

DRAFT

Petersburg Borough, Petersburg, Alaska
RESOLUTION #2018-XX:

A RESOLUTION REQUESTING: USDA'S INSPECTOR GENERAL TO: (1) CONDUCT A FORENSIC AUDIT OF THE TONKA AND BIG THORNE INTEGRATED RESOURCE TIMBER CONTRACTS, AND (2) ENSURE PAYMENT OF FUNDS THAT AFFECTED COMMUNITIES SHOULD HAVE RECEIVED FROM UNCOLLECTED CONTRACT REVENUES

WHEREAS, the 2016 Washington Office Activity Review (WO Review) investigated execution of the Tonka and Big Thorne Integrated Resource Timber Contracts on the Petersburg and Thorne Bay Ranger districts of the Tongass National Forest and made important *formal findings and recommendations*; and

WHEREAS, the WO Review findings of fact revealed systematic failures in the administration, monitoring, and enforcement of the above timber contracts; and

WHEREAS, the WO Review's findings of fact and supporting documentation reveal that several millions of dollars of revenue from the above timber contracts – amounting to nearly \$2 million for the Tonka contract and \$1.7 million for the Big Thorne contract – *were not collected* due to misadministration or maladministration of the contracts; and

WHEREAS, that uncollected revenue entails significant losses to the Borough of Petersburg and City of Thorne Bay, because a portion of Forest Service receipts from such timber contracts are distributed to nearby local governments for use on roads and for schools, under the Secure Rural Schools and Community Self-Determination Act and the National Forest Receipt Program; and

WHEREAS, the WO Review recommended “*an independent review* [to] inform solutions and prevent similar issues in future timber and stewardship contracts” (emphasis added), yet no apparent, meaningful action has been undertaken by the agency during the nearly two years since the Review was conducted; and

WHEREAS, unless the Washington Office's recommendations are fully followed, the Central Tongass and Prince of Wales Landscape Level Analyses – which the agency is planning and which will result in timber sales – will also result in monetary losses to the both agency and local governments;

THEREFORE BE IT RESOLVED, the Borough of Petersburg, Alaska requests that:

1. the USDA Inspector General to conduct a forensic audit of the Tonka and Big Thorne Integrated Resource Timber Contracts in order to determine: (a) the amount of money the Forest Service should have collected from the timber contracts, (b) why those funds were not collected and what misadministration or maladministration occurred, and (c) the amount of money that should have been available and paid to the local governments; and
2. Rep. Don Young and Sen. Lisa Murkowski to find out whether the Inspector General has sufficient funds to conduct that audit, and that they secure such additional funds as may be needed; and

3. the Inspector General, Rep. Young and Sen. Murkowski ensure the local communities receive the moneys they should rightfully have received through the Secure Rural Schools and Community Self-Determination Act and the National Forest Receipt Program, had the timber contracts been properly administered and executed.

(Signed this day of...

cc

Dave Zimmerman, Petersburg District Ranger
Earl Stewart, Tongass Forest Supervisor
Vickie Christiansen, Interim Chief of the USFS
Regional Foresters Beth Pendleton and David Schmid
Rep. Don Young
Senator Dan Sullivan
Senator Lisa Murkowski
Rep. Jonathan Kreiss-Tompkins
Senator Bert Stedman