

January 2003

Major Management Challenges and Program Risks

Department of the Interior



G A O

Accountability * Integrity * Reliability

A Glance at the Agency Discussed in This Report

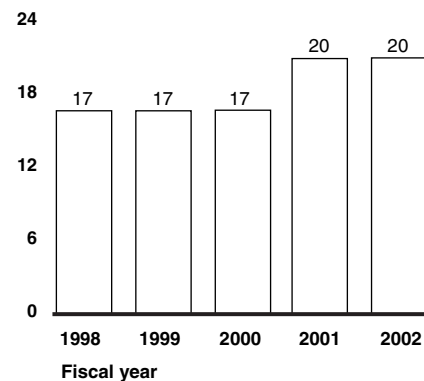
The Department of the Interior has jurisdiction over about 500 million acres of land—about one-fifth of the total U.S. landmass—and about 1.8 billion acres of the Outer Continental Shelf. The department is the nation's principal conservation agency. Its overall mission is complex and includes

- protecting and preserving the nation's natural and cultural resources,
- fulfilling the government's trust responsibility to American Indians and Alaska Natives,
- conserving and protecting fish and wildlife,
- offering recreation opportunities,
- conducting scientific research,
- providing stewardship of energy and mineral resources, and
- fostering sound use of land and water resources.

The Department of the Interior's Budgetary and Staff Resources

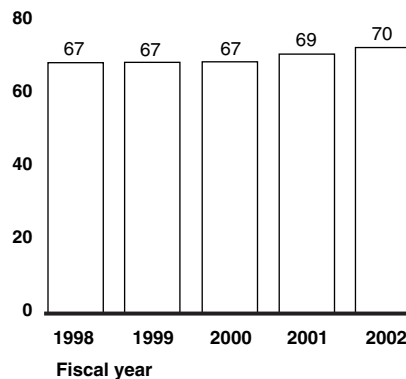
Budgetary Resources^{a, b}

Dollars in billions



Staff Resources^b

FTEs in thousands



Source: Budget of the United States Government.

^a Budgetary resources include new budget authority (BA) and unobligated balances of previous BA.

^b Budget and staff resources are actuals for FY 1998-2001. FY 2002 are estimates from the FY 2003 budget, which are the latest publicly available figures on a consistent basis as of January 2003. Actuals for FY 2002 will be contained in the President's FY 2004 budget to be released in February 2003.

This Series

This report is part of a special GAO series, first issued in 1999 and updated in 2001, entitled the *Performance and Accountability Series: Major Management Challenges and Program Risks*. The 2003 Performance and Accountability Series contains separate reports covering each cabinet department, most major independent agencies, and the U.S. Postal Service. The series also includes a governmentwide perspective on transforming the way the government does business in order to meet 21st century challenges and address long-term fiscal needs. The companion 2003 *High-Risk Series: An Update* identifies areas at high risk due to either their greater vulnerabilities to waste, fraud, abuse, and mismanagement or major challenges associated with their economy, efficiency, or effectiveness. A list of all of the reports in this series is included at the end of this report.



Highlights of [GAO-03-104](#), a report to Congress included as part of GAO's Performance and Accountability Series

Why GAO Did This Report

In the 2001 performance and accountability report on the Department of the Interior (Interior), GAO identified important challenges facing the department in its management of ecosystem restoration efforts, Indian tribes, national parks, and land exchanges. The information GAO presents in this report is intended to help sustain congressional attention and a departmental focus on continuing to make progress in addressing these challenges—and others that have arisen since 2001—and ultimately overcoming them. This report is part of a special series of reports on governmentwide and agency-specific issues.

What Remains to Be Done

GAO believes that Interior should

- continue its efforts of adopting joint strategies with other entities to address excess forest fuels,
- link critical strategic goals to interim goals in restoring the South Florida ecosystem,
- continue to reform Indian trust fund management and the tribal recognition process, and
- continue to devote attention to reducing a deferred maintenance backlog and improving financial reporting.

www.gao.gov/cgi-bin/getrpt?GAO-03-104.

To view the full report, click on the link above. For more information, contact Robert A. Robinson at (202) 512-3841 or robinsonr@gao.gov.

PERFORMANCE AND ACCOUNTABILITY SERIES

Department of the Interior

What GAO Found

The Department of the Interior has made inroads in resolving some of the challenges we previously identified. However, several challenges have not been adequately addressed, and two new challenges have emerged—a deferred maintenance backlog and weaknesses in financial reporting.

- **Better management of ecosystem restoration efforts is needed.** Interior has taken steps to better manage ecosystem restoration efforts. It has adopted the National Fire Plan, identified the resources needed to restore the South Florida ecosystem, and issued a plan to control invasive species. However, more work is needed to address the growing wildland fire threat caused by the excessive fuel buildup; complete actions to improve the South Florida ecosystem restoration effort; and establish an agencywide goal to control and eradicate invasive species.
- **Management problems persist in programs for Indians and island communities.** Interior's efforts to properly account for Indian trust funds continue to be hampered by inadequate accounting and information systems, and internal control weaknesses. Management issues also impede tribes' progress toward self-determination. Interior also has varying responsibilities to seven island communities that have long-standing financial and program management deficiencies.
- **Data-gathering and concessions reforms are needed to improve management of the national parks.** The National Park Service has received funding to start to build natural resource inventories and has hired a private firm to analyze its concession program. These are good first steps. However, better scientific information on the condition of its natural resources is needed, and persistent management problems in its concessions program still need to be addressed.
- **Management problems impede land exchanges and appraisals.** While a private contractor has studied Interior's land exchange program, concerns still exist that land exchange appraisals do not ensure the lands are appropriately valued or that the public's interest is protected.
- **Deferred maintenance backlog needs to be addressed.** Interior faces a deferred maintenance backlog of between \$8.1 billion and \$11.4 billion. The agency has issued guidance to standardize deferred maintenance estimates and repair priorities, but these efforts are new and attention will need to be paid to how they are implemented.
- **Financial management weaknesses need to be addressed.** Interior's consolidated financial statements for fiscal year 2001 received an unqualified opinion. However, the auditors identified 15 reportable internal control weaknesses; 6 of which were material weaknesses.

Contents

| | |
|---|----|
| Transmittal Letter | 1 |
| Major Performance and Accountability Challenges | 2 |
| GAO Contacts | 34 |
| Related GAO Products | 35 |
| Performance and Accountability and High-Risk Series | 42 |

This is a work of the U.S. Government and is not subject to copyright protection in the United States. It may be reproduced and distributed in its entirety without further permission from GAO. It may contain copyrighted graphics, images or other materials. Permission from the copyright holder may be necessary should you wish to reproduce copyrighted materials separately from GAO's product.



United States General Accounting Office
Washington, D.C. 20548

January 2003

The President of the Senate
The Speaker of the House of Representatives

This report addresses the major management challenges facing the U.S. Department of the Interior as it works to strike a balance between its two basic mandates—to protect and preserve the nation’s resources for the benefit of future generations while at the same time accommodating demands for their use and consumption today. The report discusses the actions that Interior has taken and that are under way to address the challenges GAO identified in its Performance and Accountability Series 2 years ago, and major events that have occurred that significantly influence the environment in which the department carries out its mission. Also, GAO summarizes the challenges that remain, new ones that have emerged, and further actions that GAO believes are needed.

This analysis should help the new Congress and the administration carry out their responsibilities and improve government for the benefit of the American people. For additional information about this report, please contact Robert A. Robinson, Managing Director, Natural Resources and Environment, at (202) 512-3841 or at robinsonr@gao.gov.

David M. Walker
Comptroller General
of the United States

Major Performance and Accountability Challenges

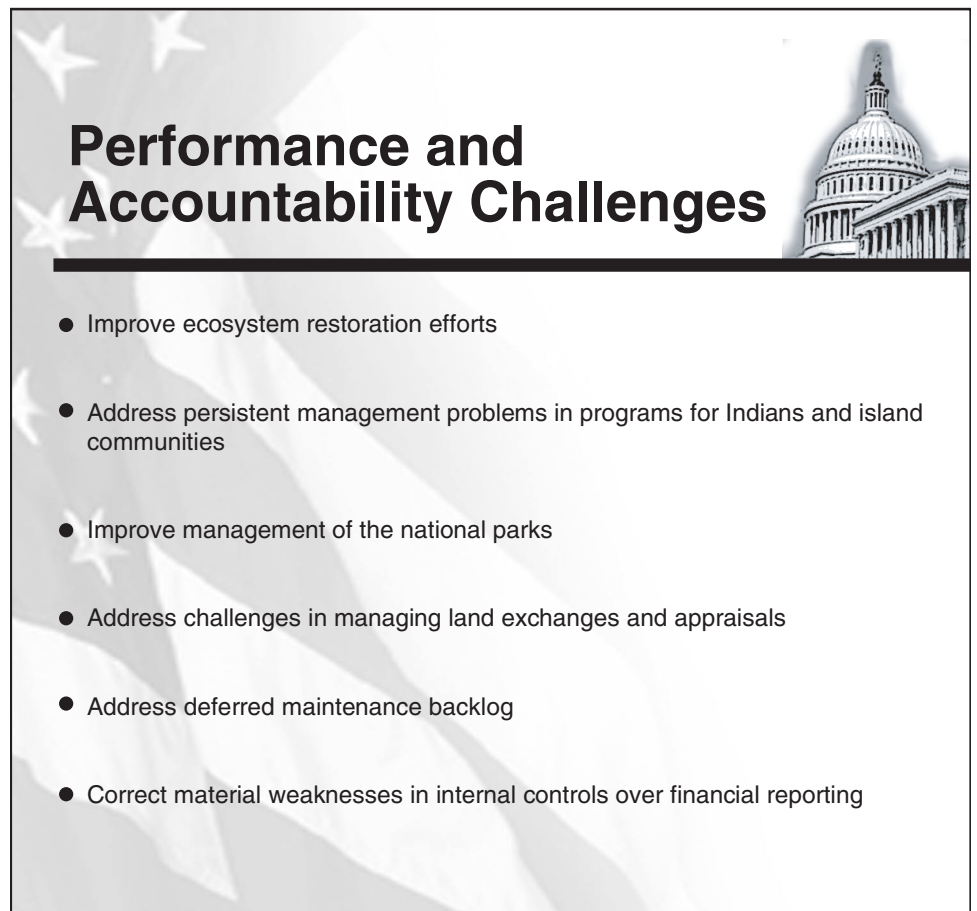
In our January 2001 report,¹ we identified four specific performance and management challenges that the U.S. Department of the Interior (Interior) faced. Our report focused on the department's need to (1) improve the management of the ecosystem restoration efforts (wildland fires and restoration of the Florida Everglades); (2) address persistent management problems in Indian trust programs (accounting for Indian trust funds and promoting Indian self-determination); (3) improve management of the national parks (collecting data on the Park Service's resources, deferred maintenance backlog, holding park managers accountable for achieving results, managing concessionaires, and structural fire program); and (4) address challenges in managing an expanding land base (land exchanges and budgetary difficulties due to an expanding land base).

Since our January 2001 report, the department has taken steps to address some of the specific performance and management challenges we previously reported. For example, in conjunction with the Secretary of Agriculture, it has established a Wildland Leadership Council to work to achieve consistent and coordinated efforts to implement the National Fire Plan. In addition, the department has made substantial progress in identifying the resources needed and the agencies accountable for specific actions in the restoration of the South Florida ecosystem (which includes the Everglades). Furthermore, it is working to implement a plan for controlling invasive species that was developed by the National Invasive Species Council in January 2001. The department has also issued a report to the Congress containing a plan for accounting for all Individual Indian Money accounts. Also, the department has allocated funds to the National Park Service to set up its Natural Resources Inventory and Monitoring Program to develop needed information on basic natural resource inventories. The National Park Service is also continuing to improve its efforts to catalogue cultural resources and preserve historic sites. Finally, the department has taken steps to improve the appraisal process for land exchanges by contracting with a consultant to review its procedures and recommend changes.

In 2003, the department continues to confront many of the same challenges that we identified in 2001. Although some of the specific nature and examples under each of the four management challenges that we identified in 2001 may have changed, the overall challenges remain the same. For

¹U.S. General Accounting Office, *Major Management Challenges and Program Risks: Department of the Interior*, GAO-01-249 (Washington, D.C.: Jan. 2001).

example, fighting wildland fires (ecosystem restoration) and accounting for Indian trust funds continue to be significant issues. In addition, for this update of the Performance and Accountability Series we have added two new management challenges for Interior concerning (1) deferred maintenance and (2) material weaknesses in internal controls over financial reporting. Specifically, the department continues to face the following major management challenges:

A graphic box with a background of a stylized American flag. On the right side, there is a silhouette of the U.S. Capitol building. The title "Performance and Accountability Challenges" is written in a large, bold, black font. Below the title is a horizontal line, followed by a bulleted list of six management challenges.

**Performance and
Accountability Challenges**

- Improve ecosystem restoration efforts
- Address persistent management problems in programs for Indians and island communities
- Improve management of the national parks
- Address challenges in managing land exchanges and appraisals
- Address deferred maintenance backlog
- Correct material weaknesses in internal controls over financial reporting

Improve Management of Ecosystem Restoration Efforts

To achieve its departmentwide mandate for protecting and preserving the natural resources under its management, the department has developed long-term goals of restoring the health of public lands and maintaining ecosystems. To accomplish these goals, the department will need to restore significant national ecosystems to health by addressing the growing wildland fire threat to communities and resources caused by the excessive buildup of fuels in forested ecosystems, such as those located in the interior Western states; restoring the South Florida ecosystem, which includes the Everglades; and controlling and eradicating invasive nonnative species.

Ecosystems typically transcend the administrative boundaries of lands managed by individual agencies in the department, as well as those of other entities, such as states, communities, and private landowners. Thus, the department's ecosystem management approach requires that all parties collaborate to develop common visions of desired conditions for ecosystems, as well as strategies and plans to implement these visions. The department recently joined other entities in adopting strategies to address excessive forest fuels and has several large ecosystem management plans underway, such as the restoration of the South Florida ecosystem. The department has also identified the growing number of invasive species as a serious ecosystem health threat to the lands and resources it manages.

Wildland Fire Challenges Still Persist

Traditional management practices and the suppression of naturally occurring fires that clear out undergrowth led to abnormally high accumulations of forest fuels (largely brush and small trees) in recent years. The increase in forest fuels has resulted in the outbreak of more large, uncontrollable, and catastrophic fires that have destroyed homes and seriously damaged soils, habitat, and watersheds. Although firefighters were successful in suppressing 99 percent of all fires during initial attack in 2002, catastrophic fires occurred and because catastrophic fires respect no jurisdictional boundaries, their control requires the coordination and collaboration of many federal, state, local, and private entities. Controlling catastrophic fires poses two difficult management challenges to the Department of the Interior. First, there is the need to reduce accumulated fuels through a combination of reintroducing fire that nature historically used for this purpose (prescribed burns), and through mechanically removing fuels where re-introduction of historic fire patterns is undesirable (mechanical thinning). Second, there is a need to ensure that, until abnormal accumulations are reduced, the department is able to effectively

and efficiently respond to the increasing numbers of large fires, including the use of models that accurately identify the geographic distribution of fire risks.

In 2002, we reported that, while the department undertook several initiatives to address wildland fire challenges, its efforts suffered from a lack of adequate performance measures on which to assess progress, as well as difficulties in identifying priorities because of inadequate data, models, and organizational structures for coordinating with other entities.² As a result, the department can provide no assurance that it is making meaningful progress towards its strategic goal of reducing the threats of catastrophic fires caused by excessive forest fuels. The Interior's recent actions, including its partnership with the Secretary of Agriculture in establishing the Wildland Fire Leadership Council, are encouraging, but need to be monitored closely by the Congress to better ensure their success.

²U.S. General Accounting Office, *Severe Wildland Fires: Leadership and Accountability Needed to Reduce Risks to Communities and Resources*, GAO-02-259 (Washington, D.C.: Jan. 31, 2002) and U.S. General Accounting Office, *Wildland Fire Management: Improved Planning Will Help Agencies Better Identify Fire-Fighting Preparedness Needs*, GAO-02-158 (Washington, D.C.: Mar. 29, 2002).

In 2001, the Department of the Interior and the Department of Agriculture (which includes the U.S. Forest Service) jointly adopted a National Fire Plan to address hazardous fuel problems as well as to address how to best manage large fires when they occurred. However, in January 2002, over a year after the Congress substantially increased funds to reduce hazardous forest fuels, we reported that the two departments had still not established clearly defined and effective leadership for implementing the National Fire Plan.³ Furthermore, the two departments did not collaborate in identifying and setting priorities for communities at high risk for wildland fire, as emphasized in the plan, and instead completed these tasks separately and differently. As a result, they could provide no assurance that the increased funding appropriated by the Congress for reducing hazardous forest fuel buildups was being allocated to the most seriously threatened communities. There is an ongoing debate over the amount of hazardous fuel reduction funds that should be devoted to wildland urban interface communities versus more remote areas. In January 2002, we also recommended that the Congress consider directing the Secretary of Agriculture and the Secretary of the Interior to establish an interagency council as recommended by the National Academy of Public Administration.⁴ In April 2002, the Secretaries established a Wildland Fire Leadership Council to work to achieve consistent and coordinated efforts to implement the National Fire Plan.

Because the council was only recently created, it is too early to tell whether this approach to leadership will succeed in overcoming the coordination problems that we identified. However, we note that the document creating the new council calls for each department to manage its own activities and resources in pursuing objectives, and that disagreements are to be resolved by elevating any disagreements within each department rather than to a single decision maker. This approach could potentially allow for the practice of pursuing separate, and therefore not necessarily coordinated, efforts to continue.

³GAO-02-259.

⁴GAO-02-259.

In January 2002, we also reported that the departments had not established performance measures for hazardous fuels reduction that allowed assessment of their progress and provided a means for ensuring that fuel reduction funds are spent in an efficient, effective, and timely manner.⁵ For example, without such performance measures, (1) high-risk communities have not been identified in order of priority, (2) multiple strategies have been developed with different goals and objectives, and (3) plans and reports have been developed that do not describe what will be accomplished with appropriated funds. Although officials from the departments told us they subsequently pledged to develop common performance measures and have been further directed to do so by the Office of Management and Budget, they also told us that their data systems may not allow them to do so, a problem that may take years to correct.

Similarly, in March 2002, we reported that the departments have not effectively determined the amount of fire-fighting personnel and equipment needed for responding to wildland fires.⁶ Officials base their resource allocation decisions on computer models, which currently include only information on equipment needed to fight fires within each individual unit's boundaries and not equipment available in adjacent jurisdictions. The departments are in the early stages of replacing the models with an interagency, landscape fire planning and budgeting system that is expected to provide a single, uniform, and performance-based system for preparedness and fire management planning. We are encouraged by this initiative but remain concerned over its implementation because the departments have acknowledged that, even with aggressive scheduling, full implementation may take 4 to 6 years. Until then, fire management planning will not comply with current fire policy, will remain focused within the boundaries of each local federal unit, and continue to be conducted based on each department's missions.

In March 2002, we also reported that about half of the individual land management units did not have up-to-date fire management plans, or any plans at all that would identify areas at high risk. The departments acknowledge the need to complete and update their fire management plans. Both departments have initiatives underway in response to the renewed emphasis on fire management under the National Fire Plan.

⁵GAO-02-259.

⁶GAO-02-158.

Specifically, the departments are developing consistent procedures and standards for fire management planning that will assist local units in their efforts to have fire management plans that are in compliance with the national fire policy. In the summer of 2002, the departments had a strategy in place to accomplish this objective. However, developing the procedures and standards and incorporating them into fire management plans at all local units is not likely to occur until 2004, at the earliest. Because it has been 7 years since the 1995 policy first directed the departments to complete their fire management plans, and the departments have given the issue low priority, it is critical that the departments complete this initiative as expeditiously as possible.

To determine the funding needed for the resources necessary to fight fires, the departments need to have consistent methods of recording costs. Our March 2002 report found that the departments recorded costs using different approaches. As a result, it will be difficult for agency officials, the Congress, or other interested parties to develop comparable data for analyzing these costs or make meaningful comparisons of spending trends, further complicating effective oversight and monitoring of fire-fighting costs. Such oversight will be further complicated by the fact that, as in fuel reduction efforts, the departments have not developed performance measures that would help identify what has been achieved with the additional fire-fighting funding already provided by the Congress since 2000. The departments are now working together to develop a common set of wildland fire management performance measures that will be results-oriented, measurable, valid, and connected to the goals contained in the National Fire Plan. However, agency officials estimate that the planned completion date for developing and implementing these measures will be late in fiscal year 2004—more than 4 years after the increased funding was provided.

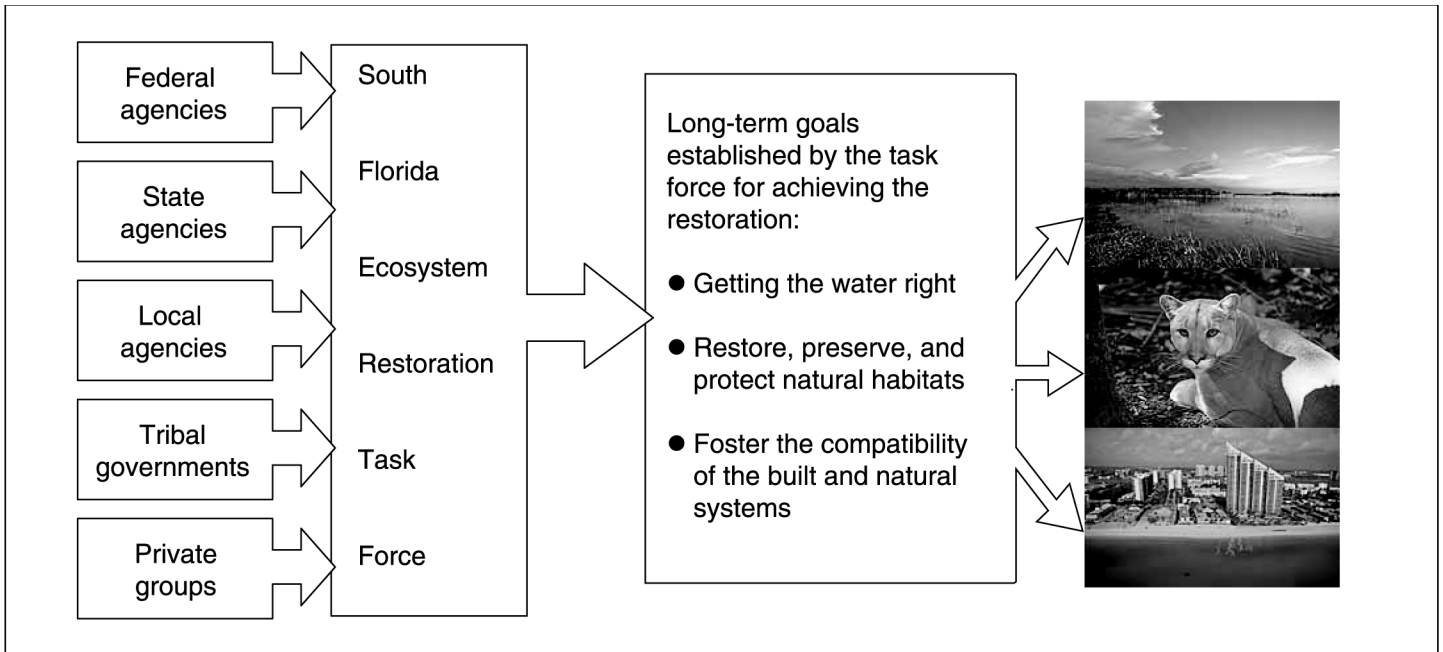
Management Challenges Hinder South Florida Ecosystem Restoration

Management challenges could also hinder one of the department's most significant environmental restoration initiatives—the restoration of the South Florida ecosystem. The restoration seeks, over 50 years, to increase the quantity of water and improve the quality of water currently being drained or polluted in the ecosystem. The restoration initiative also seeks to increase and restore natural habitats and to make urban and natural systems more compatible.

Because the ecosystem covers 18,000 square miles and overlaps many jurisdictions, the restoration requires the joint coordination and

collaboration of many entities—federal, state, and local governments, Indian tribes, and private groups—to ensure the success of its various ecosystem management efforts. The Secretary of the Interior, as chair of a multi-agency task force on the restoration, facilitates and coordinates these multiple efforts. Figure 1 depicts the relationship of the entities participating in the restoration and the task force and shows the long-term strategic goals established by the task force to facilitate restoration.

Figure 1: Relationship of Entities in Restoration Efforts and Long-Term Goals



Source: GAO and South Florida Water Management District.

In April 1999, we recommended that the task force develop a strategic plan to identify how the restoration will occur, what resources will be used, and how the overall restoration goals link to annual goals and resources.⁷ Congress, which directed the development of the strategic plan in response to our recommendations, requested that we review the plan. Our review of this plan found that the task force had made substantial progress in identifying the resources needed and the agencies accountable for specific actions.⁸ However, we found that the plan did not include several key elements, such as a discussion of how the third goal of restoration—fostering the compatibility of the built and natural systems—would be achieved or how the end results that the task force expects to achieve are linked to the restoration’s long-term strategic goals. The plan also did not link the strategic goals of the restoration to interim goals. The task force has continued to refine the strategic plan and, as part of its 2002 update, included a discussion of how it plans to achieve the third strategic goal and a table linking the end results that it expects to achieve to subgoals and restoration projects. However, the task force still does not consistently use quantifiable or numerical starting points (baselines) or targets when discussing the end results or future conditions that it expects to achieve and has yet to establish interim goals that will allow it to gauge the actual progress being made. Including these elements in future updates of the plan would fulfill the requirement placed upon the task force by the Congress and provide it with a basis for better assessing the progress of the restoration and determining what refinements are needed.

In addition, the task force has not completed actions to improve the organizational alignment and control of the restoration initiative. Specifically, we recommended in 1999 that the department, as chair of the task force, develop a conflict resolution process to improve coordination among those participating in the restoration initiative. We also recommended, in 2000, that the department and the task force develop a joint plan to coordinate multiple land acquisitions. We believe that without both coordinating actions, individual restoration projects and the overall progress of the restoration could be delayed. For example, two critical

⁷U.S. General Accounting Office, *South Florida Ecosystem Restoration: An Overall Strategic Plan and a Decision-Making Process Are Needed to Keep the Effort on Track*, [GAO/RCED-99-121](#) (Washington, D.C.: Apr. 22, 1999).

⁸U.S. General Accounting Office, *South Florida Ecosystem Restoration: Substantial Progress Made in Developing a Strategic Plan, but Actions Still Needed*, [GAO-01-361](#) (Washington, D.C.: Mar. 27, 2001).

projects to restore the South Florida ecosystem, underway since the early 1990s, have yet to be completed. A portion of one project, which will send more water through the lower end of Everglades National Park, has not been built because of disagreements over the amount and quality of water that will be involved. Another critical project was delayed because of a disagreement with private landowners over the acquisition of a key parcel of land. In an attempt to resolve these disagreements, the department and the task force have developed a conflict resolution process proposal that is still being refined, and, as of September 2002, had not been finally approved. Similarly, the department and the task force have not yet approved a draft land-acquisition plan developed by a task force subcommittee. Although the plan has been discussed, as of September 2002, it had not been finally approved. Until final decisions are made on these issues, we cannot determine whether the actions will be sufficient to resolve our concerns.

Invasive Species Need to Be Controlled

The department faces a growing challenge to ecosystem health in the form of invasive species—harmful nonnative plants, animals, and microorganisms. Invasive species, including the zebra mussel, the Asian long-horned beetle, and purple loosestrife, can cause serious damage to land, native species, other natural resources, and the economy. Such damage results from the displacement of native species—including plants, animals, and fish—with the nonnative species. In addition to inflicting substantial ecological harm, the budgetary cost of managing these species is high and is increasing. In fiscal years 1999 and 2000, 10 federal departments spent over \$1 billion on invasive species activities, including preventing the introduction of species, detecting species that have been introduced, controlling species that have spread, monitoring ecosystems affected by invasive species, researching methods to control such species, and other activities involving public outreach and information management. The department spent the second largest amount of funds on these activities: \$18 million in fiscal year 1999 and over \$31 million in fiscal year 2000. Only the Department of Agriculture spent more on invasive species management—close to \$500 million in fiscal years 1999 and 2000, in large part to manage species that threaten agricultural crops and livestock.

Invasive species present a management challenge to the Department of the Interior because of the need to coordinate with many other federal agencies, states, and even private entities to effectively manage the problem. Invasive species can spread across federal, state, or private lands, and early detection and rapid response are needed to prevent the

spread of new species and to control the further spread of species that have already taken hold.

Interior is one of three cochairs of the National Invasive Species Council, which issued a plan for managing invasive species in January 2001. The plan includes tasks such as development of a national system for rapid response to new invasions and developing stronger partnerships among federal, state, and local agencies and private entities. In July 2001, we reported that the Department of Agriculture is the only federal department with a systematic rapid response process and that its coverage is primarily limited to pests affecting crops and livestock.⁹ Agencies with responsibilities for natural areas, such as the Department of the Interior and its agencies, often respond in an ad-hoc manner. Determining who will lead efforts and take on other rapid response responsibilities has hindered the ability to eradicate new infestations. For example, an infestation of giant salvinia—one of the most devastating aquatic weeds—found in the lower Colorado River in 1999 affected federal, state, tribal, and private land (see fig. 2). However, disagreements over which Department of the Interior agency would lead the response to the infestation contributed to a slow response and lost opportunity to eradicate the infestation.

⁹U.S. General Accounting Office, *Invasive Species: Obstacles Hinder Federal Rapid Response to Growing Threat*, [GAO-01-724](#) (Washington, D.C.: July 24, 2001).

Figure 2: A River Covered by Giant Salvinia



Source: U. S. Geological Survey.

While several individual agencies within the Department of the Interior have goals to remove invasive species from their lands, the department has not established a similar departmentwide goal. According to the department's *Overview Strategic Plan* for 2000 through 2005, the department envisions creating a departmentwide goal to address the challenge of invasive species. However, our work in October 2002 has shown that the council's January 2001 plan does not have measurable goals; nor does the department's strategic plan specifically include references to items from the national management plan that the department and its component agencies seek to accomplish.¹⁰ Without such goals, the department cannot ensure that its funds will be spent on the tasks identified for eliminating the most harmful or widespread species or that it has coordinated as efficiently as possible to accomplish this.

¹⁰U.S. General Accounting Office, *Invasive Species: Clearer Focus and Greater Commitment Needed to Effectively Manage the Problem*, [GAO-03-01](#) (Washington, D.C.: Oct. 22, 2002).

Increased demand for goods and services on federal lands, in addition to increased presence of invasive species, means that the department is likely to experience continuing conflicts and face many resource deterioration problems. In their attempts to protect and restore natural resources, the department and its agencies will likely continue to apply and refine the concepts of ecosystem management. To ensure the success of the approach, the department will need to address management challenges such as aligning its strategic plans, coordinating multiple agency goals, collaborating to achieve these goals, integrating data related to goals and measures, and more. The department continues to refine its strategic plans, long-term goals, and annual goals and measures, and it has stated that it will seek to create common, departmentwide goals. Accomplishing this would allow the department to depict progress toward the overall goal of protecting the environment and preserving the nation's natural and cultural resources.

Address Persistent Management Problems in Programs for Indians and Island Communities

As the department responsible for administering the federal government's trust responsibilities to tribes and individual Indians, Interior manages \$3 billion in Indian trust funds and provides more than \$750 million annually for basic tribal services, such as social services, tribal courts, and natural resource management. Over the years, we have reported on the department's poor management of Indian trust funds and programs. In the last 2 years, the department has taken specific actions to address management problems, but significant challenges remain. Despite the department's efforts, inadequate accounting and information systems and internal controls, as well as other weaknesses prevent the department from ensuring the funds are properly managed. Management issues also impede the tribes' progress toward self-determination, that is, tribal participation in and management of programs previously administered on their behalf by the federal government. In addition, the department has varying responsibilities to seven island communities—four U.S. territories and three sovereign island nations. The island governments have long-standing financial and program management deficiencies.

Indian Trust Funds and Assets Need to Be More Effectively Managed

The Secretary of the Interior administers the government's trust responsibilities to tribes and individual Indians, including about \$3 billion in Indian trust funds and about 54 million acres of Indian lands. Management of Indian trust funds and assets has long been plagued by inadequate financial management, such as poor accounting and

information systems; untrained and inexperienced staff; backlogs in appraisals, determinations of ownership, and record-keeping; the lack of a master lease file or accounts-receivable system; inadequate written policies and procedures; and poor internal controls. As a result, account holders have no assurance that their account balances are accurate or that the trust assets are managed properly.

In April 1998, the department launched a major initiative incorporating 11 subprojects to solve these problems. The initiative called for correcting administrative records for trust accounts, clarifying land title and resource management information, eliminating probate backlogs, and reviewing and changing the appraisal system for trust lands. In February 2000, the department issued an update on its progress in implementing the 11 subprojects. According to the report, the department completed one subproject, which established a new trust fund accounting and investment system, and continued to make progress on the other subprojects.

In September 2000, we reported on the progress of another of the subprojects included in the initiative—the acquisition of a new system to manage trust assets.¹¹ We found that the department had taken some steps to install the processes, practices, and discipline to successfully guide the acquisition. However, we found some shortcomings and recommended that the department develop key components of an information systems technology architecture and examine and revise the business processes that the system will support. The department reported in an August 2002 status report that the first phase of its architecture project had been completed and that documentation and planning initiatives to begin a formal “trust” architectural program within the department had been initiated. The status report also noted that the department, in an effort to reengineer its trust business processes, had begun creating an “as is” business model of trust asset management and that when the as-is model is completed, the department will, in partnership with tribal representatives, create a new model for trust asset management. Until these matters are fully addressed, the department will continue to face significant challenges to ensuring that the new trust system will operate efficiently and effectively.

¹¹U.S. General Accounting Office, *Indian Trust Funds: Improvements Made to Strengthen Management of New Asset and Accounting System but Significant Risks Remain*, GAO/AIMD-00-259 (Washington, D.C.: Sept. 15, 2000).

In July 2002, the Department of the Interior's Office of Historical Trust Accounting issued a report to the Congress containing a plan for an accounting for all Individual Indian Money (IIM) accounts.¹² The plan proposes to gather transaction records, including as many as 500 million documents, to reconstruct the history of each IIM account. We reported in July 2002 that the department was likely to encounter obstacles, which could hinder its ability to successfully complete this endeavor.¹³

Beginning in late 2001, the department's efforts to reform the management of Indian trust funds intersected with the department's overall problems with information security. On December 5, 2001, the effect of accumulated information technology security weaknesses resulted in a Temporary Restraining Order that required the department to immediately disconnect from the Internet all information technology systems that house or provide access to individual Indian trust data. Some of these systems were down for months. As of September 30, 2002, a small percentage of the department's systems remained out of operation. Although the department's consolidated financial statements for the fiscal year ending September 30, 2001, received an unqualified audit opinion, the management of Indian trust funds and information security were both reported as material internal control weaknesses by the financial statement auditors. The department also identified both of these issues as mission critical material weaknesses under the Federal Managers' Financial Integrity Act. In our 2001 High-Risk *Series*, and again in our 2003 High-Risk Series update (see [GAO-03-121](#), January 2003), we identified information security as a governmentwide high risk area.

Management Issues Impede Progress toward Self-Determination

The Bureau of Indian Affairs (BIA) is the primary federal agency charged with implementing federal Indian policy and administering the federal trust responsibility for 1.7 million American Indians and Native Alaskans. BIA provides basic services to federally recognized Indian tribes throughout the United States, including social services, child welfare services, and natural resources management. Between March 2000 and July 2002, the number of federally recognized tribes eligible to receive services increased from 556

¹²Department of the Interior, *Report to Congress on the Historical Accounting of Individual Indian Money Accounts* (Washington D.C.: July 2, 2002).

¹³U.S. General Accounting Office, *Indian Trust Funds: Individual Indian Accounts*, [GAO-02-970T](#) (Washington, D.C.: July 25, 2002).

to 562. Administrative decisions to recognize new tribes became increasingly controversial because of land use issues and Indian gaming. Once tribes are recognized, they have two ways of influencing the programs that affect them. First, they can work with BIA to allocate a portion of BIA's budget to programs that the tribes choose. The funds, which account for nearly half of BIA's budget, are then distributed through a process called tribal priority allocations. Second, under the Indian Self-Determination Act, tribes can establish self-determination contracts to manage some of the programs that BIA has traditionally managed on their behalf.

The federal recognition of an Indian tribe can have a tremendous effect on the tribe, surrounding communities, and the nation as a whole. Recognized tribes and their members have access to about \$2 billion in programs and services through BIA. Additionally, recognition establishes a formal government-to-government relationship between the United States and a tribe. The quasi-sovereign status created by this relationship exempts certain tribal lands from most state and local laws and regulations—including, where applicable, laws regulating gaming.

In 1978, BIA established a regulatory process intended to provide a uniform and objective approach to recognizing tribes. The process requires groups that petition for recognition to submit evidence that they meet certain criteria—basically that the petitioner has continued to exist as a political and social community descended from a historic tribe. In November 2001, we reported that, because of weaknesses in the recognition process, the basis for BIA's tribal recognition decisions is not always clear and the length of time involved can be substantial.¹⁴ We recommended that BIA provide a clear understanding of the basis used in recognition decisions and develop a strategy that identifies how to improve the responsiveness of the tribal recognition process. Without improvements that focus on fixing these problems, confidence in the regulatory process as an objective and efficient approach to making tribal recognition decisions will continue to erode. BIA generally agreed with our findings and recommendations and has developed a plan to improve the tribal recognition process.

¹⁴U.S. General Accounting Office, *Indian Issues: Improvements Needed in Tribal Recognition Process*, [GAO-02-49](#) (Washington, D.C.: Nov. 2, 2001).

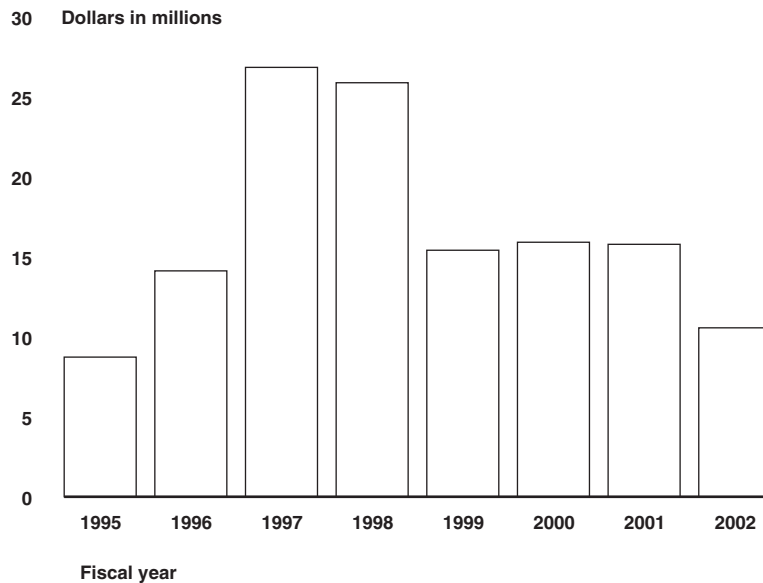
Once a tribe is recognized, BIA's budget formulation and execution process, specifically its distribution of tribal priority allocation funds, is not responsive to changes in the relative needs of the tribes. Furthermore, there is no assurance that the funds are effectively targeting the most pressing needs among tribes. In fiscal year 2002, about \$750 million was allocated with the participation of individual tribes. In July 1998, we reported that BIA's distribution to each tribe was based largely on historical factors, that is, the amount available to a tribe generally remained unchanged from year to year.¹⁵ This method did not consider a tribe's changing needs.

In response to our July 1998 report, the Congress directed BIA to develop alternate methods of distributing tribal priority allocations. In its 1999 task force report on tribal priority funds, BIA acknowledged that funding inequities exist among the tribes but concluded—with the concurrence of the tribes—that the current distribution of funds should not be redistributed to address those inequities. Instead, BIA concluded that future increases in funding should be targeted at tribes that need greater funding. BIA is striving to develop program-specific criteria that could be used to target any future funding increases to tribes with the greatest needs.

To compound the tribes' difficulties in collecting funds for self-determination, tribes have not received adequate funds to cover the costs of supporting Indian self-determination contracts. Over half of BIA's budget, including some tribal priority funds, is provided to tribes through contracts. Tribes use these funds to help pay for the indirect and administrative costs for contracts. However, total shortfalls in this area reached about \$25 million in fiscal year 1997. These losses reflect a trend underway since fiscal year 1995. (See fig. 3.)

¹⁵U.S. General Accounting Office, *Indian Programs: Tribal Priority Allocations Do Not Target the Neediest Tribes*, [GAO/RCED-98-181](#) (Washington, D.C.: July 17, 1998).

Figure 3: BIA's Contract Support Cost Shortfalls, Fiscal Years 1995-2002



Source: BIA.

Note: GAO analysis of BIA data.

According to tribes, these shortfalls have either forced a reduction in the services available to tribal members or caused tribes to use their own limited resources, thereby prohibiting the further development of tribal businesses or supplemental services. Most significantly, these shortfalls led the Congress to place a moratorium on contracting for BIA programs for fiscal year 1999. Although no moratoriums have been imposed since 1999, that course of action remains a possibility until a permanent solution to these shortfalls is found. To avoid further moratoriums, in our June 1999 report, we developed alternatives for the Congress to consider in funding contract support costs.¹⁶ The 106th Congress considered a legislative proposal on contract support costs, but it was not enacted. We also recommended in our June 1999 report that BIA and the Indian Health Service (within the Department of Health and Human Services) develop a consistent policy on contract support costs. Both the BIA and the Indian Health Service agreed that they need to develop a consistent policy on

¹⁶U.S. General Accounting Office, *Indian Self-Determination Act: Shortfalls in Indian Contract Support Costs Need to Be Addressed*, [GAO/RCED-99-150](#) (Washington, D.C.: June 30, 1999).

contract support costs. Staff with the Office of Management and Budget is reviewing BIA's and the Indian Health Service's policies on contract support costs. Unless these problems are resolved, they will likely continue to impede tribal contracting of programs.

Improve Effectiveness and Accountability for Island Programs

The Secretary of the Interior has varying responsibilities to the island communities of American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands; all of which are U.S. territories—as well as the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau, which are sovereign nations linked with the United States through Compacts of Free Association (Compact). The Office of Insular Affairs (OIA) carries out the department's responsibilities for the island communities. OIA's mission is to assist the island communities in developing more efficient and effective government by providing financial and technical assistance and to help manage federal-island relations by promoting appropriate federal policies. The island governments have long-standing financial and program management deficiencies. Specially, island governments experience difficulties in accurately accounting for expenditures, collecting taxes and other revenues, controlling the level of expenditures, and delivering program services.

In January 2002, we reported on the effectiveness and accountability of U.S. programs, loans, and services provided to the Federated States of Micronesia and the Republic of the Marshall Islands.¹⁷ We found that 9 of the 13 programs, which had originally been designed for the United States, faced a variety of problems operating in developing island nations because of differing geographic, economic, and social conditions. Also, the two nations' administration of the programs generally did not ensure financial accountability. In all, 9 of the 13 programs we reviewed experienced accountability problems, including 5 programs that experienced instances of theft or misuse of program funds. There were also shortcomings in the department's oversight of these programs.

The United States and these two island nations are currently negotiating new Compact provisions. The Compact provisions that deal with

¹⁷U.S. General Accounting Office, *Foreign Assistance: Effectiveness and Accountability Problems Common in U.S. Programs to Assist Two Micronesian Nations*, [GAO-02-70](#) (Washington, D.C.: Jan. 22, 2002).

economic assistance are scheduled to expire in late 2003. The U.S.'s Compact proposals address many of our recommendations for increased accountability, such as targeting grants to priority areas such as health, education, and infrastructure; defining the items to be discussed at annual consultations between the United States and the two countries; and requiring U.S. approval before either country can pledge or issue future Compact funds as a source to repay debt.

None of these management issues will be resolved easily or within a short time frame. The department will need to continue its efforts to resolve deficiencies in its management of Indian trust funds and place a high priority on solving these problems. In addition, in response to reports from BIA, the National Congress of American Indians, and us, the Congress held hearings in the last few years and proposed reform legislation to address some of these issues. Indian self-determination will stay at the forefront of annual appropriations' debates, as will the long-term debate over the course of federal Indian policy. In addition, the department will need to continue to work with the island communities to improve accountability and to improve the effectiveness of U.S. assistance.

Improve Management of National Parks

The Department of the Interior, and specifically the National Park Service, has strategic goals to protect and preserve the natural, historic, and cultural resources entrusted to its care while providing the public safe and enjoyable visits. However, while the Park Service has made strides in addressing its management challenges, it continues to face significant management challenges. Currently, these challenges include giving a high priority to collecting better scientific information on the condition of its resources to ensure that its planning and funding processes address the most pressing needs and addressing persistent management problems in its concessions program.

The Park Service acknowledges the challenges it faces in both of these areas. The agency has begun a number of initiatives that should, if fully and properly implemented, go far in addressing the resource and concessions management challenges we have reported. However, while the initiatives now underway will help, as now planned, it will take years to get them fully and properly implemented. In the interim, the Park Service will need a sustained commitment to ensure that the remaining work gets done in order to realize the benefits of their efforts.

Park Service Does Not Know Condition of Many Resources

A fundamental part of the Park Service's mission is to be the caretaker of many of this nation's most precious natural and cultural resources, ranging from the fragile ecosystems of Arches National Park in Utah, to the historic structures of Philadelphia's Independence Hall, to the granite faces of Mount Rushmore in South Dakota. Although the Park Service acknowledges, and its policies emphasize, the importance of managing parks on the basis of sound scientific information about resources, such information management is seriously deficient. Frequently, baseline information about natural and cultural resources is incomplete or nonexistent, making it difficult for park managers to clearly ascertain the condition of resources and whether resources are deteriorating, improving, or staying the same. At the same time, many park resources face significant threats, including air pollution, vandalism, and nearby land development. However, even when these threats are known, the Park Service has limited scientific knowledge about their severity and possible impact on affected resources.

According to the Park Service, steps are being taken to improve the situation. Specifically, the Congress is funding the Park Service's Natural Resources Inventory and Monitoring Program to a level sufficient to develop needed information on basic natural resource inventories. This funding has enabled the agency to begin to build reliable natural resources inventories and baseline data that can be used, when completed, to monitor the condition of natural resources throughout the park system. In addition, increased funding for vegetation mapping has enabled the Park Service to increase its capacity to produce these vital inventories. The Park Service is also receiving funding that will permit it to continue to establish and develop a vital signs monitoring program in parks with extensive natural resources. Further, the Park Service is continuing to improve its efforts to catalogue cultural resources and has begun efforts to preserve many prehistoric and historic sites.

While each of these recent initiatives are positive and encouraging steps, the process of collecting and analyzing all of the information needed to have an adequate scientific knowledge base about park resources will take years and will be costly. Dealing with this challenge will require a long-term commitment from the Park Service, the administration, and the Congress to the priority now being placed on acquiring these critical resource data. Of course, doing this will require difficult choices about competing priorities, how parks are managed, and how budgets are formulated. However, unless it acquires better information on the condition of its resources—natural, cultural, and historic—the Park

Service will continue to face difficulties in its efforts to (1) shift existing resources among competing priorities to accomplish its goals and objectives; (2) rank priorities so that the most pressing issues receive the most attention; (3) link the planning process directly to budget decisions to have a greater impact on the allocation of new limited resources; and (4) measure program results aimed at preserving and protecting the resources entrusted to it.

Management Problems Continue to Plague the Concessions Program

Concessionaires play a critical role in providing services to many of the almost 280 million visitors to the national park system each year. Concessionaires are private businesses that operate under contracts with the Park Service to provide facilities and services, such as lodging, food, merchandising, marinas, and various guided services. Currently, there are over 630 concessionaires providing visitor services throughout the national park system. In fiscal year 2000 these businesses grossed over \$800 million in revenues and employed over 25,000 people during peak seasons.

For many years, we have joined the Congress, the Department of the Interior's Office of the Inspector General, and Park Service staff in raising concerns about the need for better management of the agency's concession program. In our March 2000 report, we identified fundamental problems with the Park Service's overall approach to managing the concessions program.¹⁸ These management problems center on three areas: (1) human capital issues, involving inadequate qualifications and training of the agency's concession specialists and concessions contracting staff; (2) acquisition management issues, including the agency's out-of-date practices in handling its contracting workload and chronic backlog of expired contracts; and (3) organizational control issues, including a lack of accountability within the concessions program. Because of these management problems, the Park Service frequently has difficulty managing the performance of its concessionaires to ensure a consistent level of quality and safety in the services and facilities they provide.

To increase the effectiveness of the Park Service's concessions management program, we recommended, in March 2000, that the Park Service improve the qualifications of its concession staff (including improving their training in writing and administering contracts), contract

¹⁸U.S. General Accounting Office, *Park Service: Need to Address Management Problems That Plague the Concessions Program*, [GAO/RCED-00-70](#) (Washington, D.C.: Mar. 31, 2000).

for these services, or use some combination of the two approaches. The agency could also contract for expertise in certain functions while developing expertise in-house for other functions. However, both options require that the Park Service better manage its human capital to ensure it selects, trains, develops, and manages concession staff with the skills needed to realize improvements in the program. The agency generally agreed with these proposals. In response, the Park Service has acted to address some of its concessions program management problems. For example, the Park Service has contracted with a private firm to analyze its organizational structure and advise it on reengineering its business processes. It is also developing a certification program in hospitality management with a focus on business and financial skills and a contracting certification program. Further, Park Service officials stated that they are recruiting students from top business schools to hire as full-time concession personnel where needed. In addition, the Park Service is considering contracting out complex financial components of the concession program, developing a funding strategy to address the need for centralized and consistent program oversight, and updating its contracting practices to include performance-based contracting. We believe that these actions are positive and encouraging steps and, when fully implemented, will help improve the agency's ability to manage concessioner activities.

Address Challenges in Managing Land Exchanges and Appraisals

The Department of the Interior manages the use of over 500 million acres of federal lands for many different purposes. The department is the steward of numerous parks, forests, grasslands, wetlands, and other natural areas, some of which are interspersed with state, local, or privately owned lands. The Bureau of Land Management (BLM) manages 264 million acres of public lands and the subsurface minerals on more than 560 million acres. The Fish and Wildlife Service is responsible for 92 million acres of refuges and wetlands. The Park Service manages about 80 million acres of parks, historic sites, monuments, and preserves. To protect and preserve the health of our public lands and to improve efficiency and remove barriers to resource protection and management, the department's component agencies seek to consolidate and protect federal lands by acquiring, exchanging, or, in some cases, receiving donated lands. Land exchanges involve the mutually agreeable trading of federal lands for those owned by corporations, individuals, or state and local governments. While the sound management of land transactions is not one of the department's strategic or performance goals, the department continues to encounter several difficulties when managing these transactions.

Over the years, the Department of the Interior's Inspector General and we have determined that the land exchanges completed by BLM to date have not ensured that the lands being exchanged were appropriately valued or protected the public interest. In exchanging lands, federal agencies are required under the Federal Land Policy and Management Act of 1976 to determine that the exchange serves the public interest. In addition, the law requires that the lands exchanged be of equal value, or equalized by a payment of money. Our work has shown that poor financial management and controls have resulted in exchanges that were not of equal value. For example, in July 2001, the Inspector General reported that BLM did not sufficiently emphasize the independence and objectivity of the appraisal process or ensure that appraisal reviews complied with appraisal standards involving a land acquisition in Utah.¹⁹ The Inspector General concluded that BLM's appraisal approach did not provide assurance that lands were properly appraised and valued. In March 2001, we reported that appraisals the Park Service used for a land exchange in northern Virginia, incorrectly valued the land interests that were exchanged because of flawed assumptions about one parcel and an inadequate assessment of the other.²⁰ Our assessment indicated that the Park Service could have received more than \$15 million rather than owing the developer \$14 million, if the exchanged interests had been appropriately valued.

Land exchanges are inherently difficult to manage because the lands being exchanged have to be of approximately equal value and because estimates of market value are difficult to determine, especially when the properties being valued are unique or when the market is speculative. This inherent difficulty, when combined with the deficiencies that the Inspector General and we found with the program, led us to recommend in a June 2000 report that the Congress consider discontinuing BLM's land exchange program.²¹ As this has not yet occurred, we believe that this matter warrants continued attention from the department.

¹⁹U.S. Department of the Interior, Office of the Inspector General, *Land Exchanges and Acquisitions, Bureau of Land Management, Utah State Office*, Report No. 2001-I-413 (Washington, D.C.: July 2001).

²⁰U.S. General Accounting Office, *National Park Service: Federal Taxpayers Could Have Benefited More From Potomac Yard Land Exchange*, [GAO-01-292](#) (Washington, D.C.: Mar. 15, 2001).

²¹U.S. General Accounting Office, *BLM and The Forest Service: Land Exchanges Need to Reflect Appropriate Value and Serve the Public Interest*, [GAO/RCED-00-73](#) (Washington, D.C.: June 22, 2000).

BLM has taken steps to improve the land exchange and appraisal processes. In 1998, BLM formed a team to review proposed exchanges that are of high value or are considered controversial. Currently, all land exchange proposals are to be reviewed by the state director and receive a technical review by the land exchange team. However, the national review team is not fully staffed—two of the three positions are currently vacant—making the effectiveness of the team questionable. In addition, the Assistant Secretary for Land and Minerals Management is now required to review all land exchanges valued at over \$500,000. BLM has also revised the appraisal manual, revised its policies to require state certification of appraisers, provided appraisers guidance on conformity with the Uniform Standards of Professional Appraisal Practice, and developed an appraisal training course that appraisers are required to attend. In addition, in early fiscal year 2002, BLM contracted with the Appraisal Foundation to conduct a review of the agency's appraisal organization, policies, and procedures. BLM received a draft copy of the report from the Appraisal Foundation in August 2002. In response to the findings in the Appraisal Foundation report, BLM, in October 2002, announced that it would undertake a 90-day review of all land exchanges that were in process or being considered. BLM also announced the formation of a comprehensive working group that will conduct a top-to-bottom evaluation of the land exchange and appraisal process including an analysis of recommendations contained in various Inspector General and GAO reports. It is expected that the working group will report to the department specific changes in the land exchange and appraisal process.

Address Deferred Maintenance Backlog

In addition to the challenges the department faces in adequately maintaining the natural resources under its stewardship, the department also faces a challenge in adequately maintaining its facilities and infrastructure. The department owns, builds, purchases, and contracts services for assets such as visitor centers, schools, office buildings, roads, bridges, dams, irrigation systems, and reservoirs. These assets include some deteriorating facilities for which repair and maintenance have not been adequately funded. The repair and maintenance on these assets has been postponed for years due to budgetary constraints. These unfunded repair and maintenance needs for the department's facilities and infrastructure are referred to as the deferred maintenance backlog.

The deterioration of facilities can adversely impact public health and safety, reduce employees' morale and productivity, and increase the need for costly major repairs or early replacement of structures and equipment.

In February 2002, the department estimated that the deferred maintenance backlog was between \$8.1 billion and \$11.4 billion (see table 1). The maintenance needs for Park Service and BIA facilities account for over 85 percent of the departmentwide deferred maintenance backlog. Over the years, we have reported on (1) the Park Service’s inability to adequately assess the scope of its maintenance needs, (2) deficiencies in the Park Service’s structural fire safety activities, and (3) the deferred maintenance backlog for BIA school facilities.

Table 1: Department of the Interior’s Estimate of Deferred Maintenance

Dollars in billions

| Bureau | Estimated range of deferred maintenance | |
|---------------------------|---|----------------|
| | Low estimate | High estimate |
| National Park Service | \$4.08 | \$6.80 |
| Bureau of Indian Affairs | 2.95 | 3.04 |
| Fish and Wildlife Service | 0.84 | 1.14 |
| Bureau of Land Management | 0.19 | 0.33 |
| U.S. Geological Survey | 0.06 | 0.10 |
| Bureau of Reclamation | 0.03 | 0.03 |
| Total | \$8.15 | \$11.44 |

Source: Department of the Interior.

Park Service Does Not Know Extent of Maintenance Problems

The Park Service maintains 16,000 permanent structures, 8,000 miles of roads, 1,500 bridges, 5,385 housing units, about 1,500 water and wastewater systems, 200 radio systems, more than 400 dams, and more than 200 solid waste operations. These facilities include numerous cultural and historic buildings and structures, complex utility systems, and an extensive network of roads and trails to be maintained at an operational level that ensures continued protection, preservation, and serviceability.

Despite the importance of its maintenance program, the Park Service has yet to accurately assess or define the scope of its maintenance needs. Since the late 1980s, we have reported on the Park Service’s inability to properly maintain its facilities. Even though a major part of the agency’s mission is being a steward for many of our natural, cultural, and historic treasures, it has not been able to successfully perform this critical part of its mission. In the meantime, the condition and utility of much of its

invaluable assets are deteriorating. There are a number of contributory causes to this situation. Most important among them is that the agency does not have an accurate inventory of the assets that need to be maintained, nor accurate data on the condition of these assets. As a result, the agency is unable to determine what its maintenance needs are; how much money is needed to address them; and how much, if any, progress is being made toward closing the maintenance gap.

The agency acknowledges the problem and is developing an approach to address it. Spurred by congressional concerns and new federal accounting standards, the Park Service initiated the design of a new asset management process that, among other things, is to provide the agency with a systematic method for documenting deferred maintenance needs and tracking progress in reducing the amount of deferred maintenance. As now planned, this new process, will, for the first time, enable the agency to have a (1) reliable inventory of its assets, (2) process for reporting on the condition of each asset, and (3) systemwide methodology for estimating deferred maintenance costs. However, while the design of this new process is complete, it is just now being implemented. Consequently, while the new process is promising, its success cannot yet be determined.

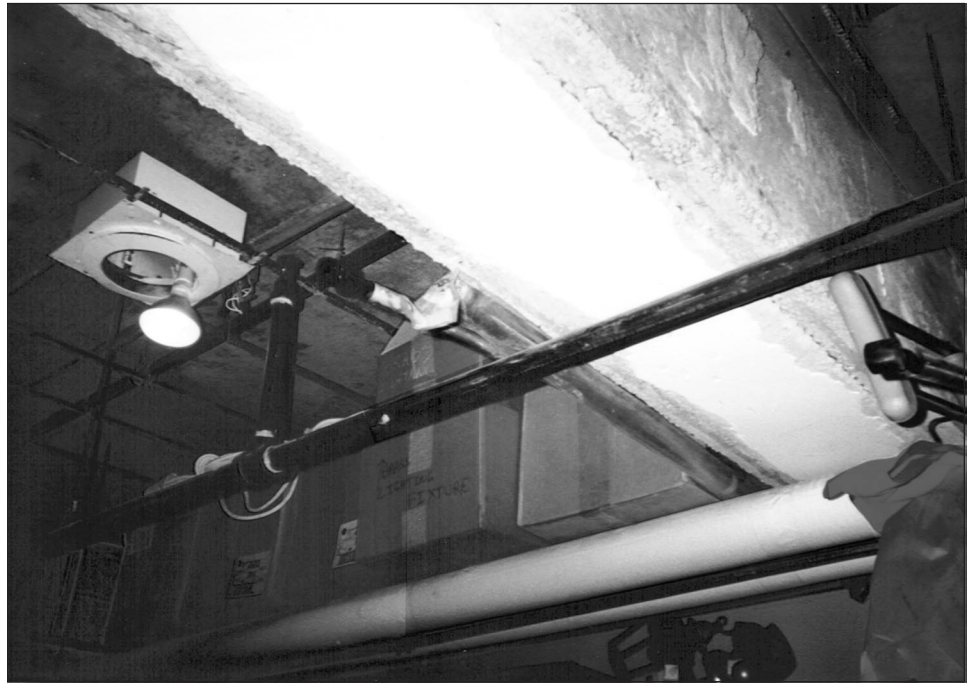
The Park Service Is Not Meeting Safety Responsibilities in Many of Its Structures

The Park Service is responsible for ensuring that the buildings and artifacts entrusted to it are protected and that the people who visit or work in them are safe from undue hazards or risks. Today, the Park Service is the steward for over 30,000 structures and over 80 million artifacts nationwide. These structures include hotels, motels, cabins, visitor centers, interpretative centers, and historic buildings, such as many former presidents' homes. However, we reported in May 2000 that the structural fire safety efforts in several national parks we visited were not effective.²² The Park Service's structural fire activity lacks many elementary components required for any effective fire safety effort. These gaps include such fundamental things as inadequate fire training for employees, inadequate or nonexistent fire inspections, and—for many buildings—inadequate or nonexistent fire detection or suppression systems. These situations create many fire safety hazards. Such conditions jeopardize the safety of park visitors, employees, buildings, and artifacts, making the structures and artifacts vulnerable to fire that could inevitably cause

²²U.S. General Accounting Office, *Park Service: Agency Is Not Meeting Its Structural Fire Safety Responsibilities*, GAO/RCED-00-154 (Washington, D.C.: May 22, 2000).

damage, destruction, severe injury, and even the loss of life. For example, during our visit to the Ford National Theatre in Washington, D.C., for our May 2000 report, we found that boxes were impeding the effectiveness of fire sprinklers (see fig. 4).

Figure 4: Boxes Impeding Effectiveness of Fire Sprinkler in Storage Area of the Ford National Theatre, Washington, D.C.



Source: GAO.

In its February 2002 *Annual Departmental Report on Accountability* (which covered fiscal year 2001), the Department of the Interior identified the Park Service's inadequate structural fire program as a mission critical material weakness.²³ According to the report, to address this weakness the Park Service will develop and implement a comprehensive structural fire program plan as directed by Congress. The plan will include specific milestones to address the operational, organizational, technical, and staffing deficiencies cited in our May 2000 report and the July 2000 congressional hearing on the Park Service's fire safety failures.²⁴ The targeted completion date for this corrective action is 2004. The Congress should continue to monitor the Park Service's progress in improving its structural fire program.

Deferred Maintenance for BIA Schools Continues to Be a Problem

In school year 1999–2000, BIA had 47,080 students enrolled in its 171 schools. Over 70 percent of the schools are located in four states—Arizona, New Mexico, North Dakota, and South Dakota. In December 1997, we reported that BIA's inventory of repairs needed for its educational facilities was \$754 million.²⁵ This estimate included the cost of repairs to all school buildings, including dormitories for students and employee housing. The needed repairs included, among other things, addressing health and safety deficiencies, providing access for persons with disabilities, and addressing noncompliance with other building codes. At that time, BIA's deferred maintenance backlog was based on an amalgam of information collected by architects, engineers, and BIA staff over the years.

²³Department of the Interior, *Annual Departmental Report on Accountability, Fiscal Year 2001* (Washington, D.C.: Feb. 27, 2002).

²⁴GAO/RCED-00-154 and U.S. General Accounting Office, *Park Service: Agency Is Not Meeting Its Structural Fire Safety Responsibilities*, GAO/T-RCED-00-253 (Washington, D.C.: July 19, 2000).

²⁵U.S. General Accounting Office, *School Facilities: Reported Condition and Costs to Repair Schools Funded by Bureau of Indian Affairs*, GAO/HEHS-98-47 (Washington, D.C.: Dec. 31, 1997).

In September 2001, we reported that the deferred maintenance backlog for BIA educational facilities had grown to \$962 million—an increase of about 39 percent since 1997.²⁶ This revised deferred maintenance figure was validated by an independent engineering firm. More than \$127 million of the backlog total represents deficiencies related to the health and safety of students, and a significant portion of this (\$44 million) relates to fire safety alone. For example, the backlog lists buildings at more than 100 schools that need to have their fire alarm systems replaced or upgraded because they are old, not working, or missing. In fiscal year 2001, BIA received a total of \$777.6 million to support the operations of its schools and address educational facility needs. This amount represented a substantial (30 percent) increase over fiscal year 2000 funding levels. Nearly all of the increase was intended for the repair or replacement of school facilities; funding for school operations increased only moderately. Our September 2001 report also noted that, while the Congress had recently increased funding to address the deferred maintenance backlog for BIA schools, the budget allocations for the repair and maintenance of these facilities have generally been less than amounts recommended by national guidelines.

To address this departmentwide challenge, the department established the Interior Planning, Design, and Construction Council (Council) to study deferred maintenance. The Council consists of engineering and construction personnel from all the component agencies. In February 1998, the Council issued a report entitled *Facilities Maintenance Assessment and Recommendations*, which detailed that there was no departmentwide consistency in maintenance and repair issues. From the recommendations in the February 1998 study evolved the *Facility Condition Assessment* guide to standardize component agencies' deferred maintenance estimates, guidelines for prioritizing the repair of facilities with deferred maintenance, and *Five-Year Facilities Maintenance and Capital Improvement Plans*, which were first implemented in fiscal year 2000. In 2002 (for the development of their fiscal year 2004 budget requests), the component agencies were asked to rank and prioritize projects with the highest emphasis on critical deferred maintenance needs in health and safety, resource protection, and agency mission.

²⁶U.S. General Accounting Office, *BIA and DOD Schools: Student Achievement and Other Characteristics Often Differ from Public Schools*, [GAO-01-934](#) (Washington, D.C.: Sept. 28, 2001).

Correct Weaknesses in Internal Controls over Financial Reporting

The department's independent auditors issued an unqualified opinion on the department's consolidated financial statements for the fiscal year ended 2001. However, the auditors reported several concerns related to financial management in their audit of the department's consolidated financial statements for the fiscal year ending September 30, 2001.²⁷ The auditors' consideration of internal control over financial reporting identified 15 reportable conditions; 6 of which were considered to be material weaknesses.²⁸ Further, the auditors identified four instances of noncompliance with laws and regulations.

The six reported material weaknesses involved (1) general and application controls over financial management systems; (2) timeliness of transaction entry and reconciliation; (3) controls over undelivered orders and accruals; (4) controls over property, plant, and equipment; (5) reconciliation of intradepartmental and intragovernmental transactions; and (6) Indian trust-fund management controls.

The department does not have adequate information technology security and general controls to protect its financial information systems, which could affect its ability to prevent and detect unauthorized changes to financial information, control electronic access to sensitive information, and protect its information resources. To its benefit, the department has issued security policies, accelerated programs with emphasis on trust and financial systems, fast-tracked development of certain aspects of the Information Technology (IT) Security Plan, and developed performance measurement criteria for IT security compliance.

The department does not consistently record financial transactions or analyze its financial records in a timely manner, nor does it routinely and consistently reconcile the general ledger accounts to subsidiary ledgers and other supporting documentation. In addition, internal controls were not fully implemented to ensure that obligations are liquidated and

²⁷See *Independent Auditors' Report on the U.S. Department of the Interior Fiscal Year 2001 Annual Departmental Report on Accountability*, No. 2002-I-0018 (Washington, D.C.: Feb. 27, 2002).

²⁸Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

liabilities are accrued for goods and services received prior to the end of the reporting period and that funds are de-obligated in a timely manner. Lastly, the department does not periodically reconcile its intradepartmental or intragovernmental activity and balances. The auditors made several recommendations for improving these areas, which the department hoped to implement in fiscal year 2002.

Property, plant and equipment (PP&E) is also a significant financial management concern for the department, with a reported \$16.5 billion, net of accumulated depreciation, representing almost one-third of its total assets as of September 30, 2001. The auditors identified numerous issue areas where improvements are needed—including untimely recording of acquisitions and disposals, inefficiencies in reconciliation of subsidiary ledgers to general ledgers for PP&E, an ineffective inventory process, improper recording of transfers within and to the department, need for a complete and accurate inventory system to track land and land rights, inconsistent use of construction in progress reconciliations, and needed controls over recording of depreciation. Accurate financial information is crucial to making sound decisions and controlling assets so that the department's mission and goals are efficiently and effectively accomplished.

The independent auditors' tests for compliance with the Federal Financial Management Improvement Act (FFMIA) of 1996 disclosed instances where the department's financial management systems did not substantially comply with federal financial management systems requirements, federal accounting standards, or the United States government standard general ledger at the transaction level. Further, the results of test of compliance with certain provisions of laws and regulations exclusive of FFMIA disclosed instances of noncompliance with the Debt Collection Improvement Act of 1996, the Prompt Payment Act, and Section 113 of Public Law 104-208—Advances for Interior Franchise Fund.

Successfully completing efforts to correct these material weaknesses and other reportable conditions will be a key milestone for Interior. Such efforts can help in identifying needs and anticipating changes in the financial and operating environment in order that timely and reliable financial and performance information can be produced on a routine basis.

GAO Contacts

| Subject(s) covered in this report | Contact persons |
|---|--|
| Improve ecosystem restoration efforts | Barry T. Hill, Director Natural Resources and Environment (202)512-3841 hillb@gao.gov |
| Management issues impede progress towards self-determination | |
| Improve management of the national parks | |
| Address challenges in managing land exchanges and appraisals | |
| Address deferred maintenance backlog | |
| Indian trust funds and assets need to be more effectively managed | McCoy Williams, Director Financial Management and Assurance (202)512-6906 williamsm@gao.gov |
| Correct weaknesses in internal controls over financial reporting | |
| Security of information | Robert F. Dacey, Director Information Technology (202)512-3317 |
| Improve effectiveness and accountability for island programs | Susan S. Westin, Managing Director International Affairs and Trade (202)512-4128 |
| Deferred maintenance for BIA schools continues to be a problem | Marnie S. Shual, Director Education, Workforce and Income Security (202)512-7215 shaulm@gao.gov |

Related GAO Products

Performance and Accountability Series

Major Management Challenges and Program Risks: A Governmentwide Perspective. [GAO-01-241](#). Washington, D.C.: January 2001.

Major Management Challenges and Program Risks: Department of the Interior. [GAO-01-249](#). Washington, D.C.: January 2001.

High-Risk Series: An Update. [GAO-01-263](#). Washington, D.C.: January 2001.

Preserving and Restoring Ecosystems

Wildland Fires

Wildland Fire Management: Reducing the Threat of Wildland Fires Requires Sustained and Coordinated Effort. [GAO-02-843T](#). Washington, D.C.: June 13, 2002.

Wildland Fire Management: Improved Planning Will Help Agencies Better Identify Fire-Fighting Preparedness Needs. [GAO-02-158](#). Washington, D.C.: March 29, 2002.

Severe Wildland Fires: Leadership and Accountability Needed to Reduce Risks to Communities and Resources. [GAO-02-259](#). Washington, D.C.: January 31, 2002.

Reducing Wildfire Threats: Funds Should Be Targeted to the Highest Risk Areas. [GAO/T-RCED-00-296](#). Washington, D.C.: September 13, 2000.

Fire Management: Lessons Learned From the Cerro Grand (Los Alamos) Fire and Actions Needed to Reduce Fire Risks. [GAO/T-RCED-00-273](#). Washington, D.C.: August 14, 2000.

Federal Wildfire Activities: Current Strategy and Issues Needing Attention. [GAO/RCED-99-233](#). Washington, D.C.: August 13, 1999.

South Florida Ecosystem Restoration

South Florida Ecosystem Restoration: Substantial Progress Made in Developing a Strategic Plan, but Actions Still Needed. [GAO-01-36](#). Washington, D.C.: March 27, 2001.

South Florida Ecosystem Restoration: A Land Acquisition Plan Would Help Identify Lands That Need to Be Acquired. [GAO/RCED-00-84](#). Washington, D.C.: April 5, 2000.

South Florida Ecosystem Restoration: An Overall Strategic Plan and a Decision-Making Process Are Needed to Keep the Effort on Track. [GAO/RCED-99-121](#). Washington, D.C.: April 22, 1999.

Invasive Species

Invasive Species: Clearer Focus and Greater Commitment Needed to Effectively Manage the Problem. [GAO-03-01](#). Washington, D.C.: October 22, 2002.

Invasive Species: Obstacles Hinder Federal Rapid Response to Growing Threat. [GAO-01-724](#). Washington, D.C.: July 24, 2001.

Invasive Species: Federal and Selected State Funding to Address Harmful, Nonnative Species. [GAO/RCED-00-219](#). Washington, D.C.: August 24, 2000.

Managing Indian Trust Responsibilities and Island Communities

Indian Trust Funds

Indian Trust Funds: Individual Indian Accounts. [GAO-02-970T](#). Washington, D.C.: July 25, 2002.

Indian Trust Funds: Tribal Account Balances. [GAO-02-420T](#). Washington, D.C.: February 7, 2002.

Information Security: Weak Controls Place Interior's Financial and Other Data at Risk. [GAO-01-615](#). Washington, D.C.: July 3, 2001.

Indian Trust Funds: Improvements Made to Strengthen Management of New Asset and Accounting System but Significant Risks Remain. [GAO/AIMD-00-259](#). Washington, D.C.: September 15, 2000.

Indian Trust Funds: Challenges Facing Interior's Implementation of New Trust Asset and Accounting Management System. [GAO/T-AIMD-99-238](#). Washington, D.C.: July 14, 1999.

Indian Trust Funds: Interior Lacks Assurance That Trust Improvement Plan Will Be Effective. [GAO/AIMD-99-53](#). Washington, D.C.: April 28, 1999.

Indian Trust Funds: Status of Department of the Interior's Plan for Improving Trust Fund Management. [GAO/AIMD-98-169R](#). Washington, D.C.: May 28, 1998.

Financial Management: Recommendations on Indian Trust Fund Strategic Plan Proposals. [GAO/AIMD-98-37](#). Washington, D.C.: November 26, 1997.

Indian Self-Determination

Indian Issues: Improvements Needed in Tribal Recognition Process. [GAO-02-49](#). Washington, D.C.: November 2, 2001.

Federal Tort Claims Act: Issues Affecting Coverage for Tribal Self-Determination Contracts. [GAO/RCED-00-169](#). Washington, D.C.: July 5, 2000.

Indian Self-Determination Act: Shortfalls in Indian Contract Support Costs Need to Be Addressed. [GAO/RCED-99-150](#). Washington, D.C.: June 30, 1999.

Indian Programs: Tribal Priority Allocations Do Not Target the Neediest Tribes. [GAO/RCED-98-181](#). Washington, D.C.: July 17, 1998.

Island Communities

Compact of Free Association: An Assessment of Current U.S. Proposals to Extend Assistance. [GAO-02-857T](#). Washington, D.C.: July 17, 2002.

Foreign Assistance: Effectiveness and Accountability Problems Common in U.S. Programs to Assist Two Micronesian Nations. [GAO-02-70](#). Washington, D.C.: January 22, 2002.

Foreign Relations: Kwajalein Atoll is the Key U.S. Defense Interest in Two Micronesian Nations. [GAO-02-119](#). Washington, D.C.: January 22, 2002.

Compact of Free Association: Negotiations Should Address Aid Effectiveness and Accountability and Migrants' Impact on U.S. Areas. [GAO-02-270T](#). Washington, D.C.: December 6, 2001.

Foreign Relations: Migration From Micronesian Nations Has Had Significant Impact on Guam, Hawaii, and the Commonwealth of the Northern Mariana Islands. [GAO-02-40](#). Washington, D.C.: October 5, 2001.

Foreign Assistance: Lessons Learned From Donors' Experiences in the Pacific Region. [GAO-01-808](#). Washington, D.C.: August 17, 2001.

Foreign Assistance: U.S. Funds to Two Micronesian Nations Had Little Impact on Economic Development. [GAO/NSIAD-00-216](#). Washington, D.C.: September 22, 2000.

Foreign Relations: Better Accountability Needed Over U.S. Assistance to Micronesia and the Marshall Islands. [GAO/RCED-00-67](#). Washington, D.C.: May 31, 2000.

Northern Mariana Islands: Procedures for Processing Aliens and Merchandise. [GAO/GGD-00-97](#). Washington, D.C.: May 26, 2000.

Northern Mariana Islands: Garment and Tourist Industries Play a Dominant Role in the Commonwealth's Economy. [GAO/RCED/GGD-00-79](#). Washington, D.C.: February 14, 2000.

U.S. Insular Areas: Application of the U.S. Constitution. [GAO/OGC-98-5](#). Washington, D.C.: November 7, 1997.

Managing National Parks

Park Service: Visitor Center Project Costs, Size, and Functions Vary Widely. [GAO-01-781](#). Washington, D.C.: July 24, 2001.

Recreation Fees: Management Improvements Can Help the Demonstration Program Enhance Visitor Services. [GAO-02-10](#). Washington, D.C.: November 26, 2001.

Federal Lands: Agencies Need to Assess the Impact of Personal Watercraft and Snowmobile Use. [GAO/RCED-00-243](#). Washington, D.C.: September 15, 2000.

Park Service: Need to Address Management Problems That Plague the Concessions Program. [GAO/RCED-00-70](#). Washington, D.C.: March 31, 2000.

National Park Service: The Condition of Lodging Facilities Varies among Selected Parks. [GAO/RCED-98-238](#) Washington, D.C.: August 6, 1998.

National Parks: Park Service Needs Better Information to Preserve and Protect Resources. [GAO/T-RCED-97-76](#). Washington, D.C.: February 27, 1997.

Managing Federal Land Transactions and Appraisals

Land Acquisitions: Agencies Generally Used Similar Standards and Appraisal Methodologies in CALFED and CVPIA Transactions. [GAO-02-278R](#). Washington, D.C.: January 23, 2002.

BLM and the Forest Service: Federal Taxpayers Could Benefit More From Land Sales. [GAO-01-882](#). Washington D.C.: September 10, 2001.

National Park Service: Federal Taxpayers Could Have Benefited More from Potomac Yard Land Exchange. [GAO-01-292](#). Washington, D.C.: March 15, 2001.

BLM and the Forest Service: Land Exchanges Need to Reflect Appropriate Value and Serve the Public Interest. [GAO/RCED-00-73](#). Washington, D.C.: June 22, 2000.

Federal Land Management: Land Acquisition Issues Related to the Baca Ranch Appraisal. [GAO/RCED-00-76](#). Washington, D.C.: March 2, 2000.

Fish and Wildlife Service: Agency Needs to Inform Congress of Future Costs Associated with Land Acquisitions. [GAO/RCED-00-52](#). Washington, D.C.: February 15, 2000.

Federal Land Management: Appraisal of Headwaters Forest Properties. [GAO/RCED-99-52](#). Washington, D.C.: December 24, 1998.

Federal Land Management: Appraisal of Crown Butte Mines' New World Property. [GAO/RCED-98-209](#). Washington, D.C.: May 29, 1998.

Deferred Maintenance Backlog

National Park Service: Status of Efforts to Develop Better Deferred Maintenance Data. [GAO-02-568R](#). Washington, D.C.: April 12, 2002.

BIA and DOD Schools: Student Achievement and Other Characteristics Often Differ from Public Schools. [GAO-01-934](#). Washington, D.C.: September 28, 2001.

Park Service: Agency Is Not Meeting Its Structural Fire Safety Responsibilities. [GAO/T-RCED-00-253](#). Washington, D.C.: July 19, 2000.

Park Service: Agency Is Not Meeting Its Structural Fire Safety Responsibilities. [GAO/RCED-00-154](#). Washington, D.C.: May 22, 2000.

National Park Service: Efforts to Identify and Manage the Maintenance Backlog. [GAO/RCED-98-143](#). Washington, D.C.: May 14, 1998.

School Facilities: Reported Condition and Costs to Repair Schools Funded by Bureau of Indian Affairs. [GAO/HEHS-98-47](#). Washington, D.C.: December 31, 1997.

Internal Controls over Financial Reporting

Financial Reporting

Bureau of Reclamation: Opportunities Exist to Improve Managerial Cost Information and Cost Recovery. [GAO-02-973](#). Washington, D.C.: September 20, 2002.

Indian Trust Funds: Individual Indian Accounts. [GAO-02-970T](#). Washington, D.C.: July 25, 2002.

Indian Trust Funds: Tribal Account Balances. [GAO-02-420T](#). Washington, D.C.: February 7, 2002.

Civil Fines and Penalties Debt: Review of OSM's Management and Collection Processes. [GAO-02-211](#). Washington, D.C.: December 31, 2001.

Bureau of Reclamation: Water Marketing Activities and Costs at the Central Valley Project. [GAO-01-553](#). Washington, D.C.: May 4, 2001.

Bureau of Land Management: Improper Charges Made to Mining Law Administration Program. [GAO-01-356](#). Washington, D.C.: March 8, 2001.

Indian Trust Funds: Improvements Made in Acquisition of New Asset and Accounting System But Significant Risks Remain. AIMD-00-259. Washington, D.C.: September 15, 2000.

Financial Management Review of the U.S. Fish and Wildlife Service's Reported Allocation of Resources for its Refuge Program and New Assistant Regional Manager Positions. AIMD-00-84R. Washington, D.C.: February 15, 2000.

Financial Management: Bureau of Reclamation Sources and Uses of Funds. AIMD-99-200R. Washington, D.C.: May 26, 1999.

Security of information

Critical Infrastructure Protection: Significant Challenges Need to Be Addressed. [GAO-02-961T](#). Washington, D.C.: July 24, 2002.

Information Security: Additional Actions Needed to Implement Reform Legislation. [GAO-02-470T](#). Washington, D.C.: March 6, 2002.

Computer Security: Improvements Needed to Reduce Risk to Critical Federal Operations and Assets. [GAO-02-231T](#). Washington, D.C.: November 9, 2001.

Information Security: Weak Controls Place Interior's Financial and Other Data at Risk. [GAO-01-615](#). Washington, D.C.: July 3, 2001.

Performance and Accountability and High-Risk Series

Major Management Challenges and Program Risks: A Governmentwide Perspective. [GAO-03-95](#).

Major Management Challenges and Program Risks: Department of Agriculture. [GAO-03-96](#).

Major Management Challenges and Program Risks: Department of Commerce. [GAO-03-97](#).

Major Management Challenges and Program Risks: Department of Defense. [GAO-03-98](#).

Major Management Challenges and Program Risks: Department of Education. [GAO-03-99](#).

Major Management Challenges and Program Risks: Department of Energy. [GAO-03-100](#).

Major Management Challenges and Program Risks: Department of Health and Human Services. [GAO-03-101](#).

Major Management Challenges and Program Risks: Department of Homeland Security. [GAO-03-102](#).

Major Management Challenges and Program Risks: Department of Housing and Urban Development. [GAO-03-103](#).

Major Management Challenges and Program Risks: Department of the Interior. [GAO-03-104](#).

Major Management Challenges and Program Risks: Department of Justice. [GAO-03-105](#).

Major Management Challenges and Program Risks: Department of Labor. [GAO-03-106](#).

Major Management Challenges and Program Risks: Department of State. [GAO-03-107](#).

Major Management Challenges and Program Risks: Department of Transportation. [GAO-03-108](#).

Major Management Challenges and Program Risks: Department of the Treasury. [GAO-03-109](#).

Major Management Challenges and Program Risks: Department of Veterans Affairs. [GAO-03-110](#).

Major Management Challenges and Program Risks: U.S. Agency for International Development. [GAO-03-111](#).

Major Management Challenges and Program Risks: Environmental Protection Agency. [GAO-03-112](#).

Major Management Challenges and Program Risks: Federal Emergency Management Agency. [GAO-03-113](#).

Major Management Challenges and Program Risks: National Aeronautics and Space Administration. [GAO-03-114](#).

Major Management Challenges and Program Risks: Office of Personnel Management. [GAO-03-115](#).

Major Management Challenges and Program Risks: Small Business Administration. [GAO-03-116](#).

Major Management Challenges and Program Risks: Social Security Administration. [GAO-03-117](#).

Major Management Challenges and Program Risks: U.S. Postal Service. [GAO-03-118](#).

High-Risk Series: An Update. [GAO-03-119](#).

High-Risk Series: Strategic Human Capital Management. [GAO-03-120](#).

High-Risk Series: Protecting Information Systems Supporting the Federal Government and the Nation's Critical Infrastructures. [GAO-03-121](#).

High-Risk Series: Federal Real Property. [GAO-03-122](#).

GAO's Mission

The General Accounting Office, the investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.

Obtaining Copies of GAO Reports and Testimony

The fastest and easiest way to obtain copies of GAO documents at no cost is through the Internet. GAO's Web site (www.gao.gov) contains abstracts and full-text files of current reports and testimony and an expanding archive of older products. The Web site features a search engine to help you locate documents using key words and phrases. You can print these documents in their entirety, including charts and other graphics.

Each day, GAO issues a list of newly released reports, testimony, and correspondence. GAO posts this list, known as "Today's Reports," on its Web site daily. The list contains links to the full-text document files. To have GAO e-mail this list to you every afternoon, go to www.gao.gov and select "Subscribe to GAO Mailing Lists" under "Order GAO Products" heading.

Order by Mail or Phone

The first copy of each printed report is free. Additional copies are \$2 each. A check or money order should be made out to the Superintendent of Documents. GAO also accepts VISA and Mastercard. Orders for 100 or more copies mailed to a single address are discounted 25 percent. Orders should be sent to:

U.S. General Accounting Office
441 G Street NW, Room LM
Washington, D.C. 20548

To order by Phone: Voice: (202) 512-6000
 TDD: (202) 512-2537
 Fax: (202) 512-6061

To Report Fraud, Waste, and Abuse in Federal Programs

Contact:

Web site: www.gao.gov/fraudnet/fraudnet.htm

E-mail: fraudnet@gao.gov

Automated answering system: (800) 424-5454 or (202) 512-7470

Public Affairs

Jeff Nelligan, Managing Director, NelliganJ@gao.gov (202) 512-4800
U.S. General Accounting Office, 441 G Street NW, Room 7149
Washington, D.C. 20548

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Official Business
Penalty for Private Use \$300**

Address Service Requested

**Presorted Standard
Postage & Fees Paid
GAO
Permit No. GI00**

