

During Public Comment Period

Nevada BLM Blocks Public's Access To Big-Bucks Land-Swap Appraisals

By Steve Miller

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Bureau of Land Management officials in Nevada say they intend to prevent any public review of the agency's pending land-swap appraisals until the agency has deeded over to developers federal land in Clark County worth millions of dollars.

"Disclosure of such material could confuse the public ... and have a detrimental effect on our decisionmaking [sic] process," said BLM State Director Ann J. Morgan.

Her statement, in a BLM letter dated Dec. 24, was made five days after the public comment period had ended for Phase 1 of Del Webb Corporation's pending exchange for 5,000 acres near Sky Harbor Airport in Henderson.

During the entire public comment period, BLM officials had rebuffed citizen inquiries about the appraisals, calling them "confidential."

Inspector General auditors from the U.S. Department of Interior last year criticized Nevada BLM for alleged under-appraisals said to have effectively diverted millions of dollars in federal land-sale profits from U.S. taxpayers to favored land-brokers active in the Clark County real estate market.

In just four land swaps, said a draft audit report leaked in June to the *Las Vegas Review-Journal*, Nevada BLM officials cost taxpayers at least \$12 million. At least \$4.2 million of that involved agency officials' under-appraisals of federal land being passed to deeding away, said the report.

The audit had been triggered by a 1994 letter written the Interior I.G. by the former chief appraiser for the BLM in Nevada, Charles Hancock, of Reno. Hancock retired from the BLM in late 1989 but has continued to monitor what he saw as deteriorating land-exchange practices.

And it was inquiries by Hancock this November and December that elicited bureau officials' admission they now wish to avoid public review until the federal lands in question have been patented over to the developers seeking them.

About November 18, says Hancock, he learned about pending exchanges between the BLM and Del Webb Conservation Holding Corp., and between BLM and Perma-Bilt Homes and American Land Conservancy.

"I went down to the state office [in Reno] and requested the official file be sent up, including the appraisals on all the offered and selected land," he told *Electric Nevada*.

Four days later he received a fax from Sharon DiPinto, of the BLM's Las Vegas District Office.

In what she called "an informal response to your request," DiPinto said "it is my understanding through conversations with the Nevada State Office Appraiser and Records Manager that appraisal information is confidential and not open to public review until patent is issued."

Then, in what may have been a calculated dig on someone's part at the BLM's former state appraisal chief -- DiPinto wrote, "I have enclosed a copy of the pages from the Uniform Appraisal Standards For Federal Land Acquisitions [manual] that address the confidentiality of appraisals."

According to Hancock, the pages faxed to him do not apply to public review requests during the legally mandated public review and comment periods. Instead, he says, they apply to eminent domain actions, none of which the BLM has ever undertaken in Nevada.

The fax from DiPinto continued, "I have been advised that you will receive a formal response if you wish to file for the information under the Freedom of Information Act."

Three days later, on November 25, Hancock sent BLM state headquarters in Reno a Freedom of Information Act (FOIA) request for

both the Del Webb and Perma-Bilt Homes / American Land Conservancy appraisal documents.

"Please notify me when these documents are available for review," he wrote. "They are needed for a timely analysis prior to expiration of their comment periods, December 19 [Del Webb] and December 11 [PBH / ALC], respectively."

It was not till New Years, says Hancock, that the Nevada State Office answered his Freedom of Information Act request -- with a letter from state director Morgan bearing a "Dec 24 1996" stamp -- five days after close of the comment period.

"Concerning the two exchanges," wrote the federal agency's Nevada director, "only the appraisal report of the Perma-Bilt selected lands has been reviewed and approved. We will not release the approved appraisal since that knowledge could affect the determination of the appraised value of the offered lands."

That argument Hancock calls "incomprehensible." In a January 6 letter to the Interior Department FOIA Appeals Officer he said "[a]ll appraisals for both offered and selected lands (if professional) must stand on their own merits. The value of offered lands has no bearing on the determination of value of selected lands, and vice versa.

"If this is not the case," added the retired chief appraiser, "BLM's appraisal program is in serious trouble."

Morgan's letter to Hancock also said that the Del Webb appraisal documents "are being withheld because they have not been approved by BLM and disclosure of such material could confuse the public as to the

official agency position on this issue and have a detrimental effect on our decisionmaking process."

Wrote Hancock to the Interior department FOIA officer: "If the appraisals of the Del Webb exchange have not been approved, it is understandable why the values cannot be made public.

"However, why haven't they been approved? The protest periods for these exchanges expired nearly one month ago. All appraisal reports should have been completed, approved, and available for public review at the time the Notices of Decisions were issued.

"BLM's current practice of not approving appraisals until a day or two before patent is issued," wrote Hancock, "is maladministration."

Toward the end of her letter to Hancock denying his FOIA request, State Director Morgan said, "The person responsible for this denial is Steve Palmer, Assistant Regional Solicitor, Office of the Solicitor, Sacramento, California."

However, when *Electric Nevada* phoned Palmer in Sacramento Friday, the BLM lawyer said that, rather than a formal opinion either requested or provided the Nevada State Office, there had been a telephone call. He also said he had not been told some of the circumstances of the request.

Palmer said he had not known it was the BLM's own former state appraisal chief who had asked to review the documents. Nor was he aware, he said when asked, that it was during the period of public review and comment that the Nevada State Office was seeking to block public access to the appraisal documents.