



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

**U.S. Department
of the Interior
Top
Management
Challenges –
Pandemic
Response**

We identified three broad challenges for the U.S. Department of the Interior (DOI) as it handles pandemic-related responsibilities and emergency funds. We identified the challenges based on lessons learned from past audit and investigative work, as well as anecdotal and publicly available information.

At the request of the Pandemic Response Accountability Committee (PRAC), we provided information on the DOI's top management challenges in facing the pandemic. The PRAC is composed of inspectors general designated to serve on the committee under the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

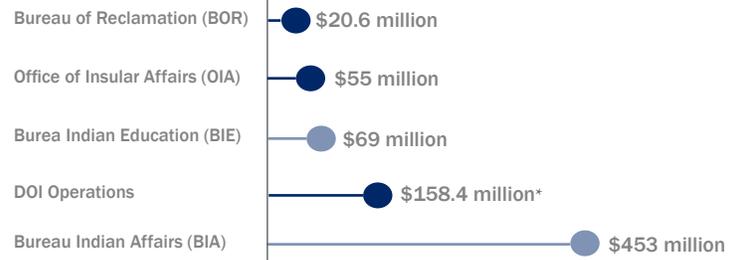
To provide additional detail to relevant decision-makers and the public, we are issuing this stand-alone report.

Congress appropriated

**\$756
million**

to the DOI under the CARES Act.

Most (69 percent) of the DOI's CARES Act funding is for Indian Affairs and Indian Education.



* This total includes \$1 million for the Office of Inspector General (OIG).

COVID-19 presents challenges to the DOI in implementing the CARES Act, as well as in financial, programmatic, and information technology matters.



Financial

Providing expedient assistance to vulnerable populations while ensuring the money reaches intended recipients for intended purposes

- Prevent COVID-19 spread in vulnerable populations
- Ensure continued education and food security for Indian school children
- Avoid waste and mismanagement, and promote public trust

76%

of CARES Act funding (\$577 million) is allocated to BIA, BIE and OIA.



Programmatic

Balancing public and employee safety with access to public lands

- Meet the agency mission and provide public access to DOI lands and resources such as recreation and energy production sites
- Avoid additional maintenance backlog in national parks, and protect natural resources and human safety
- Promote safe practices to avoid transmission of COVID-19

The DOI's existing deferred maintenance needs will cost about

**\$16
billion**
to address.



**Information
Technology**

Guarding against increasing cybersecurity threats

- Protect DOI assets and information
- Prevent DOI employees from inadvertently sharing sensitive personal or government information

The DOI spends

**\$1.4
billion**
annually on IT.



Vulnerable Populations and Vulnerable Finances

With 2,304 cases of COVID-19 per 100,000 people as of mid-May 2020, the Navajo Nation surpassed New York and New Jersey as the highest per capita infection rate of the virus.

Vulnerable Populations

Indian schools and jails contain high-risk populations within a more general high-risk population—residents of Indian Country.



Specific challenges in Indian schools include ensuring student safety and health while providing educational services, providing low-income student meal services, meeting testing and time requirements (or obtaining waivers), and addressing the implications of closing schools through the end of the school year.



The BIA operates or funds numerous detention centers. Overcrowding can increase the risk of COVID-19 transmission. Mitigation measures, often paid for with regular rather than special appropriations to address COVID, can pose a financial strain. Such measures include moving inmates, cleaning facilities and other decontamination efforts, purchasing personal protective equipment, and overtime for staff. Other challenges include monitoring for COVID-19 outbreaks; reluctance of tribal courts to consider early release or home confinement for nonviolent offenders; and inconsistent implementation of CDC Guidelines at detention facilities.

Vulnerable Financial Management

On the financial side, we have found emergency supplemental funding can face heightened risk of misuse and vulnerability to fraud. This risk can be exacerbated by pass-through funding from other Federal agencies for BIA and BIE activities.



With past disasters, we have found emergency supplemental funding can face heightened risk of misuse and vulnerability to fraud.



The DOI will award most of its CARES Act funding through contracts and financial assistance agreements (such as grants and cooperative agreements). We have reported the challenges the DOI faces in administering its contracts and ensuring that it receives full value for its investments. The availability of emergency supplemental funding can lead to unwarranted price elevation (gouging), unsupported cost claims, sole source contracting, split and duplicative purchases, contracts awarded to companies without prior Federal experience, time sheet forgery, low bids with the expectation to add funds, and the potential for breaches of ethical standards and safeguards. Even contractors with positive intent can find themselves struggling to meet obligations due to supply chains under stress. Current conditions impede not only contractor performance but also DOI monitoring.



Our audits and investigation have found weaknesses that leave federally funded programs and operations in Indian Country and the Insular Areas susceptible to fraud, waste, mismanagement, and abuse. Examples include: nepotism; improper payments to related parties; hiring deficiencies; internal control and general financial management deficiencies; lack of transparency, inadequate oversight, and flawed reporting systems; and, for Indian Country, inadequate employee background checks, unallowable commingling of Federal funds with tribal funds, and a poor history of BIA oversight for funding to tribes. Adding to these risks, the DOI received more than \$33 million from the U.S. Department of Health and Human Services and could receive more than \$150 million from the U.S. Department of Education as pass-through funding for BIA and BIE activities. In addition, the Coronavirus Relief Fund at the U.S. Department of the Treasury includes \$8 billion in assistance for Tribal governments. Our work suggests that when recipients face a tremendous crisis and then receive multiple funding sources, accountability mechanisms can quickly be overwhelmed.



The BOR received more than \$20 million under the CARES Act. In recent audits, we identified that the BOR wasted \$32.2 million by improperly entering into a cooperative agreement; converted \$50 million of Federal funds from reimbursable to nonreimbursable accounts without disclosing the conversion to stakeholders; and under one agreement spent 28 percent of audited funds on questionable expenses.



Balancing public and employee safety with public access

The DOI is the Federal Government's largest landholder. Access to this space for recreation, water, energy production (including offshore leases), research, or resource management is critical to meet the DOI's mission.

The DOI manages about **500 million** acres of public land.



The Department faces a tension between balancing access to public lands with protecting public safety and resources. Facilitating access to public lands could jeopardize the health and safety of the public and DOI employees due to active COVID-19 transmission. Conversely, reducing active DOI employee presence on public lands while still allowing public access could help protect employee safety, but runs the risk of jeopardizing the land and resources themselves.



With the DOI's deferred maintenance needs estimated at \$16 billion, periods of disuse or unsupervised use may lead to damage. Shortcomings in preventive maintenance can lead to higher costs; unused trails become overgrown, while trails open to an unsupervised public may be trampled and eroded; and damage to natural and cultural resources may be irreparable.



Allowing public use while restricting employee monitoring to maintain employee safety could lead to similar resource protection and maintenance challenges as we saw in the 2019 Government shutdown. Difficulty obtaining protective supplies (e.g., personal protective equipment and hand sanitizer) as a prerequisite to returning employees to monitoring and enforcement roles on public lands and resources would exacerbate this challenge. Additionally, outside entities rather than the Federal Government manage some of the facilities located on public lands, further increasing coordination and safety challenges.

The DOI is responsible for 700 million acres of subsurface minerals, and 1.7 billion acres of the Outer Continental Shelf.



IT security and cybersecurity remain a challenge

The DOI relies on complex, interconnected IT systems to carry out its daily operations. The DOI continues to struggle to implement an enterprise IT security program that balances compliance, cost, and risk while enabling bureaus to meet their diverse missions. An increased need for remote access to IT systems under COVID-19 restrictions could exacerbate these problems. Additionally, since the emergence of COVID-19, the Federal Bureau of Investigation (FBI) has reported a significant rise in scams such as phishing and malware schemes, requiring extra vigilance. As of April 21, 2020, the FBI's Internet Crime Complaint Center reported about 3,600 claims related to online COVID-19 scams.

107,020

Number of phishing attempts detected by the DOI between June 1, 2019 and May 31, 2020.