



United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
Washington, D.C. 20240

MEMORANDUM

AUG 24 1994

TO: The Secretary

FROM: Acting Inspector General

SUBJECT SUMMARY: Final Survey Report for Your Information - "Rental Fees for Unpatented Mining Claims, Bureau of Land Management" (No. 94-I-1135)

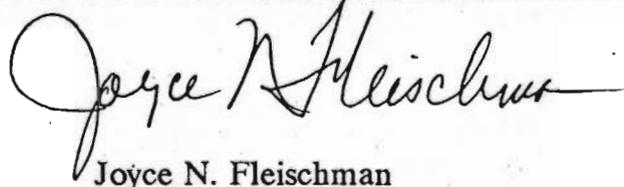
DISCUSSION: We concluded that the Bureau of Land Management was generally effective in establishing a program to implement Public Law 102-381, which required individuals with over 10 mining claims to pay a \$100 annual fee per claim to maintain their mineral rights for 1993 and 1994. Because of the program, the Bureau collected revenues totaling about \$55 million, and the number of mining claims was reduced by 67 percent. We also concluded that the Bureau could further increase the effectiveness of its program, extended through 1999 by Public Law 103-66, by revising administrative procedures in the following areas:

- The Bureau could improve the administration of small miner exemptions by ensuring that individuals filing for such exemptions have not filed for more than 10 claims in more than one state.

- The Bureau could reduce the cost of notifying individuals who have already abandoned mining claims by using the *Federal Register* rather than by sending individual certified letters. We noted that use of the *Federal Register* could have saved \$500,000 during the period of our review.

- The Bureau could reduce the administrative costs associated with its current practice of routinely refunding any overpayments of fees by allowing claim holders the option of applying overpayments to future years' assessments.

The Bureau agreed to implement two of the report's three recommendations and stated that it would request a Solicitor's opinion regarding our recommendation to use the *Federal Register* in lieu of certified letters to notify individuals of abandoned claims. The Bureau's response was sufficient to resolve all three recommendations.



Joyce N. Fleischman

Attachment

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