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United States Department of the Interior  
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT  
WASHINGTON, DC 20240-0001

In Reply Refer To:  
Mail Stop VAE-BSEE FOIA

April 4, 2017

Sent via Electronic Mail

The Bureau of Safety and Environmental Enforcement (BSEE) FOIA office received your Freedom of Information Act (FOIA) request, dated March 13, 2017 and assigned it control number **BSEE-2017-00102**. Your request seeks "A Copy of all letter correspondence at the BSEE to or from the Government Accountability Office (GAO) during calendar year 2016 and 2017 to date." Please cite this number in any future communications with our office regarding your request.

We are writing today to respond to your request on behalf of the BSEE. We have enclosed 8 documents consisting of 61 pages, which are being released to you in their entirety.

### Conclusion

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of FOIA. *See* [5 U.S.C. 552\(c\)](#). This response is limited to those records that are subject to the requirements of FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

The 2007 FOIA amendments created the Office of Government Information Services (OGIS) to offer mediation services to resolve disputes between FOIA requesters and Federal agencies as a non-exclusive alternative to litigation. Using OGIS services does not affect your right to pursue litigation. You may contact OGIS in any of the following ways:

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Fax: 202-741-5769

Toll-free: 1-877-684-6448

Please note that using OGIS services does not affect the timing of filing an appeal with the Department's FOIA & Privacy Act Appeals Officer.

Because your entitlements as an "other-use requester" (See 43 C.F.R. § 2.39) were sufficient to cover all applicable FOIA charges, there is no billable fee for the processing of this request. This completes our response to your request.

If you have any questions concerning your request, please contact me at [BSEEOFIA@bsee.gov](mailto:BSEEOFIA@bsee.gov).

Sincerely,

/s/ Dorothy Tinker

Dorothy Tinker

Government Information Specialist (FOIA)

BSEE FOIA Office

Electronic Enclosure:

As stated



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

JAN 27 2016

Mr. Frank Rusco  
Director  
Natural Resources and Environment  
Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Rusco:

Thank you for the opportunity to review and comment on the Government Accountability Office (GAO) draft report entitled *Oil and Gas Management – Interior’s Bureau of Safety and Environmental Enforcement Restructuring Has Not Addressed Long-standing Oversight Deficiencies* (GAO-16-245). The Department of the Interior (DOI) and the Bureau of Safety and Environmental Enforcement (BSEE) agree on the importance of accountability at the national level, the need for documented policies and procedures to ensure consistency across regions, and the necessity of elevating key functions to improve their effectiveness in pursuing BSEE’s mission.

The *Deepwater Horizon* tragedy revealed deficiencies in the oversight responsibilities of BSEE’s predecessor agency, the Minerals Management Service (MMS). Many of the reviews and recommendations following the tragedy focused on separating conflicting responsibilities and elevating key oversight functions. In spring 2014, BSEE senior management initiated discussions on the possible realignment of key functions, including investigations and enforcement. Implementation of the realignment began in late 2015, after the bureau received Departmental approval to proceed and consulted with the House and Senate Interior and Environment Appropriations Subcommittees.

BSEE’s current realignment builds on the recommendations resulting from reviews conducted in the aftermath of the *Deepwater Horizon* by employing a national program model whereby BSEE Headquarters establishes the program direction and the field offices carry it out. Under the National Program Management model, the designated lead for a national program establishes program strategy, identifies priorities for resource allocation, and develops and tracks accountability measures. Additionally, the national program lead coordinates policy development in collaboration with regional staff, including the regional directors who execute these policies at the operational level. Implementation of this model will be supported by clear, bureau-wide policy; the establishment of related performance measures; and internal accountability.

BSEE is committed to continuing work to resolve deficiencies in oversight. It is a significant cultural shift to move from a largely decentralized field organization to one with national-level

direction, monitoring, and accountability. The National Program Management structure is an important step in this direction, and BSEE will work to make this transition successful and evaluate its effectiveness.

The cultural shift occurring within BSEE is most clearly evident in efforts related to environmental compliance. The initial efforts to move away from a decentralized field organization on environmental compliance issues focused on a reporting chain that had regionally-based staff reporting to headquarters-based managers. In practice, this approach presented BSEE with challenges that slowed resolution of some deficiencies that GAO notes. BSEE identified opportunities to better coordinate field-based environmental compliance activities, such as water quality monitoring and marine pollution and debris inspections, with operational priorities. The bureau's restructuring of the Environmental Compliance Division (ECD) seeks to provide national guidance and significantly enhanced accountability in a more integrated way that recognizes program execution and logistical coordination among various mission responsibilities best occurs at the field level.

Environmental stewardship is a key aspect of the agency's core mission and a primary focus of BSEE's oversight. This stewardship is achieved through various methods. Examples include: checks that well and platform designs, safety systems, and operations are optimized to reduce the risk of incidents; and, verification that redundant safety devices are in place and response resources and personnel are prepared should an incident occur. Ultimately, BSEE's prevention activities, preparedness verifications, incident investigations, and enforcement actions harness all activities in support of its environmental stewardship responsibilities.

The two post-*Deepwater Horizon* reports cited by GAO in its discussion on BSEE's environmental compliance program, specifically the Department of the Interior's Office of Inspector General's December 2010 report and the Outer Continental Shelf Safety Oversight Board's September 2010 report, emphasize the need to elevate and separate environmental considerations from functions such as leasing and development in order to minimize conflicts of interest. BSEE's restructuring of the ECD is consistent with, and builds on, the recommendations from these oversight reports, which did not address reporting structures. The ECD, like the Environmental Enforcement Division before it, remains a national program on par with other national programs, such as enforcement and inspections. Field personnel, including regional managers, are accountable to follow bureau-wide, transparent procedures and policies set by the national division, and the national division also monitors overall execution and effectiveness of environmental compliance activities. This organizational structure represents a significant improvement from the one that existed in the MMS, which was criticized in both oversight reports. The restructuring also recognizes that tactical direction (specifically, the day-to-day execution of environmental compliance activities consistent with national policy) and logistical integration and coordination among various mission responsibilities at the field level can be best managed onsite, from BSEE's field offices.

Implementation of the National Program Management model also will help BSEE better resolve the deficiencies identified by GAO and others related to the bureau's investigative capabilities. The restructuring within the investigations program seeks to build consistency in the execution

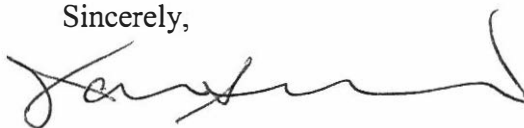
of incident investigations across districts and regions through the development of a national incident investigations policy that will supersede the conflicting policies and procedures cited by GAO. Additionally, the restructuring harmonizes legacy field investigations with the more systematic investigative methodology of the Investigations and Review Unit. The newly established Safety and Incident Investigations Division is leading the development of this policy, and is working with the regions to clarify roles and responsibilities. This policy will include the requirement for regional and district offices to review—and investigate, as appropriate—every reportable incident that occurs offshore. Additional efforts include the ongoing development of an Offshore Incident Investigations Training Program, which raises the level of investigations training for field personnel. A new national investigation program handbook is also under development and will be finalized during this fiscal year. The handbook will provide guidance for ensuring consistency in conducting incident investigations across the bureau.

BSEE also has achieved significant results in the area of enforcement. In 2015, the bureau worked with the U.S. Department of Justice (DOJ) and the Environmental Protection Agency on three separate cases to hold companies accountable for violations of the Outer Continental Shelf Lands Act (OCSLA) and the Clean Water Act; in total, over \$40 million in civil and administrative penalties were levied in these three cases. Additionally, BSEE conducted the initial investigation for three other cases, which were ultimately referred to DOI's Office of Inspector General recommending criminal investigations in all three cases. DOJ has since initiated criminal prosecutions for these cases, which are pending in Federal court. Additionally, BSEE has finalized its Alternative Enforcement Procedures and is working to finalize additional national policies and procedures related to enforcement. A number of these policies and procedures are expected to be finalized in FY 2016. Creation of the Safety Enforcement Division will further help the bureau address deficiencies identified by GAO with clear national criteria to provide consistent guidance in the appropriate use of available enforcement tools.

Comments on particular sections of the draft report are provided in Enclosure 1. We believe consideration of these comments will help to specifically describe BSEE's progress in implementing the necessary processes for policy development and associated performance measures that will enhance the bureau's overall effectiveness.

If you have any questions regarding this response, please contact Linh Luu, BSEE Audit Liaison Officer, at (202) 208-4120.

Sincerely,

A handwritten signature in black ink, appearing to read 'Janice M. Schneider', with a long horizontal flourish extending to the right.

Janice M. Schneider  
Assistant Secretary  
Land and Minerals Management

Enclosure

## **Enclosure 1: Specific Comments on draft report**

**First paragraph of “Why GAO did this study”** – GAO’s reference to an October 2013 initiation of organizational restructuring is inaccurate. Initial discussions of restructuring began in the spring of 2014. BSEE formally proposed realignment of key functions, including investigations and enforcement, to the Department in January 2015. Implementation of the realignment began in October 2015, once the bureau received Departmental approval to proceed. The October 2013 date referenced throughout the report should be revised, as appropriate.

**Second paragraph of “What GAO found”** – The two reports cited by GAO (OIG’s December 2010 New Horizon report and the OCS Safety Oversight Board’s September 2010 report) emphasized the need to elevate environmental compliance to a national program, as well as the necessity of separating environmental considerations from functions, such as leasing and development, in order to minimize conflicts of interest. BSEE’s restructuring maintains Environmental Compliance as a national program with national performance measures and accountability, which is consistent with the recommendations in the two reports cited. Neither report recommends an organizational structure requiring that regional staff report to headquarters managers to accomplish these goals.

**p. 1, last line** – Interior reorganized the Minerals Management Service (MMS) into two bureaus (BSEE and the Bureau of Ocean Energy Management (BOEM)) and one office (the Office of Natural Resources Revenue), rather than three bureaus as described in this sentence.

**p. 2, last line of second paragraph** – The Environmental Law Institute (ELI) reports were important foundational documents for the establishment of a national, stand-alone enforcement program. A key purpose of the ELI reports was to help BSEE elevate its enforcement program to a national level, which is occurring now under the realignment. These reports also supported the bureau’s efforts to evaluate its enforcement abilities as recommended under the OIG’s New Horizon report and the Safety Oversight Board report.

**p. 2, first line of third paragraph** – BSEE’s organizational restructuring was not initiated in October 2013. The October 2013 Director’s Intent, while outlining broad concepts around which to set organizational priorities, was not the basis for restructuring. Consideration of restructuring options began in the spring of 2014 with the April 2014 contract noted by GAO in FN15 on page 8. Discussions of possible approaches began in the spring/summer of 2014 and agreements were reached for moving forward with structuring the national program areas by the September 2014 leadership offsite, with the formal proposal occurring in January 2015.

**p. 3, second line** – Implementation of the realignment began in October 2015, once the bureau received Departmental approval to proceed.

**p. 3, last two sentences of first full paragraph** – We recommend revising the sentences to read: “BSEE participated in the U.S. Coast Guard-led investigation when, in December 2012, the



mobile offshore drilling unit *Kulluk* separated from its tow line in 20-foot seas and grounded ashore in the Gulf of Alaska.”

**p. 5, last sentence of second paragraph** – We recommend revising the sentence to read: “To do so, it was proposed that EED conduct...”

**p. 5, FN11** – The footnote should be revised to note the following: First, the Secretarial Order was superseded by Departmental Manual chapter 219 DM 1 (effective October 14, 2014), which was submitted to GAO on July 30, 2015. Second, as described in the Secretarial Order, internal investigations relate to “allegations or evidence of misconduct and unethical behavior by Bureau employees,” rather than significant dereliction of duties. Third, the internal investigations role was separated from other Investigations and Review Unit (IRU) functions in 2013, per a memo from then Director Watson.

**pp. 6-7, overview of enforcement tools** – BSEE recommends inclusion of an additional tool, which does not appear in the bulleted list: Referral to Another Agency. This tool includes direct referrals to the Department of Justice for civil enforcement and the DOI’s Office of Inspector General for criminal enforcement and/or suspension or debarment (note that BSEE would not directly refer a case to the Department of Justice for consideration for potential criminal prosecution; rather, those cases are referred to the Energy Investigations Unit of DOI’s Office of Inspector General). This tool is articulated in the Alternative Enforcement Procedures document, which was provided to GAO on December 7, 2015. BSEE recommends adding the language above as a bullet following “Disqualification referral” on p. 7. BSEE’s use of some of these tools is also documented in the press releases provided to GAO on December 9, 2015, including, for example, BSEE’s referral (jointly with EPA) to the Department of Justice on ATP’s potential violations regarding oil and chemical dispersant discharges.

**p. 8, last line of first paragraph** – The consultant’s recommendations regarding enforcement strategy and tools informed the decision to develop the Safety and Enforcement Division and are being referenced in the development of policies and procedures under this Division.

**p. 8, first sentence of second paragraph** – As discussed above, GAO’s reference to an October 2013 initiation of the organizational restructuring is inaccurate. Initial discussions of restructuring began in the spring of 2014. BSEE formally proposed realignment of key functions to the Department in January 2015. Implementation of the realignment began in October 2015, once the bureau received Departmental approval to proceed.

**p. 9, first sentence of second paragraph** – Consistent with the above comments on restructuring, “October 2013 restructuring” should be changed to “October 2015 restructuring.”

**p. 9, second to last sentence of second paragraph** – Consistent with the above comments on restructuring, we recommend striking “As part of the restructuring that began in 2013” so that the sentence begins with “In October 2015, Interior approved...”



**p. 9, last sentence of second paragraph** – Please note that the responsibilities of the Safety and Incident Investigation Division (SIID) are outlined in the updated Departmental Manual (DM) chapter, which was given to GAO on October 27, 2015. Section 119 DM 4 states that the Chief of SIID is responsible for “establishing national policies related to the conduct of investigations regarding incidents on the OCS by BSEE investigators through collaborative policy making processes. The SIID establishes national policies regarding required training for BSEE investigators and establishes procedures for how investigations are conducted and documented and how incident information is managed. The SIID is responsible for monitoring execution and effectiveness of the investigations activity.”

**p. 10, second paragraph, first sentence** – We recommended inserting, “An updated national policy is in development and will supersede regional policies and procedures.”

**p. 10, last sentence of final paragraph** – We recommend inserting, “BSEE is currently completing development of work plans on implementation that will include these points.”

**p. 11, fourth sentence from bottom of first paragraph** – SIID has the capability and will evaluate and synthesize incident reports.

**p. 11, FN19 & p. 13, FN26** – At the time of authorship, Admiral Salerno developed the report in a contractor capacity and was not yet appointed as BSEE Director. Therefore, it is incorrect to label the author in this citation as “BSEE Director.”

**p. 12, first paragraph, fifth sentence** – BSEE expects to complete implementation of its case management system by the end of this fiscal year. While no rulemaking is necessary, BSEE intends to complete a Federal Register Notice (which is currently being developed per a December 22, 2015, communication with BSEE’s Regulations and Standards Branch).

**p. 12, first paragraph, seventh sentence** – In the investigations tracking spreadsheet, BSEE records in the “comments” section for each case whether it was referred to the OIG or another organization. Also, if a case is closed, the closing memo for the case will state: (1) why the case was closed, (2) what recommended actions, if any, exist, and (3) whether allegations were or were not corroborated.

**p. 12, first paragraph, eighth sentence** – It is standard bureau practice for the Chief of the SIID (formerly the IRU) to review all Investigative Activity Reports prior to inclusion of those reports into the case file. Each Investigative Activity Report that is written throughout the course of an investigation is reviewed.

**p. 12, FN20** – Since the IRU no longer exists, it would be more accurate to say the SIID is updating the bureau’s national (not IRU-specific) investigation policies and procedures in coordination with regional staff. Key policies and procedures will be finalized this fiscal year.

**p. 13, FN25** – The IRU did not, and the SIID does not function as a criminal law enforcement program. The following types of allegations, suspicions, and matters are referred to the OIG’s Environmental Investigations Unit for review and possible investigation:

- Falsification of documents or records required to be maintained or submitted;
- Falsification of mandated tests or inspections;
- Manipulation or alteration of equipment with the intent to deceive Federal energy regulatory personnel;
- Submission of false information during the permitting or approval process; and
- Any other fraudulent or potential criminal conduct related to Federal energy activities.–

**p. 13, last two sentences of first paragraph** – Reference to IRU should be changed to SIID.

**p. 14, first sentence of first paragraph** – BSEE recommends inserting the following: “BSEE advises that new policy currently being developed will supersede the policies and procedures identified here. The new policy will clarify roles and relationships. These policies are scheduled for release in FY 2016.”

**p. 14, last sentence of first paragraph** – Both policies referenced are under development.

**p. 14, second paragraph** – BSEE disagrees with the conclusions reached in this paragraph based on the comments listed below.

**p. 15, first two sentences of first paragraph** – The current restructuring builds on recommendations made after the *Deepwater Horizon* tragedy. The ECD, like its predecessor, the Environmental Enforcement Division, is a national program. Field personnel, including regional managers, will be accountable to standards and policies set by the national division, and overall execution and effectiveness of environmental compliance activities are monitored by this national division.

**p. 15, first sentence of second paragraph** – Under the current BSEE realignment, Environmental Compliance will remain a national program, on par with other national programs such as enforcement and inspections. This is consistent with the OIG and OCS Safety Oversight Board recommendations to give environmental concerns “appropriate weight and consideration.”

**p. 15, second paragraph, third sentence** – The OCS Safety Oversight Board’s report did not specifically recommend a structure with region-based environmental staff reporting to headquarters-based division chief.

**p. 16, first full paragraph** – Initial efforts to move away from a decentralized field organization focused on a reporting chain that had regionally-based staff reporting to headquarters-based managers. In practice, this approach presented BSEE with a new set of challenges that slowed resolution of some of the deficiencies that GAO noted. In particular, BSEE identified further opportunities to better coordinate, integrate and synchronize field-based environmental

compliance activities with operational priorities. Further, this change will ensure that regional offices and managers share accountability for program goals and measures, pursue more opportunities to better incorporate environmental compliance activities into operational management and oversight, and resolve any imbalance between office-based and field-based compliance activities.

**p. 18, last sentence of first paragraph** – Please note that the responsibilities of the ECD are outlined in the updated DM chapter provided to GAO on October 27, 2015. Section 119 DM 4 states that the Chief of ECD “establishes national strategic goals of the environmental compliance program to increase the accuracy and consistency of its environmental compliance activities, per the National Environmental Policy Act, the OCSLA , and other statutory requirements. The ECD establishes national data needs for the environmental compliance program, maintains and monitors national performance standards, and sets national policies regarding environmental compliance activities conducted by BSEE personnel. The ECD is also responsible for monitoring the execution and effectiveness of environmental compliance activity.”

**p. 19, sixth sentence of second paragraph** – In the 3<sup>rd</sup> quarter of FY 2015, BSEE initiated an assessment of its Memoranda of Understanding (MOUs), Memoranda of Agreements (MOAs), and Memoranda of Cooperation (MOCs). The EPA MOU is included on the list of agreements to review and prioritize for action.

**p. 19, seventh sentence of second paragraph** – It is unclear why BOEM’s responsibilities would be relevant to this MOU as the MOU does not pertain to activities under BOEM’s jurisdiction.

**pp. 20-21, four paragraphs on presumed staffing shortfalls** – The bureau disagrees with the statement that it has “no plans to fill any vacant environmental compliance positions in the field.” We likewise disagree with the statement that the bureau “intends to transfer most of its environmental compliance personnel to headquarters within the next 5 years.” The projected staffing shortfalls discussed are estimates taken from division-level working documents. Staffing was deferred until needs were better understood. The bureau is currently forming the Environmental Stewardship Collaboration Group to examine BSEE’s current environmental stewardship goals and identify new ways to enhance environmental responsibility throughout the organization. Additionally, BSEE will undertake an assessment to determine the proper staff skill mix to best manage environmental compliance activities. There are currently placeholders for positions within the regions, as evidenced, for example, by positions listed on pp. 79-84 of the GOMR reorganization package submitted to GAO on October 20, 2015.

**p. 21, last two sentences of first paragraph** – The “unspent” figures are misleading since the report only mentions funding “unspent” and not funding actually obligated. For clarification, the bureau obligated the following Environmental Enforcement Activity funding:

- FY 2013: \$2.9M
- FY 2014: \$6.6M
- FY 2015: \$6.7M

BSEE began FY 2013 with \$2.8M in carryover funding from FY 2012. Remaining available funding each year is rolled over into subsequent years. Also “environmental compliance appropriations” is an incorrect term. The correct term is “Environmental Enforcement Activity funding.”

**p. 21, third sentence of second paragraph** – The position advertised was to hire someone to replace the deputy chief of the Environmental Enforcement Division, who had recently left the position.

**p. 21, last sentence of third paragraph** – BSEE staff conducted such a review in 2013 and determined that no adjustment was warranted at that time. Please note that on November 2, 2015, Congress passed the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (114 P.L. 74, § 701) (“Act”), which amends the Federal Civil Penalties Adjustment Act of 1990 (28 U.S.C. 2461 note). The Act directs Federal agencies to adjust most civil monetary penalties through an interim final rule-making no later than July 1, 2016, and yearly thereafter. It also modifies the manner in which such adjustments are made, including adjustment thresholds and rounding. BSEE and the Office of the Solicitor are working to revise BSEE’s civil penalty adjustment procedures to comply with the Act and the requirements under OCSLA to ensure continued timely adjustment of BSEE’s civil penalties. We expect these revisions to be completed in the spring of 2016.

**p. 22, first sentence of first paragraph** – BSEE’s Safety and Enforcement Division’s Enforcement Continuum sets forth goals, operating principles, and enforcement philosophy. Further, new procedures for civil penalty referral and assessment are being exercised in a pilot project using actual cases. These procedures are detailed in the draft Procedures for Civil Penalty (CP) referral and assessment, which was provided to GAO with BSEE’s response to GAO’s statement of facts for this report. Finally, we have detailed definitions of all our enforcement tools which will help to ensure consistent application throughout the organization, as laid out in the Alternative Enforcement Procedures document provided to GAO on December 7, 2015.

**p. 22, first paragraph, third sentence** – Consistent with earlier comments, please revise or remove “that began in 2013” after “restructuring.”

**p. 22, last sentence of first paragraph** – Please note that the responsibilities of the Safety Enforcement Division (SED) are outlined in the updated DM chapter provided to GAO on October 27, 2015. Section 119 DM 4 states that the Chief of SED “collaboratively develops and maintains national compliance and enforcement policy under the guidelines of the Director’s Compliance and Enforcement Continuum and establishes and maintains complementary

procedures and business rules necessary for full implementation of the SED including, but not limited to: staff training requirements, tracking and reporting obligations, setting and revising enforcement priorities, and liaison roles and responsibilities. The SED is responsible for monitoring the execution and effectiveness of the enforcement activity.”

**p. 24, first sentence of second paragraph** – Until 2013, BSEE had a mechanism in place to ensure that it reviewed its maximum daily civil penalty every three years according to the May 2007 edition of the Civil Penalties Guidebook. Page 14 of the Guidebook stated that the maximum daily civil penalty was to be reviewed every three years to reflect any increase in the Consumer Price Index, pursuant to OCSLA (43 U.S.C. § 1350(b)(1)). BSEE deleted that language from the 2013 edition of the Guidebook pending an analysis to ensure that the bureau’s civil penalty adjustment process was in compliance with all statutory requirements, including the separate mandates of the Federal Civil Penalties Inflation Adjustment Act (see, e.g., 28 U.S.C. 2461). As noted in the comment above, Congress subsequently mandated an annual review, and BSEE is working with the DOI Office of the Solicitor to ensure a review consistent with this requirement.

**p. 25, first sentence of first full paragraph** – In 2013, BSEE staff reviewed the maximum daily civil penalty and concluded that no adjustment was warranted.

**p. 25, second sentence of second full paragraph** – The phrase “more than two years into its restructuring effort” is misleading. Decisions on the new structure were finalized in 2015.

**p. 26, first two sentences of first paragraph** – “IRU” should be replaced with “SIID.”



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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441 G St. N.W.  
Washington, DC 20548

March 22, 2016

Mr. Douglas A. Glenn  
Director, Office of Financial Management  
Department of the Interior  
1849 C Street, NW, MS-2557  
Washington, DC 20240

Attention: Nancy Thomas

Dear Mr. Glenn:

This letter is to inform you of a new U.S. Government Accountability Office engagement on the general management of the Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Offshore Energy Management (BOEM)—code 100736. The enclosure provides information on the engagement. If we determine it is necessary to visit locations other than those specified in the enclosure, we will advise you.

We would appreciate your notifying the appropriate officials of this work. The next step will be to set up an entrance conference. At that meeting, we will request that your agency identify points of contact for this engagement.

Sincerely yours,

A handwritten signature in black ink that reads "Anne-Marie Fennell". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Anne-Marie Fennell  
Director  
Natural Resources and Environment

Enclosure

Enclosure

Information on New Engagement

Engagement subject: General management review of Interior's oversight of offshore oil and gas activities

Engagement code: 100736

Source for the work: GAO is beginning this work on its own initiative pursuant to its authority under 31 U.S.C. 717.

Issue(s) under review/Objective(s)/Key question(s):

- 1) To what extent does BSEE's organizational structure present challenges for the bureau to conduct effective oversight of offshore oil and gas activities?
- 2) To what extent do BSEE's management decision-making processes enable the bureau to effectively adapt to evolving conditions or emerging challenges?
- 3) To what extent have BOEM and BSEE established and implemented procedures and processes to ensure effective cross-bureau coordination in completing their respective missions?

Agencies and anticipated locations (HQ and field) to be notified: BSEE and BOEM headquarters and field locations

Other departments/agencies to be contacted: TBD

Estimated start date for the work: Immediately

Time frame for holding the entrance conference: April 12 (afternoon) or 13 (morning), 2016

GAO Team(s) performing the engagement: Natural Resources and Environment

GAO contacts:

Frank Rusco, Director, (202) 512-4597 and [RuscoF@gao.gov](mailto:RuscoF@gao.gov)

Christine Kehr, Assistant Director, (214) 777-5675 and [KehrC@gao.gov](mailto:KehrC@gao.gov)

Matt Tabbert, Analyst-in-Charge, (214) 777-5712 and [TabbertM@gao.gov](mailto:TabbertM@gao.gov)





# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

MAR 22 2016

The Honorable Gene Dodaro  
Comptroller General  
U.S. Government Accountability Office  
Washington, DC 20548

Dear Mr. Dodaro:

As required by 31 U.S.C. § 720, the Department of the Interior (Department) is pleased to provide this written statement of actions in response to the recommendations in the Government Accountability Office (GAO) report entitled, *Offshore Oil and Gas Resources: Actions Needed to Better Protect Against Billions of Dollars in Federal Exposure to Decommissioning Liabilities* (GAO-16-40).

In its report, the GAO identified seven recommendations for implementation by the Bureau of Safety and Environmental Enforcement (BSEE) and the Bureau of Ocean Energy Management (BOEM). The following is a summary of actions taken or planned by BSEE and BOEM to implement these recommendations.

**Recommendation 1: To improve the effectiveness of Interior's oversight of the decommissioning process, GAO recommends that the Secretary of the Interior direct BSEE to establish documented procedures for identifying and tracking idle and terminated lease infrastructure.**

**Response:** BSEE plans to issue a standard operating procedure (SOP) for the idle iron program, documenting procedures for the identification and tracking of idle and terminated lease infrastructure.

Target Date: September 30, 2016

Responsible Bureau/Official: BSEE – Margaret Schneider, Deputy Director

**To better ensure that the government obtains sufficient financial assurances to cover decommissioning liabilities in the event of lessee default, GAO recommends that the Secretary of the Interior:**

**Recommendation 2: Ensure that BSEE collects all relevant data associated with decommissioning from lessees.**

**Response:** The Decommissioning Costs Rule, which was published in the *Federal Register* on December 4, 2015, and became effective in early January 2016, requires offshore oil and gas lessees and owners of operating rights to submit summaries of their actual expenditures for the decommissioning of wells, platforms, and other facilities on the Outer Continental Shelf (OCS). This information will assist BSEE in projecting future decommissioning costs associated with OCS leases, rights of way, and rights of use and easements. BOEM will utilize the decommissioning cost estimates that BSEE develops to set appropriate financial assurance levels to minimize or eliminate the possibility that the government will incur decommissioning liability. BSEE has initiated the process to amend the Decommissioning Costs Rule to also include actual costs for decommissioning pipelines.

Target Date: December 31, 2016

Responsible Bureau/Official: BSEE – Margaret Schneider, Deputy Director

**Recommendation 3: Direct BSEE to establish documented procedures for estimating decommissioning liability.**

**Response:** In addition to the rulemaking amendment referenced in the response to Recommendation 2, in recent years, BSEE has made other considerable progress improving estimates of decommissioning costs. To further these improvements, BSEE's Decommissioning Support Section plans to issue Standard Operating Procedures for estimating decommissioning costs for: (1) wells, (2) platforms, (3) pipelines, and (4) site clearance.

Target Date: September 30, 2016

Responsible Bureau/Official: BSEE – Margaret Schneider, Deputy Director

**Recommendation 4: Develop a plan and set a time frame to ensure that Interior's data system for managing offshore oil and gas activities includes processes to accurately and completely record estimated decommissioning liabilities.**

**Response:** BSEE and BOEM will jointly prepare a data system project plan to address this recommendation. The project plan will include a schedule of work.

Target Date: September 30, 2016

Responsible Bureaus/Officials:

BSEE – Margaret Schneider, Deputy Director

BOEM – Walter D. Cruickshank, Deputy Director

**Recommendation 5: Develop a plan and set a time frame to ensure that Interior's data system for managing offshore oil and gas activities will be able to identify, capture, and distribute data on decommissioning liabilities and financial assurances in a timely manner.**

**Response:** BSEE and BOEM will jointly prepare a data system project plan to address this recommendation. The project plan will include a schedule of work.

Target Date: September 30, 2016

Responsible Bureaus/Officials:

BSEE – Margaret Schneider, Deputy Director

BOEM – Walter D. Cruickshank, Deputy Director

**Recommendation 6: Ensure that BOEM completes its plan to revise its financial assurance procedures, including the use of alternative measures of financial strength.**

**Response:** Currently, BOEM is updating its financial assurance requirements for OCS leases and facilities to reduce the current risk exposure associated with decommissioning liability. The primary purpose of these changes is to update the financial assurance policies to align with current business practices and the significant increase in the cost of decommissioning OCS facilities.

On September 22, 2015, BOEM issued proposed guidance to clarify procedures for oil and gas companies operating on the OCS. Specifically, the guidance contains updated financial criteria for determining a lessee's ability to carry out its financial obligations, including decommissioning liabilities, in whole or in part, and the potential need for additional financial security. BOEM is reviewing the comments and input received to date and intends to finalize a Notice to Lessees this year.

Target Date: June 30, 2016

Responsible Bureau/Official: BOEM – Walter D. Cruickshank, Deputy Director

**Recommendation 7: Revise BOEM's regulations to establish a clear deadline for the reporting of transfers to require that lessees report the transfer of rights to lease production revenue.**

**Response:** BOEM's final rule, RIN 1010-AD06, was signed on March 11, 2016. Among other things, it updates and streamlines the existing OCS leasing regulations and modifies the provisions concerning transfers of rights to lease production. The rule, expected to be published soon, not only expands the category of transfers of interest in lease production revenue that must be filed, but also clarifies that the transfer instrument be provided to BOEM for recordation within 90 days after the last party executes the instrument. Recordation serves as notice of such transfers to third parties and enables BOEM to monitor transfers of lease production revenue and to evaluate the financial strength and reliability of transferee companies for risk management purposes.

Target Date: April 30, 2016

Responsible Bureau/Official: BOEM – Walter D. Cruickshank, Deputy Director

Similar letters have been sent to the Members of Congress and Federal officials listed in the enclosure. If you have any questions about this response, please contact Andrea Nygren, BOEM Audit Liaison Officer, at (202) 208-4343, or Linh Luu, BSEE Audit Liaison Officer, at (202) 208-4120.

Sincerely,

A handwritten signature in black ink, appearing to read 'Janice M. Schneider', with a long, sweeping horizontal line extending to the right.

Janice M. Schneider  
Assistant Secretary  
Land and Minerals Management

Enclosure

**Enclosure**

The Honorable Ron Johnson  
Chairman  
Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Thad Cochran  
Chairman  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Lisa Murkowski  
Chairwoman  
Subcommittee on Interior, Environment  
and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Lisa Murkowski  
Chairwoman  
Committee on Energy  
and Natural Resources  
United States Senate  
Washington, DC 20510

The Honorable Rob Bishop  
Chairman  
Committee on Natural Resources  
House of Representatives  
Washington, DC 20515

The Honorable Harold Rogers  
Chairman  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

The Honorable Tom Carper  
Ranking Member  
Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Barbara Mikulski  
Ranking Member  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Tom Udall  
Ranking Member  
Subcommittee on Interior, Environment  
and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Maria Cantwell  
Ranking Member  
Committee on Energy  
and Natural Resources  
United States Senate  
Washington, DC 20510

The Honorable Raul Grijalva  
Ranking Member  
Committee on Natural Resources  
House of Representatives  
Washington, DC 20515

The Honorable Nita Lowey  
Ranking Member  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

The Honorable Ken Calvert  
Chairman  
Subcommittee on Interior, Environment  
and Related Agencies  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

The Honorable Jason Chaffetz  
Chairman  
Committee on Oversight  
and Government Reform  
House of Representatives  
Washington, DC 20515

The Honorable Gene Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
Washington, DC 20548

The Honorable Alan Lowenthal  
Ranking Member  
Subcommittee on Energy and  
Mineral Resources  
Committee on Natural Resources  
House of Representatives  
Washington, DC 20515

The Honorable Betty McCollum  
Ranking Member  
Subcommittee on Interior, Environment,  
and Related Agencies  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

The Honorable Elijah Cummings  
Ranking Member  
Committee on Oversight  
and Government Reform  
House of Representatives  
Washington, DC 20515

The Honorable Shaun Donovan  
Director  
Office of Management and Budget  
Old Executive Office Building  
Washington, DC 20503

The Honorable Peter DeFazio  
House of Representatives  
Washington, DC 20515



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, D.C. 20240

MAY 16 2016

The Honorable Gene Dodaro  
Comptroller General  
U.S. Government Accountability Office  
Washington, DC 20548

Dear Mr. Dodaro:

As required by 31 U.S.C. § 720, the Department of the Interior (Department) is submitting this written statement of actions in response to the recommendations in the Government Accountability Office (GAO) report entitled, *Oil and Gas Management: Interior's Bureau of Safety and Environmental Enforcement Restructuring Has Not Addressed Long-Standing Oversight Deficiencies* (GAO-16-245).

To enhance the Bureau of Safety and Environmental Enforcement's (BSEE) ability to effectively oversee offshore oil and gas development, the GAO makes nine recommendations. The following is a summary of actions taken or planned by BSEE to implement the recommendations.

**Recommendation 1: To address risks to the effectiveness of its investigations, environmental compliance, and enforcement capabilities, GAO recommends that BSEE complete policies outlining the responsibilities of its Safety and Incident Investigations Division (SIID), Environmental Compliance Division (ECD), and Safety Enforcement Division (SED) and update and develop procedures to guide them.**

**Response:** BSEE plans to complete policies and associated standard operating procedures for the Bureau's national programs on investigations, environmental compliance, and enforcement. BSEE plans to complete and implement by the end of Fiscal Year (FY) 2016 policies broadly outlining the responsibilities and authorities of each national program, which includes the SIID, ECD, and SED, with a target date of September 30, 2017, to complete and implement a comprehensive set of standard operating procedures.

Target Date: September 30, 2017

Responsible Bureau Official: Margaret Schneider, Deputy Director

**To enhance its investigative capabilities, GAO makes the following recommendations.**

**Recommendation 2: Establish a capability to review investigation policy and collect and analyze incidents to identify trends in safety and environmental hazards.**



**Response:** The Accident Investigation Board referenced in the GAO report was dissolved in 2011. BSEE will issue guidance by September 30, 2016, clarifying that this responsibility now resides with SIID. Additionally, BSEE is developing a new business intelligence tool that will provide BSEE with an enhanced ability to analyze incident data and give the bureau a means to streamline and unify the data collection, analysis, and reporting process. This tool, once implemented, will enable all staff involved with investigations to use the same data, ensuring accuracy and consistency when analyzing incident data in the Technical Information Management System (TIMS).

Target Date: September 30, 2017

Responsible Bureau Official: Margaret Schneider, Deputy Director

**Recommendation 3: Develop a plan with milestones for implementing the case management system for investigations.**

**Response:** BSEE will complete its project plan for implementing the case management system for investigations. The plan will include milestones, as well as target dates, and identify standard operating procedures required to use the system once implemented.

Target Date: September 30, 2016

Responsible Bureau Official: Margaret Schneider, Deputy Director

**Recommendation 4: Clearly communicate the purpose of the Investigations and Review Unit (IRU), as it will be assumed by the SIID, to industry operators.**

**Response:** BSEE will develop a multi-pronged communications plan by June 30, 2016, that will target both internal and external audiences in communicating SIID's purpose, role, responsibilities, and authority. Implementation will begin during the summer of 2016.

Target Date: September 30, 2016

Responsible Bureau Official: Margaret Schneider, Deputy Director

**Recommendation 5: Clarify policies and procedures for assigning panel investigation membership and referring cases of suspected criminal wrongdoing to the Inspector General (IG).**

**Response:** In March 2016, BSEE issued two Bureau Interim Directives (BID), No. 2016-002N and BID No. 2016-003N, that address this recommendation: (1) one providing direction on composing panel investigation teams and (2) the other providing guidance on coordinating with the Office of the Inspector General. Based on the issuance of these BIDs, BSEE implemented this recommendation.

**To enhance its environmental compliance capabilities, GAO makes the following recommendations.**

**Recommendation 6: Conduct and document a risk analysis of the regional-based reporting structure of the Environmental Compliance Division, including actions to mitigate any identified risk.**

**Response:** BSEE recently initiated an environmental stewardship effort that focuses on articulating roles, responsibilities, risks, and accountability measures associated with the bureau's environmental work. Implementation of these internal controls and external accountability measures will enhance transparency, mitigate any risks, and ensure that environmental issues receive appropriate attention as part of the agency's core mission.

Target Date: March 30, 2017

Responsible Bureau Official: Margaret Schneider, Deputy Director

**Recommendation 7: Coordinate with the Administrator of the Environmental Protection Agency (EPA) to consider the relevance of existing interagency agreements for monitoring operator compliance with National Pollutant Discharge Elimination System (NPDES) permits on the Outer Continental Shelf (OCS) and, if necessary, update them to reflect current oversight needs.**

**Response:** BSEE is currently reviewing all of its interagency agreements and will coordinate with the EPA concerning any assistance BSEE can provide to them with the implementation of their NPDES program.

Target Date: September 30, 2016.

Responsible Bureau Official: Margaret Schneider, Deputy Director

**Recommendation 8: Develop a plan to address documented environmental oversight staffing needs.**

**Response:** As discussed above, BSEE recently initiated an environmental stewardship effort. As part of the review of roles and responsibilities, the group's work will inform efforts to re-baseline staffing levels and resource needs. This assessment will occur following the conclusion of the group's work in summer of 2016, and an appropriate staffing plan will be developed.

Target Date: March 31, 2017

Responsible Bureau Official: Margaret Schneider, Deputy Director

**Recommendation 9: To enhance its enforcement capabilities, GAO recommends that BSEE develop a mechanism to ensure that it reviews the maximum daily civil penalty and adjust it to reflect increases in the Consumer Price Index (CPI) within the time frame as directed by statute.**

**Response:** Based on recently issued Office of Management and Budget (OMB) guidance to improve the effectiveness of civil monetary penalties and to maintain their deterrent

effect ("Implementation of the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015," dated February 24, 2016), BSEE issued a policy to meet the OMB requirements. This policy requires an annual review consistent with the statute. BSEE implemented this recommendation.

Similar letters have been sent to the Members of Congress and Federal officials listed in the enclosure. If you have any questions about this response, please contact Linh Luu, BSEE Audit Liaison Officer, at (202) 208-4120.

Sincerely,



Janice M. Schneider  
Assistant Secretary  
Land and Minerals Management

Enclosure

## **Enclosure**

The Honorable Ron Johnson  
Chairman  
Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Thad Cochran  
Chairman  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Lisa Murkowski  
Chairwoman  
Subcommittee on Interior, Environment  
and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Lisa Murkowski  
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and Natural Resources  
United States Senate  
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The Honorable Rob Bishop  
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House of Representatives  
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The Honorable Barbara Mikulski  
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The Honorable Tom Udall  
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and Related Agencies  
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The Honorable Maria Cantwell  
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United States Senate  
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The Honorable Raul Grijalva  
Ranking Member  
Committee on Natural Resources  
House of Representatives  
Washington, DC 20515

The Honorable Nita Lowey  
Ranking Member  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

The Honorable Ken Calvert  
Chairman  
Subcommittee on Interior, Environment  
and Related Agencies  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

The Honorable Jason Chaffetz  
Chairman  
Committee on Oversight  
and Government Reform  
House of Representatives  
Washington, DC 20515

The Honorable Gene Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
Washington, DC 20548

The Honorable Betty McCollum  
Ranking Member  
Subcommittee on Interior, Environment,  
and Related Agencies  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

The Honorable Elijah Cummings  
Ranking Member  
Committee on Oversight  
and Government Reform  
House of Representatives  
Washington, DC 20515

The Honorable Shaun Donovan  
Director  
Office of Management and Budget  
Old Executive Office Building  
Washington, DC 20503



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

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441 G St. N.W.  
Washington, DC 20548

June 22, 2016

Mr. Douglas A. Glenn  
Director, Office of Financial Management  
Department of the Interior  
1849 C Street, NW, MS – 2557  
Washington, DC 20240

Dear Mr. Glenn:

This letter is to inform you of a new U.S. Government Accountability Office engagement on Bureau of Safety and Environmental Enforcement practices related to obtaining access to helicopter fuel needed to accomplish its mission—code 100927. The enclosure provides information on the engagement. If we determine it is necessary to visit locations other than those specified in the enclosure, we will advise you.

We would appreciate your notifying the appropriate officials of this work. The next step will be to set up an entrance conference. At that meeting, we will request that your agency identify a point of contact for this engagement.

Sincerely yours,

A handwritten signature in cursive script that reads "Anne-Marie Fennell".

Anne-Marie Fennell  
Director, Natural Resources and Environment Team

Enclosure

cc:  
bcc:



Enclosure

Information on New Engagement

Engagement subject: Bureau of Safety and Environmental Enforcement (BSEE) practices related to obtaining access to helicopter fuel.

Engagement code: 100927

Source for the work:

GAO is beginning this work in response to a request made by the Chair of the Committee on Small Business, United States Senate.

Issue(s) under review/Objective(s)/Key question(s):

1. BSEE Policies and Procedures  
*What policies and procedures does BSEE have to address refueling of helicopters in the Gulf of Mexico?*
2. Pricing  
*How are the prices that BSEE pays for helicopter fuel established and how has that changed over the last 10 years?*
3. Inspections  
*To what extent does BSEE plan its inspections of offshore facilities in the Gulf to facilitate its ability to obtain needed fuel for helicopters?*

Agencies and anticipated locations (HQ and field) to be notified: BSEE Gulf of Mexico Region

Other departments/agencies to be contacted: None

Estimated start date for the work: Immediately

Time frame for holding the entrance conference: Immediately

GAO Team(s) performing the engagement: Natural Resources and Environment

GAO contacts:

Frank Rusco, Director, 202-512-4597 [RuscoF@gao.gov](mailto:RuscoF@gao.gov)  
Dan Haas, Assistant Director, 404-679-1951 [HaasD@gao.gov](mailto:HaasD@gao.gov)  
Stuart Ryba, Analyst-in-Charge, 404-679-1881 [RybaS@gao.gov](mailto:RybaS@gao.gov)





# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

SEP 12 2016

Mr. Frank Rusco  
Director, Natural Resources and Environment  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Rusco:

Thank you for providing the Department of the Interior (Department) the opportunity to review and comment on the draft Government Accountability Office (GAO) report entitled *Oil and Gas Oversight: Interior Has Taken Steps to Address Staff Hiring, Retention, and Training but Needs a More Evaluative and Collaborative Approach (GAO-16-742)*. We appreciate GAO's review of the Department's human capital challenges for key oil and gas staff.

The Department appreciates the opportunity to respond to GAO's findings and provide clarification to address some of the concerns outlined within the report. As currently written, the draft report does not accurately convey the role of the Assistant Secretary for Policy, Management and Budget (PMB) or acknowledge the differences that exist between executing onshore and offshore mission responsibilities. The Department's points of clarification include: (1) activities that transpired to receive approval and implement the special salary table requests for occupations in the oil and gas industry; (2) timing on the establishment of a performance measurement framework; (3) fragmentation in human resources coordination activities among bureaus; and, (4) training needs for oil and gas oversight employees.

## ***Clarification on Activities Required to Establish Special Pay Rates***

GAO indicated that PMB missed opportunities to collaborate across bureaus to address the recruitment and retention challenges experienced by the Bureau of Safety and Environmental Enforcement (BSEE), Bureau of Ocean Energy Management (BOEM), and the Bureau of Land Management (BLM). The Department disagrees with this characterization. From the beginning, PMB was an integral partner, collaborator, and coordinator among the Departmental stakeholders and the bureaus' leadership, human capital and budget teams. The Department worked with Congress to provide legislative relief of 25 percent above the base salary for oil and gas staff. BSEE, BOEM and BLM leadership, however, determined that more financial support was required and conveyed this request to PMB. The Department, therefore, initiated the special salary table request. The Department's Office of Human Resources (OHR) worked diligently with Departmental and bureau budget representatives and bureaus human capital leadership to: (1) ensure bureaus had the capacity to fund special pay rates through the budget process; (2)

develop an integrated special pay rate request to the Office of Personnel Management (OPM); and, (3) issue Departmental guidance that would provide instruction to human resources officials and hiring managers on its use.

The GAO indicated that the Department began to submit applications to the OPM in 2013, to implement requests of special salary rates. On September 5, 2013, the Department met with OPM, the U.S. Department of Agriculture (USDA), the Department of Defense (DoD), and the U.S. Army Corp of Engineers (USACE) to discuss the impacts occurring to recruitment and retention efforts as a result of the expansion of oil and gas extraction activities, particularly in the Bakken region. At that meeting, OPM and the Department agreed that:

- (1) The Department would submit a special salary rate request;
- (2) The request would be a Department-wide submission; and,
- (3) OPM staff members would work closely with the Department to initiate the request.

The PMB's Deputy Assistant Secretary – Human Capital and Diversity/Chief Human Capital Officer (CHCO) requested that the Department's Budget Office and OHR meet with each of the bureaus' human capital leadership to discuss their individual challenges in the various locations and how these challenges affected their use of the 3Rs (retention, recruitment, and relocation). PMB worked with the BLM, BSEE and BOEM headquarters leadership to develop a comprehensive special rate request. Each bureau representative presented their impacted occupations and locations in order to ensure coordination of information for the request.

We disagree with GAO's draft comments regarding BOEM's exclusion from the DOI special salary request collaborative process. The GAO stated, "*BOEM regional managers said that they were not aware that BLM was requesting the special salary rate for its natural resources specialists and did not know that they could request the special salary rate for these staff.*" As mentioned, the CHCO collaborated and coordinated between Departmental stakeholders and bureaus' human capital and budget leadership within their headquarters offices. The bureaus' leadership worked diligently with their managers to collect and assess the needs within each region as it related to their own mission success. The request submitted to OPM represented what BOEM concluded was needed to support its mission.

It is worth noting that BLM's inclusion of General Schedule (GS)-0401, Natural Resources Specialist, does not have a negative impact on BOEM mission delivery. The data demonstrated the greatest need for BLM to acquire GS-0401s was within the North Dakota region. BOEM does not maintain offices in the North Dakota region.

The Department submitted its special pay rate request to OPM on November 14, 2014. OPM analyzed and processed the request in three phases in connection with each of the impacted regions. OPM performed an interagency coordination process with various Federal agencies, to include DoD, USDA, and other small agencies, that may have been impacted by the implementation of this submission. OPM provided final approval of the third phase of the package on March 15, 2016.

### ***Clarifications on timing of the establishment of a performance measurement framework***

As discussed with GAO staff during their review, evaluation of the effectiveness of special pay rates and recruiting, relocation, and retention incentives was contingent upon putting the special pay rate request in place. The special pay rate request is an administrative solution, not dependent on legislative action. It is the foundation of the financial package provided to new and existing employees. Recruiting, relocation, and retention incentives are more variable and will be driven by market conditions. With the full approval of the special salary rates table, the Department and bureaus are now in a reasonable position to evaluate the effectiveness of the complete set of financial packages. To that end, the Department gathered data through the first three quarters of FY 2016 and will hereafter review the data on a quarterly basis.

### ***Clarification on fragmentation on human resources coordination activities between bureaus***

The GAO report indicates that GAO believes the Department was fragmented in its execution of human resources and there are redundancies to recruit for positions with similar skill sets. The Department disagrees with this assertion as there are significant differences between execution of oil and gas oversight in onshore environments versus offshore environments as well as from region to region. The BLM, BSEE, and BOEM have human resources offices with BSEE and BOEM sharing one HR office. The bureaus' human resources practitioners address these matters routinely with their hiring officials to ensure this is properly communicated in a way which will attract the right people, with the right skill sets who are committed to staying with their organizations for a period of time.

### ***Clarification on training needs and capacity within oil and gas oversight bureaus***

The GAO report assumes that BOEM and BSEE should be acquiring technical training from the BLM. However, this does not accurately reflect the analysis conducted to determine the training needs for offshore development or recognize the training coordination that does occur. As the report points out, BLM has 59 staff operating at a training center in Phoenix, of whom 10 are assigned to coursework associated with Minerals and Realty Management. The BLM Training Center provides oil and gas management courses as needed, but not necessarily each year. These management courses include two petroleum engineering modules, the six PET inspection modules, and occasional vendor provided training on specific topics such as well-bore integrity, as the budget allows.

Using approximately six staff, supported by senior management oversight, the training model developed by BSEE allows BSEE inspectors and engineers access to a substantial number of additional training opportunities specific to their responsibilities. In 2016, the BSEE will provide 30 different courses 39 times for inspectors and 32 different courses 63 times for engineers. In addition, the courses *Petroleum Engineering for Non Engineers* and *Project Risk Analysis* will be taught six times for other critical BSEE technical staffs who are neither engineers nor inspectors.

At the beginning of development for the BSEE training program, BSEE staff talked with and conducted site visits with their counterpart staff at the BLM Training Center and performed

reviews of the BLM Certification Handbook and training programs to seek collaboration opportunities and determine which material may be part of BSEE's training framework. BSEE and BLM developed an agreement to attend classes whose curriculum would meet the other agency's training needs. Subsequently, BSEE sent staff that work on Petroleum Measurement to the BLM's Measurement modules. In addition, BSEE and BLM cooperated on creating the [BSEET 3D Drilling Rig Tour](#), which is an online simulation course.

BSEE also discussed with BLM the possibility of developing an official MOU to coordinate technical training with BLM. However, BSEE and BLM both determined that an agreement was not necessary at that time because staff were already coordinating as much as possible considering the significant differences in training needs between onshore and offshore inspectors and engineers. BLM offered to share their production studios with BSEE to make short training videos, as needed, and BSEE will develop opportunities to take advantage of this collaboration.

In addition, the GAO report does not acknowledge the vastly different skill sets needed to inspect or permit the equipment needed for onshore versus offshore facilities and the rapid increase in oil and gas technology for drilling and production operations in deep water and extreme environments. Onshore and offshore exploration uses very different equipment and technology. The risks, particularly in drilling and production in deep water, are different. The surface spacing and subsurface challenges are different. It would be a difficult—and expensive—task to continuously update standard certification modules and tests to keep pace with the technology changes in the offshore oil and gas industry. For this reason, BSEE chose to rely on vendors, rather than in-house expertise, to provide up-to-date training for inspectors and engineers and then to allow inspection and engineering supervisors to manage how to apply that knowledge to permit approvals or offshore inspections. The training courses are continuously vetted by the training staff to assure that the most up-to-date information is available to BSEE inspectors and engineers.

The report also does not recognize the fact that, although BSEE Level II inspectors do not receive a formal certificate, they receive a hands-on personal evaluation and approval from a Supervisory Inspector. This supervisory approval confirms that the Level II inspector attained all of the knowledge necessary through course work and supervised on-the-job training—and, more importantly, that they sufficiently demonstrated these skills in the field—to become a Level III Inspector. The official supervisory approval allows them to be put on the inspection schedule by the District Manager as a credentialed Inspector performing inspections without direct supervision. The first independent inspection means more than a certificate; it means that BSEE determined that the individual Inspector attained skills and knowledge to represent their organization in the field.

The evaluation and approval by a supervisor to move to Level III confirms that the course work has been completed and applied; that the regulations and standards for offshore oil and gas are understood; and that they know how to detect potential Incidents of Non-Compliance. The supervisor also verifies that the Level II inspector has the right interpersonal skills to interact in a professional manner with offshore operators as a federal regulator, that they understand how to identify safety issues and, now that Safety and Environmental Management Systems (SEMS) has

been implemented, increasingly how to evaluate the safety culture on offshore facilities. These are skills best developed through on-the-job training and direct supervision.

### **GAO Recommendations**

The Department agrees with GAO's first recommendation to conduct regular evaluations of the effectiveness of the special rates tables, student loan programs, and other incentives used to hire and retain oil and gas personnel that are critical to the mission of the Department. With the full approval of the special salary rates table, the Department and bureaus are gathering data to evaluate the effectiveness of the special rates tables, and will hereafter review the data with BLM, BOEM, and BSEE bureaus and human capital leadership on a quarterly basis.

We partially agree with recommendation two and three for PMB to annually evaluate the bureaus' training programs including staff training needs, training effectiveness and potential opportunities for the bureaus to share training resources and develop technical competencies for all key oil and gas staff. Oil and gas oversight occupations are highly technical positions. As such, BOEM, BSEE, and BLM are in the best position to identify the technical competencies required and appropriate training. As part of the quarterly review of performance data, PMB will ensure that the three bureaus are coordinating their training needs. The Department's Office of Strategic Employee and Organizational Development can validate the bureaus' active engagement in this activity and provide support in the fulfillment of those recommendations where needed.

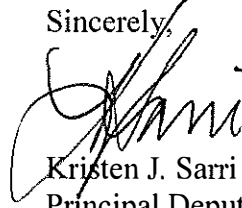
The Department disagrees with GAO's fourth recommendation that PMB evaluate the need for and viability of a certification program for BSEE inspectors. Oil and gas inspection is highly technical. The Department believes that BSEE is best positioned to evaluate the technical training needed to carry out its authorities and responsibilities and accepts the approach used today.

We partially agree with the fifth recommendation regarding coordination between PMB and the Assistant Secretary for Land and Minerals Management on oil and gas human capital challenges. Coordination already exists among the Land and Minerals Management bureaus. Existing department-wide coordination mechanisms include all bureaus – oil and gas oversight staff represents a small number of employees across the Department. As part of the quarterly review of performance data, PMB will ensure that the bureaus continue to coordinate on hiring, retention, and training.

Enclosed are some general and technical comments for your consideration while finalizing the report.

If you have any questions, or need additional information, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "KSarri", written over the printed name.

Kristen J. Sarri  
Principal Deputy Assistant Secretary  
Policy, Management and Budget

Enclosure

<b>GAO-16-742 Draft Report Department of the Interior Comments</b>	
<b>Page</b>	<b>Comment</b>
General Comment	<p>Some information about the collaboration regarding the special salary rates is incorrect. For example, BSEE had many meetings with the Department and talked about which series were going to be included in the request. Also, BOEM was made aware of this information on numerous occasions.</p>
General Comment	<p>The report does not acknowledge that although the three bureaus' oil and gas programs may be comparable in size, there is a significant difference in overall size between the larger BLM and the much smaller BSEE. BLM has additional resources for training due to a larger overall resource pool in a training center used by the multiple programs that are needed to manage onshore federal lands, including Contract Officer Representative training, leadership and management training, IT training and pest and pesticide training. In addition, the BLM Training Center has been operating for over 20 years and the BSEE training program is in the third year of operation.</p> <p>As the report points out, BLM has 59 staff operating the 72,454 square foot training center in Phoenix, of whom 10 are assigned to coursework associated with Minerals and Realty Management. The Training Center provides oil and gas management courses as needed, but not necessarily each year, including two petroleum engineering modules, the six PET inspection modules and occasional vendor provided training on specific topics such as well-bore integrity, as the budget allows. However, using approximately 6 staff, supported by senior management oversight, the training model developed by BSEE has allowed BSEE inspectors and engineers access to a substantial number of additional training opportunities specific to their responsibilities. In 2016, The BSEE will provide for 30 different courses 39 times for Inspectors and 32 different courses 63 times for engineers. In addition, the courses <i>Petroleum Engineering for Non Engineers</i> and <i>Project Risk Analysis</i> will be taught six times for other critical BSEE technical staff who are not engineers or inspectors.</p> <p>At the beginning of development for the BSEE training program, BSEE staff talked with and conducted site visits with their counterpart staff at the BLM Training Center and performed reviews of the BLM Certification Handbook and training programs to seek collaboration opportunities and determine which material may be part of BSEE's training framework. BSEE and BLM developed an agreement to attend classes whose curriculum would meet the other agency's training needs. Subsequently, BSEE has sent staff that work on Petroleum Measurement to the BLM's Measurement modules. In addition, BSEE and BLM cooperated on creating the <a href="#">BSEET 3D Drilling Rig Tour</a>, which is an online simulation course.</p>



	<p>BSEE also discussed with BLM the possibility of developing an official MOU to coordinate technical training with BLM. However, it was determined by both training staff that an agreement was not necessary at that time because they were coordinating as much as they could already, considering the significant differences in training needs between onshore and offshore inspectors and engineers. But, BLM offered to share their production studios with BSEE to make short training videos, as needed, and BSEE will develop opportunities to take advantage of this collaboration.</p> <p>In addition, the report fails to acknowledge the vastly different skill sets needed to inspect or permit the equipment needed for onshore versus offshore facilities and the rapid increase in oil and gas technology for drilling and production operations in deep water and extreme environments. Onshore and offshore exploration uses very different equipment and technology. The risks, particularly in drilling and production in deep water, are different. The surface spacing and subsurface challenges are also very different. It would be a difficult—and expensive—task to continuously update canned certification modules and tests to keep pace with the technology changes in the offshore oil and gas industry. For this reason BSEE chose to rely on vendors, rather than in-house expertise, to provide up-to-date training for inspectors and engineers and then to allow inspection and engineering supervisors to manage how to apply that knowledge to permit approvals or offshore inspections. The training courses are continuously vetted by the training staff to assure that the most up-to-date information is available to BSEE inspectors and engineers.</p> <p>The report also does not recognize the fact that, although in BSEE the Level II inspector does not receive a formal certificate, they receive hands-on personal evaluation and approval from a Supervisory Inspector. This supervisory approval is taken very seriously and confirms that the Level II inspector has attained all of the knowledge necessary through course work and supervised on-the-job training—and, more importantly, that they have sufficiently demonstrated these skills in the field—to become a Level III Inspector. The official supervisory approval allows them be put on the inspection schedule by the District Manager as a credentialed Inspector performing inspections without direct supervision. The first independent inspection means more than a certificate; it means that BSEE has determined that the individual inspector attained skills and knowledge to represent their organization in the field.</p> <p>The evaluation and approval by a supervisor to move to Level III is more than confirmation that course work has been taken and applied; that the regulations and standards for offshore oil and gas are understood; or that they know how to look for Potential Incidents of Non-Compliance. The supervisor also verifies that the Level II inspector has the right interpersonal skills to interact in a professional manner with offshore operators as a federal regulator, that they understand how to identify safety issues and, now that SEMS has been implemented, increasingly how to evaluate the safety culture on offshore facilities. These are skills best developed through on-the-job training and direct supervision.</p> <p>BSEE believes the training model it has developed is the correct one to carry out its</p>
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	<p>authorities and responsibilities. Although it is a new program and still in the development and improvement phase, it is the best model for BSEE to train its inspectors and engineers to fulfill its responsibilities to continuously improve safety and environmental protection in the offshore oil and gas industry.</p>
General Comment	<p>Suggest:</p> <ul style="list-style-type: none"> <li>- Adding a discussion regarding skill set differences of offshore vs. onshore training.</li> <li>- Adding definitions of types of employees and their key responsibilities or position descriptions based on series.</li> <li>- Removing BLM from the offshore retention discussion.</li> <li>- Adding language for BSEE joint training with the United States Coast Guard (USCG) for joint inspections on rigs and joint incident investigations.</li> <li>- Adding a discussion on the distinction between inspectors and investigators.</li> </ul>
General Comment	<p>Data Model.</p> <p>Suggest:</p> <ul style="list-style-type: none"> <li>- Removal of non-Interior employees</li> <li>- Adding data on use of available hiring programs. i.e. veteran's wives, veterans, diversity factors etc.</li> <li>- Adding performance evaluation factors as a category, did certain employees who received lower evaluations use that as a motivating factor for resignation?</li> </ul>
14	<p>Footnote 35 indicates the Standard and Poor's 500 Energy Index was used as a proxy for the Oil and Gas Market. This probably does hold some truth, in general, for all facets of the overall energy market, but is probably not a valid index to use to make assumptions about hiring in the oil and gas industry. As has been demonstrated in the past, after a downturn, hiring does not rebound as quickly as the market. Companies are usually cautious; waiting to make sure the market has actually turned around. In addition, many companies turn to technology during the downturn, have learned to be more efficient and have gotten rid of some "dead weight" in programs or positions that they were able to afford before the downturn. Therefore, these positions will not be filled or, at least, not filled for several years. Also, even in a downturn, many companies hold onto key positions, such as senior engineers, as long as possible. A downturn in the market does not necessarily mean layoffs for these positions and, therefore, result in subsequent hiring in the upturn. For many companies, it takes a long time for engineers and others in key positions to be laid off. It is more likely that other non-key positions will be laid off first and not necessarily hired back in lock-step with the S&amp;P Index.</p>
14-15	<p>GAO should consider re-running its model using more recent data to capture the effects of current oil and gas market conditions on hiring, incentives, and recruiting.</p>
17	<p>The discussion of BOEM's consideration of a special salary rate for natural resource specialists does not track with what occurred. BOEM managers were aware that a special salary rate could be requested for these positions, with sufficient justification. BOEM managers, including managers from all of BOEM's regions, discussed whether BOEM should make such a request. The consensus among BOEM's managers, including those in its Gulf of Mexico Region, was that recruitment and</p>

	retention for these positions were not a problem, and this consensus was consistent with what BOEM's personnel data showed. Further, the statement that BOEM would be at a disadvantage in competing with BLM for natural resource specialists is generally not true. The only location where BOEM and BLM are in direct competition is in Anchorage, where BOEM's Alaska Region remains competitive in filling its environmental positions.
21	The bullet on BOEM, while accurate, does not fully reflect the level of effort in providing training opportunities for geologists, geophysicists and petroleum engineers in the Gulf of Mexico Region, where most of BOEM's employees in these job series are located. For example, in the Gulf's Office of Resource Evaluation (RE), managers, supervisors and employees coordinate the development of training curricula. BOEM RE has identified "core" training courses that address the core competencies needed by its employees and offers more training opportunities to geologists, geophysicists and engineers than have been offered in the past.
23	<p>BSEE acknowledges that complete independent evaluations of the training program have not been implemented. The BSEE training program has been in existence for less than three years and is only now getting to a maturity that warrants outside review. In addition, the BSEE training program has undergone extensive internal review at the most senior levels of BSEE including the Deputy Director and Director, and has had continuous oversight by a Governing Board comprising every Regional Director and the Chief of the Offshore Regulatory Program. Because the BSEE training program has progressed exceptionally well in 3 years, it has become ready for additional external review and BSEE is initiating two reviews in 2016.</p> <p>BSEE also believes that its training program, in conjunction with the personal evaluation provided by a supervisory inspector, does provide a certification for its inspectors that are codified by allowing them to perform independent inspections once they are designated as a Level III Inspector. The training program is a 4-Tier training program outlined in the IPD 2013-04 <i>Training Performance Levels for Inspectors</i>. This policy document requires each inspector to complete each level of training, including On the Job (OJT) requirements, prior to being moved to the next Inspector level. Upon completion of each level, the Inspector's supervisor is required to verify the inspector has successfully completed the applicable level and is authorized to move to the next level. BSEE believes that this is the best model for the agency to perform its responsibilities regulating offshore oil and gas activities.</p>
25	The statement concerning "BOEM utilizing BSEE's training program" does not recognize the substantial differences in the job responsibilities, and thus the training needs, for oil and gas professionals in the two bureaus. For example, BOEM's petroleum engineers are mainly focused on identification, interpretation, and quantification of oil and gas volumes that have been discovered and are yet to be discovered, while BSEE's focus on drilling and safety.
25	BSEE Alaska Outer Continental Shelf Region (AKOCS) routinely invites BOEM AK employees to technical training when seats are available, which is most of the time. BOEM has taken advantage of those opportunities.

25 para 1	BSEE reviewed BLM's certification program and found that in 2012 the attrition rate for their program was at approximately 30 percent. Therefore, BSEE recognized that because of its small numbers they would need to develop a framework that would support its smaller numbers, and in 2012 BSEE drafted the framework for a comprehensive certification program. However after the roles and responsibilities of the new BSEE organization became better understood, in 2013, the Director determined that the existing training model was best aligned with the BSEE's organizational goals to sustain a well-trained, high-performing, and diverse workforce.
25 para 2	Currently, BSEE sends Inspectors and Engineers to the Module 4, 5, and 6 gas and oil measurement courses.
25 para 3	In 2012 BSEE initiated communication with the BLM National Training Center which agreed the use of their video rooms and other technology to assist in in-house course development. Also, see comment for Page 25 para 2.



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

JAN 10 2017

The Honorable Gene Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
Washington, DC 20548

Dear Mr. Dodaro:

As required by 31 U.S.C. § 720, the Department of the Interior (Department) is providing this written statement of actions in response to the recommendations in the Government Accountability Office (GAO) report entitled, *Oil and Gas Oversight: Interior Has Taken Steps to Address Staff Hiring, Retention, and Training but Needs a More Evaluative and Collaborative Approach (GAO-16-742)*. We appreciate GAO's review of the Department's human capital challenges for key oil and gas staff.

The GAO issued five recommendations to the Department in response to its overall findings. Below is a summary of actions taken or planned by the Department to implement them.

**To help ensure Interior can hire, retain, and train staff it needs to provide effective oversight of oil and gas activities on federal lands and waters, we recommend that the Secretary of the Interior:**

**Recommendation 1: Direct the Assistant Secretary for Policy, Management and Budget (PMB) to regularly evaluate the effectiveness of its available incentives, such as special salary rates, the student loan repayment program, and other incentives in hiring and retaining key oil and gas staff.**

**Response:** The Department will conduct regular evaluations of the effectiveness of the special salary rates, student loan repayment program, and other incentives used to hire and retain oil and gas personnel critical to the mission of the Department. With the full approval of the special salary rates, the Department and bureaus will continue to gather data to evaluate the effectiveness of the special salary rates, and will review the data with the Bureau of Land Management (BLM), Bureau of Ocean Energy Management (BOEM), and the Bureau of Safety and Environmental Enforcement (BSEE) human capital leadership on a quarterly basis. The Department has concluded its collection of the Fiscal Year (FY) 2016 implemented pay flexibility data and will use this information as a comparative benchmark for the FY 2017 quarterly data collection to determine impact of the aforementioned pay flexibilities.

Target Date: September 30, 2017

Responsible Official: Mary Pletcher, Deputy Assistant Secretary for Human Capital and Diversity

**Recommendation 2: Direct the Assistant Secretary for Policy, Management and Budget to annually evaluate the bureaus' training programs, including staffing training needs, training effectiveness, and potential opportunities for the bureaus to share training resources.**

**Response:** Oil and gas oversight occupations are highly technical positions. As such, BOEM, BSEE, and BLM are in the best position to identify the technical competencies required for each agency's responsibilities and the appropriate training. As part of the quarterly review of performance data, PMB will ensure that the three bureaus are coordinating their training needs to the extent practicable given the unique requirements of each bureau, as well as completing bureau specific actions. The Department's Office of Strategic Employee and Organizational Development will validate the bureaus' active engagement in this activity and provide support in the fulfillment of those recommendations where needed. Currently, the bureaus are developing or have developed the means by which they will assess their training needs and review, evaluate, and update their training programs for technical staff.

Target Date: September 30, 2017

Responsible Official: Mary Pletcher, Deputy Assistant Secretary for Human Capital and Diversity

**Recommendation 3: Direct the Assistant Secretary for Land and Minerals Management (ASLM) to develop technical competencies for all key oil and gas staff.**

**Response:** Similar to Recommendation 2 above, BOEM, BSEE, and BLM are in the best position to identify the technical competencies, required for each agency's responsibility. The Assistant Secretary for Land and Minerals Management (ASLM) will direct BOEM, BSEE and BLM to identify their individual bureau's respective technical competency needs for all key oil and gas staff and develop a plan with milestones for applying those competencies to recruitment, retention, and training strategies designed to address the unique requirements of each bureau.

Target Date: June 30, 2018

Responsible Official: Richard T. Cardinale, Chief of Staff, ASLM

**Recommendation 4: Direct the Assistant Secretary for Land and Minerals Management to evaluate the need for and viability of a certification program for BSEE inspectors.**

**Response:** The ASLM will direct BSEE to evaluate certification programs that are used in other Federal agencies and in industry to determine whether these types of formalized verification systems could benefit the inspection program. BSEE will award an Inspector Training Program evaluation contract by March 31, 2017, to accomplish this objective. This contract will independently assess the need and effectiveness of a certification program for BSEE inspectors,

including benchmarking with the BLM and other Federal enforcement and compliance entities with inspector workforces.

Target Date: March 31, 2017

Responsible Official: Margaret Schneider, Deputy Director, BSEE

**Recommendation 5: Direct the Assistant Secretary for Policy, Management and Budget to coordinate with the Assistant Secretary for Land and Minerals Management to create or use an existing mechanism, such as the Deputies Operating Group, Principals Operating Group, or the Interior Training Directors Council, to facilitate collaboration across the three bureaus in addressing their shared hiring, retention, and training challenges.**

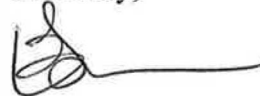
**Response:** Coordination currently exists among the Land and Minerals Management bureaus. Existing department-wide coordination mechanisms include all bureaus as oil and gas oversight staff represent a small number of employees across the Department. As part of the quarterly review of performance data, PMB will coordinate with the ASLM to ensure that the bureaus continue to coordinate in order to address their shared hiring, retention, and training challenges.

Target Date: September 30, 2017

Responsible Official: Mary Pletcher, Deputy Assistant Secretary for Human Capital and Diversity

The Department sent similar letters to other Federal officials and Members of Congress listed in the enclosure. If you have any questions, or need additional information, please contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Elizabeth Klein', with a long horizontal flourish extending to the right.

Elizabeth Klein  
Principal Deputy Assistant Secretary  
Policy, Management and Budget

Enclosure

## **Enclosure**

The Honorable Ron Johnson  
Chairman  
Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Thad Cochran  
Chairman  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Ken Calvert  
Chairman  
Subcommittee on Interior, Environment  
and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Lisa Murkowski  
Chairman  
Committee on Energy  
and Natural Resources  
United States Senate  
Washington, DC 20510

The Honorable Rob Bishop  
Chairman  
Committee on Natural Resources  
House of Representatives  
Washington, DC 20515

The Honorable Rodney Frelinghuysen  
Chairman  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

The Honorable Claire McCaskill  
Ranking Member  
Committee on Homeland Security  
and Governmental Affairs  
United States Senate  
Washington, DC 20510

The Honorable Patrick Leahy  
Vice Chairwoman  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Tom Udall  
Ranking Member  
Subcommittee on Interior, Environment  
and Related Agencies  
Committee on Appropriations  
United States Senate  
Washington, DC 20510

The Honorable Maria Cantwell  
Ranking Member  
Committee on Energy  
and Natural Resources  
United States Senate  
Washington, DC 20510

The Honorable Raul Grijalva  
Ranking Member  
Committee on Natural Resources  
House of Representatives  
Washington, DC 20515

The Honorable Nita Lowey  
Ranking Member  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515



The Honorable Ken Calvert  
Chairman  
Subcommittee on Interior, Environment  
and Related Agencies  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

The Honorable Jason Chaffetz  
Chairman  
Committee on Oversight  
and Government Reform  
House of Representatives  
Washington, DC 20515

The Honorable Gene Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
Washington, DC 20548

The Honorable Betty McCollum  
Ranking Member  
Subcommittee on Interior, Environment,  
and Related Agencies  
Committee on Appropriations  
House of Representatives  
Washington, DC 20515

The Honorable Elijah Cummings  
Ranking Member  
Committee on Oversight  
and Government Reform  
House of Representatives  
Washington, DC 20515

The Honorable Shaun Donovan  
Director  
Office of Management and Budget  
Old Executive Office Building  
Washington, DC 20503



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

MAR - 7 2017

Mr. Frank Rusco  
Director, Natural Resources and Environment  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Rusco:

Thank you for providing the Department of the Interior (Department) the opportunity to review and comment on the draft Government Accountability Office (GAO) report, entitled *Oil and Gas Management: Stronger Leadership Commitment Needed at Interior to Improve Offshore Oversight and Internal Management* (GAO-17-293).

The Department recognizes the significant effort that GAO invested into this general management review of Bureau of Safety and Environmental Enforcement (BSEE). The draft report, however, neither fully describes the progress made within BSEE nor fully represents the current status of the programs, initiatives, and activities highlighted therein.

BSEE is a relatively new organization with a fundamental mission that incorporates functions that were underdeveloped in BSEE's predecessor agency. As such, BSEE is continually working to refine these functions and strengthen the Bureau's strategic and programmatic capacities. The Department, as well as the Bureau itself, recognizes that BSEE must continue to build its organizational maturity. This commitment to maturing the organization is reflected in BSEE's recent choice to voluntarily undertake a comprehensive evaluation of the Bureau. The National Academy of Public Administration (NAPA) is leading this evaluation, bringing its independence and expertise to identifying tangible steps that BSEE can take to enhance the organization. NAPA's report is expected to be publicly available at the end of March.

BSEE is also committed to ensuring effective information exchange across programs and regions, implementing key internal management initiatives, and building trust throughout the Bureau, as described in more detail below and in the enclosed specific comments on GAO's draft report.

The Department, therefore, believes that GAO's recommendations reflect ongoing BSEE commitments. Additionally, GAO's first three recommendations relate to initiatives and pilots that continue to evolve as the Bureau gains experience and understanding. The Department and BSEE agree with the concepts laid out in the recommendations, but believe that the Bureau is already undertaking actions in these areas. Regarding GAO's fourth recommendation, BSEE will examine the current guidance for the Integrity and Professional Responsibility Advisor. As

noted below, however, severity threshold criteria already exist for misconduct referrals to the Department's Office of Inspector General (OIG).

The Department requests that GAO consider the following clarified, updated, and new information on the main topics listed below as the report is finalized. This information provides status updates and corrections, while also laying out in more detail BSEE's continuing commitments in these areas. More detailed comments are enclosed providing further updates and clarifications.

### **Risk-Based Inspections (RBI)**

The RBI approach is a supplement to the annual inspections program required under the Outer Continental Shelf Lands Act (OCSLA), not a replacement. Additionally, the risk model itself is not a stand-alone tool and cannot be the sole basis for determination of risk; other information also contributes to BSEE's consideration of risk factors. Development of this new program represents a significant change in the historical approach to inspection and enforcement by both the Department and industry. Regional personnel such as regional managers and district managers were involved throughout the development of the risk model and the pilot testing, as described in the more detailed comments enclosed.

We disagree with the report's assessment of pilot test deficiencies as it results in a misconception of BSEE's progress in this area. By definition, a pilot program or test is a small-scale, short-term experiment that helps an organization learn how a large-scale project might work in practice. The value of a pilot test is that it informs new approaches and process improvements that may not have been known or identified before conducting the pilot test. BSEE expected to encounter issues while pilot-testing the RBI approach and continues to benefit from the lessons learned. These lessons learned will be applied in the next RBI pilot test, which will be conducted by a joint headquarters-regional team in March 2017.

### **Environmental Stewardship**

The Environmental Stewardship Collaboration Core Group and the Argonne Environmental Risk Assessment were not simultaneous efforts, but two separate and distinct initiatives with different objectives. The Core Group focused on enhancing environmental stewardship within BSEE, while the Argonne effort focused on assessing environmental risk on the Outer Continental Shelf. Environmental risk was not a consideration in the Core Group objectives or the final report. Further, the Core Group was briefed on Argonne efforts at the Core Group's February 9, 2016, meeting. Argonne representatives attended all three of the Core Group's in-person meetings.

### **Enterprise Risk Management (ERM)**

ERM is a relatively new program directed by the Office of Management and Budget (OMB) in the fall of 2016 in Circular A123 to be effective for Fiscal Year (FY) 2017. By definition, ERM is an agency-wide approach that addresses the full spectrum of an organization's significant risks by considering the combined array of risks as an interrelated portfolio, rather than addressing risks only within silos. BSEE's implementation of ERM is on target. BSEE has an established ERM framework, completed its risk register, has a fully developed maturity model, has aligned enterprise and strategic risks with its strategic plan and has linked program risks with appropriate

strategic risk categories, in addition to other activities. BSEE is on schedule to complete its first full ERM cycle in March 2017.

### **Performance Measures**

BSEE is currently implementing a performance measure program at the national level. This program goes beyond the Bureau's reporting of Government Performance and Results Act (GPRA) measures and instead seeks to provide information for management decision-making. The November 2016 completion of a FY 2016 Baseline Performance Measure Report represented the first step of implementation. BSEE is currently collecting data for existing measures identified in that report and both mid-year and end-of-year reports will be provided to leadership. Additionally, BSEE is expanding into national application of those measures initially identified as regional measures, while also establishing new measures related to permitting, Safety and Environmental Management Systems (SEMS), and other program areas. BSEE views this effort as an iterative, multi-year initiative that will lead to a performance dashboard that supports management decision-making. BSEE anticipates having an initial performance dashboard in FY18.

### **Employee Engagement**

BSEE is committed to enhancing communication and collaboration among its personnel. The recent Employee Engagement efforts, including the 2016 Employee Engagement initiative referenced in the GAO report, are key components of this commitment. Since the issuance of the GAO draft report, the Bureau has completed assessment and analysis of employee feedback, and developed an engagement plan. In December and January, BSEE headquarters completed its first round of follow-up visits to the districts and regions. Redesign of the internal website is underway, which reflects input received on enhancing communications.

BSEE is also committed to effective communication among headquarters and the regions. The Bureau recognizes that some issues with cross-bureau communications remain and that this is an area where ongoing improvements are needed. BSEE agrees with the importance of strengthening communication channels between headquarters and regional office personnel.

### **Integrity and Professional Responsibility Advisor (IPRA)**

The creation of the IPRA directly impacts trust concerns within the Bureau. One of the key reasons for the separation of external and internal investigative components was to effectively address factors that contributed to trust concerns among field employees and investigators. Once the internal investigations function was separated from external investigations, cooperation from regional and district offices improved for both IPRA and the external investigators. As a result, employees are able to work more effectively with BSEE's external investigators as the separation of internal investigations has built trust between field staff and external investigators.

The IPRA is an investigative tool to assist managers and supervisors. Any disciplinary actions resulting from investigations are handled in accordance with applicable rules and guidelines. Contrary to the GAO draft report, criteria exist for when IPRA cases should be referred to the Department's OIG. BSEE and the IPRA adhere to the OIG's criteria for the severity thresholds for allegations that are to be referred to the OIG. These criteria are outlined in the DOI Department Manual 355 DM 2, which lays out the OIG's policy for complaints and referrals.

Finally, the IPRA reports to the Director of BSEE, consistent with the reporting chain established in the Bureau's organizational chart and the Department Manual (119 DM 2) and carries out the Director's responsibilities, as outlined in the Departmental Manual (370 DM 752).

Additionally, the IPRA briefs the Director on case status and work progress. The composition of the IPRA Board (i.e., the IPRA, Human Resources Chief and the Deputy Director or his/her designee) recognizes that the Director may ultimately be the deciding official during the disciplinary phase. Neither the creation nor the composition of this board alters this reporting chain.

Comments on particular sections of the draft report are provided in Enclosure 1. We believe consideration of these comments will paint a more accurate picture of the achievements, progress, and challenges associated with the issues reported.

If you have any questions regarding this response, please contact Linh Luu, BSEE Audit Liaison Officer, at (202) 208-4120.

Sincerely,



Richard T. Cardinale  
Acting Assistant Secretary  
Land and Minerals Management

Enclosure

**GAO-17-293 Draft Report – Oil and Gas Management: Stronger Leadership Commitment Needed at Interior to Improve Offshore Oversight and Internal Management**  
**BSEE Comments on Draft Report**

Page	Paragraph	Original Text	Suggested Text or Comment
Highlights Page, What GAO Found		“During the pilot testing in 2016, several deficiencies—including the usefulness of its facility risk assessment model and unclear inspection protocol—caused BSEE to halt the pilot.”	The Pilot was not halted. Rather, the risk based inspection (RBI) methodology was proposed, tested and then modified after each successive pilot inspection based on the lessons learned and feedback the team received from the host operator. After the May 2016 pilot inspection at the Shell Auger facility, the RBI methodology was split into two distinct but complimentary approaches. This decision, the description of the two tiered approach as well as the plans for the next field tests, were documented in a White Paper. See RBI_1_White Paper.
		“A second effort to develop performance measures started in December 2015, using the same consultant, and yielded 12 performance measures in March 2016, but BSEE determined they were not implementable, in part, because data did not exist to use the measures.”	Twelve performance measures were proposed for four program offices in March 2016. BSEE revised and simplified three of these measures for use in its third, broader effort.  The language here contradicts GAO’s description of the December 2015 effort on page 21: “BSEE headquarters officials told us that the bureau did not implement the consultant-developed measures, but rather that those measures are informing BSEE’s third effort to develop performance measures.” The page 21 description is accurate. BSEE revised and simplified the following three measures from the consultant’s work product: (1) NEPA Review Timelines, which was simplified into NEPA Compliance Reviews Timelines; (2) Office Compliance Verifications, which was narrowed to the sub-categories of Air Quality and Decommissioning; and (3) NPC Issuance Timeline, which was revised to Notice of Proposed Civil Penalty Issuance Timeline. Each of the revised and simplified versions of these measures was used in the FY 2016 Baseline Performance Measures Report. (compare PM1_BSEE Task 1 Final National Program Performance Measurement Plans, pages 7, 8, and 16 with PM2_Master FY 2016 Baseline Report FINAL 12-13-16, pages 10, 13-14, and 6, respectively).
		“By the time BSEE received this consultant’s report in January 2016, it had already begun a third effort to internally develop performance measures; as of August 2016 had identified 17 draft performance measures, but BSEE leadership missed repeated deadlines to review them.”	It is inaccurate that BSEE leadership missed repeated deadlines to review the draft performance measures. BSEE’s Deputy Director met with the BSEE Office of Policy and Analysis (OPAA) Performance Measure team on August 10th to review the draft measures (see PM3_Attachment_Aug 10 calendar invite in Performance Measures Zip File). This was less than a week after the planned date for review of August 6th as documented in the OPAA Performance Measure Team Work Plan 7-6-16 FINAL (see PM4_work plan in Performance Zip File).
<b>Risk-Based Inspections</b>			
6	2	“Since it was established as a separate bureau in 2011, BSEE leadership has continued an initiative begun by its predecessor to transition the bureau’s inspection program to a risk-based approach.”	This statement is not accurate. The risk-based inspection effort is intended to supplement BSEE’s broader inspections approach. It will not replace the base inspections required by the Outer Continental Shelf Lands Act (OCSLA).

**GAO-17-293 Draft Report – Oil and Gas Management: Stronger Leadership Commitment Needed at Interior to Improve Offshore Oversight and Internal Management**  
**BSEE Comments on Draft Report**

Page	Paragraph	Original Text	Suggested Text or Comment
6	2	“BSEE leadership’s limited efforts to obtain and incorporate input from regional staff and management during development of the program led to poor pilot results. As a result, BSEE has changed the focus of the program and reduced expectations for its initial approach to risk based-inspections.”	The risk-based inspection effort has been undertaken as a pilot to allow BSEE to capture lessons learned and incorporate them into the methodology going forward. As this was a pilot focusing on designing and testing a sustainable and effective RBI program methodology, the time and scope of the pilot inspections were designed to test the needs for pre-planning, protocol development, training, and team make-up and, to a lesser degree, accommodate the available time and resources. These factors varied significantly between the first and second pilot inspections. Lessons learned and methodology changes to the RBI format will inform the next phase of the pilot, which is scheduled to begin in mid-March 2017.
7	1	“However, BSEE officials told us that the 2010 Deepwater Horizon incident and Interior’s 2010 Safety and Environmental Management System (SEMS) regulation prompted the bureau to reconsider approaches to conducting risk-based inspections.”	The 2009 risk-based inspection approach cited by GAO differed significantly from the current pilot proposals. The 2009 approach looked at reducing inspections on low risk facilities to ensure high risk facilities were given priority for inspection. Prior to Deepwater Horizon, limited inspector resources made meeting OCSLA annual inspection mandates difficult. A Solicitor Office review determined that the 2009 piloted risk program did not meet the legal requirements of the OCSLA.
8	1	“According to 2015 BSEE documentation on its risk-based approach, the bureau planned to eventually shift inspection resources from lower-risk facilities and transition the overall inspection program from annual compliance inspections to a risk-based approach to more effectively use BSEE’s available inspection resources.”	BSEE’s risk-based approach is intended to supplement (not replace) BSEE’s broader inspections strategy, which includes annual inspections and Safety and Environmental Management Systems (SEMS) requirements. Risk-based inspections will be in addition to the annual inspections required by OCSLA.
8	2	“BSEE has not successfully implemented....with little input from regional personnel.”	As discussed above, the current risk-based inspections effort is a new approach, distinct from what was undertaken by the former Minerals Management Service. The current approach represents a significant shift in the historical approach. A key objective has been to scope the RBI so that it augments and supports two of BSEE’s existing and evolving Inspection programs—Annual Inspections and SEMS—which has added to the complexity of this task.  BSEE chose to initiate this effort through pilots, recognizing that such pilots would help the bureau to learn and improve. Part of this improvement includes better integration of regional input and involvement. However, regional

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			involvement has been ongoing. See, for example, RBI_2 (RBI_2_Consolidated emails on RBI regional engagement) describing ongoing communication efforts. Additionally, regional input was key to efforts adjusting the pilot, particularly in summer 2016, and the upcoming pilot occurring in mid-March 2017 will be conducted with the region.
8	2	"...first identified deficiencies with its RBI program during the pilot testing in 2016,..."	The first pilot inspection was conducted in December of 2015, not in 2016 as suggested here.
8-9	3/1-2	Description of risk model on pp 8-9	<p>The Argonne National Laboratory Risk Model was developed as a foundational element of the Risk-Based Inspection Program (as described starting on page 8 of the Draft GAO Report). BSEE does not agree that deficiencies exist in the underlying risk model. The model is sound, as demonstrated by its consistent identification of the highest-risk 20% of platforms that account for approximately 80% of major incidents in a given year. The model was never intended to be a stand-alone proxy to determine overall risk, but is a statistical analysis of historic data to determine if data collected in BSEE's Technical Information Management System (TIMS) could identify a subset of higher-risk production platforms. It was intended from the outset to use this baseline information and then apply the knowledge of BSEE subject matter experts (SMEs) to determine how to evaluate overall risk and deploy BSEE resources effectively to those production platforms in the field. The overall risk determination would include information on bankruptcy, change of ownership, crew turnover, proximity to areas of environmental concerns and well workover schedules to name a few. (See pp. 6-8 of RBI_3_Risk Based Inspection Program Methodology.) This reasoning was stated in all briefings held for BSEE headquarters and regional managers. See attachments.</p> <p>The description of the risk model on pages 8-9 does not sufficiently acknowledge the comprehensive correlation analysis performed to select the five indicator factors. These factors were selected from among over 140 and represent characteristics most strongly correlated with incidents and not duplicative. Because it was a statistical analysis of over 140 historical data characteristics contained in the TIMS database, there was no prejudging of the data or need for expert input; the data spoke for itself. The statistical analysis indicated that there were several characteristics that, when assessed together, would be indicative of higher risk for an offshore platform. Since development in 2013, the model has been exceptionally consistent in identifying a subset of specific platforms that would be responsible for a significant majority of major incidents (fire, fatality, spill, explosion, loss of well control).</p> <p>Using the model, at the beginning of Fiscal Years 2014, 2015 and 2016, BSEE provided forecasts of the top 20% highest risk production platforms for each of those years and then calculated the number of major incidents associated with those platforms after the data were collected for that year. The results were that the model identified 423 platforms in 2014 that were in the highest risk 20% and they accounted for 80% of the major incidents that year; in 2015, 392 platforms were in the model's highest risk 20% and they accounted for 89% of the major incidents that year; and in 2016, 367 platforms were in the model's highest risk 20% and they accounted for 86% of the major incidents that year.</p>
9	2-3	Coordination with regional personnel	Senior managers in the regions were consistently included in the briefings and discussions about the model, the pilot Program, and risk-informed decision making. The Risk Model Statement of Work was developed with significant input from a collaborative strategic plan implementation team comprised of headquarters and regional personnel.



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			<p>The Risk Model and its Statement of Work was then a major topic of discussion at the BSEE Management Council meeting on January 17, 2013, which all BSEE senior managers from the Regions attended (see Attachments RBI_4A_MC reminder, RBI_4B_RBI talking points, and RBI_4C_Risk Model SOW). A comprehensive briefing on the Risk Model was held for the Director and Senior Regional Staff on August 15, 2013 (See Attachments RBI_5A_Calendar invite and RBI_5B_briefing paper).</p> <p>In addition, discussion of the Risk Model and its application to the Risk-Based Inspection Program was a recurring topic of discussion at the quarterly operations management meetings attended by the Regional Directors, Deputy Regional Directors and Regional Supervisors (see Attachments RBI_6A, RBI_6B, RBI_6C, RBI_6D and RBI_6E MOP meeting agendas).</p> <p>Further, specific additional verbal discussions were held with Senior Managers and staff on the intent and utility of the Risk Model as evidenced by a series of emails between headquarters (HQ) and Regional Management (Attachment RBI_7A Model Question Responses for Lars_03-2015) and the timeline of HQ/Regional Interactions during the model development (see RBI_7B Regional Participation Timelines_02-2017).</p> <p>As indicated by the supporting documents, during FY2013, risk modeling and risk-based inspections were part of a BSEE Strategic Plan Implementation Team initiative led by the Regional Director from the Pacific Region. The team, comprised of staff from HQ and the regions, provided regular updates in management council meetings on the status of implementation (Team Members listed in RBI_7B Regional Participation Timelines_02-2017). One of the briefing papers from August 2013 distributed to BSEE Senior Managers is attached (see RBI_8_SPIT Transition Document_08-2013).</p>
10	1	"...a BSEE regional official told us that the Leadership relied heavily on the risk model alone..."	The model was used to provide initial information regarding facility data. The team then went through information for each facility, starting from the top or highest risk profile, and talked through the subjective components for performance and other intelligence. One of the facilities with the highest risk score was removed from the list as potential RBI pilot candidates based on input from their recent annual inspection.
10	1	<p>"...a regional official told us they were largely sidelined during the discussions."</p> <p>"...pilot selections were not among the highest risk facilities."</p>	<p>The pilot was used in the Lafayette District only, and was justified on the basis that the district was representative of the Gulf of Mexico Region (GOMR) in terms of operators and facilities and to accommodate BSEE manpower limitations in other districts. Lafayette did not have many higher risk facilities so candidates for the RBI pilot were limited, and may not have been included if the entire GOMR was considered. The discussion to only focus on Lafayette District is documented in the MOP 9/23/15 presentation (see RBI_9_RBI Program Briefing (MOP 9-23-15)).</p> <p>Headquarters agreed with Regional Management to limit the pilot to Lafayette District only. This eliminated the highest risk facilities in the GOMR. However, as the goal with the RBI pilot was to test the inspection methodology, this limitation was acceptable.</p>
10	1	"...three of the top five facilities BSEE selected were idle and not producing and therefore not	This statement is misleading. At the time of the selection, no one on the work group was aware that any of the selected facilities were shut in. When the Lafayette District subsequently identified the facility as shut in, the team decided to leave it on the inspection list, as it was shut in only temporarily. The team felt we should test the model

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		inspected as part of the pilot.”	and see if the shut in facility still presented a high risk potential. However, as a result of the downturn in the oil and gas industry, two additional facilities were subsequently shut in due to low production. It was after three of the five selected facilities were shut in that the team decided to rerun the model and identify the next highest risk candidates for the pilot. This decision is discussed in the April 6, 2016, meeting minutes as it became an issue when selecting our second pilot facility (see RBI_10_Risk Based Inspection Meeting Minutes 6 Apr 2016). This situation was primarily the result of the limited sample size in Lafayette District, the economic downturn resulting in operators choosing to temporarily shut in low producing wells, and the fact that low production/end of life wells represent a risk factor that may have contributed to those facilities rising to the top of the risk list.
10	1	“By going against BSEE’s Inspection methodology, BSEE leadership appears to have excluded the input of regional personnel, undercutting the pilot effort and raising questions....”	GAO appears to be stating that because we did not inspect the three shut in facilities, we were not following our own procedures and also not listening to the GOMR. As previously noted, pilot projects are developed to be flexible to allow for changes in circumstances.
10	3	“...BSEE did not establish clear pilot inspection protocol for the inspection team or operator for the first pilot...”	The first pilot had a narrow focus and an experienced and skilled inspection team, the team determined that a prescriptive protocol was not the best way to conduct the inspection. A team approach was used to pair expertise. For example, a new Electrical Inspection Protocol had been developed by the BSEE Office of Offshore Regulatory Programs (OORP) specifically for this pilot inspection. The discussion of the Electrical Protocols and draft protocol for Cranes is documented in the meeting minutes, e.g., April 6, 2016 (see RBI_10_Risk Based Inspection Meeting Minutes 6 Apr 2016).
10	3	“...which led to confusion for the BSEE personnel and operator...”	Although some of the BSEE personnel were unfamiliar and potentially uncomfortable conducting an inspection without strictly adhering to the Potential Incident of Noncompliance (PINC) list (a BSEE checklist that outlines the compliance requirements to the BSEE regulations), the team approach and open-ended, SEMS-type questions, led to discussions between the RBI team and the operator representatives. These discussions evolved to what focus on what is actually being done at the facility, which was determined by both BSEE team members and the operator representatives as a positive outcome (see RBI_11A_Risk Based Inspection Pilot-- Debrief Facility 1 Inspection and RBI_11B_Risk Based Inspection Pilot-- Debrief Facility 2 Inspection).
10	3	“...a BSEE official told us that the operator sent a letter to BSEE expressing frustration with the bureau’s uncoordinated effort.”	No such letter was received through the official channels established for the RBI pilot by the operator’s VP and BSEE Director. BSEE contacted the operator on 2/8/2017 to confirm this statement and the operator’s management, who coordinated the inspection, is not aware of any letter being sent to BSEE. They also were not aware of “frustration with the bureau’s uncoordinated effort”. This operator has continued to work productively with BSEE to further develop this program (see RBI_12_Chevron’s September 12, 2016 Summary file) and repeated this offer during the call on 2/8/2017.
11	1	“Specifically, according to one official, the inspection team needed from 500 to 600 total work hours to complete the inspection, in part due to the	As noted above, this is a pilot program. Accordingly, BSEE leadership recognized that the time and resources needed to conduct the pilot inspections would be higher than what would be needed to support an ongoing program. The RBI program is meant to augment, not replace, the annual inspection program.  BSEE leadership acknowledges that the startup time for the RBI program is more than could realistically be sustained

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		time required in developing a facility-specific protocol.”	by a routine inspection program. However, as the methodology becomes established, the tools are developed, and the identified RBI team members become more familiar with the process, the time required to conduct a RBI will be reduced.
11	1	<p>“...the official told us that annual inspections are a more comprehensive review of a facility’s safety system....”</p> <p>“Therefore, it is not whether risk-based inspections... have proven to be a more effective method for evaluating safety relative to annual inspections.”</p>	The RBI is not intended to be a direct replacement for the annual inspection. Instead, it is a means of focusing attention on higher risk facilities and activities to improve overall safety. Annual inspections focus on compliance with the regulations. The RBI focuses on assessing the effectiveness of identified critical equipment, processes and safety barriers on facilities with a defined high risk potential. It is incorrect to evaluate the effectiveness of annual and RBI as alternates; these activities are intended to be complementary.
11	2	“...BSEE’s inspection planning methodology prescribes that the Risk-Based Oversight Team provide a final reports...”	The format and content of the “final report” is part of the pilot program and as such is still under review. In both pilot inspections, BSEE provided a verbal report out of its observations and findings to operator personnel. This report out occurred multiple times and to a variety of audiences. A preliminary report out was delivered at the offshore facility before the inspection team left the site. The team also delivered a similar report out and held a more detailed discussion with operator management and SMEs in the onshore office (this office meeting was held twice during the second pilot inspection at the request of the operator in order to accommodate the crew rotation).
11	2	“...BSEE did not provide a report to the operator of the first pilot facility...Similarly, they said BSEE did not provide a report to the operator of the second facility...”	To better promote a more open and frank discussion that went beyond just confirming compliance with the regulations, both operators agreed to a verbal briefing of the observations and findings. No potential INC-worthy issues were identified during either pilot inspection.
11	3	“BSEE headquarters led the development of the inspection planning methodology and facility specific inspection protocol without obtaining and incorporating input from regional personnel...”	Regional personnel were involved with this process from the beginning. (Documented in the October 29 email—summarizing the planning meeting. The April 1 email to Troy Trosclair and the April 3 email to Troy Trosclair which provided the information following the meeting so that he could present it at the District Managers Meeting. See RBI_2_Consolidated emails on RBI regional engagement)
12	1	“...regional officials who had knowledge of the 2009 pilot said that BSEE HQ led and developed the first facility specific inspection protocol without their input.”	All protocols developed by HQ were sent to the region for comment and input.
12	2	“As a result of these deficiencies,	BSEE is not aware of this pilot being described as a failure as both the operator and BSEE identified issues for

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		<p>officials involved in the first pilot inspection described it as a failure that produced few if any results.”</p> <p>“Only after the first pilot did BSEE leadership begin to engage regional personnel...”</p> <p>“In response to these deficiencies...”</p>	<p>improvement. As the historical measure of a successful inspection has been the issuance of an INC or a warning, the RBI represents a new model, distinct from previous regional efforts. Regional personnel were involved in the planning of the RBI process and protocol or tool development from the beginning.</p> <p>The purpose of a pilot is to test new ideas and to incorporate the lessons learned into the next pilot.</p>
12	2	“...in July 2016, BSEE revised the risk based inspection program based on a proposal that regional personnel told us they developed....which incorporates the risk based methodology that they had previously used in the Gulf of Mexico.”	The July 2016 proposal to modify the RBI methodology was developed through joint discussions between HQ and Regional Management. The White Paper documenting the changes (see RBI_1 _white paper) , including the creation of two separate, but aligned risk inspection programs was jointly drafted and submitted to the Director for approval in August.
12	2	“...to supplement the facility based approach that BSEE leadership had been developing....”	The Performance Based Risk Inspections (PBRI), or blitz inspections, were proposed as a Regionally- led initiative to pilot an activity and equipment-based approach. The methodology identifies high-risk activities based on historical trends in incidents. This focused inspection represents another tool for BSEE and can be used effectively to cover many facilities in a short amount of time when necessary. It is a potential addition to the risk modeling approach also being piloted. The Chevron summary documents our continued discussion around this model (see RBI _12_ Chevron’s September 12, 2016 Summary file).
12	2	“Blitz inspections focus on specific facility components—such as compressors, generators, or cranes—that the bureau determines are high-risk based on analyses of trends in incidents.”	This is now referred to as Performance Based Risk Inspections (as described above).
12		Footnote 29 – “...using the component sampling technique...”	The footnote mischaracterizes the 2009 pilot and determination of the Solicitor. The 2009 risk pilot addressed utilizing low risk as a means of not conducting an annual inspection. However, the Solicitor’s review found sampling inspections insufficient as an alternative to required annual inspections. As discussed above, any RBI or PBRI supplement the required annual inspection.
13	3	“...led to an unsuccessful pilot...”	As the pilot has not yet concluded, it is incorrect to characterize it as unsuccessful. Information gleaned and resulting appropriate course corrections were anticipated given its status as a pilot.

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<b>Environmental Stewardship</b>			
14	2	“BSEE leadership initiated two simultaneous Environmental Stewardship efforts to reduce environmental risks related to U.S. offshore oil and gas operations, but the efforts were partially overlapping, fragmented, and uncoordinated, which reduced the value of the outputs.”	This statement is incorrect. The Environmental Stewardship Collaboration Core Group and the Argonne Environmental Risk Assessment were two separate and distinct initiatives with different objectives. The Environmental Stewardship Collaboration Core Group focused on enhancing environmental stewardship within the bureau. The Argonne Environmental Risk Assessment focused on assessing environmental risk on the Outer Continental Shelf. Environmental risk was not a factor in the Environmental Stewardship Core Group’s objectives or final product.
14	3	“As part of the Environmental Stewardship initiative, BSEE conducted two environmental risk reduction efforts.”	<p>As described above, the objectives of these two initiatives were distinct.</p> <p>As noted in the attached December 2015 Statement of Work between BSEE and Argonne National Laboratory (see ES_1_Argonne ANL -0025 SOW Dec 2015.pdf, pages 2-3), Argonne conducted an Environmental Risk Assessment and Prioritization for the U.S. Offshore Energy Industry. The primary objectives of Argonne’s work included analyzing current BSEE activities, functions and responsibilities and current activities of the U.S. oil and gas (O&amp;G) industry on the Outer Continental Shelf (OCS) and evaluating current O&amp;G activities on the OCS with regard to their associated safety concerns and environmental risks. The assessment also addressed ways to help BSEE identify potential gaps in, and opportunities for improvement of, BSEE environmental stewardship as it relates to O&amp;G activities (see ES_2_BSEE Environmental Risk Assessment Report Final July 16.pdf, page v). This focus was on BSEE’s external activities.</p> <p>As noted in the July 2016 Environmental Stewardship Collaboration Core Group Final Report under Objectives/Purpose of Effort (ES_3_BSEE Environmental Stewardship Core Group Final Report July 2106.pdf, page 5, attached), the Core Group was tasked to clarify and describe BSEE’s environmental stewardship vision and mission, building on BSEE’s current program goals, activities, roles and responsibilities with a focus on identifying new ways to enhance environmental stewardship throughout BSEE. The Core Group was also responsible for developing a report containing recommendations and actions regarding BSEE’s (1) environmental stewardship responsibilities; (2) coordination efforts with agency partners on environmental stewardship; and (3) tracking and communicating BSEE’s environmental stewardship successes. The Core Group was divided into three (3) working groups, which were tasked to identify current and future courses of action. These efforts became the foundation for the Final Report format and structure. Samples of the working groups’ status reports are attached (see ES_4_Communications Status Report March 2016.pdf, ES_5_Environmental Stewardship Status Report March 2016.pdf, ES_6_Interagency Status Report March 2016.pdf). The Core Group’s perspective was internally facing, rather than the external perspective of the Argonne Risk Assessment.</p>
14	3	“Additionally, Argonne also reported that some	This statement is misleading. Argonne reported that, out of 287 unique industry Activity-Impact, factor-affected Resource combinations (AIRs), only 11 high-risk and 10 moderate-risk AIRs (7%) may lack detail in BSEE regulations,

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		environmental protection and stewardship activities are not described in sufficient detail in BSEE regulations, policies and interagency agreements.”	policies and interagency agreements. According to Argonne’s assessment, this does not necessarily mean that the associated environmental risks are not being sufficiently addressed by current BSEE requirements or practices (See ES_2_BSEE Environmental Risk Assessment Report Final July 16.pdf, page vii, 26).
15	2	“The efforts were overlapping because BSEE leadership tasked both Argonne and the Core Group with the same five objectives to identify: (1) linkages and gaps in BSEE’s environmental stewardship of offshore oil and gas operations, (2) all environmental risks in offshore oil and gas operations, (3) mitigations already in place to reduce the identified environmental risks, (4) stewardship priorities for the Environmental Compliance Division and (5) opportunities for improvement of BSEE environmental stewardship.”	Argonne and the Core Group did not share these objectives. Rather, as noted above, they had the different objectives. Argonne’s objectives were to analyze current BSEE activities, functions and responsibilities and current activities of the U.S. O&G industry on the OCS and to evaluate current O&G activities on the OCS with regard to their associated safety concerns and environmental risks (See ES_1_Argonne ANL -0025 SOW Dec 2015.pdf, pages 2-3). In contrast, the Environmental Stewardship Core Group’s objectives were to clarify and describe BSEE’s environmental stewardship vision and mission, building on BSEE’s current program goals, activities, roles and responsibilities with a focus on identifying new ways to enhance environmental stewardship within BSEE. (See ES_3_BSEE Environmental Stewardship Core Group Final Report July 2106.pdf, page 5).
15	3	“BSEE officials involved in the Core Group also told us that Argonne did not contribute to the Core Group activities throughout the effort.”	This statement is inaccurate. Argonne provided multiple contributions to the Core Group activities. Argonne briefed the Core Group on the goals, objectives and activities of the environmental risk assessment and also provided initial findings at the Core Group’s February 9, 2016, meeting (see ES_7_Feb 09 2016 Core Group Meeting Agenda.pdf). In addition, Argonne representatives attended all three (3) of the Core Group’s in-person meetings. Argonne’s efforts are ongoing and continue to be utilized to assess environmental risk.
15	3	“According to BSEE officials, Argonne’s findings were added to the Core Group report by bureau leadership following the completion of the Core Group’s assessment and without discussion of assessment by Core Group team members.”	This statement is incorrect. Argonne’s initial findings were originally intended to be added to the Core Group report as an appendix. However, Core Group members raised concerns about including Argonne’s initial findings before the assessment was complete. The Core Group voted not to include Argonne’s assessment in the July 2016 Environmental Stewardship Collaboration Core Group Final Report (see ES_3_BSEE Environmental Stewardship Core Group Final Report July 2106.pdf, which does not include Argonne’s findings).
15	3	“Similarly, some officials involved in the Core Group said that BSEE	This statement is inaccurate. As previously noted, Argonne briefed the Core Group on the goals, objectives, and activities of the environmental risk assessment and also provided initial findings at the Core Group’s February 9,

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		headquarters did not communicate the objectives of the Argonne effort, thereby limiting the ability of the Core group to coordinate with Argonne to maximize its results.”	2016, meeting (see ES_7_ Feb 09 2016 Core Group Meeting Agenda.pdf) and participated in three in-person Core Group meetings.
16	2	“Because BSEE management tasked both environmental risk response efforts with the same objectives and did not effectively communicate information to coordinate the efforts, the efforts overlapped and ultimately delivered few results that BSEE can implement immediately.”	This statement is incorrect. All 10 recommendations contained in the Core Group report were accepted and two have already been implemented - the creation of a definition of environmental stewardship (July 2016) and implementation of BSEE’s Environmental Stewardship Awareness Week (held Dec. 5-9, 2016).
<b>Internal Management</b>			
17	2	“In 2015, BSEE conducted initiatives—an employee engagement effort and an assessment of its Integrity and Professional Responsibility Advisor...”	<p>The IPRA was not assessed in 2015. An initiative was piloted in 2016, as is noted by GAO later in the report (see p. 28 which refers to the “assessment” and pilot as occurring in 2016).</p> <p>An Investigations and Review Unit (IRU) investigator was officially designated to conduct internal employee misconduct investigations in August of 2013. Once that occurred, cooperation from the regions and field offices improved for both the external and internal investigators.</p> <p>In 2015, the bureau officially separated the internal and external investigative components, thus creating the Integrity and Professional Responsibility Advisor (IPRA) and the Safety and Incident Investigations Division (SIID). The IPRA was not assessed at that time.</p>
<b>Enterprise Risk Management</b>			
18	2	“BSEE completed the first three of these six steps in its iterative ERM cycle.”	The statement should be updated to reflect progress made by BSEE since its last update to GAO. BSEE is on track to complete the current ERM cycle by conclusion of this GAO engagement. At this time, risk treatments have been identified. (See ERM_1_Risk Treatments Spreadsheet). BSEE is completing verification and prioritization of treatments associated with the three prioritized strategic risks. Note that, as shown in attachment ERM_1_Risk Treatments Spreadsheet, a number of risk treatments are already being implemented. Conclusion of the current risk cycle is anticipated to be completed by March 2017.
19	2	“5) Implement selected risk treatments.”	At the top of page 19, step 5 speaks to implementing risk treatments. It is important to note that not all risk treatments would be implemented. Before we would recommend, or even prioritize, proposed risk treatments, we must first evaluate our levels of risk to see if such risks are acceptable or if corrective action is needed. There is no mention of risk treatment evaluation as part of the selection of enhanced risk treatments. Only when the level of residual risk exceeds what we consider an acceptable risk would we recommend implementation of new (proposed)

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			risk treatments.
19	2	“BSEE officials told us that the bureau has implemented some risk treatments but did not provide documentation to support this claim.”	Attachment ERM_1_Risk Treatments Spreadsheet provides an overview of risk treatments. As shown in column R of the master sheet tab, a number of risk treatments are being implemented (existing or in progress). As discussed above, it is important to note that not all risk treatments are intended for implementation.
20	1	“BSEE planned to assess and prioritize the risks by these newly discovered agreements by October 2016....”	BSEE expects to complete prioritization of all known agreements by March 2017. Additionally, BSEE personnel from all levels of the organization were surveyed to aid in prioritizing and identifying agreements. This survey resulted in additional agreements being identified and added to the evaluation and prioritization process.
20	1	“BSEE also plans to implement a bureau manual chapter and handbook ...”	The group working on this area has also created a manual chapter and handbook to institute a standardized process for everything from identification for the need for an agreement to how to write and structure an agreement and the process for approval. The Manual Chapter and Handbook are in the approval process now.
<b>Performance Measures</b>			
20	Header	BSEE Has Not Implemented Program Performance Measures	In November 2016, BSEE’s Office of Policy and Analysis (OPAA) released the FY 2016 Baseline Performance Measure Report to the Management Council. (see PM2_Master FY 2016 Baseline Report FINAL 12-13-16) This report included extensive analysis of 14 performance measures from across the organization. Currently, OPAA is collecting FY 2017 Q1 data for the existing measures, moving to apply regional measures nationally, and establishing new measures related to permitting and SEMS (see 2/8/17 briefing to Management Council in PM5_QMR Performance Measures Update 2-7-17). While BSEE’s performance measures program is not fully mature, it is being implemented at a national level.
20	3	“BSEE’s initiative to develop performance measures...none of which have resulted in the implementation of performance measures.”	As stated above, BSEE is implementing performance measures, data are being collected for current measures, and additional measures are under development. See PM5_QMR Performance Measures Update 2-7-17.
22	1	“As of August 2016, BSEE had developed 17 draft performance measures but bureau leadership has repeatedly missed deadlines to review them.”	This statement is inaccurate. BSEE’s Deputy Director met with the OPAA Performance Measure team on August 10, 2016, to review the draft measures (see PM3_Performance Measures Mtg. 8-10-16). This meeting took place less than a week after the planned date for review of August 6th as documented in the OPAA Performance Measure Team Work Plan 7-6-16 FINAL (see PM4_OPAA Performance Measure Team Work Plan 7-6-16 FINAL).
22	3	“In that time, BSEE initiated...it has yet to pilot or implement any.”	It would be more accurate to state: In that time, BSEE piloted 14 measures in its FY 2016 performance measures report and is in the process of implementing these 14 measures nationwide, while it also develops new measures on permitting and SEMS and considers other areas for measure development.  In November 2016, OPAA released the FY 2016 Baseline Performance Measure Report to the Management Council. This report included extensive analysis of 14 performance measures from across the organization. (see PM2_Master FY 2016 Baseline Report FINAL 12-13-16). Currently, OPAA is collecting FY 2017 Q1 data for the existing measures,



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			moving to apply regional measures nationally and establishing new measures related to permitting and SEMS (See PM5_QMR Performance Measures Update 2-7-17). While, BSEE's performance measures program is not fully mature, it is being implemented at a national level.
<b>Employee Engagement</b>			
25	1 <sup>st</sup> bullet	"BSEE leadership reorganized its....."	BSEE agrees that organizational consistency is an important principle. It is also important for BSEE to recognize situations that require flexibility relative to unique issues, organizational needs and government personnel constraints. The Pacific Region reorganization was one of these situations. The changes made in the Pacific Region Organization were the result of significant internal and contractor evaluations that were conducted with the goal of ensuring that this regional office continued to promote safety, protect the environment, and conserve resources. In this case, it was determined that ensuring primary mission accomplishments was a higher priority than organizational consistency among regions.
26	2	"...two field-based positions located in the region to manage its SEMS program."	This section does not accurately reflect the situation that occurred. There was never any discussion of placing HQ staff at the Regional Office, which BSEE agrees would potentially duplicate efforts, result in a different reporting structure, and run counter to BSEE's ongoing effort to implement its National Program Manager concept of HQ policy oversight and field implementation. Instead, two HQ SEMS positions were advertised for the HQ Engineering Technology Assessment Center office in Houston, Texas (Attachment EE_1_SEMS Engineer PD_10-2016) and were designed to help manage SEMS on a National Program level. The Center for Offshore Safety (COS) is located in Houston and is the Accreditation Body for approved SEMS auditors. These positions would allow HQ to have more frequent interaction with COS on national SEMS issues and with industry standards organizations that deal with SEMS issues.
26	2	"As a result, BSEE regional officials told us that headquarters actions to create new positions that would affect the region without notifying it contributed to the trust concerns of regional personnel."	Regional officials were involved in the development of the position description (PD). For example, BSEE HQ solicited input on the PD from the lead of GOMR's Office of Safety Management.
26	3	BSEE headquarters did not disseminate the final 2016 Environmental Stewardship Collaboration Core Group report to all group members.....	In July 2016, Director Brian Salerno sent an email to all employees announcing that the Environmental Stewardship Core Group had completed its work and had submitted the final report. The report was posted to the bureau's intranet site, <i>Pipeline</i> , in late July 2016. (See EE_2A_Email requesting report be posted and EE_2B_Environmental Stewardship information on intranet.)
26	4	BSEE conducted this outreach but as November 2016 had not developed an employee engagement strategy – although its original target completion date was April 2016 ---and it is	The results of the employee engagement outreach were presented to and discussed by the Management Council. While a formulation of a final Employee Engagement Plan was delayed until further feedback could be received, a second round of feedback was conducted in December 2016 and January 2017. An example of this is the input incorporated into the design of the new Intranet site, which is under development. BSEE leadership has responded to specific feedback from the focus groups, as appropriate, with implementation of initiatives.

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		unclear when it will do so.	
<b>Integrity and Professional Responsibility Advisor</b>			
28	1	“However, some BSEE officials from across the bureau expressed concern regarding the IPRA’s process for adjudicating allegations of misconduct.”	This statement reflects a misinterpretation of the role of the IPRA. The IPRA does not adjudicate allegations of misconduct. If it is determined that a case will be investigated by the IPRA, the IPRA is tasked with fact-finding and providing a report of facts to the first line supervisor of the person(s) being investigated, and to the HR Employee and Labor Relations office.
28	1	“To increase transparency and consistency in how IPRA cases are handled following the completion of an investigation report...”	The IPRA has no participation in events or the outcome of possible disciplinary actions once a case has been completed and the report has been forwarded to the supervisor and Employee and Labor Relations.
28	1	“To increase transparency and consistency in how IPRA cases are handled..., BSEE conducted a pilot initiative in 2016 to assess the types of allegations of misconduct being reported to the IPRA as well as the frequency with which the IPRA referred such allegations to other entities.”	The IPRA pilot was not conducted to increase transparency and consistency in how cases are being handled following their completion. The pilot initiative assessing the types of allegations being reported and how they were being reported and/or referred was conducted to: a) determine if employees had the correct information as to who and how they should be reporting misconduct and b) to gauge the types of cases being received and investigated so targeted training in those areas could be developed to educate employees on the behaviors to help deter them.
28	2	“However, BSEE’s pilot initiative did not address unclear and conflicting guidance that could undermine organizational trust in how the IPRA addresses allegations of misconduct. Specifically, the Interior Department Manual states that IPRA responsibilities include working with the IG on internal matters the IPRA investigates, pursuing certain administrative investigations with the IG’s consent and knowledge, and advising the IG of the status and results of IPRA investigations, as	BSEE and the IPRA follow the OIG’s guidance for referral as laid out below:  355 DM 2, Office of the Inspector General, Policy for Investigating Complaints and Referrals, definitively outlines what cases shall be referred for consideration to the DOI OIG under the Policy for Referrals section 2.4. These include: <p>Serious allegations involving misconduct by supervisory personnel, regardless of grade, serious allegations against employees at the GS-15 level, allegations of fraud, waste, abuse or mismanagement resulting in a significant dollar amount loss to the government, misconduct by employees with access to or responsibility for monies or financial systems, regardless of dollar amount and regardless of grade or allegations involving contractors, grantees, or any other entities doing business with, making payments to, or receiving funding from the Department of the Interior.</p> <p>The policy also states that certain matters may technically fall under the broad jurisdiction of the OIG, but, as a practical matter, are more efficiently addressed at the administrative or management level. See IPRA_1_355 DM 2 OIG referral policy, (2.4.B(4)), which cites 370 DM 752.</p>

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		requested.”	
28	2	“Additionally, IPRA guidance stipulates that once an allegation is received, the IPRA Board-composed of the IPRA, the head of Human Resources, and the Deputy Director-will assess whether the allegation should be referred to the IG or other appropriate entity, investigated by the IPRA, or closed for no further action.”	<p>The IPRA guidance actually states, “For cases that are not accepted by the OIG, an IPRA Board composed of the IPRA, the head of Human Resources, and the Deputy Director or his/her designee will assess whether the allegations should be referred, investigated by the IPRA, or closed for no further action.”</p> <p>The “referred” in this statement denotes other referral action such as to the manager, Equal Employment Opportunity (EEO), Employee Relations/Labor Relations (ER/LR), Ethics, or other appropriate office.</p>
28	2	“Additionally, the IPRA told us that the IG has first right of refusal to investigate all allegations of misconduct within the bureau. However, the Interior Department Manual and IPRA guidance do not specify criteria for the severity thresholds for allegations that are to be referred to the IG. As a result, the boundaries of IPRA responsibility are unclear.”	As stated above, 355 DM 2 specifies what must be referred to the OIG. If an allegation does not meet any of those thresholds, the Board determines who should investigate the case. The IPRA and the OIG Office of Professional Responsibility and Intake office have an open line of communication and discuss cases informally when they do not meet the above stated thresholds. The IPRA also confers with the OIG when evidence of the above listed thresholds is discovered during the course of an IPRA investigation or if other criminal misconduct is uncovered.
28-29	3	“In turn, this reporting structure-in which the IPRA Board determines how to proceed without consultation with the Director-does not align with the Interior Department Manual and BSEE organization chart.”	The IPRA briefs the Director on case status and work progress. The Board consists of the IPRA, HR Officer, and the Deputy Director or his/her designee due to the fact that the Director may ultimately be the deciding official during the discipline phase. For cases that may require the Deputy Director to serve as the reviewing or deciding official, his/her designee is used. Should issues arise at any point, the IPRA can consult with the Director as the IPRA reports directly to the Director, as set forth in the DM and organizational chart.
29	1	“Some regional officials told us that the uncertainty of how the IPRA reports allegations to the IG as well as its reporting structure led them to question the independence of IPRA activities and expressed concern that the	<p>The October 19, 2015, Informational Memorandum from the Deputy Director to all BSEE employees regarding Case Reporting Requirements as it relates to the IPRA was distributed to the Management Council and posted on the employee <i>Pipeline</i> intranet site. This document defines both how the IPRA reports allegations to the IG and its reporting structure, including a chart on the process (figure 1). The memo states that anyone with questions regarding reporting allegations should call the IPRA.</p> <p>While the IPRA office is located in the Main Interior Building, the IPRA has weekly office hours in the Sterling, VA</p>

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		IPRA could be used to retaliate against employees, which has undermined organizational trust in its activities.”	<p>office to field questions and assist employees and managers concerning which office would best assist them with their complaints or concerns.</p> <p>The IPRA initiates a case based on the facts that have been provided in a complaint. On those few occasions when a case has been reported to the IPRA from the Director or Deputy Director, the underlying reason has been that the misconduct involved one of their direct reports or information has been relayed to the Director or Deputy Director about the misconduct and he/she are acting as the conduit between the individual who reported the matter to them and the IPRA.</p>