



Highlights of [GAO-09-611](#), a report to the Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations, House of Representatives

## Why GAO Did This Study

The Bureau of Land Management (BLM) in the Department of the Interior (Interior) and the Forest Service in the Department of Agriculture (USDA) manage millions of acres of public land. To enhance land management and fulfill other public objectives, they acquire and dispose of land using exchanges—trading federal lands for lands owned by willing private entities, individuals, or state or local governments. GAO and others have raised concerns about whether the public interest has always been served in these land exchanges.

GAO was asked to (1) analyze the number, trends, and characteristics of BLM and Forest Service land exchanges and (2) determine the effectiveness of agency actions to address previously identified key problems. GAO interviewed and surveyed agency officials, analyzed agency data on recent exchanges, and reviewed documents on a nongeneralizable sample of 31 land exchanges representing at least 85 percent of the acres that agencies acquired, or plan to acquire, during the time of GAO's review.

## What GAO Recommends

GAO is making recommendations to, among other things, strengthen agencies' oversight of the land exchange process, realty staff training, planning for exchanges, and tracking of their costs. Forest Service generally agreed with GAO's recommendations. Interior did not comment on the recommendations.

View [GAO-09-611](#) or [key components](#). For more information, contact Robin M. Nazzaro at (202) 512-3841 or [nazzaror@gao.gov](mailto:nazzaror@gao.gov).

## FEDERAL LAND MANAGEMENT

### BLM and the Forest Service Have Improved Oversight of the Land Exchange Process, but Additional Actions Are Needed

#### What GAO Found

From October 2004 through June 2008, BLM and the Forest Service processed 250 completed, pending, or terminated land exchanges. Completion times for exchanges within this period varied widely, from 2 months to more than 12 years. These exchanges involved 628,429 federal acres and 621,588 nonfederal acres. According to agency officials, the number of exchanges since 2000 has generally declined because of the availability of qualified staff and funding and the lower priority given to land exchanges compared with other activities. Of the 250 land exchanges, 47 were facilitated by third parties, 9 were conducted in multiple phases, and 20 were specifically legislated by Congress.

GAO, the agencies' inspectors general, and others identified problems in the agencies' land exchange programs and have made recommendations to correct them. The agencies have taken actions to address most of these problems, but the effectiveness of the actions has been mixed. Specifically:

- According to most agency officials surveyed, headquarters reviews at least somewhat improved exchange quality; often ensured that exchanges complied with laws, regulations, and policies; and were processed properly. However, the reviews did not always document problems or indicate their resolution, making the process less transparent.
- BLM stopped using interest-bearing accounts outside of the U.S. Treasury, according to agency officials, and issued new guidance on managing ledgers, which are used to track land value imbalances over time in multiphase exchanges. However, the agency is not always adhering to this guidance and, therefore, cannot fully know how much is owed. Specifically, BLM cannot be assured that the \$2.6 million land value imbalance due to the United States, recorded in its ledgers as of June 30, 2008, is accurate.
- Both agencies issued new guidance to require full disclosure of the relationship between a third-party facilitator and other parties to an exchange. But the guidance does not clearly define third-party facilitators and officials do not consistently apply the disclosure policy. Without consistent application, the agencies fail to obtain critical information and potentially risk losing the ability to control the exchange process.
- The agencies updated their exchange guidance to provide clearer direction on exchanges and incorporated it into their training. However, staff generally are not required to attend this training, and the agencies do not systematically track staff participation. Therefore, the agencies cannot ensure that realty staff develop and maintain necessary skills.
- The agencies took steps to improve appraisal timeliness, but the process, particularly for BLM, continues to delay some exchanges, officials said.

Neither agency has a national strategy to guide land transactions, nor does either track all costs of individual exchanges. Developing national strategies and tracking the costs of individual exchanges will enhance the agencies' ability to make informed decisions in pursuit of shared goals.