



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

# Semiannual Report to Congress



**October 2015**



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

**October 2015**

April 1, 2015 - September 30, 2015

# Contents

About DOI and OIG.....	ii
Message From the Deputy Inspector General.....	iii
OIG Operating Principles.....	v
Summaries of Significant Reports and Investigations.....	2
Appendices.....	26

## About DOI and OIG

**The U.S. Department of the Interior (DOI)** is a large, decentralized agency with about 70,000 employees serving in approximately 2,400 operating locations across the United States, Puerto Rico, U.S. territories, and freely associated states. DOI is responsible for 500 million acres of America's public land, or about one-fifth of the land in the United States, and 56 million acres of Indian Trust lands. DOI is also responsible for a variety of water and underwater resources, including hundreds of dams and reservoirs and thousands of oil and gas leases on millions of acres of the Outer Continental Shelf. Approximately 30 percent of the Nation's energy production comes from projects on DOI-managed lands and offshore areas. DOI scientists conduct a wide range of research on biology, geology, and water to provide land and resource managers with critical information for sound decisionmaking. DOI lands also provide outstanding recreational and cultural opportunities to numerous visitors worldwide.

**The Office of Inspector General (OIG)** promotes excellence, integrity, and accountability in these DOI programs. With fewer than 260 full-time employees, the organization is driven by a keen sense of mission and is dedicated to providing products and services that impact DOI mission results.



## Message From the Deputy Inspector General



Looking toward the Grand Tetons in Grand Teton National Park in autumn.

In this semiannual report, I am pleased to submit a summary highlighting the Office of Inspector General's successful work covering the 6-month period from April 1, 2015, through September 30, 2015. To promote excellence, integrity, and accountability within the programs, operations, and management of the U.S. Department of the Interior, our audit and investigative work focused on high-priority areas like climate change, energy, grants management, operational efficiencies, information technology, water, bribery and corruption, theft of Government funds, false statements, and fraud.

Our work in audits, inspections, and evaluations focused on grants management as it related to DOI's climate science centers throughout the country; the Bureau of Safety and Environmental Enforcement's need to focus on internal policy for conducting and reporting incident investigations; an incomplete quality management system at the U.S. Geological Survey's (USGS) laboratories, which resulted in various laboratory violations; opportunities for the National Park Service (NPS) to improve operations and management of the Brinkerhoff Lodge at Grand Teton National Park; poor NPS oversight, leading to mismanagement of funds by grant recipients; DOI's use of Cloud computing; critical vulnerabilities in hundreds of publicly accessible computers operated by DOI bureaus; and a cost allocation that did not represent the Government's share of costs to construct a multipurpose water project.

Our investigative accomplishments also focused on mismanagement of Federal funds, more specifically on bribery, corruption, fraud, and misuse of funds in Indian country. We also investigated misuse of Government credit cards and theft of Government funds; unsafe levels of benzene on public lands in Wyoming; false statements associated with oil and gas exploration; a computer intrusion at the Interior Business Center by a former system administrator; a former USGS employee who possessed obscene materials; and NPS employees who violated anti-lobbying restrictions.

Lastly, we reported on the impactful case work of our Whistleblower Protection Office. We continued our approach to prevention by providing education of Whistleblower protection, and investigated reprisal complaints where education and prevention efforts have not been successful.

We are proud of the work we completed in the second half of fiscal year 2015 that contributed to our mission to prevent fraud, waste, and mismanagement and improve the programs and operations of DOI. We look forward to continuing to provide objective and actionable reports to Congress, DOI and its bureaus, and our other customers and stakeholders.

A handwritten signature in black ink, appearing to read "Mark A. Kendall". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Deputy Inspector General

# OIG Operating Principles

## Mission

Our mission is to provide independent oversight and promote excellence, integrity, and accountability within the programs, operations, and management of the U.S. Department of the Interior.

## Values

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 DOI.

### *Objectivity and Independence*

Together, objectivity and independence define us and are the bedrock of our credibility. These concepts are closely related. Independence impairs objectivity. OIG and its employees must remain independent from undue outside influence and approach work with intellectual honesty:

- **Facts:** We gather and report facts.
- **Evidence:** Sufficient, fact-based evidence supports our findings and conclusions so they are logical, credible, and acceptable to a reasonable person.
- **Work Products:** We select our work and deliver our findings with candor.

### *Integrity*

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 reliable work:

- **Ethics:** We hold ourselves to the highest ethical and professional standards.
- **Trust:** We inspire trust by being honest, reliable, and transparent.
- **Dignity and Respect:** We treat our colleagues and those outside OIG with dignity and respect.

### *Getting Results*

We positively impact DOI by detecting fraud and other wrongdoing; deterring unethical behavior and preventing deleterious outcomes; confirming programs achieved intended results and were fiscally responsible; and highlighting effective practices.

Our overall success depends on individual and team efforts.

- **Focus:** We focus our work on and build the workforce's skills to address DOI's most important and challenging areas.
- **Investment and Improvement:** We invest in our people, assess past actions, and adapt when necessary to continuously learn and improve as individuals and an organization.
- **Teamwork:** We foster a collegial, open culture to build collective knowledge and provide mutual support.
- **Balance:** We foster an environment that helps employees balance work and personal life.

## **Responsibilities**

We are responsible for independently and objectively identifying risks and vulnerabilities that directly impact DOI's ability to accomplish its mission. 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.

## **Activities**

We accomplish our mission by conducting audits, inspections, evaluations, and investigations relating to DOI programs and operations. Our activities are tied to major departmental responsibilities and assist DOI in developing solutions for its most serious management and program challenges. These activities are designed to ensure that we prioritize critical issues. Such prioritizing provides opportunities to influence key decisionmakers and increases the likelihood that we will achieve desired outcomes and results that benefit the public.

# Summaries of Significant Reports and Investigations





## Audits, Inspections, and Evaluations

### Financial Assistance Awards Made by USGS Climate Science Centers Need Better Management and Oversight

We audited the financial assistance awards made by four of the eight climate science centers (CSCs) managed by the U.S. Geological Survey (USGS) National Climate Change and Wildlife Science Center (NCCWSC) to determine whether these awards were properly made and effectively managed.

CSCs are university-based partnerships that provide scientific and technical information to public and private sector partners at the landscape level to cope with a changing climate. Together, the NCCWSC-CSC enterprise and its partners make up a broad climate science and conservation planning initiative. CSCs fund scientific research through financial assistance awards, specifically discretionary grants and cooperative agreements. As the largest land manager in the United States, DOI plays a leading role in our Nation's response to climate change. CSCs are a principal part of the DOI strategy to address current and future impacts of climate change on America's land, water, and other natural and cultural resources.

We audited 48 grants and cooperative agreements made by four of the region-specific CSCs (Northwest CSC at Oregon State University; Southwest CSC at the University of Arizona; South Central CSC at Oklahoma State University; and Southeast CSC at North Carolina State University), totaling more than \$13.7 million and covering fiscal years 2010 through 2013.

We found areas of concern in the management and oversight of financial assistance awards that, if uncorrected, could place public funds at risk and question whether funds are being used appropriately and transparently. Overall, we found noncompliance with requirements for—

- selection and awarding of financial assistance agreements, including inadequate competition and public notice and inadequate or missing sole-source justifications;
- documentation and internal controls, including insufficient or incorrect documentation and failure to use DOI's standardized financial assistance agreement review sheet;
- inaccurate or poorly determined risk assessments, including noncompliance with departmental requirements to perform and document risk assessments and verification of eligibility status; and
- oversight and management of financial award processes. Specifically, USGS grant specialists and CSC coordinators had insufficient background and training in grants management policy.

The issues we identified during our audit are not unique to USGS. Historically, our audits and internal reviews have found grants management to be an area of concern across DOI. At USGS, previous internal reviews, as well as previous OIG audits, have identified similar and ongoing problems with grants management activities.

We made nine recommendations to help bring CSC grants management activities into compliance with Federal regulations and DOI policies. USGS concurred with two of our recommendations and partially concurred with five recommendations and submitted plans for implementation. USGS did not concur with three of our findings, which remain unresolved.

## **BSEE Did Not Implement Some Previous Recommendations and has Poor Policy Governing the Incident Investigations Program**

We planned to assess the Bureau of Safety and Environmental Enforcement's (BSEE's) incident investigations program, but we suspended our evaluation to allow BSEE more time to complete its realignment. During our survey phase, however, we found that BSEE had not implemented previously issued recommendations related to incident investigations and that BSEE's program continues to operate under inconsistent policies.

In December 2010, we issued the report, "A New Horizon: Looking to the Future of the Bureau of Ocean Energy Management, Regulation and Enforcement." In the report, we made 64 recommendations to improve regulation of offshore drilling. Six of those 64 recommendations focused on incident investigations, and our evaluation found that four of those recommendations have been closed but not implemented.

Operators conducting oil and gas operations are required to file incident reports for serious events that include fires, explosions, fatalities, serious injuries, loss of well control, or oil spills. BSEE relies on operators' reports to determine the severity of an incident and assess the need to conduct an investigation. BSEE may also investigate complaints of alleged unsafe or environmentally unsound acts on the Outer Continental Shelf (OCS). BSEE reported that 2,883 incidents occurred on the OCS between January 2011 and October 2014. Of those incidents, only 275 resulted in investigations, representing less than 10 percent of reported incidents.

BSEE conducts two types of investigations: district and panel. At the discretion of district managers, district inspectors may conduct an investigation and, at times, seek assistance from the Investigations and Review Unit (IRU). District investigations are considered lower severity. A panel investigation is a more in-depth, comprehensive investigation. Panel investigations are typically conducted by a team of BSEE investigators and inspectors from Headquarters and regions, and may include experts from other agencies. We agreed to suspend our evaluation of BSEE's incident investigation program to allow more time for BSEE to implement its proposed realignment known as the National Program Manager initiative.

We offered four recommendations during this review, which focused on improving policy and implementing the recommendations originally made in our 2010 report. In response, BSEE concurred with all four recommendations and agreed to provide us with quarterly updates on developing and implementing the initiative, which includes, at a minimum, timelines and milestones for the next 2 years.

## **Incomplete Quality Management System Resulted in USGS Laboratory Violations**

We evaluated the U.S. Geological Survey's (USGS) Energy Resources Program (ERP) to assess the system of quality assurance and quality controls, to include accreditation, internal controls, and internal audits, for ERP's laboratory operations in its science centers. We reviewed ERP's activity from fiscal year 2009 through 2014, and found that ERP has yet to develop a quality management system and identified violations of established laboratory practices.

ERP researches and assesses the Nation's and world's energy resources by conducting projects at its science centers in Menlo Park, CA, Lakewood, CO, and Reston, VA, that describe the location, quantity, and quality of energy resources—such as oil, natural gas, and coal—regionally, nationally, and globally. Projects typically last 5 years and result in multiple written publications; ERP issues approximately 140 publications each year. ERP's customers, which include the energy industry, academia, the U.S. Congress, and other Government agencies, rely on ERP's publications for making decisions, often with long-term implications, such as new legislation or energy development prospects.

We found that ERP does not have a complete quality management system. ERP's current quality assurance and quality control system has policies, procedures, and documentation intended to assure the quality of its data and analyses that includes peer reviews for individual projects, but only an occasional external review. ERP's reputation, however, depends on its laboratories producing impartial and reliable work products, and an effective quality management system is an essential component of a high-functioning laboratory. An effective quality management system would incorporate a structured and recurring external review process conducted by a recognized scientific organization to ensure that laboratory operations comply with quality standards and that its products are scientifically reliable.

We also identified several incidents that occurred in the absence of a properly developed quality management system. For example, we identified one incident, which occurred from 1996 through 2008, involving a scientist who violated established laboratory practices by adjusting raw data from a mass spectrometer to unacceptable standards and failing to properly retest samples. The investigation of this incident revealed that the analyses for 10 to 12 coal-related projects were potentially compromised. Another incident also involved an analyst who manipulated the results generated by a mass spectrometer. These violations dated to at least 2011 and may have impacted more than one research report. ERP reports that it has taken important corrective steps to improve its existing system of quality assurance and quality controls after discovery of these incidents, but incidents such as these further magnify the importance of external reviews. ERP must be more proactive in preventing, detecting, and addressing violations in its laboratories.

ERP plays an important role in helping its customers understand the energy resources of the Nation and the world. To ensure the highest value of its products, ERP has the opportunity to improve the quality management system and enhance its reputation for producing respected, science-based publications. We offered three recommendations to USGS, focusing on expediting the completion of ERP's quality management system, resolving and correcting weaknesses identified in previous external reviews, and requesting an outside, reputable organization to periodically review ERP's overall mission and operations. USGS concurred with our recommendations.

## **NPS Has Opportunities To Improve Operations and Management of the Brinkerhoff Lodge at Grand Teton National Park**

We evaluated the National Park Service's (NPS) operation and management of the Brinkerhoff Lodge, a historic structure located in Grand Teton National Park in Wyoming, to determine whether NPS policy is reasonable, complete, and appropriately administered; whether the U.S. Government is owed money; and whether NPS could put Government assets to better use. Our evaluation found that guest safety had not been properly assessed and that the Lodge does not meet Federal safety and fire requirements. Furthermore, the Park had not assessed the Lodge's security. We also found that the Park has not performed a historic structure report, which determines how best to use and preserve the structure and its furnishings.

NPS acquired the furnished lodge—built by Zachary Brinkerhoff in 1947—from the Brinkerhoff family in 1955 and converted the property into a retreat for visiting dignitaries; past guests included Presidents Richard Nixon, Jimmy Carter, and George H. W. Bush. The Brinkerhoff property was entered into the National Register of Historic Places on April 23, 1990, and today maintains the original design, furnishings, and character as when it was built. In 1992, the Secretary of the Interior determined that the public interest would be better served if the Lodge was used for official purposes only. The secretarial policy required that the Lodge be used for NPS-sponsored training and official conferences for Federal employees, as well as housing Federal employees on temporary duty in the Park.

While evaluating NPS' operation and management of the Lodge, we found safety issues that require NPS' immediate attention. Specifically, we learned that guest safety has not been properly assessed against applicable fire code requirements and that the Park has no asset security and protection plan in place for the Lodge. We also found that the Park has not performed historic structure or historic furnishings reports to identify the Lodge's ultimate treatment and use. Further, NPS has not formally authorized the Lodge's historic furnishings for use, despite the fact that its current use may contribute to a quicker deterioration of these furnishings.

We also identified several areas in which the Park can improve its operation of the Lodge, including policy enforcement, recordkeeping, guest billing, and lodging rate. Issues regarding safety, security, and preservation, however, need to be addressed first to determine the Lodge's best use.



The Lodge's historic significance and value make it increasingly important for the Park not just to follow policy for use, but to ensure the safety of those who use the Lodge and that the Lodge is used and protected appropriately. Determining the Lodge's best use and implementing proper security protocols will dictate the appropriate policies for use and prolong the life of the Lodge and its historic furnishings, thus preserving a piece of our Nation's history.

We offered three recommendations to ensure the safety and security of the Lodge and its guests and one recommendation to determine the Lodge's best use. We provided five additional recommendations to improve NPS' administration and management of the Lodge should NPS determine that the Lodge is safe and secure and that its use as a lodging facility is its best use. In its September 15, 2015 response to our draft report, NPS concurred with eight of our nine recommendations. NPS partially agreed with our recommendation to complete a Historic Structure Report and stated instead that the Park is preparing a Historic Properties Management Plan and Environmental Assessment to analyze the best current and potential use for all of its eligible buildings. We believe that full implementation of our recommendations will further preserve this valuable Government asset.



View of Jackson Lake from the Lodge's deck.  
Photo: NPS.



## Poor NPS Oversight Provided Opportunity for Grant Recipients To Mismanage Funds

We audited the management of National Heritage Area Program funds awarded to the State of Mississippi's Department of Marine Resources (DMR) from the National Park Service (NPS) under a cooperative agreement to determine whether DMR complied with Federal laws, regulations, and the terms of the agreement regarding its management of funds. We found that poor NPS oversight provided an opportunity for former DMR managers to mismanage program funds.

In 2004, Congress passed the Mississippi Gulf Coast National Heritage Area Act, which designated Mississippi's six southernmost counties as the Mississippi Gulf Coast National Heritage Area (MGCNHA). The Act named DMR as MGCNHA's coordinating entity, prohibited the purchase of real property, and required that non-Federal funds pay at least 50 percent of any activity under the Act. Through cooperative agreements, NPS has annually provided DMR between \$164,000 and \$302,000 for MGCNHA since fiscal year 2005.

We found three issues that contributed to mismanagement of MGCNHA funds. First, NPS did not have policies and procedures focused on oversight to check for violations of Federal and State procurement requirements, such as prohibited purchases of real property, conflicts of interest, or whether Federal funds were used as part of the required non-Federal share of award costs. We also found that NPS did not enforce single audit requirements specified in the cooperative agreement, which required DMR to conduct an annual single or program-specific audit. Finally, NPS did not publicly report Program awards and subawards on [USAspending.gov](https://www.usaspending.gov)—a website designed to provide the general public with free, centralized access to information on Federal spending—as required by the Federal Funding Accountability and Transparency Act of 2006.

In the absence of adequate oversight from NPS, DMR officials spent program funds to benefit themselves, their family members, and select business associates. In a notable example, which resulted in criminal convictions, DMR diverted \$100,000 in program funds, as a subaward to a nonprofit organization, for a prohibited land acquisition that benefited the former DMR executive director and his son. DMR awarded MGCNHA funds to subrecipients, which are nonprofit organizations or local governments, to advance the purposes of MGCNHA. Subrecipients are accountable to the grantee (DMR) for the use of the funds provided. As a result of mismanaged subawards, we questioned \$126,840, the entire amount awarded under the cooperative agreement. We also found that DMR—

- engaged in potential conflicts of interest with two grant subrecipients;
- paid for goods and services outside the time period authorized by the cooperative agreement;
- did not ensure that its subrecipients maintained adequate documentation to support their expenditures of program funds;

- donated funds to four subrecipients in violation of the prohibition on donations in the Code of Federal Regulations; and
- failed to formalize subawards and ensure that subrecipients understood their responsibilities regarding the management of program funds.

We offered three recommendations to NPS to improve oversight of Federal funds, including developing and enforcing control policies, requiring completion of single audits in accordance with the cooperative agreement, and enforcing reporting of Federal assistance awards. NPS concurred or partially concurred with all three recommendations and provided corrective action plans for implementation.

## **DOI's IT Governance and Risk Management Practices Undermine Full Use of Cloud Computing**

We evaluated whether selected DOI contracts with Cloud-computing service providers, those who offer packages for on-demand network access to a shared pool of computing resources, incorporated best practices for mitigating key business and information technology (IT) security risks associated with moving DOI's systems and data into a public Cloud-computing environment. We also assessed the adequacy of DOI's internal controls for ensuring that only approved and secured Cloud-computing services are implemented.

Cloud computing refers to IT systems, software, and infrastructure that a service provider packages and sells to customers. It enables convenient, on-demand network access to a shared pool of configurable, computing resources (e.g., networks, servers, storage, applications, and services) and provides access online using a web browser. DOI's adoption of Cloud-computing technologies can improve IT service delivery and reduce the costs of managing a diverse portfolio. Specifically, Cloud computing offers DOI the potential for significant cost savings through faster application of computing resources, decreased need to buy hardware or build data centers, and increased collaboration.

We reviewed four contracts that bureaus entered into with Cloud-computing service providers. None of these contracts had the controls needed to monitor and manage the providers, as well as the data stored in their Cloud systems. As a result, DOI data stored in the public Cloud proved at risk of loss or exposure to unauthorized parties. Essentially, bureaus acquired Cloud-computing services using contracts that failed to mitigate the business and IT security risks inherent in public Cloud-computing environments.

We also found that DOI does not have an accurate inventory of its Cloud systems, resulting in bureau and DOI IT officials being unaware of Cloud services acquired as micropurchases using integrated charge cards. On 16 occasions the U.S. Geological Survey (USGS) acquired Cloud-computing services with integrated charge cards, then moved the data to public Clouds without approval from responsible officials and without ensuring that IT security requirements were met.

In addition, we found that the Bureau of Reclamation, the U.S. Fish and Wildlife Service, the National Park Service, and the Office of the Secretary have used integrated charge cards since January 2014 to acquire Cloud services. Specifically, from January 1, 2010, to December 31, 2014, these four bureaus and USGS charged about \$73,000 for Amazon Cloud-computing services to integrated charge cards. The deficiencies that we identified occurred because DOI did not assess and mitigate the risks of employees using their integrated charge cards to acquire public Cloud-computing services.

DOI's move to Cloud computing represents a paradigm shift from buying IT as a capital expenditure to buying IT as a service. Moreover, DOI has projected significant increases in Cloud usage in future years when up to 80 percent of its \$1 billion annual IT budget could be spent on Cloud-computing services. As DOI expands its use of public Cloud services, actions such as strengthening its governance and risk management practices could help mitigate the chance that a bureau's operations might be disrupted, data lost, or public funds misused.

DOI's adoption of Cloud-computing technologies offers the potential to significantly improve IT service delivery while reducing costs. To accomplish this, however, DOI needs to improve its risk management and IT governance practices. We made six recommendations to help DOI strengthen its Cloud-computing IT practices. DOI concurred with all six recommendations.

### **Evaluation of Three Bureaus' Publicly Accessible Websites Identified Critical Vulnerabilities**

We evaluated three bureaus to determine whether they had implemented effective Defense in Depth measures to protect key information technology (IT) assets from Internet-based cyber-attacks. Defense in Depth is a widely recognized best practice for protecting critical IT assets from loss or disruption by implementing overlapping security controls. The concept of Defense in Depth is that if one control fails then another is in place to either prevent or limit the adverse effect of an inevitable cyber-attack.

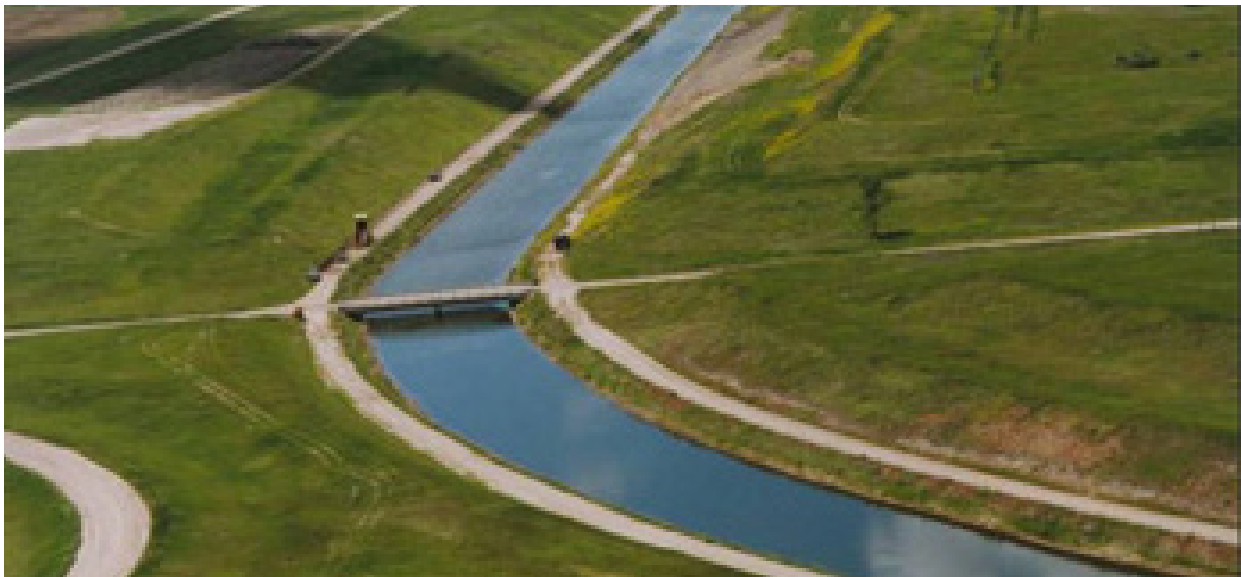
We determined that the three bureaus had not implemented effective Defense in Depth measures. Specifically, we found nearly 3,000 critical and high-risk vulnerabilities in hundreds of publicly accessible computers operated by these three bureaus. If exploited, these vulnerabilities would allow a remote attacker to take control of publicly accessible computers or render them unavailable. More troubling, we found that a remote attacker could then use a compromised computer to attack DOI's internal or non-public computer networks. DOI's internal networks host computer systems that support mission-critical operations and contain highly sensitive data. A successful cyber-attack against these internal computer networks could severely degrade or even cripple DOI's operations and could also result in the loss of sensitive data. These deficiencies occurred because DOI did not effectively monitor its publicly accessible systems to ensure they were free of vulnerabilities or isolate its publicly accessible systems from its internal computer networks to limit the potential adverse effects of a successful cyber-attack.

Moreover, on May 21, 2015, the U.S. Department of Homeland Security mandated that Federal agencies mitigate all critical vulnerabilities in publicly accessible systems within 30 days. We provided the results of our vulnerability testing, where we identified 668 critical confirmed vulnerabilities in various bureaus' publicly accessible systems, to the affected bureaus in January and February 2015, and to the Office of the Chief Information Officer in April 2015. After we issued our report, the House Subcommittees on Information Technology and Interior asked us to testify at a congressional hearing on DOI cyber security in July 2015. During official testimony, DOI officials stated that the bureaus had mitigated the risks identified in our report, but we have not validated their claims.

We provided six recommendations designed to mitigate identified vulnerabilities and strengthen security practices for DOI's network architecture and its public-facing edge, lessen the opportunity for a malicious attack, and minimize the impact and potential opportunities to infiltrate non-public systems after a successful attack. DOI's Chief Information Officer accepted all of our recommendations and provided a plan for addressing the issues we identified.

### **USBR Interim Cost Allocation Does Not Represent the Government's Share of Costs To Construct Multipurpose Water Project**

We evaluated the Bureau of Reclamation's (USBR) Garrison Diversion Unit (GDU)—a multipurpose water project in North Dakota—to determine whether the project's interim cost allocation was up-to-date and consistent with current use. We found that USBR updated its cost allocation in May 2012, which generally reflected current use, but it did not fully represent the U.S. Government's share of construction costs because the project was not developed as originally planned.



McClusky Canal, a facility of the Garrison Diversion Unit.  
Photo: USBR.

Congress primarily authorized the GDU for irrigation, municipal and industrial water supply, fish and wildlife enhancement, recreation, and flood control. When a multipurpose water project is planned, USBR creates an initial cost allocation by estimating the total cost of the project and then allocating the estimated costs to each project purpose. For a project constructed over a longer period of time, such as GDU, an interim cost allocation is often created to address the major changes to the project that impact the allocation of costs. A final cost allocation is created when the project is determined to be substantially complete and is the basis for assignment of costs to beneficiaries for repayment. At the outset of the GDU project in 1965, Congress authorized 250,000 acres for irrigation development, anticipating that water users would repay associated construction costs. By 2000, however, Congress reduced that acreage to 75,480 acres. The acreage was reduced over the years for various reasons, such as water flow restrictions, wildlife mitigation and enhancement, environmental compliance, land acquisition, and project economics.

Instead, the cost allocation indicated that the Government would eventually recover more construction costs from project beneficiaries than is likely. Specifically, the water users' obligation to repay the construction costs has been reduced due to several factors: a reduction in irrigation land for development; deauthorized project features that resulted in a water supply that is not fully operational; and 61,780 acres authorized for irrigation that USBR will likely not develop.

USBR based the May 2012 interim cost allocation on the 75,480 acres authorized for irrigation development, with \$403.4 million in construction costs expected to be repaid by water users. This projection left the Government responsible for 59 percent, or \$1.2 billion, of the total project construction cost. Because USBR will likely not develop 61,780 acres, water users will not repay \$305.3 million of the \$403.4 million, making the Government's actual share of total project construction costs closer to 75 percent, or \$1.5 billion, based on project completion to date.

For USBR to complete the project as-is and accurately portray the costs to the Government, Congress needs to deauthorize the undeveloped irrigation acreage. Once the acreage is deauthorized, USBR could follow its policy to remove the associated costs from "construction in abeyance" and write them off as a loss. In doing so, the cost allocation and accounting records would accurately reflect that the Government's share of total project construction costs is about 75 percent (\$1.5 billion), with no further project development.

We recommended that USBR reevaluate the project, take the steps necessary to complete the project, and seek congressional deauthorization of the 61,780 acres of undeveloped irrigation land. If implemented, this recommendation would allow for project completion as-is, a final cost allocation, and an accurate representation of the Government's costs. In its September 4, 2015 response to our report, USBR stated that it partially concurred with our recommendation, but the actions it is currently taking satisfy our recommendation.



## Office of Investigations

### **Continuing Investigation Leads to More Indictments and Guilty Pleas by Contractors and Officials of Chippewa Cree Tribe of Indians**

In our April and October 2014 and April 2015 Semiannual Reports to Congress, we reported on our investigations of allegations involving officials of the Chippewa Cree Tribe of Indians and several tribal contractors that resulted in indictments and convictions of several tribal officials and contractors for multiple counts of bribery; theft of tribal funds; conspiracy to submit false claims; money laundering; and wire, bank, bankruptcy, and Federal income tax fraud.

These public corruption investigations have resulted in additional indictments and convictions for those individuals who committed criminal offenses related to Federal programs earmarked for the benefit of the Tribe.

#### **John Chance Houle**

In our April 2015 Semiannual Report to Congress, we reported that John Chance Houle, former tribal vice chairman and former president of the Tribe's Rodeo Association, was the subject of multiple indictments for his role in the theft of tribal funds, accepting bribe payments, and obstruction of justice for submitting false documentary evidence to a Federal grand jury. Houle subsequently pleaded guilty to theft of tribal funds, obstruction of justice, bribery, and tax evasion.

On July 29, 2015, Houle was sentenced in the U.S. District Court for the District of Montana to 5 years and 8 months and another 5 years concurrent in prison, followed by 3 years of supervised release. He was ordered to pay \$525,237 in restitution and prohibited from serving in any fiduciary capacity by an entity in receipt of, directly or indirectly, federally funded grants, contracts, or programs without prior permission of the U.S. Probation Officer.

#### **Neal Paul Rosette and Billi Anne Raining Bird Morsette**

On July 16, 2015, a Federal grand jury in Billings, MT, indicted Neal Paul Rosette and Billi Ann Raining Bird Morsette on conspiracy to embezzle tribal funds and theft from an Indian tribal organization in connection with the embezzlement of \$55,792 from the Tribe's Grants and Contracts account. Rosette served as the chief executive officer of the Tribe's First American Capital Resources (FACR). Morsette served as the FACR chief operating officer. A trial date has not yet been scheduled.

During this investigation, we developed additional information that Dr. James Eastlick, Jr., the former co-owner of Hunter Burns Construction, who was previously convicted of fraud and bribery involving the Chippewa Cree Construction Corporation and several tribal officials, Rosette, and Morsette engaged in a fraud scheme to embezzle tribal funds. Eastlick, Rosette, and Morsette owned and operated a company called Ideal Consulting.

The indictment alleged that these individuals submitted \$1.2 million of false invoices from Ideal Consulting through the tribally owned FACR. The funds were paid to Ideal Consulting and then split evenly between Eastlick, Rosette, and Morsette, with each person receiving \$400,000.

On September 18, 2015, Rosette and Morsette were indicted on 12 counts of conspiracy, wire fraud, bribery, and income tax evasion. The indictment further alleged that Rosette and Morsette failed to pay appropriate Federal income taxes with respect to approximately \$900,000 each received in tribal salary and from the payments received from Ideal Consulting between 2010 and 2013.

### **Shad Huston**

In our previous Semiannual Reports to Congress, we reported that Shad Huston and his company, K&N Consulting, were indicted and convicted for their role in a criminal conspiracy to embezzle tribal funds and for bribing the Tribe's Chairman, Bruce Sunchild. Further investigation of Huston revealed that he, through another of his companies, K Bar K Trucking, submitted false claims and remitted bribe payments to Timothy Rosette, former Director of the Tribe's Roads Branch, in connection with contracts that Rosette awarded to K Bar K. The Roads Branch operated with funds provided by DOI's Office of Self Governance and from stimulus funds provided under the American Recovery and Reinvestment Act.

On June 18, 2015, a Federal grand jury in Billings, MT, indicted Huston on criminal charges involving false claims conspiracy, wire fraud, bribery, and false claims. Huston was indicted again on July 17, 2015, on additional charges of false claim and conspiracy in connection with a false claim submitted by K&N Consulting in the amount of \$120,000. A plea hearing was scheduled for November 2, 2015.

Huston, who was also previously indicted by a Federal grand jury in Billings, MT, for failure to file currency transaction reports in a scheme whereby individual cash transactions exceeding \$10,000 were structured into smaller transactions to intentionally defeat the reporting requirements, pleaded guilty to that charge on September 17, 2015. Sentencing in that matter is scheduled for December 16, 2015.

### **Timothy Rosette, Sr.**

We previously reported that a Federal grand jury in Billings MT, returned three separate indictments against Timothy W. Rosette, Sr., former Director of the Tribe's Roads Branch, on January 23, 2015, charging him with bribery, false claims, conspiracy, and theft from an Indian tribal organization in connection with contracts Rosette awarded to Dr. James Eastlick, Jr. and Hunter Burns Construction; and Shad Huston and K&N Consulting, K Bar K Trucking, and TMP Services. Our investigation confirmed that the Roads Branch operated with approximately \$2 million in annual funding from DOI's Office of Self Governance, combined with \$10.6 million in stimulus funds awarded through the American Recovery and Reinvestment Act.

On July 28, 2015, Rosette appeared before the U.S. District Court for the District of Montana, where he pleaded guilty to two counts of bribery and one count of theft from an Indian tribal organization. Sentencing in this matter is scheduled for December 2, 2015.

### **Wade Colliflower**

In our April 2015 Semiannual Report to Congress, we reported that Wade Colliflower pleaded guilty to theft from an Indian tribal organization in connection with his role in the embezzlement of \$50,000 from Federal funds through a series of financial transactions and kickbacks involving the Tribe's Rodeo Association and Bear Paw Indian Rodeo Association.

On May 7, 2015, Colliflower was sentenced to 6 months in prison, 6 months of home confinement, 2 years of supervised release, restitution in the amount of \$44,750, jointly and severally, and a special assessment of \$100.

### **Melody and Frank Henry**

In our April 2015 Semiannual Report to Congress, we reported that Melody and Frank Henry were acquitted of bribery and conspiracy charges in connection with a scheme involving Hunter Burns Construction to embezzle tribal funds from Stone Child College. During that investigation, we developed information that the Henrys failed to file Federal income taxes. A Federal grand jury in Great Falls, MT, subsequently indicted the Henrys for Federal income tax fraud.

On April 13, 2015, Melody and Frank Henry pleaded guilty to filing a false tax return in the U.S. District Court for the District Court of Montana. On August 6, 2015, the Henrys were each sentenced to 5 months in prison and ordered to pay restitution, jointly and severally, in the amount of \$47,301 to the Internal Revenue Service. They were each assessed a \$100 assessment payable to the Victim Crime Fund.

### **Darin Lee Miller**

Darin Lee Miller worked as a pharmacist and later as the chief executive officer at the Rocky Boy Health Clinic (RBHC). Between 2009 and 2011, he operated the JE Loan Program with his business partner, Dr. James Eastlick, Jr., a clinical psychologist at RBHC. The JE Loan Program provided short-term loans to tribal employees that were repaid via payroll deductions garnished from employees' salaries by the tribal finance department. Miller failed to disclose the income he received from the 12 percent interest charged to tribal employees through this program.

Further investigation revealed that Miller, at the direction of Dr. Eastlick, transferred funds to Tammy Leischner, owner of T Leischner Consulting, as part of the scheme to bribe Tony Belcourt, the former chief executive officer of the Chippewa Cree Construction Corporation. As we reported in our previous Semiannual Reports to Congress, James Eastlick, Sr., Tammy Leischner, and Tony Belcourt were convicted on numerous Federal criminal charges in connection with their respective roles in the bribery scheme. On May 22, 2015, a Federal grand jury in Billings, MT, indicted Miller on three counts of income tax evasion related to the income he received but did not report during this scheme.

## **Bill of Collection Issued to the Crow Tribe for Misappropriating Funds**

We investigated information that the Crow Tribe misappropriated Federal funds that the Bureau of Indian Affairs (BIA) Transportation Branch provided to the Tribe to construct the Crow Transit Building on the Crow Indian reservation in Montana. Our investigation confirmed that the Tribe did reallocate \$2,564,045 from the Highway Planning and Construction Program to the Tribe's general fund.

We met with the Acting BIA Regional Director in July 2015 to advise him of our findings. Following our meeting, BIA issued a bill of collection to the Tribe to recover the misappropriated funds. On September 11, 2015, the Tribe appealed the bill of collection. The Civilian Board of Contract Appeals in Washington, DC, accepted the appeal, but a hearing has not yet been scheduled.



Bighorn Canyon near the Crow Indian Reservation in Montana.



## **Former Tribal Official Guilty of Abusing Federal and Tribal Funds**

We initiated a joint investigation with the FBI into JoAnn Polston, First Chief of the federally recognized Alaskan tribal organization Healy Lake Village, after receiving allegations that she misappropriated Federal funds provided to the Village by the Bureau of Indian Affairs (BIA).

Our investigation revealed that Polston embezzled approximately \$102,860 that she was not entitled to when she willfully converted to her own use \$4,577 in travel per diem payments that BIA provided to the Village, and she paid herself \$91,946 without authorization or backup documentation during the period when she also served as the Village's Tribal Administrator.

On May 22, 2014, a Federal grand jury in Anchorage, AK, indicted Polston on charges of theft of Government funds and embezzlement and theft from an Indian tribal organization. Polston resigned as the Village's First Chief on July 1, 2014.

OIG recommended Polston for an immediate suspension and debarment to preclude Polston from conducting future business with Federal entities. On November 5, 2014, DOI suspended Polston from conducting any future Government-funded transactions.

On September 9, 2015, Polston pleaded guilty to conversion of Government funds and conversion of money and funds from an Indian tribal organization, both misdemeanor offenses. Her sentencing date is scheduled for February 5, 2016.

## **Former Governor of Santa Ana Pueblo and Santa Fe Real Estate Consultant Pleaded Guilty to Embezzlement**

We investigated the Indian Pueblo Federal Development Corporation, jointly with the Internal Revenue Service (IRS) Criminal Investigation Division, after receiving allegations that the Corporation embezzled money and committed other crimes regarding the development of land that had once been the site of the Albuquerque Indian School operated by the Federal Government and held in trust for the Pueblo Indians. The Secretary of the Interior approved the Corporation, which is an Indian tribal organization formed by the 19 Pueblos of New Mexico, to develop the land for economic betterment. The Bureau of Indian Affairs currently leases two of the buildings on this land.

Our investigation determined that the Corporation's former President and Chief Executive Officer and former Governor of Santa Ana Pueblo Bruce Sanchez and Santa Fe Real Estate Consultant Thomas Keesing conspired to embezzle more than \$3.5 million from the Corporation by submitting fraudulently inflated invoices. Between January 2005 and November 2008, Keesing submitted to Sanchez more than 100 fraudulent invoices for professional services. Sanchez then approved the inflated invoices, which totaled \$3,575,000.



In return, Keesing shared \$1,652,823 with Sanchez and kept the balance for himself. Completion of the services that Keesing reported in the invoices could not be supported, and Keesing acknowledged that Sanchez provided nothing of value in return for his money.

On September 25, 2012, a grand jury in the U.S. District Court for the District of New Mexico indicted Sanchez and Keesing on charges of conspiracy, embezzlement, tax evasion, and willful failure to file a tax return.

On January 28, 2015, Sanchez pleaded guilty to embezzlement and tax evasion charges for embezzling funds from the Corporation. The money that Sanchez illegally obtained was taxable income, but he did not report it to the IRS. Keesing pleaded guilty on January 28, 2015, to conspiracy to defraud the United States and embezzlement from an Indian tribal organization.

On September 16, 2015, Sanchez was sentenced to 4 years and 3 months in prison, followed by 3 years of supervised release, and ordered to pay \$3,575,000 in restitution and a \$200 special assessment. Keesing's sentencing is scheduled for December 16, 2015.

## **Federal Contractor Sentenced For Mail Fraud and Aggravated Identity Theft**

In a joint investigation, we led a team of eight law enforcement agencies, including the U.S. Army Criminal Investigations Division, the U.S. Air Force Office of Special Investigations, and the OIGs for the U.S. Department of Defense, the U.S. Department of Transportation (DOT), the U.S. General Services Administration, the U.S. Department of Homeland Security, and the U.S. Department of Agriculture, in an investigation of a bonding company called Tripartite Escrow Corporation (TEC). We initiated this investigation after a DOT employee reported that TEC had pledged the same collateral to support performance and payment bonds on several DOT contracts simultaneously. TEC is owned by Abel M. Carreon, Jr.

Our joint investigation determined that Carreon had pledged the same collateral for numerous contracts within DOI and other Government agencies without disclosing those encumbrances. Our investigation determined that the collateral in question, shares of stock in several companies, was worth only a fraction of what Carreon had claimed. We further determined that those shares were ostensibly held by three individual sureties that did not actually exist. From approximately April 2005 through May 2011, TEC bonded Government projects with fraudulent bid bonds, payment bonds, and performance bonds, resulting in a loss of more than \$1 million to the Government.

On July 11, 2013, a Federal grand jury in the U.S. District Court for the Eastern District of California indicted Carreon on 23 fraud-related counts, including 10 counts of mail fraud, 7 counts of wire fraud, 3 counts of money laundering, 2 counts of aggravated identity theft, and 1 count of major fraud against the United States. Several days later, Federal law enforcement agents arrested Carreon as he attempted to return to the United States from Mexico by crossing the Mexican border into California.

On May 21, 2015, Carreon pleaded guilty to one count of mail fraud and one count of aggravated identity theft (aiding and abetting). On August 4, 2015, Carreon was sentenced to 5 years and 5 months in prison, followed by 3 years of supervised release, and was ordered to pay \$1,253,000 in restitution. In addition, our Administrative Remedies Division recommended Carreon and his companies, TEC and Federal Builders, Inc., for debarment.

## **Arrest Warrant Issued for Contractor Conspiring To Commit Wire Fraud**

We investigated a contractor in Cherry Hill, NJ, for allegedly using Government contracts he received from the Bureau of Indian Affairs, the Bureau of Reclamation, and the U.S. Geological Survey to facilitate a fraud scheme. Our investigation uncovered evidence that, beginning as early as 2010, the contractor used several shell companies to obtain contracts from the Government and induced legitimate vendors into fulfilling the contracts on his behalf.

In addition, we discovered information that more than 40 vendors had been victims of the scheme to defraud, and that the combined claimed losses totaled more than \$1 million.

On August 5, 2015, the U.S. Attorney's Office for the District of New Jersey charged the contractor in a criminal complaint with conspiracy to commit wire fraud and issued an arrest warrant for the contractor's arrest.

## **Federal Contractors Sentenced for Fraud Related to 8(a) Contracts**

In a joint investigation with the Small Business Administration OIG and the U.S. Air Force Office of Special Investigations, we investigated Yogesh Patel and Wesley Burnett for conspiring to defraud the Federal Government by using United Native Technologies, a Gaithersburg, MD company owned by Patel and registered as a socially disadvantaged-owned business, to bid on \$1,873,199.35 in 8(a) set-aside contracts to install security barriers and gates at military bases and Federal buildings. Patel and Burnett entered into one such contract with the National Park Service.

Our investigation determined that Burnett's company, Total Barrier Works, performed the work, and Patel and Burnett made it appear that Patel's company performed at least 51 percent of the work. It did not, however, and Patel only received 4.5 percent of contract funds.

On May 1, 2014, a grand jury in the U.S. District Court for the District of Maryland indicted Patel and Burnett for conspiring to defraud the Federal Government. On September 25, 2014, the grand jury returned a six-count superseding indictment charging Patel and Burnett with various crimes, including conspiracy to commit wire fraud, wire fraud, aggravated identity theft, witness tampering, and obstruction of justice.

On October 24, 2014, Burnett pleaded guilty to one count of conspiracy to commit wire fraud. He was sentenced on June 16, 2015, to 3 years and 6 months in prison, followed by 3 years of supervised release. He was also ordered to forfeit \$694,893.99 to the United States. On October 17, 2014, Patel pleaded guilty to one count of conspiracy to commit wire fraud. Patel was sentenced on August 4, 2015, to 1 year and 9 months in prison, followed by 3 years of supervised release, and was ordered to forfeit \$554,541.07, of which \$101,736.43 is his sole responsibility, and \$452,804.64 is joint and several with his codefendant.

## **Administrative Secretary Indicted for Misuse of Government Fleet Cards**

We investigated allegations that Loren Estes, former administrative secretary from the Office of Surface Mining Reclamation and Enforcement (OSM) Lexington Field Office, abruptly resigned from her position amid suspicions that she misused Government fleet cards.

During our investigation, we analyzed transactions charged to all Government-issued purchase and fleet cards accessible to Estes and confirmed unauthorized charges had been made. We determined that she allegedly used Government fleet cards to make payments on her personal automobile loans and for her residential utility bills and to purchase gasoline for her personal vehicle. The total loss to the Government was approximately \$1,900.

On September 3, 2015, a grand jury for the Eastern District of Kentucky indicted Estes on one count of theft of Government money. Her trial was scheduled for November 12, 2015.

## **BLM Actively Addressing High Levels of Benzene Near Pinedale, WY**

We investigated information we received from the Bureau of Land Management (BLM) expressing concerns about the presence of benzene, a highly flammable liquid and known carcinogen, at the Stewart Point oil and gas fields in Pinedale, WY. The complainant alleged that BLM officials had identified high levels of benzene near Pinedale but initially refused to conduct a survey of the benzene.

Our investigation found that the Wyoming State Occupational Safety and Health Department conducted testing, which confirmed high levels of benzene emitted from the well sites. In response, to protect its petroleum engineering technicians, BLM ceased tank gauging verification operations at the Pinedale Field Office for 2 years. We concluded that BLM is currently and actively addressing the benzene issue, in addition to monitoring other volatile, organic compounds. BLM is currently working with the Occupational Safety and Health Administration, the National Institute for Occupational Safety and Health, the American Petroleum Institute, and oil and gas industry operators to help alleviate the negative impact of volatile, organic compounds.

On June 22, 2015, we referred the information we obtained during our investigation to our Energy Audits Unit for its consideration and a potential follow-up review.



## Offshore Well Platform Supervisor Pleaded Guilty to False Statements

We investigated Race Addington, an employee with petroleum engineering consulting firm Stokes & Spiehler, for making false statements related to blowout preventer (BOP) testing conducted on an oil and gas platform in the Gulf of Mexico.

In November 2012, well operators conducted production and well work-over operations on the platform, which required testing of the BOP system. The BOP pressure chart that recorded the testing on November 27, showed that only six of the seven required components had been tested, and no platform representative signed or dated the test. Addington, the platform's daytime supervisor, saw the results of the failed BOP test and instructed workers to create a false test. When Bureau of Safety and Environmental Enforcement (BSEE) inspectors conducted a routine inspection of the platform on November 29, 2012, Addington presented the fabricated BOP test chart to the inspectors.



Offshore oil well blowout preventer.

On December 6, 2012, Addington further reported to BSEE inspectors that the false chart he provided was a test of the chart recorder and that the inspectors mistakenly retrieved the wrong chart, even though he had fabricated the test and personally presented it to the inspectors.

On January 26, 2015, the U.S. Attorney for the Eastern District of Louisiana charged Addington with two counts of false statements for fabricating and submitting the false test and misrepresenting his actions. He pleaded guilty on February 11, 2015, to both counts and was sentenced on May 20, 2015, to 1 year of probation and to perform 40 hours of community service.

In addition, on May 15, 2015, DOI issued a debarment determination for Addington, effectively debarring him from participation in Federal procurement and non-procurement programs until May 14, 2018.

### **Former BP Vice President of Exploration Acquitted of False Statement Charge**

In a joint investigation with the organizations comprising the Deepwater Horizon task force, we investigated David Rainey, BP's former Vice President of Exploration for the Gulf of Mexico, in the wake of the April 2010 explosion of the drilling rig Deepwater Horizon. After the explosion, Rainey served as the deputy incident commander at "Unified Command," a coordinated effort between industry and Government to stop the well from leaking and to clean up the oil spill. The well leaked into the Gulf for 87 days before it was eventually plugged in mid-July.

In late April 2010, Rainey personally generated estimates on the rate at which oil was leaking from the well. The amount of oil leaking was directly tied to potential civil and criminal penalties. After the well started leaking, the House Subcommittee on Energy and the Environment opened an investigation into the accident. In May 2010, Rainey provided information to that subcommittee and also submitted a memorandum containing information on the flow rate of the leaking oil.

On November 14, 2012, a Federal grand jury in the Eastern District of Louisiana indicted Rainey on charges of obstruction of Congress and false statements, alleging that Rainey manipulated flow-rate calculations and reported lower estimates to the Unified Command and to the House subcommittee.

Rainey subsequently argued for dismissal of the obstruction of Congress charge for legal reasons. On May 20, 2013, the U.S. District Court for the Eastern District of Louisiana dismissed the charge. The U.S. Government filed an appeal of this ruling, and on June 21, 2014, the U.S. Court of Appeals for the Fifth Circuit overturned the dismissal and reinstated the obstruction of Congress charge.



On January 26, 2015, the Supreme Court of the United States declined to hear the case, which sent it back to the U.S. District Court for the Eastern District of Louisiana. Rainey's trial for both charges began on June 1, 2015. After the jury was seated, the District Court again dismissed the obstruction of Congress charge because several congressional witnesses, who had been subpoenaed by the defense, including current and former Congressmen, refused to testify based on Constitutional (speech and debate) issues. In addition, legal counsel for the House of Representatives asked the District Court to quash the subpoenas, which it did.

After dismissal of the obstruction of Congress charge, the District Court limited testimony that the Government intended to introduce, including the "motive" testimony. On June 5, 2015, the jury found Rainey not guilty of false statements.

### **Geographer Pleaded Guilty to Possessing Obscene Materials**

We investigated U.S. Geological Survey (USGS) Geographer Douglas Wheeler after DOI's Advanced Security Operations Center, which monitors all Internet traffic on the agency's network, had alerted us that a computer assigned to Wheeler was attempting to access sites flagged for hosting child pornography. We monitored Wheeler's network traffic and found at least one image that appeared to depict sexually explicit conduct between a minor child under the age of 12 and an adult abuser. We also found dozens of computer-generated graphics that depicted improper sexual relationships between minor children and adults. A forensic examination of Wheeler's computer later recovered more than 2,000 pornographic images that had been downloaded, 53 of which appeared to depict sexual activity involving individuals under the age of 18.

The U.S. Attorney's Office for the Eastern District of Virginia declined prosecution of this case based on the limited number of images showing potential child pornography. On November 21, 2014, the Fairfax County Police in Virginia arrested Wheeler and charged him with one count of possession of child pornography. Wheeler pleaded guilty on March 31, 2015, in the Fairfax County General District Court to possessing obscene materials, a misdemeanor offense. He was sentenced on April 6, 2015, to 12 months in jail, with 11 months suspended, and also received 1 year of probation.

We forwarded our report to USGS for action as deemed appropriate. USGS responded to us stating that the employee retired after receiving notification of his pending removal.

### **Former DOI Employee Pleaded Guilty to Computer Intrusion**

We investigated a computer intrusion in which an unknown individual remotely logged into an Interior Business Center (IBC) system administrator's computer and created a denial of service incident.

We traced the intruder's Internet Protocol address to an account owned by former system administrator at IBC, Dana Beach. We executed a search warrant at Beach's residence and seized her personal laptop. Analysis of the laptop determined Beach used this laptop to illegally access Government computer systems and stored communications at IBC. We interviewed Beach, who admitted that after she retired, she illegally accessed IBC servers with the credentials and passwords of her former colleagues. She also admitted to reviewing the emails of some employees and various documents within the system. Beach said she did this out of curiosity.

On August 4, 2015, in the U.S. District Court for the District of Arizona, Beach pleaded guilty to one count of trespass of a Government computer. On the same day, she was sentenced to 2 years of probation and ordered to pay \$17,480 in restitution to cover the costs associated with IBC's response to the denial of service incident and the damage that the systems incurred due to this trespass. Beach also agreed not to seek employment with the United States or any entity contracting with the United States.

## **FWS Employees' Communications Violated Anti-Lobbying Restrictions**

We investigated a U.S. Fish and Wildlife Service (FWS) employee after receiving a complaint from Congressman Walter B. Jones, Jr. of North Carolina alleging that the employee, the employee's supervisor, and other FWS employees engaged in activities that violated anti-lobbying restrictions during Congress' consideration of a bill introduced in 2012—but never enacted—entitled the “Corolla Wild Horses Protection Act.”

During our investigation, the FWS employee and the employee's supervisor acknowledged communicating with members of Ducks Unlimited (DU), a private waterfowl and wetlands conservation organization, about the bill. Both employees said that DU initiated the communication, but that they knew of DU's intention to write a letter to Congress opposing the legislation using the information the employees provided. In addition, we determined that FWS local and regional managers knew about these communications on or around the time the employees made them.

Prior to contacting OIG, Congressman Jones requested information from FWS on this issue. We found that the FWS Deputy Assistant Director of External Affairs drafted a majority of FWS' response to Jones, with legal guidance and input from a former FWS special assistant to the Assistant Secretary for Fish and Wildlife and Parks. The former special assistant had consulted with the U.S. Government Accountability Office and determined that the email communications violated the anti-lobbying provisions contained in the 2012 Department of the Interior and Related Agencies Appropriations Act.

We presented our investigation to the Public Integrity Section of the U.S. Department of Justice and the U.S. Attorney's Office for the District of North Carolina, both of which declined criminal prosecution. The former FWS special assistant told us that she determined counseling and training provided to the employees involved and other FWS project leaders were appropriate remedies to prevent future violations.

## **Whistleblower Investigations and Outreach Remain A Top Priority**

During this reporting cycle, we initiated or completed more reprisal investigations than ever before. At the same time, there was a decrease in the number of complaints received that fully met the elements of whistleblower reprisal. We attribute that decrease, in part, to the positive impact of training we provided to stakeholders on whistleblower rights and managements' responsibilities, resulting in prevention of reprisal. We also credit the decrease to the impact of our investigations on holding management accountable for reprisal actions.

Our primary method for preventing retaliation is through training, and where prevention fails, we investigate referrals. Our investigations serve to resolve complaints as well as prevent retaliation through education.

During this reporting cycle, we conducted an investigation under the American Recovery and Reinvestment Act of 2009, which afforded non-Federal employees with whistleblower protection. Our investigation in this case "led DOI to determine that the Chippewa Cree Tribe engaged in a prohibited retaliation against its chairman in response to his cooperation with a Federal investigation into mismanagement of nearly \$20 million in Federal subsidies." The whistleblower was awarded a remedy of approximately \$650,000, and retaliators were held accountable.

We initiated another investigation based on an allegation that a GS-15 supervisor attempted to improperly influence an employee to interfere with an ongoing Equal Employment Opportunity investigation. The supervisor learned of the employee's referral to us and took actions against the employee or failed to take actions that should have been taken that appeared related to the employee's disclosure to us. While under investigation, the supervisor retired from Federal service.

We also investigated an allegation from a probationary employee with the Bureau of Indian Affairs (BIA) that BIA terminated his employment after he made a protected disclosure. The subject of the complaint was also the subject of other complaints of abuse and harassment, and BIA had also received complaints against the subject from external BIA customers and other employees. Our investigation revealed that the subject's current and former employees feared retribution by the subject for their participation with the investigation. BIA officials reviewed our report and concluded that the probationary employee's position was terminated for reasons other than reprisal, but the subject of the complaint received counseling, a letter of warning, and was reassigned to another position. The probationary employee is seeking a remedy through the Office of Special Counsel.

At present, we are conducting several reprisal investigations, and providing training remains a top priority for fiscal year 2016. We also continue our prevention efforts through engagement with members of Congress, the public, and external groups committed to whistleblower protection.

# Appendices



## Investigations Statistical Highlights

### April 1, 2015 - September 30, 2015

#### Investigative Activities

Cases Closed.....	213
Cases Opened.....	179
Complaints Received From All Sources.....	431

#### Criminal Prosecution Activities

Indictments/Informations.....	9
Convictions.....	10
Sentencings.....	13
Jail.....	242 months
Probation.....	168 months
Community Service.....	1: 40 hours
Criminal Penalties.....	\$5,585,287
Criminal Matters Referred for Prosecution.....	19
Criminal Matters Declined This Period.....	9

#### Civil Investigative Activities

Civil Referrals.....	1
Civil Declinations.....	3
Civil Settlements.....	3: \$1,191,000
Civil Recoveries.....	1: \$68,278.64

#### Administrative Investigative Activities

Personnel Suspensions.....	5: 54 days
Reprimands/Counseling.....	10
Resignations.....	3
Removals.....	1
Retirements/Transfers.....	3
General Policy Actions.....	15
Contractor Suspensions.....	3
Contractor Debarments.....	21



# Audits, Inspections, and Evaluations Statistical Highlights

April 1, 2015 - September 30, 2015

## Audit, Inspection, and Evaluation Activities

Reports Issued.....	68
Performance Audits, Financial Audits, Evaluations, Inspections, and Verifications.....	30
Contract and Grant Audits.....	15
Other Report Types <sup>1</sup> .....	23

## Audit, Inspection, and Evaluation Impacts

Total Monetary Impacts.....	\$6,937,889
Questioned Costs (includes unsupported costs).....	\$6,909,014
Recommendations That Funds Be Put to Better Use.....	\$28,875
Audit, Inspection, and Evaluation Recommendations Made.....	91
Audit, Inspection, and Evaluation Recommendations Closed.....	200

<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.

## Reports Issued During the 6-Month Reporting Period

This listing includes all audit, inspection, and evaluation reports issued during the 6-month period that ended September 30, 2015. It provides report number, title, issue date, and monetary amounts identified in each report (\* Funds To Be Put to Better Use, \*\* Questioned Costs, and \*\*\* Unsupported Costs).

### Audits, Inspections, and Evaluations

#### Bureau of Reclamation

**WR-EV-BOR-0006-2014**

Garrison Diversion Unit's Interim Cost Allocation (09/30/2015)

#### Bureau of Safety and Environmental Enforcement

**CR-EV-BSEE-0014-2014**

The Bureau of Safety and Environmental Enforcement, Incident Investigation Program (08/18/2015)

#### Indian Affairs

**C-IS-BIE-0003-2014**

Review of Violence Prevention at the Flandreau Indian School (05/26/2015)

**C-IS-BIE-0004-2014**

Review of Violence Prevention at the Sicangu Owayawa Oti (Rosebud Dormitory) (05/26/2015)

**C-IS-BIE-0005-2014**

Review of Violence Prevention at the Pierre Indian Learning Center (06/22/2015)

**C-IS-BIE-0006-2014**

Review of Violence Prevention at the Lukachukai Community School (04/28/2015)

**C-IS-BIE-0008-2014**

Review of Violence Prevention at the Tonalea Day School (04/09/2015)

**C-IS-BIE-0009-2014**

Review of Violence Prevention at the Tuba City Boarding School (04/28/2015)

**C-IS-BIE-0010-2014**

Review of Violence Prevention at the Cherokee Central Schools (06/22/2015)

**C-IS-BIE-0011-2014**

Review of Violence Prevention at the Ahfachkee Indian School (06/22/2015)

**C-IS-BIE-0012-2014**

Review of Violence Prevention at the Miccosukee Indian School (07/13/2015)

**C-IS-BIE-0013-2014**

Review of Academic Achievement at the Flandreau Indian School (07/13/2015)

**C-IS-BIE-0014-2014**

Review of Academic Achievement at the Sicangu Owayawa Oti (Rosebud Dormitory) (04/30/2015)

**C-IS-BIE-0015-2014**

Review of Academic Achievement at the Pierre Indian Learning Center (07/13/2015)

**C-IS-BIE-0016-2014**

Review of Academic Achievement at the Lukachukai Community School (04/28/2015)

**C-IS-BIE-0018-2014**

Review of Academic Achievement at the Tonalea Day School (04/03/2015)

**C-IS-BIE-0019-2014**

Review of Academic Achievement at the Tuba City Boarding School (04/30/2015)

**C-IS-BIE-0021-2014**

Review of Academic Achievement at the Ahfachkee Indian School (07/10/2015)

**C-IS-BIE-0022-2014**

Review of Academic Achievement at the Miccosukee Indian School (07/13/2015)

**C-IS-BIE-0025-2014**

Review of Violence Prevention at the Chemawa Indian School (07/27/2015)

**C-IS-BIE-0026-2014**

Review of Academic Achievement at the Chemawa Indian School (07/10/2015)

**C-IS-BIE-0027-2014**

Review of Violence Prevention at the Yakama Nation Tribal School (07/27/2015)

**C-IS-BIE-0028-2014**

Review of Academic Achievement at the Yakama Nation Tribal School (08/31/2015)

**Multi-Office Assignment**

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

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

**National Park Service**

**2015-WR-019**

Operation and Management of the Brinkerhoff Lodge at Grand Teton National Park (09/30/2015) \*\$28,875

**ER-IN-NPS-0006-2013**

Management of National Heritage Area Program Funds Under Cooperative Agreement No. H5041110008 (05/19/2015)

**Office of the Secretary**

**2015-FIN-035**

U.S. Department of the Interior's Compliance With the Improper Payments Elimination and Recovery Act of 2010 in its Fiscal Year 2014 "Agency Financial Report" (05/14/2015)

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

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

**U.S. Geological Survey**

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

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

**ER-IN-GSV-0003-2014**

U.S. Department of the Interior's Climate Science Centers (08/13/2015)

## Contract and Grant Audits

### Bureau of Ocean Energy Management

#### 2015-WR-018

Bureau of Ocean Energy Management Cooperative Agreement No. M13AC00012  
With the University of Florida (09/29/2015) \*\*\$112 \*\*\*\$59,681

### Bureau of Reclamation

#### ER-CX-BOR-0009-2014

Interim Costs Claimed by MWH Americas, Inc., Under Contract No.  
GS00F0040L With the Bureau of Reclamation (07/23/2015) \*\*\$694,726

#### 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) \*\*\$75,857 \*\*\*\$400,542

### Indian Affairs

#### 2015-ER-036

Interim Costs Claimed by Lockheed Martin Services, Inc., Under Task Order No.  
A111PC00409 With the Bureau of Indian Affairs (08/31/2015) \*\*\$781,247

### National Park Service

#### 2015-ER-020

Audit of National Park Service Task Order No. P14PD00557 With Perini  
Management Services, Inc. (09/18/2015)

#### 2015-WR-014

Interim Costs Claimed by Barbara Helphrey Under Contract No. INP13PX02047  
With the National Park Service (07/21/2015) \*\*\*\$34,375

### U.S. Fish and Wildlife Service

#### 2015-EXT-004

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, 2012, Through June 30, 2014 (08/24/2015)



**2015-EXT-007**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program  
Grants Awarded to the State of Oklahoma, Department of Wildlife Conservation  
From July 1, 2012, Through June 30, 2014 (09/29/2015) \*\*\$44,868

**2015-EXT-040**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program  
Grants Awarded to the State of Nevada, Department of Wildlife, From  
July 1, 2012, Through June 30, 2014 (09/29/2015)

**2015-EXT-045**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program  
Grants Awarded to the Commonwealth of Virginia, Virginia Marine Resources  
Commission, From July 1, 2012, Through June 30, 2014 (09/29/2015)

**R-GR-FWS-0005-2014**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program  
Grants Awarded to the Commonwealth of Pennsylvania, Fish and Boat  
Commission, From July 1, 2011, Through June 30, 2013 (07/24/2015)

**R-GR-FWS-0012-2014**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program  
Grants Awarded to the State of New Mexico, Department of Game and Fish, From  
July 1, 2011, Through June 30, 2013 (09/30/2015) \*\*\$2,949,369 \*\*\*\$3,534

**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) \*\*\*\$696,955

**WR-GR-FWS-0007-2014**

U.S. Fish and Wildlife Service Clean Vessel Act Grants to the California Division  
of Boating and Waterways, Grant Nos. F10AP00748 and F10AP00749  
(09/18/2015) \*\*\$1,734 \*\*\*\$1,166,014

**WR-GR-FWS-0008-2014**

U.S. Fish and Wildlife Service Grant Awarded to the California State Coastal  
Conservancy, Grant No. F11AP00966 for the Lower Redwood Creek Wetland  
Restoration (04/27/2015)

## Other Assignment Types

### Bureau of Land Management

**2015-EAU-010**

Closeout Memorandum - Evaluation of BLM-Managed Orphaned Oil and Gas Wells (07/30/2015)

**2015-EAU-065**

Verification Review of BLM's Oil and Gas I&E Program (CR-EV-BLM-0001-2009) (05/15/2015)

**2015-FIN-075**

Verification Review - Recommendation 4 for the Report, "Abandoned Mine Lands in the Department of the Interior" (C-IN-MOA-0004-2007) (09/18/2015)

### Bureau of Reclamation

**2015-ER-081**

Verification Review - Recommendations for the Report, "Central Valley Project, California: Repayment Status and Payoff" (Report No. WR-EV-BOR-0003-2012) (09/11/2015)

**2015-WR-076**

Verification Review - Recommendations for the Report, "Bureau of Reclamation's Safety of Dams: Emergency Preparedness" (WR-EV-BOR-0007-2011) (08/07/2015)

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

Information Security Technical Vulnerability Assessment - Bureau of Reclamation (09/30/2015)

### Bureau of Safety and Environmental Enforcement

**2015-EAU-064**

Verification Review of Recommendations for the Evaluation Titled "A New Horizon: Looking to the Future of the Bureau of Ocean Energy Management, Regulation and Enforcement" (CR-EV-MMS-0015-2010) (07/06/2015)

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

Information Security Technical Vulnerability Assessment - Bureau of Safety and Environmental Enforcement (05/05/2015)

**Indian Affairs****2015-CR-030**

Verification Review of Recommendations for the Report Titled “Bureau of Indian Affairs: Wildland Fire Suppression” (ER-IN-BIA-0016-2009) (08/06/2015)

**2015-CR-059**

Verification Review - Recommendations for the Report, “Evaluation of Controls to Prevent Violence at Bureau of Indian Education Operated Education Facilities” (NM-EV-BIE-0001-2008) (09/04/2015)

**2015-CR-060**

Verification Review - Recommendations for the Report, “Bureau of Indian Education: School Violence Prevention” (NM-EV-BIE-0003-2008) (09/04/2015)

**2015-ER-036-A**

Management Advisory - Issues Identified During Our Audit of Interim Costs Claimed by Lockheed Martin Services, Inc., Under Task Order No. A111PC00409 With the Bureau of Indian Affairs (08/31/2015)

**2015-ER-055**

Verification Review - BIA Youth Initiative Program (ER-IS-BIA-0010-2011) (06/09/2015)

**2015-WR-082**

Verification Review - Recommendations for the Report, “Bureau of Indian Affairs’ Detention Facilities” (WR-EV-BIA-0005-2010) (09/16/2015)

**Insular Area Governments and Office of Insular Affairs****2015-FIN-028**

Deloitte & Touche Audit of Republic of the Marshall Islands for FYE 9/30/2013 (08/14/2015)

**2015-FIN-029**

Deloitte & Touche Audit of Federated States of Micronesia for FYE 9/30/2013 (08/14/2015)

**Multi-Office Assignment****2015-EAU-063**

Verification Review of BLM and MMS Beneficial Use Deductions (CR-IS-MOA-0004-2009) (07/06/2015)

**National Park Service**

**2015-WR-014-A**

Management Advisory - Issues Identified During Our Audit of Interim Costs Claimed by Barbara Helphrey Under Contract No. INP13PX02047 With the National Park Service (04/22/2015)

**Office of Special Trustee for American Indians**

**2015-WR-083**

Verification Review - Recommendations for the Report, “Advisory - Indian Land Consolidation: Probate and Estate Planning Activities” (Report No. WR-EV-BIA-0009-2012) (09/16/2015)

**Office of the Secretary**

**2015-ITA-071**

Verification Review – Recommendations 1 and 5 for the evaluation report, “U.S. Department of the Interior’s Video Conferencing Usage” (WR-EV-MOA-0004-2010) (07/10/2015)

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

Information Security Technical Vulnerability Assessment -Bureau of Safety and Environmental Enforcement (09/30/2015)

**U.S. Geological Survey**

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

Information Security Technical Vulnerability Assessment - U.S. Geological Survey (09/30/2015)

**WR-EV-BOR-0024-2013-A**

Management Advisory - Issues Identified During our Evaluation of Interagency Agreement No. R13PG20058 Between the Bureau of Reclamation and the U.S. Geological Survey (09/30/2015)

## 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.	2	\$3,876,497	\$963,599
B. Which were issued during the reporting period.	9	\$6,909,014	\$2,361,101
Total (A+B)	11	\$10,785,511	\$3,324,700
C. For which a management decision was made during the reporting period.	4	\$3,033,880	\$37,909
(i) Dollar value of costs disallowed.		\$535,592	\$0
(ii) Dollar value of costs allowed.		\$2,498,288	\$37,909
D. For which no management decision had been made by the end of the reporting period.**	8	\$7,751,631	\$3,286,791

\*Does not include non-Federal funds.

\*\*Report W-GR-FWS-0007-2014 is included in items C and D because it contained questioned costs in both categories.



## Monetary Resolution Activities

**Table II: 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.	2	\$28,408,444
B. Which were issued during the reporting period.	1	\$28,875
<b>Total (A+B)</b>	<b>3</b>	<b>\$28,437,319</b>
C. For which a management decision was made during the reporting period.**	1	\$28,875
(i) Dollar value of recommendations that were agreed to by management.	1	\$28,875
(ii) Dollar value of recommendations that were not agreed to by management.	0	\$0
D. For which no management decision had been made by the end of the reporting period.**	2	\$28,408,444

\*Does not include non-Federal funds.

\*\*In addition, \$408,444 from Report ER-IN-FWS-0010-2013 are pending the results of an OIG investigation.

## Summary of Reports More Than 6 Months Old Pending Management Decision

This listing includes a summary of audit, inspection, and evaluation reports that were more than 6 months old on September 30, 2015, and still pending a management decision. It provides report number, title, issue date, and number of unresolved recommendations.

### Audits, Inspections, and Evaluations

#### Bureau of Land Management

**C-EV-BLM-0013-2013**

Review of Bureau of Land Management's Concession Management Practices (03/30/2015) 3 Unresolved Recommendations

**CR-EV-MOA-0003-2013**

Onshore Oil and Gas Permitting, U.S. Department of the Interior (06/26/2014)  
1 Unresolved Recommendation

#### Indian Affairs

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

BIA Needs Sweeping Changes to Manage the Osage Nation's Energy Resources (10/20/2014) 1 Unresolved Recommendation

#### National Park Service

**C-IN-NPS-0012-2013**

Review of National Park Service's Recreation Fee Program Report (02/19/2015)  
2 Unresolved Recommendations

**WR-EV-NPS-0022-2013**

U.S. Park Police Law Enforcement Services for the Presidio Trust (09/30/2014)  
3 Unresolved Recommendations

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

**ER-IN-FWS-0010-2013**

Management of the Coastal Impact Assistance Program in the State of Louisiana (09/30/2014) 4 Unresolved Recommendations

## Contract and Grant Audits

### National Park Service

#### **X-CX-NPS-0001-2014<sup>1</sup>**

Final Costs Claimed by NY Asphalt, Inc., Under Contract Nos. INPSANDY12003, INP13PX28237, and INP13PX22222 With the National Park Service (10/21/2014) 2 Unresolved Recommendations

### U.S. Fish and Wildlife Service

#### **R-GR-FWS-0007-2014**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the Commonwealth of Puerto Rico, Department of Natural and Environmental Resources, From July 1, 2011, Through June 30, 2013 (11/26/2014) 1 Unresolved Recommendation

---

<sup>1</sup> Management response is pending due to a potential criminal case by the Assistant U.S. Attorney for the State of New York.

## Peer Reviews of OIG Operations

### Audits, Inspections, and Evaluations

Peer reviews are conducted of an OIG audit organization's system of quality control on a 3-year cycle in accordance with the Council of the Inspectors General on Integrity and Efficiency's (CIGIE) "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.

We conducted a peer review of the Special Inspector General for the Troubled Asset Relief Program (SIGTARP) system of quality control for the year ending March 31, 2015. In our September 30, 2015 report we awarded SIGTARP a peer review rating of pass. In the report's accompanying letter of comment, we made one recommendation to further improve SIGTARP's quality control system. This recommendation did not affect our overall opinion. SIGTARP agreed to implement this recommendation.

In the most recent peer review of our audit organization, the National Railroad Passenger Corporation (AMTRAK) OIG reviewed the system of quality control for our Office of Audits, Inspections, and Evaluations (AIE) for the year ending September 30, 2013. Based on its review, AMTRAK determined that AIE's system of quality control provided reasonable assurance that AIE conforms to applicable professional standards in all material respects, and we received a peer review rating of pass.

### Investigations

In accordance with the 3-year schedule established by CIGIE, the U.S. Department of Transportation (DOT) OIG conducted a peer review of our investigative operations in December 2013. DOT OIG found that our Office of Investigations fully complied with our internal safeguards and management procedures, and it did not make any recommendations.

We conducted a peer review of the system of internal safeguards and management procedures for the investigative function of the Small Business Administration (SBA) OIG between September 4 and September 15, 2014, in conformity with CIGIE's "Quality Standards for Investigations" and "Qualitative Assessment Review Guidelines." We issued our final report on November 13, 2014; the SBA OIG's system of internal safeguards and management procedures in effect for the reviewing year complied with the quality standards established by CIGIE and the applicable Attorney General guidelines.

## Cross-References to the Inspector General Act

		Page
Section 4(a)(2)	Review of Legislation and Regulations	N/A*
Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	2-24
Section 5(a)(2)	Recommendations for Corrective Action With Respect to Significant Problems, Abuses, and Deficiencies	2-24
Section 5(a)(3)	Significant Recommendations From Agency's Previous Reports on Which Corrective Action Has Not Been Completed	38-39
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	26
Section 5(a)(5)	Matters Reported to the Head of the Agency	N/A
Section 5(a)(6)	Audit Reports Issued During the Reporting Period	28-35
Section 5(a)(7)	Summary of Significant Reports	2-24
Section 5(a)(8)	Statistical Table: Questioned Costs	36
Section 5(a)(9)	Statistical Table: Recommendations That Funds Be Put to Better Use	37
Section 5(a)(10)	Summary of Audit Reports Issued Before the Commencement of the Reporting Period for Which No Management Decision Has Been Made	38-39
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	N/A

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



## Cross-References to the Inspector General Act

		Page
Section 14(A)	Results of Peer Reviews Conducted by Another Office of Inspector General During the Reporting Period	N/A*
Section 14(B)	Most Recent Peer Review Conducted by Another Office of Inspector General	40
Section 15	Outstanding Recommendations From Any Peer Review Conducted by Another Office of Inspector General	N/A
Section 16	Peer Reviews Completed of Another Office of Inspector General During the Reporting Period or Previous Recommendations That Have Not Been Fully Implemented	40

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



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

U.S. Department of the Interior  
Office of Inspector General  
1849 C St., NW.  
Mail Stop 4428  
Washington, DC 20240

[www.doioig.gov](http://www.doioig.gov)

Phone: 202-208-4618

Fax: 202-208-6062