

# MMS Fast Facts

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### Internal and Independent Reviews of the Minerals Management Service

The Minerals Management Service (MMS) is an agency created in 1982 within the U.S. Department of the Interior. Through its Minerals Revenue Management program, MMS manages the collection, verification, and disbursement of revenues associated with leasing and production of oil, natural gas, alternative and renewable energy and minerals on the Outer Continental Shelf (OCS) and onshore Federal and Indian lands. Through the Offshore Minerals Management program, MMS manages the Nation's oil, natural gas, and other energy and mineral resources on the 1.7 billion acres of Federal OSC. Each year, the MMS collects and disburses billions of dollars to the US Treasury, States and Tribes. For example, in FY 2008, MMS collected and disbursed approximately \$23.4 billion (\$5.5 billion from onshore and \$18 billion from offshore).

As the resource manager of the Nation's offshore and the fiscal manager for revenues generated from energy and mineral development on the onshore and offshore, comes responsibility and accountability to the Nation, taxpayers, States, and Indian community. For that reason, MMS conducts internal reviews of both its programs. In addition, MMS's Minerals Revenue Management program has been the subject of frequent independent reviews by the Government Accountability Office (GAO), the US Department of the Interior Office of Inspector General (OIG), and the Royalty Policy Committee (RPC) Subcommittee on Royalty Management. The GAO promotes accountability, integrity, and reliability across the Federal Government. Most of GAO's reviews are done in response to Congressional requests. The OIG's role is to detect and prevent waste, fraud, and abuse, and to promote economy, efficiency and effectiveness in agency operations. The RPC Subcommittee on Royalty Management was created at the direction of the Secretary of the Department of the Interior in 2007 and was charged with reviewing the mineral revenue collection process.

Over the past several years the GAO, OIG and the RPC Subcommittee on Royalty Management have conducted 34 independent reviews of the MMS programs. MMS has also conducted a total of 77 internal control reviews. In Fiscal Years 2008 and 2009, the OIG and GAO completed several audits and evaluation reports related to Federal oil and gas leasing – both onshore and offshore. From these reviews, 1006 total recommendations were identified and, as of May 31, 2009, MMS has implemented 937 of those recommendations, a 93 percent completion rate.

In response to the many recommendations from the various internal and independent reviews, MMS is in the process of implementing a strategic reorganization of the Minerals Revenue Management Program by the end of Fiscal Year 2009. The program will be realigned into three core mission organizations:

- 1) Financial and Program Management;
- 2) Audit and Compliance Management; and
- 3) Asset Management

The purpose of the reorganization is to enhance managerial oversight, ensure transparency, provide increased visibility and accountability, better organize program support functions, realign the asset

valuation functions and fully integrate the royalty in-kind tool into the Minerals Revenue Management program.

In addition, Secretary Salazar has made a commitment to look into this important revenue generating program and has initiated a comprehensive review of the minerals revenue management program to determine how to strengthen the royalty collection process. MMS takes all program internal and external reviews seriously and continues to make improvements to ensure taxpayers receive a fair value from the public resources on Federal Lands.

To find out more information on the MMS Minerals Revenue Management program or the Offshore Energy and Minerals Management Program, visit the MMS website at <http://www.mms.gov/offshore> or <http://www.mrm.mms.gov> or call the MMS Office of Congressional Affairs at (202) 208-3502.

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