



U.S. Department of Agriculture
Office of Inspector General
Great Plains Region
Audit Report

Natural Resources
Conservation Service
Protection of Federal Assets



**Report No.
10099-10-KC
September 2003**



UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INSPECTOR GENERAL

Washington D.C. 20250



DATE: September 30, 2003

REPLY TO

ATTN OF: 10099-10-KC

SUBJECT: Natural Resources Conservation Service – Protection of Federal Assets

TO: Bruce I. Knight
Chief
Natural Resources Conservation Service

ATTN: Dana York
Director
Operations Management and Oversight Division

This report presents the results of our review of the Natural Resources Conservation Service Protection of Federal Assets. Your August 15, 2003, written response to the official draft report is included as exhibit B with excerpts and the Office of Inspector General's (OIG) position incorporated into the Findings and Recommendations section of the report.

Based on the information contained in the response, we have accepted your management decisions for Recommendations Nos. 1, 2, and 4. For Recommendations Nos. 3 and 5, we were not able to accept those management decisions based on the proposed information contained in the response. Management decisions can be reached when the Natural Resources Conservation Service provides the additional information outlined in the OIG Position sections of the report. Follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer for the three recommendations where management decisions have been reached.

Please furnish a reply within 60 days describing corrective actions taken or planned and the timeframes for implementations of those recommendations where management decisions have not been reached. Please note that Departmental Regulation 1720-1 requires a management decision to be reached on all findings and recommendations

within a maximum of 6 months from report issuance. Final action on the recommendations that have reached management decision should be completed within 1 year to preclude being listed in the Secretary's Management Report.

We appreciate the courtesies and cooperation extended to our staff during the review.

/s/

RICHARD D. LONG
Assistant Inspector General
for Audit

cc:

Jeremy Stump, Director, Office of Homeland Security

EXECUTIVE SUMMARY

NATURAL RESOURCES CONSERVATION SERVICE PROTECTION OF FEDERAL ASSETS

REPORT NO. 10099-10-KC

RESULTS IN BRIEF

In its effort to assist the Government in strengthening homeland security since September 11, 2001, the Office of Inspector General (OIG) continues to review those activities of the United States Department of Agriculture (USDA) that could be vulnerable to terrorist attacks or could enable terrorists to mount attacks within this country. As part of this effort, we reviewed homeland security issues as they pertained to the USDA Natural Resources Conservation Service (NRCS) physical and personnel assets. The objectives of our review were to determine what NRCS physical and personnel assets were most at risk and identify those actions taken to reduce risks and needed to address the consequences of an incident.

Our review disclosed that the USDA NRCS has developed continuity of operations plans for critical facilities. However, NRCS has not yet developed or applied effective homeland security policies to ensure the adequate safeguarding of some assets, such as aerial photography, dams, plant cultivars, and firearms. In addition, NRCS has not performed the required background checks for some NRCS personnel and allows many types of volunteers, students, and partners access to their computer systems and data that may contain sensitive information without appropriate background checks. Agency officials have not adequately assessed whether sensitive information is being provided that might assist a terrorist or terrorist groups.

Also, NRCS carries out much of their work through sponsors; however, little or no strategic action plans have been cooperatively developed with these sponsors to protect and minimize the risk or damage on the agency funded assets that include dams that are now owned and maintained by sponsors. In addition, NRCS policy has not adequately addressed firearms being carried and transported by some NRCS staff. As a result of these conditions, the vulnerability of NRCS assets have neither been properly determined, nor adequately addressed.

KEY RECOMMENDATIONS

We recommend NRCS clarify policy and procedure to all levels of the agency that have access to buildings and computers and develop a plan of action that includes prioritizing and expediting background checks needed by position and location and tracking the status of each check. Further, we recommend that NRCS coordinate with Departmental offices to establish USDA policy on requests for aerial photographs and other potentially sensitive records. Also, we recommend that NRCS establish and distribute procedure to all staff on what information can be provided upon request. Furthermore, we recommend that NRCS staff develop an accurate listing of dams and coordinate with sponsors to determine whether hazard rating are correct; emergency action plans are adequate; and mitigate risks associated with NRCS assisted dams. In addition, NRCS should take steps to ensure plant materials are stored at national storage facilities and secure all firearms until authorities are obtained, inventory records are updated, and safety and training procedures are established.

NRCS RESPONSE

In its written response to the audit report, NRCS concurred with the findings and recommendations. The complete written response is shown in exhibit B. Specifically,

NRCS is working to clarify their background investigation policy for all employees, contractor, partners, and volunteers. NRCS is developing an action plan to identify who is in need of a background investigation and has started the process of gathering information for headquarters personnel. NRCS will establish policy and procedures on requests for aerial photographs and other potentially sensitive records in the possession of USDA agencies in coordination with the USDA Office of Homeland Security and the Office of Procurement and Property Management. NRCS will make an assessment of data to be removed from soil survey and establish and distribute procedures on what information can be provided upon request.

Also, NRCS will complete an update of the dam's inventory to add new dams, incorporate new data, record completed rehabilitation work, and improve overall accuracy. NRCS will amend the Management Action Plan initiated in 2000 to update the hazard classification on all project dams within 5 years to include an assessment of any existing emergency action plans. NRCS will work with State dam safety agencies and the association of State dam safety officials to encourage sponsors to develop these plans for high hazard dams.

In addition, NRCS will revise the policy within the National Plant Material Manual requiring that germplasm samples be maintained within the National Plant Germplasm System for all new conservation plants

released by NRCS. A database tool to evaluate status of plant materials preservation was designed and constructed in December 2002. Plant Materials staff and National Plant Germplasm System personnel are currently working together to define the most efficient procedure for submitting seed and plant germplasm samples for all remaining NRCS plant releases to the National Plant Germplasm System. NRCS has directed the Alaska State Conservationist and staff to stop using firearms and ammunition and instructed them to store the property in a locked secure location with limited access.

NRCS has also determined that firearms are the best means of protecting their employees; therefore, NRCS will pursue the authority to use firearms and ammunition while conducting official Government business. NRCS has drafted policy on firearms accountability, acquisition, use, disposal, safety, and training for personal protection from wild animals.

OIG POSITION

The agency response to the official draft report was considered adequate to accept management decision for Recommendations Nos. 1, 2, and 4 contained herein. The information needed to enable us to accept the management decisions for Recommendations Nos. 3 and 5 has been incorporated into the OIG Position sections of the report.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
RESULTS IN BRIEF	i
KEY RECOMMENDATIONS	ii
NRCS RESPONSE.....	ii
OIG POSITION	iii
TABLE OF CONTENTS.....	iv
INTRODUCTION.....	1
BACKGROUND	1
OBJECTIVES	3
SCOPE AND METHODOLOGY	3
FINDINGS AND RECOMMENDATIONS	5
CHAPTER 1	5
SECURITY OVER FEDERAL ASSETS NEEDS IMPROVEMENT	5
FINDING NO. 1.....	6
RECOMMENDATION NO. 1	8
FINDING NO. 2.....	9
RECOMMENDATION NO. 2	10
FINDING NO. 3.....	11
RECOMMENDATION NO. 3	13
FINDING NO. 4.....	14
RECOMMENDATION NO. 4	14
CHAPTER 2	16
APPROVAL NOT OBTAINED FOR FIREARMS	16
FINDING NO. 5.....	16
RECOMMENDATION NO. 5	17
EXHIBIT A – AUDIT SITE LOCATIONS	19
EXHIBIT B – NRCS RESPONSE	20
ABBREVIATIONS.....	26

INTRODUCTION

BACKGROUND

The President, through an Executive Order, dated October 8, 2001, established the Office of Homeland Security and named the Secretary of Agriculture as a member of the Homeland Security Council for all matters relating to agriculture. The Secretary, in turn, established a Departmental homeland security council to manage homeland security responsibilities within the United States Department of Agriculture (USDA). This council reflects the priorities outlined in the Presidential Directive, as they affect the USDA mission.

The events of September 11, 2001, and the subsequent anthrax attacks on Government and the media, have alerted the Department at all levels to the need for increased vigilance and the strongest possible defenses. As demonstrated by the terrorist attacks of September 11, 2001, the United States and other nations face increasingly diffused threats. Potential adversaries are more likely to strike vulnerable civilian and military targets in nontraditional ways to avoid direct confrontation with our military forces on the battlefield, to try to coerce our Government to take some action terrorists desire, or simply to make a statement.¹

The Natural Resources Conservation Service's (NRCS) mission is to provide leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment. NRCS has about 13,000 employees located in the National office, 6 Regional offices, 21 institutes and centers, 18 soil survey offices, 52 State offices, and field offices in most counties in the nation. They deliver technical assistance based on sound science and suited to customers' specific needs. Cost shares and financial incentives are available in some cases. Most work is done with local partners including conservation districts. NRCS has developed continuity of operations plans for critical facilities and has planned risk assessments to be conducted in 36 offices.

NRCS has provided technical and financial assistance to local sponsors for the development of water resource projects since the 1940's. NRCS assisted project sponsors to develop the original watershed plan and provided technical and financial assistance for implementation. Most of the flood control dams were constructed with 100 percent Federal funding

¹ General Accounting Office Testimony on Homeland Security – A Risk Management Approach Can Guide Preparedness Efforts, GAO-02-208T, page 3.

for design and construction. Local sponsors were responsible for operation and maintenance after construction.

When dams are designed and constructed, they are provided a hazard ranking. For example, a dam was originally built in 1949 as a low hazard dam. Since that time, downstream residential development has occurred that has resulted in the site being reclassified as a high hazard.

NRCS estimated there are about 26,000 dams built under NRCS-assisted programs and many more built under USDA-assisted programs. There are about 10,500 NRCS project dams built under Water Resources programs. The NRCS inventory of dams constructed under the Small Watershed Program shows about 1,300 dams are classified as high hazard and about 175 dams show their purpose as a water supply. This inventory also shows about 100 dams are both high hazard and used for water supply.

NRCS conducts research at 26 plant material centers cooperatively with State and Federal agencies, commercial businesses, and seed and nursery associations. The purpose of plant material centers is to provide native plants that can help solve natural resource problems. Scientists at the plant material centers seek out and test plants that show promise for meeting an identified conservation need. After species are proven, they are released to the private sector for commercial production.

In September 2002, the Secretary announced the Department's homeland security efforts.² The announcement stated that the Department had formed a USDA Homeland Security Council to develop a Departmentwide plan and to coordinate the homeland security efforts of all USDA agencies and offices. This included more focused efforts on three key areas (1) food supply and agricultural production, (2) USDA facilities, and (3) USDA staff and emergency preparedness. The announcement stated that USDA's efforts include:

- protecting U.S. borders from invasive pests and diseases;
- protecting the health of farm animals, crops, and natural resources, and ensuring successful rapid responses to animal and crop disease outbreaks and pest infestations;
- assuring a safe food supply;

² USDA Homeland Security Efforts published September 2002 and located on the USDA Internet web site.

- protecting and enhancing research and laboratory facilities;
- protecting other infrastructure, such as U.S. Forest Service aviation facilities;
- securing the Department's information technology;
- ensuring continuity of USDA operations; and
- launching an aggressive initiative to identify and protect USDA assets through audits and investigations.

OBJECTIVES

The objectives of the review were to: determine what NRCS physical and personnel assets were most in need of protection; perform a review of NRCS' assessment of vulnerabilities; determine what actions have been taken to reduce risks; and identify what strategies have been developed for managing the consequences of an incident.

SCOPE AND METHODOLOGY

To accomplish our objectives, we conducted a survey of homeland security issues specifically related to NRCS physical and personnel assets. Our review covered homeland security activities, operations, and plans for continuity of operations developed after September 11, 2001, and prior activities, when necessary, to meet our audit objectives. We did not include security of information technology, chemicals, radioactive materials, and biological agents in our review because these issues are covered under separate reviews. We performed the audit fieldwork from May 2002 through January 2003.

We conducted reviews at the NRCS National office in Washington, D.C., the Regional office in Beltsville, Maryland, and the Regional office and National Soil Survey Center []. We visited six National institutes and centers in [] two plant material centers []; and the State office []. In general, we interviewed program officials and reviewed the agency's homeland security plans and activities.

In addition, we interviewed representatives from the National Association of Conservation Districts and National Association of Resource Conservation and Development Councils. We selected partner organizations for visits based on referrals by NRCS. The purpose of these visits was to ascertain the potential impact of homeland security issues on NRCS partners. A complete list of the entities visited and their locations are provided in exhibit A.

We conducted the audit in accordance with Government Auditing Standards.

FINDINGS AND RECOMMENDATIONS

CHAPTER 1	SECURITY OVER FEDERAL ASSETS NEEDS IMPROVEMENT
------------------	---

The vulnerability of Federal assets to potential acts of destruction is now a national concern. In that regard, NRCS has not taken all appropriate actions to ensure the security of Federal assets within, or associated with, NRCS. This occurred because USDA and NRCS specifically had not applied emphasis toward identifying and establishing appropriate safeguards relative to agency assets prior to the events of September 11, 2001. Although agency officials have planned risk assessments at critical facilities and implemented continuity of operation plans to help ensure continued operations in an emergency, our survey identified several areas of continued vulnerability. The conditions include:

- NRCS has not obtained required security clearances on NRCS headquarters personnel or implemented adequate internal controls to ensure all required background checks are performed timely.
- Adequate policy and procedure has not been developed to redact sensitive information contained in aerial photography and shown in both online and hardcopy soil survey books.
- Dams built with NRCS funding, technical assistance, or designs have outdated hazard ratings and emergency action plans. Coordination with dam sponsors is needed to ensure adequate risk mitigation occurs.
- Plant materials developed at plant material centers are not always forwarded to National seed banks for long-term storage and to ensure a second source of the plant material in case of a disaster at a local facility.

As a result of these conditions, the vulnerability to NRCS assets are not minimized and are at a greater level of risk than necessary.

FINDING NO. 1
BACKGROUND CHECKS NOT
ALWAYS PERFORMED

NRCS had not obtained required background checks on many National headquarters (NHQ) office personnel, nor prioritized the order in accomplishing them. We also noted similar conditions in one State office. This occurred because of 1) oversight, 2) staffing difficulties in the Administrative Support Division, and

3) the lack of an adequate tracking system by human resources personnel to ensure that required background checks are obtained when NRCS personnel are first employed and then periodically updated. In addition, NRCS has conflicting interpretations of procedures involving volunteers, students, and partner employees who were not subject to background checks. As a result, the potential exists that personnel that possess undesirable characteristics could be, or have been, employed and may pose a threat.

NRCS National IRM Manual 270-V-NIRMM, part 502, (Third Edition, April 2001)³ states that background investigations and associated security clearances, if necessary, will be conducted on employees commensurate with their position sensitivity, position risk level, level of access, and need to know. At a minimum, NRCS will obtain National Agency Checks with Law and Credit (NACLC) on all employees. NACLC's and higher clearances require updating every 5 or 10 years depending on the level of access. Employees include both temporary and permanent NRCS employees, contractors, and personnel accessing NRCS computer systems with the privileges that would be afforded an NRCS employee performing in the same position. This latter category would include volunteers and employees of NRCS partners, such as conservation districts and other State and local agencies.

NRCS Administrative Support Division personnel disclosed that NACLC checks had not been performed, as required for all newly hired NHQ employees. Administrative Support Division personnel stated that official personnel folders would have to be examined for all NRCS NHQ employees to determine if NACLC documents were present and background checks had been performed. The NACLC consists of a basic National agency check (including fingerprint classification), a credit search over 7 prior years, and a search for violations of law over the last 5 years.

As of October 10, 2002, Administrative Support Division personnel had reviewed 112 of about 450 NHQ official personnel folders. They found

³ National IRM Manual 270-V-NIRMM, part 502, June 2002 contains the same requirements. Also, see Notice ITWG Security-003, dated March 13, 2002.

that 25 of the 112 did not contain any information regarding security checks. The lack of background information for employees may necessitate new background investigations on a significant number of NHQ personnel.

Administrative Support Division personnel stated that required background investigations of NHQ personnel may not have been performed as far back as 1985 and that fingerprinting equipment was not available at Headquarters to collect fingerprints. We were informed that staffing difficulties in the Administrative Support Division may have contributed to this oversight and that, when initially hired, employees were not always given the proper forms to complete, including Form SF-87, Fingerprint Chart for Federal Position.

The NRCS Human Resources Management Division (HRMD) acts as a clearinghouse for all NRCS background investigations. The Office of Personnel Management performs these reviews of NRCS personnel at the NHQ, Regional, and State office levels. However, the NRCS HRMD does not keep records or track this information to ensure that initial background checks are performed and that periodic renewals are scheduled at appropriate intervals.

NRCS HRMD personnel stated that volunteers and stay-in-school students are not considered employees and are not subject to background checks. They stated that only NRCS employees, with appointments of 90 days or longer, are required to have an NACLC background check. This interpretation conflicts with the written procedure issued by NRCS which states that "employees include permanent and temporary NRCS employees, contractors, and personnel accessing NRCS computer systems with the privileges that would be afforded an NRCS employee performing in the same position".

Also, we visited one State office to assess whether required background checks were performed. We found that personnel files contained insufficient documentation to support the performance of initial background checks in two of ten files reviewed. We also noted that six of these files were for employees who had been with the agency for over 10 years and none contained any documentation of a followup review. This office had a system in place to track and monitor the initial background checks; however, no system had been initiated to ensure completion of followup review at scheduled intervals. In addition, our review of their tracking system indicated that the initial background check was not always performed timely. We noted that up to 8 months passed

between the date an employee was hired and the date of the request for a background check.

RECOMMENDATION NO. 1

Clarify policy and procedure to all levels of the agency that staff that have access to buildings and computers, are to have background checks to establish security level clearances commensurate with their duties. Develop a plan of action that includes prioritizing background checks needed by position and location and timely obtaining and tracking the status of background checks for all identified staff. Expedite the required background investigations for personnel assigned to the NHQ office.

NRCS Response

NRCS is working with its Information Technology personnel to revise the Information Resources Management manual so that it may clarify NRCS policy on background investigations for all of NRCS' employees, contractors, partners, and volunteers. This will be completed by February 2004. NRCS is developing a plan of action for employees not assigned to NHQ. NRCS will identify who is in need of an investigation (a high level investigation, or a reinvestigation), and will prioritize them by the level needed. This will be completed by December 2003. NRCS has implemented a tracking system for all investigations that come through NHQ from the Office of Personnel Management (OPM). This will help to ensure that it is performing investigations on all new employees. In addition, they will be able to sort names by the date the investigation was performed, which will enable it to make sure reinvestigations are being conducted as needed. NRCS will be asking its State offices, regions, and centers/institutes to keep a log of all investigations forwarded to OPM and to send them to NHQ on a regular basis. NRCS can then compare these lists with new hire data to ensure all investigations are being conducted and compare them to its logs to ensure it is receiving all investigations back from OPM in a timely manner. This will be completed by November 2003. Finally NRCS has begun to gather information on NHQ personnel, who have yet to receive a background investigation. NRCS is expediting the NHQ investigations process. This will be completed by December 2003.

OIG Position

We accept the NRCS management decision.

FINDING NO. 2
**SENSITIVE INFORMATION MAY BE
RELEASED**

NRCS does not ensure that sensitive locations and information contained in aerial photography is adequately redacted from published soil surveys available in State and field offices or from data provided on NRCS internet web sites. This occurred, in part, because many of the published and online soil

surveys were prepared, printed, distributed, and provided through the internet and in hard copy prior to events occurring on September 11, 2001. Also, NRCS does not have adequate policy or procedures to determine what information is made available at field locations or on NRCS web sites that is sensitive and in need of protection. As a result, reasonable assurance cannot be provided that sensitive information will not be obtained and misused through NRCS sources.

NRCS officials at the National Cartographic and Geospatial Center stated that soil survey data disseminated to the general public on the internet contain the soil type polygon lines but did not contain the underlying aerial photography showing locations, such as sensitive military and civilian installations. However, our review of detailed survey maps accompanying online soil surveys showed that maps on some of these online soil surveys contain the same information as published soil surveys available at NRCS field offices. Of 3,250 soil survey areas, information on about 1,300 soil survey areas is available to the public through the internet on NRCS web sites. Published soil surveys are generally available through State and field offices.

For example, the published soil survey maps for two counties in one State contain aerial photographs, which show the location and many of the facilities at a sensitive location, with the name clearly marked on the soil survey maps. As a result, there is the potential that the availability of this information has contributed to increased risk to other Federal property and personnel. We also found that additional sensitive information that disclosed locations and specifics was also available on the NRCS web site. We concluded that sensitive locations were not adequately removed on NRCS internet sites and printed data could be provided by NRCS staff.

We found that another USDA agency (Farm Service Agency) had provided procedure for its Aerial Photography Field Office that describes the steps to be taken when a request for imagery is received and determined to be located in a sensitive Government facility area. This policy did not include steps for the field office staffs when requests are made at those locations. In addition, the Farm Service Agency indicated that the Office of Procurement and Property Management is in the process

of preparing a security policy for photographic imagery. OIG has been working with both the Department's Office of Homeland Security and Office of Procurement and Property Management to work jointly, and with the appropriate USDA agencies, to establish standardized Departmental procedures.

RECOMMENDATION NO. 2

Coordinate with the USDA Office of Homeland Security and the Office of Procurement and Property Management to establish the Departmental policy on requests for aerial photographs and other potentially sensitive records, in the possession of USDA agencies. Establish a task force to assess all current and future publications or information provided at field office locations and through the internet by all levels of the agency on detailed soil survey maps or similar data to identify and remove all sensitive information. Establish and distribute procedures to all staff detailing limitations of what information can be provided upon request at the field office locations and establish a protocol of review of data prior to posting to the internet and update these policies as directions are issued on a Departmental basis.

NRCS Response

NRCS will designate a liaison from the Soil Survey Division to coordinate with the USDA Office of Homeland Security and the Office of Procurement and Property Management to establish the Departmental policy on requests for aerial photographs and other potentially sensitive records in the possession of USDA agencies. This will be completed by August 15, 2003. NRCS will make an assessment of data to be removed from soil survey and designate a task force to assess the content and sensitivity of imagery and other information contained in soil survey reports for all formats available to the public. This will be completed by August 15, 2003. Finally, NRCS will establish and distribute procedures on what information can be provided upon request and develop soil survey policy and procedures for incorporation in the General Manual and the National Soil Survey Handbook relative to security issues for soil survey information and associated imagery that is made available to the public. This will be completed by September 30, 2003.

OIG Position

We accept the NRCS management decision.

FINDING NO. 3
COORDINATION WITH SPONSORS
IS NEEDED

Although NRCS had developed a plan of action, NRCS had not followed up with its sponsors to assess the current risks associated with dams built with NRCS funds and/or expertise. After the events of September 11, 2001, the changing environment requires a proactive assessment

of vulnerabilities that were previously not viewed as areas with national security implications. Specifically, we found that NRCS does not have an accurate listing of dams and many of the dams have not been analyzed to assess current hazard ratings or ensure emergency action plans are current and adequate for today's risks. Changes to population centers near many older dams and a new awareness of vulnerabilities in Federal and public assets necessitates an accurate inventory as well as a risk and vulnerability assessment. As a result, assurance that all reasonable steps have been taken to mitigate risks of loss of life or property cannot be provided.

Certain dams, built using NRCS technical assistance and/or funding and then released to sponsors for maintenance, have greater significance than others because of their potential for adversely affecting public safety. The public concern for safety of dams is often identified with the size of dam and reservoir. Because dams, even though small, initially may present no hazard in terms of loss of life, their degree of hazard can change as a result of downstream development. Because of this, and the need to manage an overall dam safety program, a national inventory of NRCS assisted dams is to be maintained and is required by the National Engineering Manual (210-V (NEM), Amend. 3, May 1982).

Dams constructed with NRCS participation receive a hazard classification. Dams are classified according to the potential hazard to life and property if the dam should suddenly breach or fail. Existing and future downstream development, including controls for future development, must be considered when classifying the dam. NRCS procedure does not currently require periodic review of the adequacy of emergency action plans but does require periodic inspections and assessment of hazard classification.

NRCS officials stated that NRCS maintains a master listing of about 10,500 project dams that were built under the Water Resources Program and that list was last updated in 1999. This listing contains about 75 fields of information that include basic dam information, as well as the hazard classification, and whether an emergency action plan has been developed. The classification of the dams determines whether they are

required to be included on the listing. Dams are included on the listing if they meet Federal Dam Safety Guidelines definition of a dam (high or significant hazard, low hazard with a height of 25 feet or more and storing at least 15 acre feet of water, or low hazard storing 50 acre feet or more of water and at least 6 feet high). Low hazard is defined in that their failure would only have the potential to damage farm buildings, agricultural land, or county roads. The listing shows that about 1,300 are classified as high hazard while about 175 show the purpose of the dam to be water supply. We also noted that about 100 dams are shown as both high hazard and used for water supply.

We selected one State [] to allow comparison of the NRCS master listing of dams that were located in that State to those shown on the National Inventory of Dams (NID) database maintained by the U.S. Army Corp of Engineers. This State was selected [] [] which facilitated our comparisons. The NID database, which lists more than 75,000 dams, was used for analysis purposes only and is not represented by Office of Inspector General (OIG) to be an accurate listing. We found that four dams [] on the National Inventory of Dams were not included on the NRCS master listing.

NRCS officials concurred that some dams were erroneously excluded from their listing.

We also reviewed the NID and the NRCS listing of dams to identify an example of a high hazard dam with no emergency action plan. NRCS participated in the funding, construction, and inspection of one earthen dam. This dam was included on both the listings and carries a high hazard classification, which means that the dam is located near a significant population center. The dam is about 1,800 feet long and 91 feet high. It was completed in [] for water supply, storm water management, and flood control. The sponsor for this dam was a city in one State.

The NID indicated that there is no emergency action plan for this dam. NRCS personnel confirmed that no emergency action plan was developed. In addition, NRCS officials indicated that, unlike most States, the State where this dam was located [] [] [] NRCS has implemented a dam safety policy since the construction of this dam that requires an emergency action plan be prepared before construction is started on new high hazard dams. However, NRCS does not have procedure or policy in place to revisit dam classifications or determine that current emergency action plans are in place. NRCS also added that existence of a State dam safety agency

does not assure there are local regulations requiring an emergency action plan, and many State dam safety agencies do not have legal authority to require an emergency action plan.

NRCS staff indicated that they do have an ongoing effort to update the hazard potential classification of all NRCS-assisted project dams by 2005 and this process could be enhanced or revised to facilitate the additional information on emergency action plans and risk mitigation.

RECOMMENDATION NO. 3

Develop an accurate listing of dams constructed with NRCS technical assistance or funding. Develop procedure and implement an action plan to prioritize and coordinate with

all sponsors to assess whether hazard ratings are accurate, emergency action plans are drafted or updated, and assess the plans to determine whether adequate risk mitigation is undertaken, where possible. Immediately work with affected sponsors for those identified as high hazard to mitigate vulnerabilities.

NRCS Response

NRCS will complete an update of the dam's inventory to add new dams, incorporate new data, record completed rehabilitation work, and improve overall accuracy by January 2005. NRCS will amend the Management Action Plan initiated in 2000 to update the hazard classification of all project dams within 5 years to include an assessment of any existing Emergency Action Plans (EAP) and complete the work by December 2005. NRCS will work with State dam safety agencies and the association of State dam safety officials to encourage sponsors to develop EAP's for high hazard dams and contact every sponsor by December 2004. NRCS will assist sponsors who request technical assistance to develop needed breach analysis and inundation area mapping resources permit.

OIG Position

We are not able to accept the management decision for this recommendation due to the elapsed time needed to update the dam inventory and update hazard classifications. In order to accept the management decision, we need to be advised of proposed interim measure(s) NRCS will use prior to 2005 to ensure high hazard dams are appropriately protected from intentional/unintentional harm.

FINDING NO. 4
PLANT MATERIAL PRESERVATION
NOT ASSURED

Plant material center (PMC) personnel do not always send plant cultivars to National seed banks to ensure availability in case disasters occur at, or near, individual PMC's. This occurred because NRCS procedures⁴ suggest, but do not require, the transfer of the plant cultivars. Procedure also does not

specifically address when cultivars should be preserved, how and where it should be sent, and verification that the storage facility received the material. As a result, assurance cannot be provided that plant materials developed with NRCS funding are adequately protected for future use.

PMC's are to assemble, evaluate, release, and distribute new or improved plant materials needed for broad programs of resource conservation and other environmental needs. The emphasis of the plant materials work is to find suitable plants for erosion control adapted to soil and site conditions where vegetation is difficult to establish.

Preservation of plant cultivars (germplasm) is a critical aspect of PMC operations, and it is essential when making releases and/or maintaining foundation and breeder seed. The policy for preserving germplasm is presented in section 540.74(g) of the National Plant Materials Manual, Third Edition, June 2000. Germplasm is defined as the genetic material that determines the morphological and physiological characteristics of a species.

We visited two facilities and found that one did not forward plant cultivars to a national storage facility. The staff indicated that they were unaware of any requirement to forward plant materials to a storage facility. NRCS National office officials agreed that not all PMC facilities are forwarding plant cultivars to appropriate storage facilities, based on their visits to local facilities.

RECOMMENDATION NO. 4

Revise procedure to specifically require transfer of plant cultivar releases to national storage facilities. Include appropriate details as to what, how, when, and where cultivars

are to be sent for protection. Procedure should also provide for periodic review of inventories to ensure that the preservation of prior releases has occurred.

⁴ The National Plant Materials Center Manual, Third Edition, June, 2000, states that "Plant accessions and plant releases should be preserved as much as possible for future use in the plant materials program and by other interested parties".

NRCS Response

NRCS will make revisions to policy within the National Plant Material Manual (NPMM) from June 2000, requiring that germplasm samples be maintained within the National Plant Germplasm System (NPGS) for all new conservation plants released by NRCS. Policy will also be revised to include procedures for inventorying conservation plants within the NPGS collection to ensure that they are still being preserved. Revisions will be incorporated into the NPMM by October 2004. A directive will be issued during 2003 and updated as necessary to define preservation requirements until such time as they are formally incorporated into the NPMM. NRCS designed and constructed a database tool to evaluate status of plant materials preservation in December 2002. In January 2003, all 550 plus NRCS plant releases were inventoried through the Germplasm Resources Information Network database (GRIN) and the status of preservation recorded within the Plant Materials database. Approximately 66 percent of NRCS plant releases currently have records in GRIN while 46 percent of the releases are available to researchers. The majority of the plant releases, which are not in NPGS, were released after 1990. Finally, Plant Materials is currently working with NPGS to define the most efficient procedure for submitting seed and plant germplasm samples for all remaining NRCS plant releases to the NPGS system. The majority of germplasm (estimated at >95 percent storage) will be submitted to NPGS by March 2004. The relatively long period is necessary as some vegetative germplasm may not be suitable for shipping until it is dormant this winter.

On September 11, 2003, NRCS provided additional information regarding long-term storage of seed. NRCS has indicated that the Plant Materials Program sets the following goals in response to Recommendation No. 4 of the report: (1) by September 2004, 80 percent of plant materials releases will be entered into NPGS GRIN; and (2) by September 2005, 95 percent of active plant materials releases will be entered into NPGS GRIN. NRCS also added that obscure old varieties and early informal NRCS releases that have NOT been used in many years (e.g., 40 plus years) and for which seed or plant materials are no longer available will be removed from the program because discontinued releases of this type have only historical interest for archival purposes.

OIG Position

We accept the NRCS management decision.

FINDING NO. 5
UNAUTHORIZED FIREARMS AND
AMMUNITION

NRCS staff in one State used and transported firearms and ammunition for personal protection during field operations without proper authorization. This occurred because NRCS personnel did not provide adequate oversight, take appropriate actions to obtain authorizations, develop procedures, or ensure

that these sensitive items were properly accounted for. As a result, NRCS employees and customers are at risk when employees carry firearms and ammunition without agency approval and assurance that they are properly trained to safely carry, store, and use them.

USDA Employee Responsibilities and Conduct, Personnel Bulletin 735-1, Subpart B, 735-212 a (27), prohibits the possession of firearms or other dangerous weapons in a Federal facility and cites section 930, of Title 18, of the United States Code. It is the position of the Office of the General Counsel (OGC) that unless an agency has statutory authority for its employees to possess, carry, and use firearms in the course of their duties, the employees of that agency may not possess, carry, or use firearms as part of their official duties.

We interviewed National office personnel and were informed that they were aware that personnel, in at least one State, possessed and used firearms for personal security from wild animals in primarily remote locations. We were informed that the firearms were apparently purchased by NRCS; however, a purchase date had not been determined and was being researched with the manufacturer. These firearms and ammunition were not tracked in the property system and an OGC opinion had indicated that NRCS personnel do not have the authority to possess or use firearms and ammunition.

NRCS sent a letter, dated July 29, 2002, to one State Conservationist requiring that; "you shall cease the use of all firearms immediately. All firearms and ammunition currently in your possession shall be inventoried and documented in writing. This equipment should be securely locked with limited access to prevent further use, until authorization is obtained." NRCS officials stated the firearms and ammunition are securely locked in a cabinet and will remain so until authorization is obtained.

A National Bulletin, dated October 7, 2002, was issued requiring all States to report the possession or use of any firearms or ammunition. This bulletin also required negative responses. Responses were due back to the NRCS Management Services Division by December 2, 2002. In June 2003, NRCS staff stated that all other States indicated in their response that they did not possess or use firearms.

NRCS staff indicated they are now working to obtain required authorizations for the use of firearms for personal protection. We also identified that the Forest Service has provided procedures for carrying firearms for bear protection. These procedures address firearm use, training, certification, transportation, and storage.

RECOMMENDATION NO. 5

Immediately notify all NRCS staff that carrying or transporting firearms during official Government business is not allowed and all firearms are to be secured until further notice.

Ascertain and record the location and type of all firearms purchased with agency funds, and ensure tracking and accountability records are prepared, as required. Seek Departmental guidance, appropriate authorities, and develop adequate procedure prior to allowing firearms for protection. In the interim, identify alternative methods of protection for staff safety.

NRCS Response

NRCS directed the Alaska State Conservationist and staff to stop using firearms and ammunition and was instructed to store the property in a locked secure location with limited access. A copy of the correspondence relaying this information was provided to OIG at a meeting held on October 2, 2002, with the Director, Management Services Division, in Beltsville, Maryland. Firearms purchased with agency funds in the Alaska State office were entered into PROP on September 7, 2002. Property decals were obtained and employees were advised to tag all firearms. An inventory was completed on September 23, 2002. In addition, all NRCS employees were surveyed to determine if firearms and ammunition were being used and/or stored at other NRCS locations. Negative responses were provided to OIG on May 2, 2003. Public Law 108-7, dated February 20, 2003, Section 1, Division A, Title VII, Section 753, provides authority to permit USDA employees to carry and use firearms for personal protection while conducting work in remote locations in performance of official duties. NRCS drafted policy on firearms accountability, acquisition, use, disposal, safety, and training for personal protection from wild animals on June 13, 2003. NRCS will seek a

delegation of authority from the Secretary of Agriculture to NRCS consistent with Public Law 108-7, by November 1, 2003. After gaining this authority, NRCS will finalize policy and procedures by January 15, 2004. The Personal Property Manager, Management Services Division, and NHQ worked with the Washington State office and NRCS Safety and Occupational Health Manager to develop a list of alternative safety precautions to be used by Alaska employees in lieu of firearms. The alternatives were insufficient to adequately protect Government employees. It was determined that the Agency needed to pursue the authority to use firearms and ammunition while conducting official Government business in field locations.

OIG Position

Based on the information contained in the response, we are unable to accept the management decision for this recommendation. NRCS has opted to pursue delegation of authority from the Secretary of Agriculture to use firearms and ammunition while conducting Government business in field locations. NRCS estimated that approval of this authority may be shortly forthcoming. Nonetheless, we believe that NRCS needs to issue interim guidance to its employees while awaiting approval of this authority. Therefore, in order to accept the management decision, we need to be advised of NRCS' interim guidance to its employees.

EXHIBIT A – AUDIT SITE LOCATIONS

Site Name

Location(s) - 15

National Office

Washington, DC

Regional Offices

Beltsville, MD, and

[

]

Partner Organizations

National Association of Resource Conservation
and Development Councils

Washington, DC

National Association of Conservation Districts

Washington, DC

EXHIBIT B – NRCS RESPONSE


United States Department of Agriculture	
	
Natural Resources Conservation Service P.O. Box 2890 Washington, D.C. 20013	
<hr/>	
SUBJECT:	MGT – Audit (NRCS Protection of Federal Assets) 10099-10KC AUG 15 2003
TO:	Richard D. Long Assistant Inspector General for Audit
<p>Below is our response to the five recommendations of Audit Report No. 10099-10KC ((Natural Resources Conservation Service (NRCS) Assets)).</p> <p>Our responses include specific corrective actions taken or planned and the projected completion date for each of the recommendation. Our responses also include corrections to Finding 3.</p>	
1. Background Checks Not Always Performed.	
a. <u>Office of the Inspector General (OIG) Recommendations</u>	
(1) Clarify policy and procedure to all levels of the Agency whose staff have access to buildings and computers and conduct background checks to establish security level clearances commensurate with their duties.	
(2) Develop a plan of action that includes prioritizing background checks needed by position and location. This includes obtaining and tracking the status of background checks for all identified staff in a timely manner.	
(3) Expedite the required background investigations for personnel assigned to the National Headquarters (NHQ) office.	
b. <u>NRCS Response</u>	
(1) Clarify Policy Procedures.	
We are working with our Information Technology (IT) personnel to revise the Information Resources Management (IRM) manual so that we may clarify our policy on background investigations for all of our employees, contractors, partners, and volunteers. This will be completed by February 2004.	
(2) Develop Action Plan.	
We are developing a plan of action for employees not assigned to NHQ. We will identify who is in need of an investigation (a high level investigation, or a reinvestigation), and will prioritize them by the level needed. This will be completed by December 2003.	

EXHIBIT B – AGENCY RESPONSE

2

We have implemented a tracking system for all investigations that come through NHQ from the Office of Personnel Management (OPM). This will help to ensure that we are performing investigations on all new employees. In addition, we will be able to sort names by the date the investigation was performed, which will enable us to make sure reinvestigations are being conducted as needed.

Finally, we will be asking our States, Regions, and Centers/Institutes to keep a log of all investigations forwarded to Office of Personnel Management (OPM) and to send them to NHQ on a regular basis. We can then compare these lists with new hire data to ensure all investigations are being conducted and compare them to our logs to ensure we are receiving all investigations back from OPM in a timely manner. This will be completed by November 2003.

(3) Expedite NHQ Required Investigation.

We have begun to gather information on NHQ personnel, who have yet to receive background investigation. We are expediting the NHQ investigations process. This will be completed by December 2003.

2. Sensitive Information May Be Released.

a. OIG's Recommendation

- (1) Coordinate with the USDA Office of Homeland Security and the Office of Procurement and Property Management to establish the Departmental policy on requests for aerial photographs and other potentially sensitive records, in the possession of USDA agencies.
- (2) Establish a task force to assess all current and future publications or information provided at field office locations and through the Internet by all levels of the Agency on detailed soil survey maps or similar data to identify and remove all sensitive information.
- (3) Establish and distribute procedures to all staff detailing limitations of what information can be provided upon request at the field office locations and establish a protocol of review of data prior to posting to the Internet and update these policies as directions are issued on a Departmental basis.

b. NRCS Response

- (1) Coordinate development of policy with USDA.
NRCS will designate a liaison from the Soil Survey Division to coordinate with the USDA Office of Homeland Security and the Office of Procurement and Property Management to establish the Departmental policy on requests for aerial photographs and other potentially sensitive records in the possession of USDA agencies. This will be completed by August 15, 2003.

EXHIBIT B – AGENCY RESPONSE

3

- (2) Make an assessment of data to be removed from soil survey. Designate a task force to assess the content and sensitivity of imagery and other information contained in soil survey reports for all formats available to the public. This will be completed by August 15, 2003.
- (3) Establish and distribute procedures on what information can be provided upon request. Develop soil survey policy and procedures for incorporation in the General Manual and the National Soil Survey Handbook relative to security issues for soil survey information and associated imagery that is made available to the public. This will be completed by September 30, 2003.

3. Coordination with Sponsors is Needed.

a. OIG Recommendation

- (1) Develop an accurate listing of dams constructed with NRCS assistance.
- (2) Develop procedure and implement an action plan to prioritize and coordinate with all sponsors to assess whether hazard ratings are accurate, emergency action plans are drafted or updated, and assess the plans to determine whether adequate risk mitigation is undertaken, where possible.
- (3) Immediately work with affected sponsors for those identified as high hazard to mitigate vulnerabilities.

b. NRCS Response

- (1) Develop an accurate list of dams constructed with NRCS assistance.

NRCS will complete an update of the dam's inventory to add new dams, incorporate new data, record completed rehabilitation work, and improve overall accuracy by January 2005.

- (2) Develop procedures and implement an action plan to prioritize and coordinate with all sponsors to assess whether hazard ratings are accurate, emergency action plans are drafted or updated, and assess the plans to determine whether adequate risk mitigation is undertaken, where possible.

NRCS will amend the Management Action Plan initiated in 2000 to update the hazard classification of all project dams within 5 years to include an assessment of any existing EAPs and complete the work by December 2005.

- (3) Immediately work with affected sponsors for those identified as high hazard to mitigate vulnerabilities.

EXHIBIT B – AGENCY RESPONSE

4

NRCS will work with State Dam Safety agencies and the Association of State Dam Safety Officials (ASDSO) to encourage sponsors to develop EAP's for high hazard dams and contact every sponsor by December 2004. NRCS will assist sponsors who request technical assistance to develop needed breach analysis and inundation area mapping resources permit.

4. Plant Material Preservation Not Assured OIG Recommendation.

a. OIG Recommendation

Revise procedure to specifically require transfer of plant cultivar releases to national storage facilities. Include appropriate details as to what, how, when, and where cultivars are to be sent for protection. Procedure should also provide for periodic review of inventories to ensure that the preservation of prior releases has occurred.

b. NRCS Response

Revisions will be made to policy within the National Plant Material Manual (NPPM) from June 2000, requiring that germplasm samples be maintained within the National Plant Germplasm System, (NPGS) for all new conservation plants released by NRCS. Policy will also be revised to include procedures for inventorying conservation plants within the NPGS collection to ensure that they are still being preserved. Revisions will be incorporated into the NPPM by October 2004. A directive will be issued during 2003 and updated as necessary to define preservation requirements until such time as they are formally incorporated into the NPPM.

- (1) A database tool to evaluate status of plant materials preservation was designed and constructed in December 2002. In January 2003, all 550 plus NRCS plant releases were inventoried through the Germplasm Resources Information Network database (GRIN) and the status of preservation recorded within the Plant Materials database. Approximately 66 percent of NRCS plant releases currently have records in GRIN while 46 percent of the releases are available to researchers. The majority of the plant releases which are not in NPGS were released after 1990.
- (2) Plant Materials is currently working with National Plant Germplasm System (NPGS) to define the most efficient procedure for submitting seed and plant germplasm samples for all remaining NRCS plant releases to the NPGS system. The majority of germplasm (estimated at >95 percent storage) will be submitted to NPGS by March 2004. The relatively long time period is necessary as some vegetative germplasm may not be suitable for shipping until it is dormant this winter.

EXHIBIT B – AGENCY RESPONSE

5

5. Unauthorized Firearms and Ammunition.

a. OIG Recommendation

- (1) Immediately notify all NRCS staff that carrying or transporting firearms during official Government business is not allowed and all firearms are to be secured until further notice.
- (2) Ascertain and record the location and type of all firearms purchased with Agency funds and ensure tracking and accountability records are prepared as required.
- (3) Seek Departmental guidance, appropriate authorities, and develop adequate procedures prior to allowing firearms for protection.
- (4) In the interim, identify alternative methods of protection for staff safety.

c. NRCS Response

- (1) Immediately notify all NRCS staff that carrying or transporting firearms during official Government business is not allowed and all firearms are to be secured until further notice.

The Alaska State Conservationist and staff were directed to stop using firearms and ammunition and was instructed to store the property in a locked secure location with limited access. A copy of the correspondence relaying this information was provided to you at a meeting held on October 2, 2002, with the Director, Management Services Division, in Beltsville, Maryland.

- (2) Ascertain and record the location and type of all firearms purchased with Agency funds and ensure tracking and accountability records are prepared as required.

Firearm purchased with Agency funds in the Alaska State office were entered into PROP on September 7, 2002. Property decals were obtained and employees were advised to tag all firearms. An inventory was completed on September 23, 2002. In addition, all NRCS employees were surveyed to determine if firearms and ammunition were being used and/or stored at other NRCS locations. Negative responses were provided to you on May 2, 2003.

- (3) Seek Departmental guidance, appropriate authorities, and developed adequate procedures prior to allowing firearms for protection.

Public Law 108-7, dated February 20, 2003, Section 1, Division A, Title VII, Section 753, provides authority to permit USDA employees to carry and use firearms for personal protection while conducting work in remote locations in performance of official duties. NRCS drafted policy on firearms accountability, acquisition, use, disposal, safety, and training for personal protection from wild

EXHIBIT B – AGENCY RESPONSE

6

animals on June 13, 2003. NRCS will seek a delegation of authority from the Secretary of Agriculture to the NRCS consistent with Public Law 108-7, by November 1, 2003. After gaining this authority, NRCS will finalize policy and procedures by January 15, 2004.

- (4) While authority is being obtained, identify alternative methods of protection for staff safety.

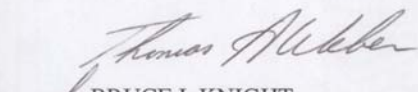
The Personal Property Manager, Management Services Division, and NHQ worked with the Washington State office and NRCS Safety and Occupational Health Manager to develop a list of alternative safety precautions to be used by Alaska employees in lieu of firearms. The alternatives were insufficient to adequately protect government employees. It was determined that the Agency needed to pursue the authority to use firearms and ammunition while conducting official Government business in field locations.

6. Additional responses

There are still some basic incorrect statements in the report that were noted during the exit conference. They are as follows:

- (1) Page two, paragraph three. There are about 26,000 dams built under NRCS-assisted programs, and many more built under USDA-assisted programs. There are about 10,500 NRCS project dams built under Water Resources programs.
- (2) Page nine, paragraph three. Current and former policy in the National Operation and Maintenance Manual requires periodic inspections and assessment of hazard classification.
- (3) Page nine, paragraph four. There are about 10,500 dams built under the Water Resources programs, as noted previously.
- (4) Page nine, paragraph four. Dams are included on the listing if they meet the Federal Dam Safety Guidelines definition of a dam, i.e., high or significant hazard, low hazard with a height of 25 feet or more and storing at least 15 acre feet of water, or low hazard storing 50 acre feet or more of water and at least 6 feet high. Low hazard dams are definitely not excluded from our listing and actually comprise about 8,400 of the 10,500 dams.
- (5) Page ten, paragraph four. Existence of a State dam safety agency does not assure there are local regulations requiring an EAP. Many State dam safety agencies do not have legal authority to require an EAP.

If you have questions or need further assistance, please contact Carlos F. Henning, Director, Resource Assessment Division at (202) 690-2621, or carlos.henning@usda.gov.


BRUCE I. KNIGHT
Chief

ABBREVIATIONS

EAP	-	Emergency Action Plans
GRIN	-	Germplasm Resources Information Network
HRMD	-	Human Resources Management Division
NACLC	-	National Agency Check with Law and Credit
NHQ	-	National Headquarters
NID	-	National Inventory of Dams
NPGS	-	National Plant Germplasm System
NPMM	-	National Plant Material Manual
NRCS	-	Natural Resources Conservation Service
OGC	-	Office of the General Counsel
OIG	-	Office of Inspector General
OPM	-	Office of Personnel Management
PMC	-	Plant Material Center
USDA	-	United States Department of Agriculture