

GAO

Report to the Honorable
James A. McClure, U.S. Senate

December 1990

MINERAL REVENUES

Funding for the Idaho Initiative Project



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United States
General Accounting Office
Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-242170

December 19, 1990

The Honorable James A. McClure
United States Senate

Dear Senator McClure:

This report responds to your request that we trace fiscal year 1989 expenditures for certain mineral resource assessment studies, known as the Idaho Initiative, by the Department of the Interior's U.S. Geological Survey (USGS). USGS routinely conducts mineral resource assessments to determine the potential for discovering minerals in the United States. The USGS fiscal year 1989 appropriation included \$24.5 million for mineral resource assessment studies, of which \$1.5 million was to be used for the first year of a \$4.5 million, 3-year effort to conduct studies of roadless and undeveloped federal lands in Idaho. Because \$500,000 of the \$1.5 million was to be used by the state of Idaho's Geological Survey, we limited the scope of our work to the \$1 million to be spent by USGS for the Idaho Initiative.

Accounting for Idaho Initiative Funds

The Office of Mineral Resources within USGS' Geologic Division conducts a National Mineral Resource Assessment Program to identify areas having significant mineral potential. The office allocates funds appropriated for mineral resource assessments to its various branches on the basis of approved study plans. Because the appropriations act language did not require USGS to do otherwise, Idaho Initiative expenditures were not accounted for separately from other mineral resource assessment funds. Accordingly, we could not readily identify how all the funds intended for the Idaho Initiative were spent. We found, however, that USGS developed study plans for spending these funds to conduct mineral resource assessments in Idaho, allocated these funds on the basis of these study plans, and issued or participated in producing several reports on work done under the plans indicating that the approved study plans were being implemented.

An Office of Mineral Resources official coordinated the planning of Idaho Initiative studies and gathered study proposals from the Office's branches. After deducting \$250,000 of the Idaho Initiative funding for overhead expenses in accordance with USGS policy, the remaining \$750,000 was allocated among Office of Mineral Resources branches along with other mineral resource assessment funds. When staff performed work relating to the Idaho Initiative, they charged their time and

expenses to branch accounts set up for such things as technical support and scientific studies.

Because Idaho Initiative funds were not accounted for separately, reconstructing how USGS spent the \$1 million intended for the Idaho Initiative would be time-consuming and costly, resulting in, at best, only a rough estimate. Such an effort would require that all Office of Mineral Resources personnel be interviewed to estimate and document that portion of their work specifically related to the Idaho Initiative. Travel vouchers, time and attendance records, logs, notes, and documents produced could only provide an estimate of the work done on the Idaho Initiative, and would still not provide an accurate accounting for the funds.

Scope and Methodology

To attempt to trace the expenditure of funds for the Idaho Initiative, we interviewed USGS headquarters and field office officials. We also reviewed legislative and agency documents relating to the Idaho Initiative, as well as USGS Office of Mineral Resources accounting documents. Because funds for the Idaho Initiative were not separately accounted for, and attempting to reconstruct specifically how these funds were spent would, at best, only result in a rough estimate, we did not perform such work, as agreed with your office. We conducted our review from July to August 1990 in accordance with generally accepted government auditing standards.

As requested, we did not obtain formal agency comments on this report. However, we discussed the report's contents with USGS headquarters officials, who concurred in the facts presented.

Unless you publicly announce the contents of the report earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to interested parties and make copies available to others upon request.

Please contact me at (202) 275-7756 if you or any of your staff have any questions concerning this report. Major contributors to this report are listed in appendix I.

Sincerely yours,

A handwritten signature in black ink that reads "James Duffus III". The signature is written in a cursive style with a horizontal line at the end.

James Duffus III
Director, Natural Resources
Management Issues

Major Contributors to This Report

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