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STEALING THE TONGASS

**Playing by Alaska Rules in
the U.S. Forest Service**

November 1996

About PEER

Public Employees for Environmental Responsibility (PEER) is an association of resource managers, scientists, biologists, law enforcement officials and other government professionals committed to upholding the public trust through responsible management of the nation's environment and natural resources.

PEER advocates sustainable management of public resources, promotes enforcement of environmental protection laws, and seeks to be a catalyst for supporting professional integrity and promoting environmental ethics in government agencies.

PEER provides public employees committed to ecologically responsible management with a credible voice for expressing their concerns.

PEER's objectives are to:

1. **Organize** a strong base of support among employees with local, state and federal resource management agencies;
2. **Inform** the administration, Congress, state officials, the media and the public about substantive issues of concern to PEER members;
3. **Defend** and strengthen the legal rights of public employees who speak out about issues of environmental management; and
4. **Monitor** land management and environmental protection agencies.

PEER recognizes the invaluable role that government employees play as defenders of the environment and stewards of our natural resources. PEER supports resource professionals who advocate environmental protection in a responsible, professional manner.

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About This Report

This PEER white paper documents the institutional complicity of the U.S. Forest Service in commercial timber theft, massive scaling fraud and illegal trafficking for export of unfinished public logs from the Tongass National Forest in Alaska. The Tongass is the largest national forest and contains the largest remaining temperate rainforest on the planet. As other timber production has fallen, the Tongass has become the new "timber basket" of the national forest system.

This white paper is drawn directly from the work of U.S. Forest Service law enforcement personnel, some of whom are special agents and investigators who served on the Timber Theft Task Force. These professionals collectively represent more than a century of Forest Service law enforcement experience.

Much of this white paper reflects the fruits of a more than two-year investigation, called a case review, which the Forest Service terminated prior to its completion. The story of that investigation and how and why it prematurely ended comprise the core of this report.

This white paper follows an earlier PEER report entitled *Unindicted Co-Conspirator:*

Timber Theft and the U.S. Forest Service (March 1996) that detailed how the Forest Service ceased initiating major commercial timber theft and fraud investigations and has disrupted ongoing investigations by the summary abolition of the only specialized timber theft investigative unit within the agency.

The authors of this white paper remain anonymous to avoid further retaliation by the Forest Service and to allow the documents summarized herein speak for themselves. The message should not be confused with the identity of the messenger. A number of Forest Service special agents and investigators have filed formal whistleblower complaints against the agency and the personnel aspects of their cases will be litigated this winter.

PEER is proud to serve conscientious public servants who have dedicated their careers to the faithful execution of the laws that protect our national forests for future generations to enjoy.

Jeff DeBonis
PEER Executive Director



Tongass Timber Goes to Market. Logs being transported to the Ketchikan Pulp Corporation pulp mill.

I. Executive Summary

According to its own investigating agents, the Forest Service has turned a blind eye to massive timber export violations, scaling fraud and timber theft on Alaska's Tongass National Forest. As its own agents were compiling damaging dossiers of evidence, Forest Service managers both in Alaska and in the Washington office repeatedly tried to block the burgeoning investigation, finally succeeding in 1995 through the complete abolition of the Timber Theft Investigations Branch (TTIB).

The contents of the official investigative file and the chronology of the Forest Service coverup are detailed in this white paper.

The two-year investigation was prompted by complaints from Forest Service line officers, timber planners, biologists and log scalers in Alaska. The allegations and subsequent investigation revolve around three major issues:

Log Export Violations. Export of unfinished or unmilled National Forest logs are generally prohibited as a means of protecting the jobs of domestic millworkers. The TTIB found that log rafts were regularly routed to a port under Native American jurisdiction with no functional Forest Service presence. At night logs were secretly shipped to foreign markets in Japan, Korea and Taiwan where timber commands a much higher price than in the U.S. In some cases, export violations were so open that unmilled logs were shipped out of the main export port, Thorne Bay, in broad daylight.

Scaling Fraud. Scaling is the process by which the quantity and value of timber are assessed. The TTIB file disclosed that the Tongass was the scene of unprecedented scaling fraud at a multimillion dollar cost to taxpayers. In a given month, TTIB found evidence that millions of board feet of top quality lumber were falsely graded as worthless cull; loads of high value tree species were disguised by placing lower value trees on top; dozens of log rafts, each worth a million dollars, were diverted before reaching the scaling yard; records were missing or incomplete, in some cases skipping counts

for up to half the logs in a sale; and the system of "bingo cards" that are supposed to guarantee random selection of timber bundles for detailed inspection were often rigged.

Timber Theft and Environmental Violations. According to witnesses interviewed by Forest Service special agents, on some Tongass sales up to one third of the trees were harvested illegally. Investigators found an ingrained pattern where timber theft was the rule, not the exception, in an "anything goes" attitude of timber sale administration. At the same time, congressionally-mandated protections in the Tongass Timber reform Act, such as set-asides and buffer strips in riparian or steeply sloped areas, were routinely ignored.

As the TTIB investigation unfolded, Forest Service managers tried various ways to deflect or derail the inquiry. Despite evidence of complicity by high-ranking agency managers, the Forest Service repeatedly breached the security of the investigation by warning potential targets of the investigation. The agency also twice convened internal "vulnerability assessment" teams in Alaska which included some of the very Forest Service managers suspected of collusion in the cover up.

In October 1994, TTIB investigators personally briefed Forest Service Chief Jack Ward Thomas concerning the Alaska case. Thomas told the agents they could finish what they started and the Alaska investigation had a "personal interest" to him. In March of 1995 Thomas repeated his assurances that the TTIB could finish their work but less than one month later he ordered the immediate abolition of the TTIB and reassignment of all the personnel.

The case file sat in storage for more than a year. On July 12, 1996, PEER attorneys wrote to the Agriculture Secretary Dan Glickman requesting his personal review of the situation and offering to provide him with a copy of the case file. On August 2, Chief Thomas, responding for the Secretary, wrote that a new internal assessment team had been convened and that this team

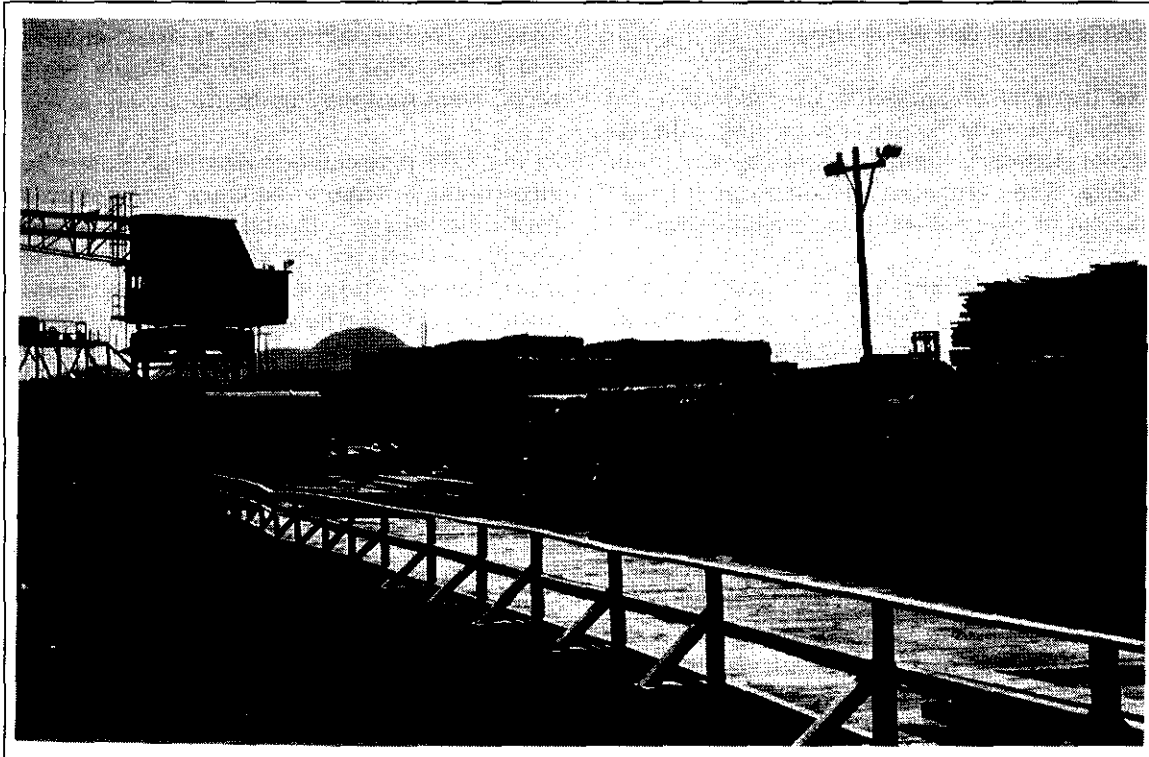
U.S. Forest Service

would contact PEER if it needed any information. After confirming that this new assessment team did not intend to pursue any criminal prosecutions, PEER decided to place the entire matter in the public domain.

The primary motivation driving this latest internal review is the filing of a False Claims Act suit by some of the Tongass whistleblowers seeking to directly recoup funds lost through scaling fraud and timber theft. The Department of Justice (DOJ) is actively reviewing this False

Claims Act suit, which is filed under a seal, secretly, to decide whether DOJ itself will take over the suit and pursue reparations. DOJ has asked both the Forest Service and the Department of Agriculture Inspector General to help it review the case.

In the meantime, the Forest Service has deliberately stripped itself of any capability to initiate new "white collar" timber theft and fraud cases, apparently hoping that if the agency decides to see no evil, the public will hear no evil.



Alaskan Logs for Export. Cants on the Ketchikan dock awaiting shipment overseas.

II. The Case File

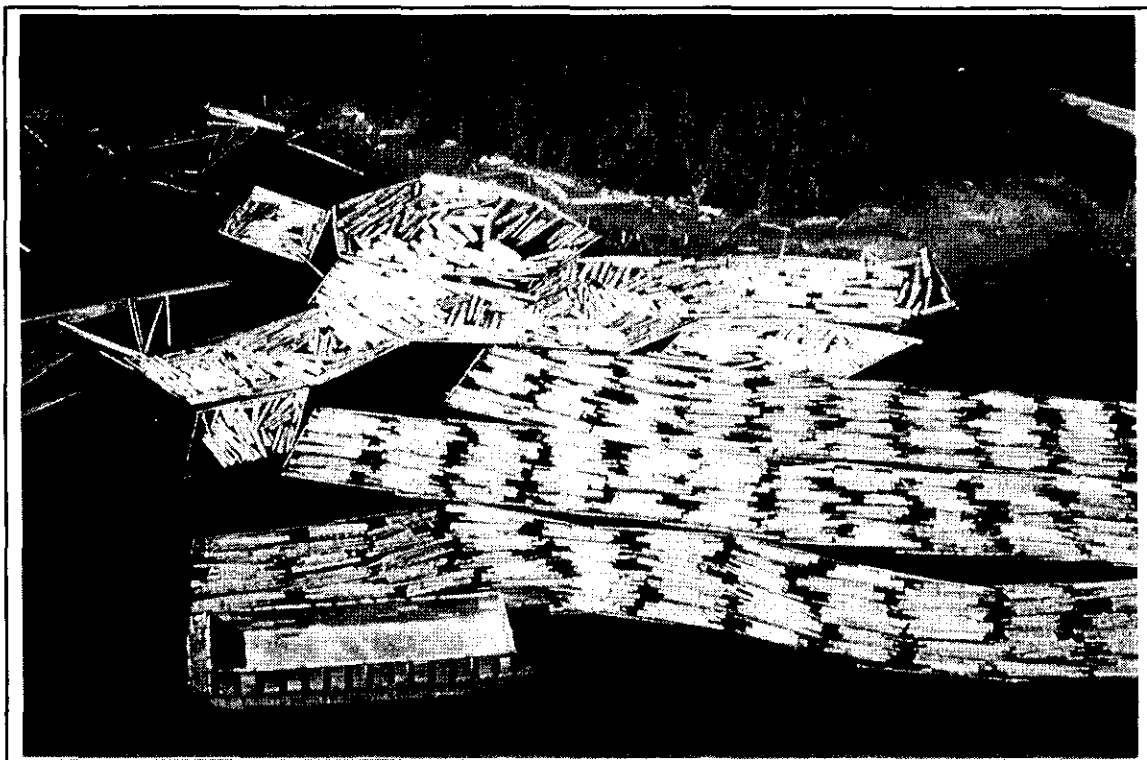
In 1993, the Forest Service began an ambitious effort to learn the extent of criminal commercial timber theft and fraud vulnerability in Alaska's Tongass National Forest. This effort, after overcoming much internal agency opposition, was abruptly terminated in the Spring of 1995. The investigation, conducted by the agency's Timber Theft Investigations Branch (TTIB), was prompted by allegations from some of the Forest Service's own managers, timber scalers and technicians. Before the investigation was halted, more than 65 witnesses had been interviewed and hundreds of documents examined.

This probe was terminated well before its natural conclusion. The experienced law enforcement special agents who led this review recommended in 1995, and still recommend today, that the probe continue because it was documenting a disturbing pattern of abuse. Federal prosecutors who monitored the investigation were also encouraged that it was developing

into what could be the largest criminal timber theft prosecution in history.

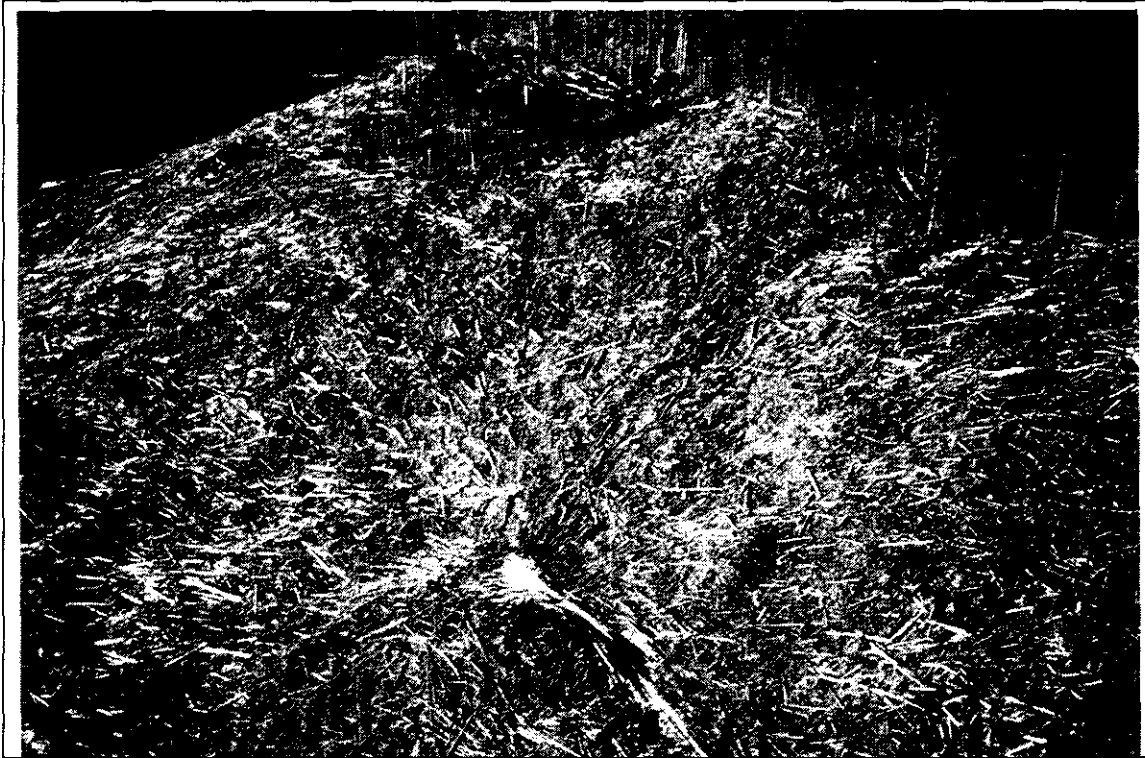
A review of the case file built by the special agents shows three major avenues of the investigation: export violations, scaling fraud and illegal harvesting practices.

Witnesses alleged that the fraud camouflaged a massive black market in illegal exports. Exports of National Forest timber are restricted to protect domestic jobs. The government compensates firms for lost income by rebates for domestically processing certain timber, such as cedar. The TTIB found evidence, however, that unmarked timber and lost rafts regularly were routed to Metlakatla, a port under Native American jurisdiction with no functional Forest Service presence. At night timber was secretly shipped to foreign markets such as Taiwan, Korea and Japan, where timber commands a higher price than in the United States. In some



J. WARREN

Log Rafts. Diversion of log rafts is a point of vulnerability to fraud on the Tongass.



J. WARREN

Clearcut in Southeast Alaska. The volume of timber being removed from the Tongass dwarfs the yield on most National Forests.

cases, export violations were so crude that smugglers shipped directly out of Thorne Bay.

Second, witnesses disclosed, and the TTIB confirmed, that Alaska appeared to be the scene of unprecedented fraud in scaling. Scaling is the process where industry-supported bureaus assess the value of timber purchased from national forests. The timber industry pays up to \$40 million per year for trees harvested from the Tongass National Forest, some 75% of whose value is measured or set by scaling. Quantities of alleged theft on the Tongass potentially were substantially higher than analogous cases of multi-million dollar scaling fraud successfully prosecuted in the Pacific Northwest.

Third, in 1990 Tongass National Forest Supervisor Michael Lunn reported to regional management evidence of illegality that had been frustrating him since 1988 when he assumed his post. Lunn later summarized what he believed to be "irrefutable evidence" of Tongass Timber Reform Act violations, including clearcutting and illegal harvest of trees in congressionally

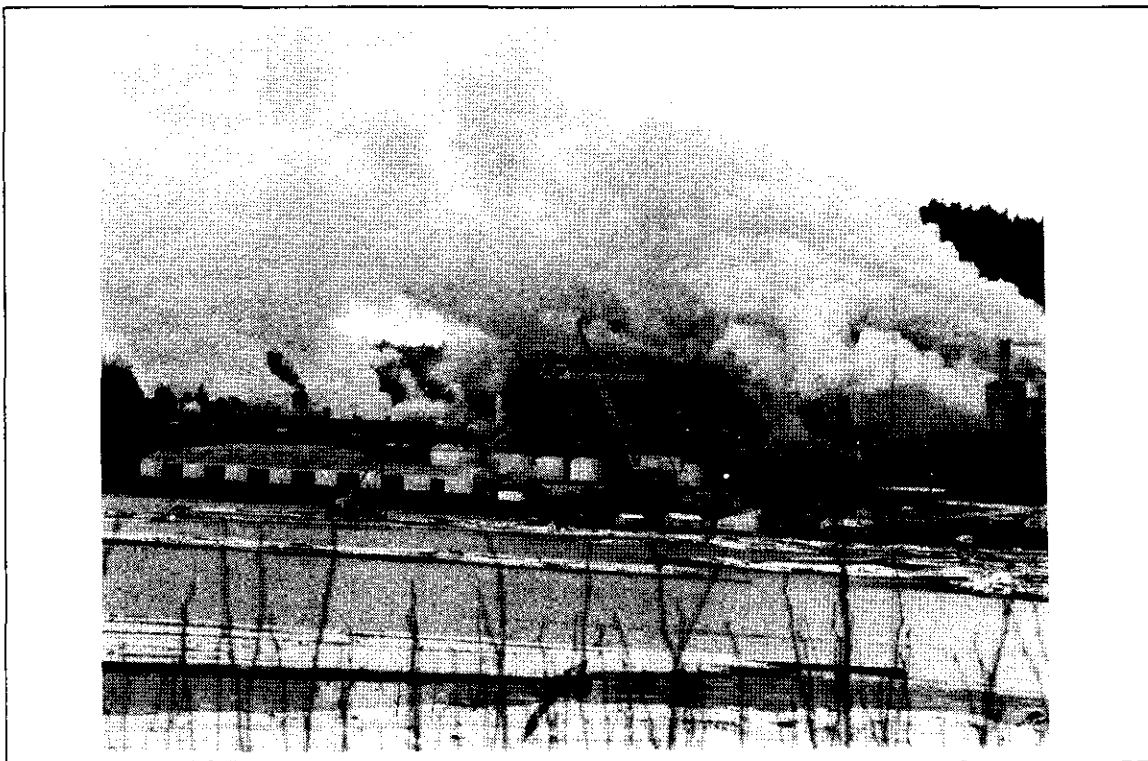
mandated set-aside areas designed to protect habitats in spectacular settings such as Salmon Bay. As an illustrative example, Mr. Lunn was concerned that the Forest Service may have interpreted the Act illegally when it measured mandatory 100 foot "buffer strips" of protected trees by slope distance, rather than the normal horizontal distance. This significantly reduced the number of trees protected through the buffer.

The TTIB subsequently obtained witness testimony that in some areas up to one third of harvested trees were cut illegally. Areas of USFS protected land resembled the "no man's land" between trenches in World War I. Witnesses stated that each clearcut covered an area so large that each one could represent the destruction of 30-40 eagle nests, a significant measure since each nesting pair of eagles requires scores of undisturbed acres. Forest Service veterans analogized the Alaska clearcutting and timber harvest practices to earlier eras in Oregon and Washington, exclaiming, "Haven't we learned anything in the last 30 years?"

Stealing the Tongass

The evidence consistently pointed to an ingrained pattern where timber theft and illegal exports were routine. The Alaska tradition, known as "Alaska Rules," meant little concern about timber accountability on the vast Tongass Forest. This laissez-faire attitude extended to Forest Service personnel charged with protecting the public's timber assets. TTIB investigators found evidence that contractor and scaling bureau personnel—

- undervalued millions of board feet of top price timber as worthless utility grade, or "cull," so the contractor did not have to pay for it at market value, or at all.
- used a second, government-paid scale assessment to charge the government a contractor's rebate fee for domestically-processing the same timber it had not paid for because it had been scaled as worthless.
- disguised loads of high grade species by placing lower value trees on top, reducing the price.
- avoided payment when dozens of bundles, rafts and barges, each worth up to a million dollars, vanished before reaching the scaling yard.
- failed to keep records required by contract for accountability, with gaps up to six years for activities such as truck hauls, causing multi-million dollar sales to be conducted completely "off the books."
- bypassed scaling altogether for whole trucks or shipments.
- rigged the system of "bingo cards" which randomly select representative scaling trees to set a bundle's value, so that the



Point of Accountability. Tongass logs moving to mill.

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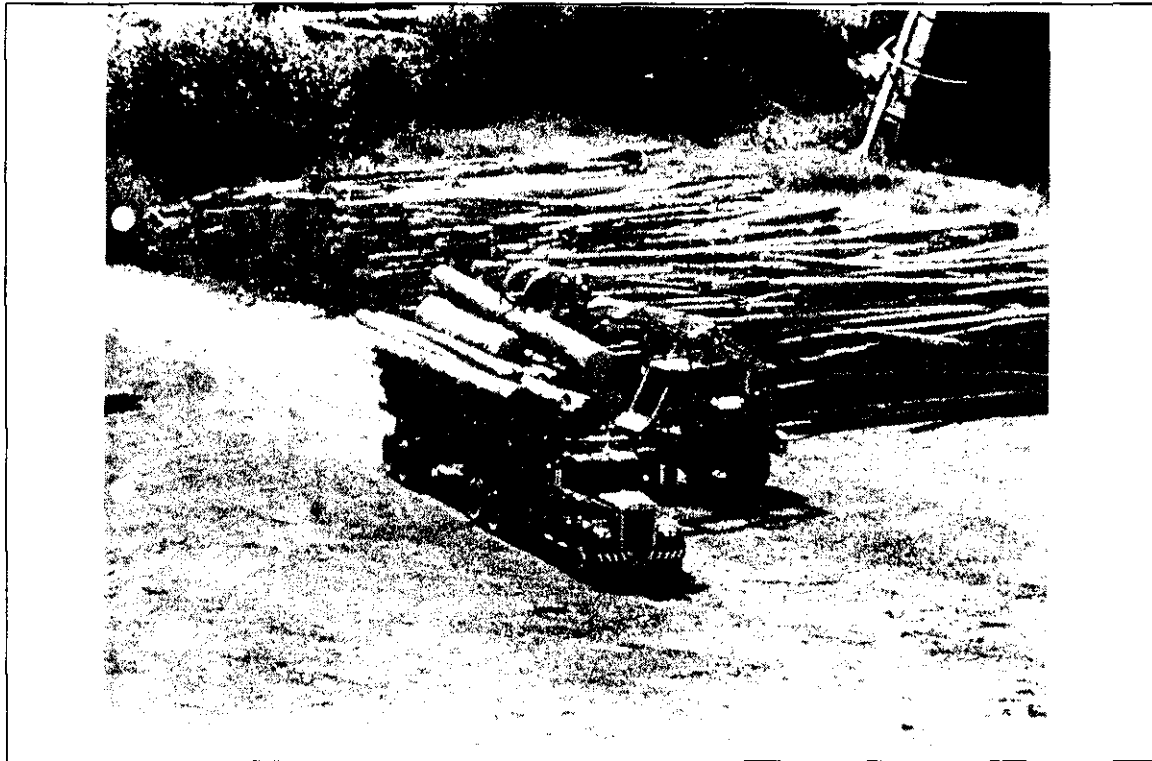
customer got to pick which trees would set the price by pulling the bingo cards in advance.

- created false records, such as registers that track timber bundles, after the fact in order to cover up theft.
- cut off brands on timber, thereby removing proof of export restrictions; and, in other cases, switched brands in order to bill the Forest Service for trees not taken from National Forests.
- commingled unscaled domestic public land (non-exportable) logs and private

ready-for-export timber, within easy handling distance of the export yard.

On balance, evidence in the TTIB assessment file illustrates widespread and common practices that cause a triple cost to taxpayers: The Forest Service pays rebates to domestically process valuable trees fraudulently given away to timber companies as worthless.

The government pays again for duplicative scaling to create a paper trail supporting the conclusions that valuable timber is being sold as worthless cull. Then, the product is secretly exported to foreign markets, at the expense of American mill jobs.



Theft in Progress. Infrared photo shows logs being removed to escape payment to the government. This non-Alaskan investigation resulted in conviction.

III. Alaska Rules—Institutionalized Vulnerability to Theft

This state of affairs could not exist unless the Forest Service turned a blind eye. Whistleblowers alleged and the TTIB found further evidence that the government itself paved the way for theft. There was one set of accountability rules for Alaska, Alaska Rules, and another for the rest of the country.

Forest Service officials offer a curious defense for Tongass timber theft problems: on one hand, they pass the buck by explaining that it is the “purchaser’s responsibility” to be honest, and, on the other hand, they refuse to hold industry officials accountable for lax standards on grounds that it would be unfair to penalize them for Forest Service mistakes.

The degree of official indifference discovered on the Tongass was staggering. Timber management dismissed quantities such as up to 21

million lost board feet of cedar as “incidental,” although that amount is more than total cedar sales for some entire years in states like Oregon, Washington or California. To illustrate the Alaska Rules, whistleblowers alleged and the TTIB found supporting evidence that the Forest Service—

- permitted industry personnel to mark the sale boundaries in the National Forest delineating which timber could be lawfully cut under contract.
- literally ripped up and canceled dozens of law enforcement citations for “lost” rafts and similar misconduct.
- did not have a presence at the black market hub, Metlakatla, because the Forest Service check scaler assigned to



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Ready for Scaling. Log rafts queue up outside Ward’s Cove mill.



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Boundaries Marked. A Forest Service clearcut on the slopes of Chichagof Island in the Kenakee Inlet.

that site lived elsewhere and was afraid of flying and therefore unable to reach this remote island.

- failed to bill contractors for lost loads.
- failed to conduct any check scales for over two years at Thorne Bay, the world's largest sorting yard with commerce in over 200 million board feet annually.
- made false statements to General Accounting Office personnel, misrepresenting region wide scaling frequency—witnesses testified that Forest Service management boasted about their guile after the GAO's departure.
- declined to act against scale samples rigged by the contractor pulled bingo cards in advance, while refusing to even check the scales for accuracy un-

less the bingo cards were pulled in advance.

- relied on uncertified personnel to conduct "cruises" (estimates of volume for a sale) and scaling.
- lacked a system of working checks and balances to verify data when contractors sought domestic cedar rebates to such an extent that failing marks had never been issued for any check scales at Thorne Bay within any witness's memory.
- did not attempt to monitor contractor, unloading, rafts, inventories, temporary storage or shipments.

The agency's relaxed posture entailed dispensing with most rules governing prudent timber sale administration in all other Regions of the



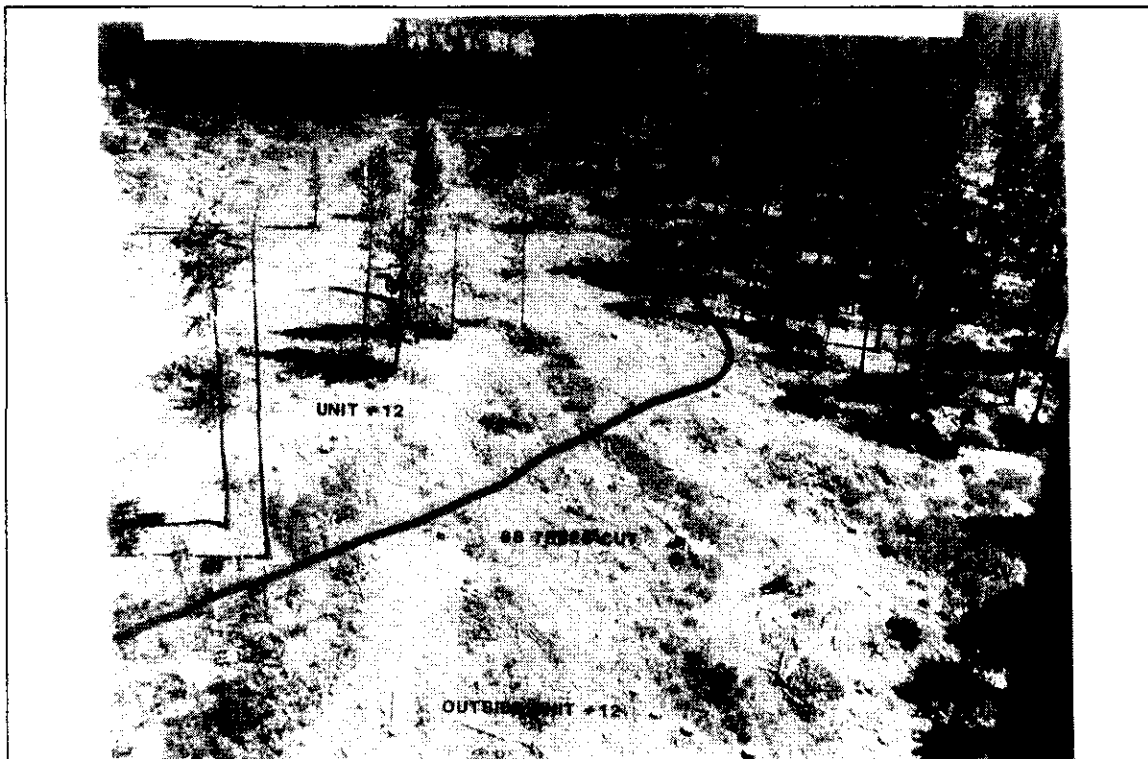
Stealing the Tongass

Forest Service. In Alaska (Region 10), timber sale administrators routinely waived the normal requirements:

- for the contractor to separate timber intended for domestic commerce from exports.
- that scaling bureaus have a “lock out” control on hand-held computers, which prevents scaling results from being altered—contrary to standard practice in other regions in the nation.
- for maintenance of records on the volume of timber that was scaled.
- to check the logs reflected as entries in the bundle register.
- that companies must identify with marking paint trees that are beyond contract limits but cut down as hazardous to loggers.

It is not surprising that top agency officials in Region 10 also did not encourage enforcement against timber theft or fraud violators. The agency took a “see no evil” approach even when there was a record of prior violations. Officials turned down suggestions that they should engage in tracking and reporting violations. This meant that sales administrators were deliberately kept ignorant of even the most repetitive violations, such as shipping logs without minimally acceptable brands or towing rafts prior to Forest Service release, no matter how many times they occurred.

When systemic failures were noted in agency audits, Region 10 simply failed to honor commitments to implement audit recommendations, which is reflected by a broken record of broken promises for audit findings back to 1985, as documented in the TTIB investigative file. Region 10 refused to even consider implementing the central audit corrective action recommendations, such as tracking export logs to the shipping yard.



Overstepped Boundaries. Overview of illegal harvest. The boundary of this non-Alaskan sale is above the line but the boundaries were exceeded by the timber company.

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This systematic passivity was supplemented by active attempts by top Region 10 administrators to frustrate accountability. In case after case, after informal timber industry telephone appeals, Region 10 consistently overruled enforcement actions for breach of contract, sometimes within an hour of the phone call, so that production would not be interrupted.

Upper regional management officials even

started planning to set up their own "third party" scaling bureau while still employed at the Forest Service, in violation of federal ethics laws.

A 1990 Forest Service log and raft accountability report summarized the bottom line: "[L]og accountability under the long term contract with [the contractor] is virtually non-existent." Little has changed to alter that reality.

IV. Coverup Instead of Corrective Action: Internal Management Review

On September 17, 1990 Forest Service management responded to the disclosures from its own whistleblowers and to problems raised by the agency's own reports by convening an "independent" management review for the Tongass National Forest. If the system were working, this management review would have flushed out the facts and sparked credible corrective action for the whistleblowers' concerns. Unfor-

tunately, it was conducted as a damage control operation that papered over the problems. The net result was to institutionalize timber theft vulnerability that has persisted throughout the decade.

The review was tainted from the start, when Regional Forester Mike Barton assigned Region 10 officials targeted by whistleblower allega-



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Aerial View. A typical SE Alaska clearcut. Roads make industrial forestry possible.



J. WARREN

Ground View. Closeup shots of Forest Service clearcuts on the Tongass near Corner Bay.



J. WARREN

tions to the review team established to resolve them. In response to protests, an outside law enforcement Special Agent from Region 1, Lowell Mansfield, replaced the Alaska Regional Special Agent in Charge (RSAC) on the review team. That was a disingenuous move, because Mr. Mansfield was a close associate of the RSAC. Further, his experience was largely in arson investigation, rather than in white collar timber theft.

The review was a sham. Most basically, the review team did not interview the alleged to go over their evidence. The team restricted itself to an introductory courtesy briefing of Mr. Lunn, and skipped other key witnesses entirely. For example, the review team did not talk with the law enforcement agent frustrated at having his citations ripped up or dismissed without follow through.

According to witnesses whom Mr. Mansfield interviewed, he restricted the scope of his questions to direct evidence of criminal activity such as bribery, despite numerous requests by witnesses with relevant evidence of additional alleged crimes. He refused to take evidence or discuss fundamental issues such as the patterns of repetitive violations.

The ensuing report entirely skipped alleged:

- violations of the Tongass Timber Reform Act;
- black market operations for smuggling illegal exports;
- third party scaling that essentially gave timber to industry for free by undervaluing it as worthless utility grade;
- rebates for domestically processing the

same timber that was secretly exported;

- multi-year absence of checkscaling at Thorne Bay and absence of Forest Service presence at Metlakatla;
- failure for even longer periods to flunk any checkscalers at Thorne Bay, despite the questionable record of the third party scaling bureau; and
- the Forest Service's repeated failure to implement its own audit recommendations as the reason for the pattern of repetitive timber industry breaches of contract.

In short, the review skipped all the core issues that inspired its creation. Whistleblowers whose disclosures sparked the review team dismissed it as a disillusioning waste of time. Consistent with audits since the 1980's, all corrective action recommendations were superficial, dealing with effects such as the lack of records. As before, even the superficial reforms were not implemented.

The team reported it could not find evidence to support allegations that management failed to support enforcement actions against contract violations, or engaged in retaliation against agency employees for attempting enforcement efforts. Mr. Mansfield had declined to accept evidence and witnesses for either charge.

In fact, the review was a springboard for retaliation. The team breached its pledges of confidentiality for witnesses who testified. In the review team's aftermath, the whistleblowers were harassed and systematically purged from Alaska or the Forest Service. The net result was to reinforce the status quo and punish those who attempted to challenge abuses by working within the agency.

V. 1994-95 Coverup: Obstructing the TTIB Assessment

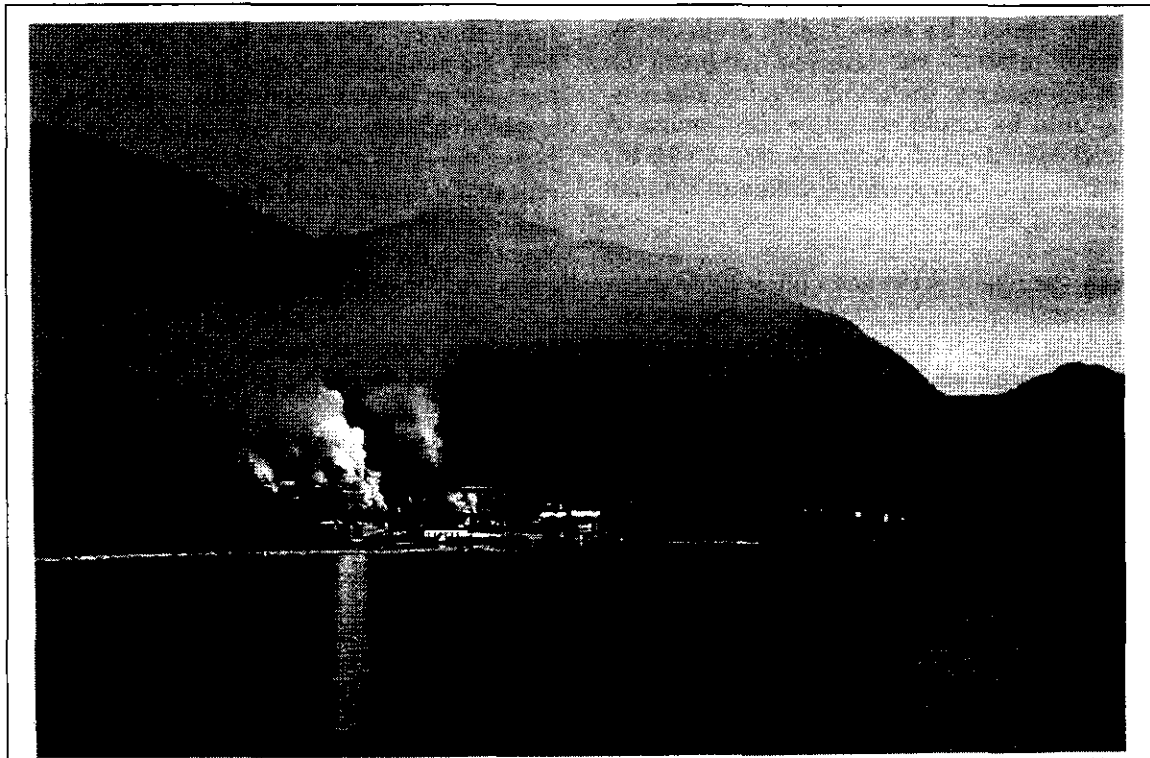
In 1991, Alaska's Region 10 was one of three regions responsible for administering and overseeing the newly-created Timber Theft Task Force. The Task Force proposed an in-depth assessment of Alaska but had to scale back its plans when Region 6 (Washington and Oregon) fiscal and budget officer Jim Turner, now the Forest Service's Director of Administration, refused to authorize vacancy announcements to staff the new unit.

In early 1993 the Task Force assigned a single special agent to— 1) assess whether there were viable major fraud cases to investigate for prosecution among the approximately 90 whistleblower charges that had surfaced in Region 10; 2) identify traditional Alaska practices leaving the Forest Service vulnerable to timber theft; and 3) make recommendations for internal reform. Because of concerns about regional

collusion with theft, the agent's instructions were to operate covertly and stay independent of regional law enforcement staff except for a confidential liaison.

Unfortunately, soon after the agent started the assessment, Region 6 breached security by warning Alaska officials of his activities. The Forest Service Law Enforcement Officer (LEO) from Ketchikan tailed the agent, his confidential liaison was forced to turn over the TTIB investigative plan or face disciplinary action for insubordination, and the Alaska RSAC leaked information about internal affairs issues the agent was investigating. Harassment of witnesses intensified, forcing more out of Alaska or the agency.

Despite the interference, the agent initially identified two strong cases, which he recom-



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Approaching Pulp Mill. Status of the long-term contract for Tongass timber is now uncertain.



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Stacked Like Cordwood. Milled wood awaiting shipment from Ketchikan.

mended should be immediately prepared for criminal referral. He reserved judgment on other allegations, including internal affairs issues, until he could complete fact finding. A Special Assistant U.S. Attorney agreed with his assessment, as did a USDA Office of General Counsel attorney.

Before the agent drew any conclusions about agency misconduct he wanted to interview Mr. Mansfield, whom frustrated witnesses repeatedly had identified. Before he could do this, Mr. Mansfield called first. He said that he would be the boss for the newly-created TTIB, successor to the temporary Task Force. When the agent noted that they needed to talk about the Alaska management review, Mansfield said he was familiar with it but became cold and changed the subject. Despite repeated attempts, the agent never was able to conduct the interview even though Mansfield was now the agent's second level supervisor.

Mansfield began a campaign of personal harassment against the agent, starting at an introduc-

tory February 1994 meeting for Portland TTIB staff. He immediately began publicly branding the agent as inept, ridiculing his Alaska work as a model of how not to investigate. He denigrated the agent as a "ground pounding grunt," repeatedly insisted that there were no serious problems in Alaska, yelled and cursed at the agent in a hysterical tone in front of subordinates and his first level supervisor.

Under the circumstances, Mr. Mansfield should have recused himself from participation in the case. Instead, he took complete control. Mansfield and his Portland branch chief Richard Grandalski succeeded in paralyzing further progress through the following tactics:

- ordering the agent to drop all internal affairs investigations involving the Alaska Regional Special Agent in Charge and upper management.
- giving the RSAC (a target from whom the probe previously was shielded) complete veto power over all aspects

of the investigation, specifically including any travel, meetings and witness interviews.

- replacing the agent with two other TTIB members with the admonition that the agent's work was incompetent and they should assess his assessment.
- drastically fluctuating the schedule and imposing bizarre conditions for this reassessment, varying the time frame from months to weeks and, at one point, ordering the two separately-married employees to share an apartment supposedly as a cost-saving effort, and "hang a sheet between" them.
- reassigning the two new investigators to another case, without giving them time to finish gathering evidence and prepare a written Report of Investigation, after they reported that the agent's earlier work was in fact very well done, his original findings held significant merit, the violations were probably ongoing and the TTIB should begin the hard work of opening investigations for at least one, and possibly two major prosecutions. They agreed with an Assistant U.S. Attorney that the cases would be complicated, but were significant and genuine. The scope of the prosecution had the potential to dwarf any timber fraud case the federal government ever had ever conducted.

VI. Here Comes the Chief

Despite the unprecedented scope of the findings and evidence, the Alaska cases as well as the entire TTIB docket was now at an impasse. Members of the TTIB wrote to the Chief of the Forest Service as well as the Secretary of Agriculture asking for their intervention into the paralysis of this investigative unit.

In October 1994 TTIB whistleblowers met with Forest Service Chief Jack Ward Thomas to brief him on reprisals and obstruction of major timber theft fraud investigations. They told him about the Alaska impasse. He offered support and reassurance that they could finish what they had started, and said that Alaska had a personal interest for him.

In late 1994, the Chief commissioned a review of the TTIB allegations by the USDA Office of Inspector General (OIG). TTIB staff met with OIG agents and submitted sworn statements detailing the roadblocks they faced in completing the Alaska investigation. The TTIB also summarized for the OIG other cases which they felt were being obstructed. In the resultant OIG investigation, the Alaska timber theft allegations by TTIB personnel were not separately investigated and OIG considered the Alaska case only as background for its report which, curiously, contained no findings of fact or written recommendations.

In February 1995 the OIG Deputy Director Craig Beauchamp, in a meeting with the Chief, recommended that the TTIB be replaced by a streamlined national timber theft cadre after the unit completed its pending investigations. The national cadre was supposed to serve as the hub for training, technical assistance and trend analysis for a national anti-timber theft effort. In March 1995 Chief Thomas met with TTIB supervisor Al Marion, pledging that the unit would have another 18 months to complete ongoing major investigations.

On April 6, without warning, new LE&I Director Manuel Martinez delivered a memorandum from the Chief abolishing the TTIB, effective immediately. The termination of the TTIB contained no arrangement for the disposition of

the Alaska case files, nor was any personnel assigned to resolve the pending allegations.

On July 12, 1996 PEER communicated the substance of this white paper to Agriculture Secretary Dan Glickman and pointed out that the case file had sat untouched for one year. On August 2, Chief Thomas responded to the PEER letter by writing:

"We ... assure you that we have and will continue to thoroughly review the allegations in your letter. On May 21, 1996, we received a letter from the Region 10 Regional Forester requesting an internal investigative review of scaling practices in the Alaska Region. On June 6, 1996, we wrote to the Region 10 Regional Forester agreeing to his request and scheduling a vulnerability review of Region 10 Scaling Practices during the month of July 1996."

This new, third review of Alaska timber management has yet to bear fruit. Many observers contend that, historically, purely internal reform efforts within the Forest Service have been successful only when the problem as well as the proposed solution are exposed to public view. The Forest Service has still not asked for the case file or any of the evidence within it and has yet to even interview most of the TTIB members who worked actively on the Alaska review.

In late October, Chief Thomas announced his retirement effective November 15, 1996. On November 5, in a deposition with PEER attorneys held in the Chief's office, Jack Ward Thomas stated that while he was aware of the TTIB investigation into Alaska he did not know what had become of the case and, to his knowledge, he never asked about it.

Neither the Forest Service law enforcement personnel who developed this case nor PEER contend that any of the information summarized herein reflects firm conclusions of fact. They and we believe that the evidence represents serious allegations meriting a serious investigative response. To date that has not occurred.

"Alaska Rules" are still in effect.

