



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

SEMI ANNUAL REPORT TO CONGRESS

For the period ending September 30, 2017



Highlights

OFFICE of AUDITS, INSPECTIONS, and EVALUATIONS



AWARDS

from the

COUNCIL of the INSPECTORS
GENERAL on INTEGRITY and
EFFICIENCY

Audit Award for Excellence

*Audit of the Bureau of Reclamation's Klamath
Basin Water User Mitigation Program*

Multiple Disciplines Award for Excellence

*CIGIE's Cross-Cutting Initiative - Disaster
Relief Appropriations Act Team*



\$54,966,712

Questioned and
Unsupported Costs

\$680,388

Funds To Be Put to
Better Use

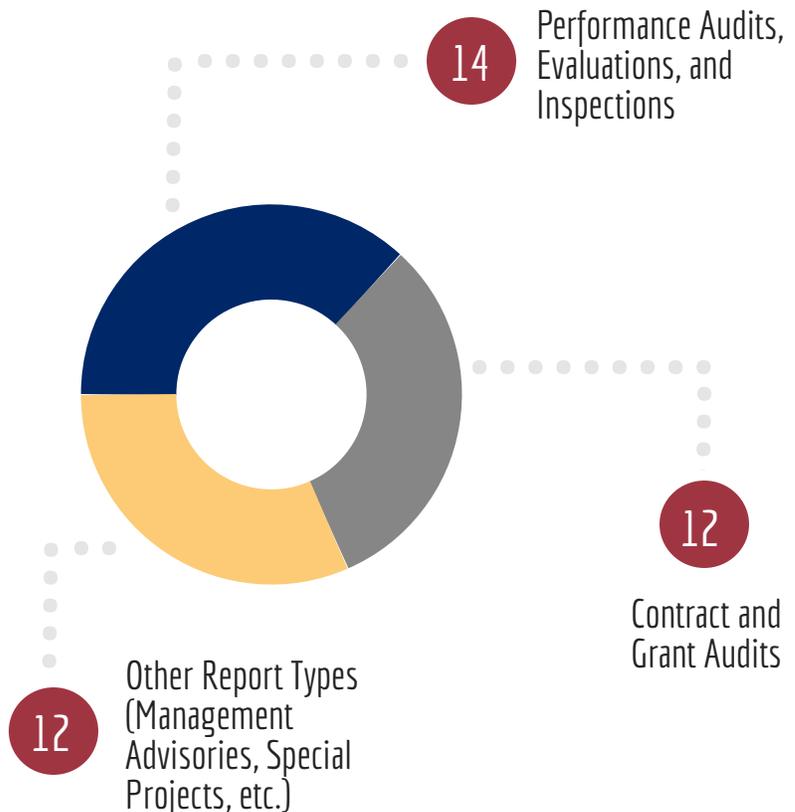


Recommendations
Made



Recommendations
Closed

Reports Issued



Highlights

OFFICE of INVESTIGATIONS



\$10,863,185

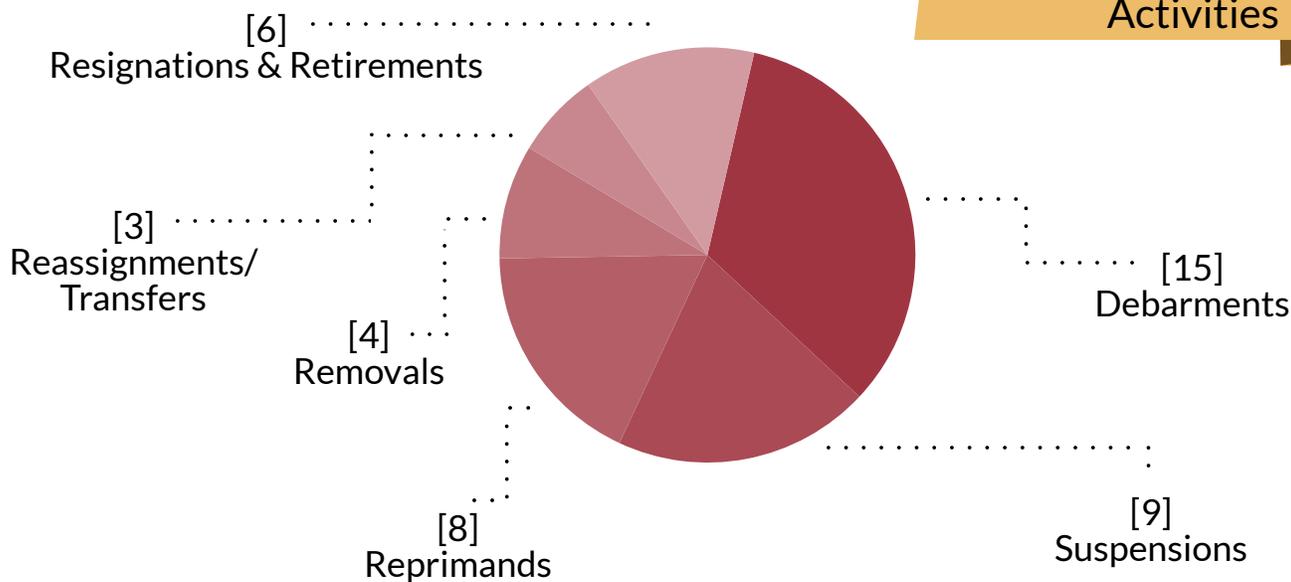
Criminal Fines & Restitution



17
Criminal Matters Referred for Prosecution



Administrative Investigative Activities



Opened Cases

287

264

Closed Cases

Received Complaints

552

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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 impairs 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 April 1, 2017, and September 30, 2017. 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.

During the reporting period, we had great accomplishments overseeing the Department's programs and grants. For example, our financial and contract audits identified more than \$7 million in potential savings for the Government. Our evaluation of the Bureau of Reclamation's (USBR's) participation in the Bay-Delta Conservation Plan (BDCP) found that the USBR did not disclose the full cost of its participation in the BDCP and that \$50 million in Federal funds would not be returned to the U.S. Treasury as expected. In addition, our audit of the U.S. Virgin Islands' Public Finance Authority (PFA) found that the PFA's failure to adhere to a system of internal controls created an environment rife with accounting errors and potential conflicts of interest; our audit identified more than \$150 million in reporting discrepancies and questionable expenditures.

Our investigative work substantiated allegations of mishandling evidence, theft of Federal funds, ethics and hiring violations, misuse of position, and sexual harassment. While we continue to receive allegations of sexual harassment, we have also seen the Department take steps toward improvement.

We received 19 responses during the last half of the fiscal year to investigative reports we referred to Department offices and bureaus for review and action. Ten of those referrals involved investigations of alleged sexual harassment; the others involved cases of various types of other misconduct.

We found that the Department took various actions to address the misconduct found during our investigations, to include removal, suspension, reassignment, and the issuance of written and oral reprimands to those employees who engaged in the misconduct. Several other employees either retired or resigned rather than face potential adverse action against them. Finally, and perhaps most importantly, several of the bureaus and offices revised, reissued, or created policies and developed corrective action plans to address the misconduct identified in our reports.

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



Reporting Highlights

Financial and Contract Audits

Contract and Grant Audits Identified \$4.7 Million in Questioned Costs

Audits of contracts and grants that the DOI awarded to recipients identified a potential cost savings to the Government of \$4,698,437 out of over \$44 million in claimed costs. In addition, these audits identified inadequate oversight by the Bureau of Indian Affairs and the National Park Service and noncompliance with contracting procedures and Federal regulations. We made 21 recommendations to the DOI focused on recovering questioned costs and complying with contracting procedures.

Chippewa Cree Tribe

We were tasked with auditing two contracts, totaling \$5,770,485, that the Bureau of Indian Affairs (BIA) awarded to the Chippewa Cree Tribe (CCT); we questioned \$2,000,000 in claimed costs on Agreement No. PV08C55091 and \$1,503,191 of \$3,770,485 in claimed costs on Agreement No. A13AP00009.

On Agreement No. PV08C55091, the BIA requested that we audit costs claimed on a water program contract issued to the CCT to determine whether the \$2 million that had been withdrawn from the Chippewa Cree Water System Operation, Maintenance, and Replacement Trust Fund were allowable, allocable, incurred properly, and reasonable and supported by the contractor's records.

We could not perform the audit because the CCT and the BIA could not provide us with a final draft of Rocky Boy's/North Central Montana Rural Water System Project agreement or with the tribal management plan as mandated by law. We informed the CCT and the BIA that we cannot complete a contract audit without having the agreement and plan to detail the purpose of each expense; therefore, we questioned the entire \$2 million in costs claimed by the CCT.

On Agreement No. A13AP00009, we audited interim costs incurred by the CCT between October 2013 and March 2016 to determine whether costs claimed were allowable, allocable, and reasonable; whether the BIA adequately oversaw the agreement; and whether the BIA conducted its oversight in accordance with applicable Federal laws and regulations and BIA guidelines.

We identified \$1,503,191 in questioned costs, which included unsupported payments to subcontractors and vendors, unsupported internal transactions in the CCT's accounting system, unallowable out-of-period costs, and unallowable payments to vendors. In addition, we found that the BIA did not adequately oversee the contracts in accordance with Federal laws and regulations or with BIA guidelines, resulting in the CCT claiming costs that were unsupported and unallowable.

We made five recommendations to help the BIA resolve the questioned costs and improve its oversight activities of the CCT. We sent notices of our findings and recommendations to the CCT but did not receive a response. Consequently, all recommendations remain unresolved.

National Park Service Contract Closeout Procedures

We audited the National Park Service (NPS) to determine whether it complied with contract closeout requirements established by the Federal Acquisition Regulation (FAR), the U.S. Department of the Interior Acquisition Regulations (DIAR), and NPS acquisition regulations. The NPS annually oversees close to \$1.5 billion in contracts. Compliance with closeout requirements is critical for verifying goods and services provided, validating final payment and incurred costs, and releasing excess funds for possible use elsewhere.

We reviewed 89 contracts valued at more than \$33 million and identified various deficiencies with contract closeout compliance. Those deficiencies occurred because the NPS did not provide adequate oversight of compliance with closeout requirements, the two contracting offices did not properly prioritize closeout in the contract lifecycle, and the NPS had inadequate policies and procedures that did not ensure compliance with contract closeout requirements.

We identified \$1,195,246 in excess funds that could have been put to better use and could have funded other important NPS projects. We did not perform statistical sampling, but if the NPS applied the same 3.5 percent error rate we identified, we estimate that the NPS has about \$52.5 million in funds that could be used to fund other projects.

We made six recommendations to the NPS to improve its contract closeout procedures. The NPS concurred with all our recommendations; it has already implemented three of the six recommendations and submitted plans to implement the remaining three recommendations.

Cherokee Nation Technologies

We audited Contract No. A16PC00003 between Cherokee Nation Technologies (CNT) and the BIA, which awarded \$5,448,858 to the CNT to provide IT support services to the BIA. Our audit found that the CNT failed to:

- Follow proper procedure when awarding subcontracts
- Receive approval from the BIA's contracting officer to hire a new project manager
- Receive approval from the BIA's chief information officer to share sensitive information with the CNT's subcontractor

In its response to our findings, the CNT concurred with our first two findings; we consider those issues resolved. We issued one recommendation to the BIA to instruct the CNT how to obtain formal approval to release sensitive information to its subcontractors. The BIA concurred with our recommendation, and we consider it closed and implemented.

We also issued a Management Advisory to the BIA because the BIA did not:

- Use the correct citation in the award document
- Review the résumé of an individual hired under the contract
- Initially approve the CNT's hiring of key personnel
- Oversee the CNT's compliance with the FAR's "Limitations on Subcontracting" clause
- Respond to the CNT's request to share sensitive information with its subcontractor
- Respond to an inquiry concerning an alleged preferential treatment of a subcontractor

We made five recommendations to the BIA to correct the issues we identified. The BIA concurred with all five recommendations, which we consider resolved and implemented.

Perini

We inspected Perini Management Services, Inc.'s billings for Task Order No. P14PD00557 with the National Park Service (NPS)—which the NPS awarded to Perini to repair damage from Hurricane Sandy to park buildings and landscaping at the Statue of Liberty and Ellis Island National Monument—to determine whether:

- Perini invoiced for unperformed work
- Perini's schedule of values (SOV) reflected reductions (credits) for work Perini never performed
- Contract modifications properly reflected changes in the scope of work

We found that Perini did not invoice for unperformed work, did not properly reflect reductions resulting from unperformed work in its SOV, and did not properly reflect changes to the scope of work in two modifications.

To fix these issues, we recommended that the NPS require contractors to develop a method for tracking changes in the SOV that maintains the integrity of the original SOV and reflects all offsets, additions, and reductions taken on various contract line item numbers to maintain transparency in any change orders. This recommendation remains unresolved.

Audits of Wildlife and Sport Fish Grants Identified \$2.1 Million in Potential Savings and Program Improvements

Through its Wildlife and Sport Fish Restoration Program (WSFRP), the U.S. Fish and Wildlife Service (FWS) awards grants to States, funding up to 75 percent of 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 FWS, we audit all States over the course of a 5-year cycle as required by Federal law.

The FWS has made significant progress in addressing recommendations from our prior audits of the WSFRP recipients, closing 89 recommendations this semiannual period. The diligent implementation of audit recommendations can help to strengthen controls over the use of WSFRP funding and assets to assure continued benefits to the States' conservation activities.

In this semiannual period, we audited nine agencies:

- Alaska (Department of Fish and Game)
- Connecticut (Department of Energy and Environmental Protection)
- Maine (Department of Inland Fisheries and Wildlife)
- Maine (Department of Marine Resources)
- Maryland (Department of Natural Resources)
- Mississippi (Department of Marine Resources)
- Mississippi (Department of Wildlife, Fisheries, and Parks)
- North Dakota (Game and Fish Department)
- Texas (Parks and Wildlife Department)

In our audits of Alaska and both Maine agencies, we did not question any costs and found that the three agencies each provided reasonable assurance of compliance with grant accounting and regulatory requirements.

In the other audits, we identified \$2.1 million in ineligible costs, unsupported claims, or opportunities to put funds to better use. These audits addressed numerous accounting and control issues that could expose WSFRP funds to risk of misuse. Audit topics included fund control, asset management, and reporting requirements. Where applicable, we also tested for compliance with updated Federal grant regulations pertaining to the proper administration of subawards when the State acted as a pass-through entity. These tests helped to provide assurance that WSFRP funds were used appropriately, even when enterprise activities extended beyond the State fish and game agency.

Moreover, in Texas we identified a potential diversion of \$8.9 million in license revenues, monies that should be protected for the administration of the State fish and game agency as required by Federal law and State assent legislation. The potential diversion involved the movement of funds to a new Statewide account for deferred facilities' maintenance needs, without sufficient control to ensure that the license-funded share would only be used to benefit the fish and game agency. This matter has been fully addressed through the enactment of new legislation affirming the preeminence of the State's original assent to WSFRP requirements.

The FWS is working with the State agencies to implement 43 recommendations and to recover costs where appropriate.

Independent Audit Questioned \$373,817 in Funds Supporting the Wildlife and Sport Fish Restoration Program

The Wildlife and Sport Fish Restoration Programs Improvement Act of 2000 requires independent biennial audits of program administration. The "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" reported questioned costs totaling \$373,817.

The audit also identified issues with internal controls regarding improper recording of expenditures, compliance with the Act regarding personnel costs, appropriate expenses, overhead costs, and other unallowable costs. The independent auditor made 10 recommendations that, if implemented, should resolve the findings.

The DOI Complied With IPERA Reporting Requirements but Did Not Follow Its Own Risk Assessment Guidance

We found that the DOI complied with the Improper Payments Elimination and Recovery Act of 2010 (IPERA) reporting requirements, but we identified substantial issues with the DOI's risk assessment process and conclusions. The DOI conducted a 3-year risk assessment on 89 programs for fiscal year 2016 using the same improper payment rate percentage for all 89 programs and did not comply with its own risk assessment guidance to develop a separate improper payment rate for each program to satisfy the quantitative method allowed by the Office of Management and Budget. As a result, the risk assessment analysis for all 89 programs may have resulted in certain programs not appropriately reporting an improper payment error rate in the DOI's fiscal year 2016 Agency Financial Report.

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



**Bureau of Land
Management**

Bureau of Land Management

Senior BLM Law Enforcement Manager Mishandled Evidence in a Criminal Investigation

We investigated several allegations against a senior law enforcement manager with the Bureau of Land Management's (BLM's) Office of Law Enforcement and Security (OLES):

- The senior manager allegedly mishandled evidence, in the form of moqui marbles (accumulated masses of iron oxide, often spheroidal, that form in sedimentary rock) seized as part of an OLES criminal case reviewing whether the marbles had been collected illegally from a national park, by having a subordinate improperly remove several of the seized marbles from the OLES evidence room and give them to the senior manager. The senior manager also allegedly gave marbles as gifts to several people. A University of Utah professor familiar with the marbles estimated the total retail value of the seized marbles at \$160,000 to \$520,000.
- After the BLM received requests for emails and documents concerning various matters under official inquiry, the senior manager allegedly directed his subordinate to review the senior manager's BLM emails and delete any that depicted him unfavorably.

During our investigation, we received an additional allegation that OLES documents were intentionally deleted from a BLM shared Google drive the day before a congressional request was received for them.

We substantiated all but one of the allegations. We found that the senior manager instructed his subordinate to remove moqui marbles from the evidence room and give them to him, which violated BLM and U.S. Department of the Interior evidence policy, and that he gave marbles to several people, including BLM employees and a contractor who had worked on a project in the OLES office. We also confirmed that the senior manager had his subordinate use the senior manager's computer and personal login information to search the senior manager's emails for messages pertinent to the document requests, and to "scrub" any messages that could harm the senior manager or any in which he used demeaning or derogatory language. The senior manager's actions violated Federal security and records management policy as well as various regulations and guidance related to the conduct of Federal employees.

We did not substantiate the allegation that documents had been deliberately deleted from the Google drive. An OLES budget analyst told us she deleted documents from the drive the day before she learned about the congressional request, but we did not find that she had intended to obstruct the inquiry.

We also did not find that anyone, including the senior manager or members of BLM leadership, had ordered the documents deleted. The senior manager declined to be interviewed for this investigation.

We issued our report to the Acting Assistant Secretary for Land and Minerals Management for any action deemed appropriate. In addition, because of the circumstances surrounding the mishandling of evidence in a criminal case and the attitudes of BLM employees and law enforcement officials involved, we issued a management advisory to the BLM. We made three recommendations for the BLM to ensure compliance with its new evidence policy and improve evidence handling.



Moqui marbles in a variety of sizes and shapes.

Oil Company Agreed To Pay \$300,000 To Resolve Unpaid Royalties

We investigated allegations that General Production Service (GPS) failed to report oil production and pay the proper amount of mineral royalties associated with the sale of crude oil from a Federal lease in Lost Hills, CA.

Our investigation, conducted jointly with the BLM's Special Investigations Group, substantiated that the company failed to properly report oil production and pay mineral royalties to the Office of Natural Resources Revenue from October 2010 through July 2016.

GPS agreed to pay the Government \$300,000 to resolve the unpaid royalties and settle civil false claims allegations with the United States Attorney's Office for the District of Colorado.

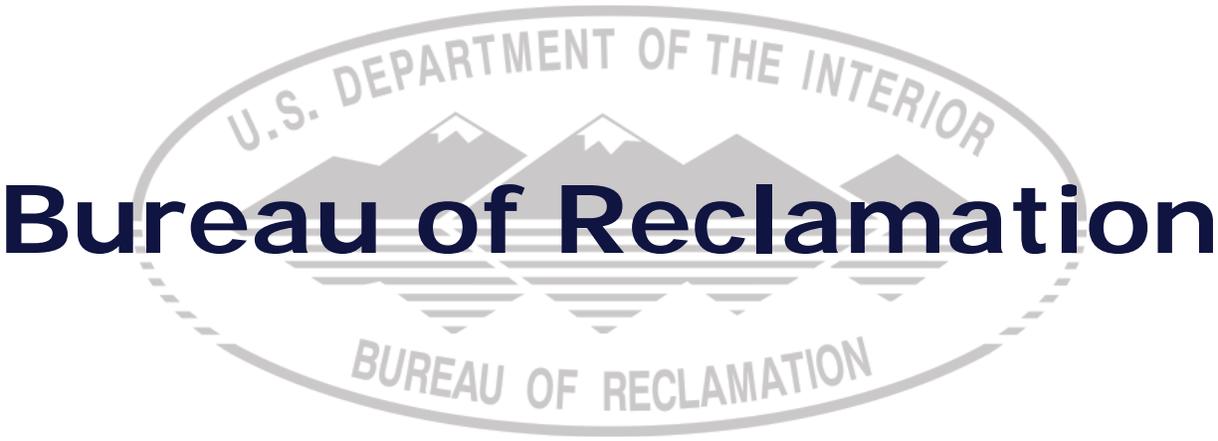
We issued our report to the Directors of the BLM and the Office of Natural Resources Revenue.

Contracted Investigation Found Hostile Work Environment, Sexual Harassment at the BLM's NOC

In August 2016, we received a set of complaints from the Office of the Solicitor (SOL) detailing numerous systemic organizational problems relating to the BLM's National Operations Center (NOC) in Lakewood, CO. The issues involved complaints of a hostile work environment, discrimination, sexual harassment, inappropriate or disparaging remarks made by an NOC manager, and prohibited personnel practices regarding the recruitment and selection process within the NOC's Branch of National Acquisition (BNC) and NOC's Resource Services. Moreover, the SOL reported concerns relating to organizational culture, discord, and unsettled relations among the NOC employees. All of the allegations were documented in three separate fact-finding reports completed by contracted investigators between April and June 2016.

While reviewing the allegations, we learned that the BLM had already contracted an administrative investigation into the same concerns that the SOL had brought to the OIG. Consequently, we suspended our administrative investigation pending the results of the BLM contracted investigation.

We reviewed the BLM's resulting report of investigation and found it thoroughly addressed the allegations of harassment, supervisory misconduct, and improper hiring. As a result, we determined that any additional investigative actions into these allegations would be duplicative.



Bureau of Reclamation

Bureau of Reclamation

Improvements Needed in the USBR's Oversight of Tribal Rural Water Projects

We evaluated the Bureau of Reclamation's (USBR's) oversight of its construction projects to supply water to American Indian tribes in rural areas. We found that the USBR could improve oversight of these construction projects by tracking physical completion percentages, establishing individual project completion dates, standardizing oversight and documentation, and submitting a complete annual funding agreement to Congress.

We included five recommendations to help the USBR improve oversight and accountability of its tribal rural water supply construction projects. In its response to our report, the USBR concurred with four of our recommendations and partially concurred with one. We consider one recommendation resolved and implemented, and the other four recommendations at least partially resolved but not implemented. We referred the recommendations to the Assistant Secretary for Policy, Management and Budget for tracking.

The USBR Not Transparent in Its Participation in the Bay Delta Conservation Plan

We evaluated the USBR's financial assistance agreements for the State of California's Bay Delta Conservation Plan (BDCP) to determine whether the USBR fully disclosed to Congress and other stakeholders the cost of its participation in BDCP efforts, whether the USBR had legal authority to convert funds from reimbursable to nonreimbursable purposes, and whether the USBR expended funds in accordance with its legal authority for its financial assistance agreements.

We found that the USBR did not disclose the full cost of its participation in the BDCP, subsidized Central Valley Project water contractors, and converted \$50 million in Federal funds from reimbursable to nonreimbursable without documentation to support its determination that the funds should be nonreimbursable. Further, while the USBR had the legal authority for its financial agreements, USBR's use of funds for one agreement was not consistent with its authority under the Fish and Wildlife Coordination Act. We made four recommendations to address the weaknesses in USBR's policies and procedures that allowed the USBR not to disclose to Congress and other stakeholders that \$50 million in Federal funds were used for the BDCP and that these funds would not be returned to the U.S. Treasury as expected.

The USBR did not concur with our recommendations, but we consider the basic objective of three of the recommendations to have been achieved because (1) the USBR committed to no longer provide funds to the California Department of Water Resources for future BDCP efforts unless appropriated funds are specifically requested for that purpose; (2) USBR's nondisclosure to Congress and other stakeholders about the full cost of its participation in the BDCP has been disclosed through our report; and (3) USBR's submission of inaccurate annual Calfed Bay-Delta certified financial reports has been disclosed through our report. Further, we believe the USBR's commitment regarding appropriated funds for the BDCP constitutes acknowledgement of the validity of our findings that the actions the USBR took to fund the BDCP planning costs were neither transparent nor consistent with the "beneficiaries pay" principle underlying Reclamation Law.

We consider the fourth recommendation unresolved and unimplemented and referred it to the Assistant Secretary for Policy, Management and Budget for resolution.



The Helen Madere Memorial Bridge spans the Sacramento River, which contributes to the Bay-Delta water supply.

Allegations of Retaliation by USBR Supervisors Unfounded

We initiated this investigation after we received a complaint from a former USBR manager that she had been retaliated against for her perceived involvement in a disclosure to the OIG. The former manager claimed that after a coworker made the disclosure, she was reassigned to a nonmanagerial position as a special assistant, which she believed was in retaliation for the alleged disclosure.

Our investigation found no evidence of retaliation and that the former manager's reassignment was the result of performance issues. The former manager's supervisor provided detailed examples of the former manager's poor work performance. We were also provided with multiple documents that cited performance issues during the former manager's tenure, which refuted her claim that she had approximately 16 years of work experience without any problems.

We issued our report to the USBR Commissioner.

The logo for the Bureau of Safety and Environmental Enforcement (BSEE) is centered on the page. It consists of a large, light gray oval. Inside the oval, on the left side, is a stylized illustration of an offshore oil rig. To the right of the rig, the letters "BSEE" are written in a large, bold, sans-serif font. Below "BSEE", the words "Bureau of Safety and Environmental Enforcement" are written in a smaller, lighter font. The main title "Bureau of Safety and Environmental Enforcement" is overlaid on the logo in a large, bold, dark blue font.

Bureau of Safety and Environmental Enforcement

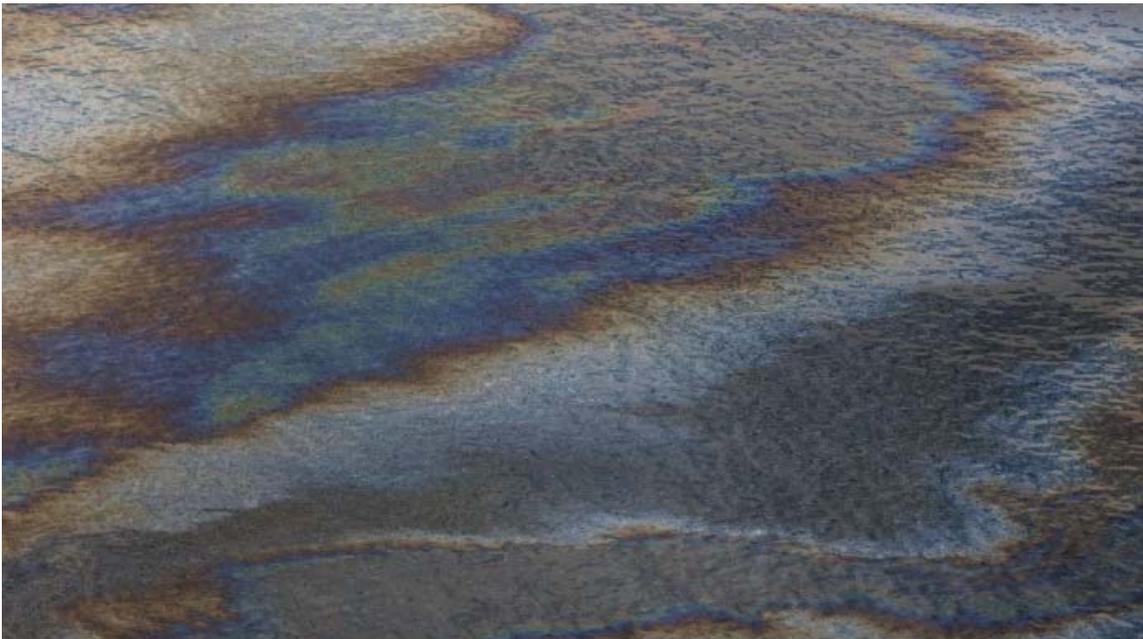
Bureau of Safety and Environmental Enforcement

Company Pleaded Guilty to Concealing Violation of the Clean Water Act

We initiated an investigation after receiving allegations that Champion Technologies Inc. (Champion), and four other companies concealed oil sheens from a Gulf of Mexico offshore oil platform, and altered water samples before testing mandated by the Environmental Protection Agency (EPA). The purpose of the testing was to ensure that water discharged into the Gulf of Mexico during offshore operations met environmental standards.

We conducted a joint investigation with the EPA's Criminal Investigation Division and found that between 2010 and 2012, employees of an offshore oil and gas facility operator purchased 4,025 gallons of a chemical product from Champion, and both companies knew the chemical would be used to conceal the unauthorized discharge of hydrocarbons into the Gulf of Mexico. Our investigation also confirmed that employees working for the offshore facility operator had actually used the dispersant to conceal oil sheens during their operations in violation of the Clean Water Act. We did not substantiate the allegation that one of the companies altered water samples.

The offshore facility operator dissolved its business operations through bankruptcy proceedings. Champion pleaded guilty to misprision of a felony and was subsequently sentenced to a \$1,000,000 fine, \$250,000 for community service, and a \$400 special assessment.



Aerial view of an oil sheen in the Gulf of Mexico.

Royalties Associated with Oil Inventory Adjustment Remain Outstanding

We initiated an investigation after receiving allegations that an oil and gas company improperly reduced its oil inventory associated with offshore production, which also reduced its mineral royalty obligation.

We found that the company's inventory adjustment reduced its production inventory by approximately 122,000 barrels of oil, which also reduced the company's mineral royalty obligation by approximately \$2.1 million. The inventory reduction was authorized by the Bureau of Safety and Environmental Enforcement (BSEE), but the Office of Natural Resources Revenue (ONRR) never agreed to waive the company's royalty obligation.

The company reported the inventory adjustment was based on the oil used to originally fill the pipeline, also known as "pipeline fill," which the company claimed was incorrectly reported to the ONRR as production inventory for a period estimated to exceed 40 years. The company was unable to provide adequate evidence to support its claims, and as a result, the ONRR will continue to pursue outstanding royalties.

We consulted with the United States Attorney's Office for the District of Colorado, which declined to pursue the matter. We issued our report to the Directors of the ONRR and the BSEE.



Indian Affairs

Indian Affairs

BIA Employee Sent Unwanted, Sexually Explicit Messages

We initiated this investigation after receiving allegations that a Bureau of Indian Affairs (BIA) employee harassed Colorado River Indian Tribes (CRIT) employees and tribal members by sending them unwanted—and often sexually explicit—texts and Facebook messages. The CRIT also alleged that the BIA employee's conduct had caused a CRIT employee and a tribal member to file injunctions against harassment on him out of concern for their own safety.

Our investigation confirmed the allegations against the BIA employee. He admitted to sending sexually explicit texts, Facebook messages, and handwritten notes to CRIT employees and tribal members. We confirmed that these texts, messages, and notes were unwelcome and found that the BIA employee had sent some of them while on duty. We also confirmed that a CRIT employee and a tribal member had filed injunctions against the BIA employee because his conduct had caused them to fear for their safety.

The BIA employee acknowledged that his conduct was unprofessional and inappropriate for a Government employee; he resigned from Federal service.

During the investigation, we also learned that a BIA human resources professional gave the employee's supervisors flawed advice on how to handle the allegations. We found that the HR professional did not have formal HR training or experience in dealing with sexual harassment matters involving employees, and that the BIA's HR staff are not required to take training on the HR aspects of sexual harassment matters.

We issued our investigative report and a management advisory to the BIA Director. In the management advisory, we recommended that the BIA implement a sexual harassment training requirement for its HR staff who may be advising other employees on sexual harassment issues.

BIA Manager Did Not Violate Pay and Leave Policy

We initiated this investigation after receiving an allegation that a BIA manager violated U.S. Office of Personnel Management (OPM) pay and leave policy by residing in Oklahoma but receiving Washington, DC locality pay. Our investigation found no evidence to substantiate the allegation.

Based on interviews of the employee's supervisor, as well as a review of payroll, personnel, and official travel records, we confirmed that although the employee's family lived in Oklahoma, his official duty station was in Washington, DC, and his legal residence was in the Washington, DC commuting area. Based on OPM's pay and leave policy, the employee was therefore authorized to receive Washington, DC locality pay.

We also found that the employee's supervisor had authorized him to take annual leave in conjunction with official travel to visit his family in Oklahoma and that the employee properly documented his travel and expenses.

We issued our report to the BIA Director.

BIA Employee Visited Pornographic Websites on His Government Computer

We initiated an investigation after we received a complaint that a BIA employee misused his Government computer by visiting pornographic websites. The complainant said he had identified pornographic images, possibly of children, on the employee's Government computer.

Our investigation did not identify child pornography; we did, however, find that the employee visited websites containing sexually explicit adult pornographic content. When we interviewed the employee, he admitted to navigating to images with inappropriate adult content on his Government computer.

We issued our report to the BIA Director.

Guaranteed Loan to Lower Brule Ignored Risk Factors

We investigated a complaint from members of the Lower Brule Sioux Tribe (Tribe), who questioned a loan guarantee issued by the Office of Indian Energy and Economic Development (IEED), a component of Indian Affairs. The Tribe received a 90-percent guarantee from IEED's Division of Capital Investment (DCI) on a loan of more than \$22 million to purchase a New York City-based financial services company.

We found that the DCI ignored multiple negative indicators that suggested the loan might be too risky for the DCI to approve. First, the tribal subsidiary involved in the transaction was a new lender without extensive experience.

Second, the borrower included intangible assets as part of its portfolio, which are considered less reliable than tangible assets. Finally, the company's business plan relied on an expectation of a favorable tax ruling from the U.S. Internal Revenue Service, which it did not receive.

The Tribe ultimately sold the guaranteed loan on the secondary market, using most of the funds to reduce shareholder debt. Soon after the sale, the Tribe defaulted on the loan. The purchaser of the loan filed a claim for loss to the DCI, which is currently in litigation.

We found no criminal violation, but we did find that the DCI exposed itself to significant financial risk because it failed to adhere to its own guidelines and heed negative indicators. While we did not find the Tribe suffered a significant financial loss from the transaction, the absence of transparency exacerbated long-standing distrust between tribal members and the tribal council.

We issued our report to the Assistant Secretary for Indian Affairs.



Insular Affairs

Insular Affairs

Significant Flaws Revealed in the Financial Management and Procurement Practices of the U.S. Virgin Islands' Public Finance Authority

We audited the U.S. Virgin Islands' Public Finance Authority (PFA), a public corporation that serves as a financing conduit for the Government of the U.S. Virgin Islands (GVI). The PFA incurs billions of dollars in debts and disburses the proceeds of these debts to pay for capital improvement projects and GVI's day-to-day needs, but it has never had controls in place to ensure transparency and accountability. During our audit—conducted jointly with the Office of the Virgin Islands Inspector General—we found the following deficiencies, which place millions of dollars at risk for fraud, waste, and mismanagement:

- The PFA did not have internal controls over its operations, including written operating policies and procedures for its employees to follow. The PFA's failure to implement and adhere to a system of internal controls has created an environment where errors and potential conflicts of interest flourish.
- The PFA has not managed its budgeted funds and bond proceeds appropriately, nor has it complied with current laws and regulations.

These deficiencies contributed to the issues we found during our fieldwork, which included \$50 million in financial reporting discrepancies, potential conflicts of interest, and \$101.1 million in questionable expenditures.

We issued an audit report in 2002 that provided recommendations for several issues at the PFA, but these issues still existed during our current review. In fact, because PFA decision makers did not implement our recommendations, some of the issues had worsened. Had the PFA taken corrective actions after our 2002 audit, there would have been greater accountability for funds entrusted to it on behalf of the people of the Virgin Islands.

This 2017 audit presents an opportunity for the Virgin Islands Legislature and PFA's board of directors to correct longstanding problems that have weakened the Virgin Islands' self-sustaining capabilities and increased its dependency on the U.S. Government. In our report, we offered 21 recommendations that would help improve PFA's operations and thus safeguard the funds entrusted to it.

We addressed 18 of our 21 recommendations to the PFA and the remaining 3 to the Legislature. The PFA concurred with seven recommendations, partially concurred with four, and did not concur with seven; the Legislature stated that it would take action on its three recommendations. We consider six recommendations resolved and implemented, eight resolved but not implemented, and seven unresolved.

In addition to our audit, we issued a separate management advisory letter alerting the GVI to procurement and project management issues we discovered in some of its agencies during our review of capital improvement projects paid for with PFA-issued bond proceeds.

We reviewed 12 GVI capital improvement projects, valued at more than \$25 million, and found that the GVI's Department of Property and Procurement (DPP) did not follow procurement rules for competitively bidding construction contracts, did not guarantee that the evaluation and awarding process for contracts was fair, did not administer contracts in accordance with the Virgin Islands Code, and did not plan projects carefully. Furthermore, we found that a GVI agency, the Virgin Islands Housing Finance Authority, wasted valuable bond proceeds by purchasing potentially unusable land.

We made 10 recommendations in this management advisory to improve procurement practices at the DPP and other GVI agencies. After the agencies responded to a draft version of this advisory, we reviewed the actions they had taken or planned to implement our recommendations. We consider seven of our recommendations resolved and implemented, two resolved but not implemented, and one unresolved.



National Park Service

Former Chief of Interpretation at the MLK, Jr. National Historic Site Embezzled Donated Funds

We investigated Robert Parker, former Chief of Interpretation at the National Park Service (NPS) Martin Luther King, Jr. National Historic Site (MALU), after learning that Parker received donated funds directly from Eastern National, a cooperating association partnered with the NPS.

As a result, our investigation determined that Parker embezzled funds donated to the MALU by Eastern National, which he then used for personal expenses.

On March 8, 2017, Parker pleaded guilty to one misdemeanor count of theft of public money in U.S. District Court for the Northern District of Georgia. Parker was sentenced to 4 years of Federal probation, ordered to pay restitution in the amount of \$4,506.92, a fine of \$5,000.00, and a special assessment of \$25.00.

Parker resigned from his Federal position effective March 8, 2017, and agreed to not seek future employment with the U.S. Government.

No Evidence To Substantiate Misconduct Allegations Against NPS Employees During and After the 58th Presidential Inauguration

We initiated an investigation after receiving a complaint concerning questionable actions allegedly taken by NPS officials and employees during and after the 58th presidential inauguration ceremony at the National Mall on January 20, 2017. The complainant alleged the following:

- That an NPS National Mall and Memorial Parks (NAMA) official instructed NPS employees to alter records related to crowd size estimates for the inauguration ceremony
- That two NPS public affairs employees released information to the press, without authorization, about a January 21, 2017 phone call from President Donald Trump to Acting NPS Director Michael Reynolds

- That one of the public affairs employees circumvented the NPS chain of command for the inauguration when responding to a request from Reynolds (although the complainant did not know what Reynolds requested, we determined that Reynolds asked the public affairs employee to help obtain inauguration photographs after the President requested them during the January 21 phone call)
- That a NAMA employee assigned to the inauguration engaged in personal activities at work that interfered with the performance of his duties

We did not find evidence to substantiate any of these allegations. All of the witnesses we interviewed denied that the NAMA official instructed staff to alter records for the inauguration or to remove crowd size information. We also found no evidence that the public affairs employees released any information to the media about the President's phone call, or that the employee who responded to Reynolds' request for photos was required to go through the chain of command. Regarding the final allegation, the NAMA employee's supervisor and an official who oversaw operations at the inauguration both said that the NAMA employee fulfilled his responsibilities as assigned during the event.

We issued our report to the NPS Director.

Misconduct Found in NPS Hiring Action

We opened an investigation after receiving allegations regarding the hiring of an analyst at the NPS Pacific West Regional Office (PWRO), in San Francisco, CA. The complaint alleged that, after hiring the analyst the hiring official altered the position requirements to allow the analyst to telework from home, an accommodation not offered to other applicants, and approved by the hiring official because of a personal friendship with the analyst. The complaint also alleged that the analyst claimed permanent change of station (PCS) expenses even though the analyst never intended to relocate to the PWRO in California, and that the analyst collected the higher locality pay in San Francisco, but did not report to the PWRO as required.

Our investigation substantiated that the hiring official altered the position requirements at the analyst's request and after the analyst was hired to allow residence in a different state and commute to the PWRO a few days per month. The vacancy announcement indicated that the position was located in San Francisco and made no mention of extended telework. An employee who assisted the hiring official stated the hiring official told the analyst the physical residence in the PWRO could be as few as two days per week, but told the other interviewees for the position they would be required to be in the PWRO 3 or 4 days per week.

We interviewed one of the other interviewees who confirmed the hiring manager had said the selectee would need to be in the office 3 to 4 days per week, which caused the applicant to withdraw from consideration.

We did not find evidence that a friendship with the hiring official was the cause; the hiring official retired abruptly before we could interview him about these allegations. Interviews of other applicants confirmed they were not afforded the same opportunity.

We also substantiated that the analyst submitted a voucher for a lump sum PCS reimbursement with no intent to relocate. In November 2015, the analyst received 30 days of temporary quarters subsistence expense (TQSE) allowance amounting to \$8,217.90 even though the analyst was only in San Francisco for 4 days, stayed in NPS housing, and incurred only \$30.60 in lodging expenses. The hiring official was aware the analyst did not intend to relocate, but still approved the TQSE payment.

Finally, we substantiated that the analyst wrongfully claimed pay at the San Francisco locality rate of 35.75 percent instead of the rest of the United States rate of 14.35 percent. We determined that the analyst may have qualified for San Francisco Bay Area locality pay during 18 of the 26 bi-weekly pay-periods in 2016. The analyst admitted, however, that a significant portion of 2016 travel time between her home and San Francisco was wrongfully counted towards the analyst's required hours at PWRO.

We issued our report to the NPS Director.

NPS Painter Falsely Certified Workers' Compensation Claim

We initiated this investigation after being notified that NPS officials were suspicious of a workers' compensation claim by a painter in the National Capitol Region, the 14th such claim made by the employee during his career. NPS officials also suspected that the employee worked outside of the Government while receiving workers' compensation.

We determined that the employee had falsely certified that he had not been employed outside of the Government. At the time of his claim, the employee was receiving outside compensation from a company of which he was the registered agent. Separately, the U.S. Department of Labor denied the employee's claim due to insufficient medical documentation.

The U.S. Attorney's Office for the District of Washington, DC, declined prosecution. We issued our report to the NPS Director.

NPS Employee Improperly Accepted Gifts in Violation of Ethics Regulations

We investigated allegations that an employee at the World War II Valor in the Pacific National Monument, Honolulu, HI, may have had improper relationships with tour operators to whom he distributed tickets to the USS Arizona Memorial.

We found that the employee received improper gifts from tour operators who were considered prohibited sources, some of which were given because of action taken in his official capacity. The gifts included a jacket valued at approximately \$50 and green fees at a golf course valued at approximately \$85.

The U.S. Attorney's Office for the District of Hawaii declined prosecution. We issued our report to the NPS Director.



USS Arizona Memorial in Pearl Harbor, HI.

NPS Superintendent Violated Personal Property Management Policy and Ethics Regulations

We initiated an investigation after receiving an allegation that a park superintendent approved the decision to excess an NPS vehicle, and then later purchased the same vehicle through a U.S. General Services Administration (GSA) public auction. The complainant alleged that the superintendent bid from an advantageous position because of his past association with the vehicle.

Our investigation found that the superintendent was involved in several discussions related to excessing the vehicle and subsequently was the approving official on the report of survey that recommended the vehicle be turned in and put up for auction. The superintendent subsequently purchased the vehicle as the winning bidder at a public auction administered by the GSA.

Given his personal knowledge and history with the vehicle, which included personally driving the vehicle, we determined that the superintendent violated NPS policy, which prohibits certain employees from purchasing Government property. We also found that the superintendent's purchase of the vehicle violated Federal ethics regulations by creating the appearance of a conflict of interest.

The superintendent reported being unaware of the policy and regulatory prohibitions.

We issued our report to the NPS Director.

NPS Employees Provided Preferential Treatment to Contractors

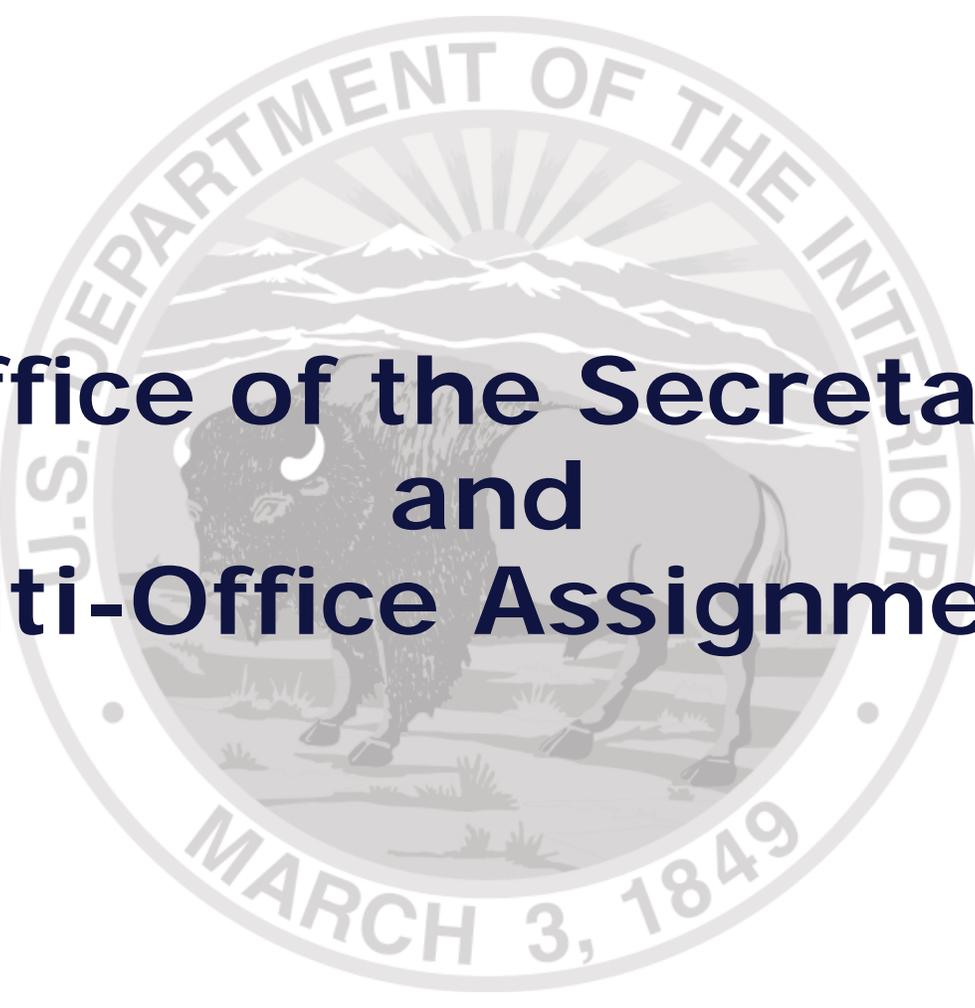
We initiated an investigation after receiving allegations from a confidential source that two employees at the Fredericksburg and Spotsylvania National Military Park (FRSP) awarded Government contracts to contractors who were their friends and who sponsored the private business of one of the employees.

Our investigation found that one of the employees violated Federal regulations by using his Government position to steer heating, ventilating, and air conditioning (HVAC) and carpentry work at the park to two contractors after they began sponsoring his private business.

After the HVAC company began sponsoring the business in 2009, it received over \$137,000 from FRSP in Government contracts, service calls, and purchases in which the employee had some involvement. During this same period, the company wrote \$2,461 in checks directly to the employee in support of his business. After the carpentry company began sponsoring the business in 2010, it received over \$200,000 in Government contracts and service calls. The company also wrote \$1,400 in checks directly to the employee to support his events.

Our investigation further found that the second park employee created the appearance of preferential treatment and using his official position for private gain by hiring FRSP contractors, whom he acknowledged had become his friends, to do personal landscaping, fencing, and gas line work for himself and his family.

The U.S. Attorney's Office for the Eastern District of Virginia declined prosecution. We issued our report to the NPS Director.

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

Office of the Chief Information Officer Employee Guilty of Credit Card Fraud

We initiated an investigation after receiving allegations from an employee with the Office of Financial Management that Tracy Hamm, IT Portfolio Manager, Portfolio Planning and Integration Branch, Office of the Chief Information Officer, charged personal expenses on her Government travel charge card.

We found that between 2012 and 2016, Hamm fraudulently charged \$3,554.68 in personal charges on her charge card, such as hotels, airline tickets, rental cars, and gasoline. Because of the nature of these charges, they were centrally billed and automatically paid by the Government. Hamm confessed to having knowingly made these fraudulent charges on her assigned travel charge card.

We also found that Hamm had not been on official travel during that time, and neither of the supervisors that she reported to were reviewing her travel charge card statements, as was required.

On April 12, 2017, Hamm pleaded guilty to misdemeanor credit card fraud in the Superior Court of the District of Columbia. She was ordered to pay \$3,554.68 in restitution and received 1 year of probation.

On August 4, 2017, Hamm was removed from her position as a Government employee. On September 6, 2017, the DOI suspending and debarring official debarred Hamm from receiving new Federal procurement and nonprocurement awards for 3 years.

OST Employee Violated Ethics Regulations But Did Not Benefit Financially

We investigated allegations that an Office of the Special Trustee for American Indians (OST) employee may have violated ethics regulations by using information he obtained through his official position to gain an unfair advantage in negotiating the sale of two tracts of land through the Land Buy-Back Program for Tribal Nations.

We found that the OST employee violated Federal ethics regulations by using nonpublic information to further his own private interest or that of another. The OST employee admitted that the nonpublic information he used in an attempt to sell two tracts of family land was obtained through his position with the OST. He also admitted to lying about this knowledge during his interviews with an ethics counselor.

We did not find evidence that the OST employee committed any criminal ethics violations. Neither he nor his family benefited financially from the information because the two tracts of land in question were never sold, and we found no evidence the employee participated personally and substantially in OST matters that would affect his own financial interests or that he acted as an agent or attorney for anyone else before the Government.

We issued our report to the Acting Special Trustee for American Indians.

Multi-Office Assignments

DOI Does Not Centrally Track Data for Land Purchases Made With Grant Funds

Multiple DOI programs award grants for the purchase of land. We evaluated whether the DOI was tracking information about these grants and found that the DOI does not centrally track information about grants for the purchase of land. The DOI is thus unable to identify how much grant money has been used to purchase land, how much land has been purchased, and whether that land is being used for its intended purpose.

We found that in fiscal years 2014 and 2015 alone, these programs awarded 561 grants to purchase land valued at about \$574 million. Without an adequate process in place to monitor funds used to purchase land, the DOI is potentially exposed to significant risk of wasted funds. We recommended that the DOI establish a centralized method of tracking land purchases made using grant funds, and that it establish policy to inform grantees of the Federal reporting requirements. The DOI did not concur or only partially concurred with our recommendations.

Based on the Office of Acquisition and Property Management's (PAM's) response to our evaluation, we issued a management advisory because PAM based its disagreement on an incorrect application of the Federal reporting requirements. PAM officials also expressed concern that creating a tracking system for these types of purchases would be too costly. Without a central database or a standard way for grantees to report land purchased with Federal funds, however, DOI risks not being able to adequately track real property acquired through Federal awards to ensure that the original purposes of the awards are met.

We also found that Federal grants officers making these awards had varied levels of expertise and experience with real estate appraisals, which could result in potentially overvalued purchases. DOI could save millions of dollars in potentially overvalued properties if all grants officers received the basic tools and knowledge to identify potentially flawed appraisals for further review by a certified appraiser.

We referred our original recommendations, which remain unresolved, to the Office of Policy, Management and Budget to track implementation. We made three additional recommendations in our management advisory that focused on developing policy to clarify the grantees' reporting and disposition requirements for land purchased with grant funds, and identifying potentially flawed appraisals.

Udall Foundation Has Opportunity To Improve Cost Allocation and Compliance

We conducted two audits of the Morris K. Udall and Stewart L. Udall Foundation (Foundation) to determine whether it complied with education-related legislative spending requirements and program objectives; had controls in place for awarding scholarships, internships, and fellowships; and allocated shared costs between its two program areas, Education and Environmental Conflict Resolution, on a consistent basis and in accordance with its approved methodology.

Overall, we found problems with the Foundation's compliance with legislative spending requirements and program objectives; its policies for awarding scholarships, internships, and fellowships; and how it allocates costs between its two program areas, Education and Environmental Conflict Resolution.

We found that the Foundation was not separately tracking its spending for scholarships, internships, and fellowships and did not meet its legislative spending requirements in the years we reviewed. Although the Office of Management and Budget deferred to the Foundation's method, we questioned the Foundation's use of two different base amounts to calculate its spending requirements for scholarships, internships, and fellowships; administration and salaries; and the Udall Center. Using different base amounts gives the appearance that the Foundation is using the amount that allows it to spend more on administration and less on scholarships. We noted discrepancies in the numbers provided to us and to the Foundation's Board of Trustees.

In addition, the Foundation has not formalized its policies and procedures for awarding scholarships, internships, and fellowships, but it had a number of other controls in place. Further, we found that the Foundation made several errors in calculating shared costs between the Education Program and the Environmental Conflict Resolution Program, and its methodology for calculating shared costs was cumbersome.

We provided eight recommendations to help the Foundation correct the issues identified during our review. If implemented, our recommendations will help ensure the Foundation meets its legislative requirements, calculates its spending requirements in a consistent manner, reduces the risk of fraud, better ensures continuity of operations, and appropriately allocates shared costs.

Verification Review Identified Two Unimplemented Recommendations Reported as Closed

We completed a verification review of 13 of the 17 recommendations in its September 27, 2012 audit report, "Management of Rights-of-Way in the U.S. Department of the Interior," (Report No. C-IN-MOA-0013-2010) to determine whether the National Park Service (NPS), the Office of Valuation Services (OVS), and the Office of Appraisal Services (OAS) implemented the recommendations as reported to the Office of Financial Management (PFM), Office of Policy, Management and Budget.

Our audit report found that NPS, OVS, OAS, and the Bureau of Land Management did not receive market value for rents on rights-of-way and had an opportunity to collect as much as \$100 million or more annually if they had assessed market value. Our 17 recommendations were designed to take advantage of this opportunity.

The PFM reported to us when each of the 13 recommendations were implemented and closed. Based on our review, we consider 8 of the 13 recommendations resolved, implemented, and closed; 3 of the recommendations closed but not implemented; and 2 of the recommendations—issued to the OVS—not implemented and not closed. As such, these recommendations remain open. The remaining 4 of our 17 recommendations pertained to the Bureau of Land Management and have not yet been reported as closed. Therefore, we did not include these recommendations in our review.

DOI Contractor Convicted for Conspiracy To Defraud the Government

We initiated an investigation after receiving information that KLA International, Inc. (KLA) had used Government contracts, including some with the DOI, to facilitate fraud. The complainant alleged that KLA induced subcontractors into purchasing and shipping goods to Federal Government customers on KLA's behalf, but never paid them for the goods. We led the joint investigation that included several other Federal law enforcement agencies.

We found that between 2010 and 2015, Keith B. Fisher, Sr. set up numerous shell companies in a scheme to facilitate fraud using Federal contracts. The shell companies included KLA, Quad Trade Services, TCI Technologies, Inc., and Atlantic Safety Corporation. Fisher used various aliases and these shell companies to enter into agreements with subcontractors to purchase and deliver goods to various Federal customers. Fisher, however, never paid, or paid very little, to the subcontractors.

We found that Fisher's businesses received over 80 contract awards worth more than \$900,000 from the DOI and other Federal agencies. The Bureau of Indian Affairs, the Bureau of Reclamation, the U.S. Geological Survey, and the National Park Service issued Fisher's businesses a total of nine contracts worth \$136,047.

On March 10, 2017, in the District of New Jersey, Fisher pleaded guilty to one count of conspiracy to defraud the United States, pursuant to a plea agreement. Fisher was subsequently sentenced to 60 months in prison, and also debarred from conducting business with the U.S. Government.

In addition, Fisher, KLA International, Inc., Quad Trade Services, Inc. and TCI Technologies, Inc. were debarred from receiving new Federal procurement and nonprocurement awards until May 12, 2019.

Investigation of Phishing Attack on DOI Email Accounts Resulted in Increased Network Security¹

We initiated this investigation in January 2016 after multiple OIG employees received a "phishing" email from an internal DOI bureau-level employee. The phishing email was sent from the bureau-level employee's account without the employee's knowledge. When the recipients clicked a link within the email, they were presented with a webpage that appeared to be DOI's standard log-in screen, and were prompted for their username and password. At least two recipients clicked on the link and entered their DOI Gmail (Bison Connect Email System) credentials, thereby unknowingly compromising their accounts. Subsequently, for 2 weeks, more than 1,500 DOI employees received the phishing email, resulting in approximately 100 compromised DOI employee Gmail credentials. The successful phishing attack resulted in illegal access to the DOI network through remote logins on a least eight Gmail accounts.

Our investigation found that the source of the attack was most likely physically located outside the United States; therefore, we turned the information over to the FBI for continued investigation through its National Cyber Investigative Joint Task Force.

As a result of this investigation, the DOI Office of the Chief Information Officer accelerated its existing plan to require two-factor authentication for DOI Gmail access, and completed the transition 11 days after the attack began. By implementing two-factor authentication, the DOI ended the attack and it substantially increased the security of DOI's Gmail system, Bison Connect.

We issued our report to the DOI Chief Information Officer.

¹ This report was counted in the Investigative statistics in the April 2017 Semiannual Report to Congress, but the narrative was inadvertently not included.



U.S. Fish and Wildlife Service

U.S. Fish and Wildlife Service

FWS Employee Stole Funds Using Government Charge Card

We initiated an investigation after receiving allegations that Timothy Strakosh, a Wildlife Biologist with the U.S. Fish and Wildlife Service (FWS), had misused his Government-issued charge card by fraudulently charging personal expenses.

We found that between 2012 and 2016, Strakosh made numerous unauthorized personal purchases using his Government charge card. Because of the nature of these charges, they were centrally billed and automatically paid by the Government. We also determined that Strakosh's charge card statements were not being reviewed as required.

On January 20, 2017, Strakosh resigned his position as a Government employee. On February 8, 2017, Strakosh pleaded guilty to theft of public money in U.S. District Court for the Northern District of Georgia. He was sentenced to 5 years of probation, and ordered to pay \$19,470.48 in restitution.

FWS Employee Used Her Position To Influence a Contract Award

We initiated an investigation after we received allegations of a conflict of interest involving a biologist and an FWS employee. The FWS employee was alleged to have assisted her husband, a biologist, in obtaining contract work for the American Samoa Department of Marine and Wildlife Resources (DMWR) on projects funded by FWS grants. In addition, we investigated allegations that the husband failed to return a DMWR laptop and related media when his involvement with the DMWR concluded.

Our investigation substantiated that the FWS employee used her FWS position to influence a contract award by the DMWR to her husband. After she reviewed a proposal written by her husband for rat-related research, the FWS employee suggested to the DMWR that it consider additional rat-related research on American Samoa. Almost immediately after the FWS employee made her suggestion to the DMWR, her husband submitted an unsolicited proposal for rat-related research on American Samoa.

In response to her suggestion and following her husband's proposal, the DMWR submitted a grant proposal, which the FWS employee approved despite her knowledge that her husband could benefit from the award. We also determined that the FWS employee had helped her husband prepare the research proposal before he submitted it to the DMWR.

Because the DMWR was uncomfortable with the apparent conflict of interest, it never awarded the rat-research contract to the husband and the project never received Federal funding.

We confirmed the FWS employee and her husband had in their possession a laptop that was the property of the American Samoa Government. The laptop had been loaned to him by the DMWR for a work-related project. When the DMWR asked him to return it, the husband falsely reported to the DMWR that the laptop was broken and that he had thrown it away. We subsequently recovered the laptop from the FWS employee who, at the time we recovered it, falsely asserted it was her and her husband's personal computer.

The U.S. Attorney's Office for the District of Hawaii declined prosecution in this matter. We issued our report to the FWS Director.



U.S. Geological Survey

Opportunities Exist To Strengthen Compliance With Health and Safety Requirements at the GSTR Laboratory

Based on a request from the U.S. Geological Survey (USGS), we evaluated compliance with health and safety requirements at the Geological Survey TRIGA Reactor (GSTR) laboratory, located at the Federal Center in Lakewood, CO, from fiscal years 2013 to 2016. Nonpower reactors such as the GSTR are designed for research experiments on geologic, plant, and animal specimens.

We found that the USGS did not manage the GSTR laboratory in accordance with established health and safety regulations. Specifically, we found:

- Incomplete job hazard analyses
- Insufficient management of accident and incident reporting
- Use of an outdated chemical inventory
- Unremediated program evaluation findings
- Inconsistent self-audit safety questions

These issues leave the USGS in violation of policy and may lead to workplace injuries, workers' compensation claims, and lost productivity. We made seven recommendations to address the noncompliance with USGS and DOI health and safety regulations. Based on USGS' response to our report, we consider four recommendations resolved and implemented, one recommendation resolved but not implemented, and two recommendations unresolved and not implemented.



Cerenkov radiation or "blue glow" from operation of the TRIGA Reactor.

USGS Scientific Collection Management Policy

We reviewed the current policies of the USGS for managing its scientific collections. Specifically, we reviewed these policies for consistency with established DOI policies and compared them with those of two other bureaus—the National Park Service and the U.S. Fish and Wildlife Service.

We found that the USGS' scientific collection management policies are not consistent with DOI policies as defined in the DOI Department Manual (DM) and are not comparable to policies of the other two bureaus. In addition, we found that the USGS did not have a final policy on the management of its biologic specimens; therefore, we could not review this policy for consistency with the DM.

We made one recommendation that the USGS reconcile and justify current and future scientific collection policies with the requirements of the DM. The USGS stated it is in the process of developing new policy guidelines and procedures. We consider this recommendation resolved but not implemented.

Allegations of Negligence and Impropriety Regarding the Death of a USGS Employee Unfounded

We initiated an investigation after receiving a hotline complaint that the death of a USGS research ecologist in August 2015 was the result of criminal negligence by a USGS trip leader who led a research river trip in Grand Canyon National Park (GRCA). The complainant asserted that the trip leader failed to use reasonable care and act upon foreseeable circumstances when the ecologist displayed signs of heat exhaustion while hiking in GRCA backcountry. The complainant further alleged that the USGS, the National Park Service (NPS), and the DOI Office of the Solicitor (SOL) conspired to alter facts when preparing their final reports related to the matter.

Our investigation found no evidence of criminal conduct by the trip leader, or evidence that suggested the SOL conspired with the NPS and the USGS to alter the factual representation of their fatality reports. We did not reinvestigate the death of the ecologist, but did review all investigative and safety reports and concurred with the findings from the NPS, the USGS, and the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA). We concluded that the NPS, the USGS, and OSHA conducted thorough investigations and that the USGS took appropriate actions regarding recommended improvements to its policies and procedures.

We issued our report to the USGS Director.



Appendices

STATISTICAL HIGHLIGHTS

Audits, Inspections, and Evaluations Activities

Reports Issued.....	38
Performance Audits, Evaluations, and Inspections.....	14
Contract and Grant Audits.....	12
Other Report Types ¹	12
Total Monetary Impacts.....	\$55,647,050
Questioned Costs (includes unsupported costs).....	\$54,966,712
Funds To Be Put to Better Use.....	\$680,338
Audits, Inspections, and Evaluations Recommendations Made.....	138
Audits, Inspections, and Evaluations Recommendations Closed.....	304

Investigative Activities

Cases Closed.....	264
Cases Opened.....	287
Complaints Received From All Sources.....	552

Criminal Prosecution Activities

Indictments/Informations.....	8
Convictions.....	11
Sentencings.....	17
Jail.....	6: 112 months
Probation.....	11: 360 months
Community Service.....	4: 5300 hours
Criminal Restitution.....	9: \$3,863,035.02
Criminal Fines.....	7: \$7,000,150
Criminal Special Assessments.....	12: \$6,775
Criminal Asset Forfeiture.....	\$0
Criminal Matters Referred for Prosecution.....	17
Criminal Matters Declined This Period.....	13

¹ 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.

Civil Investigative Activities

Civil Referrals.....	3
Civil Declinations.....	2
Civil Settlements or Recoveries.....	\$0

Administrative Investigative Activities

Personnel Actions.....	31
Downgrade.....	1
Reassignments/Transfers.....	3
Removals.....	4
Reprimands.....	8
Resignations.....	3
Retirements.....	3
Suspensions.....	9: 58 days
Procurement and Nonprocurement Remedies.....	16
Debarments.....	15
Administrative Compliance Agreement.....	1
General Policy Actions.....	19

REPORTS ISSUED

This listing includes all reports issued by the Office of Audits, Inspections, and Evaluations during the 6-month reporting period that ended September 30, 2017. 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 Reclamation

2016-WR-026

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

2016-WR-040

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

***\$50,000,000

Multi-Office Assignments

2016-EAU-041

United States' Implementation of the Extractive Industries Transparency Initiative (05/15/2017)

2016-ER-016

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

2017-EAU-001

Inspection Report – Issues Identified During Inspection of Energy Policy Act of 2005 Requirements for 30 Energy-Related Sections (08/24/2017)

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)

National Park Service**2016-CG-068**

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

2017-FIN-019

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

Non-Interior**2015-CR-026**

Compliance, Allocated Costs, and Scholarship Awards at the Morris K. Udall and Stewart L. Udall Foundation (06/08/2017)

Office of the Secretary**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)

2017-FIN-038A

Inspector General's work on the DATA Act Internal Controls for the U.S. Department of the Interior, Interior Business Center, for the Second Quarter of FY 2017 (08/21/2017)

U.S. Fish and Wildlife Service**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)

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

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

2016-WR-076

Opportunities Exist To Strengthen Compliance With Health and Safety Requirements at the GSTR Laboratory (07/05/2017)

Contract and Grant Audits

Indian Affairs

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) **\$2,000,000

2016-FIN-072

Audit of Bureau of Indian Affairs Contract No. A16PC00003 With Cherokee Nation Technologies (05/08/2017)

2016-FIN-075

Audit of Agreement No. A13AP00009 Between the Bureau of Indian Affairs and the Chippewa Cree Tribe (08/21/2017)
\$1,109,077 *\$394,114

U.S. Fish and Wildlife Service

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) *\$131,435 **\$849,865 ***\$170,901

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) *\$548,903 **\$49,962

2016-EXT-044

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Maine, Department of Marine Resources, From July 1, 2013, Through June 30, 2015 (07/18/2017)

2016-EXT-045

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, 2013, Through June 30, 2015 (06/06/2017)

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) ***\$380,142

2017-EXT-003

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Mississippi, Department of Marine Resources From July 1, 2014, Through June 30, 2016 (09/18/2017) **\$12,651

2017-EXT-004

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Mississippi; Department of Wildlife, Fisheries, and Parks; From July 1, 2014, Through June 30, 2016 (07/18/2017)

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)

2017-EXT-022

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Alaska, Department of Fish and Game, From July 1, 2014, Through June 30, 2016 (09/25/2017)

Other Assignment Types

Bureau of Land Management

2017-EAU-060

Verification Review – Recommendations for the Report, “Bureau of Land Management’s Oil and Gas Inspection and Enforcement Program” (CR-EV-BLM-0001-2009) (09/21/2017)

Indian Affairs

2016-FIN-072-A

Management Advisory – Issues Identified During Our Audit of Bureau of Indian Affairs Contract No. A16PC00003 With Cherokee Nation Technologies (05/08/2017)

2017-EAU-033

Verification Review – Recommendations for the Report, “BIA Needs Sweeping Changes to Manage the Osage Nation’s Energy Resources” (CR-EV-BIA-0003-2013) (07/05/2017)

Multi-Office Assignments**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)

2017-EAU-017

Verification Review – Recommendations for the Report, “U.S. Department of the Interior’s Underground Injection Control Activities” (Report No. CR-EV-MOA-0006-2012) (06/21/017)

2017-FIN-027

Single Audit Quality Control Review – Raffa Audit of National Wildlife Federation for FYE 8/31/2016 (08/04/2017)

2017-WR-030

Verification Review – Recommendations for the Report, “Bureau of Indian Affairs and U.S. Fish and Wildlife Service Safety of Dams: Emergency Preparedness” (WR-EV-MOA-0002-2013) (08/08/2017)

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)

National Park Service**2017-WR-046**

Verification Review – Recommendations for the Report, “U.S. Park Police Law Enforcement Services for the Presidio Trust” (WR-EV-NPS-0022-2013) (08/29/2017)

Office of the Secretary**2017-CR-008**

Verification Review – Recommendations for the Report, “Department of the Interior’s Radio Communications Program” (Audit No. C-IN-MOA-0007-2005) (04/07/2017)

2017-CR-009

Verification Review – Recommendations for the Report, “Management of Rights-of-Way in the U.S. Department of the Interior” (Report No. C-IN-MOA-0013-2010) (04/07/2017)

U.S. Geological Survey

2017-EAU-035

Verification Review of Recommendations for the Report Titled “U.S. Geological Survey’s Ethics Program,” (CR-IS-GSV-0006-2014) (07/24/2017)

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.	4	\$4,318,285	\$1,987,485
B. Which were issued during the reporting period.	6	\$54,966,712	\$50,945,157
Total (A+B)	10	\$59,284,997	\$52,932,642
C. For which a management decision was made during the reporting period.	7	\$5,781,806	\$2,538,528
(i) Dollar value of costs disallowed.		\$2,249,908	\$599,723
(ii) Dollar value of costs allowed.		\$3,531,898	\$1,938,805
D. For which no management decision had been made by the end of the reporting period.	3	\$53,503,191	\$50,394,114

* 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.	1	\$19,900,000
B. Which were issued during the reporting period.	2	\$680,338
Total (A+B)	3	\$20,580,338
C. For which a management decision was made during the reporting period.	3	\$20,580,338
(i) Dollar value of recommendations that were agreed to by management.		\$20,580,338
(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 reports issued by the Office of Audits, Inspections, and Evaluations that were more than 6 months old on September 30, 2017, and still pending a management decision. It includes reports in which the OIG and management disagreed that we have referred to the DOI's Office of Financial Management for resolution. This list provides the report number, title, issue date, and number of unresolved recommendations.

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) 2 Unresolved Recommendations

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) 1 Unresolved Recommendation

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) 5 Unresolved Recommendations

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) 1 Unresolved Recommendation

REPORTS WITH UNIMPLEMENTED RECOMMENDATIONS

This listing provides a summary of reports issued by the Office of Audits, Inspections, and Evaluations before April 1, 2017, that still had open (unimplemented) recommendations as of September 30, 2017. 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: 335 Resolved: 326 Disagreed: 7 Awaiting Decision: 2

Questioned Costs: \$50,352,998

Funds That Could Have Been Better Used: \$20,007,333

** Recommendations are "on pause" due to pending legislation and/or suspended rulemaking*

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 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 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: 2

***2015-WR-080**

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

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 Safety and Environmental Enforcement**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

CR-EV-BSEE-0006-2013

Offshore Oil and Gas Permitting, U.S. Department of the Interior (09/30/2014) Resolved: 2

Indian Affairs**2015-WR-012**

Bureau of Indian Affairs Funded and/or Operated Detention Programs (02/11/2016) Resolved: 3

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: 9

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

WR-EV-BIA-0001-2012

Management of Social Services in BIA: Opportunity for Action (03/18/2013) Resolved: 1

National Park Service**2015-ER-056**

Internal Control Review of Student Conservation Association, Inc. (05/31/2016) 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: 2

2015-WR-019

Operation and Management of the Brinkerhoff Lodge at Grand Teton National Park (09/30/2015) 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 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: 3

2015-CR-031

Guam School Bus Transportation Program (08/09/2016) Resolved: 1

2015-EAU-079

Bureau of Indian Affairs' Federal Indian Minerals Office (02/03/2017)
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: 7

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: 22

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-EV-MOA-0006-2012

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

ISD-EV-OCIO-0002-2014

DOI's Adoption of Cloud-Computing Technologies (05/21/2015) Resolved: 2

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: 3

***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: 6

CR-EV-FWS-0002-2014

U.S. Fish and Wildlife Service's Management of Oil and Gas Activities on Refuges (03/01/2015) Resolved: 3

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**2015-ER-034**

Climate Effects Program Coordination (03/17/2017) Resolved: 2

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

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**2015-ER-069**

Audit of Cooperative Agreement No. R95AV60020 Between the Bureau of Reclamation and the Lower Brule Sioux Tribe (12/05/2016) Resolved: 1

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

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-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-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

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-0006-2013

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the District of Columbia, Department of the Environment, From October 1, 2009, Through September 30, 2011 (07/30/2013) Resolved: 3

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: 3

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) Resolved: 1

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-0010-2008

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Oregon, Department of Fish and Wildlife, From July 1, 2005, Through June 30, 2007 (02/26/2009) Resolved: 1

R-GR-FWS-0010-2009

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the District of Columbia, Department of the Environment, From October 1, 2006, Through September 30, 2008 (02/26/2010) 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: 11

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-0012-2012

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, 2009, Through September 30, 2011 (11/14/2012) 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: 2 Questioned Costs: \$295,812

R-GR-FWS-0014-2005

U.S. Fish and Wildlife Service Federal Assistance Grants Awarded to the State of Texas Parks and Wildlife Department, From September 1, 2002, Through August 31, 2004 (01/30/2007) Resolved: 4 Questioned Costs: \$2,461,399

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

R-GR-FWS-0025-2005

U.S. Fish and Wildlife Service Federal Assistance Grants Awarded to the State of Maryland, Department of Natural Resources, From July 1, 2003, Through June 30, 2005 (02/08/2007) Resolved: 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) 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

National Park Service

2016-CG-008-A

Management Advisory – Issues Identified During Our Compliance Audit of Strategic Consulting Alliances, LLC on Contract No. P15PC00170 With the National Park Service (10/04/2016) Resolved: 2

Office of the Secretary

2016-WR-022

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

Resolved: 3

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-16-0786-I

Contracted Investigation Found Hostile Work Environment, Sexual Harassment at BLM's NOC

(see page 10)

OI-CA-16-0478-W

Allegations of Retaliation by USBR Supervisors Unfounded

(see page 14)

OI-PI-17-0432-I

BIA Manager Did Not Violate Pay and Leave Policy

(see pages 19-20)

OI-SD-13-0173-I

Guaranteed Loan to Lower Brule Ignored Risk Factors

(see pages 20-21)

OI-PI-17-0316-I

No Evidence To Substantiate Misconduct Allegations Against NPS Employees During and After the 58th Presidential Inauguration

(see pages 26-27)

OI-VA-16-0044-I

Ethics Violations Committed by Married BIA Employees

(This report was summarized on pages 18-19 of the April 2017 Semiannual Report to Congress)

INSTANCES OF AGENCY INTERFERENCE

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

SUSPENSIONS AND DEBARMENTS

Our Office of Investigations collaborated with the DOI's Office of Acquisition and Property Management (PAM) and Office of the Solicitor to provide integrated training to procurement and nonprocurement awarding officials as a direct result of recent investigations we conducted into allegations of conflicts of interest and the integrity of DOI programs. Together, we designed and delivered the three-part live WebEx training to DOI contracting officers and nonprocurement award officials to enhance awareness regarding fraud, conflicts of interest, and ethical requirements.

The training sessions focused on fraud awareness, debarment awareness, and ethics, and included a hypothetical scenario that raised ethical, contracting, criminal, and administrative issues that award officials might face.

We trained 1,007 DOI employees during the initial round of training and received positive feedback, with many attendees commenting that the training sparked further discussions within their units. In response to a request to either record the training sessions or provide additional live sessions for anyone who could not attend the initial training, we delivered a second round of training for 111 DOI award officials that we simultaneously recorded to make accessible for anyone who missed the training.

INSTANCES OF NONREMEDICATION

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

ALLEGED WHISTLEBLOWER RETALIATION

We did not transmit any reports with allegations of whistleblower retaliation during this reporting period.

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	1–44
Section 5(a)(2)	Recommendations for Corrective Action With Respect to Significant Problems, Abuses, and Deficiencies	1–44
Section 5(a)(3)	Significant Recommendations From Agency's Previous Reports on Which Corrective Action Has Not Been Completed	56
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	46–47
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	48–53
Section 5(a)(7)	Summary of Significant Reports	1–44
Section 5(a)(8)	Statistical Table: Questioned Costs	54
Section 5(a)(9)	Statistical Table: Recommendations That Funds Be Put to Better Use	55
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	56
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	57–71

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

		Page
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	76
Section 5(a)(14)(A)	Results of Peer Reviews Conducted by Another Office of Inspector General During the Reporting Period	72
Section 5(a)(14)(B)	Most Recent Peer Review Conducted by Another Office of Inspector General	72
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	46–47
Section 5(a)(18)	Description of Statistics Used for Investigations	46–47
Section 5(a)(19)	Investigations Involving Senior Government Officials	73
Section 5(a)(20)	Instances of Whistleblower Retaliation	77
Section 5(a)(21)	Instances of Interference With the Independence of the OIG	74
Section 5(a)(22)	Closed but Unpublished Reports Involving Senior Government Officials	N/A

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

OIG CONTACT INFORMATION



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