

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 and continued human capital challenges.

GAO was asked to update the status of Interior's human capital challenges. This report examines: (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. GAO surveyed 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

GAO recommends that the Department of the Interior explore the bureaus' expanded use of recruitment, relocation, retention, and other incentives and systematically collect and analyze hiring data. In commenting on a draft of this report, Interior generally agreed with GAO's recommendations.

View [GAO-14-205](#). For more information, contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov.

OIL AND GAS

Interior Has Begun to Address Hiring and Retention Challenges but Needs to Do More

What GAO Found

The Department of the Interior (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 compared with similar positions in industry. 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. However, the attrition rate for other key oil and gas staff during fiscal year 2012 was lower than the federal average. Nonetheless, 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 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 use of these incentives to attract and retain petroleum engineers and inspectors has been limited. Moreover, the department and 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 solutions are not sustainable.