



U.S. OFFICE OF SPECIAL COUNSEL

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Washington, D.C. 20036-4505

The Special Counsel

March 31, 2009

The President
The White House
Washington, D.C. 20500

Re: OSC File No. DI-06-2427

Dear Mr. President:

The U.S. Office of Special Counsel (OSC) has received disclosures from Mr. George Kalba, a former employee of the Department of Interior (DOI), Bureau of Reclamation (BOR), Lower Colorado Region, Boulder City, Nevada. Mr. Kalba alleged that 27 BOR-owned buildings were removed or demolished by local utilities which were in possession of the buildings pursuant to Operation & Maintenance Agreements with BOR, in violation of federal law.

OSC required the Honorable Dirk Kempthorne, former Secretary of the Department of Interior, to conduct an investigation into these disclosures pursuant to 5 U.S.C. §1213(c) and (d). The Secretary tasked the Office of the Inspector General with conducting the investigation. Following completion of the investigation, the Secretary's designee, Kameran L. Onley, former Assistant Deputy Secretary, submitted a report to this office. A supplemental report was submitted by former Deputy Assistant Secretary Timothy R. Petty.

As discussed in the attached Analysis of Disclosures, the agency investigation substantiated Mr. Kalba's allegations that the removal of two BOR buildings and demolition of 25 BOR buildings was improper. The investigation concluded that the removal and demolition of the buildings violated numerous DOI, BOR or other federal laws, rules or regulations. Notwithstanding this finding, the reports stated that criminal prosecution, civil action and administrative sanctions are not viable due to the time that elapsed between the date of the violations and the finding of wrongdoing. The OIG did recommend that the agency address several problems uncovered by the investigation particularly in the areas of BOR property accountability, inventory and disposal to ensure that violations of this nature do not occur in the future. In response to the OIG's recommendations, the agency reports reflect that DOI/BOR does intend to take appropriate corrective action.

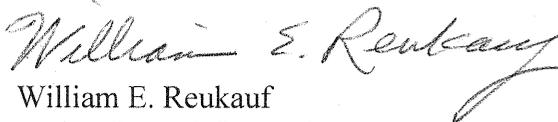
The President

Page 2

Mr. Kalba provided comments on the report and the supplemental report. As required by 5 U.S.C. §1213(e)(3), I am now transmitting to you the report, the supplemental report and the whistleblower's comments. I have reviewed the original disclosure, the original report, the supplemental report and Mr. Kalba's comments. Based on that review, I have determined that the agency's reports contain all of the information required by statute and its findings appear to be reasonable.

As required by 5 U.S.C. §1213(e)(3), I have sent a copy of the report, the supplemental report and Mr. Kalba's comments to the Chairman and Ranking Member of the House Committee on Natural Resources and the Chairman and Ranking Member of the Senate Committee on Energy and Natural Resources. I have also filed copies of the agency reports and Mr. Kalba's comments in our public file and closed the matter.

Respectfully,



William E. Reukauf
Acting Special Counsel

Enclosures