

# **Summary: Unfounded Allegations Against an Oil and Gas Company**

**Report Date: July 13, 2018**

**Report Number: 17-0502**

The OIG investigated allegations that an oil and gas company irregularly reported oil sold in the Vernal, UT, area to avoid paying royalties. The Bureau of Land Management (BLM) also suspected that a BLM employee's signature may have been forged on a document related to one of the company's oil sales.

Our joint investigation with the BLM's Special Investigations Group did not substantiate either allegation. We found that the BLM had known about a measurement problem with an oil tank owned by the company since 2010 but took no action to resolve the discrepancy until 2016. The company that purchased oil from the tank also knew of the problem and used an alternative measurement method, so no royalty loss occurred. Finally, we found a BLM employee's signature was not forged; instead, the employee's name was written on a document to indicate the employee was present as a witness to a sale.

This is a summary of a report of investigation we issued to the Director of the Office of Natural Resources Revenue and the BLM Deputy Director.

