

# Summary: The Bureau of Indian Affairs Failed to Identify and Address Potential Conflicts of Interest When Awarding a Contract

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The OIG investigated allegations that the Bureau of Indian Affairs (BIA) improperly awarded a contract to examine the Office of Justice Services' (OJS') administrative investigations of 16 in-custody deaths occurring in BIA detention facilities between 2016 and 2020 (the "corrections study"). As part of this inquiry, we investigated allegations that inadequacies in BIA's procurement processes caused BIA to overlook a potential organizational conflict of interest when it awarded the contract to The Cruzan Group, LLC (The Cruzan Group). We also investigated an allegation that former U.S. Department of the Interior (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 deficiencies in the procurement process within BIA and the Office of the Assistant Secretary for Indian Affairs (IA). Foremost among these was a failure by BIA and IA to recognize that The Cruzan Group might have a conflict of interest. Moreover, IA and BIA leaders acted on the assumption that it was solely Cruzan's responsibility to identify and resolve conflict concerns. The Federal Acquisition Regulation (FAR) provides rules intended to maintain the public's trust in the procurement process. These rules explicitly prescribe the responsibilities, general rules, and procedures for identifying, evaluating and resolving organizational conflicts of interest. BIA and IA did not follow these rules and execute due diligence in this procurement.

Specifically, we found that:

- Cruzan's and one of his partner's (Partner 1's) prior DOI leadership positions posed a potential organizational conflict of interest under the FAR, the primary regulation governing the acquisition of supplies and services by Federal agencies.
- Several officials involved in the contracting process in BIA and IA failed to identify this potential organizational conflict of interest and evaluate whether the potential organizational conflict of interest could impair The Cruzan Group's objectivity in conducting the corrections study.
- A BIA Supervisor violated the Standards of Ethical Conduct for Employees of the Executive Branch (Standards of Conduct) because he did not recuse himself from involvement in the corrections study while he was seeking employment with The Cruzan Group.
- 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 corrections study contracting process.
- Cruzan did not violate post-Government employment ethics restrictions by communicating with or appearing before DOI on behalf of The Cruzan Group in connection with the corrections study solicitation and contract award because he did not personally or substantially participate in any of the in-custody death investigations that were the subject of the corrections study.

We also noted that, although Cruzan and Partner 1 sought advice from DOI's Departmental Ethics Office (DEO) about their participation in The Cruzan Group, they did not disclose information to the DEO about the nature of the corrections study or their intention to bid on the contract. This information may have given the DEO or BIA the opportunity to identify and avoid or mitigate the failures identified above.



Given the weaknesses in the procurement process for the corrections study contract, our Office of Audits, Inspections, and Evaluations (AIE) is conducting an audit of BIA's administration and oversight of acquisition functions to determine BIA's compliance with policies and procedures, including contract oversight, and whether BIA acquisition staff have met training requirements.

This is a summary of an investigative report we issued to the DOI Acting Deputy Secretary.

