



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

# INDIAN LAND CONSOLIDATION ADVISORY

NEED FOR AN APPRAISAL TRACKING SYSTEM



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**INSPECTOR GENERAL**  
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JUL 18 2011

Memorandum

To: Meghan Conklin  
Associate Deputy Secretary

From: Kimberly Elmore *Kimberly Elmore*  
Assistant Inspector General for Audits, Inspections, and Evaluations

Subject: Advisory – Indian Land Consolidation: Need for an Appraisal Tracking System  
Report No. WR-EV-OST-0010-2011

This advisory is part of our ongoing effort to monitor and evaluate the U.S. Department of the Interior's (Department) upcoming endeavor to implement the land consolidation portion of the *Cobell* settlement. Although the *Cobell* settlement was approved by Congress and signed into law in December 2010, it did not become final until the court approved it in June 2011. In the interim, the Department has been conducting tribal consultations regarding Indian land consolidation. As a result, these advisories provide information to the Department in advance of implementation efforts. We conducted our work in accordance with the Quality Standards for Inspection and Evaluation issued by the Council of the Inspectors General on Integrity and Efficiency.

We interviewed officials at the Office of the Special Trustee for American Indians (OST), Office of Appraisal Services (OAS), and the Department's Office of Valuation Services. Currently, OAS regions use various methods to track appraisal requests. These methods range from basic spreadsheets to the Indian Trust Appraisal Request Tracking System (ITARS). OAS implemented ITARS as an attempt to create a central appraisal request tracking system. The regions never fully adopted ITARS, however, partially because of privacy issues related to the lack of access controls. Consequently, the regions do not use a centralized tracking system.

OAS initially considered two options for their centralized appraisals tracking system: Use the existing Appraisal Request and Review Tracking System (ARRTS) or create an in-house system. ARRTS is currently used by the Office of Valuation Services for requests from other Department bureaus for appraisals on non-Indian lands. ARRTS, however, is currently undergoing a major revision due to organizational changes at the Office of Valuation Services. As a result, ARRTS would need further modification to meet the needs of OAS. Due to time and financial constraints of implementing ARRTS, as well as limitations of the system, OAS is now moving forward with its second option, to develop its own system for tracking appraisal requests.

This in-house system, referred to as the Office of Appraisal Services Information System (OASIS), will track appraisal requests and allow OAS management to produce standard management reports. OASIS will also store land characteristic and valuation data, such as

average price per acre for specific land types, as well as performance data for regions and appraisers. Although not a requirement of the new system, appraisers will have the option to use OASIS to help generate appraisal reports.

When selecting a central appraisal request tracking system, OAS considered the need for better access controls. One of the major complaints of previous systems was the ability for a system user to view all appraisal request activity regardless of whether it occurred within the user's reservation or region. With OASIS, users will be able to view only the appraisal requests for their tribe or region. While OASIS is an Internet-based system, OAS is identifying alternative methods for submitting appraisal requests for those tribes with limited Internet access.

In our January 2011 report, "Coordination of Efforts to Address Indian Land Fractionation" (Report No. WR-EV-BIA-0002-2011), we found that OAS was unable to keep up with its appraisal workload. In January 2011, the 12 OAS regions had over 1,000 reports past due and more than 2,500 open appraisal requests.

The Appraisal Foundation (Foundation)<sup>1</sup> also reported significant appraisal backlogs in its 2003 evaluation of OAS operations. In its report,<sup>2</sup> the Foundation found it challenging to track the large number of appraisal assignments in each region. It recommended the use of a centralized appraisal request tracking system as one way for OAS to help address the appraisal backlog. Specifically, the Foundation recommended that OAS implement an appraisal tracking system for use nationwide that is practical, functional, and effective for use in each regional appraisal office. It further recommended that OAS design the appraisal tracking system to allow the Director of OAS to periodically download tracking information.

We agree with the Foundation's recommendation and OAS's need for a central appraisal request tracking system, as well as its belief that OAS should develop this system using substantial input from regional appraisers. In early 2011, OAS presented a brief overview of OASIS to OST leadership followed by a presentation to OAS's regional supervisory appraisers. We contacted several regional supervisory appraisers who said that they recognized the need for a centralized tracking system and were generally supportive of efforts to implement OASIS. Some noted that they would like the opportunity for all OAS appraisers to provide additional input on OASIS prior to live testing in the regions.

While OASIS is viewed by OAS as a workable solution to their central appraisal request tracking needs, some have expressed interest in possibly implementing an appraisal module within the Trust Asset and Accounting Management System (TAAMS). In our January 2011 report, we also found that it can take extended periods of time to produce TAAMS reports. The increasing number of TAAMS users, and issues with TAAMS infrastructure, cause these delays. We were also told that it can be costly to obtain custom reports and training.

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<sup>1</sup> Established by the appraisal profession in the United States in 1987, the Appraisal Foundation is a not-for-profit organization dedicated to the advancement of professional valuation.

<sup>2</sup> The Appraisal Foundation, Evaluation of the Appraisal Organization of the Office of Special Trustee for American Indians, Office of Appraisal Services, (August 29, 2003).

## **Recommendations**

1. Implement a centralized appraisal tracking system for OAS that best positions the organization to meet its current and expected appraisal workload.
2. Solicit feedback from all OAS appraisers on the selected appraisal tracking system prior to testing of the system in the regions.
3. Consider issues identified in our January 2011 report when considering any TAAMS modifications for appraisals.

Please provide a written response to this advisory within 30 days after the conclusion of the Department's tribal consultations. The response should detail the Department's corrective action plan, as well as targeted completion dates and title(s) of the official(s) responsible for implementation. Information contained in this advisory will be included in our semiannual report to the Congress. Please contact me at 202-208-5745 if you have any questions.

cc: Deputy Secretary, U.S. Department of the Interior  
Assistant Secretary – Indian Affairs  
Principal Deputy Special Trustee, Office of the Special Trustee for American Indians  
Director, Bureau of Indian Affairs  
Audit Liaison, Office of the Secretary  
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