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## BLM boss's Utah ties part of probe

By Christopher Smith  
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WASHINGTON -- Kathleen Clarke's Utah ties helped her land the director's job at the Bureau of Land Management, but now those connections are the focus of an investigation into possible ethics violations related to a failed San Rafael Swell land exchange.

The announcement of the new federal probe of Clarke came in a report released to Congress on Wednesday by the Interior Department's Office of Inspector General (OIG) that revealed employees of the Interior Department, BLM and Interior Solicitor's Office had improperly helped conceal the actual value of federal lands offered in a trade for Utah state trust lands, confirming the allegations of Utah BLM appraiser and federal whistle-blower Kent Wilkinson.

The deal, which passed the House last year but died in the Senate, would have short-changed American taxpayers an estimated \$100 million because of the deflated price tag of the 135,000 acres of BLM lands the state would have received in trade for 108,000 acres of state school trust lands in the San Rafael Swell in Emery County. Billed as an "equal-value" exchange by Utah's congressional delegation, the swap was prompted by Gov. Mike Leavitt's since-withdrawn proposal to the Bush administration to designate the redrock ledge country as a national monument and consolidate federal holdings in the Swell.

No charges: Several federal employees were identified by the OIG as devaluing public lands without authority, concealing information from Congress and aiding in a cover-up of the deal-rigging, but the U.S. Attorney's Office for the District of Columbia has declined to bring criminal charges, according to the report. Instead, "the matter is being referred to the appropriate Department officials for whatever action they deem appropriate."

Although the flawed trade was never made, "the situation that we caused is unacceptable," Interior Secretary Gale Norton wrote in a letter accompanying the report to Utah 3rd District Rep. Chris Cannon, a proponent of the San Rafael swap. Cannon, who has pledged to resubmit the San Rafael land exchange legislation, said the investigation overlooked the primary reason for the swap: to consolidate state trust lands to maximize returns for public schools.

"I am far more concerned about having adequate resources for our schoolchildren than I am about the abstract and ill-founded arguments of government appraisers," Cannon said after reviewing the report. "I expect the Department of the Interior to solve any internal problems so that we may continue with exchanges."

Land exchange activists, however, said the findings validated their complaints and that the perpetrators of the trade attempt should be held accountable.

"Despite some pretty damning revelations of what these people have done, you don't get a very good idea of what's going to happen to them," said Janine Blaeloch of the Western Land Exchange Project in Seattle. "This shows how poisonous these lands deals are, especially with a state like Utah that wants to privatize all the public lands in the state."



Kathleen Clarke

In the report's pages: The chief findings of the 38-page report are that Department of Interior officials "negotiated away" potentially valuable oil shale resources on federal lands to the state; devalued the mineral resources in the Uinta Basin federal parcels by 50 percent without authority; entered into a separate deal that was not economically viable to buy state lands in the Red Cliffs Desert Tortoise Reserve using money generated from coal mining on a federal parcel; failed to value the state tortoise habitat consistently with other properties; and inappropriately used a consultant's report to portray an equal-value exchange.

The OIG report also outlines discrepancies in Clarke's repeated contention that she recuses herself from participating in "any official matters [that] involve BLM and the state of Utah," since she formerly headed the Utah Department of Natural Resources, was an aide to Leavitt and was on the staff of former Rep. Jim Hansen of Utah, whose pending 2002 retirement was cited as the reason the swap was expedited.

The federal probe "raised several concerns" related to Clarke's actions, prompting a separate investigation now under way. Clarke maintained she did not get involved in the San Rafael deal, but Utah BLM State Director Sally Wisely said she met with Clarke in March 2002 to discuss the plan and express her fears that it was being rushed through when no decision had been reached on the San Rafael Swell National Monument designation.

Clarke, however, characterized the meeting as unplanned encounters in the hallway of the Department of Interior headquarters and said that "she did not get into the substance" of Wisely's concerns.

Clarke's written notice of recusal of participation in any Utah land exchange negotiations was not filed with the Office of Government Ethics until Nov. 13, 2002, two months after Wilkinson's allegations were made public and after the exchange was essentially dead in Congress. Investigators noted that Clarke never asked for advice on the potential conflict-of-interest from Interior's Office of Ethics, and the "issues raised in this investigation regarding Clarke's recusal are being examined in greater detail in a separate OIG investigation."

Through a BLM spokesperson, Clarke declined comment Wednesday.

OIG investigators reported the BLM's chief land exchange negotiator, Thomas Fulton, a former deputy assistant secretary of Interior for Lands and Minerals Management, "made efforts to conceal the negotiations from Department decision-makers and the United States Congress." Fulton, who now heads the BLM's efforts to commemorate the Lewis & Clark expedition, did not return a phone call seeking comment.

The report also found Deputy Associate Solicitor Peter Schaumberg and Associate Solicitor Fred Ferguson "created the framework that facilitated Fulton's improper actions." Although the report also details numerous examples of inappropriate actions by Utah BLM Realty Specialist Terry Catlin in adjusting the land values without proper authority or reason, it does not refer to her by name.

"We were concerned this all was going to be laid at the feet of Terry Catlin, but she was acting under instructions, doing what she thought she was supposed to do by those in positions over her," said Jeff Ruch, director of Public Employees for Environmental Responsibility, which has assisted Wilkinson in his whistleblower case. "None of these people were acting on their own. They were all acting at the direction of [Deputy Interior Secretary] Steven Griles, who's the one really running the BLM."

A former lobbyist for oil, mining and utility companies, Griles' own participation in issues dealing with his former clients is being probed by the Interior OIG after requests from Democratic Sens. Ron Wyden of Oregon and Joseph Lieberman of Connecticut. A spokesman for Griles has described the investigation as politically motivated.

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