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Comptroller General
of the United States

Accessible Version

May 11, 2023

The Honorable Deb Haaland
Secretary
Department of the Interior
1849 C Street, N.W.
Washington, DC 20240

Priority Open Recommendations: Department of the Interior

Dear Madam Secretary:

The purpose of this letter is to provide an update on the overall status of the Department of the Interior's implementation of GAO's recommendations and call your continued personal attention to areas where open recommendations should be given high priority.¹ In November 2022, we reported that on a government-wide basis, 77 percent of our recommendations made 4 years ago were implemented.² Interior's recommendation implementation rate was 82 percent. As of April 2023, Interior had 115 open recommendations. Fully implementing these open recommendations could significantly improve Interior's operations.

Since our June 2022 letter, Interior has implemented one of our 13 open priority recommendations, and we removed priority status from two recommendations.³ As of December 2022, the Indian Energy Service Center established a plan to develop an inventory of pending transactions related to energy development activities at field offices and to begin meeting regularly with field offices to monitor their processing of these transactions, as we recommended in June 2015.⁴ According to the plan, the center will review certain transaction types (rights of way and revenue-sharing agreements) in fiscal year 2023 and additional transaction types in the following years. The center also plans to participate in monthly meetings

¹Priority recommendations are those that GAO believes warrant priority attention from heads of key departments or agencies. They are highlighted because, upon implementation, they may significantly improve government operations, for example, by realizing large dollar savings; eliminating mismanagement, fraud, and abuse; or making progress toward addressing a high-risk or duplication issue.

²GAO, *Performance and Accountability Report: Fiscal Year 2022*, [GAO-23-900398](#) (Washington, D.C.: Nov. 15, 2022).

³We removed the priority designation from two recommendations as of April 2023 because the Bureau of Ocean Energy Management (BOEM) is finalizing modifications to its bid valuation process. We are leaving them open as not addressed and will assess BOEM's efforts once it completes the modifications. See GAO, *Offshore Oil and Gas: Opportunities Exist to Better Ensure a Fair Return on Federal Resources*, [GAO-19-531](#) (Washington, D.C.: Sept. 25, 2019).

⁴GAO, *Indian Energy Development: Poor Management by BIA Has Hindered Energy Development on Indian Lands*, [GAO-15-502](#) (Washington, D.C.: June 8, 2015).

with regional realty officers and report average processing times of key energy development activities. These actions improve the efficiency and transparency of its review process.

We ask for your continued attention to the remaining 10 open priority recommendations. We are also adding two priority recommendations related to improving oversight of offshore oil and gas activities and protecting the privacy of personal information. This brings the total number of priority recommendations to 12. (See enclosure for the list of recommendations.)

The 12 priority recommendations fall into the following five areas.

Improving oversight of offshore oil and gas activities.

Interior has faced challenges with collecting its fair share of revenue from oil and gas produced on the hundreds of millions of acres of federal lands and waters for which it is responsible. We have made three priority recommendations in this area. For example, Interior needs to finalize and implement updated regulations that would enable it to better ensure the integrity of active offshore pipelines and address safety and environmental risks associated with their decommissioning. Interior also needs to develop and implement a strategy to guide the development of its most recent cybersecurity initiative, which will ensure the effectiveness of any cybersecurity program it establishes. Implementing the other priority recommendation in this area—developing a plan to address data sharing challenges in the course of updating and modernizing key oil and gas systems—would also enable Interior to improve information tracking across three of its data systems.

Ensuring access to special education services at Bureau of Indian Education (BIE) schools.

BIE supports 183 elementary and secondary schools that serve approximately 41,000 mostly low-income students in rural communities on or near reservations in 23 states. We have one priority recommendation in this area. Specifically, by establishing consistent requirements for schools on making up missed special education and related services, Interior would improve BIE's ability to ensure that eligible children have access to these services at BIE schools across the country.

Managing Micronesia and the Marshall Islands' transition to trust fund income.

After U.S. economic assistance to the Federated States of Micronesia (FSM) and Republic of the Marshall Islands (RMI) ends in 2023, disbursements of earnings from each country's trust fund are intended to provide revenue to that country. We have six priority recommendations in this area, including (1) developing distribution policies for the compact trust funds, (2) developing fiscal procedures required by the FSM compact trust fund agreement, and (3) addressing the timing of the calculation of the RMI compact trust fund disbursements. Implementing these recommendations will better prevent FSM and RMI from facing economic and fiscal shocks and challenges with planning programs and budgets during and after the transfer.

Conducting strategic workforce planning at the Bureau of Land Management (BLM).

In November 2021, we found that BLM made substantial changes to its organizational structure without a strategic workforce plan that aligned the agency's human capital program with emerging mission goals and developed long-term strategies for acquiring, developing, and

retaining staff to achieve programmatic goals. By implementing our one priority recommendation in this area, BLM will better ensure that it has the workforce it needs to achieve its mission and goals, especially as it plans to return its national headquarters to Washington, D.C., from Grand Junction, Colorado.

Protecting the privacy of personal information.

Federal agencies that collect personally identifiable information—such as birthplaces and Social Security numbers—are required to establish programs to protect this information. By implementing our priority recommendation in this area, Interior will have better assurance that it is managing privacy risks within acceptable thresholds.

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In April 2023, we issued our biennial update to our [High Risk List](#). This list identifies government operations with greater vulnerabilities to fraud, waste, abuse, and mismanagement. It also identifies the need for transformation to address economy, efficiency, or effectiveness challenges.⁵ One of our high-risk areas—[management of federal oil and gas resources](#)—centers directly on Interior. Another high-risk area—[improving federal management of programs that serve Tribes and their members](#)—involves multiple agencies, including Interior.

Several other government-wide high-risk areas also have direct implications for Interior and its operations. These include (1) [improving the management of IT acquisitions and operations](#), (2) [improving strategic human capital management](#), (3) [managing federal real property](#), (4) [ensuring the cybersecurity of the nation](#),⁶ and (5) managing the [government-wide personnel security clearance process](#).

We urge your attention to the Interior and other government-wide high-risk issues as they relate to Interior. Progress on high-risk issues has been possible through the concerted actions and efforts of Congress; Office of Management and Budget; and the leadership and staff in agencies, including within Interior. In March 2022, we issued a report on key practices to successfully address high-risk areas, which can be a helpful resource as your agency continues to make progress to address high-risk issues.⁷

In addition to your continued attention on these issues, Congress plays a key role in providing oversight and maintaining focus on our recommendations to ensure that they are implemented and produce their desired results. Legislation enacted in December 2022 includes a provision for GAO to identify any additional congressional oversight actions that can help agencies

⁵GAO, *High-Risk Series: Efforts Made to Achieve Progress Need to be Maintained and Expanded to Fully Address All Areas*, [GAO-23-106203](#) (Washington, D.C.: Apr. 20, 2023).

⁶With regard to cybersecurity, we also urge you to use foundational information and communications technology supply chain risk management practices set forth in our December 2020 report, *GAO, Information Technology: Federal Agencies Need to Take Urgent Action to Manage Supply Chain Risks*, [GAO-21-171](#) (Washington, D.C.: Dec. 15, 2020).

⁷GAO, *High-Risk Series: Key Practices to Successfully Address High-Risk Areas and Remove Them from the List*, [GAO-22-105184](#) (Washington, D.C.: Mar. 3, 2022).

implement priority recommendations and address any underlying issues relating to such implementation.⁸

There are various strategies Congress can use in addressing our recommendations, such as incorporating them into legislation. Congress can also use its budget, appropriations, and oversight processes to incentivize executive branch agencies to act on our recommendations and monitor their progress. For example, Congress can hold hearings focused on Interior's progress in implementing GAO's priority recommendations, withhold funds when appropriate, or take other actions to provide incentives for agencies to act. Moreover, Congress could follow up during the appropriations process and request periodic updates. Congress also plays a key role in addressing any underlying issues related to the implementation of these recommendations. For example, Congress could pass legislation providing an agency explicit authority to implement a recommendation or requiring an agency to take certain actions to implement a recommendation.

Copies of this report are being sent to the Director of the Office of Management and Budget and the appropriate congressional committees. In addition, the report will be available on the GAO website at <http://www.gao.gov>.

I appreciate Interior's continued commitment to these important issues. If you have any questions or would like to discuss any of the issues outlined in this letter, please do not hesitate to contact me or Mark Gaffigan, Managing Director, Natural Resources and Environment, at gaffiganm@gao.gov or (202) 512-3841. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Our teams will continue to coordinate with your staff on all of the 115 open recommendations, as well as the additional recommendations in the high-risk areas for which Interior has a leading role. Thank you for your attention to these matters.

Sincerely yours,

A handwritten signature in black ink that reads "Gene L. Dodaro". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Gene L. Dodaro
Comptroller General
of the United States
Enclosure

⁸James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, Pub. L. No. 117-263, § 7211(a)(2), 136 Stat. 2395, 3668 (2022); H.R. Rep. No. 117-389 (2022) (accompanying Legislative Branch Appropriations Act, H.R. 8237, 117th Cong. (2022)).

cc: The Honorable Shalanda Young, Director, Office of Management and Budget
Laura Daniel-Davis, Principal Deputy Assistant Secretary, Land and Mineral Management
Bryan Newland, Assistant Secretary, Indian Affairs
Keone Nakoa, Deputy Assistant Secretary, Insular and International Affairs
Nikolao Pula, Director, Office of Insular Affairs
Tony Dearman, Director, Bureau of Indian Education
Darryl LaCounte, Director, Bureau of Indian Affairs
Liz Klein, Director, Bureau of Ocean Energy Management
Kevin M. Sligh Sr., Director, Bureau of Safety and Environmental Enforcement

Enclosure -- Priority Open Recommendations to the Department of the Interior

Improving Oversight of Offshore Oil and Gas Activities

Offshore Oil and Gas: Updated Regulations Needed to Improve Pipeline Oversight and Decommissioning. [GAO-21-293](#). Washington, D.C.: March 19, 2021.

Year Recommendation Made: 2021

Recommendation: The Director of the Bureau of Safety and Environmental Enforcement (BSEE) should take actions to further develop, finalize, and implement updated pipeline regulations to address long-standing limitations regarding BSEE's ability to (1) ensure the integrity of active offshore oil and gas pipelines and (2) address safety and environmental risks associated with their decommissioning.

Actions Needed: Interior agreed with this recommendation. As of February 2023, BSEE indicated that it had taken several actions to update its pipeline regulations and anticipated publishing a proposed rule in April 2023. To fully implement our recommendation, BSEE needs to finalize and implement updated pipeline regulations that better define how the bureau is to address safety and environmental risks associated with decommissioning pipelines and that reflect the complexities of modern deep water pipeline operations. Updating these regulations will better enable BSEE to ensure the integrity of active offshore pipelines and address risks associated with their decommissioning.

High-Risk Area: [Management of federal oil and gas resources](#)

Director: Frank Rusco

Contact Information: ruscof@gao.gov, (202) 512-3841

Oil and Gas: Interior Should Strengthen Management of Key Data Systems Used to Oversee Development on Federal Lands. [GAO-21-209](#). Washington, D.C.: May 27, 2021.

Year Recommendation Made: 2021

Recommendation: The Secretary of the Interior should direct the Chief Information Officer to develop a plan to address data-sharing challenges in the course of updating and modernizing key oil and gas data systems, including automating data sharing and adopting common identifiers for leases and operators.

Actions Needed: Interior agreed with this recommendation. As of January 2023, Interior stated that it had chartered a workgroup with department-wide representation from Interior bureaus and offices, including the Bureau of Land Management (BLM) and the Office of Natural Resources Revenue. This workgroup is to develop a project plan to address data-sharing challenges and draft a proposed data-sharing policy, which Interior told us it anticipates finalizing by June 30, 2023. To fully implement our recommendation, Interior needs to finalize the data-sharing plan. Doing so will improve data sharing across Interior's oil and gas data systems.

High-Risk Area: [Management of federal oil and gas resources](#)

Director: Frank Rusco

Contact Information: ruscof@gao.gov, (202) 512-3841

Offshore Oil and Gas: Strategy Urgently Needed to Address Cybersecurity Risks to Infrastructure. [GAO-23-105789](#). Washington, D.C.: October 26, 2022.

Year Recommendation Made: 2023

Recommendation: The BSEE Director should immediately develop and implement a strategy to guide the development of its most recent cybersecurity initiative; such a strategy should include (1) a risk assessment; (2) objectives, activities, and performance measures; (3) roles, responsibilities, and coordination; and (4) identification of needed resources and investments.

Actions Needed: Interior agreed with this recommendation. However, as of March 2023, Interior had not provided us with any updates on the status of BSEE's efforts to address the recommendation. We continue to believe that BSEE should immediately develop and implement an overarching strategy to guide the development of its cybersecurity initiative. To fully implement our recommendation, the strategy should identify cybersecurity risks; relevant practices to address those risks; the bureau's role in addressing them; milestones for activities such as formalizing relationships with other federal agencies and industry organizations; resource needs, such as appropriate staffing levels; and performance measures to assess results. Developing and implementing such a strategy will help ensure the effectiveness of any cybersecurity program that BSEE ultimately establishes.

High-Risk Area: [Management of federal oil and gas resources](#)

Director: Frank Rusco

Contact Information: ruscof@gao.gov, (202) 512-3841

Ensuring Access to Special Education Services at Bureau of Indian Education (BIE) Schools

Indian Education: Actions Needed to Ensure Students with Disabilities Receive Special Education Services. [GAO-20-358](#). Washington, D.C.: May 22, 2020.

Year Recommendation Made: 2020

Recommendation: The Director of BIE should establish consistent requirements for schools on making up missed special education and related services and monitor schools to ensure that they follow these requirements.

Actions Needed: Interior agreed with this recommendation. In January 2023, BIE drafted a special education policy handbook that includes consistent requirements for schools on making up missed special education and related services. Agency officials told us that they planned to finalize and issue the policy handbook after consulting with Tribes. The officials also told us that the agency would take steps to monitor schools to ensure that they follow the new requirements for making up missed services. By fully implementing our recommendation, BIE can improve access to special education and related services at its schools across the country.

High-Risk Area: [Improving federal management of programs that serve Tribes and their members](#)

Director: Melissa Emrey-Arras

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Managing Micronesia and the Marshall Islands' Transition to Trust Fund Income

Compacts of Free Association: Actions Needed to Prepare for the Transition of Micronesia and the Marshall Islands to Trust Fund Income. [GAO-18-415](#). Washington, D.C.: May 17, 2018.

Year Recommendations Made: 2018

Recommendations: The Secretary of the Interior should ensure that the Director of the Office of Insular Affairs, as Chairman of the Federated States of Micronesia (FSM) compact trust fund committee, the Republic of the Marshall Islands (RMI) compact trust fund committee, FSM Joint Economic Management Committee, and RMI Joint Economic Management and Financial Accountability Committee, works with other members of these committees to

- (1) develop a distribution policy for the FSM compact trust fund, as required by the compact trust fund agreement, that takes into account potential strategies that could address risks to the fund's ability to provide a source of income after fiscal year 2023;
- (2) develop the fiscal procedures required by the FSM compact trust fund agreement;
- (3) address the timing of the calculation of the FSM compact trust fund disbursements;
- (4) develop a distribution policy for the RMI compact trust fund, as required by the compact trust fund agreement, that takes into account potential strategies that could address risks to the fund's ability to provide a source of income after fiscal year 2023;
- (5) develop the fiscal procedures required by the RMI compact trust fund agreement; and
- (6) address the timing of the calculation of the RMI compact trust fund disbursements.

Actions Needed: Interior concurred with these recommendations and set a target date of October 1, 2023, to implement them. The compact trust fund committees have held multiple meetings that included discussions about the distribution policies and fiscal procedures for the FSM and RMI trust funds, as well as other post-2023 trust fund issues. However, the committees have not made final decisions or taken specific steps to implement our recommendations. As of February 2023, the U.S. was in active negotiations to amend and extend various FSM and RMI compact provisions and agreements, including the trust fund agreements, by the beginning of fiscal year 2024. Ongoing bilateral negotiations between the U.S. and the FSM and RMI governments may address our recommendations or modify the trust fund structures. Nevertheless, we continue to believe that taking actions to implement our recommendations would improve the ability of the FSM and RMI to plan for and implement a successful transition to trust fund income.

Director: Latesha Love

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Conducting Strategic Workforce Planning at the Bureau of Land Management

Bureau of Land Management: Better Workforce Planning and Data Would Help Mitigate the Effects of Recent Staff Vacancies. [GAO-22-104247](#). Washington, D.C.: November 16, 2021.

Year Recommendation Made: 2022

Recommendation: The Director of BLM should develop an agency-wide strategic workforce plan that aligns the agency's human capital program with emerging mission goals and includes long-term strategies for acquiring, developing, and retaining staff to achieve programmatic goals.

Action Needed: Interior agreed with this recommendation. As of February 2023, BLM said it had hired a contractor to develop a strategic workforce plan. According to BLM, the agency worked with the contractor to develop a framework for developing a strategic workforce plan but had not yet finalized such a plan. To fully implement our recommendation, BLM needs to finalize and provide evidence of an agency-wide strategic workforce plan. By finalizing such a plan, BLM will better ensure that it has the workforce necessary to fulfill the agency's mission and achieve its goals.

High-Risk Areas: [Strategic human capital management](#); [management of federal oil and gas resources](#)

Director: Frank Rusco

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Protecting the Privacy of Personal Information

Privacy: Dedicated Leadership Can Improve Programs and Address Challenges. [GAO-22-105065](#). Washington, D.C.: September 22, 2022.

Year Recommendation Made: 2022

Recommendation: The Secretary of the Interior should establish a time frame for incorporating privacy into an organization-wide risk management strategy that includes a determination of risk tolerance and develop and document this strategy.

Action Needed: Interior agreed with this recommendation. As of March 2023, Interior officials said that they planned to incorporate privacy into the Enterprise Risk Management Strategy and estimated completing this effort by mid-November 2023. To fully implement our recommendation, Interior needs to ensure that its strategy documents show how privacy is addressed by its approach to risk management, including a determination of privacy risk tolerance. By taking these actions, Interior will have greater assurance that it is managing privacy risks within acceptable thresholds.

High-Risk Area: [Ensuring the Cybersecurity of the Nation](#)

Director: Jennifer R. Franks and Marisol Cruz Cain

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