

Interior Dept. Reviews Land Exchanges

By JOHN HEILPRIN
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WASHINGTON- The Interior Department is reviewing its federal land exchanges across the West following a study that found possible illegal activities as well as political pressures being exerted on regional land appraisers by federal managers.

"We're worried about the integrity of the program," Jim Hughes, deputy director of policy and programs for the department's Bureau of Land Management, said in an interview. "The integrity of the program has been challenged, and we want to be sure it is preserved."

The Appraisal Foundation, a nonprofit group Congress once asked to help examine the troubled savings and loan industry, had been asked by BLM to review the land program. It found BLM is highly troubled and recommended the Justice Department investigate the exchanges.

"It appears that violations of law may have occurred," the group said. "The BLM appears rife with internal dissatisfaction, confusion, controversy, and outside political pressures on its performance that affect the appraisal function and the BLM at large."

The criticism prompted the BLM, which oversees the land exchange program, to launch a three-month review of all land exchanges in 12 Western states.

Among the exchanges under scrutiny is a swap of federal and state land in Utah's San Rafael Swell totaling nearly a quarter-million acres. Some BLM appraisers allege the deal negotiated by senior agency officials, state officials and federal lawmakers amounts to a giveaway to the state.

They complain the federal land was not properly appraised and could be worth as much as \$117 million more than the \$36 million appraisal, because of potentially recoverable oil shale deposits not included in the valuation.

The Appraisal Foundation urged an immediate moratorium on all land exchanges, including the one in Utah.

It also cited the BLM's "bias" and "circumvention or misapplication" of its own standards in another Utah exchange - one involving habitat critical for the Mojave desert tortoise in Washington County - which raised "questions of the propriety and legality of broader BLM practices" that should be looked into by the Justice Department. However, Hughes said the BLM handles more than 250 exchanges a year and a moratorium "would throw a lot of (exchanges) ... into complete chaos."

"That's too drastic a step," he said, adding he did not believe the report's conclusion that widespread political pressures are being exerted by BLM managers on regional land appraisers.

Christopher Krupp, a staff attorney for the Western Land Exchange Project in Seattle, said he was not surprised by the latest report's findings.

"The appraisal process within BLM was highly politicized, and it just backs up what we've been saying, which is that the BLM appraisal process is fundamentally flawed and needs to be

thoroughly revamped," Krupp said. "The process is broken and the public is getting harmed by this. We're losing millions of dollars every year."

The land exchange program also is being investigated by the U.S. Office of Special Counsel, the Interior Department and Interior's inspector general.