

**Petersburg Borough, Alaska  
RESOLUTION 2018-13**

**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) RESTORE PAYMENT OF FUNDS  
FROM WHICH THE AFFECTED COMMUNITIES SHOULD HAVE BENEFITED**

**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 finding 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 big contracts; and,

**WHEREAS**, those uncollected revenues entail significant losses to the Petersburg Borough and City of Thorne Bay, because revenues that would have been generated from Integrated Resource Timber Contracts on the Petersburg and Thorne Bay Ranger districts would fund local businesses to implement restoration and stewardship projects; 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 both agency and local governments.

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

1. the USDA Inspector General 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 for restoration and stewardship projects recovered; and
2. Representative Don Young and Senators Lisa Murkowski and Dan Sullivan research 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, Representative Young and Senators Murkowski and Sullivan 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.

**Passed and Approved by the Petersburg Borough Assembly on October 15, 2018.**

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**Mark Jensen, Mayor**

**ATTEST:**

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**Debra Thompson, Borough Clerk**

**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