



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

SEMIANNUAL REPORT TO CONGRESS

For the period ending September 30, 2018



Highlights

OFFICE of AUDITS, INSPECTIONS, and EVALUATIONS

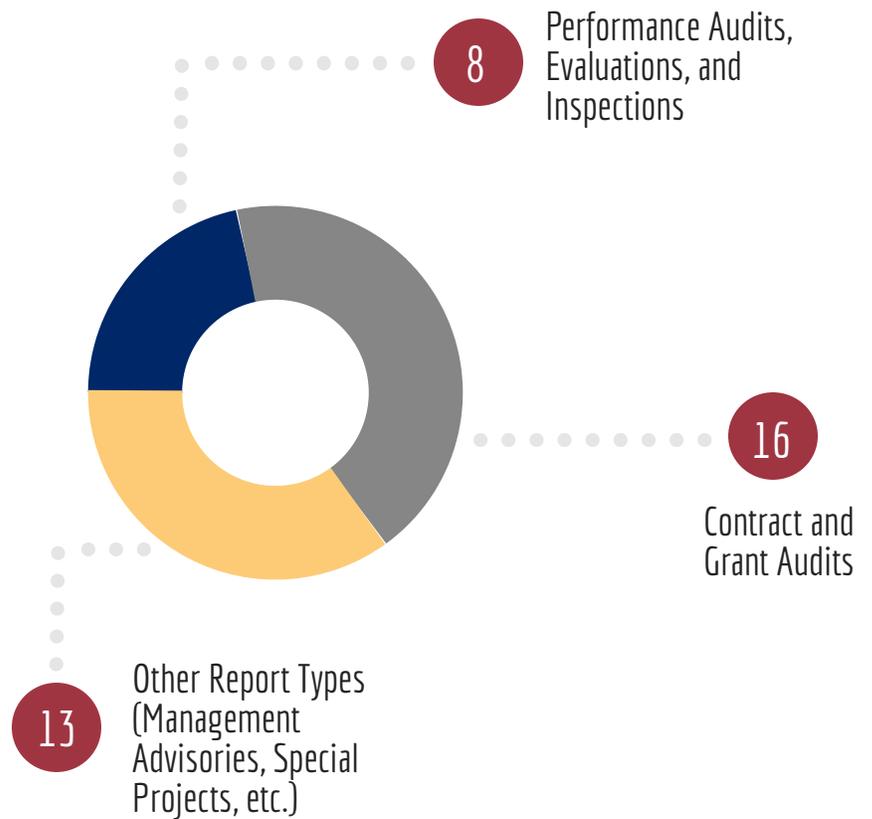
187

Recommendations
Made

133

Recommendations
Closed

Reports Issued



\$101,103,734

Questioned
and
Unsupported Costs



\$50,366

Funds To Be
Put to
Better Use

Highlights

OFFICE of INVESTIGATIONS

Opened Investigations



Closed Investigations



Complaints Referred to the Department



Complaints Received



\$601,413
Criminal Restitution



\$600,000
Civil Settlements
or Recoveries

4
Convictions



12
Criminal Matters
Referred for
Prosecution

6
Sentencings



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OUR OPERATING PRINCIPLES

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

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

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

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

A Message From Deputy Inspector General Mary Kendall

This year marks the 40th anniversary of the Inspector General Act. Our office was one of the original 12 Offices of Inspector General created in 1978. Since that time, we have been part of a community that now includes 73 statutory Inspectors General who collectively oversee the operations of nearly every aspect of the Federal Government. Every 6 months we provide Congress with a report detailing our independent oversight of the U.S. Department of the Interior. This report, which details the work we completed between April 1, 2018, and September 30, 2018, is our 78th semiannual report.

In the second half of fiscal year 2018, we identified various improvements the Department can make to its programs and grants. For example, our financial and contract audits identified nearly \$34 million in potential savings for the Government and made 45 recommendations to improve compliance with contracting procedures. In addition, our inspection of awards the DOI made to address damages from Hurricane Sandy, which summarized the 19 reports we issued in the past 5 years, showed that we questioned \$14 million of \$70.9 million in claimed costs. Reviews of how the Department spends disaster-relief funds will remain a top priority; we received \$2.5 million to focus specifically on oversight of the \$500 million the Department received for relief efforts related to Hurricanes Harvey, Irma, and Maria.

Our evaluation of the process the Department used to reassign its senior executives found that the Department did not document its plan for selecting employees for reassignment, nor did it consistently apply the reasons it stated it used to select employees for reassignment. We have already seen evidence of the impact of our recommendations, as the Department has implemented changes to its reassignment process.

This report also highlights the verification reviews we completed in the past 6 months. These reviews, which are unique to our office, confirmed that the Department has implemented 38 of the 40 recommendations we reviewed and provided assurance to the Department that the bureaus and offices have implemented recommendations as reported.

Our investigative work continued to identify misconduct and ethics violations, to include a senior official who hired a friend as a private consultant, a BIA employee who behaved unprofessionally and demonstrated questionable leadership when communicating with other employees, and a senior NPS official from Acadia National Park who illegally accepted nearly \$15,000 in gifts from a nonprofit organization. In response to these types of investigations, the Department has issued its first comprehensive policy on preventing and eliminating harassment, and implemented a robust and revised ethics program to provide employees with the tools needed to support ethical decision making.

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. In the years to come, we look forward to continuing our efforts to improve the Department's programs and operations and to working with the Council of Inspectors General on Integrity and Efficiency on important issues that cut across our Government.



Deputy Inspector General



Reporting Highlights

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



**Bureau of Land
Management**

Bureau of Land Management

Senior BLM Official Violated Federal Ethics Rules by Hiring a Friend as a Consultant

The OIG investigated an allegation that a senior official with the Bureau of Land Management (BLM) was involved in a conflict of interest when she directed her staff to hire a private consultant who was her friend.

We found that the official violated Federal ethics regulations when she directed her staff to pay \$2,400 to a private consultant with whom she had both a professional and personal relationship. In return for the payment, the consultant provided three written work products to the BLM.

Conflict of Interest and Violation of Contract Rules on a BLM Construction Project

The OIG investigated allegations that a contractor was improperly involved in a BLM construction project and had a conflict of interest during multiple contract awards related to that project. We also investigated allegations that a BLM supervisor circumvented contracting rules to steer awards to the contractor.

We confirmed the allegations against both the contractor and the BLM supervisor. We found that the contractor improperly contributed to the statements of work for contracts during the design phase of the project and influenced the award of those contracts. He then subcontracted with the companies that received the awards.

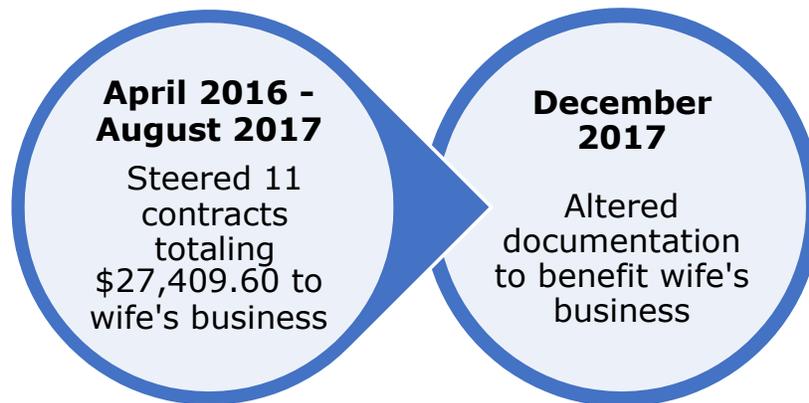
We found that the BLM supervisor ignored guidance from BLM contracting personnel to compete the design phase of the construction and allowed the contractor to influence awards of contracts. When contracting personnel objected, the supervisor paid the contractor with a Government purchase card to circumvent controls.

The United States Attorney's Office for the District of Nevada declined prosecution of this matter and the BLM supervisor left the Department.

BLM Employee Admitted to a Conflict of Interest and to Submitting False Documents to the BLM

The OIG investigated allegations that a BLM employee violated conflict of interest laws by steering BLM contracts to a business that he owned.

The employee admitted to the conflict of interest and that his actions were wrong. We found that the employee’s wife owned a business and that between April 2016 and August 2017, the employee steered 11 contracts, totaling \$27,409.60, to his wife’s business. We also learned that in December 2017, the employee submitted an altered purchase approval form to facilitate payment to his wife’s business, but the BLM did not pay that claim. We did not find that the business failed to provide any of the services for which it was paid.



Finally, we determined that the employee failed to list his wife’s business as a source of reportable income for his wife on his annual Confidential Financial Disclosure Reports that he filed with the BLM in 2016, 2017, and 2018. The employee agreed that he should have disclosed the information but denied that he intentionally omitted it as an effort to conceal that his wife owned the business.

The U.S. Attorney’s Office for the District of Montana declined prosecution.

No Evidence a Senior BLM Official Told Staff To Overlook Regulations

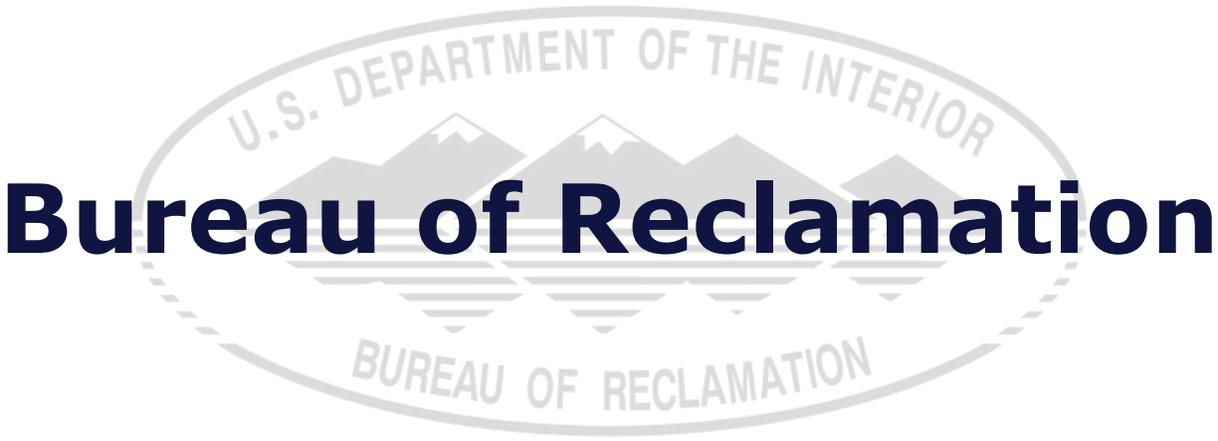
The OIG investigated allegations that a senior official from the BLM encouraged natural resource specialists to overlook regulations so they could process Applications for Permit to Drill more quickly, and to protect any staff members who overlooked the regulations.

Our investigation did not substantiate the allegations and found no evidence to indicate the senior official encouraged staff to overlook the regulations as alleged. We found the senior official did meet with a group of natural resource specialists and encouraged them to streamline processes, but he did not direct staff to overlook regulations.

Alleged Perjury By BLM Official Unfounded

The OIG investigated an allegation that a senior official with the BLM committed perjury while testifying in an official capacity at a Federal trial in 2017. In a motion to dismiss, the defense quoted a 2008 letter signed by the official that, according to the defense, proved the official's testimony was untruthful.

We confirmed that some of the official's testimony contradicted the letter, but we found no evidence that the official knowingly provided false information during the testimony. While the official did sign the 2008 letter quoted in the defense's motion to dismiss, she did not write the letter, nor did she review or discuss it before providing her testimony in 2017.



Bureau of Reclamation

Bureau of Reclamation

Bureau of Reclamation Selected Hydropower Dams at Increased Risk from Insider Threats

The Bureau of Reclamation (USBR) operates five hydropower dams categorized as critical infrastructure by the U.S. Department of Homeland Security. Our evaluation focused on the USBR's operational and technical practices for protecting two of these dams, and the related industrial control system (ICS) it relies on to remotely control operations including, generators, gates, and outlet valves.

We found the ICS at low risk of compromise from external cyber threats as our analysis of computer network traffic showed that the ICS is isolated from the internet and from the USBR's business systems, and our analysis of ICS computer memory did not detect hidden malware or other indicators of compromise. The USBR's account management and personnel security practices, however, put the ICS and the infrastructure it operates at high risk from insider threats. Specifically, we found that the USBR:

- Failed to limit the number of ICS users with system administrator access and had an extensive number of group accounts
- Did not comply with password policies and failed to remove inactive system administrator accounts
- Did not follow best practices recommending that personnel with elevated system privileges complete more rigorous background investigations

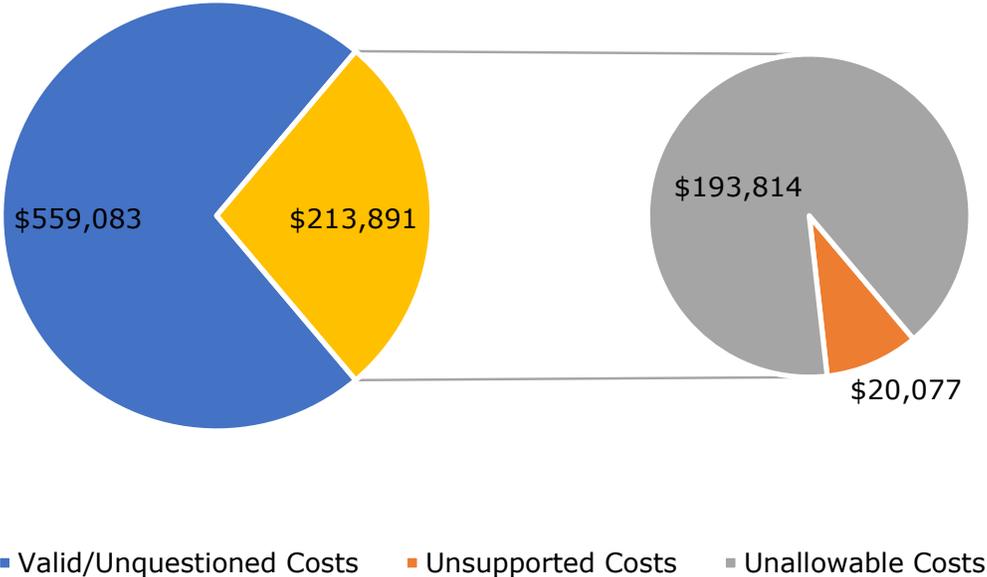
These deficiencies occurred because USBR management failed to strengthen bureau risk management practices in response to rapidly escalating threats to critical infrastructure. An ICS breach could disrupt USBR operations and has the potential to adversely affect national security. We made five recommendations to help the USBR improve the security posture of its critical dams by mitigating insider threats to the ICS, and these recommendations apply to all of the USBR's hydropower dams. The USBR partially concurred with two recommendations and did not concur with three recommendations. We did not agree with the DOI's response to our report and considered all five recommendations unresolved.

We referred the recommendations to the Assistant Secretary for Policy, Management and Budget (PMB) for resolution and tracking implementation. The PMB agreed with the USBR in resolving the disagreements and determined that no further action was required for the three recommendations with which the USBR did not concur. The PMB stated the proposed actions were sufficient for the two recommendations with which the USBR partially concurred. Although we recognize the DOI's authority to make this decision, we strongly disagree that no additional actions are needed.

The Bureau of Reclamation’s Cooperative Agreement No. R16AC00087 With the Panoche Drainage District

At the request of the USBR, we audited Cooperative Agreement No. R16AC00087 between the USBR and the Panoche Drainage District. This agreement was awarded under the statutory authority of the San Luis Act of 1960 (Pub. L. No. 86-488 § 5) to fund operation and maintenance of the San Luis Demonstration Treatment Plant (Demo-Plant) located in the San Luis Unit of California’s Central Valley Project. The purpose of the Demo-Plant is to remove salts and selenium from agricultural drain water in the San Joaquin River Water Quality Improvement Project area.

As of October 10, 2017, the original agreement had been modified three times and amounted to \$4.38 million. Of this amount, the USBR had paid \$1.23 million to the District. We audited \$772,974 in costs claimed by the District from June 14, 2016, through May 4, 2017. We identified \$20,077 as unsupported and \$193,814 as unallowable for a total of \$213,891 in questioned costs.



In addition to the questioned costs, we found missing and unacceptable single audits, unreliable financial records, an absence of clearly written accounting policies and procedures, personal use of District-owned vehicles, questionable employee qualifications, and questionable wage rates.

We made 22 recommendations to the USBR to resolve questioned costs and to communicate the other issues we identified to the District. The USBR concurred with our recommendations, and we considered 17 recommendations unresolved and 5 recommendations resolved but not implemented.

Although the USBR concurred with all of the recommendations, we considered 17 recommendations unresolved because the proposed implementation date was after the cooperative agreement ended. We referred the recommendations to the Assistant Secretary for Policy, Management and Budget (PMB) for resolution and tracking implementation. The PMB resolved the recommendations by revising the proposed implementation date.

Retired USBR Employee Violated Post-Employment Conflict-of-Interest Law

The OIG investigated allegations that a retired USBR employee represented his current employer in matters in which he participated personally and substantially while he was employed at the USBR, violating post-employment conflict-of-interest laws.

We confirmed that the retired employee represented his current employer in four matters which were substantially the same as those he engaged in while employed with the USBR.

We found that he represented his current employer on a biological assessment on which he had been the primary decision maker while with the USBR, and that he was involved in the transfer of levee titles, which he discussed with his current employer while he was employed by the USBR. The retired employee also communicated back to the USBR about litigation surrounding water accounting methods—an issue he was involved with while with the USBR. Finally, he participated in litigation matters and meetings regarding a USBR dam, first as a USBR employee and then again after he retired.

The retired employee declined to be interviewed, but an attorney for his new employer provided us with a written rebuttal to the four allegations. We referred this case to the United States Attorney's Office for the District of New Mexico, which declined to prosecute.

USBR Officials Withheld Information During Administrative Inquiry

The OIG investigated allegations that officials from the USBR and the DOI Office of the Solicitor (SOL), obstructed an administrative inquiry into alleged sexual misconduct by a USBR official. The complainant alleged that USBR and SOL officials withheld information, attempted to influence witnesses by holding meetings to discuss the inquiry, and tried to stop the inquiry. The complainant further alleged that these officials provided advice to the inquiry while also advising regional management on how to address the alleged misconduct. Finally, the complainant alleged that an SOL official made disparaging comments about the complainant's work product to USBR leadership because of the complaint.

We found that two USBR officials omitted information during the administrative inquiry and that one also withheld a requested document. While we did not find evidence of improper involvement to influence or stop the inquiry, we did find that poor communication between the USBR and the SOL created confusion and mistrust regarding the roles and responsibilities of those involved with the inquiry. We confirmed that the SOL criticized some of the content in the report prepared by the complainant, which the SOL said included the complainant's opinions, but we did not find evidence that any personnel actions were taken against the complainant.

No Evidence of Ethics Violations by USBR Managers

The OIG investigated allegations that a former USBR manager influenced the award of a \$21 million environmental consulting contract to a firm that employed him after he left the USBR. The allegations further stated that a USBR supervisory contract specialist had a conflict of interest with managing the contract process because of her romantic relationship with the USBR manager.

We found no evidence that the manager personally or substantially participated in the contract or that he influenced the award while he was employed by the USBR. We also investigated whether the manager violated post-Government employment restrictions with his employment at the firm, whether he used his position to gain employment, or whether he shared sensitive information with the firm. We found no evidence that the manager violated any restrictions, that he used his position to gain employment, or that he shared sensitive information with the firm.

We also found no evidence that the supervisory contract specialist had a conflict of interest with managing the contracting staff, or that she should have recused herself from the contract process. The contract was deemed invalid and canceled because the award exceeded the contracting officer's warrant authority. That decision was unrelated to this investigation.

The logo for the Bureau of Safety and Environmental Enforcement (BSEE) is centered on the page. It features a large, light gray oval background. Inside the oval, there is a stylized illustration of an offshore oil rig on the left and a crane on the right. The text "BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT" is written in a large, bold, sans-serif font across the middle of the oval. Below this, the words "Bureau of Safety and Environmental Enforcement" are written in a smaller, lighter font, and "Environmental Enforcement" is written in an even smaller font at the bottom of the oval.

**Bureau of Safety and
Environmental
Enforcement**

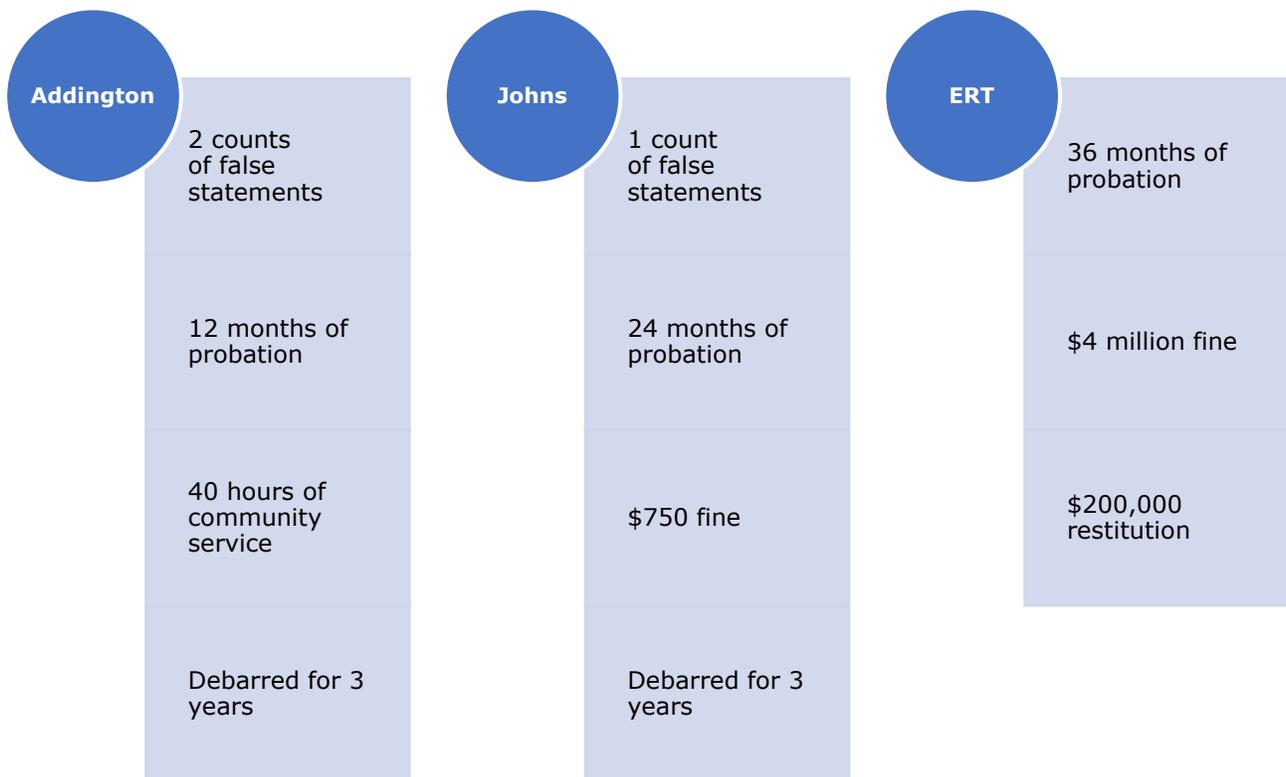
Bureau of Safety and Environmental Enforcement

ERT, Employees Sentenced for Falsifying BOP Tests and for Engaging in Unsafe Welding Operations

The OIG investigated allegations that employees of Energy Resource Technology, Inc. (ERT) falsified Blowout Preventer (BOP) pressure test charts and engaged in unsafe welding operations while conducting oil and gas activities aboard an offshore platform in the Gulf of Mexico.

We found that the ERT manager on the platform, Race Addington, concealed a failed pressure test from Bureau of Safety and Environmental Enforcement (BSEE) officials and directed offshore worker Kenneth Johns and another ERT employee to fabricate a false BOP pressure test chart. We also found that an ERT supervisor on the platform directed that welding operations be performed near an active and flowing well, which violated BSEE safety regulations.

Addington, Johns, and the ERT were criminally charged for their actions by the United States Attorney's Office, Eastern District of Louisiana. Addington pled guilty to two counts of false statements, was sentenced to 12 months of probation and 40 hours of community service, and was debarred for 3 years. Johns pled guilty to one count of false statements, was sentenced to 24 months of probation and fined \$750, and was debarred for 3 years. The ERT was sentenced to 36 months of probation, fined \$4 million, and ordered to pay \$200,000 in restitution.



Former BSEE Official Did Not Violate Ethics Rules

The OIG investigated allegations that a former BSEE official may have shown favoritism when awarding Government contracts to a particular company. The complainant stated that the former official, who left the BSEE to work for the company, may have participated in awarding a blanket purchase agreement (BPA) to the company before leaving the BSEE and that he later influenced subsequent awards made under the BPA.

After interviewing current and former BSEE employees who were either involved in awarding the initial BPA or the subsequent awards to the company, we did not find evidence that the former official had any influence or involvement in these actions during or after his employment at the BSEE. During our investigation, we did find that the former official had communicated with his former coworkers at the BSEE after he left, but we did not find that these communications violated Federal ethics rules.



Indian Affairs

Indian Affairs

Indian Affairs Offices' Poor Recordkeeping and Coordination Threaten Impact of Tiwahe Initiative

We evaluated the policies and practices of the Office of Indian Services and the Office of Self Governance, two organizations within the Office of the Assistant Secretary of Indian Affairs (AS-IA) that manage aspects of distributing appropriated funds to American Indian and Alaska Native tribes. Our evaluation focused on whether funds from the Tiwahe Initiative, a pilot program that increases funding to all eligible tribes with the goal of funding social service and child welfare programs, was distributed accurately.

The Office of Indian Services, the Office of Self Governance, and the AS-IA each played a role in the process of distributing Tiwahe funds. The Office of Indian Services was tasked with selection of a funding criteria, methodology, and financial distribution to the Office of Self Governance, which is the recordkeeping entity and liaison for self-governance tribes (tribes that operate without direct Indian Affairs involvement). The AS-IA oversaw the distribution and acted as a final arbiter in funding decisions.

We found that many eligible tribes may not be receiving the funding they should be, and that this was due to:

- The Office of Self Governance's outdated tribal budget records, which were used in calculating the amounts of Tiwahe funding tribes would receive
- The Office of Indian Services' inconsistent application of the formula used to calculate the funding
- Both offices' failure to communicate with each other
- The absence of policy at either office to manage major distributions like Tiwahe

We estimated that tribes had been underfunded by at least \$458,400 to date due to the use of outdated records. Because Tiwahe is a pilot program, its funding increases are supposed to be permanently added to the tribes' budgets. Therefore, the effects of underfunding tribes may be felt long after Tiwahe ends. In addition, these inaccurate records could affect many future funding efforts; if the AS-IA does not change its funding methodology, other initiatives could have the same outcome, impacting the DOI's trust responsibility with the tribes.

We made seven recommendations to the AS-IA that will help correct issues with the Tiwahe distribution, manage the two offices, and improve the accuracy and efficiency of any future distributions affecting all eligible tribes. The AS-IA concurred with four of our recommendations, did not concur with two recommendations, and partially concurred with one.

Tribal Official and Contractor Embezzled More Than \$3.5 Million

We investigated approximately \$10 million in unsupported payments that were made to the Indian Pueblos Federal Development Corporation (IPFDC) and its partners, pursuant to the IPFDC's contract to develop and construct the Bureau of Indian Affairs (BIA) and Bureau of Indian Education buildings in Albuquerque, NM.

Our investigation determined that former IPFDC President and Chief Executive Officer Bruce Sanchez and New Mexico real estate owner Thomas Keesing stole over \$3.5 million from the IPFDC between 2004 and 2008, by falsifying invoices for services that Keesing claimed he provided as a contractor for the IPFDC, including services on the two BIA buildings. Keesing then shared the proceeds of the fraudulently obtained payments with Sanchez.

Sanchez pled guilty in the Federal District of New Mexico to embezzlement and attempted tax evasion and was sentenced to 51 months in prison. Keesing pled guilty to embezzlement and failure to file taxes and was sentenced to 35 months in prison. Sanchez and Keesing were also ordered to jointly repay \$3,575,000 and were debarred from new Federal contracts and nonprocurement awards for 3 years.

Tribal Official Embezzled Federal Monies Using Tribal Charge Card

The OIG investigated an allegation that a tribal official stole Federal funds by using a tribal charge card for personal expenses.

We found that the official embezzled more than \$98,000 by charging personal expenses to tribal government charge cards assigned to him from December 2009 until July 2015, when the tribe canceled all tribal government charge cards. The theft included charges for restaurants, airfare, retail purchases, food, and utility and telephone services. The charges were billed to the tribe and paid using a combination of Federal and tribal funds.

The U.S. Attorney's Office for the District of Rhode Island declined prosecution. The tribal official refused our request for an interview.

CFO for Tribal Construction Company Embezzled Funds and Falsified Financial Reports

The OIG investigated allegations that Georgie Russell, Chief Financial Officer (CFO) for the Chippewa Cree Construction Company (C-4), embezzled funds from C-4 and Dry Forks Farm, a tribally owned business. We also investigated allegations that Russell submitted false quarterly financial reports to the Bureau of Reclamation (USBR) for the federally funded Rocky Boys/North Central Montana Regional Water System Project.

Our investigation confirmed that Russell embezzled funds from C-4 and Dry Forks Farm by falsifying time sheets and authorizing fraudulent payments. We also found that Russell submitted false quarterly financial reports to the USBR, in which she misrepresented C-4's cash on hand for the water project by as much as \$1.7 million. Russell pled guilty in U.S. District Court for the District of Montana to theft and filing false statements. She was sentenced to 18 months in Federal prison, ordered to repay \$61,230 in restitution, and debarred from new Federal contracts and nonprocurements awards for 3 years.

Fire Alarm and Suppression Systems at BIE-Funded School Not Fully Functioning

The OIG investigated allegations that school officials and the Bureau of Indian Education (BIE) failed to maintain and repair the fire alarm and fire suppression systems at Pine Hill Schools, in Pine Hill, NM. We also investigated whether BIA contracting personnel failed to include lightning protection in the contracts to repair the systems.

We found that the school has been operating without fully functioning fire alarm and fire suppression systems since approximately 2005. School officials attempted to contract for the repairs on its own from roughly 2005 to 2012, then relinquished responsibility to the BIE. The BIA, which administers contracts on behalf of the BIE, awarded two contracts for approximately \$1.2 million to repair the systems. Work on the systems is now largely complete but they have still not passed multiple safety inspections.

We also confirmed the BIA contracting personnel did not include lightning protection in the contract scopes of work despite at least two lightning strikes that had damaged the systems and contributed to cost overruns and project delays. Although funding for a lightning protection project has been approved for more than a year, the BIA has not drafted a new scope of work or solicitation.

BIA Official Engaged in Unprofessional Behavior

The OIG investigated allegations that a former BIA official had targeted, bullied, and physically threatened DOI employees while at the DOI and that the official spoke in an unprofessional or threatening manner to senior DOI staff. As part of our investigation, we reviewed historical complaints against the official, and attempted to determine what his superiors knew about the history of complaints concerning his behavior and how they responded to those complaints.

We identified examples of the official behaving unprofessionally and demonstrating questionable leadership when communicating with other employees. We ended our investigation after the official resigned.

During our investigation, we found that a senior DOI official spoke with the BIA official regarding his behavior before our investigation, but the senior DOI official did not document any corrective action.

Allegations of Misuse of Government Property by BIA Supervisors Mostly Unfounded

The OIG investigated allegations that three supervisors in a BIA regional office were involved in a variety of incidents that included misusing and failing to properly account for the office's specialized communications vehicles, misusing take-home Government-owned vehicles (GOVs), and improperly purchasing items with Government funds to give as gifts to local law enforcement agencies.

We found no evidence that the office's specialized communications vehicles had been misused, but the BIA did not consistently require operational plans for the vehicles' use. We also found that after one of the three supervisors accidentally caused \$10,500 in damage to one of the vehicles in 2016, his managers did not follow BIA property management policy, because they did not inquire about the accident.

Our investigation identified one example of misuse of a take-home GOV, when one of the three supervisors acknowledged occasionally making personal stops in his GOV on his way home from work. DOI policy prohibits personal use of GOVs.

Finally, we found no evidence that any of the supervisors used Government funds to purchase gifts to give to local law enforcement entities.

BIE Official Allegedly Inflated Gifted Program Enrollment and Student Attendance Numbers at Former School

We investigated allegations that a BIE official, when he was the principal of a BIE boarding school, had attempted to increase the school's Federal funding by:

- Allowing or directing the enrollment of students in the school's gifted and talented (GT) program without properly assessing them
- Submitting inaccurate student attendance records

We found that enrollment in the school's GT program went up dramatically while the official was principal and that this increased the school's Federal funding, but we did not find evidence that the official had directed school staff to identify GT students specifically to augment the school's funding. We also learned that the school employees who oversaw the GT program after the BIE official left did not consistently comply with regulations governing GT programs at BIE schools that receive Federal funds.

In addition, we found that most of the school's students were absent as many as 6 days before the end of the school year when traveling from the school to their homes, but when the official was principal he directed school employees to mark them present in the attendance records. We did not find that this practice directly affected school funding, but it did reduce the students' available instructional time.

Employees Believed BIE Director's Presence During Fiscal Monitoring Review at Former School Was Improper

The OIG investigated allegations that BIE Director Tony Dearman improperly influenced the findings of a fiscal monitoring review at a BIE-funded boarding school that took place in February 2018 because of his personal associations with the school.

We found that Dearman's presence at the school during the fiscal monitoring review was unusual, but that the monitoring team did not change its findings because of Dearman. We found that Dearman, who works at the BIE headquarters in Washington, DC, had previously served as the school's principal and his family had associations with the school and still lived near the school. Dearman traveled in February 2018 to visit his family and attended the monitoring team's exit interview with school officials.

Of the 13 BIE employees involved with the review, 9 believed that Dearman's presence negatively impacted the review, stating that his presence was either improper, inappropriate, a conflict of interest, or an appearance of a conflict of interest. Four team members said Dearman's presence did not affect them or the team and did not recall him questioning or disagreeing with the team's findings. All 13 team members told us the team did not change its findings because of Dearman.

Dearman said he attended the exit interview because he wanted to observe the progress of financial monitoring practices he had implemented at the BIE. He denied arguing with the team or questioning its findings and said he spoke up at the exit interview only to ensure the team gave the school accurate information. While we found that no other BIE director had attended these types of review at this or any other BIE school, Principal Deputy Assistant Secretary – Indian Affairs John Tahsuda said he saw no issue with Dearman's participation.



Insular Affairs

Insular Affairs

The American Samoa Government's Executive Branch Did Not Have Effective Internal Controls for Government-Owned and -Leased Vehicles

In collaboration with the American Samoa Territorial Audit Office, we audited the American Samoa Government (ASG) executive branch to determine whether it had effective internal controls to detect and prevent unauthorized use of government-owned and -leased vehicles. We determined that the executive branch did not have effective internal controls over its vehicles because the executive branch's vehicle records were inaccurate and incomplete; the executive branch did not have a comprehensive, governmentwide policy to regulate and monitor the use of government-owned and -leased vehicles; and departments did not adhere to available guidance.

We found the Office of Property Management's vehicle records to be inaccurate and incomplete. Property management's records for government-owned vehicles contained discrepancies and could not account for 143 out of 519 sampled government vehicles in the inventory records. Further, Property Management did not keep inventory records for government-leased vehicles.

In addition, instead of developing comprehensive, governmentwide policy for vehicle control, the Governor's Office issued GM No. 0003-13 as guidance. The memorandum directed the departments to develop their own individual policies for vehicle use, but did not establish timeframes, monitor progress, or impose remedial action for noncompliance.

Finally, we found that the majority of departments sampled did not adhere to the general memorandum. These departments did not establish internal control policies to detect and prevent unauthorized use of vehicles, use vehicle-activity logs, follow guidance on the issuance of after-hours use permits, or monitor after-hours use of government vehicles. Only 1 of the 17 departments in our sample developed vehicle-use policies and actively used vehicle-activity logs; 2 departments either had vehicle-use policies or used vehicle-activity logs.

Until the Governor's Office addresses these issues, vehicles are at risk for being misused, misappropriated, lost, or stolen. We made 13 recommendations to address the weaknesses in the ASG's policies and procedures to help it better account for and control inappropriate and unauthorized use of government-owned and -leased vehicles. Based on the ASG's response and corrective action plan, we considered the recommendations resolved but not implemented and referred them to the Assistant Secretary for Insular and International Areas to track implementation.



National Park Service

Financial, Ethical, and Exclusive Use Concerns About NPS' Agreement With the Wolf Trap Foundation for the Performing Arts

During our evaluation of whether the National Park Service (NPS) expended philanthropic partner funds in compliance with applicable policies, laws, and regulations, we identified concerns regarding the agreement between the NPS and the Wolf Trap Foundation for the Performing Arts, a nonprofit organization. We issued this report to advise the NPS of our concerns regarding the existing agreement (which expires in October 2018) as it negotiates a new agreement with the Foundation.

The Wolf Trap National Park for the Performing Arts in Vienna, VA, was established in 1966 and is the only national park that exists solely for the performing arts. The Foundation was created to manage performances at the Park. The NPS has an agreement with the Foundation that establishes responsibilities for both parties in management of the Park and the performances held there.



Aerial view of the Filene Center at Wolf Trap National Park for the Performing Arts.

We identified four areas of concern with the agreement between the NPS and the Foundation related to financial arrangements, ethics, and exclusive use. Specifically, we found that the Foundation still receives Federal funding even though it appears to be self-sufficient, gives free tickets to the Secretary of the Interior (which has occurred since the 1970s), does not contribute to deferred maintenance needs, has exclusive use of the Park without special-use permits, and used revenue from cellular towers placed in the Park to benefit its operations.

We made six recommendations for the NPS to consider as it renegotiates the agreement. Based on the NPS' response to our draft report, we considered four recommendations resolved but not implemented, and two recommendations unresolved. We referred all recommendations to the Office of Policy, Management and Budget for tracking.

Violations by Former Acadia National Park Senior Official

We investigated allegations that a former NPS senior official at Acadia National Park in Bar Harbor, ME, violated Federal criminal laws prior to his retirement and through his post-employment work with a nonprofit organization that receives Federal funds through a cooperative agreement with the park. We also investigated an allegation that the senior official participated in improper fundraising activities during a retirement dinner sponsored for him by the nonprofit organization.

We found that the subject of our investigation, while still an NPS senior official, illegally accepted \$14,771 in gifts from the nonprofit organization and its board members. We also found that he negotiated for employment with the organization while he was a Government employee and while participating in matters that affected the organization, a violation of Federal criminal law. He further violated Federal criminal law when he communicated with the Government on behalf of the organization following his retirement regarding particular matters that he had worked on while an NPS senior official.

We found that the former senior official's participation in the retirement dinner did not violate Federal fundraising rules. While at the dinner, however, he violated ethics regulations by accepting gifts from outside sources.

We presented our findings to the U.S. Attorney's Office for the District of Maine and the Department of Justice, Public Integrity Section, which declined prosecution.

Park Superintendent Deposited Donated Funds Into a Personal Bank Account

The OIG investigated allegations that an NPS superintendent mismanaged donated funds by depositing them into his personal checking account.

We found that the superintendent violated Federal law and NPS policy when he deposited \$500 donated yearly to the park into his personal checking account as a means to manage the funds. At the time of the deposits, the superintendent was not aware that he was prohibited from doing so. We did not find any evidence that the superintendent misused any of the donated funds.

Investigation of Alleged Inappropriate Conduct by NPS Deputy Director

The OIG investigated allegations that NPS Deputy Director P. Daniel Smith made an obscene gesture and used vulgar language while standing in the hallway of the NPS headquarters in Washington, DC.

Smith and another NPS employee recalled Smith telling a story while they were standing in the hallway together, but they denied that Smith touched himself obscenely or used any vulgar language. Smith acknowledged he gestured with his hands to simulate urinating while telling a story and stated that in hindsight the story and the gesture were not appropriate for work. The other employee said he was not offended by the story or the gesture but also acknowledged that they were inappropriate for the workplace. We found no other witnesses to the incident.

Allegations of Ethical Violations and Misconduct by NPS Superintendent

We investigated allegations that James Milestone, Superintendent of California's Whiskeytown National Recreation Area (WHIS) solicited donations and inappropriately collected funds for the park partner organization Friends of Whiskeytown (FOW). We also investigated allegations that Milestone had park employees work on FOW projects while on duty, misused maintenance project funds, disregarded compliance rules and other requirements for a trail project, engaged in gender discrimination and sexual harassment, and misused a Government-owned vehicle.

We substantiated the allegations that Milestone routinely violated Federal regulations and NPS policies and found that he demonstrated questionable leadership practices:

- Milestone admitted that he had solicited and collected donations for the FOW and asked his subordinates and a park concessionaire to do the same.
- Milestone violated ethics regulations by offering the services of WHIS employees and its lodging accommodations to the FOW for fundraising events.
- Milestone ignored departmental policy and compliance requirements and improperly redirected funding for a proposed trail project.
- Milestone communicated unprofessionally with his staff, including making inappropriate gender-based remarks.

Milestone routinely misused a Government-owned vehicle; we also determined that he demonstrated a lack of candor when he denied the misuse.



Whiskeytown Lake at Whiskeytown National Recreation Area in Redding, CA.

Report of Ethical Misconduct by NPS Superintendent Unfounded

The OIG investigated allegations that an NPS superintendent abused his authority by using Federal funds to replace the driveway and perform grounds cleanup at his Government-leased quarters, and that he violated safety regulations and the National Historic Preservation Act of 1966 regarding renovations made to his office.

We did not substantiate the allegations against the superintendent. We found the superintendent acted within his authority when he directed the use of Federal funds to replace the driveway and perform maintenance at his Government-leased quarters. We also found that replacing the driveway and contracting for the grounds cleanup was appropriately justified and approved by the superintendent's supervisor. Finally, we found no evidence the superintendent violated safety regulations or the National Historic Preservation Act of 1966 during the renovation of his office.

Princess Cruise Lines Enters Into Administrative Agreement With the DOI

Princess Cruise Lines, Ltd., was convicted of seven felony charges, resulting from its illegal dumping of oil-contaminated waste from the Caribbean Princess and intentional acts to cover it up. Since 1968, Princess has had a relationship with the NPS through concession contracts to operate cruise ships in Glacier Bay National Park and Preserve in Alaska. Princess was sentenced to 5 years of probation and \$40 million in criminal penalties.

As part of the company's plea agreement, cruise ships from eight Carnival cruise line companies are under a court-supervised Environmental Compliance Plan (ECP) for 5 years. The ECP captures extensive compliance actions that apply to Princess and all Carnival-related entities for vessels that operate in U.S. waters. A third-party auditor will annually audit Carnival vessels, all of Princess's ships, and shoreside operations for both companies, and will provide recommendations. The court-appointed monitor will report to the Government regarding compliance with the ECP, the adequacy of the third-party auditor's audits and recommendations, and any significant compliance issues.

The DOI entered into a 4-year administrative agreement—negotiated by the OIG and approved by the DOI suspending and debarring official—with Princess Cruise Lines. The agreement requires Princess to share all submissions to the Government under the terms of the probation with the DOI and to notify the DOI if it violates the terms of the ECP.



Office of Natural Resources Revenue

Great Western Drilling Underpaid Federal Royalties

The OIG investigated allegations that Great Western Drilling Corporation (GWD) misreported mineral royalty data to the Office of Natural Resources Revenue (ONRR) and underpaid Federal mineral royalties.

We substantiated the allegations and found that for more than 6 years, the GWD violated Federal regulations and ONRR rules when they deducted their costs incurred transporting and processing natural gas and associated natural gas liquids into marketable condition from its royalty obligations to the ONRR. Because of these violations, the GWD underpaid Federal royalties to the ONRR.

The United States Attorney's Office for the District of Colorado entered into a civil settlement agreement with the GWD for \$600,000 to resolve this case.

Sanco Operating/Sanders Oil and Gas Company Agreed To Pay Federal Royalties Owed to the BLM

The OIG investigated allegations that Sanco Operating/Sanders Oil and Gas (Sanco) failed to report gas production and underreported gas sales from a Federal mineral lease, which resulted in a loss of royalties owed to the Government.

We conducted a joint investigation with the Bureau of Land Management's Special Investigations Group and found that Sanco stopped paying Federal royalties to the ONRR in 2010 and failed to report gas production from August 2010 through December 2016. In February 2018, Sanco agreed to settle this matter and entered into an agreement with the United States Attorney's Office, District of Colorado, in the amount of \$130,752 for unpaid royalties.

Federal Lease Operator Did Not Report Actual Mineral Production Measurements

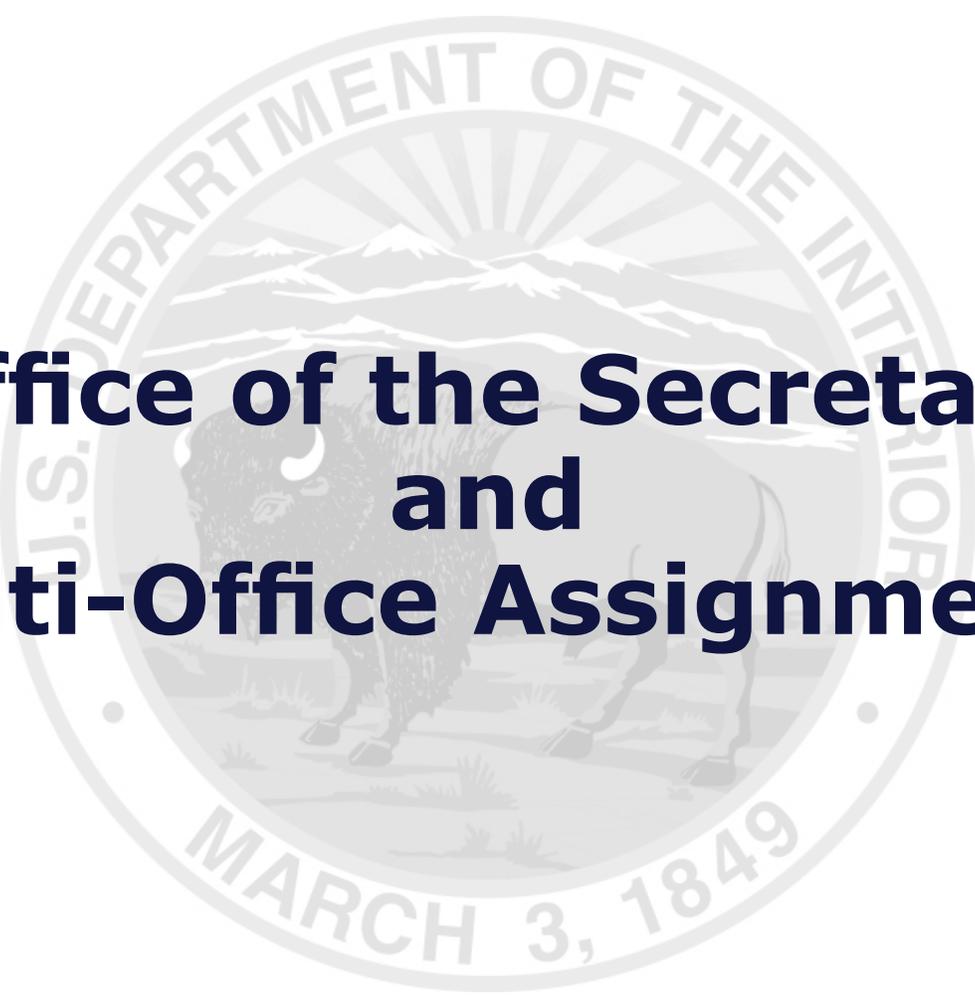
The OIG investigated allegations that a lease operator may have submitted false Oil and Gas Operations Reports (OGOR) to the ONRR to avoid paying plugging and abandonment costs for a well.

We found that from May 2015 to January 2017 the lease operator did not submit actual production measurements as required, but instead estimated production for the well at one barrel per month in the OGORs he submitted to the ONRR. We also found that the Bureau of Land Management (BLM) determined that the well was not capable of producing minerals in paying quantities and issued the operator an order to address the BLM's determination.

Oil and Gas Company Failed To Report and Pay Gas Royalties

The OIG investigated allegations that an oil and gas company failed to comply with Federal regulations and to pay royalties associated with tribal leases.

We substantiated the allegations and found the company failed to accurately report and pay gas royalties in 2014 for seven leases located on the Fort Berthold Indian Reservation. We found, however, that the company made genuine attempts to correct the royalty reporting, but the adjustments did not post properly. After consultation between our office, the U.S. Department of Justice, the ONRR, and company representatives, the company corrected the suspect reporting and paid all additional gas royalties associated with the seven tribal leases.

The seal of the U.S. Department of the Interior is centered in the background. It features a bison standing in a landscape with mountains and a sunburst. The text "U.S. DEPARTMENT OF THE INTERIOR" is written around the top half of the seal, and "MARCH 3, 1849" is written around the bottom half. Two small dots separate the top and bottom text on the left and right sides.

Office of the Secretary and Multi-Office Assignments

Office of the Secretary

Reassignment of Senior Executives at the U.S. Department of the Interior

We reviewed the process the DOI's Executive Resources Board (ERB) used to reassign senior executives to determine whether the ERB complied with Federal legal requirements and U.S. Office of Personnel Management (OPM) guidance. Although the Deputy Solicitor expressed his belief that the process met all legal requirements, absent documentation, we could not independently determine whether or not the ERB complied with the Federal legal requirements governing the administration of the Senior Executive Service (SES). In addition, we found that the ERB did not follow OPM's guidance for organizing and operating an ERB.

The ERB—which was established to oversee the management of SES resources, to include position establishment, performance appraisals, executive development, and reassignments—reassigned 27 of its approximately 227 members of the SES between June 15, 2017, and October 29, 2017. We found that the ERB did not document its plan for selecting senior executives for reassignment, nor did it consistently apply the reasons it stated it used to select senior executives for reassignment. We also found that the ERB did not gather the information needed to make informed decisions about the reassignments, nor did it effectively communicate with the SES members or with most managers affected by the reassignments.

As a result, many of the affected senior executives questioned whether these reassignments were political or punitive, based on a prior conflict with DOI leadership, or on the senior executive's nearness to retirement. Many executives speculated that multiple reasons applied or believed their reassignment may have been related to their prior work assignments, including climate change, energy, or conservation.

We made four recommendations that, if implemented, will improve the process for future reassignments. The Deputy Secretary concurred with and implemented all four recommendations. We considered all four recommendations resolved.

Secretary Zinke's Use of Chartered and Military Aircraft Between March and September 2017

We investigated several allegations of travel-related waste against DOI Secretary Ryan Zinke. We focused on whether Zinke's use of chartered flights and U.S. military aircraft followed relevant law, policy, rules, and regulations; we also examined the purpose of each trip for which a chartered flight was used to determine whether the DOI had incurred travel expenses for non-DOI-related events and whether the uses and costs of these flights were reasonable or unavoidable.

We determined that Zinke's use of chartered flights in fiscal year 2017 generally followed relevant law, policy, rules, and regulations, and that two of the three chartered flights he took that year appeared reasonable and related to DOI business. We found, however, that a \$12,375 chartered flight he took in June 2017 after speaking at the developmental camp for the Golden Knights, a professional hockey team based in Las Vegas, NV, could have been avoided.

We also reviewed costs associated with Zinke's trips on Air Force One, Air Force Two, and other military aircraft in fiscal year 2017. We found that the DOI obligated \$185,203.75 for flights, including \$52,000 for two flights he had been invited on but ultimately did not take.

We provided our report to the Deputy Secretary of the Interior for any action deemed appropriate.

OST Beneficiary Checks Cashed Fraudulently

The OIG investigated allegations that approximately \$30,000 in checks issued erroneously by the Office of the Special Trustee for American Indians (OST) in the name of a deceased tribal member had been fraudulently negotiated after his death.

We found that the decedent's son received the checks, endorsed them with his own signature, and cashed them. The son admitted he took the checks and acknowledged he knew it was wrong to do so.

We also learned that the OST did not have a process in place to identify beneficiaries who had died. In this instance, the decedent's sister attempted to report his death to the OST, but she did not have sufficient information to complete the required report when she called the OST's Trust Beneficiary Call Center. The center did not follow up with the sister and did not remove the decedent from its list of beneficiaries.

We referred this matter to the United States Attorney's Office for the District of New Mexico, which declined to prosecute.

We initiated an inspection of the OST to determine internal control weakness that allowed the fraud to occur.

Multi-Office Assignments

The Department of the Interior Generally Complied With Email and Web Security Mandates

We completed an inspection of the DOI's compliance with secure communication requirements for publicly accessible web and email systems from the U.S. Department of Homeland Security (DHS) and the U.S. Office of Management and Budget (OMB). The U.S. General Services Administration (GSA) performs periodic testing for these requirements and publishes governmentwide compliance results on the Pulse Dashboard (Pulse).

While our inspection revealed that the DOI was over 90 percent compliant with the mandated security requirements, we found that it does not have an inventory of publicly accessible websites, did not meet encryption requirements for its primary email service (BisonConnect), and operated websites without the appropriate domain. Specifically, we found:

- 92 percent of the DOI websites we tested were compliant with the mandated security requirements. Our overall test results matched closely with the Pulse reported results (94 percent), demonstrating that the DOI actively responded to the reports published on Pulse and worked to resolve noncompliant systems.
- 357 publicly accessible websites that were not reported on Pulse, as the tool used by the GSA is not capable of testing websites accessed via IP address or over nonstandard ports. Our testing of these unknown websites found only a 48 percent compliance with the DHS and OMB requirements.
- The DOI implemented the Domain-based Message Authentication, Reporting and Conformance requirements for 134 of the 144 identified email domains (93 percent). In addition, we found that four email domains were ahead of schedule and already configured with requirements not due until October 2018. The BisonConnect email service used by all DOI employees, however, was not compliant with web or email encryption requirements.
- The DOI operated 20 websites that did not use the .gov Top-Level Domain, which contributed to the number of unidentified websites that are not being tested regularly. We believe the DOI's processes for deploying new websites will prevent this from happening in the future, as the noncompliant domains appear to be leftover configurations existing prior to the OMB requirement.

Email and web systems that are not compliant with the DHS and OMB requirements pose an increased risk to the privacy of users and the confidentiality and integrity of DOI data. We made six recommendations to help the DOI improve its compliance with these requirements. We forwarded these recommendations to the Office of Policy, Management and Budget for resolution and to track implementation.

Contract and Grant Reviews Identified Questioned Costs and Noncompliance With Contracting Procedures

Our reviews of contracts and grants that the DOI awarded to recipients identified a potential cost savings to the Government of \$33,564,026 out of more than \$52 million in claimed costs. In addition, these reviews identified inadequate oversight by the Bureau of Indian Affairs (BIA), the Bureau of Reclamation (USBR), the National Park Service (NPS), and the U.S. Fish and Wildlife Service (FWS), and noncompliance with contracting procedures and Federal regulations. We made 45 recommendations in the reports we issued to the DOI focused on recovering questioned costs and complying with contracting procedures.

Our recommendations identified:

- \$33,564,026 in potential Government cost savings
- Inadequate oversight
- Noncompliance with contract processes and Federal regulations

Award and Monitoring of Financial Assistance Agreements Made by the FWS International Affairs Program Did Not Comply With Federal Regulations or Policy

We inspected 15 financial assistance agreement files of the FWS' International Affairs Program (IA) and found instances in which the IA did not comply with Federal regulations, FWS policy, or agreement terms and conditions when awarding and monitoring the agreements. Specifically, the grants management specialists did not:

- Determine which laws and regulations apply to the agreements
- Use the proper risk assessment form
- Properly evaluate recipients' financial management systems

- Complete the required business evaluation and budget analysis
- Properly review recipients' financial reports
- Monitor the equipment schedules

We made 11 recommendations to help the IA better award and monitor its agreements with foreign recipients. The IA concurred with all recommendations.

Audit of Costs Claimed by the Crow Tribe Identified Almost \$13 Million in Questioned Costs

We audited the interim costs incurred by the Crow Tribe under two contracts (Contract Nos. R11AV60120 and R12AV60002) with the USBR to fund various improvements to tribal water systems. We reviewed \$13,835,511 of the \$20,999,510 in costs the Tribe claimed between October 1, 2014, and March 31, 2017. We questioned \$12,808,434 because the Tribe did not track and report its use of Federal funds according to contract terms, applicable Federal laws and regulations, and USBR guidelines, and because the USBR did not oversee the contracts according to applicable Federal laws and regulations and USBR guidelines.

We made 12 recommendations to help the USBR resolve the questioned costs and improve its oversight of the Tribe's contracts. In response, the USBR concurred or partially concurred with our recommendations.

Audit of Agreement No. A13AP00043 Between the Bureau of Indian Affairs and the Crow Tribe

At the request of the BIA, we audited costs claimed on a contract associated with Agreement No. A13AP00043 that the BIA issued to the Crow Tribe. We could not perform the audit because neither the contractor the Tribe hired nor the BIA could provide the necessary documentation for the contract or costs claimed. Further, we could not determine whether the contractors' claimed costs of \$14,492,813 were allowable under Federal laws and regulations, allocable to the contract, incurred in accordance with the contract's terms and conditions, and reasonable and supported by the contractor's records. Therefore, we questioned the entire claim of \$14,492,813.

We found that the Tribe did not submit timely or accurate Federal Financial Reports or track and maintain documentation for claimed costs. The Tribe told us these deficiencies occurred because of staff turnover within the finance department and because it did not have a sufficient accounting system to track claimed costs.

We made five recommendations to help the BIA address these deficiencies. The BIA concurred with all recommendations.

The Wind River Tribes Misapplied Federal Funds for the Tribal Transportation Program

We audited the Joint Programs of the Northern Arapaho and Eastern Shoshone Tribes of the Wind River Reservation's Tribal Transportation Agreement with the BIA to determine whether the costs claimed were allowable, allocable, and reasonable and whether the BIA oversaw the agreement according to applicable Federal laws and regulations and BIA guidelines.

We determined costs claimed by the Wind River Tribes were not allocable to the agreement because the Tribes' accounting system and procedures are not configured to manage Federal funds. As a result, the Wind River Tribes could not support expenses claimed, and we questioned \$6.2 million. In addition, we found that BIA management overseeing the Tribes' transportation program did not provide staff with sufficient training to fulfill their responsibility to provide oversight and administration to the Tribes since 2013.

We made 11 recommendations to help the BIA oversee the Wind River Tribes' transportation program and resolve questioned costs. The BIA concurred with all 11 recommendations.

The Aleutian Pribilof Island Association Claimed Unsupported Costs Under Agreement With the BIA

We audited an agreement between the Aleutian Pribilof Island Association (APIA) and the BIA to provide clients with job training, work, and education-related opportunities that lead to employment and self-sufficiency. We found that that APIA claimed costs that were unsupported and unallowable according to the contract terms, applicable Federal laws and regulations, and BIA guidelines. We questioned \$18,246 in costs claimed and found deficiencies in the APIA's management of the contract.

We made two recommendations to help the BIA oversee the APIA's management of contract funds. The APIA did not concur with either of the recommendations, but the APIA's responses to the Notices of Findings and Recommendations we issued during the audit and the adjustments the APIA has made to its files caused us to consider the recommendations resolved and implemented.

The Blackfoot Tribe Generally Complied with Bureau of Indian Affairs Agreements

We audited four agreements for law enforcement, tribal court, and the general assistance services between the Blackfoot Tribe and the BIA to determine whether the BIA oversaw the agreements according to Federal laws and regulations and BIA guidelines; whether the costs were reasonable, supported, allowable, and allocable under Federal laws, regulations, and provisions of the contract; and whether Tribe complied with contract terms, Federal laws, and BIA guidance.

We tested \$2,271,160 in interim costs claimed by the Blackfoot Tribe from October 1, 2014, through June 30, 2017, and determined the costs claimed were reasonable, supported, allowable, and allocable. We did, however, identify payroll errors and instances when tribal employees earned overtime during pay periods when paid leave was taken. These deficiencies occurred because the Tribe does not have an automated payroll system and has not developed a comprehensive overtime policy. As a result, we identified \$50,366 in funds that could be put to better use. In addition, we found that the Blackfoot Tribe could improve compliance with its law enforcement and tribal court agreements.

We made four recommendations related to the Tribe's payroll and overtime policies and compliance with its law enforcement and tribal court agreements. The BIA concurred with three of our recommendations but did not concur with our recommendation related to prohibiting employees from taking leave and earning overtime in the same pay period, citing that law enforcement positions require recurring overtime because of the demands of the position. We considered this recommendation unresolved.

Independent Public Accountant Failed Quality Control Review

We conducted a quality control review of an independent public accountant's fiscal year 2016 single audit of the Northern Virginia Regional Commission, a National Park Service (NPS) grantee, to determine whether the accountant performed the single audit according to all applicable auditing standards and the Code of Federal Regulations.

Auditors may receive an overall rating of pass, pass with deficiencies, or fail. Based on our review, we assigned an overall rating of fail to the accountant's work because its audit documentation did not support the opinions expressed in the audit report.

Our review revealed several major deficiencies in the accountant's audit work, including an inadequate understanding of required internal controls, an unreasonable determination of certain compliance requirements, and the selection of an inappropriate type of data for its audit sampling.

On January 29, 2018, we gave the accountant our report and requested a response. The accountant disagreed with the rating, stating, "We believe the audit procedures performed and supporting file documentation were sufficient to allow us to meet our responsibilities as auditors, and that our audit documentation did support the opinions expressed in the audit report." Because the accountant could not provide sufficient documentation of the procedures performed and evidence examined, however, we continue to assign a rating of fail.

The DOI Complied With Improper Payments Elimination and Recovery Act of 2010 in its Fiscal Year 2017 Agency Financial Report

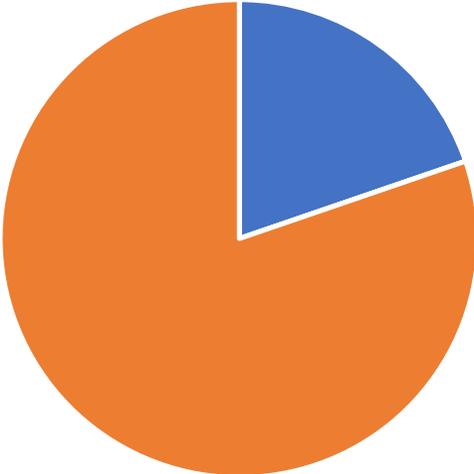
In accordance with guidance from the U.S. Office of Management and Budget (OMB), we reviewed the Payment Integrity section in the DOI's fiscal year 2017 Agency Financial Report to determine whether the DOI met the requirements of the Improper Payments Elimination and Recovery Act of 2010 (IPERA) and accurately and completely reported on improper payments.

We found that the DOI complied with the first of six IPERA reporting requirements by publishing an Agency Financial Report for fiscal year 2017 and posting it on the DOI website. We did not consider the five remaining IPERA reporting requirements applicable for this reporting period because the DOI is currently operating under year 2 of a 3-year risk assessment and because it did not have any risk-assessed programs required to report an improper payment rate.

Hurricane Sandy Reviews Identified Pre- and Post-Award Inefficiencies

In 2013, we began reviewing award acquisition and management of funds the DOI received to address damages from Hurricane Sandy. For this inspection, we summarized the common themes and problems we identified in the 19 products—9 contract audits, 3 grant audits, 1 inspection, and 6 management advisories—we issued to bureau officials related to awards made for Hurricane Sandy recovery.

In total, we audited \$70.9 million in claimed costs and identified \$14 million in questioned costs (19.75 percent of the total). In addition, we found deficient pre-award practices, to include inadequate research and risk assessments, and deficient post-award oversight, to include records for time, labor, and travel, across the bureaus’ contracting offices, as well as weaknesses in departmental oversight.



■ Questioned Costs (\$14 million) ■ Unquestioned costs (\$56.9 million)

We also found that the DOI did not have comprehensive emergency acquisition policies or guidance during, or since, Hurricane Sandy recovery efforts. Further, the DOI did not use emergency acquisition guidance available from the U.S. Office of Management and Budget or disseminate that guidance, as directed, to the bureaus. As a result, the bureaus did not have emergency acquisition response teams, disaster-response training, or standardized forms or processes for awarding or maintaining contracts and grants to support emergency response.

In response to our Hurricane Sandy reports, both the NPS and the FWS provided us with a list of improvements planned for the award process and agreement oversight. In addition, we made suggestions to help the DOI improve pre-award practices, post-award oversight, and departmental oversight for awards related to disaster recovery. Such improvements could help to avoid contracting inefficiencies during future emergency response that could subject Federal funds to fraud, waste, and mismanagement.

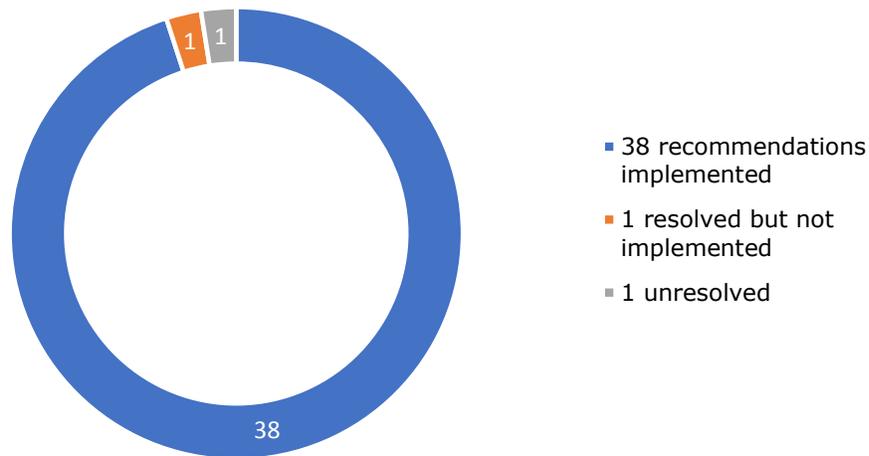
Verification Reviews Confirmed Closure of 38 Recommendations

Each fiscal year, our office of Audits, Inspections, and Evaluations completes a series of verification reviews to determine whether the DOI's bureaus and offices have implemented our recommendations as reported to the DOI's Office of Financial Management (PFM), Office of Policy, Management and Budget. We report all recommendations in our audit, inspection, and evaluation reports to the PFM to track resolution and implementation.

We started conducting these unique reviews in 2005 because we did not have the resources to conduct follow-up audits or evaluations to ensure that the bureaus or offices had implemented our recommendations. These reviews provide assurances to the DOI that the bureaus and offices have implemented the recommendations as reported to the PFM; when we find that a recommendation has not been implemented as reported, the PFM reopens the recommendation and adds it back to the tracking list.

The scope of these quick reviews focus solely on implementation, and because we do not test internal controls, visit sites, or conduct fieldwork, do not determine whether the underlying deficiencies initially identified have been corrected. To accomplish our objective, we review the supporting documentation provided to the PFM to support closing the recommendation, in addition to supporting documentation from the bureau or office to independently verify each recommendation's implementation.

In this reporting period we completed 10 verifications reviews, in which we sought to verify implementation of 40 recommendations. We confirmed that 38 recommendations had been implemented as reported. We did not concur with the closure of two recommendations; we found that one had been resolved but not implemented, and one was unresolved. We requested the PFM reopen these recommendations and maintain them on the list for tracking resolution and implementation.





U.S. Fish and Wildlife Service

U.S. Fish and Wildlife Service

FWS Employee Made Unauthorized Purchases of Print Supplies

The OIG investigated allegations that between 2013 and 2017, a U.S. Fish and Wildlife Service (FWS) employee wrongfully purchased approximately \$6,000 worth of office and printer supplies with a Government purchase card. We also investigated whether the employee's supervisor failed to review and monitor the purchase card transactions.

We found that the employee made unauthorized purchases of supplies and used them for printing that was outside the scope of her assigned duties and unauthorized by her supervisors. The printing included FWS-related news articles and birthday cards for coworkers. We did not find any personal gain by the employee from the unauthorized purchases.

We also found that the employee's current supervisor reviewed the purchase card transactions as required. The current supervisor had only recently been promoted, however, and was not the required reviewer until 2016. The current supervisor also asked repeatedly for the purchase card statements from the employee, who acknowledged she had fallen behind in providing the statements to her supervisor.

We referred this case to the United States Attorney's Office for the District of Wyoming, which declined to prosecute.

Alleged Retaliation and Abusive Behavior by FWS Official

The OIG investigated allegations that an FWS official intimidated and verbally abused a subordinate employee and that the official twice directed the employee to provide false information—once about an FWS event and once about an FWS investigation. The employee also alleged that the official took three retaliatory personnel actions against him after the official learned that the employee complained to the OIG about the abuse.

We found that the official knew the employee had filed a complaint against him and subsequently took two personnel actions—a written counseling and a lowered performance evaluation—against the employee within 2 months after the employee submitted the OIG complaint. The official also directed an internal investigation into the employee's conduct within the same time period; adjudication of that investigation was still pending at the time of this report, and no personnel action had been taken against the employee as a result.

The official denied that he took these actions as retaliation for the employee filing a complaint against him and stated that he lowered the employee's performance evaluation because the employee mishandled Equal Employment Opportunity complaints within the employee's office.

We found insufficient evidence that the official's behavior created an abusive work environment for his staff, or that he directed the employee to provide false information.



Wildlife and Sport Fish Restoration Program Audits

Wildlife and Sport Fish Restoration Program Audits

Audits of Wildlife and Sport Fish Grants Covered More Than \$570 Million in Claimed Costs and Identified Potential Program Improvements

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

In this semiannual period, we audited eight agencies.



Nebraska Game and Parks Commission

In our audit of Nebraska's Game and Parks Commission, we did not question any costs and found that the State provided reasonable assurance of compliance with applicable grant accounting and regulatory requirements.

Ohio Department of Natural Resources

In our audit of Ohio's Department of Natural Resources, we questioned \$144,419 in costs related to the State's administration of subawards. We also found that the Department:

- Did not have adequate control over payroll expense data when labor charges spanned allowable WSFRP activities and other unrelated activities
- Could not demonstrate that its methodology for allocating costs for centralized support services did not result in duplication of costs claimed
- Transferred the management of certain parcels of land from its Division of Wildlife to its Division of Forestry and its Division of Parks and Recreation, potentially diverting real property from authorized fish and game uses

Florida Fish and Wildlife Conservation Commission

In our audit of Florida's Fish and Wildlife Conservation Commission, we found that the Commission was late in filing Federal Financial Reports on 40 WSFRP grants, including one instance in which the report was filed about 20 months after the due date. We also identified four grants in which the Commission appeared to be drawing reimbursements exceeding the approved Federal participation rate, which is limited to 75 percent. Further review revealed that the Commission had not overdrawn funding but was not timely in reporting the in-kind contributions used to satisfy the State's matching funds requirement.

New Jersey Department of Environmental Protection

In our audit of New Jersey's Department of Environmental Protection, we did not question any costs but found several control deficiencies:

- The State was not effective in protecting its real property from encroachment. State personnel disclosed ten parcels with encroachment concerns, such as disputes over property boundaries or allegations of unauthorized use.

- The State did not provide adequate documentation to support the volunteer hours it claimed as in-kind contributions to satisfy the State's matching funds requirement. Specifically, the claims were based on documentation that was missing either the volunteer's initials or a supervisor's signature or reported a lump sum of hours across multiple days instead of daily activity.
- The State did not follow established equipment management procedures, including the use of inventory control decals and the timely removal of inventory entries when property is disposed. In addition, we found numerous instances where inventory records inaccurately reflected the location or assigned property custodian.
- The State did not consistently file Federal Financial Reports on time. We found that 26 percent (9 of 35) of the reports were submitted after the due date, and 4 of the 9 reports had approved extensions but were submitted even after the extended deadline.

Louisiana Department of Wildlife and Fisheries

In our audit of Louisiana's Department of Wildlife and Fisheries, we found several control deficiencies:

- The State charged \$148,000 in construction costs to a grant for State fiscal year 2015, when the costs were incurred under a similar grant in State fiscal year 2014. Upon review of our finding, the State agreed to revise the Federal Financial Reports for the respective grants.
- The State had not established clear policies for determining whether its acquisition actions were properly classified as procurement contracts or subawards of financial assistance. Instead, the State treated all acquisition actions as procurement contracts, including several boating access construction projects and university research projects that we view to be subawards. The determination has implications in terms of Federal requirements for monitoring and reporting, as well as property accountability and disposition.
- The State did not obtain prior written approval from the FWS when purchasing equipment, including an airplane and 70 motor vehicles.

- The State did not provide adequate documentation to support the volunteer hours it claimed as in-kind contributions used to satisfy the State's matching funds requirement. Specifically, the claims were based on documentation that included math errors; had no indication of approval or certification; was missing dates; or reported a lump sum of hours across multiple days instead of daily activity.
- State personnel were not able to extract information from the State's data system to fully and accurately identify equipment by fund source, or to report on equipment recently disposed. Without this information, the State cannot ensure that its assets are used for intended purposes, or that any receipts from property disposal are returned to the appropriate program.

Arizona Game and Fish Department

In our audit of Arizona's Game and Fish Department, we questioned \$3,948,965 in costs related to:

- 13 supervisors who charged virtually all their hours to WSFRP grants even though their staffs did not work on WSFRP projects
- Employees who charged time based on predetermined percentages rather than actual hours
- Employees who arbitrarily charged the most recent approved grant rather than the projects they worked
- Unreasonable amounts of leave charged to WSFRP grants, including leave to work ratios of 838 to 0 and 550 to 6
- Out-of-period costs
- Inadequate subrecipient accounting
- Deficiencies in documenting in-kind contributions, including instances of duplicate claims and up to 31 hours charged in a single day
- The failure to comply with the State's policy for competitive procurement when purchasing \$14,474 in supplies

We also identified \$21,276 in inadequately documented "write-offs" from license revenue. In addition, we found that Arizona did not fully comply with Federal requirements for grant subawards and had drawn down \$23,425 in Federal funds for awards to two subrecipients that ultimately did not spend the money. The State reimbursed the FWS after we brought this issue to its attention.

Further, we found deficiencies in the State's operational plan and performance reports. The plan did not address cost accounting or compliance monitoring, and 50 percent (18 of 36) of the performance reports we examined did not meet Federal reporting requirements, including four reports that simply copied the project goals without commentary.

Missouri Department of Conservation

In our audit of Missouri's Department of Conservation, we questioned \$2,813,979 in claimed costs related to:

- Unreconciled differences between Federal Financial Reports and expenditure data from the State's accounting system
- Improper drawdowns of Federal funds to support advance payments to subrecipients
- Unreported program income derived from the sale of fish food to visitors at grant-supported hatcheries
- Unsupported claims for subrecipient payroll and equipment expenses
- Incorrect application of indirect cost rates, particularly to funds passed through to subrecipients

In addition, we found that Missouri traded real property without demonstrating equivalency in either market value or conservation benefit. Finally, the State did not fully comply with requirements for disclosures relating to the subaward of Federal funds to third parties.

Michigan Department of Natural Resources

In our audit of Michigan's Department of Natural Resources, the State did not provide adequate documentation to enable us to examine approximately \$60 million in claimed payroll costs (including indirect costs proportionately applied). This led us to report this full amount as unsupported and to defer to the FWS for analysis and management decision. We also questioned \$279,108 in poorly documented or unapproved in-kind contributions and \$63,155 in costs charged to the wrong accounting period.

Overall, we made 76 recommendations for program improvements or cost recovery across 7 of the 8 audits published this semiannual period. The FWS is working with the recipient agencies to resolve the issues and to implement corrective actions.



Appendices

STATISTICAL HIGHLIGHTS

Audits, Inspections, and Evaluations Activities

Reports Issued	37
Performance Audits, Evaluations, and Inspections	8
Contract and Grant Audits.....	16
Other Report Types ¹	13
Total Monetary Impacts	\$101,154,100
Questioned Costs (includes unsupported costs).....	\$101,103,734 ²
Funds To Be Put to Better Use	\$50,366
Audits, Inspections, and Evaluations Recommendations Made.....	187
Audits, Inspections, and Evaluations Recommendations Closed	133

Investigative Activities³

Complaints Received	1126
Complaints Referred to the Department.....	315
Investigations Opened.....	37
Investigations Closed	53

Criminal Prosecution Activities

Indictments/Informations	6
Convictions.....	4
Sentencings.....	6
Jail	2: 37 months
Probation.....	5: 156 months
Community Service.....	1: 60 months
Criminal Restitution	4: \$601,413
Criminal Fines	1: \$2,052
Criminal Special Assessments.....	5: \$500
Criminal Asset Forfeiture	\$0
Criminal Matters Referred for Prosecution	12
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.

² This amount includes \$21,276 in non-Federal funds.

³ The OIG has previously reported investigative statistics as complaints received from all sources, cases opened, and cases closed. We have seen a significant increase in complaints received, and the new statistical categories better reflect how we handle these matters and report our findings. Cases previously referred to both complaints and investigations; investigations, however, are more formal and the basis for the reports we issue to the Department and summarize on our website and in our Semiannual Report. In addition, the number of complaints we refer to the Department identifies matters we did not fully investigate, but believe the Department should be aware of or act upon.

Civil Investigative Activities

Civil Referrals.....	3
Civil Declinations	2
Civil Settlements or Recoveries.....	1: \$600,000

Administrative Investigative Activities

Personnel Actions	3
Removals	1
Resignations	0
Retirements	0
Restitution	\$0
Suspensions.....	0
Counseling.....	1
Reprimands (Written/Oral).....	1
Procurement and Nonprocurement Remedies	15
Debarments.....	14
Administrative Compliance Agreement.....	1
General Policy Actions	2

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, 2018. It provides the report number, title, issue date, and monetary amounts identified in each report.

* *Funds To Be Put to Better Use*

** *Questioned Costs*

*** *Unsupported Costs*

Audits, Inspections, and Evaluations

Bureau of Reclamation

2017-ITA-023

U.S. Bureau of Reclamation Selected Hydropower Dams at Increased Risk from Insider Threats (06/07/2018)

Indian Affairs

2017-ER-018

Indian Affairs Offices' Poor Recordkeeping and Coordination Threaten Impact of Tiwahe Initiative (09/28/2018)

Multi-Office Assignments

2018-ITA-019

The Department of the Interior Generally Complied with Email and Web Security Mandates (07/26/2018)

Office of the Secretary

2017-ER-061

Reassignment of Senior Executives at the U.S. Department of the Interior (04/10/2018)

2017-FIN-057

Summary of Hurricane Sandy Audit and Inspection Reports and Management Advisories (04/23/2018)

2017-WR-056

The American Samoa Government's Executive Branch Did Not Have Effective Internal Controls for Government-Owned and -Leased Vehicles (09/28/2018)

2018-FIN-035

U.S. Department of the Interior's Compliance with the Improper Payments Elimination and Recovery Act of 2010 in its Fiscal Year 2017 Agency Financial Report (05/14/2018)

U.S. Fish and Wildlife Service**2018-FIN-007**

Issues Found With the Award and Monitoring of Financial Assistance Agreements Made by the FWS International Affairs Program (07/26/2018)

Contract and Grant Audits***Bureau of Reclamation*****2017-FIN-040**

Audit of Contract Nos. R11AV60120 and R12AV60002 Between the Bureau of Reclamation and the Crow Tribe (09/28/2018)

**\$5,018,000

***\$7,790,434

2017-WR-048

The Bureau of Reclamation's Cooperative Agreement No. R16AC00087 With the Panoche Drainage District (07/12/2018)

**\$193,814

***\$20,077

Indian Affairs**2017-FIN-041**

Audit of Agreement No. A13AP00043 Between the Bureau of Indian Affairs and the Crow Tribe (06/21/2018)

***\$14,492,813

2017-FIN-042

The Wind River Tribes Misapplied Federal Funds for the Tribal Transportation Program (07/12/2018)

**\$3,591,301

***\$2,602,866

2017-FIN-062

Incurred Cost Audit of Aleutian Pribilof Island Association Compact Agreement No. OSGT811 Involving Public Law 102-477 With the Bureau of Indian Affairs (08/16/2018)

**\$4,150

***\$14,096

2017-FIN-065

The Blackfeet Tribe Generally Complied with Bureau of Indian Affairs Agreements (09/28/2018)

*\$50,366

National Park Service**2017-FIN-031**

The National Park Service and City Construction, LLC, Complied with the Terms of Contract No. P16PC00558 (08/23/2018)

Office of Surface Mining Reclamation and Enforcement**2018-FIN-024**

Audit of Costs Claimed under NAS Cooperative Agreement with OSMRE Found No Issues (09/18/2018)

U.S. Fish and Wildlife Service**2016-EXT-001**

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Arizona, Arizona Game and Fish Department From July 1, 2013, Through June 30, 2015 (08/27/2018)

**\$793,332

***\$3,176,905

2016-EXT-047

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Michigan, Department of Natural Resources from October 1, 2013, through September 30, 2015 (09/18/2018)

**\$63,155

***\$60,242,893

2016-EXT-048

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Missouri, Department of Conservation, From July 1, 2013, Through June 30, 2015 (09/18/2018)

**\$330,609

***\$2,513,870

2017-EXT-020

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Ohio, Department of Natural Resources From July 1, 2014, Through June 30, 2016 (06/21/2018)

**\$140,000

***\$4,419

2017-EXT-021

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Florida, Fish and Wildlife Conservation Commission, From July 1, 2014, Through June 30, 2016 (07/03/2018)

2017-EXT-049

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Louisiana Department of Wildlife and Fisheries, from July 1, 2014, Through June 30, 2016 (08/27/2018)

**\$111,000

2017-EXT-058

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the New Jersey State Department of Environmental Protection, Division of Fish and Wildlife, From July 1, 2014, Through June 30, 2016 (07/18/2018)

2017-EXT-059

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, 2014, Through June 30, 2016 (05/08/2018)

Other Assignment Types

Bureau of Reclamation

2017-ITA-023-A

Closeout Memorandum – Evaluation of the U.S. Department of the Interior’s Cybersecurity Practices for Protecting Critical Infrastructure - Hoover, Parker, and Davis Dams (07/12/2018)

Bureau of Safety and Environmental Enforcement

2018-EAU-021

Verification Review of Recommendations 58 through 64 from the Report Titled “A New Horizon: Looking to the Future of the Bureau of Ocean Energy Management, Regulation and Enforcement” (CR-EV-MMS-0015-2010) (04/23/2018)

Multi-Office Assignments

2018-WR-055

Verification Review – Recommendations for the Evaluation Report Titled *U.S. Department of the Interior’s Video Teleconferencing Usage* (WR-EV-MOA-0004-2010) (09/28/2018)

National Park Service

2017-FIN-028

Quality Control Review of the Single Audit of the Northern Virginia Regional Commission for the Fiscal Year Ended June 30, 2016 (04/30/2018)

2017-WR-037-A

Financial, Ethical, and Exclusive Use Concerns About the NPS’ Agreement With the Wolf Trap Foundation for the Performing Arts (09/04/2018)

2018-WR-054

Verification Review – Recommendations for the Report Titled “Operation and Management of the Brinkerhoff Lodge at Grand Teton National Park” (2015-WR-019) (09/28/2018)

Office of the Secretary**2018-CR-039**

Verification Review – Recommendations for the Report, “Inspection of the U.S. Department of the Interior’s Occupational Safety and Health and Workers’ Compensation Programs” (Report No. 2015-CR-001) (08/27/2018)

2018-ER-030

Verification Review – Recommendations for the Report “Controls Over Check Writing” (Report No. C-EV-MOA-0009-2011) (05/15/2018)

2018-ER-031

Verification Review – Recommendations for the Report “U.S. Department of the Interior’s Internal Controls for Purchase Cards and Fleet Cards” (Report No. 2015-ER-011) (05/10/2018)

2018-ER-045

Verification Review – Recommendations for the Report, “Evaluation of Security Features of the Stewart Lee Udall U.S. Department of the Interior Building” (Report No. ER-EV-PMB-0005-2014) (08/23/2018)

2018-WR-042

Verification Review – Recommendation 1 for the Report “Proper Use of Cooperative Agreements Could Improve Interior’s Initiatives for Collaborative Partnerships” (W-IN-MOA-0086-2004) (09/18/2018)

U.S. Fish and Wildlife Service**2018-ER-046**

Verification Review – Recommendations 10, 18, and 21 from the Report, “Management of the Coastal Impact Assistance Program in the State of Louisiana” (Report No. ER-IN-FWS-0010-2013) (08/23/2018)

U.S. Geological Survey**2018-ER-047**

Verification Review – Recommendations for the Report “U.S. Department of the Interior’s Climate Science Centers” (Report No. ER-IN-GSV-0003-2014) (09/18/2018)

MONETARY RESOLUTION ACTIVITIES

Table 1: Inspector General Reports With Questioned Costs*

	Number of Reports	Questioned Costs*	Unsupported Costs
A. For which no management decision has been made by the commencement of the reporting period	0	\$0	\$0
B. Which were issued during the reporting period	10	\$101,082,458	\$90,858,373
Total (A+B)	10	\$101,082,458	\$90,858,373
C. For which a management decision was made during the reporting period	9	\$40,891,044	\$30,730,114
(i) Dollar value of costs disallowed		\$40,762,314	\$30,601,384
(ii) Dollar value of costs allowed		\$128,730	\$128,730
D. For which no management decision had been made by the end of the reporting period	1	\$60,191,414	\$60,128,259

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

MONETARY RESOLUTION ACTIVITIES

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

	Number of Reports	Dollar Value
A. For which no management decision has been made by the commencement of the reporting period	0	\$0
B. Which were issued during the reporting period	1	\$50,366
Total (A+B)	1	\$50,366
C. For which a management decision was made during the reporting period	0	\$0
(i) Dollar value of recommendations that were agreed to by management		\$0
(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	1	\$50,366

* Does not include non-Federal funds.

REPORTS PENDING DECISION

This listing includes a summary of audit, inspection, and evaluation reports that were more than 6 months old on September 30, 2018, and still pending a final management decision. It includes recommendations with which the OIG and management have disagreed, and the disagreement has been referred to the Assistant Secretary for Policy, Management and Budget for resolution. Also included are recommendations with which management did not provide sufficient information to determine if proposed actions will resolve the recommendation. It provides the report number, title, issue date, number of recommendations referred for resolution, and number of recommendations awaiting additional information.

Audits, Inspections, and Evaluations

Bureau of Reclamation

2015-WR-080¹

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

2015-WR-080-B

Management Advisory – Operations and Maintenance Cost Allocation for the Klamath Project Reserved Works (09/27/2016)
Referred for Resolution: 1

¹The resolution of the remaining unresolved recommendations from the Klamath Basin reports involve complex legal and financial issues that are under review by the DOI, the Bureau of Reclamation, and the Office of the Solicitor.

REPORTS WITH UNIMPLEMENTED RECOMMENDATIONS

This listing provides a summary of reports issued by the Office of Audits, Inspections, and Evaluations before April 1, 2018, that still had open (unimplemented) recommendations as of September 30, 2018. Unimplemented recommendations are divided into three categories: resolved, management disagreed, and awaiting management decision. 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. Because a single report may have both implemented and unimplemented recommendations, the number of recommendations listed as resolved may be less than the total number of recommendations in the report.

Open: 357 Resolved: 354 Disagreed: 3 Awaiting Decision: 0

Questioned Costs: \$51,392,099

Funds That Could Have Been Better Used: \$20,682,931

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 - not implemented: 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 - not implemented: 1

2016-EAU-061

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

Resolved - not implemented: 11

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 - not implemented: 1

2017-ITA-052

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

Resolved - not implemented: 6

C-IN-BLM-0002-2012

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

Resolved - not implemented: 1

C-IN-MOA-0013-2010

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

Resolved - not implemented: 4

CR-EV-BLM-0004-2012

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

Resolved - not implemented: 1

CR-EV-MOA-0006-2012

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

Resolved - not implemented: 2

CR-IS-BLM-0004-2014

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

Resolved - not implemented: 2

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

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

Resolved - not Implemented: 1

2015-WR-080¹

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

2016-WR-026

Improvements Needed in the Bureau of Reclamation's Oversight of Tribal Rural Water Projects (07/31/2017)
Resolved - not implemented: 1

2017-WR-029

Management Advisory – Potential Opportunity for Revenue in the Conveyance of Non-Project Water (01/17/2018)
Resolved - not implemented: 1

ISD-IS-BOR-0004-2013

IT Security of the Glen Canyon Dam Supervisory Control and Data Acquisition System (03/26/2014)
Resolved - not implemented: 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 - not implemented: 1

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

U.S. Department of the Interior's Offshore Renewable Energy Program (09/25/2013)
Resolved - not implemented: 1

Indian Affairs**2016-CR-036**

Stronger Internal Controls Needed Over Indian Affairs Loan Guarantee Program (11/09/2017)
Resolved - not implemented: 5

¹Report also included in Appendix 4.

2016-ITA-021

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

Resolved - not implemented: 4

2017-WR-024

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

Resolved - not implemented: 11

C-EV-BIE-0023-2014

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

Resolved - not implemented: 4

C-IS-BIE-0023-2014-A

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

Resolved - not implemented: 3

CR-EV-BIA-0002-2013

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

Resolved - not implemented: 7

Better Use: \$97,000

NM-EV-BIE-0003-2008

School Violence Prevention (02/03/2010)

Resolved - not implemented: 1

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

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

Resolved - not implemented: 2

2015-WR-019

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

Resolved - not implemented: 1

2016-CG-068

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

Resolved - not implemented: 1

2017-ITA-052

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

Resolved - not implemented: 2

CR-EV-MOA-0006-2012

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

Resolved - not implemented: 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 - not implemented: 1

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 - not implemented: 2

2015-ITA-032

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

Resolved - not implemented: 1

2016-ER-016

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

Resolved - not implemented: 2

2016-ER-070

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

Resolved - not implemented: 3

2016-ITA-020

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

Resolved - not implemented: 22

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 - not implemented: 6

2017-FIN-038

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

Resolved - not implemented: 3

2017-WR-012

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

Resolved - not implemented: 12

C-IN-MOA-0010-2008

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

Resolved - not implemented: 3

C-IN-MOA-0049-2004

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

Resolved - not implemented: 1

ER-EV-PMB-0005-2014

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

Resolved - not implemented: 1

ER-IN-VIS-0015-2014²

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

Resolved - not implemented: 1

ISD-EV-OCIO-0002-2014

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

Resolved - not implemented: 1

ISD-IN-MOA-0004-2014

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

Resolved - not implemented: 3

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 - not implemented: 4

W-IN-MOA-0086-2004

Proper Use of Cooperative Agreements Could Improve Interior's Initiatives for Collaborative Partnerships (01/31/2007)

Resolved - not implemented: 1

WR-EV-OSS-0005-2009

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

Resolved - not implemented: 1

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

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

Resolved - not implemented: 1

²Only includes the recommendation made to the Office of Insular Affairs. Does not include recommendation made directly to the U.S. Virgin Islands Government.

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 - not implemented: 11

C-IN-OSM-0044-2014A

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

Resolved - not implemented: 14

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 - not implemented: 3

U.S. Fish and Wildlife Service**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 - not implemented: 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 - not implemented: 1

2016-FIN-074

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

Resolved - not implemented: 3

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 - not implemented: 1

2017-ITA-052

Independent Auditors' Performance Audit Report on the U.S.
Department of the Interior Federal Information Security Modernization
Act for Fiscal Year 2017 (03/08/2018)
Resolved - not implemented: 2

CR-EV-FWS-0002-2014

U.S. Fish and Wildlife Service's Management of Oil and Gas Activities
on Refuges (03/01/2015)
Resolved - not implemented: 1

CR-EV-MOA-0006-2012

U.S. Department of the Interior's Underground Injection Control
Activities (03/31/2014)
Resolved - not implemented: 2

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

Evaluation of USGS Scientific Collection Management Policy
(09/28/2017)
Resolved - not implemented: 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 - not implemented: 4

2017-ITA-052

Independent Auditors' Performance Audit Report on the U.S.
Department of the Interior Federal Information Security Modernization
Act for Fiscal Year 2017 (03/08/2018)
Resolved - not implemented: 1

CR-IS-GSV-0008-2014

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

Resolved - not implemented: 1

Contract and Grant Audits³***Bureau of Land Management*****2015-WR-062**

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

Resolved - not implemented: 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 - not implemented: 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 - not implemented: 2

Questioned Costs: \$2,004,553

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

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

Resolved - not implemented: 12

Questioned Costs: \$476,399

³The recommendations for grant and contract audits can take longer to implement because implementation of the recommendation depends on actions by the awardee.

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)
Resolved - not implemented: 3
Questioned Costs: \$2,000,000

2016-FIN-075

Audit of Agreement No. A13AP00009 Between the Bureau of Indian Affairs and the Chippewa Cree Tribe (08/21/2017)
Resolved - not implemented: 5
Questioned Costs: \$1,503,191

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

Audit of Task Agreement Nos. P13AC00279, P13AC01094, and P14AC00445 Between the National Park Service and the Student Conservation Association Under Cooperative Agreement No. P09AC00402 (02/03/2017)
Resolved - not implemented: 7
Questioned Costs: \$740,681

2017-FIN-032

Audit of Grant No. P13AF00113 Between the National Park Service and the Connecticut Department of Economic and Community Development (01/08/2018)
Resolved - not implemented: 6

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 - not implemented: 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 - not implemented: 2

2015-EXT-008

U.S. Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Texas, Texas Parks and Wildlife Department, From September 1, 2012, Through August 21, 2014 (08/24/2017)
Resolved - not implemented: 19
Questioned Costs: \$921,373
Better Use: \$131,435

2015-EXT-009

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Utah, Department of Natural Resources, Division of Wildlife Resources, From July 1, 2012, Through June 30, 2014 (09/19/2016)
Resolved - not implemented: 12
Questioned Costs: \$208,752

2015-EXT-043

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Grants Awarded to the State of Alabama, Department of Conservation and Natural Resources, Division of Wildlife and Freshwater Fisheries, From October 1, 2012, to September 30, 2014 (09/07/2016)
Resolved - not implemented: 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 - not implemented: 2

2016-EXT-003

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

Resolved - not implemented: 4

Questioned Costs: \$49,962

Better Use: \$548,903

2016-EXT-005

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

Resolved - not implemented: 6

2016-EXT-042

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

Resolved - not implemented: 1

Better Use: \$5,593

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 - not implemented: 2

2016-EXT-046

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

Resolved - not implemented: 2

Questioned Costs: \$380,142

2017-EXT-006

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

Resolved - not implemented: 7

2017-EXT-051

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

Resolved - not implemented: 9

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 - not implemented: 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 - not implemented: 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 - not implemented: 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 - not implemented: 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 - not implemented: 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 - not implemented: 5

R-GR-FWS-0006-2014

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

Resolved - not implemented: 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 - not implemented: 2

R-GR-FWS-0008-2014

U.S. Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Kansas, Department of Wildlife, Parks, and Tourism From July 1, 2011, Through June 30, 2013 (03/27/2015)

Resolved - not implemented: 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 - not implemented: 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 - not implemented: 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 - not implemented: 1

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 - not implemented: 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 - not implemented: 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 - not implemented: 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 - not implemented: 4

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 - not implemented: 1

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 - not implemented: 1

R-GR-FWS-0014-2014

U.S. Fish and Wildlife Service Wildlife and Sport Fish Restoration Program Grants Awarded to the State of Colorado, Division of Parks and Wildlife From July 1, 2011, Through June 30, 2013 (07/21/2015)
Resolved - not implemented: 5
Questioned Costs: \$455,258

Other Assignment Types***Bureau of Reclamation*****2015-WR-080-B⁴**

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 - not implemented: 2

2017-WR-048-A⁵

Management Advisory – Proposed Modifications to USBR's Cooperative Agreement No. R16AC00087 With the Panoche Drainage District (11/27/2017)
Resolved - not implemented: 3

⁴Also included in Appendix 4.

⁵The recommendations for this report have not been referred and the status will be updated based on the responses to the related audit and evaluation reports.

National Park Service

2017-FIN-032-A

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

Resolved - not implemented: 1

Office of the Secretary

2016-ER-016-A

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

Resolved - not implemented: 3

ER-IN-VIS-0015-2014-A

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

Resolved - not implemented: 1

PEER REVIEWS OF OIG OPERATIONS

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

Audit Peer Review

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.

We reviewed the U.S. Department of Education's OIG system of quality control for the period ending March 31, 2018. In our September 28, 2018 report we issued a pass rating. Our report did not contain any recommendations, nor did we identify outstanding unimplemented recommendations from previous peer reviews.

The Small Business Administration (SBA) issued its report on our audit organization's system of quality control for the year ending 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 pass rating. The SBA did not make any written recommendations, and we did not have any outstanding recommendations from previous peer reviews.

Investigative Peer Reviews

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

INVESTIGATIONS INVOLVING SENIOR GOVERNMENT OFFICIALS

OI-PI-17-0820-I*

BLM Law Enforcement Unable To Account for Gift Cards

OI-VA-17-0548-I

*Senior BLM Official Violated Federal Ethics Rules by Hiring a Friend as a Consultant
(see page 3)*

OI-OG-18-0347-I

*No Evidence a Senior BLM Official Told Staff to Overlook Regulations
(see page 4)*

OI-VA-18-0327-I

*Alleged Perjury By BLM Official Unfounded
(see page 5)*

OI-CA-17-0569-I*

No Fraud Found in Dam Security Contract

OI-NM-15-0701-I

*Retired USBR Employee Violated Post-Employment Conflict-of-Interest Law
(see page 9)*

OI-CA-18-0024-I

*No Evidence of Ethics Violations by USBR Managers
(see page 10)*

OI-PI-17-0419-I

*Former BSEE Official Did Not Violate Ethics Rules
(see page 13)*

OI-NM-09-0201-I

*Tribal Official and Contractor Embezzled over \$3.5 Million
(see page 16)*

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

OI-PI-18-0375-I

*BIA Official Engaged in Unprofessional Behavior
(see page 18)*

OI-PI-17-0819-I

*BIE Official Allegedly Inflated Gifted Program Enrollment and Student Attendance Numbers at Former School
(see page 19)*

OI-PI-18-0554-I

*Employees Believed BIE Director's Presence During Fiscal Monitoring Review at Former School Was Improper
(see pages 19–20)*

OI-VA-18-0148-I*

Report of Prohibited Communications by Former National Indian Gaming Commission Employee Unfounded

OI-NM-16-0288-I*

Alleged Embezzlement at BIE Funded Tribally Controlled Grant School

OI-VA-16-0647-I

*Violations by Former Acadia National Park Senior Official
(see page 25)*

OI-PI-18-0562-I

*Investigation of Alleged Inappropriate Conduct by NPS Deputy Director
(see page 26)*

OI-PI-18-0006-I*

NPS Regional Official Allegedly Made Unwanted Advances Toward Employee

OI-PI-17-1040-I

*Secretary Zinke's Use of Chartered and Military Aircraft Between March and September 2017
(see page 34)*

OI-PI-17-1010-I

*Alleged Retaliation and Abusive Behavior by FWS Official
(see pages 46–47)*

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

INSTANCES OF AGENCY INTERFERENCE

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

INSTANCES OF NONREMEDICATION

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

ALLEGED WHISTLEBLOWER RETALIATION

We submitted one report containing allegations of whistleblower retaliation to the Department to make a determination as to whether retaliation occurred based on the facts of the investigation.

- *Alleged Retaliation and Abusive Behavior by FWS Official (see pages 46–47)*

CROSS REFERENCES TO THE INSPECTOR GENERAL ACT

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Section 5(a)(1)	Significant Problems, Abuses, and Deficiencies	1–53
Section 5(a)(2)	Recommendations for Corrective Action With Respect to Significant Problems, Abuses, and Deficiencies	1–53
Section 5(a)(3)	Significant Recommendations From Agency’s Previous Reports on Which Corrective Action Has Not Been Completed	65
Section 5(a)(4)	Matters Referred to Prosecutive Authorities and Resulting Convictions	55–56
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Section 5(a)(10)(A)	For Which No Management Decision Has Been Made	65
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*N/A: Not applicable to this reporting period.

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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	84
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*N/A: Not applicable to this reporting period.

OIG CONTACT INFORMATION



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