**OI-PI-18-0066-I**

*BIA Manager Allegedly Sexually Harassed Three Subordinate Employees*  
(see page 21)

**OI-PI-17-0481-I**

*Insufficient Actions by BIA Management and Human Resources Officials in  
Response to Sexual Harassment Reports* (see page 22)

**OI-PI-17-0224-I**

*NPS Senior Official Created the Appearance of Using his Public Office for  
Private Gain* (see page 30)

**OI-PI-17-0901-I**

*Alleged Ethics Violations by a Senior DOI Official* (see page 41)

**OI-VA-16-0958-I**

*Management Practices at FWS Region 5* (see page 46)

**OI-PI-17-0576-I**

*FWS Supervisor Allegedly Violated Conflict of Interest Ethics Law*  
(see page 47)

\* These cases are summarized on our website but not in this report.

## **INSTANCES OF AGENCY INTERFERENCE**

There have been no instances during this reporting period in which the DOI or its bureaus or offices interfered with an audit, inspection, evaluation, investigation, or other OIG project.

## **SUSPENSIONS AND DEBARMENTS**

The OIG continued its vigorous support of the DOI and the Federal Government in excluding nonresponsible parties from receiving new Federal awards. For example, based on an OIG recommendation, the DOI suspending and debaring official extended the debarment period for an individual for an additional 12 years beyond the 3 years already imposed, for a total of 15 years from the imposition of his initial award ineligibility. Despite being suspended and subsequently debarred, the individual created a new company and concealed his ownership and operation to obtain new Federal Government awards. He and other companies were previously debarred based on his misconduct and the companies' poor performance and failure to pay subcontractors under two separate contracts.

Based on OIG recommendations, eight parties were debarred during this reporting period.



## **INSTANCES OF NONREMEDIATION**

There have been no major Federal Financial Management Improvement Act weaknesses reported during this period.

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## **ALLEGED WHISTLEBLOWER RETALIATION**

We submitted two reports containing allegations of whistleblower retaliation, to the Department to make a determination as to whether retaliation occurred based on the facts of the investigations.

- *Allegations of Retaliation and Nepotism by BLM Management Official*  
(see page 11)
- *Allegations of Retaliation at the Bureau of Reclamation*  
(see page 16)

# CROSS REFERENCES TO THE INSPECTOR GENERAL ACT

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Section 4(a)(2)	Review of Legislation and Regulations	N/A*
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	1-48
Section 5(a)(2)	Recommendations for Corrective Action With Respect to Significant Problems, Abuses, and Deficiencies	1-48
Section 5(a)(3)	Significant Recommendations From Agency's Previous Reports on Which Corrective Action Has Not Been Completed	58-59
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	50-51
Section 5(a)(5)	Matters Reported to the Head of the Agency	N/A
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Section 5(a)(7)	Summary of Significant Reports	1-48
Section 5(a)(8)	Statistical Table: Questioned Costs	56
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Section 5(a)(10)	Summary of Audit, Inspection, and Evaluation Reports Issued Before the Commencement of the Reporting Period—	
Section 5(a)(10)(A)	For Which No Management Decision Has Been Made	58-59
Section 5(a)(10)(B)	For Which No Establishment Comment Was Returned Within 60 Days of Providing the Report to the Establishment	N/A
Section 5(a)(10)(C)	For Which There Are Any Outstanding Unimplemented Recommendations	60-77

\*N/A: Not applicable to this reporting period.

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Section 5(a)(11)	Significant Revised Management Decisions Made During the Reporting Period	N/A
Section 5(a)(12)	Significant Management Decisions With Which the Inspector General is in Disagreement	N/A
Section 5(a)(13)	Information Described Under Section 804(b) of the Federal Financial Management Improvement Act of 1996	82
Section 5(a)(14)(A)	Results of Peer Reviews Conducted by Another Office of Inspector General During the Reporting Period	78
Section 5(a)(14)(B)	Most Recent Peer Review Conducted by Another Office of Inspector General	78
Section 5(a)(15)	Outstanding Recommendations From Any Peer Review Conducted by Another Office of Inspector General	N/A
Section 5(a)(16)	Peer Reviews Completed of Another Office of Inspector General During the Reporting Period or Previous Recommendations That Have Not Been Fully Implemented	N/A
Section 5(a)(17)	Statistical Table: Investigations	50–51
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Section 5(a)(21)	Instances of Interference With the Independence of the OIG	80
Section 5(a)(22)	Closed but Unpublished Reports Involving Senior Government Officials	N/A

\*N/A: Not applicable to this reporting period.

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## OIG CONTACT INFORMATION



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