



U.S. Department of Agriculture
Office of Inspector General



IIJA – Legacy Road and Trail Remediation Program – Region 3

Audit Report 08601-0005-31

OIG reviewed Forest Service Region 3's implementation of the IIJA – Legacy Road and Trail Remediation Program, including controls over project selection and spending.

OBJECTIVE

Our objective was to review Forest Service Region 3's implementation of LRT, including controls over project selection and spending.

REVIEWED

We interviewed Region 3, Washington Office, and contracting officials, visited the Regional Office in Albuquerque, New Mexico, and an LRT project near Magdalena, New Mexico. We also analyzed program information to review Region 3's implementation of LRT, including project selection and spending of the more than \$5.5 million in LRT funds for FYs 2022 and 2023.

RECOMMENDS

We recommend that Forest Service Region 3 strengthen its LRT project selection process, going forward, to formally document the information reviewed and decisions made when determining LRT project eligibility and scoring, to allow for independent review.

WHAT OIG FOUND

In November 2021, the Infrastructure Investment and Jobs Act (IIJA) provided Forest Service approximately \$250 million to establish the IIJA Legacy Road and Trail Remediation Program (LRT). While we recognize that Region 3 had limited time to implement LRT in accordance with IIJA and the Washington Office guidance, we were unable to validate the project scoring and eligibility determinations for the 15 projects Region 3 selected in fiscal years (FYs) 2022 and 2023. This occurred because the regional project selection team did not formally document the information reviewed and decisions made when the team determined eligibility and assigned evaluation points for each LRT project proposal.

As a result, we questioned Region 3's FY 2022 and 2023 LRT costs, totaling more than \$5.5 million. We did not identify reportable issues with Region 3's controls over project spending, including Buy American Provisions. Forest Service officials generally agreed with our finding and recommendation, and we accepted management decision on the recommendation.



OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



DATE: December 16, 2024

AUDIT

NUMBER: 08601-0005-31

TO: Randy Moore
Chief
Forest Service

ATTN: Robert Velasco
Chief Financial Officer
Forest Service

FROM: Janet Sorensen
Assistant Inspector General for Audit

SUBJECT: IJA - Legacy Road and Trail Remediation Program - Region 3

This report presents the results of our audit of IJA - Legacy Road and Trail Remediation Program - Region 3. Your written response to the official draft is included in its entirety at the end of the report. Based on your written response, we are accepting management decision for the recommendation in the report, and no further response to this office is necessary.

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of the date of each management decision. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<https://usdaoig.oversight.gov>) in the near future.

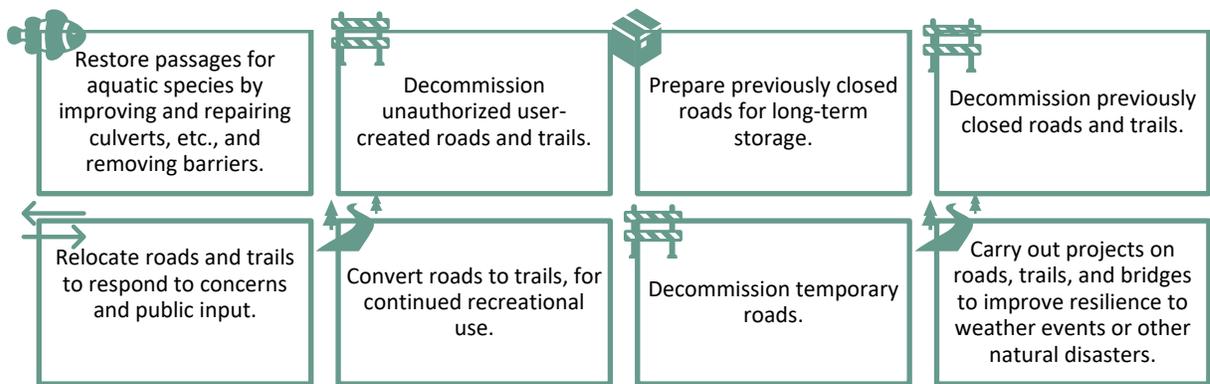
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Background and Objective

Background

The Infrastructure Investment and Jobs Act (IIJA),¹ signed into law on November 15, 2021, provided Forest Service with approximately \$5.5 billion for investing in natural resources-related infrastructure, wildfire risk management, and ecosystem restoration. IIJA made \$250 million available to establish the IIJA Legacy Road and Trail Remediation Program (LRT), providing Forest Service with \$50 million annually for fiscal years (FYs) 2022 through 2026 for road, trail, and aquatic organism passage improvements on National Forest System lands. While considering foreseeable changes in weather and hydrology, Forest Service can use LRT funds for the following eight types of project activities:



In addition, IIJA requires the Secretary to prioritize program funding for projects that emphasize the following:²

- 

Protect or improve water quality in public drinking water source areas
- 

Restore the habitat of a threatened, endangered, or sensitive fish or wildlife species
- 

Maintain future access to the adjacent area for the public, contractors, permittees, or firefighters

¹ Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, § 40801, 135 Stat. 1094-1096 (2021).

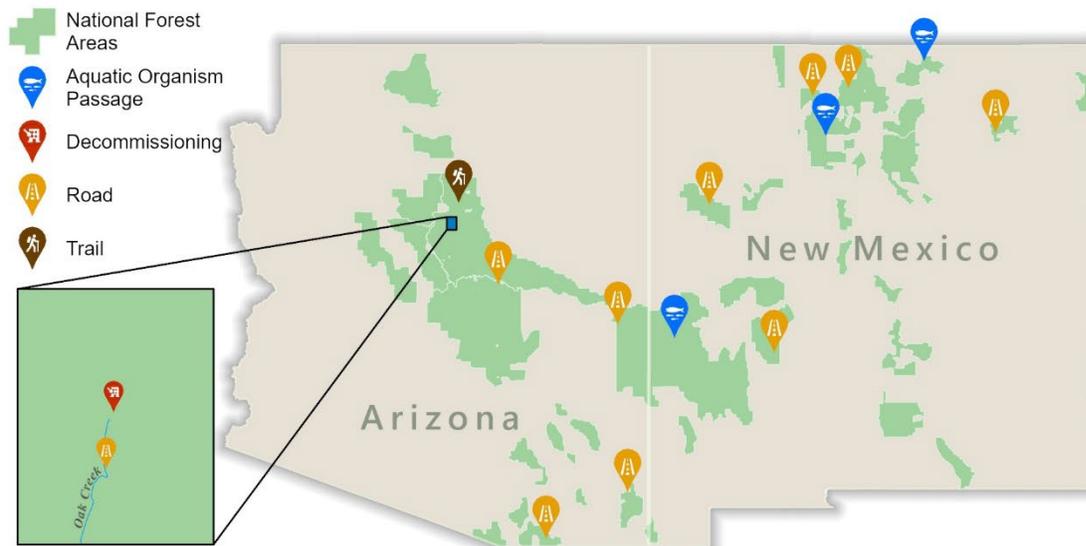
² Ibid.

The National Forest System is made up of 9 geographic regions, and more than 150 National Forests and Grasslands. Within these forests and grasslands, Forest Service manages hundreds of thousands of miles of roads and trails, as well as thousands of bridges, some of which are used for recreational access and resource management. The Forest Service Washington Office provides broad policy and direction for the agency, while the regional offices implement and monitor program activities to ensure quality operations on forest lands.

Each Forest Service region selects and prioritizes LRT projects to distribute the allocated funding. Before submitting the projects to the national office for final review and approval, regions are to use an interdisciplinary team process including Engineering, Fisheries and Wildlife, Hydrology, and Recreation staffs and solicit and consider public input to evaluate and prioritize projects. The Forest Service Washington Office provided guidance to the regions on legislative and national office considerations and priorities, while also allowing regions the flexibility to incorporate variations in criteria to recognize regional priorities.³

Region 3, also known as the Southwestern Region, covers more than 20.6 million acres, boasting thousands of recreation opportunities spread across 6 national forests in Arizona, 5 national forests and a national grassland in New Mexico, and 1 national grassland each in Oklahoma and the Texas panhandle. Region 3 consults and works directly with its stakeholders, including 43 sovereign Native American Tribes located in Arizona and New Mexico and an additional 9 Tribes from surrounding States who have an interest in the region’s activities. Forest Service allocated more than \$5.5 million in total LRT funding to Region 3 for FYs 2022 and 2023. Region 3 selected 15 LRT projects in FY 2022 and FY 2023.

Map of Region 3 LRT Projects Selected for FYs 2022 and 2023. Data Provided by Forest Service. Figure by the Office of Inspector General (OIG).



³ USDA Forest Service Washington Office, *Fiscal Years 2022 through 2024 Project Selection for the Legacy Road and Trail Remediation Program* (Mar. 30, 2022). This guidance included, as an enclosure, USDA Forest Service, *Legacy Road and Trail Remediation Program Submission Guidelines-Version 2.1* (Feb. 2022).

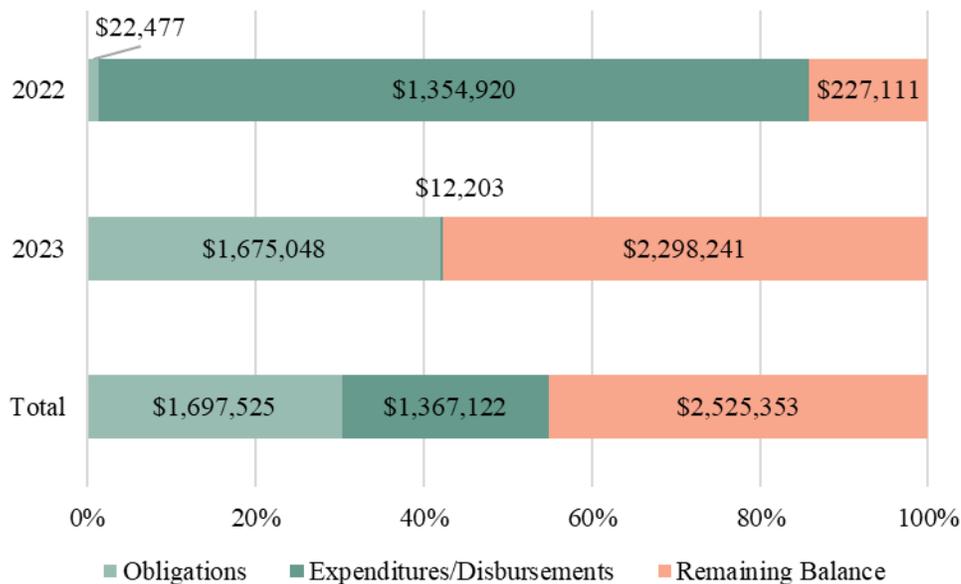
The photos below show an example of an LRT road improvement project from Region 3. The photo on the left depicts a compacted rock low water crossing. The photo on the right depicts the installation of a culvert to divert drainage crossing, with an aggregate rock surface above.



Photos by OIG.

As of July 8, 2024, Region 3 had obligated or spent more than \$3.0 million of the more than \$5.5 million allocated, which is 54.8 percent of its total allocation, as shown below.⁴

**Region 3 LRT Spending Progress
(As of July 8, 2024)**



⁴ Forest Service has 4 fiscal years to obligate each year’s IJJA funding. After that, Forest Service has 5 years to expend the obligations. *Obligations* are the amounts of orders placed, contracts awarded, services received, and similar transactions during an accounting period that will require payment during the same or future period. *Expenditures* are actual disbursements of funds in return for goods or services.

OIG is applying a multi-tiered approach to its oversight of this IIJA program. We began by issuing a report that provided general LRT information.⁵ This Region 3 audit was conducted in parallel with an audit of Region 6’s implementation of LRT, including controls over project selection and spending.⁶ OIG plans to issue a capping report to the Washington Office that consolidates Washington Office considerations identified in the Region 3 and Region 6 audits, respectively.⁷

Objective

Our objective was to review Forest Service Region 3’s implementation of LRT, including controls over project selection and spending.

We did not identify reportable issues with the portion of the objective relating to controls over project spending in Region 3.

⁵ 08801-0001-31, *Infrastructure Investment and Jobs Act: Legacy Road and Trail Remediation Program – Information Report*, Sept. 2023.

⁶ Audit Report 08601-0006-31, *IIJA - Legacy Road and Trail Remediation Program - Region 6*, Dec. 2024.

⁷ Audit 08601-0007-31, *IIJA - Legacy Road and Trail Remediation Program Capping Report on Implementation by Regions 3 and 6*, in progress.

Finding 1: Region 3 Did Not Adequately Document LRT Project Scoring and Eligibility

While we recognize that Region 3 had limited time to implement LRT, we were unable to validate the project scoring and eligibility determinations for the 15 projects Region 3 selected in FYs 2022 and 2023. This occurred because the regional project selection team did not formally document the supporting information reviewed and decisions made when the team determined eligibility and assigned evaluation points for each LRT project proposal. As a result, Forest Service has reduced assurance that the \$5.5 million in FY 2022 and FY 2023 projects Region 3 selected were eligible, consistently and accurately evaluated and scored, and that the most meritorious projects received LRT funding.

IJA required Forest Service to establish a process for annually selecting LRT projects.⁸ To implement LRT, the Forest Service Washington Office issued guidance to the regions outlining eligibility prioritization points for legislative and Washington Office priorities that was developed based on IJA and Forest Service priorities.⁹



The Government Accountability Office's Green Book prescribes maintaining appropriate documentation by clearly documenting internal controls and other significant events in a manner that allows the documentation to be readily available for examination.^{10, 11}

Region 3 implemented LRT within six weeks, from March 30, 2022, to May 9, 2022, as detailed below:



⁸ Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, § 40801, 135 Stat. 1094-1096 (2021).

⁹ USDA Forest Service, *Legacy Road and Trail Remediation Program Submission Guidelines -Version 2.1* (Feb. 2022).

¹⁰ Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G, ¶ 10.03 (Sept. 2014).

¹¹ Departmental Regulation requires agency heads to establish and maintain a system of internal control based on the Government Accountability Office's Green Book, ensuring adequate controls for program and administrative operations, reporting, and compliance are in place, USDA Departmental Regulation 1110-002, *Management's Responsibility for Internal Control* (Mar. 5, 2021).

When implementing LRT, Region 3 ranked and selected projects using the Washington Office scoring criteria and regional priorities, as allowed by the guidance.¹² However, Region 3 did not formally document whether the projects met certain eligibility requirements, such as the LRT project needing to be on Forest Service land and that all projects funded under LRT must be consistent with any applicable forest plan or travel management plan. Region 3 also did not document the information reviewed and decisions made to arrive at each of the project's eligibility and scoring determinations. When we asked how the region ensured all aspects of projects selected for funding were eligible, Region 3 officials said that they used a spreadsheet scoring process with the project selection team that was in accordance with the Washington Office guidance so that all scoring information was in one place. However, without (1) documentation supporting that the projects met all eligibility criteria and (2) justification supporting why the different projects received the scores recorded, we were unable to confirm that the scores recorded on the spreadsheet were warranted.

Thus, while recognizing that Region 3 selected projects that should improve roads, trails, and aquatic organism passages, we cannot determine whether Region 3 put the \$5.5 million allocated to these projects in FYs 2022 and 2023 to best use and we therefore question these costs. As such, to strengthen its LRT project selection process, we recommend that Region 3 formally document support for its eligibility determinations and scoring decisions. Region 3 officials generally agreed with our finding.

Recommendation 1

We recommend that Forest Service Region 3 strengthen its LRT project selection process, going forward, to formally document the information reviewed and decisions made when determining LRT project eligibility and scoring, to allow for independent review.

Agency Response

In its November 8, 2024, response, Forest Service generally concurred with this recommendation, and the Southwestern Region developed a regional LRT project selection process document to address the issue. Forest Service stated that the corrective action was completed in its November 8, 2024, response.

OIG Position

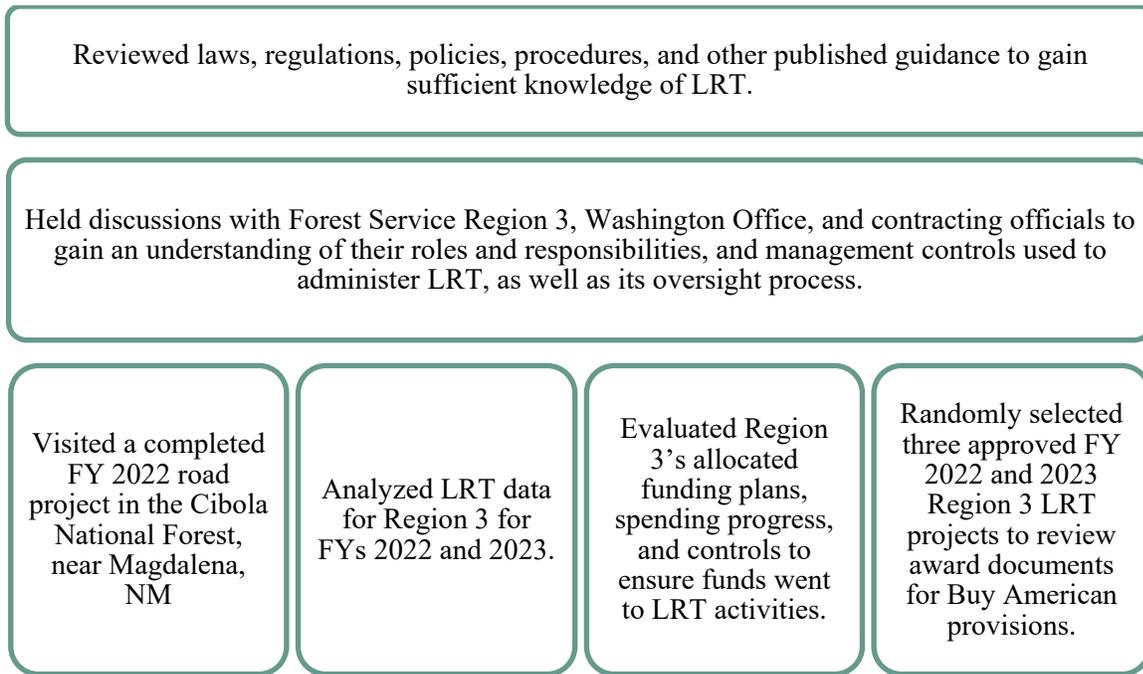
We accept management decision on this recommendation.

¹² USDA Forest Service, *Legacy Road and Trail Remediation Program Submission Guidelines -Version 2.1* (Feb. 2022).

Scope and Methodology

We conducted an audit to review Forest Service Region 3’s implementation of LRT, including controls over project selection and spending. The audit covered 15 projects in Region 3 that received LRT funding as of September 30, 2023, totaling more than \$5.5 million. We conducted fieldwork both in-person at the Forest Service Region 3 Office in Albuquerque and Magdalena, New Mexico, and remotely. We performed our audit fieldwork from November 2023 through October 10, 2024. We discussed the results of our audit with agency officials on June 17, 2024, and October 10, 2024, and included their comments, as appropriate.

To accomplish our objective, we did the following:



All Report Graphics Generated by OIG.

We assessed internal controls significant to the audit objective. Our assessment included internal control components and principles of the Standards for Internal Control in the Federal Government.¹³ Specifically, we assessed the following components and underlying principles:

Component	Principle
Control Activities	Management should design control activities to achieve objectives and respond to risks.
Control Activities	Management should implement control activities through policies.

¹³ Government Accountability Office, *Standards for Internal Control in the Federal Government*, GAO-14-704G (Sept. 2014).

However, because our review was limited to these internal control components and underlying principles, it may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

To conduct this audit, we obtained data from USDA’s Financial Management Modernization Initiative and Forest Service’s Natural Resource Manager system. We assessed the reliability of the data from those systems by comparing them to a list of LRT projects approved by the Washington Office for FYs 2022 and 2023 and interviewing agency officials knowledgeable about the data.¹⁴ We determined that the data were sufficiently reliable for the purposes of this report. However, we did not assess the overall reliability of any information system, as we did not rely solely on system data to support the reported findings, conclusions, and recommendations. Evaluating the effectiveness of information systems or information technology controls was not part of our audit objective.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our finding and conclusion based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our finding, conclusion, and recommendation based on our audit objective.

¹⁴ In Region 3, there were 7 projects with more than \$1.5 million in funding for FY 2022 and 10 projects with more than \$4 million in funding for FY 2023. Two projects had funding in both FYs 2022 and 2023. As a result, there were a total of 15 projects for FYs 2022 and 2023 combined, totaling more than \$5.5 million in funding.

Abbreviations

FY	fiscal year
IIJA	Infrastructure Investment and Jobs Act
LRT	IIJA Legacy Road and Trail Remediation Program
OIG	Office of Inspector General
USDA.....	U.S. Department of Agriculture

Exhibit A: Summary of Monetary Results

Exhibit A summarizes the monetary results for our audit report by finding and recommendation number.

Finding	Recommendation	Description	Amount	Category
1	1	Region 3's LRT projects selected for FY 2022 and FY 2023.	\$5,590,000	Questioned Costs, No Recovery
Total			\$5,590,000	

**Forest Service's
Response to Audit Report**



File Code: 1430**Date:** November 8, 2024**Subject:** Response to Official Draft Report - OIG Inspection Region 3
Legacy Road and Trail Remediation Program 08601-0005-31**To:** Janet Sorensen, Assistant Inspector General for Audit

Thank you for the opportunity to review and comment on the Office of Inspector General (OIG) Report Number 08601-0005-31. The Forest Service has taken steps to improve its Legacy Road and Trail project selection process and the corrective actions have been completed.

We appreciate the time and effort that went into the report. The agency's response to the recommendation is enclosed.

Please contact Robert Velasco, Chief Financial Officer, at robert.velasco@usda.gov with any questions.

RANDY MOORE
Chief

Enclosure (1)



USDA Forest Service (FS)

Office of Inspector General (OIG) Inspection Report No. 08601-0005-31

Legacy Road and Trail (LRT) Remediation Program – Region 3

Response to the Official Draft Report

Recommendation 1: FS Region 3 strengthen its LRT project selection process to formally document the information reviewed and decisions made when determining LRT project eligibility and scoring, to allow for independent review.

FS Response: The Forest Service generally concurs with this recommendation. The Southwestern Region developed a regional LRT project selection process document that addresses how the region will document the merits of each project and how eligibility and information used to score and select projects are verified.

Estimated Completion Date: Completed

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