

*clarionus
disaloumes*



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL

Washington, DC 20240

FEB 15 2007

The Honorable Barbara Boxer
United States Senate
Washington, D.C. 20510-0505
c/o Eric José Vizcaino

Dear Senator Boxer:

This letter is to inform you of the results of our investigation into the concerns of your constituent, Robert McCarthy, a field solicitor for the U.S. Department of the Interior in Palm Springs, CA. In a letter dated September 25, 2006, your staff requested that the Office of Inspector General (OIG) review Mr. McCarthy's allegations of gross mismanagement of Indian trust funds.

Specifically, Mr. McCarthy alleged that the Bureau of Indian Affairs (BIA) in Palm Springs had not implemented recommendations from an OIG audit report exposing deficiencies in the lease management program for the Agua Caliente Band of Cahuilla Indians. This tribe leases land to developers in Palm Springs, Cathedral City, and Rancho Mirage. The BIA in Palm Springs reviews the lease agreements to ensure regulations have been met.

Mr. McCarthy also alleged that a BIA supervisor received gifts from parties who conduct business with the Palm Springs office. He further alleged that he had been retaliated against due to his disclosure of this information.

We opened an investigation into Mr. McCarthy's concerns in October 2006. We reviewed his allegations of gross mismanagement, and we understand that the Merit Systems Protection Board is reviewing his allegations of retaliation.

During our investigation, we interviewed BIA officials from Palm Springs, as well as Mr. McCarthy, and we reviewed all pertinent documents. We confirmed that the BIA Palm Springs office has not implemented all of the OIG's audit recommendations, and officials conceded that problems remain within the lease management program. They also expressed concerns that the Palm Springs office is understaffed and the automated lease system is insufficient.

We also confirmed that one BIA official and two staff members received gift baskets containing spa robes from a lessee. The BIA official also admitted that he accepted two tickets to a film festival in Palm Springs from a lessee in 2004. He estimated that both tickets were valued between \$50 and \$60.

We are referring our findings regarding gifts received by BIA employees to BIA management for any action they deem appropriate. We are also issuing a Management Advisory to BIA regarding the Palm Springs office's implementation of our audit recommendations.

We thank you for your interest in this matter, and we appreciate you communicating your concerns to us.

Sincerely,

A handwritten signature in black ink, appearing to read "Earl E. Devaney". The signature is fluid and cursive, with a large initial "E" and a long, sweeping tail that loops back under the name.

Earl E. Devaney
Inspector General