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Review Shows Land Exchange Appraisal Flaw

By Christopher Smith
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WASHINGTON -- A multiagency review of the Bureau of Land Management's land exchange program has concluded the current system "does not support an independent appraisal function free of inappropriate influence."

BLM released copies of the report by the Appraisal and Exchange Workgroup on Friday, part of the steps the agency vowed to take in the wake of investigations by the General Accounting Office, Inspector General's Office and The Appraisal Foundation that found widespread discrepancies in determining likely market prices of public lands being traded away in what were supposed to be equal-value swaps for private or state parcels.

Several Utah land deals were targeted in the investigations. In October, the U.S. Office of Special Counsel ordered Interior Secretary Gale Norton to investigate a whistle-blower's allegation that a proposed land swap in Utah's San Rafael Swell would shortchange taxpayers more than \$100 million. That legislatively mandated exchange passed the House but died in the Senate last year. Rep. Chris Cannon, R-Utah, has vowed to resubmit the bill in the current Congress.

Although BLM executives were still sifting through the report's numerous recommendations for changing management of the land exchange program, BLM Deputy Director for Policy and External Affairs Jim Hughes said the findings will be used to help restore confidence in the land exchange program.

"The end result we are moving toward is to ensure the integrity of this program," said Hughes, who served as chairman of the workgroup but did not participate in determining the recommendations. "It is very important to the management of BLM and not only to the citizens of Utah but the people in every other state where we operate."

Among the group's recommendations was that BLM work quickly to resolve problems found in the previous audits and stress openness to public scrutiny in its future land exchanges.

"There is also a belief that the BLM is withholding information; therefore it is recommended that all evaluation studies and reports associated with considering a proposed land exchange be made available to the public," the report said.

The working group also suggests reorganizing supervision and delegation of authority over the BLM appraisal staff into a separate, independent entity under the Department of Interior's chief appraiser.

"This would prevent conflicts of interest with the realty function and enhance the independence of appraisers within the BLM and other departmental bureaus," the group wrote.

Organizations that monitor BLM's land exchanges said they were encouraged by the findings and recommendations.

"Having oversight from the department level would be absolutely necessary to clean up these problems, particularly because there are people in other agencies of Interior that have expressed the same concerns," said Janine Blaeloch of the Western Land Exchange Project in Seattle. "If they enact the recommendations in this report I will be surprised and pleased."

Added Jeff Ruch of Public Employees for Environmental Responsibility, a group that represents BLM appraisers who claim their work was doctored by supervisors to make trades appear to be balanced: "We're very pleased with the report and it appears to be a good faith effort to meet the criticisms. The concern now is whether it will be implemented."

Other recommendations include using nationally recognized appraisal standards for BLM land value estimates, adding a "competent" appraiser to the national Land Exchange Team and using approved appraisals to resolve disagreements on market value of lands. After gathering comments from state directors, BLM Director Kathleen Clarke is expected to make formal recommendations to changes in the land exchange program to the Department of Interior by mid-July.



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