

Where is the media now?

Guest Editorial

by **William Perry Pendley, President**

Mountain States Legal Foundation

Where are they now? Where are the committee chairmen, the self-appointed congressional watch dogs of the public interest, the headline-grabbing bemoaners of waste, fraud and abuse?

Where are they now that the Inspector General (IG) of the U.S. Department of the Interior (DOI) has exposed the biggest rip-off since Teapot Dome? The answer is, no where. They are silent. "Why?" you ask. Because now the accusations of rip-off, self-enrichment, and cover up are directed at their friends in the environmental community.

In early June, the IG released the results of an investigation into the manner in which the DOI – specifically the National Park Service (NPS), the U.S. Fish and Wildlife Service (FWS), and the Bureau of Land Management (BLM) – uses "non-profit" organizations to acquire private lands, take them off the tax rolls and bring them into federal ownership.

During fiscal year 1991, the NPS, the FWS and the BLM spent more than \$219 million to buy private land. Over the last six fiscal years (1986 to 1991), these DOI agencies spent a whopping \$992 million dollars to increase federal land ownership – nearly one billion dollars!

As stunning as the DOI's land acquisition budget – which has increased 140% since 1986 – is the underhanded, wasteful, and maybe even illegal manner in which that money has been spent.

According to the IG, the FWS paid \$5.2 million more than the approved fair market value of \$44 million in 64 transactions.

In addition, the FWS paid "interest" and "overhead costs" of nonprofits even though payment of these "costs" was never authorized by the DOI Solicitor and even though the FWS did not verify that the nonprofits incurred these "costs."

Several land acquisitions are worth mentioning. In 1987, the FWS paid the National Audubon Society \$1 million for 777 acres in California valued at \$700,000, a 30% wind-fall. In 1988 and 1989, the FWS paid The Nature Conservancy (TNC) \$4.5 million for 5,398 acres in Oklahoma valued at \$3.5 million, a 28% gift.

The IG reported that the three agencies gave nonprofits a \$1.9 million wind-fall on seven transactions, even though the nonprofits had extremely limited financial involvement and almost no risk.

Specifically, after TNC paid \$100 for an option to buy 5,529 acres in Oregon, the BLM gave TNC \$1.4 million with which the TNC paid the owner \$1.26 million, a \$140,000 wind-fall. In another simultaneous transaction in Oregon,

the BLM paid the Trust for Public Land (TPL) \$1 million, out of which the TPL paid the owner \$720,000, a 38% profit.

According to the IG, none of the three agencies followed established appraisal and property valuation standards to ensure that property values are timely, independent and adequately supported by market data. The appraisals used by the three agencies were an average of 400 days old. In one case, the appraisal was more than 4 years old. Typically, the appraisals are provided by the nonprofits themselves.

Despite the shocking revelations in the IG's report, the Assistant Secretary for Fish, Wildlife and parks has thumbed his nose at the IG, refusing to comply with the IG's recommendations. The IG stops short of calling his colleague a liar, but publicly bemoans the "arrogance" of the FWS and the NPS.

What will happen next is uncertain. However, one thing is clear. If it were the private sector the IG had skewered, there would be massive media coverage, congressional hearings, cries of outrage from Capitol Hill, and maybe even calls for the appointment of a Special Prosecutor.

Don't take my word for it. Call your U.S. Senator at (202) 224-3121 and ask for a copy of IG Report 92-1-833 (May 1992).