



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

JUN - 3 2015

The Honorable Jim Jordan
Chairman, Chairman of the Subcommittee on Health Care,
Benefits and Administrative Rules
Committee on Oversight and Government Reform
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Thank you for your letter dated March 26, 2015, to Secretary Jewell requesting information about fines and penalties assessed by the Department of the Interior (Department). Your letter has been referred to me for response.

You requested information about monies the Department receives through fines and penalties pursuant to regulatory and statutory authorities and how we use fines and penalties upon receipt. We appreciate the subsequent discussions with your staff that clarified the Committee's specific interest in fines and penalties monies the Department keeps, or has discretion to use, as opposed to those funds the Department must transfer directly to the U.S. Treasury.

While the Department oversees a wide range of activities and statutory authorities, only two of its nine bureaus implement statutes that specifically authorize the retention and use of fines and penalties: the U.S. Fish and Wildlife Service and the Office of Surface Mining Reclamation and Enforcement. In addition, the Department is authorized to retain and use fines and penalties for the limited purposes of the Central Hazardous Materials Fund.

Over the four and a half year period since 2010, the Department has generated \$79.4 million in fines and penalties under statutes that provide narrow authority to retain and use these collections. As explained below, most of that amount is attributable to legal violations arising from one significant isolated event – the Deepwater Horizon oil spill.

U.S. Fish and Wildlife Service

The U.S. Fish and Wildlife Service (FWS) is authorized to assess and retain fines through the following statutes, which also generally dedicate the collections to specific purposes:

- African Elephant Conservation Act (16 USC 4201-4246): *African Elephant Conservation Fund Account*
- Endangered Species Act (ESA) (16 U.S.C. 1531-1544): *Lacey Act Reward Account*
- Lacey Act (16 U.S.C. 3371-3378): *Lacey Act Reward Account*
- Marine Mammal Protection Act (16 U.S.C. 1361-1407): *Marine Mammal Protection Act Account*

- Migratory Bird Treaty Act (16 U.S.C. 703-715): *North American Wetlands Conservation Fund Account*
- Rhinoceros and Tiger Conservation Act of 1998 (16 U.S.C. 5301-5306): *Lacey Act Reward Account*
- Wild Bird Conservation Act (16 U.S.C. 4901-4916): *Exotic Bird Conservation Fund Account*

Since January 1, 2010, FWS has collected nearly \$72 million in criminal and civil fines and penalties. About \$62.2 million of that amount came from assessments against BP Oil for violations of the Migratory Bird Treaty Act arising from the Deepwater Horizon spill. Those funds were deposited into the North American Wetlands Conservation Fund Account, which supports wetland conservation projects approved by the Migratory Bird Conservation Commission.

Of the remaining amount, about \$2.1 million was collected for civil and criminal violations of the ESA and about \$5.7 million was collected for civil and criminal violations of the Lacey Act. These collections were deposited into the Lacey Act Reward Account. The ESA requires that any amount over \$500,000 in the Lacey Act Reward Account be transferred to the Cooperative Endangered Species Conservation Fund. Congress retains the authority to appropriate money from that fund for a similarly-named grant program that provides financial assistance to states for voluntary species and habitat conservation projects on non-federal lands. An additional \$1.8 million was collected for violations of the Migratory Bird Treaty Act by parties other than BP Oil and deposited into the North American Wetlands Conservation Fund Account. Another \$80,815 in fines was collected by FWS resulting from violations of the Marine Mammal Protection Act. FWS is authorized to use those funds for expenses related to administering marine mammal protection activities.

Office of Surface Mining Reclamation and Enforcement

Under the “Omnibus Appropriations Act, 2009,” P.L. 111-8, the Secretary of the Interior is authorized to retain penalties assessed under the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268). The Omnibus allowed collections in fiscal year 2009 and thereafter to be used directly by the Department or through grants to states for reclamation projects on lands adversely affected by coal mining practices. Since January 1, 2010, the Department has collected about \$3.9 million in penalties.

Central Hazardous Materials Fund (CHMF)

Under the “Department of the Interior, Environment, and Related Agencies Appropriations Act, 2010”, P.L. 111-88, the Department is authorized to retain, and required to deposit into the Central Hazardous Materials Fund (CHMF), any fines and penalties collected from parties responsible for the cleanup of Department-managed lands contaminated by hazardous substances. Funds in the CHMF are used to support remedial investigations, feasibility studies, and cleanups for which the Department is responsible. Since January 1, 2010, the Department has collected and deposited into the CHMF one penalty of \$3.6 million.

We appreciate your interest in this matter. If you or your staff need additional assistance on this matter, please contact Jason Powell at (202) 208-4946 or jason_powell@ios.doi.gov.

Similar letters are being sent to Chairman Jason Chaffetz and Ranking Member Elijah Cummings, who cosigned your letter.

Sincerely,



Olivia Barton Ferriter
Deputy Assistant Secretary
Budget, Finance, Performance
and Acquisition

cc: The Honorable Matt Cartwright, Ranking Member, Subcommittee on Health Care,
Benefits & Administrative Rules



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Sincerely

A handwritten signature in cursive script that reads "Olivia Barton Ferriter".

Olivia Barton Ferriter
Deputy Assistant Secretary
Budget, Finance, Performance
and Acquisition

cc: The Honorable Matt Cartwright, Ranking Member, Subcommittee on Health Care,
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