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GAO: Timber Sale Accounting Problems at Forest Service Costing Taxpayers

WASHINGTON, D.C. -- A Government Accountability Office (GAO) study released today shows that the Forest Service's current accounting system is not providing its field managers the data needed to properly manage timber sales, Sens. Tom Harkin (D-IA) and Jeff Bingaman (D-NM) announced today. Harkin, chairman of the Senate Agriculture Committee, and Bingaman, who chairs Senate Energy, jointly requested the report.

"This study shows clear mismanagement at the Forest Service," Harkin said. "The inefficient accounting methods currently being used give us no way to track and audit individual timber sales. This puts forest managers in a tough situation when trying to figure out where they need to allocate resources and is particularly concerning given the difficult budget constraints on the federal government and the important national forest health challenges that have arisen in recent years. I will continue to work with Sen. Bingaman on legislation to address this problem."

"Like in so many other cases, this Administration has obfuscated the true costs of its policies, and once again, the result is poor management, unintended consequences, missed opportunities and wasted tax dollars," Bingaman added. "I intend to address this long-running problem legislatively in hopes of correcting it once and for all."

According to the GAO, the Forest Service tracks the funds it spends to conduct timber sales in a way that does not provide the detailed data many field managers need to properly oversee these sales. Among GAO's concerns:

-- Sale-by-sale or district-level data is crucial for proper management of timber sales. For example, without such data to monitor the progress and cost of individual sales, field managers have difficulty knowing when to redirect resources among sales and how to assess the fairness of prices and cost-effectiveness of individual sales.

-- Without detailed data in the Service's accounting system, many field managers have developed "cuff records," such as hand-written spreadsheets, to maintain obligation and expenditure data at the individual sale or ranger district level. Maintaining manual records is time-consuming, according to field managers, and can take time away from on-the-ground activities such as overseeing timber harvests.

-- The Forest Service does not know the cost of maintaining cuff records, nor has it systematically identified field managers' information needs. The BLM, in contrast, uses a more effective automated system to track many timber sale obligations and expenditures by individual sale. As a result, BLM field managers have access to detailed data without relying on cuff records.

GAO found that "substantial field resources are being expended to compensate for the unintended effects of this decision" because local managers have found timber-sale cost-accounting essential to proper management (as GAO predicted in 2001).

Without critical cost information, managers "cannot compare actual expenditures on sales with planned expenditures, identify potential inefficiencies across sales, or identify resources available for redirection to another sale if needed." Managers also have found such information critical to provide information on timber sales to the timber industry, Congressional requesters and the general public.

GAO's report, "Federal Timber Sales: Forest Service Could Improve Efficiency of Field-Level Timber Sales Management by Maintaining More Detailed Data" (GAO-07-764) is available on the GAO website.