



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

SEMIANNUAL REPORT TO CONGRESS

For the Period Ending
March 31, 2025

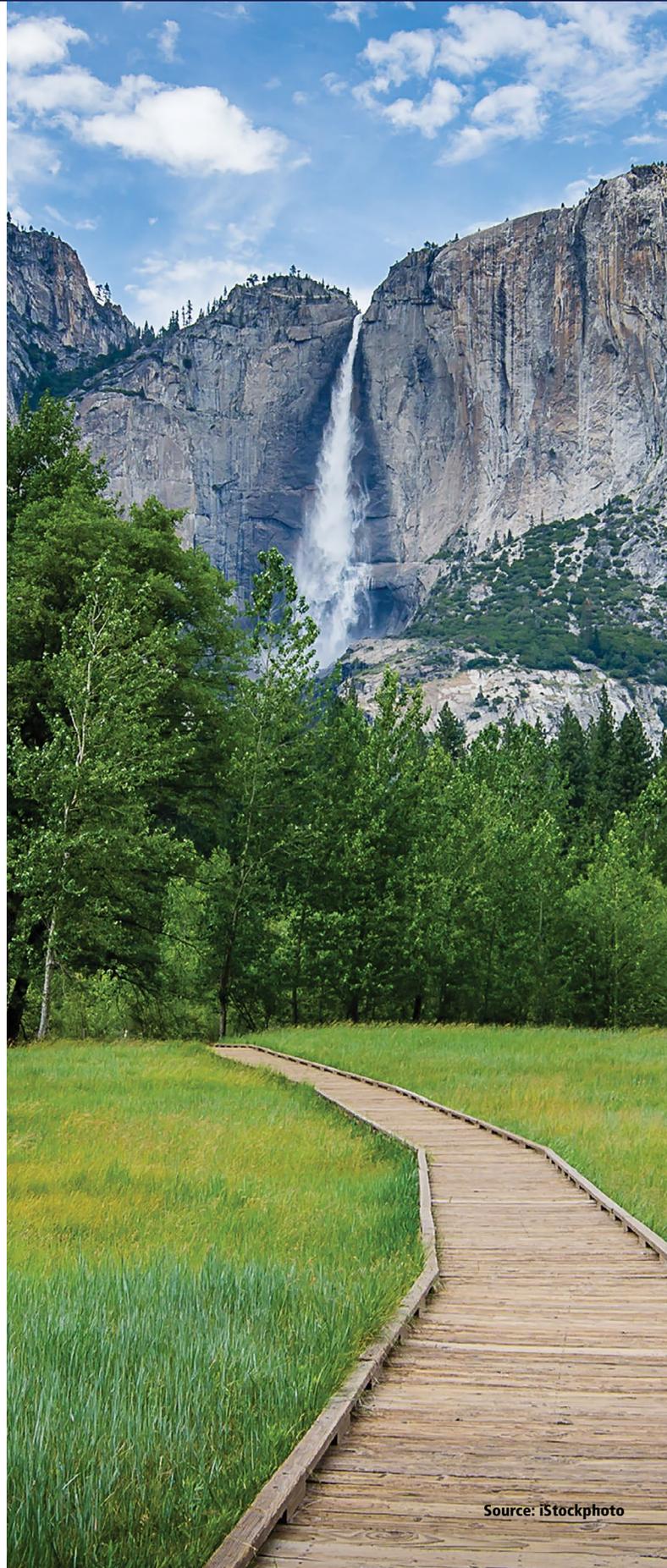




SEMIANNUAL REPORT TO CONGRESS OCTOBER 1, 2024–MARCH 31, 2025

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Source: iStockphoto

Abbreviations List

AIE	Office of Audits, Inspections and Evaluations	IBC	Interior Business Center
AS-IA	Assistant Secretary for Indian Affairs	IDNR	Illinois Department of Natural Resources
BIA	Bureau of Indian Affairs	IJA	Infrastructure Investment and Jobs Act
BIE	Bureau of Indian Education	NPS	National Park Service
BLM	Bureau of Land Management	OCIO	Office of the Chief Information Officer
BOEM	Bureau of Ocean Energy Management	OEPC	Office of Environmental Policy and Compliance
BOR	Bureau of Reclamation	OI	Office of Investigations
BSEE	Bureau of Safety and Environmental Enforcement	OIG	Office of Inspector General
DOI	U.S. Department of the Interior	OLES	Office of Law Enforcement and Security
DOJ	U.S. Department of Justice	OSMRE	Office of Surface Mining Reclamation and Enforcement
EPA	U.S. Environmental Protection Agency	OWPO	Orphaned Wells Program Office
FOGRMA	Federal Oil and Gas Royalty Management Act	PFM	Office of Financial Management
FWS	U.S. Fish and Wildlife Service	USGS	U.S. Geological Survey
FY	Fiscal year	WSFR	Wildlife and Sport Fish Restoration Program
IA	Indian Affairs		



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Source: iStockphoto

Our Mission and Values

As the Department of the Interior Office of Inspector General (DOI OIG), we provide independent oversight to promote accountability, integrity, economy, efficiency, and effectiveness within DOI programs and operations. We achieve this mission by conducting investigations, audits, inspections, and evaluations and by reporting our findings of fraud, waste, abuse, or mismanagement along with recommendations for improvement. Depending on the nature of the information, we share it with DOI officials, Congress, the U.S. Department of Justice (DOJ) and other law enforcement entities, and the public.

We use our findings to prompt corrective action when we find shortcomings and deficiencies and to prevent wrongdoing and mismanagement. We conduct outreach to those responsible for the expenditure of DOI funds, including employees, contractors, grantees, and Tribes. These outreach efforts help inform these audiences of the consequences of wrongdoing, red flags that they can use to help identify fraud, and how to report problems or concerns to us. We also make recommendations to DOI for the suspension and/or debarment of recipients and potential recipients of DOI awards, which can protect taxpayer resources by preventing wrongdoers

or those with a history of poor performance or noncompliance from receiving new Federal awards.

Our core values define the OIG's overall approach by guiding employee behavior and decisions at all levels. By adhering to these values—integrity, objectivity, and impact—we provide effective oversight that improves DOI.

INTEGRITY



We demonstrate our integrity by acting with honesty and professionalism. We treat people with dignity and respect.

OBJECTIVITY



Objectivity is the foundation of our work. We maintain independence, gather all relevant facts, and base our findings on supportable evidence.

IMPACT



Our work provides decision makers with information so that they can take corrective actions. We strive for continuous improvement in our own organization and the DOI.



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Source: iStockphoto

Focus Areas of Oversight

DOI's own responsibilities have a significant public impact, and we accordingly strive to conduct oversight that will have a positive effect on DOI's programs and operations. To arrive at focus areas for our oversight, we considered DOI's three major management challenges as we have defined them—managing spending, delivering core services, and ensuring health and safety—along with stakeholder priorities, prior work, and emerging threats or vulnerabilities. The work we completed this reporting period addressed several of these focus areas.



CONTRACT AND FINANCIAL ASSISTANCE OVERSIGHT



CYBERSECURITY



DATA AVAILABILITY AND QUALITY



ENVIRONMENTAL IMPACT



HEALTH AND SAFETY



PAYMENT INTEGRITY



REVENUE COLLECTION



TRIBAL NATIONS AND INSULAR COMMUNITIES



WORKPLACE CULTURE AND HUMAN CAPITAL



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A Message From the Acting Inspector General

I am pleased to submit this semiannual report summarizing the oversight work of the Department of the Interior (DOI) Office of Inspector General (OIG) between October 1, 2024, and March 31, 2025. In keeping with our mission as defined in the Inspector General Act of 1978, this work promotes efficient and effective operations and programs within DOI and prevents and detects fraud, waste, and abuse. Our ultimate goal is to ensure that the taxpayer resources that support DOI are used responsibly and appropriately and that DOI fulfills its wide ranging responsibilities to the American people.

In light of DOI's own expansive responsibilities, our work similarly covers the full scope of its programs. The reports issued during this time period address health and safety, appropriate use of supplemental funding provided by the Infrastructure Investment and Jobs Act (IIJA), and many other topics of significance to DOI and to the American people.

Below we highlight a few significant reports from our Office of Audits, Inspections, and Evaluations (AIE). Each of these reports includes recommendations that, if implemented, will help DOI improve its operations and address the weaknesses that we identified.

- We evaluated DOI's Orphaned Wells Program Office (OWPO) and found areas in which it can improve the oversight of IIJA funds provided to States. For example, OWPO did not ensure that the Interior Business Center properly assessed risk of grant recipients, did not have



an effective site visit policy, and did not provide enough guidance to grant applicants. Without doing so, OWPO cannot appropriately adjust the conditions of its grants to mitigate risk and subsequently develop an effective monitoring plan to ensure proper oversight of the IIJA funds. Through FY 2030, the IIJA will provide a total of \$4.3 billion in funding to States, so OWPO must provide proper oversight to help ensure these resources are spent appropriately.

- We issued a management advisory notifying DOI of the significant financial mismanagement and internal control deficiencies we found with the Illinois Department of Natural Resources' (IDNR's) use of Wildlife and Sport Fish Restoration Program (WSFR) funds awarded by the U.S. Fish and Wildlife Service (FWS) so that it could take appropriate actions to safeguard Federal funds.
- We conducted an audit to follow up on the recommendations from a 2016 report in which we evaluated detention facilities in Indian Country¹ and identified concerns with serious incident reporting, health and safety inspections, facility maintenance, overcrowding, and staffing. The ongoing weaknesses in detention program operations and facility maintenance represent a significant risk to the safety and well-being of inmates and staff alike. Further, without accurate operational and facility condition data, Indian Affairs (IA) cannot be assured that decision makers have all necessary information to allocate resources most effectively.

¹ "Indian Country" is defined in 18 U.S.C. § 1151 as all land within the limits of any Indian reservation under the jurisdiction of the U.S. Government, all dependent Indian communities within the borders of the United States, and all Indian allotments.



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- We inspected the Spirit Lake Tribe’s Tate Topa Tribal School and found that the Bureau of Indian Education (BIE) did not ensure deficiencies at the school were resolved timely. Specifically, catastrophic, critical, and significant deficiencies at the school—including repeat deficiencies—from the last three annual BIE safety and health inspections remained unaddressed. Most notably, a catastrophic deficiency relating to a broken regulator for the school’s dry sprinkler system was identified as long ago as FY 2019 but was not corrected until FY 2023. We also found that the contractor improperly closed work orders that were initially opened to address safety and health deficiencies, some of which were significant.

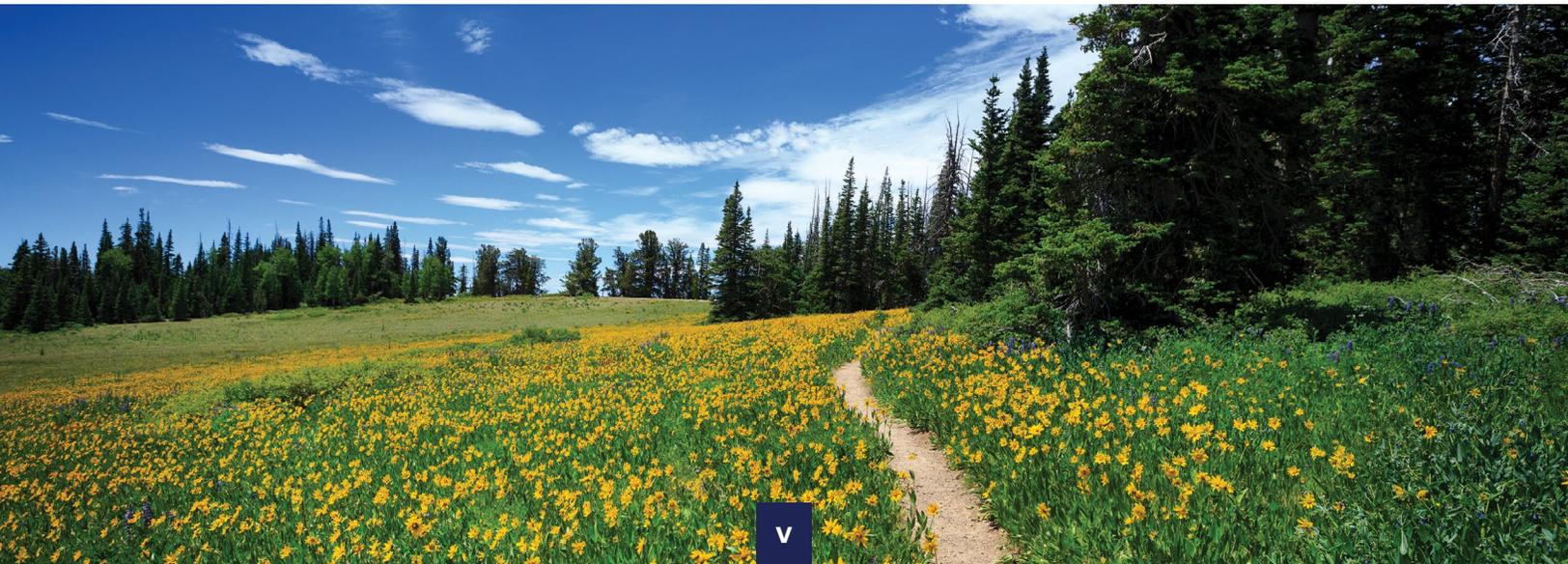
Our work on BIE continues to highlight issues of particular importance to our stakeholders. For example, on February 12, 2025, our Assistant Inspector General for AIE provided testimony before the House Committee on Natural Resources Subcommittee on Oversight and Investigations on our work addressing BIE-funded and -operated schools and identified a range of concerns set forth in our reports, noting particularly issues associated with closure of hundreds of work orders at BIE and Tribal schools. She explained, “The inaccurate status

of work orders prevents issues from being addressed, affects school [Facility Condition Index] ratings, and projects a safe environment while risks persist that may jeopardize the well-being of school children and staff.”

Our Office of Investigations (OI) also completed numerous significant investigations during this reporting period. For example, we released reports addressing misconduct by DOI employees and officials and a company’s use of gas from a Federal lease to power cryptomining without authorization, potentially in violation of the Federal Oil and Gas Royalty Management Act (FOGRMA). OI has continued to work with the DOJ to hold fraudsters accountable and recover funds owed to the Federal Government. For example:

- Our investigation of the owner of M&M Production & Operation, Inc. and Shoreline Oil & Gas Company, revealed that she committed wire fraud by knowingly submitting inaccurate information through online reporting systems and violating numerous reporting regulations. Her false and missing filings and the associated penalties resulted in a loss of over \$3.55 million for Tribes and the Federal Government. This case resulted in the first Federal prosecution under FOGRMA. As a result, in November 2024,

Source: iStockphoto





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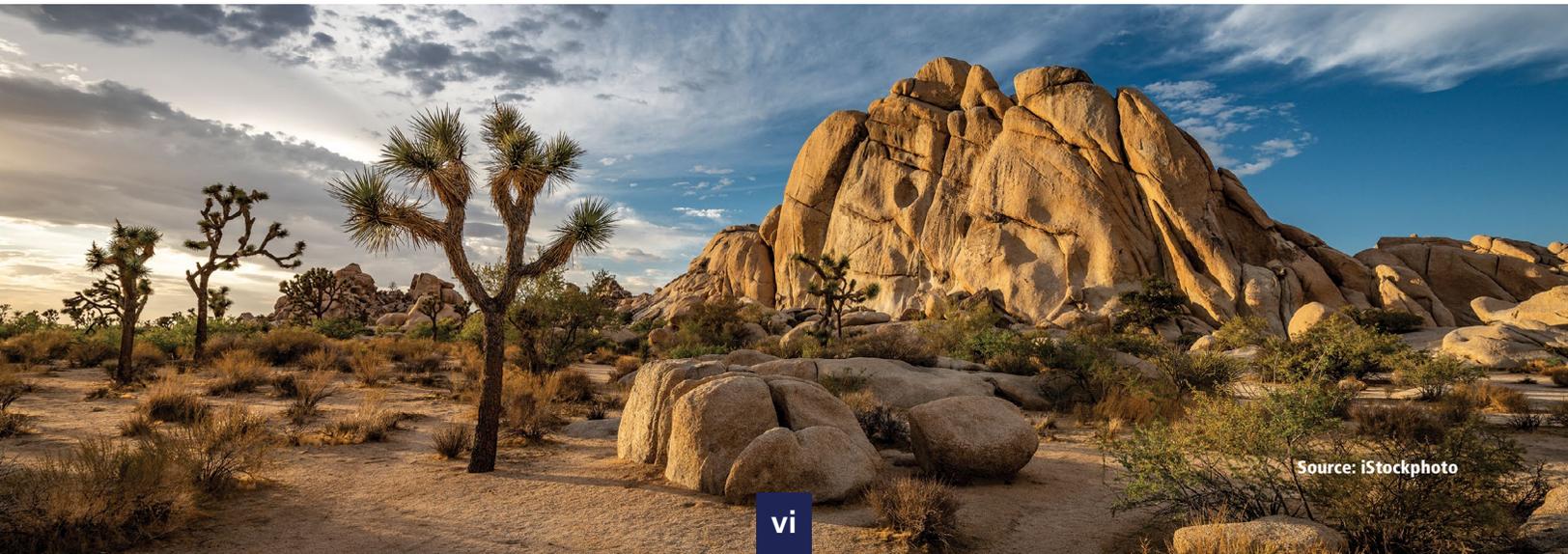
the owner was sentenced to a time-served prison sentence, three years of supervised release, and to pay restitution of \$3.55 million to the Jicarilla Apache Nation and the Navajo Nation for lost royalties.

- In another matter, our work, in collaboration with the Environmental Protection Agency (EPA) OIG, resulted in a guilty plea to money laundering and conspiracy to commit wire fraud by the former Restoration Projects Director at WildEarth Guardians, who conspired with a contractor to generate and submit fraudulent invoices from the contractor for payment by WildEarth Guardians and later reimbursement, in part, by DOI. These invoices were for hours not actually worked and expenses not actually incurred. The former Restoration Projects Director was sentenced to two years of supervised release and ordered to pay more than \$240,000 in restitution.
- More recently, in March 2025, a former U.S. Geological Survey (USGS) employee pleaded guilty to one felony count of wire fraud in Federal court. The former USGS employee defrauded the Government by using his Government credit card to pay approximately \$1.22 million over an approximately 15-year period to fictitious companies he created.

This report includes statistical information on the reports we issued, the recommendations we made, and the financial recoveries we obtained during this reporting period. Notably, AIE issued 24 reports that provided 143 recommendations to help DOI and its bureaus improve programs and operations and increase efficiency and effectiveness. We also identified more than \$10 million in questioned costs. From OI, our investigations resulted in 9 indictments/criminal informations, 7 personnel actions, 20 procurement remedies, as well as the recovery of more than \$8.27 million in unpaid royalties.

The work accomplished during this reporting period is a credit to the dedicated, professional employees of this OIG, and I am inspired by their ongoing commitment to promoting the efficient, effective, and appropriate use of the taxpayer resources that fund DOI. I am looking forward to continuing these efforts over the next reporting period as we identify ways to improve the programs and operations of DOI and hold bad actors accountable.

Caryl N. Brzymialkiewicz, Ph.D.
Acting Inspector General



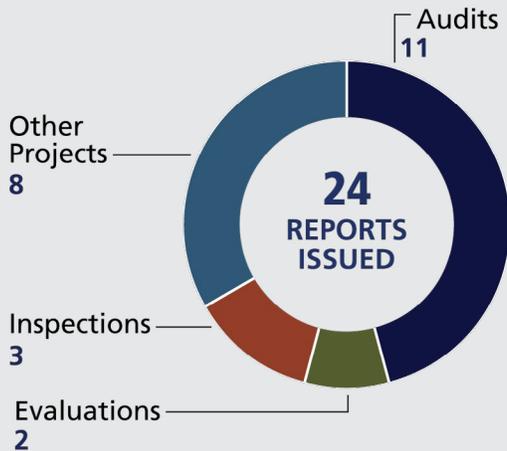
Source: iStockphoto



HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS

STATISTICAL HIGHLIGHTS | OCTOBER 1, 2024–MARCH 31, 2025

REPORTING ACTIVITIES



RECOMMENDATIONS ISSUED

143

Recommendations

\$4,250,975

Questioned Costs-Unallowable

\$5,789,726

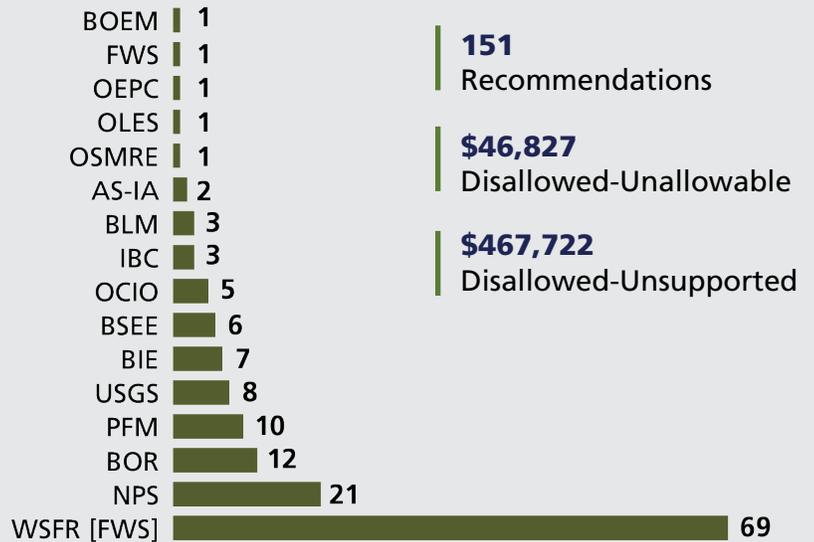
Questioned Costs-Unsupported

Note: No funds for better use were identified during the reporting period.

Significant & Unresolved Recommendations



RECOMMENDATIONS CLOSED



151

Recommendations

\$46,827

Disallowed-Unallowable

\$467,722

Disallowed-Unsupported

FEATURED REPORTS

The Orphaned Wells Program Office Needs to Improve Its Oversight of the Infrastructure Investment and Jobs Act Funding to States (2023-INF-025)



Orphaned wells² pose public health and safety and environmental risks.

For example, orphaned wells can pollute residential and recreational areas and public spaces through methane emissions and groundwater contamination. The IJJA³ sought to address this issue by providing \$4.7 billion in funding for FYs 2022 through 2030 for DOI to

plug, remediate, and reclaim orphaned wells on Federal, State, Tribal, and private lands. Most of this funding will be provided to States, approximately \$4.3 billion, or 91 percent of the total authorized funding. To implement the IJJA's investment in orphaned well plugging and remediation, the Secretary established OWPO in January 2023. Our objective⁴ was to determine whether DOI's OWPO was effectively overseeing IJJA grant funds provided to States.

In accordance with the IJJA, OWPO provides grants to States to plug and remediate orphaned wells. To accomplish this mission, States often award grant funding received from OWPO

²The definition of an orphaned well varies by State. For purposes of DOI's program, an orphaned well on State land is a well that a State describes as eligible for plugging, remediation, and reclamation by the State.

³Pub. L. No. 117-58, § 40601.

⁴Our objective included activities performed (e.g., developing the initial grant guidance) by the Office of Environmental Policy and Compliance before OWPO took over all program activities.



HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS

to subrecipients or contractors to complete orphaned wells plugging activities and States are expected to oversee the work of those subrecipients and/or contractors. To help ensure that funds are expended appropriately, OWPO must properly assess risk of the applicant and apply specific conditions as necessary to reduce the risk of fraud, waste, and abuse of IJJA funds. This assessment must occur at the time of each award as well as at the time of any modifications. Without properly doing so, OWPO cannot appropriately adjust the conditions of its grants to mitigate risk and then subsequently develop an effective monitoring plan to ensure proper oversight of the IJJA funds. As the IJJA will ultimately provide \$4.3 billion in funding to States, OWPO must provide proper oversight and administration activities of IJJA grants to ensure these resources are spent appropriately and effectively.

We found areas in which OWPO can improve the oversight of the IJJA funds provided to States. First, we found that OWPO did not ensure that financial assistance officer representatives properly reviewed all required quarterly technical reports. We also found that OWPO did not properly provide oversight to ensure that Interior Business Center (IBC)⁵ financial assistance officers reviewed all required State quarterly financial reports to ensure recipients accomplished program goals and appropriately spent funds. Second, we determined that OWPO did not ensure that IBC conducted comprehensive risk assessments of grant recipients before making awards. Specifically, the risk assessments conducted did not identify and respond to relevant audit findings. Third, OWPO did not have an effective site visit policy to ensure grant recipients are meeting the grant terms and accurately reporting performance. Finally, although OWPO provided guidance to the States, it was insufficient to provide applicants with the information needed to understand all the



A West Virginia well site shown before plugging (left) and after plugging (right). Source: OWPO.

requirements and how to implement them. More guidance is needed on prioritization of projects, monitoring expectations of subrecipients and/or contractors, groundwater contamination, and leveraging funds from non-DOI sources.

We made nine recommendations that, if implemented, will help OWPO review quarterly State reports, analyze risk of grant applicants, provide effective oversight, and provide sufficient guidance to grant recipients. We consider one of these recommendations to be significant because of its importance related to robust grant oversight. This recommendation remains unresolved.

Risks Identified for U.S. Department of the Interior Grants Awarded to the Illinois Department of Natural Resources (2024-CGD-030)



This management advisory highlights the risks associated with the DOI's award of grants to IDNR. Our ongoing audit of IDNR's use of WSFR funds found significant financial mismanagement and internal control

⁵ The IBC is a Federal shared services provider that operates under a fee-for-service, full cost recovery business model, offering acquisition, financial management, and human resources systems and services to Federal organizations. OWPO entered into an interagency agreement with IBC to award and administer the grants to States.



HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS

deficiencies. These issues raise the concern that other DOI funds awarded to IDNR could potentially be mismanaged, including grants awarded under the IJA for remediating abandoned mine lands and orphaned wells across the State—between FYs 2021 and 2023, DOI awarded \$288 million in grants to IDNR for these remediation efforts alone. We issued this management advisory to notify DOI of concerns with IDNR’s internal controls for financial management and DOI’s risk assessment process so that it can take appropriate actions to safeguard Federal funds.

During our ongoing audit, we found that for State FYs 2021 and 2022, IDNR did not comply with significant Federal regulatory requirements. This noncompliance occurred because of insufficient financial management internal controls, most notably the removal of IDNR’s legacy accounting system in December 2019 without establishment of a suitable replacement. Consequently, IDNR did not properly (1) budget for WSFR grants, (2) track WSFR expenditures, and (3) request reimbursement on its WSFR grants via the drawdown process. These shortcomings led to systemic errors and inaccuracies in reporting the use of WSFR funds. For example, IDNR underused \$8.7 million in available Federal funding for four of its WSFR grants in State FYs 2021 and 2022 because it was not able to properly identify costs associated with its Federal awards. Had IDNR known the actual costs incurred on these grants and had adequate processes in place, it could have allocated resources to other conservation activities (such as other WSFR grant objectives). IDNR’s insufficient financial management internal controls combined with a lack of documented guidance and oversight exacerbated these issues, ultimately impeding effective grant management and critical conservation efforts.

IDNR is one of the top five recipients of funding from the following DOI programs: Abandoned

Mine Land Reclamation, Great Lakes Restoration, Energy Community Revitalization (orphaned wells), and Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining. In light of IDNR’s challenges in managing WSFR grants, its internal control shortcomings raise concerns about its ability to manage funding from less mature DOI grant programs. As of May 2024, IDNR lacked updated policies and procedures for managing Federal grants and its hiring process depended on another State agency beyond its control. This lack of capacity can affect its ability to manage and implement grant programs effectively. The lack of comprehensive risk assessments by DOI awarding bureaus and offices, combined with the issues identified in our ongoing WSFR audit of IDNR, underscores the need for improved oversight of grants made to IDNR to ensure proper use of Federal funds and adherence to statutory and regulatory requirements.

We made two recommendations that, if implemented, will help DOI improve its oversight of grant funds awarded to IDNR. We consider one of these recommendations to be significant because of its monetary impact.

Indian Affairs Still Needs to Improve Its Management of Bureau of Indian Affairs-Funded and/or -Operated Detention Programs (2022-WR-040)



We initiated this audit in response to a congressional mandate⁶ to follow up on the recommendations from a 2016 report in which we evaluated detention facilities in Indian Country.⁷ In the 2016 report, we identified concerns with serious incident reporting, health and safety inspections, facility maintenance, overcrowding, and staffing, all of which had a negative impact on the condition of detention facilities and the health and safety of inmates and correctional staff.

⁶ Committee Print of the Committee on Appropriations, U.S. House of Representatives, on H.R. 2471/Pub. L. No. 117-103, at page 1448, available at: <https://congress.gov/117/cprt/HPRT47048/CPRT-117HPRT47048.pdf>.

⁷ *Bureau of Indian Affairs Funded and/or Operated Detention Programs* (Report No. 2015-WR-012), issued February 2016.



HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS

In this engagement, we audited Bureau of Indian Affairs (BIA)-funded and/or -operated detention programs and facilities to determine whether IA:

1. Corrected the operational issues identified in our previous report.
2. Improved the condition of BIA-funded and/or -operated detention facilities.
3. Spent funds appropriated for detention facilities for the stated purpose.

We found that, since our 2016 report, IA had taken actions to correct operational issues, but challenges remain. Specifically, we found limited monitoring reviews of detention programs, incomplete and inconsistent serious incident reporting, detention staffing shortages, and increasing instances of overcrowding. For example, we found that BIA's Office of Justice Services has not completed monitoring reviews of all the detention programs and did not issue reports to all of the Tribal programs it did review. In addition, 31 percent of serious incident reports labeled "in-custody death" mischaracterized the severity of the incident; and, during a site visit to the Rocky Mountain detention program, we learned that officers worked multiple 12-hour shifts per week due to staffing shortages, which can lead to burnout.

We also found IA lacks complete and accurate information about the condition of detention facilities, resulting in incomplete data and unaddressed maintenance issues. For example, we visited the Northern Cheyenne Busby Juvenile detention facility and subsequently learned that problems with the roof made the building uninhabitable. Four work orders for a roof replacement were recorded over a 2.5-year period, from April 2020 to July 2022. As of October 2022, however, the roof had not been replaced and inmates had to be moved to another facility. Finally, during our review of detention funding, we identified \$700,000



A crack in the wall between adult and juvenile holding cells observed in 2015 (left) and 2022 (right). This crack prevents sight and sound separation between adult and juvenile holding areas, which is a requirement under national standards adopted pursuant to the Prison Rape Elimination Act. Source: OIG.

that was provided to a facility for buildings that had been demolished seven years earlier and more than \$3 million in additional questioned costs, including a potential Antideficiency Act violation. Generally, we found that these issues occurred due to a lack of appropriate guidance and oversight.

As we noted in our report, these are persistent issues, and for decades, detention facilities in Indian Country have been affected by understaffing, overcrowding, and poor facility conditions. The ongoing weaknesses in detention program operations and facility maintenance represent a significant risk to the safety and well-being of inmates and staff. Further, without accurate operational and facility condition data, IA cannot be assured that decision makers have all necessary information to allocate resources most effectively. We made 24 recommendations to help IA further improve detention programs and facilities in Indian Country. We consider two of these recommendations to be significant because they relate to the health and safety of inmates and BIA employees. A third recommendation was determined to be significant because it related to a potential Antideficiency Act violation; OIG closed the recommendation based on IA's policy determination that the relevant Joint Explanatory Statement did not contain



HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS

congressionally directed spending. As noted in the report, we did conclude, however, that there was a clear intent that the supplemental funding was directed toward hiring additional detention and corrections staff and facilities located on Indian lands and, as also discussed in the report, it was not clear that BIA used these funds to do so.

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Facility Management System Accuracy at Tate Topa Tribal School (2024-ISP-014)



We inspected the Spirit Lake Tribe's Tate Topa Tribal School located in Fort Totten, North

Dakota. Its FY 2023 safety and health inspection, conducted by the BIE, included one catastrophic deficiency and a high number of critical and significant deficiencies. Our objectives were to determine whether (1) BIE addressed deficiencies found during required annual safety and health inspections at Tate Topa Tribal School and (2) Tate Topa Tribal School developed an emergency action plan in accordance with Federal regulations.

While we determined that Tate Topa Tribal School had developed an adequate emergency action plan, we found that BIE did not ensure deficiencies at the school were resolved timely. Specifically, catastrophic, critical, and significant deficiencies at the school—including repeat deficiencies—from the last three annual safety and health inspections remained unaddressed. Most notably, a catastrophic deficiency identified as far back as FY 2019 was not corrected until FY 2023. We found that 78 percent (seven of nine) of the FY 2024 critical deficiencies remained open and in need of correction even though the BIE-established abatement timelines

in the facility management system had passed. For example, in February 2023, the facilities management system identified that large items were blocking an exit on the high school side of the building. Although this deficiency had an abatement period of 45 days, it had not been corrected at the time of our inspection. Lastly, we found data reliability issues in BIE's facility management system. We statistically sampled 53 from a total of 236 significant deficiencies at Tate Topa Tribal School that were reported as corrected and closed between 2022 and 2024. We found that 31 out of the 53, or 58 percent, had not been corrected, and the associated work orders were incorrectly closed—meaning that the associated deficiencies likely still exist.

Failure to correct deficiencies found during the annual safety and health inspections exposes students and staff to a potentially unsafe and unhealthy school and work environment. By addressing the deficiencies, the school may be better positioned to ensure a quality educational environment for the children. As we have discussed in other recent reports,⁸ inaccurate reporting of work orders can create inefficiencies in funding, result in inadequate monitoring, and create a perception of a safe environment when risks persist.

We made seven recommendations that, if implemented, will improve the school's overall facility condition by reducing the number of safety and health deficiencies and increasing staff's ability to respond to maintenance requirements. We consider one of these recommendations to be significant because of its impact to health and safety—in particular, deficiencies that were closed in the system still needed to be corrected; the closures incorrectly suggested otherwise. That recommendation remains unresolved.

⁸ See, e.g., *Indian Affairs Is Unable To Effectively Manage Deferred Maintenance of School Facilities* (Report No. 2022-CR-036), issued March 2024, https://www.doioig.gov/sites/default/files/2021-migration/FinalEvaluationReport_BIEDeferredMaintenance_Public.pdf.

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness and Security at Havasupai Elementary School (Report No. 2023-ISP-040), issued October 2024, https://www.doioig.gov/sites/default/files/2021-migration/Final%20Inspection%20Report_%20Havasupai%20School%20Inspection.pdf.



HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS

REPORTS ISSUED

The Bureau of Indian Education Must Correct Safety and Health Deficiencies and Improve Emergency Preparedness and Security at Havasupai Elementary School (2023-ISP-040)



Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing the U.S. Department of the Interior, Fiscal Year 2024 (2024-ER-013)



Review of the Bureau of Indian Education's Analysis of Indian School Equalization Program Funds Pay Parity (2024-WR-033)



Wildlife and Sport Fish Restoration Grants Awarded to the State of Arkansas by the U.S. Fish and Wildlife Service (2024-CGD-015)



Independent Auditors' Reports on the Tribal and Other Trust Funds and Individual Indian Monies Trust Funds Financial Statements for Fiscal Years 2024 and 2023 (2024-FIN-022)



Wildlife and Sport Fish Restoration Grants Awarded to the State of North Carolina, Department of Environmental Quality, Division of Marine Fisheries, by the U.S. Fish and Wildlife Service (2024-CGD-016)



The U.S. Department of the Interior Should Take Action to Fully Implement Its Enterprise Risk Management Capability (2023-ISP-036)





HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS

Flash Report: The National Park Service’s First Amendment Permit Process (2024-ISP-038)



U.S. Department of the Interior Bureaus Must Improve Federal Oil and Gas Internal Controls To Ensure Oversight of Financial Risks to the Government From Bankruptcies (2023-CR-003)



U.S. Fish and Wildlife Service Grants Awarded to the State of Washington Under the Wildlife and Sport Fish Restoration Program (2023-CGD-030)



Independent Auditors’ Report on the U.S. Department of the Interior’s Financial Statements for Fiscal Years 2024 and 2023 (2024-FIN-023)



Wildlife and Sport Fish Restoration Grants Awarded to the State of North Carolina Wildlife Resources Commission by the U.S. Fish and Wildlife Service (2024-CGD-017)



Progress Made by the U.S. Department of the Interior in Implementing Government Charge Card Recommendations, Fiscal Year 2024 (2025-FIN-008)



Infrastructure Investment and Jobs Act Orphaned Well Initial Grant Awarded to the State of Texas, Railroad Commission of Texas (2024-ER-010)



On the left, a photo of a rusty, orphaned well pump in the grassy desert. On the right, an orphaned well plugged using initial IJA grant funds. A concrete slab was used to plug the orphaned well. Sources: Railroad Commission of Texas and OIG.

Risks Identified with a Bureau of Indian Education Contractor (2024-ISP-014-A)



Wildlife and Sport Fish Restoration Grants Awarded to the District of Columbia by the U.S. Fish and Wildlife Service (2024-CGD-009)





HIGHLIGHTS FROM THE OFFICE OF AUDITS, INSPECTIONS, AND EVALUATIONS



Examples of backcountry privies: the privy on the left would be banned under the EPA's definition of a large-capacity cesspool if used by more than 20 people per day. The privy on the right would not be banned based on its design and unique way of treating waste. Source: NPS.

The National Park Service Could Improve Management of Wastewater Systems by Remediating Public Health Deficiencies and Updating Inventories and Policies (2023-CR-026)



Improvements for Oversight of Cooperative Agreement To Construct the U.S. Geological Survey Energy and Minerals Research Facility (2023-WR-042)



The National Park Service Can Improve Cost Estimates for Great American Outdoors Act Construction Contracts (2022-CGD-051)



Independent Auditors' Performance Audit Report on the U.S. Department of the Interior Federal Information Security Modernization Act for Fiscal Year 2024 (2024-CTD-006)





HIGHLIGHTS FROM THE OFFICE OF INVESTIGATIONS

STATISTICAL HIGHLIGHTS | OCTOBER 1, 2024–MARCH 31, 2025

INVESTIGATIVE ACTIVITIES

Complaints



Investigations



CRIMINAL PROSECUTION ACTIVITIES



4: 13 years Probation	1: 6 months Jail Time	0: 0 hours Community Service
4: \$751,895 Criminal Restitutions	1: \$20,000 Criminal Fine	4: \$1,300 Criminal Special Assessments

Note: These formulas represent the number of judgments and the resulting penalties. For example, 4 judgments resulted in a total of 13 years of probation.

Criminal Matters



CIVIL INVESTIGATIVE ACTIVITIES

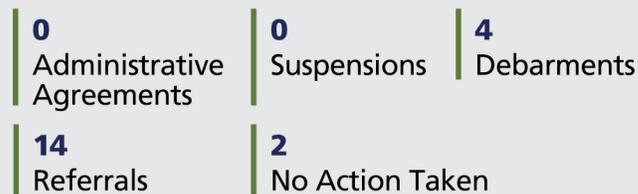


ADMINISTRATIVE INVESTIGATIVE ACTIVITIES

7 Personnel Actions

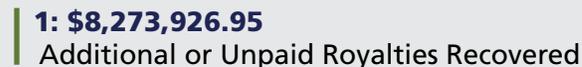


20 Procurement Remedies



1 General Policy Action

ROYALTIES



2 PAST DUE RESPONSES

- 1 Bureau of Indian Education
- 1 National Park Service



HIGHLIGHTS FROM THE OFFICE OF INVESTIGATIONS



Source: iStockphoto

FEATURED REPORTS

Colorado Man Sentenced for Money Laundering Scheme (DOJ Press Release)

 In November 2024, James Matison, the former Restoration Projects Director at WildEarth Guardians, was sentenced to two years of supervised release and ordered to pay restitution in the amount of \$242,210 after pleading guilty to money laundering and conspiracy to commit wire fraud.

In 2015, Matison manipulated his co-defendant, Jeffrey Ham, the owner of Timberline Environmental LLC, a WildEarth Guardians contractor, into participating in the scheme. Matison created and approved fraudulent invoices, and WildEarth Guardians then issued checks to Timberline for those amounts. Matison deposited these checks into Timberline's account, then transferred the funds to his personal account. The scheme continued until March 2019

and accumulated a total of \$242,210 in fraudulent billings to WildEarth Guardians, with Matison retaining nearly all the proceeds. When WildEarth Guardians began investigating, Matison asked Ham to create new invoices to conceal the crimes.

Ham pleaded guilty to conspiracy to commit wire fraud and was sentenced on October 3, 2024, to serve a term of three years on probation.

Colorado Man Pleads Guilty to Stealing \$1 Million With Government Credit Card (News Article⁹)

 In March 2025, former USGS employee James Montoya pleaded guilty to one felony count of wire fraud in Federal court. His sentencing is scheduled for June 2025.

Montoya worked in the IT department at USGS and made purchases with his Government credit card at his three fictitious companies to defraud

⁹ <https://www.9news.com/article/news/crime/colorado-man-pleads-guilty-theft-1-million-taxpayer-dollars/73-56ce6963-70e0-434c-a0eb-6ab6ac347b9d>



HIGHLIGHTS FROM THE OFFICE OF INVESTIGATIONS

the Government of more than \$1.2 million over approximately 15 years. He also submitted fictitious invoices and receipts to USGS to support the unauthorized purchases.

U.S. Attorney’s Office Announces Sentencing of Farmington Woman for Oil and Gas Fraud (DOJ Press Release)



Teresa McCown, the owner of M&M Production & Operation, Inc. and Shoreline Oil & Gas

Company, was sentenced in Federal court after pleading guilty to charges of failing to pay royalties owed to the Jicarilla Apache Nation, the Navajo Nation, and the Federal Government; she also pleaded guilty to wire fraud and submitting fraudulent oil and gas extraction reports. This case was the first Federal prosecution under the Federal Oil and Gas Royalty Management Act.

McCown was required to submit monthly Oil Gas Operations Reports and royalty payments to DOI’s Office of Natural Resources Revenue (ONRR) based on the amount and value of oil and gas produced from the leases. Audits of her companies revealed that McCown failed to file approximately 1,000 reports for at least 32 leases or agreements. She also falsely reported gas extraction amounts and failed to pay due royalties and interest.

McCown did not attempt to correct these issues despite receiving multiple notices of noncompliance and civil penalties. Her false and missing filings and the associated penalties resulted in a loss of over \$3.55 million for the Tribes and the Federal Government. The investigation revealed that McCown committed wire fraud by knowingly submitting inaccurate information through online reporting systems and violating numerous reporting regulations.

McCown was sentenced to a time-served prison sentence and three years of supervised release. She was also ordered to pay full restitution to the Jicarilla Apache Nation and the Navajo Nation for lost royalties. In addition, she was also ordered to pay a \$20,000 fine in her personal capacity.



Source: iStockphoto

As part of her plea agreement, McCown also agreed not to contest proceedings initiated by DOI, BIA, and the Bureau of Land Management (BLM) to cancel her oil and gas leases. McCown formally apologized to the Jicarilla Apache Nation and the Navajo Nation at her sentencing.

REPORTS AND PRESS RELEASES ISSUED

Former DOI Deputy Secretary Violated Ethics Laws (23-0713)



U.S. Attorney’s Office Announces Sentencing of Colorado Man for Defrauding Federal-Funded Nonprofit (DOJ Press Release)



U.S. Park Police Officers’ Use of Deadly Force Following a Pursuit on the George Washington Memorial Parkway (22-0785)





HIGHLIGHTS FROM THE OFFICE OF INVESTIGATIONS

Company Used Gas from Federal Lease for Cryptomining Without Authorization (24-0733)



BLM State Office Director Violated Federal Regulations and DOI Policy (24-0013)



The Bureau of Indian Affairs Failed to Identify and Address Potential Conflicts of Interest When Awarding a Contract (24-0740)



Panoche Water District General Manager Conspired to Illegally Divert Federal Water (24-0745)



Source: iStockphoto





APPENDIX 1

Summary of Recommendation Activity

We are tracking a total of 481 open recommendations, including 91 that are considered significant and 33 that are unresolved. These open recommendations are related to questioned costs of \$43,665,632, and we identified \$5,662,704 in funds to be put to better use.

In this reporting period, we issued 143 recommendations in 24 audit, inspection, and evaluation reports. Of those recommendations, 14 were determined to be significant and 18 are unresolved. We identified \$10,040,701 in questioned costs.

We closed 151 recommendations this period, of which 23 recommendations were from reports issued in this reporting period and 128 recommendations were from reports issued in prior reporting periods (older than 6 months). In those closed recommendations, \$514,599 in costs were disallowed and recovered by the Department and 18 significant recommendations were closed.

Four recommendations that were previously unresolved have since been resolved through discussions with the Department and revisions to corrective action plans. We continue to coordinate with the Department and its bureaus to address 33 unresolved recommendations.

SUMMARY

481

Number of Recommendations

\$5,662,704

Funds for Better Use

\$16,227,267

Questioned Costs-Unallowable

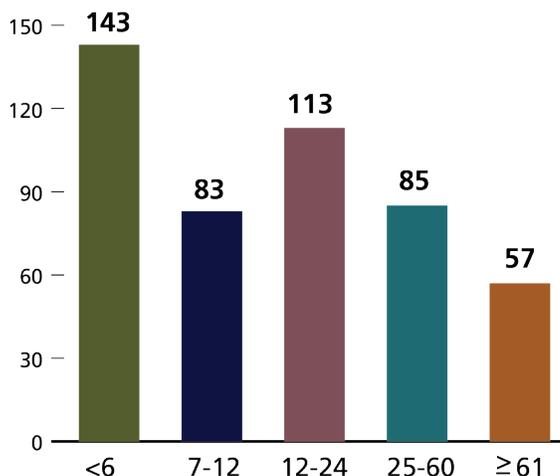
\$27,438,365

Questioned Costs-Unsupported

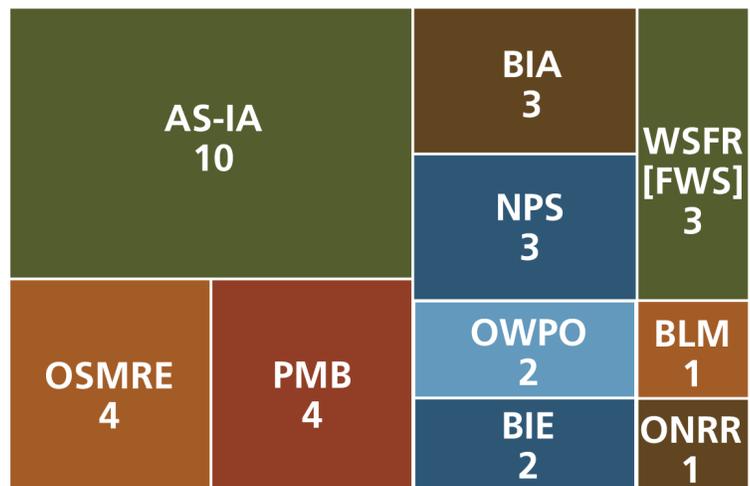
Significant & Unresolved Recommendations



Age of Recommendations (in Months)



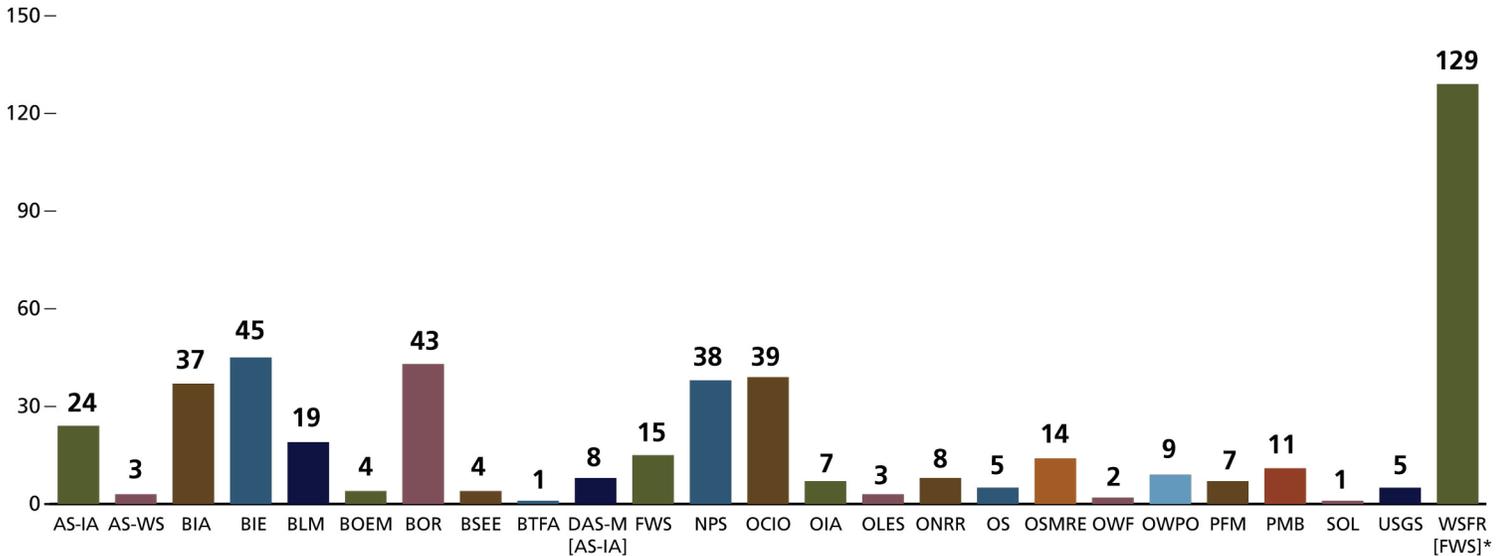
Number Unresolved by Bureau





APPENDIX 1

Number of Recommendations by Bureau



* The Wildlife and Sportfish Restoration program (WSFR) is the largest grant program managed by DOI. It provides funding for States and Territories to support projects that promote the conservation and restoration of wild birds and mammals and their habitats and programs that provide hunter education and safety training and opportunities. The OIG has an agreement with FWS to conduct audits for all States and Territories receiving funds through the program on a five-year cycle. FWS coordinates implementation with the States and territories, reviews and endorses the closure packages, and then forwards them to the OIG for final approval.

Bureau and Office Abbreviations

AS-IA	Assistant Secretary for Indian Affairs
AS-WS	Assistant Secretary for Water and Science
BIA	Bureau of Indian Affairs
BIE	Bureau of Indian Education
BLM	Bureau of Land Management
BOEM	Bureau of Ocean Energy Management
BOR	Bureau of Reclamation
BSEE	Bureau of Safety and Environmental Enforcement
BTFA	Bureau of Trust Funds Administration
DAS-M [AS-IA]	Deputy Assistant Secretary for Management [AS-IA]
FWS	U.S. Fish and Wildlife Service
NPS	National Park Service

OCIO	Office of the Chief Information Officer
OIA	Office of Insular Affairs
OLES	Office of Law Enforcement and Security
ONRR	Office of Natural Resources Revenue
OS	Office of the Secretary
OSMRE	Office of Surface Mining Reclamation and Enforcement
OWF	Office of Wildland Fire
OWPO	Orphaned Wells Program Office
PFM	Office of Financial Management
PMB	Office of Policy, Management and Budget
SOL	Office of the Solicitor
USGS	U.S. Geological Survey
WSFR	Wildlife and Sport Fish Restoration Program



APPENDIX 2

Open Recommendations

This appendix is now an online resource that is updated regularly. More specifically, data related to reports with open recommendations is now available on the OIG website. This online listing also identifies all significant and unresolved recommendations that have not been implemented. This webpage provides a searchable list of AIE open recommendations. (Because it identifies open recommendations only, the resource may not include the full listing of recommendations made in each report.)

<https://www.doiig.gov/recommendations>



APPENDIX 3

Monetary Resolution Activities

For the Period Ending March 31, 2025

TABLE 1: INSPECTOR GENERAL REPORTS WITH QUESTIONED COSTS*

	Number of Reports	Unallowable Costs	Unsupported Costs	Total Questioned Costs
A. For which no management decision has been made by the commencement of the reporting period. (As of September 30, 2024)	27	\$15,252,054	\$36,273,162	\$51,525,216
B. Which were issued during the reporting period.	5	\$4,250,975	\$5,789,726	\$10,040,701
Subtotal (A+B)	32	\$19,503,029	\$42,062,888	\$61,565,917
C. For which a management decision was made during the reporting period. ((i)+(ii))	12	\$3,275,762	\$14,624,523	\$17,900,285
(i) Dollar value of costs disallowed.	–	\$46,827	\$467,772	\$514,599
(ii) Dollar value of costs allowed.	–	\$3,228,935	\$14,156,751	\$17,385,686
D. For which no management decision had been made by the end of the reporting period. (Subtotal – C)	22 [†]	\$16,227,267	\$27,438,365	\$43,665,632

* Does not include non-Federal funds.

† Two projects contained both open and closed questioned cost recommendations.



APPENDIX 3

Monetary Resolution Activities

For the Period Ending March 31, 2025

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. (As of September 30, 2024)	4	\$5,701,319
B. Which were issued during the reporting period.	0	\$0
Subtotal (A+B)	4	\$5,701,319
C. For which a management decision was made during the reporting. ((i)+(ii))	1	\$38,615
<i>(i) Dollar value of recommendations that were agreed to by management.</i>	–	\$0
<i>(ii) Dollar value of recommendations that were not agreed to by management.</i>	–	\$38,615
D. For which no management decision had been made by the end of the reporting period. (Subtotal – C)	3	\$5,662,704



APPENDIX 4

Federal Financial Management Improvement Act

The OIG's Independent Public Accountant, KPMG, disclosed no instances in which DOI's financial management systems did not substantially comply with the Federal Financial Management Improvement Act.



APPENDIX 5

Administrative False Claims Act

During this reporting period, OIG investigating officials did not submit any investigative reports to reviewing officials. Accordingly, there were no instances in which the reviewing official declined to proceed on a reported case.



Peer Reviews of OIG Operations

Government audit, inspection and evaluation, and investigative standards require each statutory OIG to receive an independent, comprehensive peer review of its audit and investigative operations once every three 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 OIGs to provide in their semiannual reports to Congress information about peer reviews of their respective organizations and their peer reviews of other OIGs.

Audits, Inspections, and Evaluations

We conducted no peer reviews and no peer reviews were completed on DOI OIG during this reporting period. The most recent audit peer review of our office was performed by Treasury OIG and covered our system of quality control in effect for the year ended September 30, 2022. Treasury issued its final report and letter of comment on June 27, 2023. We received a rating of "pass" and do not have any open recommendations.

The most recent inspection and evaluation peer review of our office was performed by the Department of Defense OIG and covered our policies and procedures, as well as select inspections and evaluations completed between April 1, 2021, and March 31, 2022. The Department of Defense OIG issued its final report and letter of comment on August 30, 2023, and determined that AIE's policies and procedures were generally consistent with the Independence, Competence, Planning, Evidence Collection and Analysis, Reporting, Follow-Up, and Quality Control Blue Book standards. Of the four reports reviewed, the three that AIE issued in accordance with the January 2012 Blue Book generally complied with the seven covered Blue Book standards. The one report that the AIE issued in accordance with the December 2020 Blue Book also generally complied with the Blue Book standards. The Department of Defense OIG made one recommendation, which we have implemented.

Investigations

We did not complete any peer reviews of other OIGs during this reporting period. The Federal Housing Finance Agency OIG conducted an investigative peer review of DOI OIG during this reporting period covering the period of February 2022 to February 2025. The Federal Housing Finance Agency OIG found us in compliance with the Council of Inspectors General on Integrity and Efficiency (CIGIE) standards and the applicable Attorney General Guidelines.



APPENDIX 7

Instances of Agency Interference

During this reporting period, the establishment has not attempted to interfere with the independence of the OIG through budget constraints specifically designed to limit the capabilities of the OIG. The establishment has not attempted to interfere with the independence of the OIG through incidents where the establishment has resisted or objected to oversight activities of the Office or restricted or significantly delayed access to information.



APPENDIX 8

Investigations Involving Senior Government Officials

Investigations Involving Senior Government Officials Where Misconduct Was Substantiated

The OIG investigated whether then DOI Deputy Secretary Tommy P. Beaudreau complied with his Ethics Agreement and Certification of Ethics Agreement Compliance, whether his ownership of prohibited investments violated the DOI's supplemental ethics regulation and the Standards of Ethical Conduct, and whether Beaudreau violated the Federal conflict of interest statute by participating in his official capacity in particular matters in which he knew he held a financial interest that would be directly and predictably affected by the particular matter. We found that Beaudreau failed to comply with his Ethics Agreement and Certification of Ethics Agreement Compliance, owned prohibited financial interests in violation of DOI's supplemental ethics regulation and the Standards of Ethical Conduct, and participated in a June 2023 meeting in violation of the Federal conflict of interest statute.

We also investigated whether Andrew Archuleta, Director of BLM's Wyoming State Office and a member of the Senior Executive Service, violated the Standards of Ethical Conduct for Employees of the Executive Branch (Standards of Conduct), 5 C.F.R. part 2635, when he accepted dinner and drinks from a prohibited source and asked a subordinate to arrange travel for his girlfriend to accompany him on official travel, whether Archuleta's use of a Government rental vehicle for personal purposes violated DOI policy or the Federal Travel Regulation, and whether he violated DOI policy by driving his girlfriend in a Government-owned vehicle when she was not conducting official business. We substantiated the allegations.

In another case, we investigated whether the BIA improperly awarded a contract and whether former DOI senior executive Darren Cruzan violated post-Government employment ethics restrictions by communicating to or appearing before DOI on behalf of his private consulting firm, The Cruzan Group, in connection with matters in which he may have personally and substantially participated while he was a DOI employee. We found that several officials involved in the contracting process failed to identify and evaluate the potential organizational conflict of interest posed by Cruzan's and his business partner's prior DOI leadership positions. We found that Cruzan did not violate post-Government employment ethics restrictions by communicating with or appearing before DOI on behalf of the consulting firm in connection with the solicitation and contract award because he did not personally or substantially participate in any of the work that was the subject of the contract. We also found that a BIA supervisor violated the Standards of Conduct because he did not recuse himself from involvement in the contract work while seeking employment with The Cruzan Group. Additionally, the BIA supervisor and a BIA senior executive both failed to comply with their obligation to avoid actions creating the appearance that they violated the law or the Standards of Conduct during the contracting process.

Investigation Involving a Senior Government Official That Was Closed but Not Disclosed to the Public

We investigated whether a senior official for a DOI bureau violated criminal conflict of interest laws when he acted as an agent for a private third party in two separate meetings with Government officials regarding the award of Federal funding and a Federal loan. We also investigated whether the senior official accepted an impermissible gift of travel expenses from the private third party when he attended the meetings. We did not substantiate the allegations.



APPENDIX 9

Alleged Whistleblower Retaliation

The OIG investigated an allegation that a BIE contractor retaliated against a former employee after the employee filed complaints with the OIG and BIE that alleged that the contractor misused Government funds related to a BIE contract and used non-public Government procurement information in a bid for a BIE contract. We did not substantiate the employee's allegation of whistleblower reprisal.

OIG CONTACT INFORMATION



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