

Royalties from the energy industry are an important source of revenue for the U.S. government. But regulatory mismanagement means much goes uncollected, a GAO report finds.

The sex and drugs scandal revealed earlier this week at the Interior Department may be just the start.

A Government Accountability Office study set for release Friday says the department lacks basic procedures for monitoring the oil industry, and that these shortfalls could be cheating taxpayers out of billions of dollars in revenue. CNN received a draft of the report on Thursday.

The department's failure to consistently check oil-company supplied production data, the report found, "raises questions about the accuracy of royalty payments."

"This report shows that the U.S. has one of the most lenient royalty collection systems in the world and calls into question whether taxpayers are getting a fair return for the resources they own," said Rep. Nick Rahall, D-West Virginia and chairman of the House Natural Resources Committee.

TVNL Comment: Mismanagement? Nonsense. This is criminal behavior that can be traced directly to the electoral coup conducted in 2000. This is the result of Cheney's secret energy policy meetins and an administration comprised of oil cartel members.

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