



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
INSPECTOR GENERAL

October 20, 2014

MEMORANDUM

SUBJECT: Project Notification:
Working Capital Fund – Background Investigations Services
Project No. OA-FY15-0029

FROM: Janet Kasper, Director 
Contracts and Assistance Agreements Audits

TO: Nanci Gelb, Acting Assistant Administrator
Office of Administration and Resources Management

David Bloom, Acting Chief Financial Officer
Office of the Chief Financial Officer

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) plans to begin preliminary research in October 2014 to evaluate the EPA's Working Capital Fund (WCF) background investigations services. This project is included in our annual plan. The OIG's objectives are to answer the following questions:

1. Are background investigations services being provided using the most economical and efficient method?
2. Are adequate controls in place to ensure that proper background investigation levels are obtained?
3. Is the interagency agreement used for background investigations being properly administered and overseen in accordance with agency policy and guidance?

The OIG plans to conduct work in the Office of Administration and Resources Management (OARM), the Office of the Chief Financial Officer (OCFO), and any other offices responsible for the WCF background investigations services during the course of preliminary research. We plan to interview OARM and OCFO staff about oversight, internal controls and management of the WCF background investigations services. In addition, we will review related policies, procedures and guidance documents. Applicable generally accepted government auditing standards will be used in conducting our project. The anticipated benefits of this project are to improve operational efficiency and ensure effective oversight and management.

We will contact your audit liaison to arrange a mutually agreeable time to discuss our objectives and the purpose of the preliminary research phase of our project. We would also be particularly interested in any

areas of concern that you may have. We will answer any of your questions about the project process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the course of the project. Throughout the project, we will provide updates on a regular basis as needed, through meetings, emails and phone calls.

To ensure the success and timely completion of this project, we request that you provide the following to the extent possible before or at the kickoff meeting:

- Agreements with the U.S. Office of Personnel Management related to the WCF background investigations services.
- Internal policies, procedures and guidance related to the EPA's oversight of the WCF background investigations services.
- A contact list of staff members and points of contact with oversight and management duties related to the WCF background investigations services.
- Detailed listings of charges/billings for WCF background investigations services covering fiscal years 2013 and 2014.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objective(s). We will request your resolution if an agency employee or contractor refuses to provide requested records to the OIG, or otherwise fails to cooperate with the OIG. We may report unresolved access matters to the Administrator, Gina McCarthy, and include the incident in the Semiannual Report to Congress.

The project will be supervised by me, and the Project Manager will be Michael Petscavage. Should you or your staff have any questions, please contact me at (312) 886-3059 or kasper.janet@epa.gov, or Michael Petscavage at (202) 566-0897 or petscavage.michael@epa.gov.

cc: Donna Vizian, Principal Deputy Assistant Administrator, OARM
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