

Highlights of [GAO-14-394T](#), a testimony before the Subcommittee on Energy and Mineral Resources, Committee on Natural Resources, House of Representatives

Why GAO Did This Study

Interior employs a wide range of highly trained specialists and scientists with key skills to oversee oil and gas operations on leased federal lands and waters. GAO and others have reported that Interior has faced challenges hiring and retaining sufficient staff to carry out these responsibilities. In February 2011, GAO added Interior's management of federal oil and gas resources to its list of programs at high risk of fraud, waste, abuse, and mismanagement in part because of Interior's long-standing human capital challenges.

This testimony and the January 2014 report on which it is based address (1) the extent to which Interior continues to face challenges hiring and retaining key oil and gas staff and the causes of these challenges, (2) Interior's efforts to address its hiring and retention challenges, and (3) the effects of hiring and retention challenges on Interior's oversight of oil and gas activities. To do this work, GAO surveyed all 44 Interior offices that oversee oil and gas operations, of which 40 responded; analyzed offshore inspection records and other documents; and interviewed agency officials.

What GAO Recommends

In its January 2014 report, GAO recommended that Interior explore its oil and gas management bureaus' expanded use of recruitment, relocation, retention, and other incentives and systematically collect and analyze hiring data. Interior generally agreed with GAO's recommendations. GAO is not making any new recommendations in this testimony.

View [GAO-14-394T](#). For more information, contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov.

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OIL AND GAS MANAGEMENT

Continued Attention to Interior's Human Capital Challenges Is Needed

What GAO Found

The Department of the Interior continues to face challenges hiring and retaining staff with key skills needed to manage and oversee oil and gas operations on federal leases. Interior officials noted two major factors that contribute to challenges in hiring and retaining staff: lower salaries and a slow hiring process. In response to GAO's survey, officials from a majority of the offices in the three Interior bureaus that manage oil and gas activities—the Bureau of Land Management (BLM), the Bureau of Ocean Energy Management (BOEM), and the Bureau of Safety and Environmental Enforcement (BSEE)—reported ongoing difficulties filling vacancies, particularly for petroleum engineers and geologists. Many of these officials also reported that retention is an ongoing concern as staff leave for positions in industry. Bureau of Labor Statistics data confirm a wide gap between industry and federal salaries for petroleum engineers and geologists. According to Office of Personnel Management (OPM) data, the fiscal year 2012 attrition rate for petroleum engineers at BLM was over 20 percent, or more than double the average federal attrition rate of 9.1 percent. Field office officials stated that attrition is of concern because some field offices have only a few employees in any given position, and a single separation can significantly affect operations. Additionally, Interior records show that the average time required to hire petroleum engineers and inspectors in recent months generally exceeded 120 calendar days—much longer than OPM's target of 80 calendar days.

Interior and the three bureaus—BLM, BOEM, and BSEE—have taken some actions to address their hiring and retention challenges, but they have not fully used their existing authorities to supplement salaries or collect and analyze hiring data to identify the causes of delays in the hiring process. For instance, BLM, BOEM, and BSEE officials said that recruitment, relocation, and retention incentives are key options to help hire and retain staff, but the bureaus' use of these incentives to attract and retain petroleum engineers and inspectors has been limited for various reasons. Moreover, Interior and its bureaus have taken some steps to reduce hiring times, but they do not have complete and accurate data on hiring times. For instance, while BSEE and BOEM collect hiring data on a biweekly basis, the data are used primarily to track the progress of individual applicants as they move through the hiring process. Likewise, a BLM official stated that the bureau does not systematically analyze data on hiring times. Without reliable data on hiring times, Interior's bureaus cannot identify how long it takes to complete individual stages in the hiring process or effectively implement changes to expedite the hiring process.

According to BLM, BOEM, and BSEE officials, hiring and retention challenges have made it more difficult to carry out oversight activities in some field offices. For example, many BLM and BSEE officials GAO surveyed reported that vacancies have resulted in a reduction in the number of inspections conducted. As a result of these challenges, bureau officials cited steps they have taken to address vacancies in key positions, such as borrowing staff from other offices or using overtime, but these are not sustainable, long-term solutions.