



OFFICE OF
INSPECTOR GENERAL
U.S. DEPARTMENT OF THE INTERIOR

Statements Made to Congress Regarding the Bureau of Land Management's Office Relocation

This is a revised version of the report prepared for public release.

I. EXECUTIVE SUMMARY

In response to a congressional request, we investigated whether U.S. Department of the Interior (DOI or Department) officials made false statements related to the Bureau of Land Management's (BLM's) move to various western locations in the context of two letters to congressional committees and one hearing testimony. In particular, our investigation examined statements relating to the BLM's move made by then DOI official Joseph Balash in letters to the House and Senate Appropriations Committees dated July 16, 2019, and August 8, 2019, along with testimony by BLM official William Perry Pendley on September 10, 2019, before the House Committee on Natural Resources. The statements at issue asserted that the BLM was unable to remain at its 20 M Street location in Washington, DC, after its lease expired in January 2021, because the new rate would exceed \$50 per rentable square foot (rsf). We did not review policy decisions behind the Department's decision to move BLM headquarters personnel to western offices.

We determined that the Department's statements were accurate in one regard, but inaccurate in another. In particular, the evidence established that occupancy and space plans the Department created in 2016 and 2017 showed that the Department and the BLM had longstanding plans to move BLM personnel into the Stewart Lee Udall DOI Building (commonly referred to as the Main Interior Building or MIB) or another Federal facility. The evidence also revealed that, due to these longstanding plans, the BLM could not renew its lease at 20 M Street because it had not engaged the U.S. General Services Administration (GSA) to initiate negotiations with the landlord and obtain congressional approval as required under Federal law and regulations. Therefore, we concluded that the Department's statements to the effect that the BLM could not remain at its 20 M Street location in Washington, DC, after its lease expired in January 2021, were accurate.

We also found, however, that the future cost of a new BLM lease in Washington, DC, was not the motivating factor in the BLM's decision not to renew its lease because of the Department's longstanding intent to move BLM staff into a Federal facility. Therefore, the Department's assertion that the BLM was unable to remain at its 20 M Street location in Washington, DC, after its lease expired in January 2021 because the new rate would exceed \$50 per rsf was misleading.

We did not find evidence that Balash and Pendley, the DOI officials who signed or submitted the documents in question, were personally involved in drafting their respective statements about the cost of renewing a lease at 20 M Street. Rather, we found that DOI and BLM staff interpreted information contained in an email from a GSA official that described market rates for commercial leases in the Washington, DC area as generally "\$50/RSF [rentable square foot] or higher" to develop the definitive language related to future lease costs for 20 M Street, which was used in the DOI and BLM officials' statements to Congress.

While the evidence did not support a finding that DOI and BLM officials intentionally misrepresented the future lease costs in their statements, they did assert an incorrect causal link that a future lease cost exceeding \$50 per rsf was the motivating factor in the BLM's decision to move. The evidence indicated that the future lease cost of 20 M Street was irrelevant at that point

due to the Department's earlier plans to move the BLM into the MIB or another Federal facility. Simply stated, the evidence established that the Department never seriously contemplated renewing that lease or moving BLM staff into a new commercial location in the Washington, DC area.

We are providing this report to the Chief of Staff for the Office of the Secretary for any action deemed appropriate.

II. FACTS

The House Committee on Appropriations requested that we investigate the accuracy of claims made by Joseph Balash, former U.S. Department of the Interior (Department or DOI) Assistant Secretary – Land and Minerals Management, and William Perry Pendley, Bureau of Land Management (BLM) Deputy Director, Policy and Programs, Exercising the Authority of the Director, that the BLM could not renew its lease at its 20 M Street, Washington, DC location because the space would not be available and the cost would exceed the U.S. General Services Administration's (GSA's) estimates of \$50 per rentable square foot (rsf).

A. Balash's and Pendley's Statements to Congress that the BLM Could Not Remain at 20 M Street Due to an Excessive Lease Cost

On July 16, 2019, Balash sent identical letters to Congresswoman Betty McCollum, Chairwoman of the Subcommittee on Interior and Environment, and Related Agencies, Committee on Appropriations, and Senator Lisa Murkowski, Chairwoman of the Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations, about the BLM's proposed move to western locations.¹ Balash stated, in part, "A renewed lease for [20] M Street is not an option, *as the new rate would exceed \$50 per square foot* - a cost that is substantially greater than is currently being paid and much larger than would be offered in Grand Junction [CO]." ²

Balash sent a second letter to McCollum and Murkowski on August 8, 2019, providing them with additional information on the BLM's contemplated relocation of positions and personnel to western locations. Balash wrote, in part:

I want to preface this response, however, by reiterating that the lease on the BLM's [20] M Street location will end on December 31, 2020, and cannot be renewed. This location's current estimated lease rate value *would exceed the General Service Administration's lease rate of \$50.00 per square foot* for the Main Interior Building in Washington, D.C. Thus, remaining at [20] M Street is not an option for the Bureau.³

On September 10, 2019, Pendley testified during the House Committee on Natural Resources'

¹ These letters were written in response to the House Appropriations Committee's request for the Department to notify the Committee when the Department intended to obligate funds for its reorganization. This reorganization included moving BLM headquarters staff to a western location and described the Department's justifications for the move west. The questioned language was included under a section of the letter describing the potential reduction of the BLM's lease costs in a western location when compared to lease costs in Washington, DC.

² Emphasis added.

³ Emphasis added.

“Oversight Hearing on the Bureau of Land Management Realignment,” where he stated, in part, “A renewed lease for the [20] M Street location is not an option, as the new rate **would exceed \$50 per square foot** - a cost that is substantially greater than is currently being paid and much higher than would be offered in Grand Junction [CO].”⁴

B. The 20 M Street Lease

On August 12, 2009, the GSA and Southeast Realty, LLC, a component of Lerner Enterprises, signed a 10-year lease for the U.S. Government’s occupancy of 20 M Street at an annual cost of \$3,469,927.23. On March 21, 2011, BLM staff relocated from the Farragut North area of Washington, DC, to offices at 20 M Street SE, Washington, DC. On February 10, 2015, the BLM signed a 7-year lease for additional space at 20 M Street, which increased the annual cost of the lease by \$1,901,294.80.⁵ The lease, negotiated by the GSA, required the BLM to vacate the premises when the lease expired unless the lease was renewed.

C. The Department Had Longstanding Plans to Relocate the BLM to a Federal Building Upon Expiration of Its M Street Lease

The evidence showed that in late 2016, GSA officials engaged in internal email discussions about the need to determine whether the BLM would remain at its 20 M Street offices or relocate to the Stewart Lee Udall DOI Building (commonly referred to as the Main Interior Building or MIB). Department officials set forth their intention to move the BLM into the MIB in formal occupancy and space plans, which were written in late 2016 and early 2017. A review of these plans, described below, revealed that these discussions centered on future BLM space needs at the MIB. There was no evidence that Department officials discussed future lease costs or decided not to extend or renew the lease because costs would exceed \$50 per rsf in these plans.

On September 29, 2016, and October 24, 2016, GSA officials exchanged emails on the BLM lease and the potential for the BLM to move into the MIB. The GSA officials also noted that the BLM’s lease would expire in January 2021 and identified the need to create a lease prospectus if the BLM intended to remain at 20 M Street.

On November 18, 2016, the Department published its *Main Interior Building (MIB) Strategic Occupancy Plan* (Occupancy Plan) detailing 5- and 7-year plans for the consolidation of DOI staff at the MIB, including relocating BLM personnel from 20 M Street. The Occupancy Plan noted that the BLM initially housed 71 people at the MIB and planned to move another 400 employees from 20 M Street to the second floor at the MIB by 2022.

On January 23, 2017, the DOI published its *Washington, D.C., Maryland, and Virginia Metropolitan Area (DMV) Phase I Long-Term Space Management Plan* (Space Management

⁴ As with the Balash letters, Pendley’s testimony centered on the move of BLM headquarters’ functions and staff to western locations. Similar to the Balash letters, the questioned language in Pendley’s written testimony was included under a section describing the potential reduction of lease costs in a western location when compared to lease costs at the Stewart Lee Udall DOI Building (commonly referred to as the Main Interior Building or MIB) in Washington, DC.

⁵ The occupancy agreement stated the actual term of the lease began on December 31, 2013. The occupancy agreement for the additional space increased the overall annual lease cost to \$5,371,222.03.

Plan) that provided a plan for the consolidation of DOI employees from commercially leased space to federally owned space. This Space Management Plan noted that the BLM planned to move staff from 20 M Street to either the MIB, the South Interior Building (SIB), or the John Wesley Powell Federal Building in Reston, VA, upon expiration of its 20 M Street occupancy agreement in 2021.⁶

A DOI Office of Facilities and Administrative Services (OFAS) employee told us that they recalled that DOI and GSA staff had discussed the BLM's move from 20 M Street since the BLM moved into that building in 2011. The OFAS employee stated that in 2016, the DOI developed the Occupancy Plan discussed above as a tool for the coordination of real estate activities to increase the MIB's occupational efficiency. The Occupancy Plan included moving BLM staff into the MIB because of the expiration of its commercial lease in 2021.

The OFAS employee also recalled that in 2017, OFAS staff talked to the BLM about moving from 20 M Street and that they had to keep pressing BLM officials for information about their move. According to the OFAS employee, OFAS understood that the BLM would be moving to the MIB through its discussions with DOI and GSA staff at the time.

GSA officials told us that they work with Federal agencies to determine workspace requirements and then conduct market research to locate office space to meet those requirements. Multiple GSA officials told us that they recalled communicating with DOI and BLM representatives about the expiration and renewal of the 20 M Street lease, the need for the DOI and/or the BLM to communicate the desire for renewal in the 2017/2018 timeframe, and the Department's goal of moving BLM staff at 20 M Street into the MIB.

GSA official 1 told us that the cost of the 20 M Street location would have exceeded the GSA leasing threshold and thus would have required congressional approval to renew or extend the lease.⁷ GSA officials 2 and 3 said that DOI and/or BLM officials would have had to notify the GSA of their continued need for office space at 20 M Street in 2017, to allow the GSA sufficient time to submit the required lease prospectus package to Congress for approval. Neither the DOI nor the BLM did this, so the GSA did not submit a lease prospectus package to Congress. Instead, GSA official 1 said that the GSA learned sometime later in 2017 that the BLM planned to move employees from 20 M Street to the MIB based on discussions it had with the BLM.

On May 14, 2019, the former DOI Assistant Secretary for Policy, Management and Budget (PMB) Susan Combs issued a memorandum to DOI Assistant Secretaries and Bureau and Office Directors stating that she had tasked OFAS to identify office space in the MIB to accommodate approximately 300 BLM employees who "must relocate from the [20] M Street Offices to MIB by October 2020." Combs further wrote:

The BLM lease is expiring and they must vacate the space. By housing BLM in MIB the

⁶ On July 28, 2018, the GSA transferred custody of the SIB to the Board of Governors of the Federal Reserve System to renovate for their use.

⁷ Federal regulations under 40 U.S.C. § 3307 require the GSA to submit a prospectus to Congress for approval for potential lease amounts exceeding an annual cost of \$3,095,000.

Department will save \$4 million dollars per year and will satisfy our commitment to the General Services Administration to improve the space utilization of this building by increasing occupancy post MIB modernization. OFAS is reviewing all space assignments in the MIB to identify space that can be put to better use and will be meeting with all bureau and office space managers in the coming weeks as they prepare a plan to meet this requirement.

The evidence indicated that at some point, the Department abandoned plans to move BLM employees into the MIB in favor of moving them to locations outside of Washington, DC. Combs told us that, while she was not involved in those discussions, she understood that not all of the BLM employees would fit in the MIB.⁸

D. DOI and BLM Staff Developed the 20 M Street Lease Cost Through Communications With the GSA

The evidence established that multiple staff for both the Department and the BLM developed cost information related to a potential BLM lease for the future. On April 8, 2019, DOI and BLM staff created a white paper titled, *Relocating Bureau of Land Management Positions to the Western United States*. On page 15 of that document, the authors wrote about the 20 M Street lease stating, “Any lease extension or hold over would require negotiations between the General Service Administration (GSA) and the owner of the building, Lerner, and if approved, would have a cost based on current market conditions, **which would be higher than the current 2019 lease cost of \$4.3M or about \$42 per square foot.**”⁹ The authors also wrote, “Generally, to implement a move out of one facility to another requires at least 36 months of coordination with GSA. Planning must move forward immediately to facilitate a move to the MIB as we are well within 18 months of the [20] M street lease expiration time frame.”

A person who worked under Combs as a PMB staffer on the DOI’s planned reorganization in 2019 confirmed that they had numerous discussions with GSA officials about the BLM’s move from 20 M Street, including whether the BLM would move from that location, whether the BLM’s current lease could be renewed, and the numbers the GSA used in its leasing calculations. The PMB staffer recalled working on the white paper along with various BLM and PMB staff and said that the group tried to look objectively at the relocation cost numbers that were eventually reported in the white paper.

According to the PMB staffer, the April 8, 2019 version of that white paper was an early draft that was revised multiple times over a period of months.¹⁰ The PMB staffer told us that they did not know how the cost information was obtained or which members of the group obtained it. The PMB staffer told us that they believed that the section quoted above was “kind of poorly written,” but in talking with the GSA, the PMB staffer understood that the market value of the

⁸ As noted above, the Department’s decision to move the employees outside of the Washington, DC area was outside the scope of this investigation and therefore we did not endeavor to identify precisely when that decision was made or the rationale behind it.

⁹ Emphasis added.

¹⁰ Although the white paper title page is dated April 8, 2019, a header at the top of most pages indicates that the document was prepared on April 1, 2019. A version of the white paper created on April 16, 2019, echoed the language that appeared in the April 8, 2019 version of that document.

property had increased and would exceed the allowable lease cost even if there were negotiations to try to renew the lease.

During their interview, the PMB staffer stated that they contacted GSA official 1 at some point during the white paper revision process “to try to get my facts straight” because they kept hearing that the 20 M Street lease could not be renewed and would be too expensive even if it could be. On April 18, 2019, the PMB staffer emailed GSA official 1 confirming their understanding that the BLM did not have an option to renew the 20 M Street lease and asking the official if that person had “a sense of what the new rate would be” if the BLM did have that option. GSA official 1 responded to the PMB staffer later that day stating, in part:

The Government does not have an option to renew the lease at 20 M Street. Since there was no prospectus submitted to OMB/Congress for the lease at 20 M Street, the Government cannot even extend the lease for even a few days. If the lease expires and BLM still occupies 20 M Street, the lease will go into a “holdover” status, which means the Government could be subject to much higher rent than we currently pay. Even if we had a prospectus approved by OMB/Congress, we cannot “renew” the lease but will have to compete the space requirements in the market, with no guarantees that BLM will end up staying at the same location. Lastly, the current rates for the DC CEA (the delineated area for competition) where 20 M Street is located, the going market rate is ***currently at the DC program rate of \$50/RSF or higher.***¹¹

The PMB staffer said that they worked on a newer version of the white paper, created on April 22, 2019, that included revised language stating, “A renewed lease is not an option, ***but if it were possible, the new lease rate would exceed \$50 per square foot*** – a cost that is substantially greater than other potential options.”¹² The PMB staffer stated that they believed this statement accurately portrayed what the potential lease cost would be for 20 M Street.

On April 25, 2019, Combs emailed GSA official 5 asking them to provide her with the 20 M Street lease rate as soon as possible. GSA official 5 responded later that day stating, “You can safely assume \$50 per square foot for your replacement rate.”

GSA official 4 told us that they recalled that they, Combs, the PMB staffer, and another of Combs’ senior advisors exchanged communications about the need for the BLM to move from its 20 M Street offices upon the expiration of its lease and discussed lease costs in Washington, DC, compared with costs in different western markets. He also recalled that the BLM’s initial plan was to move staff from 20 M Street into office space at the MIB; however, DOI and BLM officials subsequently decided to move those personnel out west both to save money and as part of an overall DOI reorganization. GSA official 4 believed that discussions about moving BLM staff out west began sometime during the summer or fall of 2019.

GSA official 4 stated that they were familiar with the GSA rate cap of \$50 per rsf for the cost of leasing commercial office space in the Washington, DC area. They recalled discussing this amount with Combs, the PMB staffer, and another of Combs’ senior advisors when comparing lease rates in

¹¹ Emphasis added.

¹² Emphasis added.

Washington, DC, with rates for western locations.

GSA official 3 confirmed that the Federal Government rate for leased space in Washington, DC, was a maximum of \$50 per rsf. When asked to confirm the statements made by Department officials that “The renewed lease for M Street is not an option as the new rate would exceed \$50 per square foot,” GSA official 3 stated that they could not opine on the accuracy of that statement because the GSA had not conducted any market research to identify current lease rates, and therefore, the actual lease rate could have been higher or lower than the stated \$50 per rsf.

E. DOI Staff Used the GSA Information on Washington, DC Lease Costs to Develop the DOI’s and BLM’s Congressional Correspondence and Testimony

As noted above, Balash wrote two letters to the House and Senate Appropriations Committees dated July 16, 2019, and August 8, 2019, where he stated that the new lease cost for the BLM to remain at 20 M Street would exceed \$50 per square foot. On September 10, 2019, Pendley testified during the House Committee on Natural Resources’ “Oversight Hearing on the Bureau of Land Management Realignment,” where, in his written testimony, he made a similar statement that the lease cost for the BLM remaining at 20 M Street would exceed \$50 per rsf.

On July 31, 2019, the PMB staffer forwarded the April 18, 2019 email from GSA official 1, saying that the “going market rate is currently at the DC program rate of \$50/RSF or higher” to a BLM employee. The PMB staffer wrote, “I wanted to share this with you - as a reference for describing the end of lease. The updated *value will exceed \$50 now* but this note contains additional detail.”¹³ The BLM employee, in turn, forwarded that email to Balash.

When asked about the statement in Balash’s letters to McCollum and Murkowski that the lease rate would exceed \$50 per rsf, the PMB staffer told us that this statement would have been based on conversations they and others had with the GSA. The PMB staffer said that they did not know if the GSA conducted a market study, but believed that the GSA office in Washington, DC, had a “pretty good feel for the market” and that it correctly believed that the market would exceed the \$50 per rsf limit. According to the PMB staffer, Balash’s letters reflected that concept.

The PMB staffer reiterated that the lease cost portrayed in Balash’s letters was the result of collective conversations with the GSA that involved multiple people and that the PMB staffer believed this information to be true based on those conversations. The PMB staffer clarified that they did not believe anyone knew whether the cost would be \$50 per rsf or “one cent or more” but that a reasonable person could anticipate that the rate would be greater than or equal to \$50 per rsf. The PMB staffer stated that they did not believe that anyone who worked on the white paper and Balash’s letters intended to deceive Congress as to the potential cost of a new lease. They further stated that “[they] would have been insulted if someone had asked” them to alter data to show that lease rates in Washington, DC, were too high in an effort to justify the BLM’s move.

The BLM employee stated that they assisted with drafting Balash’s letters to McCollum and Murkowski and that they may have reviewed Pendley’s written statement to the House

¹³ Emphasis added.

Committee on Natural Resources prior to departmental review. According to the BLM employee, the statements made in those documents about the cost of the 20 M Street lease exceeding \$50 per rsf were derived from the analysis conducted by the DOI's Office of Policy Analysis (OPA), a PMB component, and were based, in part, on GSA official 1's email stating that "the going market rate is currently at the DC program rate of \$50/RSF or higher." The BLM employee believed that OPA and PMB staff keyed in on the cost information contained GSA official 1's email when they drafted Balash's letters and Pendley's testimony. The BLM employee did not know if the PMB staffer or anyone else followed up with the GSA officials to confirm that information prior to sending Balash's letters or Pendley's testimony.¹⁴

Combs told us that she recalled seeing the letters Balash sent to Murkowski and McCollum along with Pendley's written testimony. She said that she did not provide input on the information contained in the Balash letters and, in contrast to the BLM employee, stated that either he or his staff wrote those letters. Similarly, she said that she did not provide input into Pendley's written statement and did not see the statement before it was submitted to the Committee.

We did not find evidence that Balash or Pendley were personally involved in drafting their respective statements about the cost of renewing a lease at 20 M Street. A search of their emails did not reveal any communications related to lease costs for the BLM to remain at the 20 M Street location. However, we found early drafts of the letters Balash sent to Murkowski and McCollum on August 8, 2019, where it was noted that the PMB was to provide information outlining the cost savings expected to be achieved by the BLM's proposed relocation from Washington, DC, to western locations. We also found that Pendley provided grammatical changes and an edit to the Balash letters simply stating that the M Street lease ended on December 31, 2020.

III. ANALYSIS

A. Balash's and Pendley's Statements that the BLM Lease at 20 M Street Could Not Be Renewed Were Accurate

As noted above, the evidence showed that by late 2016, the Department and the BLM had decided to vacate 20 M Street and move into the MIB or other federally owned space at the expiration of the lease in 2021. The email evidence showed that discussions related to the BLM's move from its 20 M Street offices into the MIB occurred as early as September 2016. Moreover, the November 2016 Occupancy Plan and the January 2017 Space Management Plan formally documented the Department's intention to move BLM staff from 20 M Street to the MIB at the

¹⁴ On October 15, 2019, after Balash and Pendley's statements were submitted to Congress, a real estate services company submitted an unsolicited lease proposal to the GSA on behalf of a division of the real estate services company that owns the 20 M Street building. The proposal was submitted after the real estate services company staff read an article in *The Washington Post* stating that the BLM would be moving employees to offices out west. The proposal offered an 11-year lease at the 20 M Street location at a cost of \$47.95 per rsf. When we asked GSA official 3 about the proposal, they told us that they did not know whether the rate offered by the real estate services company was competitive or if a lease could be obtained at a lesser cost because of the lack of market research. Regardless, GSA official 3 stated that the GSA did not consider the proposal and would only use it as market data because the GSA could not act on any type of proposal unless it was received in response to a Government solicitation.

termination of the lease.

As a result of the Department's longstanding plans to move the BLM from 20 M Street to a federally owned facility, neither the Department nor the BLM engaged the GSA to initiate a lease extension or renewal as required. Specifically, in order for the BLM to lease commercial office space upon the expiration of its 20 M Street lease, it would have had to engage with the GSA to begin market research and develop the required prospectus in 2017, which the BLM did not do. Thus, the statements made by Balash and Pendley that "a renewed lease for M Street is not an option" and that the lease "cannot be renewed" were accurate. Any option to renew the BLM lease at 20 M Street effectively expired in 2017.

B. The DOI's and BLM's Representations that Cost Was the Reason for Not Renewing the Lease Were Misleading

We found that the DOI and BLM representations to Congress that a new lease at 20 M Street was not possible because the new rate would exceed \$50 per rsf were misleading. As described above, two of the statements—one in Balash's July 16, 2019 letters and the other in Pendley's written testimony—read: "A renewed lease for [20] M Street is not an option, *as the new rate would exceed \$50 per square foot.*" Similarly, Balash's letter to Congress in August 2019, stated, "I want to preface this response, however, by reiterating that the lease on the BLM's [20] M Street location will end on December 31, 2020, and cannot be renewed. This location's current estimated lease rate value would exceed the General Service Administration's lease rate of \$50.00 ... *Thus*, remaining at M Street is not an option for the Bureau."¹⁵

There are two inaccuracies in each of these statements. First, these statements assert that the new lease rate would definitely exceed \$50 per rsf. The available evidence indicates, however, that neither the GSA, the DOI, nor the BLM conducted market research to determine what the lease rate would be. In addition, the evidence indicated that GSA officials repeatedly stated that DOI officials could use \$50 per rsf as an estimate.¹⁶ None of the evidence indicates that GSA officials told DOI personnel that the rate would definitely be higher than \$50 per rsf. In the DOI's and BLM's statements, though, the GSA officials' \$50 per rsf approximation morphed into a statement that the rate would *exceed* that \$50 rate.

The second inaccuracy in the DOI and BLM statements is that the documents make an erroneous causal connection between the cost of the renewed lease and the BLM's inability to renew that lease. In particular, Balash's July 2019 letter and Pendley's testimony state that "A renewed lease...is not an option, *as* the new rate would exceed \$50 per square foot."¹⁷ Balash's August 2019 letter makes a similar connection between these two concepts, saying the 20 M Street location's "current estimated lease rate value would exceed [\$50.00 per square foot]. *Thus*, remaining at M Street is not an option for the Bureau." The use of the term "as" in the first

¹⁵ Emphasis added.

¹⁶ For instance, as described above, GSA official 5 told Combs: "You can safely assume \$50 per square foot for your replacement rate." Similarly, GSA official 1 emailed the PMB staffer in April 2019, saying: "Lastly, the current rates for the DC CEA (the delineated area for competition) where 20 M Street is located, the going market rate is currently at the DC program rate of \$50/RSF or higher."

¹⁷ Emphasis added.

instance and “Thus” in the latter make a clear representation that the decision was based on the rate exceeding \$50 per rsf.

The evidence showed, however, that as early as 2016, the DOI and the BLM intended for the BLM to move out of the 20 M Street location and into a Federal facility, and thus, did not pursue negotiations with the GSA for a lease renewal or extension. Therefore, the reason a new lease was not possible at the time Balash and Pendley made their statements to Congress was not due to the potential \$50 per rsf cost of the lease, but rather because the Department never seriously considered pursuing a lease renewal at 20 M Street and would have had to make that decision years earlier. Thus, the evidence does not support the DOI’s and the BLM’s representations that the \$50 per rsf cost was the factor driving the BLM’s lease-renewal decisions.

IV. CONCLUSION

The evidence showed that the BLM could not renew its lease at 20 M Street regardless of cost because neither it nor the Department engaged the GSA to initiate a new lease as required under Federal law. Thus, the DOI and BLM officials’ statements to Congress that the lease could not be renewed because the rate would exceed \$50 per rsf were misleading. However, there was no evidence that Balash and Pendley were directly involved in drafting this portion of their statements. Moreover, we did not find evidence substantiating that DOI personnel inserted this language to intentionally mislead Congress or were otherwise acting in bad faith. Instead, the evidence showed that a GSA official stated in an email to DOI officials that “the going market rate” at the 20 M Street location was currently “\$50/RSF or higher,” and that this information morphed—through multiple edits and authors—into the more definitive statements in the letters and testimony to Congress discussed above.

V. SUBJECTS

William Perry Pendley, Deputy Director, Policy and Programs, and Exercising the Authority of the Director, BLM

Joseph Balash, former DOI Assistant Secretary – Land and Minerals Management

VI. DISPOSITION

We provided this report to the Chief of Staff for the Office of the Secretary for any action deemed appropriate.

Report Fraud, Waste, and Mismanagement



Fraud, waste, and mismanagement in Government concern everyone: Office of Inspector General staff, departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and mismanagement related to departmental or Insular Area programs and operations. You can report allegations to us in several ways.



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