RAÚL M. GRIJALVA OF ARIZONA CHAIRMAN

> DAVID WATKINS STAFF DIRECTOR

U.S. House of Representatives

ROB BISHOP OF UTAH RANKING REPUBLICAN

PARISH BRADEN REPUBLICAN STAFF DIRECTOR

Committee on Natural Resources Washington, DC 20515

April 10, 2019

The Honorable David Bernhardt Acting Secretary U.S. Department of the Interior 1849 C Street NW Washington, D.C. 20240

Dear Mr. Bernhardt:

In 2017, the Department of the Interior Office of the Inspector General (OIG) found that tens of millions of dollars were improperly spent by the Bureau of Reclamation over a seven-year span as part of an undisclosed plan to subsidize several California water districts' participation in the Bay Delta Conservation Plan. Specifically, the report found that the Bureau of Reclamation recategorized expenses that should have been borne by individual water districts, requiring the taxpayer to pay the cost instead.¹

This unusual accounting mechanism, which was never included in the Department of the Interior's (DOI) budget submissions to Congress, was initiated in 2008 while you still served as DOI solicitor during the Bush administration. The primary beneficiary of this arrangement appears to have been the Westlands Water District, your lobbying and legal client until you joined the Trump administration in 2017.

After receiving these troubling findings from the Inspector General, we requested a legal opinion from the U.S. Government Accountability Office (GAO) on October 24, 2017, to help assess whether DOI had broken any laws, including the rule against augmentation and Miscellaneous Receipts Statute, 31 U.S.C. § 3302(b). The GAO accepted our request the following week. On December 6, 2017, GAO staff sought a response from DOI, which was required for the legal opinion to be issued.

This week, we learned that the reason for the delay in issuing the legal opinion was DOI's refusal to respond to GAO.

¹ U.S. Department of the Interior, Office of the Inspector General, Report No.: 2016-WR-040 (September 2017), available at <u>https://www.doioig.gov/reports/bureau-reclamation-not-transparent-its-participation-bay-delta-</u> conservation-plan

The Inspector General has already shown that the Interior Department hid expenditures from the public to benefit a few favored water districts, including your client for most of the period in question; this is not a matter that can be swept under the rug.

We expect that you will immediately direct your staff to fully comply with the GAO's request so that Congress can properly assess and address potentially illegal activities that may have occurred at the Department to benefit your former client. We further expect that you will provide us with your explanation for the Department's unacceptable failure to respond to the GAO's request.

Sincerely,

Jared

Chairman Subcommittee on Water, Oceans, and Wildlife

M. Spale Raúl M. Grijalva

Raúl M. Grijalva Chair Committee on Natural Resources