



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

**FOREST SERVICE
SOUTHERN CALIFORNIA STRATEGY
CONSERVATION GROUP**



Report No.
08003-8-SF
April 2003



UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF INSPECTOR GENERAL
Western Region - Audit
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DATE: April 1, 2003

REPLY TO
ATTN. OF: 08003-8-SF

TO: Jack A. Blackwell
Regional Forester
Pacific Southwest Region
Forest Service

THRU: Kerry Ellison
Audit Liaison

SUBJECT: Forest Service's Southern California Conservation Strategy Group

This report presents the results of our audit of a whistleblower complaint alleging certain improper actions in the administration of a contract in the Cleveland National Forest. The objective of our audit was to evaluate the validity of the allegations. The audit was conducted in accordance with generally accepted government auditing standards.

On September 11, 2002, the Office of Inspector General received a hotline complaint alleging that the Southern California Conservation Strategy Group (SCCSG), and Jones and Stokes, Inc. (contractor), a natural resources consulting firm, engaged in fraudulent and illegal contracting practices. Specifically, the complaint alleged that the: (1) SCCSG awarded a contract without competitive bidding, (2) contractor did not use original research to fulfill the terms of the contract and (3) work product provided by the contractor was of poor quality and incomplete.

BACKGROUND: SCCSG is a long-term effort shared by the Angeles, San Bernardino, Cleveland, and Los Padres National Forests to promote ecosystem health and protect species while allowing for recreation and other activities on National Forests. One mission of the SCCSG is to revise the Forest Plans of these forests. There have not been any significant amendments or revisions made to the Forest Plans, but issues and scientific information common to all four forests necessitated a coordinated effort. For this reason, the managers of the four southern California National Forests decided to produce a single revised Forest Plan.

To revise the Forest Plan, the Forest Service took steps to update the Mountain Foothill Assessment (MFA) that was completed in December 1999. The MFA was a large-scale study that identified habitats in the southern California National Forests that required immediate attention in order to ensure that threatened or endangered fish, wildlife, and plants were protected.

In July 2001, the SCCSG solicited proposals to update the MFA from five natural resource contractors. Two of the contractors responded with bids. The contract was awarded to Jones and Stokes, Inc. The contract required the contractor to review all data on the various species and habitats and update the status and distribution of these species. The update required an assessment of 472 species and 17 habitats. As of November 19, 2002, the contractor had completed studies on 364 of the 472 species and 16 of the 17 habitats at a cost of \$836,000.

AUDIT METHODOLOGY: We reviewed Federal Acquisition Regulations, SCCSG's proposal, contract specifications, and the contractor's on-going work product. We also interviewed the end-users of the contractor's work product, current SCCSG managers and staff, contracting officers at the regional and province offices, one contractor who elected not to bid on the proposal and the unsuccessful bidder.

CONCLUSIONS: We found nothing to support the validity of the allegations. Our review disclosed that: (1) the solicitation was competitive, (2) the contractor was required to update a document using existing research, not original research, and (3) the end-users of the product were satisfied with the work that the contractor performed. Following are the three allegations and the relevant facts related to each that caused us to conclude that the allegations were unfounded:

- SCCSG awarded a contract without competitive bidding: SCCSG mailed solicitations for proposals to update the MFA to five natural resource contractors, but only two of them responded with bids. We interviewed one of the contractors who had not responded to determine why. He said he had received the proposal package from SCCSG, but had decided not to make a bid on the proposal. He further stated that SCCSG had contacted him to determine if he had received the solicitation and why he had not submitted a bid. We also interviewed the project manager from the unsuccessful bidder to determine if he had concerns with the Forest Service's solicitation process. He said that he had no concerns about the process. In addition, he stated that SCCSG notified him that it had selected another contractor and informed him of the criteria that had been used in making that decision.

- Original research was not used to fulfill the terms of the contract: We reviewed the description of the work in the proposal and interviewed individuals that were involved with the preparation of the contract specifications. The proposal required the MFA to be updated using data from published research. Our review noted that the contract had the same provisions. Nothing in the proposal or the contracts' specifications required the contractor to use original research.

- The work provided by the contractor was of poor quality and incomplete: We discussed with the project's end-users and the staff preparing the southern California Forest Plan, their perspective on the usefulness of the contractor's updates to the MFA. The SCCSG and a biologist from the Pacific Southwest Research Station stated they are using the updates to the MFA and consider them beneficial in completing the Forest Plan.

In summary, nothing came to our attention during the audit to support the validity of the whistleblower's allegations.

On January 29, 2003, we provided a copy of the draft report to your office. On February 26, 2003, we were informed by the audit liaison that the region concurred with the information contained in the report. We are making no recommendations and will close this audit number upon issuance of this report.

We appreciate the cooperation and courtesies of your staff during this audit.

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SAM W. CURRIE
Regional Inspector General
for Audit