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February 2004

OFFICE OF INSPECTOR GENERAL

Catalyst for Improving the Environment

Strategic Plan Fiscal 2004 - 2008

OIG STRATEGIC PLAN, FISCAL 2004 - 2008

Vision

We are **catalysts** for improving the **quality** of the **Environment** and **Government** through problem prevention and identification, and cooperative solutions

Mission

Add Value by promoting economy, efficiency, and effectiveness within EPA and the delivery of environmental programs. **Inspire Public Confidence** by preventing and detecting fraud, waste, and abuse in agency operations and protecting the integrity of EPA programs.

Goals

1. Contribute to Improved **Human Health** and **Environment**

2. Contribute to Improved **Agency Business Practices and Accountability**

3. Continuously Improve **OIG Products and Services**

Objectives

Influence programmatic and systemic changes and actions that contribute to improved human health and environmental quality.

Add to and apply knowledge that contributes to reducing or eliminating environmental and infrastructure security risks and challenges.

Identify recommendations, best practices, risks, and opportunities to leverage results in EPA programs and among its partners.

Influence actions that improve, operational efficiency, accountability, resolve public concerns and management challenges, and achieve monetary savings.

Improve operational integrity and reduce risk of loss by detecting and preventing vulnerabilities to fraud, abuse, or breach of security.

Identify recommendations, best practices, risks, weaknesses, opportunities for savings, and operational improvements.

Improve the timeliness, responsiveness, and value of our products and services, to our clients and stakeholders.

Apply technology, innovation, leadership, skill proficiency for motivated staff and highly regarded products.

Align organization plans, performance, measurement, processes, and followup for a cost accountable results culture.

Maximize use and diversity of resources.

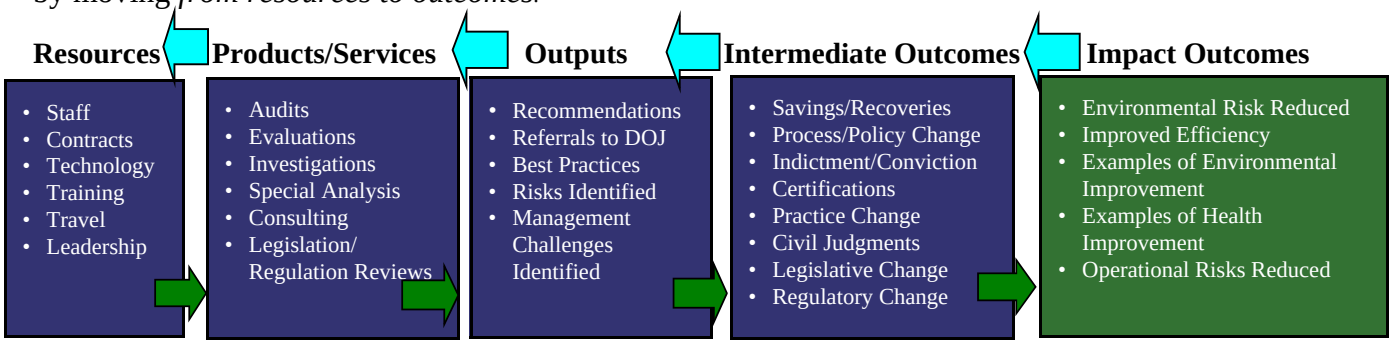
Develop constructive relationships to effectively leverage resources and foster collaborative solutions.

OIG Product and Service Lines for Strategic Areas of Performance

Performance Audits and Evaluations	*Financial/Systems Audits*	*Investigations*	*Advisory/Analysis*
Air	**Business Systems**	**Financial Fraud**	**Legislation/Regulation Review**
Water	**Financial Statements**	**Program Integrity**	**Control Assessments**
Land	**Contracts**	**Employee Integrity**	**Public Inquiry/Outreach**
Cross-Media	**Assistance Agreements**	**Laboratory Fraud**	**President's Council on Integrity and Efficiency Projects**
		Computer Crimes	

FOREWORD

I am pleased to present the Office of Inspector General's (OIG) Strategic Plan for fiscal 2004-2008. This plan provides our vision, mission, goals, objectives, measures, and the results we intend to achieve in the next five years. This Plan uses a Logic Model to identify and define our outcome goals in relation to both the OIG's and EPA's statutory mission and links the requisite outputs, products/services, and resources needed to produce those outcomes. We implement the linked plan by moving *from resources to outcomes*.



The Plan is predicated on several themes that guide our organizational philosophy, strategies, and actions:

Change is a Way of Life: The success of this plan and our organization is dependent upon its flexibility and ability to adapt to new information, priorities, challenges, and opportunities.

Emphasis on Environmental Conditions, Risks, Opportunities, Impacts: As part of EPA, the OIG's primary goal is to add value by helping the Agency achieve its environmental mission as economically, efficiently, and effectively as possible.

Linkage of Performance Planning and Measures with Risks, Costs, and Benefits: We are working to improve the alignment of our planning, budgeting, performance measurement, and followup processes within the OIG for greater accountability and results.

Cross-Media and Governmental Collaboration: Most environmental issues and problems are complex, involving more than one media and governmental agency. The OIG promotes multimedia and cross agency collaboration to leverage resources and shared effort for greater results.

Applying a Systems Approach to Ask the Right Questions: We plan our work to answer a logical sequence of specific but related questions, leading to recommendations that address systemic environmental and business issues, problems, or opportunities for improvement.

I look forward to working with the Administrator and the Congress on behalf of the American Public to improve human health, the quality of the environment, and the performance of Government.

Nikki L. Tinsley

EPA Office of Inspector General Executive Leadership Team

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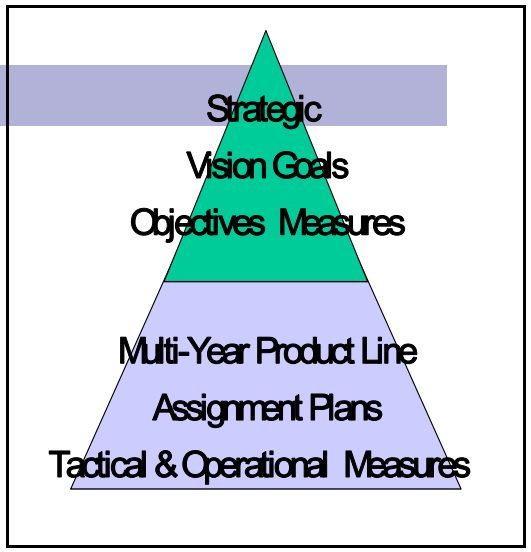
Office of Inspector General Strategic Plan FY 2004 - 2008

Table of Contents

See the Appendix to the OIG Strategic Plan, available in hard copy or at www.epa.gov/oig for additional information on:

Cover picture: Glacier Bay, Alaska, by Craig Binder

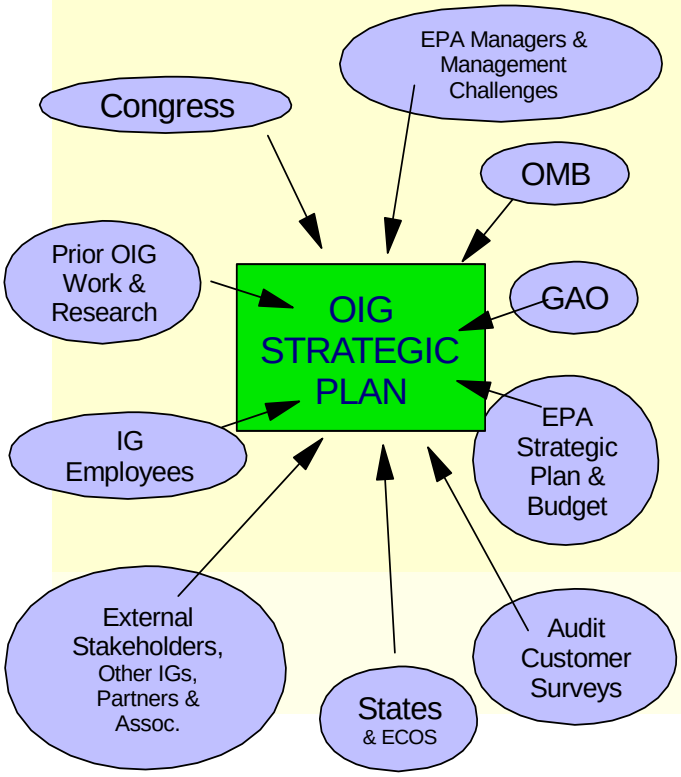
Introduction



This OIG Strategic Plan illustrates our vision for the next five years. It builds upon our organizational experiences by consolidating four previous goals into two Business Line Goals and one Corporate Goal. The OIG Business Line Goals Strategy applies a Systems Assessment Approach across "OIG Product Lines" for Air, Water, Land, Cross-Media, Financial Statement, Business Systems, and Investigations to assess the implementation of EPA's Strategic Plan and resolve its management challenges. Implementation of our strategy considers questions of current and emerging concerns, shaped by existing conditions and future trends or external challenges, whose answers support the efficient and effective realization of EPA's mission. The OIG Corporate Goal Strategy is designed to improve OIG operational processes and application of resources for greater efficiency and accountability. OIG Goals are further defined by Objectives with specific measures and targets. These targets represent a "stretch" from current performance levels, and are dependent upon adequate resources.

The OIG Strategic Plan is implemented through OIG Multi-Year Plans, which identify specific assignments and resource allocations to accomplish the OIG's highest priorities. Together these plans have the flexibility to adapt and anticipate changing conditions, information, technology and innovative approaches. The plans promote dynamic thinking about how the OIG can best contribute to the attainment of EPA's mission and goals.

SOURCES OF INPUT FOR OIG STRATEGIC PLAN



The OIG keeps its plans relevant and valid by performing trend and pattern analysis of historic issues and input from customers, stakeholders, and partners about the most significant environmental and management issues, problems and opportunities. We obtain customer input through surveys to help us evaluate our perceived value, performance, and areas for improvement. We also survey OIG staff, managers, and EPA leadership, and perform literature reviews, to synthesize the strategies and priorities of this Plan. We share our analysis and conclusions with EPA leadership to validate our ideas. We will continue researching and sharing this information with our partners to promote cost effective alternative solutions and new opportunities for improvement.

VALUES: Bound Our Decisions, Actions and Behaviors

Commitment to Excellence

The OIG exists to serve our customers: the EPA, the Congress, and the American people. We adapt to meet customer needs and aggressively work to protect and improve the environment. We are committed to individual and organizational high performance.

Commitment to Professionalism

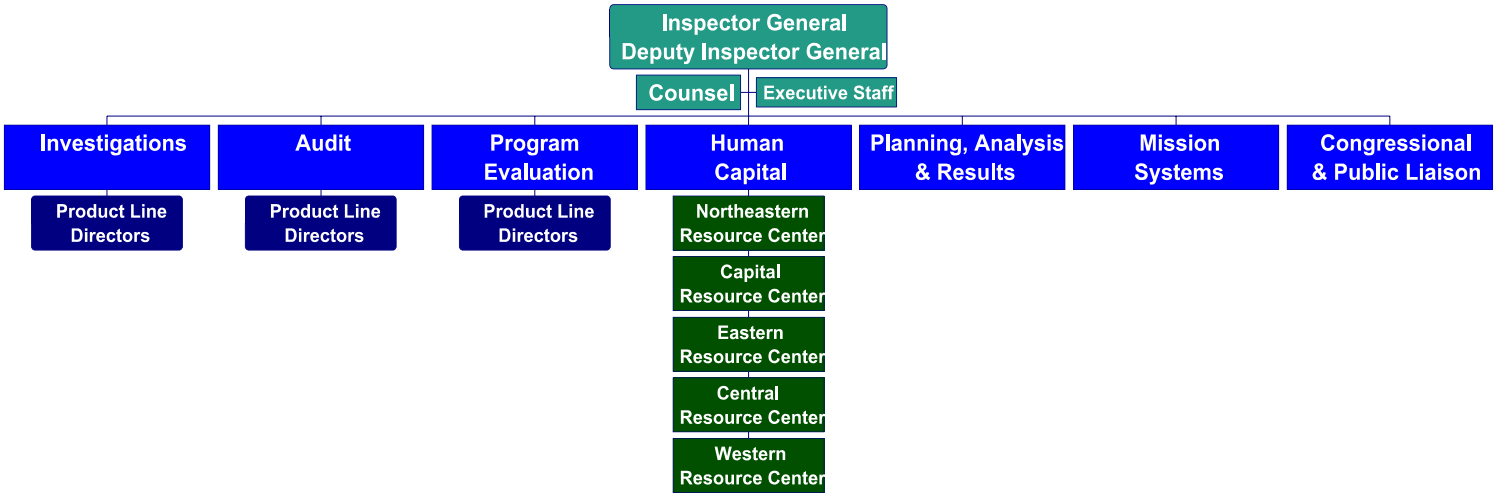
We are objective and independent in our pursuit for excellence. We expect individual performance above the standard for our community. Teamwork is essential to our success. We carry out our work with the highest integrity and ethical conduct.

Commitment to People

We are committed to building and sustaining a competent, progressive, diverse, and dedicated workforce. Leadership will ensure that staff receive clear guidance and the tools to perform assigned tasks. Exceptional performers will be recognized and rewarded.

OIG Organization

The OIG has a talented workforce that performs audits, evaluations, and investigations designed to inform decision makers and the public about the performance and results of EPA programs.



OIG: Background, Role, and Authority

Congress passed the Inspector General Act of 1978 (Public Law 95-452) establishing Offices of Inspector General within Federal Agencies, including the Environmental Protection Agency, to consolidate existing investigative and audit resources into independent organizations headed by Inspectors General to promote economy, efficiency, and effectiveness; and prevent and detect fraud, waste, and abuse. For a detailed description of the Inspector General Act and to learn more about the Inspector General community please see www.IGNet.gov/

GOAL 1. Contribute to Improved Human Health and Environment

Strategy

OIG evaluations, audits, and investigations will answer significant questions and recommend actions that improve the effectiveness of EPA's environmental programs.

Product Lines That Support Goal 1

- **Air**
- **Water**
- **Land**
- **Cross-Media**

Objectives and Results We Intend to Achieve

- Influence programmatic and systemic changes and actions that contribute to improved human health and environmental quality.

Outcome Measures

- Legislative or Regulatory Changes/Decisions
- EPA Environmental Policy, Practice, Process Changes
- Examples of Environmental Improvements
- Best Environmental Practices Implemented

- Add to and apply knowledge (or verification) that contributes to reducing or eliminating environmental and infrastructure security risks and challenges**.**

Outcome Measures

- Environmental Risks Reduced or Eliminated
- Certifications, Validations, or Verification

- Identify recommendations, best practices, risks, and opportunities to leverage results in EPA programs and among its partners.

Output Measures

- Environmental Recommendations
- Environmental Best Practices Identified
- Environmental Risks Identified

Human Capital Skills Needed to Support Goal 1

Program Analysis	Economics	Environmental Science
Physical Science	Audit	Biological Science
Social Science	Investigation	Operations Research
Statistics	Engineering	Computer Science

The following represents several key Air, Water, Land, and Cross-Media topics suggested for OIG attention by our stakeholders, clients, and staff, and through external research. *Specific priority and emerging programmatic topics and questions are addressed in the OIG Multi-Year Plan.*

AIR: OIG Strategic Concerns and Questions for Consideration

Although significant progress has been made, for millions of people around the world, breathing continues to be a risky business. An estimated three million people die annually from the effects of pollutants such as sulfur dioxide, nitrogen dioxide, ozone and particulates, among others. Such air pollutants result from a myriad of largely human activities, including the burning of fossil fuels, chemical and other manufacturing and transportation. Chronic exposure especially in metropolitan areas can cause bronchitis and emphysema and it is implicated in some cancers. Children and senior citizens, especially in cities, are the hardest hit, often inhaling two to eight times the concentration of pollutants deemed acceptable by the World Health Organization.

Health Effects of the Selected Regulated Air Pollutants

Ozone	Respiratory tract problems, such as difficult breathing and reduced lung function. Asthma, eye irritation, nasal congestion. Reduces resistance to infection, and possibly causes premature aging of lung tissue.
Particulate Matter	Eye and throat irritation, bronchitis, lung damage, impaired visibility, cancer.
Carbon Monoxide	Ability of blood to carry oxygen impaired. Cardiovascular, nervous and pulmonary systems affected.
Sulfur Dioxide	Respiratory tract problems, permanent harm to lung tissue.
Lead	Retardation and brain damage, especially in children.
Nitrogen Dioxide	Respiratory illness, lung damage.
Asbestos	A variety of lung diseases, particularly lung cancer.
Beryllium	Primarily lung disease, although also affects liver, spleen, kidneys, and lymph glands.
Mercury	Areas of the brain, kidneys and bowels affected.
Vinyl Chloride	Lung and liver cancer.
Arsenic	Cancer.
Radionuclides	Cancer.
Coke Oven Emissions	Respiratory cancer.

Particulate Matter

- How can EPA maximize the effectiveness of its fine particulate matter (PM 2.5) ambient monitoring and emissions control strategies?

Ozone

- How can EPA better execute its ozone reduction strategies?

Air Toxics

- How can EPA improve the effectiveness of its efforts to assess, monitor, control, and reduce the risks from toxic air pollutants to human health and the environment?

Air Quality Data

- How can EPA's air data be more cost-effectively obtained while improving its reliability in relation to program needs?

Indoor Air

- How effective are EPA's voluntary programs in addressing the negative impact on human health from indoor air?

Global Climate Change

- How will EPA measure and evaluate the effectiveness and timeliness of its programs to address global warming?

Multi Pollutants

- Is the interaction of pollutants a threat to human health, and does EPA have the scientific basis to determine the risks associated with the interaction of pollutants to support changes in legislation or regulations?

Updating and Validating Analysis of Air Regulations

- How effective is EPA's process for evaluating and periodically re-evaluating the appropriateness and value of regulations based on social, scientific, and economic analysis?

Market Mechanisms

- Can market mechanisms such as emission trading be used to successfully promote better compliance, more efficient anti-pollution technology and consumer behavior, and better air quality?

Fuels and Vehicles

- Are EPA's regulations for fuels and vehicles successfully addressing air pollution, including emissions from diesel, off-road, and marine vehicles?

Laboratory Assessments/Data Quality

- How well are EPA and State/local/Tribal agencies ensuring that laboratories used by regulators are meeting EPA's quality assurance/control standards and data quality objectives?
- Are the Data Quality requirements appropriate?

WATER: OIG Strategic Concerns and Questions for Consideration

Societal demands for greater amounts of unpolluted water are increasing around the world. Water is a renewable resource, which moves perpetually through the hydrologic cycle. Stationary water sources, such as lakes and groundwater supplies in aquifers, are far slower in cleansing themselves than streams because their flow rates are slower. Some water pollution can be treated by end-of-pipe processes; but preventive strategies are necessary to control other types of water pollution. End-of-pipe controls work with point source pollution, where pollutants are emitted from a specific area such as a sewer pipe or factory. The job of cleaning and protecting the nation's drinking water, coastal zone waters, and surface waters is made complex by a variety of sources of pollution.

Threats to Watersheds, Wetlands Ecosystems & Oceans

Pollutant	Source	Effects
Nutrients	Fertilizers, sewage	Algae blooms
Chlorinated hydrocarbons, pesticides, DDT, PCBs	Agricultural runoff, industrial waste	Contaminated and diseased fish and shellfish
Petroleum hydrocarbons	Oil spills, industrial waste, urban runoff	Ecosystem destruction
Heavy metal (arsenic, cadmium, lead, zinc)	Industrial waste, mining	Diseased and contaminated fish
Particulate matter	Soil erosion, dying algae	Smothers shellfish, respiratory disease, cancer
Plastics	Ship dumpings; household waste, litter	strangles wildlife

Safe Drinking Water

- How can EPA effectively implement the Safe Drinking Water Act Amendments of 1996?

Watershed Protection and Non-Point Sources

- How can EPA effectively control, protect, and monitor watersheds, non-point sources of pollution, and water quality?

Reduced Pollutant Loadings

- How can EPA effectively use and improve policy tools to reduce water pollution loadings?

Feasibility and Effectiveness of Controls on Air Deposition to Protect Water Quality

- How feasible are EPA's strategies for reducing air pollutant discharges, such as mercury, and to what degree will its planned reductions lead to meeting water quality goals?

Ensuring That All Communities Have Access to Clean Water

- How effective are EPA's plans, approaches and investments in helping communities (including Tribal communities, Alaskan Native villages and small communities) meet clean water and safe drinking water goals and address the need for critical and expensive repairs and improvements to the nation's water infrastructure?

Sustainable Infrastructure

- How can EPA use market mechanisms and economic incentives to help communities finance and support new and existing wastewater and drinking water infrastructure?

Water Quality Data and Monitoring

- How can EPA improve the quality of its water data and effectively monitor the quality of water to support valid economic incentives for compliance, infrastructure financing, and conservation?

Laboratory Assessments

- How well are EPA and State/local/Tribal agencies ensuring that laboratories used by regulators meet EPA's quality assurance/control standards and data quality objectives?

LAND: OIG Strategic Concerns and Questions for Consideration

The Earth's land has been degraded by both the development of mineral resources and by improper disposal of society's material waste products. As a result, EPA addresses vast and complex environmental issues in its waste management and cleanup programs. There are over 1,200 national priority hazardous waste (Superfund) sites in the United States and an estimated 60 million Americans living within 4 miles of a Superfund site. Some of the most common contaminants at hazardous waste sites are also the most difficult to clean up, and cleanup may take up to 30 years or more. In addition to Superfund sites, EPA has identified another 1,714 sites with significant hazardous waste contamination in need of cleanup under the Resource Conservation and Recovery Act (RCRA). There are also an estimated 450,000-650,000 "brownfield sites" across the nation where property use is complicated by the presence or potential presence of a hazardous substance. Not only can there be environmental and health hazards associated with these sites, but abandonment or underutilization of contaminated sites also creates major obstacles to social vitality and economic growth in communities.

Superfund

- Is EPA making progress toward effective risk reduction and waste cleanup?
- How can EPA achieve efficiencies and time reductions in Superfund cleanups?
- How can EPA effectively engage communities and affected stakeholders in land reuse decisions?
- What are EPA's mechanisms for identifying and evaluating multi-source, or international business environmental liabilities?

Brownfields

- Is EPA making progress toward effective risk reduction, cleanup, and restoring previously polluted sites to appropriate uses?
- How effective has the Brownfields program been in reducing human health or environmental risk, and generating opportunities for sustained economic growth?

Waste Minimization, Recycling, and Pollution Prevention

- How can EPA improve industrial recycling and sustained waste minimization?
- How can EPA best influence the nation's awareness of recycling opportunities and needs and encourage sustained waste reduction and recycling?
- How can EPA influence infrastructure development, product improvements, and new technologies to prevent pollution and encourage recycling?

Pesticide and Chemical Risks

- How can EPA establish more effective partnerships with industries, States, and local communities to foster risk reduction for chemicals and pesticides?
- How can EPA best ensure local communities have the ability to implement, and are implementing risk reduction behaviors associated with chemicals and pesticides?

CROSS-MEDIA: OIG Strategic Concerns and Questions for Consideration

EPA is responsible for addressing environmental threats to our communities and ecosystems that transcend air, water, and land. Their impacts on ecosystems, communities, homes, and susceptible populations can require integrated strategies comprised of innovative tools, programs, technologies, and partnerships. Healthy communities are the goal, and cross-media policies and practices should seek this outcome by preventing pollution. However, sometimes events require the cleanup and restoration of communities and ecosystems. The significance and complexity of these cross-media challenges was tragically demonstrated by the events of September 11 and subsequent anthrax attacks in 2001.

Homeland Security

- How can EPA better execute its Strategic Plan to prevent, prepare for, and respond to a possible terrorist attack to minimize adverse impacts on human health and the environment?

Environmental Stewardship

- How well do the States and tribes employ effective management practices, use EPA funds, and implement EPA guidance to deliver environmental stewardship and human health protection?
- How can EPA identify innovative policies, and encourage and track environmental stewardship by the public, community, business, and industry?

Environmental Justice

- How well are environmental justice concerns incorporated into EPA decisionmaking?
- Do EPA policies and practices contribute positively or negatively to human health and the environment in communities of concern?

Compliance Assurance & Enforcement

- Is the employment of traditional and nontraditional enforcement approaches optimized to ensure compliance with environmental rules and regulations that are designed to protect human health and the environment?

Community and Ecosystem Centered Goals

- How can EPA assess combined impacts of media programs on communities, subpopulations, and ecosystems?
- What tools, information, and assistance can EPA provide to improve the capacity of communities to respond to environmental threats?
- How can EPA and its partners approach environmental science, policy, and regulation in a way that corresponds to the natural environmental systemic processes and problems?
- How can EPA coordinate the environmental efforts and investments of Federal, State, and local entities, as well as commercial stakeholders, to define and achieve a minimum level of environmental risk and optimal public benefits (e.g., natural resource protection and human health)?

Integrated Compliance and Enforcement with Market Mechanisms

- How can EPA evaluate the respective effectiveness of traditional regulatory systems versus those that use the marketplace through economic incentives and consumer behavior to drive compliance and conservation across the environmental spectrum?

Chemical, Organism, Pesticide Risks

- How well is EPA screening chemicals, pesticides, and microorganisms to assess and manage the risks to human health and ecosystem through the air, food supply, water supply, and waste treatment processes?

Science and Research

- How can EPA apply the best available science and the most relevant research to support its programs, develop valid environmental indicators, identify emerging or imminent threats, and reduce the unknowns?

GOAL 2. Contribute to Improved Agency Business Practices and Accountability

Strategy

OIG evaluations, audits, and investigations use a Systems Approach to answer significant questions and recommend actions that influence the economy, efficiency, and integrity of EPA's programs and operations.

Product Lines That Support Goal 2

- **Financial Statement Audits**
- **Business Systems Audits**
- **Investigations/Audits**
  - **Contracts**
  - **Assistance Agreements**
  - **Computer Systems and Security**
  - **Laboratory Fraud**

Objectives and Results We Intend to Achieve

- Influence actions that improve operational efficiency, accountability, resolve public concerns and management challenges, and achieve monetary savings (or returns as a percentage of the OIG budget.)

Outcome Measures

- Policy, Process, Practice, Control Changes
- Corrective Actions on Management Challenges
- Best Business Practices Implemented
- Certification/Validation/Allegations Disproved
- Questioned Costs, Savings, Fines, Recoveries

- Improve operational integrity and reduce risk of loss by detecting or preventing vulnerabilities for fraud, abuse, or breach of security.

Outcome Measures

- Criminal Convictions
- Indictments/Arrests
- Civil Judgments/Settlements
- Administrative Actions/Security Risks Reduced

- Identify recommendations, best practices, risks, weaknesses, opportunities for savings, and operational improvements.

Output Measures

- Recommendations
- Best Practices and Opportunities Identified
- Risks, Weaknesses, and Challenges Identified

Human Capital Skills Needed to Support Goal 2

Financial Audit	Contract/Grant	Computer Analysis	Environmental Science
Performance Audit	Forensic Investigation	Computer Audit	Operations Research
Management Analysis	Criminal Investigation		

Overview of Good Government Risks and Conditions

Applying a Systems Approach to Evaluating EPA Programs and Operations

EPA delivers its environmental programs through a number of interrelated organizational systems. Having the right people, processes, systems, and information in place is essential to the Agency efficiently and effectively carrying out its mission. Having effective management systems deters fraud, waste, and abuse. Sound financial management provides accountability and public confidence. With EPA annually providing over $4 billion in assistance agreements, and about $2 billion for contracts, it is important that EPA ensure that funds are used consistently with the laws and regulations and are safeguarded against waste, fraud, and misuse. Information used to support programs is also vulnerable.

EPA's Top Management Challenges as Reported by OIG: Historical Perspective

Below is a list of the Top Management Challenges that the OIG has reported to EPA since FY 2001. Although EPA has made significant progress to resolve its Management Challenges, several of these issues have been ongoing as reported by the OIG since 1997. We will continue to concentrate our efforts on helping the Agency resolve the most chronic management issues and identify new threats and challenges. The full text of the OIG Report on EPA Top Management Challenges is available at www.epa.gov/oig

EPA's Top 10 Major Management Challenges	FY 2001	FY 2002	FY 2003
Linking Mission and Management: Developing more outcome-based strategic and annual targets in collaboration with partners.	●	●	●
Information Resources Management and Data Quality: Improving the quality of data used to make decisions and monitor progress.	●	●	●
Human Capital Management: Developing and implementing a strategy that will result in a competent, well-trained, and motivated workforce.	●	●	●
EPA's Use of Assistance Agreements to Accomplish Its Mission: Improving the management of the billions of dollars of grants awarded by EPA.	●	●	●
Protecting Critical Infrastructure from Non-Traditional Attacks: Protecting physical and cyber-based infrastructures, primarily in water and chemical industry/hazardous materials.	●	●	●
Challenges in Addressing Air Toxics Program Phase 1 & Phase 2 Goals: Reducing air toxic emissions by developing a technology-based approach and assessing levels of risk.		●	●
EPA's Working Relationships with States: Improving the working relationships with States by establishing a structure to address accountability and other issues.	●	●	●
Information Security: Protecting information systems by preventing intrusion and abuse of systems, and protecting integrity of data.	●	●	●
Backlog of National Pollutant Discharge Elimination System Permits: Addressing the nationwide backlog of the renewal of permits to manage discharges into water systems.	●	●	●
Management of Biosolids: Ensuring that the regulations applicable to sewage sludge are adequately enforced and provide sufficient protection to the public.		●	●

Good Government: OIG Strategic Concerns and Questions

The following represent several key Financial Management, Business Systems, and Operational Integrity Areas suggested for OIG attention by our stakeholders, clients, and staff, and through external research. ***Specific priority and emerging Good Government topics and questions will be addressed in the OIG Multi-Year Plan.***

Financial Management

- Does EPA have the people, processes, and systems needed to efficiently provide timely, accurate, complete, and useful financial information for decisionmaking and accountability?

Information Resources Management

- Does EPA have systems, processes, and controls in place to ensure that timely, reliable, and complete information is available to manage EPA's programs and report on environmental results?

Program Management

- Does EPA have the systems and processes in place to plan, budget for, and manage its programs, and the human capital needed to carry out its mission?

Assistance Agreements

- Is EPA using assistance agreements to efficiently and effectively accomplish its mission?

Contracts

- Is EPA using contracts to efficiently and effectively accomplish its mission?

Program Integrity Investigations

- Will respond to allegations or indicators of fraud or acts which undermine the integrity of, or confidence in programs, and create imminent environmental risk. Examples include: false certifications for asbestos removal, fraudulent use of the Agency seals, and fictitious or forged products and labels.

Laboratory Fraud

- Will respond to allegations or indicators of falsification of laboratory results which undermine the bases for Agency decisionmaking, regulatory compliance, or enforcement actions.

Contract and Assistance Agreement Fraud

- Will identify fraudulent practices in awarding, performance, charging, and payment on EPA contracts, and grants or other assistance agreements.

Homeland Security

- Will test environmental infrastructure and information networks against threats of intrusion and destruction. Also, in response to an attack, will provide protection of EPA information and resources, and coordinate with State, local, and other Federal law enforcement authorities.

Outreach for Deterrence

- Will increase awareness of indicators of fraud, and create a network of potential resources.

Program Assessment Review Tool (PART)

- How can the OIG best assist EPA and Office of Management and Budget (OMB) in EPA PART reviews? A discussion of OIG involvement in PART assessments, and a schedule of EPA PART assessments are presented in *the Strategic Plan Appendix at* www.epa.gov/oig

GOAL 3: Continuously Improve OIG Products and Services

Strategy

The OIG will lead by example in using cost accounting, process analysis, and followup to integrate efficiency and results into its performance culture. The OIG will apply diverse human skills, technology, contracting opportunities, and partnering across product lines and internal operations to leverage resources for greater results.

OIG Corporate Strategies:

1. Address Mission through Product Lines
2. Integration of Human Capital Strategy
3. Integration of Technology Strategy
4. Aligning Planning, Performance Measurement, and Cost Accountability
5. Customer Focus and Risk Assessment
6. Marketing OIG Products/Services
7. Followup for a Results Driven Culture
8. Process Assessment/ Reengineering
9. Partnering for Collaborative Solutions

Objectives and Results We Intend to Achieve

Improve the timeliness, responsiveness, and value of our products and services, to our clients and stakeholders.

Outcome Measures

- External customer value rating
- Internal customer service rating
- Assignments in response to requests
- Achievement of assignment milestones
- Reduction in process cycle time

Apply technology, innovation, leadership, and skill proficiency for motivated staff and highly regarded products.

Outcome Measures

- Amount of products available electronically
- Attainment of training standards
- Reduction in "skill gap"
- Internal product/process innovations implemented
- Congressional or public testimony

Align OIG plans, performance, measurement, processes, and followup for a cost accountable results culture.

Output Measures

- Activities covered with cost accounting measures
- Available staff time used on direct assignments
- Direct time on followup of prior OIG recommendations
- OIG recommendations acted on within four years

Maximize use of (available) resources, staff diversity, and savings opportunities.

Output Measures

- Authorized FTE used
- Current year budget used
- Parity of workforce with civilian labor force
- Implement actions for costs savings

Develop constructive relationships to leverage resources and foster collaborative solutions.

Output Measures

- Products done in collaboration with external partner(s)
- Lead Partnering and President's Counsel on Integrity and Efficiency (PCIE) projects

OIG Corporate Strategies

1. OIG Implementation Strategy - Product Lines

The OIG Strategic Plan is implemented by staff performing audits, evaluations, and investigations located in offices across the United States through a **Multi-year Plan** at www.epa.gov/oig
The Multi-year plan demonstrates how the goals, objectives, strategies, and topic areas established in the Strategic Plan are cohesively arrayed to answer a logical sequence of program and management questions critical to the success of EPA's mission and goals through OIG Product Lines. A description of OIG Product Lines is provided in the *OIG Strategic Plan Appendix at* www.epa.gov/oig

2. Integration of Human Capital Planning into OIG Strategy

Human Capital Objectives:

Sustain a diverse, talented workforce that supports OIG goals and reflects the U.S. population.
Maintain workforce recruitment/development/retention programs that ensure competent staff to accomplish work and provide future leaders.
Implement a training management information system that helps staff manage career development and assists the organization in analyzing training costs/patterns to provide cost-effective training through such mediums as e-learning options.
Deploy performance management and reward systems that link performance to results through multiple sources of feedback for meaningful assessment, accountability, and recognition.

3. Integration of Information Technology into OIG Strategy

Effective information management is vital to the success of the OIG's mission and contributes to the achievement of its goals. Timely, reliable, and accessible information is the foundation of OIG product line credibility, internal performance management, and service to the public. To make the OIG as effective and efficient as possible in meeting its goals of serving their internal, external, and public customers while securing OIG information, we will develop and support a fully integrated management information system.

Technology Objectives:

Provide timely and accurate data that enables management to provide status reports and make strategic business decisions.
Provide a secure technical architecture for OIG to perform independent and objective audits, evaluations and investigations.
Provide timely and quality user support.
Deliver business systems on time and with high quality.
Enhance innovation, teamwork, and competencies.
Promote economy, effectiveness, and efficiency within OIG.

4. Aligning OIG Planning, Performance Measurement and Cost Accountability

The OIG will complete the integration of planning, cost, and performance measurement by linking staff evaluations and awards to supportable measures or evidence of efficiency and contribution to OIG/Agency goals or annual targets. We will continue developing a linked hierarchy of plans and performance measures from operational, to tactical and strategic, accounting for use of resources and activities, measuring the efficiency (timeliness and cost) of outputs, and effectiveness of outcomes. See a diagram in the *OIG Strategic Plan Appendix at* www.epa.gov/oig. We will emphasize followup on OIG recommendations to promote a results-oriented culture and demonstrate return on investment.

5. Customer Focus: The Foundation of Performance Planning & Internal Improvement

The OIG is committed to constant improvement, and relies on customer, client, stakeholder, and staff feedback to identify possible problems and opportunities for being more effective and responsive in adding value. We will expand the use of customer surveys, SWOT Analysis (strengths, weaknesses, opportunities and threats) and interviews to gain more information on the perceived customer value of our products and professionalism of our staff.

6. Multi-Channel Marketing and Outreach of OIG Work for Greater Results

We will market our products, services, recommendations, and information to all stakeholders in the chain of action officials and beneficiaries. We will promote open communications with OIG clients and stakeholders to leverage greater resources, share data, and resolve problems of common interest. We will:

use e-mail containing links to full documents and a complete wel- indexed searchable web site;
reestablish contacts and relations in Regional offices; and
follow up with all stakeholders and partners to report on and assist with progress toward action.

7. Followup Process for a Results Driven Culture

The OIG will implement a formalized followup process to enhance our "results oriented" culture. We will examine the current followup process and work with the Agency to better account for and implement the chain of actions leading to environmental improvements and impacts influenced by our work. Therefore, as part of our Multi-Year Plan, we will regularly followup and report on previous work to determine the extent of Agency action taken and all subsequent results and impacts. This process acknowledges that the most significant results may require a time lag until they can be recognized and reported, and that the OIG has a responsibility to track the progress of its recommendations.

8. Process Assessment/Reengineering for Accountability and Efficiency

The OIG will perform internal process assessment reviews to identify ways of improving the application of resources for greater cost efficiency in cycle time, performance, and quality. These process assessments will examine opportunities based on areas of reported management weaknesses and customer and staff feedback.

9. Partnerships: Collaboration in EPA and with Other Government Agencies

The environmental mission cuts across the goals and media offices of EPA as well as across Federal, State, and local government agencies. EPA only contributes a small percentage of the total investment in environmental protection compared to other Federal and State agencies, and must work collaboratively within the Agency and with its partners to leverage the needed resources and authority for more efficient, consistent and comprehensive results. There are at least 29 Federal agencies with an environmental mission, as well as each State. Therefore, the OIG will seek and promote partnering opportunities.

One way we will promote our strategy for partnering is through the President's Council on Integrity and Efficiency (PCIE) Environmental Consortium, composed of members of the IG community whose respective agencies have an environmental mission, to identify opportunities for collaborative planning and assignment development based on common issues or problems. The EPA OIG, in conjunction with the PCIE, developed the Compendium of Environmental Programs, an interactive data base cataloguing Federal environmental programs by agency: yosemite.epa.gov/oig/compendium.nsf/homepage?openform

We request your input and questions concerning this Strategic Plan or any other information about the EPA Office of Inspector General. Please let us know what we are doing well, and how we can better serve our customers. This Plan and other information about the OIG and its products are available on our web site: www. epa.gov/oig

For questions, comments or to obtain copies of this report, please contact either of the following:

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OFFICE OF INSPECTOR GENERAL

Catalyst for Improving the Environment

Strategic Plan, Fiscal 2004 - 2008
Appendix

The information contained in this Appendix fulfills the requirements of the Government Performance and Results Act for a Strategic Plan, and provides additional background or detailed information in support of the EPA OIG Strategic Plan, Fiscal 2004 - 2008.

Contents

External Factors and Trends That Could Shape Our Future

This section presents an overview of just some of the environmental and societal issues, concerns, and threats that could shape our lives, and the future priorities of EPA and the OIG. The Government Performance and Results Act requires a consideration of external events and threats that should be accounted for in the plan, or could prevent the goals from being attained. We have selected items that represent contemporary research and a variety of opinions to increase our awareness of conditions that could shape our future and form the basis for future discussion and public policy.

Balancing Energy, Transportation, and Development with Environmental Quality

The burning of oil, natural gas, and coal provides 80 percent of all human-caused carbon dioxide emissions. Energy demand has nearly doubled in the past three decades and is expected to increase 60 percent by 2020. Automobile manufacturers are producing larger vehicles requiring more fuel, and more roads are being built encroaching on irreplaceable environmental systems. Due to technological advancements, vehicles today emit only about one tenth of the pollution as vehicles of the early 1970s.

Increasing mobility undoubtedly improves quality of life, by providing access to better employment, education, health care, and fulfillment of the "American Dream."

Growth of urban areas and "sprawl" without coordinated planning or alternatives to the use of fossil fuels exacerbates pollution, which directly impacts human health.

Nearly 10 percent of the world's total energy (mostly from hydropower) comes from alternative sources, such as wind turbines, solar cells, biomass fuels, and hydrogen fuel cells, could provide half the world's energy by 2050. Gasoline-electric hybrid cars are already reducing carbon dioxide emissions in Japan, Europe and US. A vehicle powered by a hydrogen fuel cell creates emissions you can drink in the form of pure water. Use of alternative fuels can radically reduce the impacts from carbon dioxide.

Regulated Community Can Be Part of the Solution

Environmentally conscious businesses are realizing that conservation may also help the bottom line. Xerox's Waste Free program recycled 80 percent of nonhazardous solid waste generated by the corporation's factories in 2000. It also kept 158 million pounds of electronics waste out of landfills through remanufacturing, saving several millions of dollars a year and proving that sustainability is good business.

The expanded use of market incentives for the Air Credit Trading program is an example of how economic incentives, applied properly, with strong oversight and controls, can promote compliance.

Population and Demographics

Population growth and movement throughout history have forever changed the quantity and quality of life as well as the atmosphere, soils and waters. Although fertility rates have fallen sharply in the developing world due to increased education and greater access to contraceptives, the population in poor countries is expected to triple in less than the next 50 years.

The United States is a destination for many in the world who seek a better life, while the aging population will live longer and will migrate to more southern and coastal regions, increasing the pressure to yet further develop precious natural resources and build greater infrastructures to support a higher standard of life at the expense of wetlands, forests, and shores.

Fraud, Waste, and Abuse When Accountability is Absent and Opportunity Meets Greed

Reports of corporate fraud have shaken our financial state of well being.

Fraud extends beyond the few who commit it, and when it occurs in government by its employees, grantees, or contractors, it can have a far-reaching impact, creating a lack of confidence in government by taxpayers.

An obvious deterrent to fraud and mismanagement is strong controls, accountability and criminal and civil punishment for those found guilty of such acts. It requires a better understand of conditions that permit fraud, waste, and abuse, and a commitment to building or correcting control systems that can prevent it.

Technology, Information, and the Market

Environmental protection was originally provided by the government through a series of environmental laws, and by mandating rules, regulation of industry, and litigation designed to address the most obvious problems. The problems of the future are getting much more complex and increasingly expensive. They will require greater participation by non-government entities and use of innovative market mechanisms for both funding and self regulation.

In recent years, market based "greenery" has shown promise with a few exceptions. In the past decade, an amendment to the Clean Air Act, created an emissions trading system to reduce sulfur dioxide.

Economists say the market place is the greatest price discovery mechanism capable of self balancing, but markets are not currently very good at valuing environmental goods.

As business begins to realize the benefits of environmental balance sheets, actions such as carbon storage, watershed management to produce new revenue flows, and paying for greenery upstream rather than cleaning the water downstream after it is fouled, could provide the economic drivers of environmental solutions.

The market itself may not provide enough information to value nature adequately, especially for threats that have no solution at any price. The difficult notion of both sustainable development and environment can be pursued through market efficiency and collaborative planning, based upon sound technology and information.

Financial Resources: Who Will Pay and Where Will They Come From

The New York Times reported that "states are desperate, struggling with their worst financial crises since World War II." California, with one of the world's largest economies, has presented an extreme example of state budget problems, which have forced cuts in many programs including environmental programs.

According to the Environmental Council of States (ECOS), "The States' commitment of 1.4 percent of the total state budget [to environmental spending] is the lowest in 17 years of observation."

EPA officials have consistently expressed concerns about the increasing stress on State environmental programs as State funds decline and environmental responsibilities grow. The majority of Federal environmental programs are delegated to States, including 98 percent of the Clean Air Act, 84 percent of the Clean Water Act, and 85 percent of the Resource Conservation and Recovery Act.

State financial problems are also in the context of increasing Federal deficits, the largest in the nation's history, which will have long-term impacts on all levels of government and funding for expensive but urgent infrastructure and other environmental projects.

Information: The Most Powerful Tool of Environmental Protection

The environmental movement in this country was inspired by the vision and grass roots efforts of a minority of concerned citizens using limited information to leverage public involvement and action that eventually resonated with our politicians and policy makers to solve the most obvious problems.

The information age, through scientific, social, and economic research, will continue to inspire the actions necessary to reevaluate the kind of legislation needed to solve the more complex, but less obvious, environmental problems at all levels of government.

The public is demanding more environmental disclosure by companies, and EPA similarly can promote and actively use information to make the most informed policies that further encourage compliance and even economic benefit from strong environmental stewardship.

Information brings many stakeholders and partners together to collaboratively seek an optimal balance between social and financial costs and benefits. Information about risks, condition impacts, trends, and performance will only be valuable if it has integrity, and is comparable, valid, reliable, accurate, complete, and timely.

Environmental data along with its analysis of cause and effect relationships to ecosystems and human health is relatively new, because the devastation of environmental impacts has happened so recently in the scheme of all history. Also, science and the effects are usually episodic, information is fragmented, and measurement is inconsistent.

Unlocking the Future

A new sensitivity to humanity's impact on the environment has leveraged corrective actions by individuals and governments through science, economic interests, and activism.

We can not turn back the clock and return nature to a pristine state, nor would we want to, at the expense of otherwise higher standards of living. Similarly, we cannot freeze nature at its current state.

The debate about the future of natural resources will need to include, technology, institutions, public and private involvement, and especially the capacity to innovate. Where there are strong scientific indications of unsustainability, we must act on behalf of the future, even at the price of today's development.

The demands of development seem sure to grow into the next few decades, but we seem to be entering a period of huge technological advances in emerging fields such as bio technology, which could greatly increase resource productivity and more than offset the effects of population growth, economic development, and energy usage on the environment.

The best way is to encourage powerful forces of sustainability is through partnerships, empowerment of local people to manage local resources, encouragement of science and technology for information and innovation, and reliance on businesses to be active participants in funding, compliance, and risk reduction.

External Threats

As we have become aware, there is now almost a certainty that uncontrollable and unforeseen threats such as terrorism and natural disasters will alter our plans, lives, and intended paths to results.

Contrived threats such as fraud, political unrest, military conflict and terrorism have become constant disruptive forces both domestically and internationally.

Economic and resource deprivation can drive acts of desperation. Additionally, there is always the peril of naturally occurring disasters and environmental neglect and degradation.

Homeland Security was an unfamiliar term a few years ago, yet now dominates our attention, sense of well being, and national priorities. We must stay constantly vigilant in anticipation of such threats, with the flexibility and preparation to adapt and take responsive contingency actions.

Conclusion

Humans are both dependent upon and interdependent with their environments. Natural resources remain the basis for economic growth and civilization even as development of those resources contributes to the loss of other environmental values. Improved technologies have helped humans to have far greater impacts on their environment, but the same technology has outpaced our knowledge of its effects on the environment. When the problems were obvious, such as belching smoke stacks and dumping of raw sewage at the end of a pipe, the solutions were relatively easy to define. Many problems and their effects on our future environmental and public health are not as obvious, yet could be devastating, including the political environment internationally and domestically as competition increases for limited natural and economic resources. The availability of funding at all levels of government is an emerging issue which will increase during the next several years. We cannot predict the future consequences of our actions, but there are undisputable trends. The cost and complexity of the potential solutions will require significant participation by the marketplace and government agencies working together for the synergy to drive the needed science, technology, legislation, and actions to sustain growth and our environment. The OIG has an important role in helping EPA address these issues and find needed solutions.

Data Validation and Information Quality

All data and analysis used in this Strategic Plan are derived from independent authoritative sources. OIG products and services are subject to rigorous compliance with the Government Auditing Standards of the Comptroller General, and are regularly reviewed by OIG management, an independent OIG Management Assessment Review Team, and an external independent peer review. This Plan specifically complies with the OIG Data Quality Standards, the OIG Strategic Planning Policy and procedures, and the Government Performance and Results Act. This Plan attempts to use the best available information and opinions that will help direct the future decisions and activities of the OIG. Also in accordance with the Federal Managers' Financial Integrity Act of 1982, the OIG annually submits an assurance letter to the EPA Administrator reporting on whether the OIG's management controls reasonably protect the OIG programs from waste, fraud, abuse, or mismanagement.

OIG Assistance With OMB PART Assessments of EPA Programs

For the fiscal year 2004 budget process, the Office of Management and Budget (OMB) introduced a new instrument, the Program Assessment Rating Tool (PART), for assessing government programs' purpose, design, strategic planning, management, results, and accountability to determine overall effectiveness. PART assessments are similar to the OIG Goal 2 Strategy of using a Systems Approach to evaluate the economy, efficiency, and effectiveness of EPA programs. Therefore, the OIG will assist the Agency and OMB in performing effective PART reviews by selectively aligning our audit and program evaluation work to correspond with PART review questions for the scheduled EPA programs. Information about PART assessments is found at http://www.whitehouse.gov/omb/mgmt-gpra/spring.html

The following represents several approaches for OIG involvement with PART assessments based upon discussions with OMB and our own research. ***Specific OIG PART activities and EPA program areas, of those scheduled for OMB review (below), will be addressed in the OIG Multi-Year Plans.***

Link or cross reference PART reviews to prior and current OIG reports/assessments
Include scheduled Agency PART assessments in OIG planning process/selection criteria
Provide review comments on Agency PART assessments, before and after OMB ratings
Conduct special OIG PART- related reviews/evaluations
Coordinate OIG level of effort, expectation agreements with OMB

Schedule of EPA Programs Currently Planned for OMB PART Review

* *Represents additional programs subject to review at OMB direction*

FY 2004	FY 2005*	FY 2006*	FY 2007*	FY 2008*
Leaking Underground Storage Tanks	RCRA Corrective Action	Superfund R&D	State Water Pollution Control Grants	Public Water System Supervision Grants
Air Toxics Nonpoint Source	RCRA State Grants	Superfund Remedial Actions plus other Superfund	Clean Water Regulations	Drinking Water Regulations
Superfund Removal	Ecosystem Research	National Estuary Program	Clean Water Implementation	Drinking Water Implementation
Drinking Water SRF	Clean Water SRF (including CWSRF Indian Set Aside Program)	Stratospheric Ozone Programs	Environmental Information	Toxic Release Inventory
Pesticides Registration	Criminal Enforcement	Compliance Assistance Programs	Human Health Research	Regulatory Development Research
Pesticides Reregistration	PM Research	Air State Grants (except Radon)	Indoor Air	Science Advisory Board, Science Policy & Coordination, Science Advisor
New Chemicals	Brownfields	High Production Volume	Ozone and PM Implementation	Homeland Security
Existing Chemicals	Pollution Prevention Research	Chemicals Challenge Program		UST State Grants and UST Program
Tribal GAP	Acid Rain	Climate Change Programs		
Civil Enforcement	Environmental Education	Mexican Border		
		Alaskan Native Village		

Major Laws Affecting EPA And OIG Work

Statute	Provisions
Toxic Substances Control Act	Requires that EPA be notified of any new chemical prior to its manufacture and authorizes EPA to regulate production, use or disposal of a chemical.
Federal Insecticide, Fungicide and Rodentcide Act	Authorizes EPA to register all pesticides and specify the term and conditions of their use, and remove unreasonably hazardous pesticides from the market place.
Federal Food, Drug and Cosmetic Act	Authorizes EPA in cooperation with the Food and Drug Administration to establish tolerance levels for pesticide residues on food and food products.
Resource Conservation and Recovery Act	Authorizes EPA to identify hazardous wastes and regulate their generation, transportation, storage and disposal.
Comprehensive Environmental Response, Compensation & Liability Act	Requires EPA to designate hazardous substances that can present substantial danger and authorizes the cleanup of sites contaminated with such substances.
Clean Air Act	Authorizes EPA to conduct research, set air quality standards, and emissions limits, regulate emission of stationary area and, mobile sources, and take enforcement action.
Clean Water Act	Authorizes EPA to establish a list of toxic water pollutants and set standards.
Safe Drinking Water Act	Requires EPA to set drinking water standards to protect public health from hazardous substances.
Marine Protection Research and Sanctuaries Act	Regulates ocean dumping of toxic contaminants.
Asbestos School Hazard Act	Authorizes EPA to provide loans and grants to schools with financial need for abatement of severe asbestos hazards.
Asbestos Hazard Emergency Response Act	Authorizes EPA to establish a comprehensive regulatory framework for controlling asbestos hazards in schools.
Emergency Planning and Community Right to Know Act	Requires states to develop programs for responding to hazardous chemical releases and requires industries to report on the presence and release of certain hazardous substances.

Other Laws * Laws that contain provisions that mandate EPA-OIG work.

Anti-Deficiency Act
Chief Financial Officers Act*
Clinger-Cohen Act
Competition in Contracting Act
Computer Fraud and Abuse Act/Computer Security Act
Consolidated Reports Act of 2000
Contract Disputes Act
E-Government Act*
Endangered Species Act
Environmental Research, Development and Demonstration Act
Ethics in Government Act
False Claims Act
Federal Advisory Committee Act
Federal Facility Compliance Act
Federal Financial Management Improvement Act*
Federal Claims Collection Act
Federal Grant and Cooperative Agreement Act
Federal Information Security Management Act
Federal Managers' Financial Integrity Act
Federal Records Act
Federal Technology Transfer Act
Food Quality Protection Act*
Freedom of Information Act/Privacy Act
Government Performance and Results Act
Homeland Security Act
Inspector General Act of 1978, as amended*
National Environmental Education Act
National Environmental Policy Act of 1969
Ocean Dumping Act
Oil Pollution Act of 1990
Paperwork Reduction Act
Pollution Prevention Act
Single Audit Act
Solid Waste Disposal Act
U.S. Code, Title 18 (Criminal Code)
VA, HUD and Independent Agencies Appropriations Acts
Whistle Blower Protection Act

EPA Goals: A New Five-Goal Structure Focuses on Environmental Results

The following pages are EPA's Strategic Goals, Strategies, and Objectives, *with corresponding references to the OIG Strategic Plan.* This OIG Strategic Plan closely parallels the EPA's Plan, applying the OIG's unique role and authority in EPA. The EPA Strategic Plan is available at: http://www.epa.gov/ocfo/plan/2003sp.pdf

EPA Goals FY 2004 - 2008	EPA Cross Goal Strategies
1. Clean Air and Global Climate Change: *Protect and improve the air so it is healthy to breathe, and risks to human health and the environment are reduced. Reduce greenhouse gas intensity by enhancing partnerships with business and other sectors.* **2. Clean and Safe Water:** *Ensure drinking water is safe. Restore and maintain oceans, watersheds and their aquatic ecosystems to protect human health, support economic and recreational activities, and provide healthy habitat for fish, plants, and wildlife.* **3. Land Preservation and Restoration:** *Preserve and restore the land by using innovative waste management practices, and cleaning up contaminated properties to reduce risks posed by releases of harmful substances.* **4. Healthy Communities and Ecosystems:** *Protect, sustain, or restore the health of people, communities, and ecosystems using integrated, and comprehensive approaches, and partnerships.* **5. Compliance and Environmental Stewardship:** *Improve environment through compliance with environmental requirements, preventing pollution, and promoting environmental stewardship. Protect human health and the environment by encouraging innovation, and providing incentives for government, business, and the public that promote environmental stewardship.*	**Focusing on Results:** *A new set of goals* **Implementing Reforms:** *The President's Management Agenda* **Improving Accountability:** *Assessing the State of the Environment* **Strengthening Partnerships:** *Improved Relationships with States and Tribes* **Information** < *Analytical Capacity* < *Governance* < *Excellence in Information Service Delivery* **Innovation** < *Innovation: Enabling state and tribal innovation* < *Using innovation to solve priority problems* < *Developing problem solving tools and approaches* < *Creating a culture and organizational systems* **Human Capital** < *Strategic alignment with mission* < *Workforce planning and deployment* < *Leadership and knowledge management* < *Performance Culture* < *Recruiting and retaining talent* < *Accountability* **Science** < *Generating and using scientific information* < *Science Priorities* < *EPA science practices* < *Meeting the challenge* < *Achieving results* **Homeland Security** < *Organizing the work* < *Coordinating the effort* < *Achieving results* **Economic and Policy Analysis** < *Enhancing the quality of Agency decisions* < *Improving analytic tools and capabilities* < *Addressing public priorities*

EPA Strategic Air Objectives FY 2004 to 2008 - *Corresponds to OIG Goal 1 Air Product Line*

- **Healthier Outdoor Air:** EPA and its partners will protect human health and the environment by attaining and maintaining health-based air quality standards and reducing risk from toxic pollutants.
- **Healthier Indoor Air:** 22.6 million more Americans than in 1994 will be experiencing healthier indoor air in homes schools and office buildings.
- **Reduce Greenhouse Gas Intensity:** EPA's voluntary climate protection programs will contribute 45 million metric tons of carbon equivalent annually to the President's 18 percent greenhouse gas intensity improvement.
- **Protect the Ozone Layer:** Through worldwide action, ozone concentrations in the stratosphere will have stopped declining and slowly begun the process of recovery, and the risk to human health from over exposure to ultraviolet radiation, particularly among susceptible subpopulations, such as children, will be reduced.
- **Radiation:** EPA and its partners will minimize unnecessary releases of radiation and be prepared to minimize impacts to human health and environment should unwanted releases occur.
- **Enhance Science and Research:** Provide and apply sound science to support clean air by conducting leading edge research and developing a better understanding and characterization of environmental outcomes.

EPA's Strategic Water Objectives FY 2004 to 2008 - *Corresponds to OIG Goal 1 Water Product Line*

- **Protect Human Health:** Protect human health by reducing exposure to contaminants in drinking water (including protecting source waters), in fish and shellfish, and in recreational waters.
- **Protect Water Quality:** Protect the quality of rivers, lakes, & streams on a watershed basis & protect coastal & ocean waters.
- **Enhance Science and Research:** Provide and apply a sound scientific foundation to EPA's goal of clean and safe water by conducting leading edge research and developing a better understanding and characterization of the environmental outcomes.

EPA's Strategic Land Objectives FY 2004 to 2008 - *Corresponds to OIG Goal 1 Land Product Line*

- **Preserve Land:** Reduce adverse effects to land by reducing waste generation, increasing recycling, and ensuring proper management of waste and petroleum products at facilities in ways that prevent releases.
- **Restore Land:** Control risks to human health and the environment by mitigating the impact of accidental or international releases and by cleaning up and restoring contaminated sites or properties to appropriate levels.
- **Enhance Science and Research:** Provide and apply sound science for protecting and restoring land by conducting leading-edge research and developing a better understanding and characterizations of environmental outcomes.

EPA's Strategic Healthy Communities and Ecosystems/Compliance and Environmental Stewardship Objectives FY 2004 - 2008 - *Corresponds to OIG Goal 1 Cross-media Product Line*

- **Chemical, Organisms, and Pesticide Risks:** Prevent and reduce pesticide, chemical and genetically engineered biological organism risks to humans, communities and ecosystems.
- **Communities**: Sustain, clean up and restore communities and the ecological systems that support them.
- **Ecosystems**: Protect, sustain, and restore the health of natural habitats and ecosystems.
- **Homeland Security**: Enhance the nation's capability to prevent, detect, protect and recover from acts of terror.
- **Enhance Science and Research**: Provide a sound scientific foundation for EPA's goal of protecting, sustaining and restoring the health of people, communities and ecosystems by conducting leading edge research and developing a better understanding and characterization of environmental outcomes.
- **Improve Compliance**: Maximize compliance to protect human health and the environment through compliance assistance, incentives and enforcement.
- **Improve Environmental Performance Through Pollution Prevention and Innovation**: Improve environmental protection and enhance natural resource conservation on the part of government, business, and the public through adoption of pollution and sustainable practices that include the design of products and manufacturing processes that generate less pollution, the reduction of regulatory barriers and the adoption of results based, innovative, and multimedia approaches.

OIG Product Lines

Below is a description of the OIG Product Lines, which are designed to focus on specific aspects or approaches, while working together for systemic recommendations and improvements.

Program Evaluations determine whether EPA's programs, projects, and tasks are achieving the desired results and impacts in the most efficient and cost-effective manner. Staffed with a mix of program analysts, scientists, auditors, economists, and others, program evaluations assist the Agency in identifying what works and at what cost for Air, Water, Land, and Cross-Media environmental programs. Evaluations by type include:

- **Process evaluations** assess the extent to which a program is operating as it was intended.
- **Outcome evaluations** assess the extent to which a program achieves its outcome-oriented objectives.
- **Impact evaluations** assess net effect of a program by comparing outcomes to absence of the program.
- **Cost Benefit evaluations** compare the program's outputs or outcomes with the costs to produce them.

Audits determine whether EPA's programs, systems, and processes are operating effectively & efficiently.

Contract Audits determine the allowability, allocability, and reasonableness of costs claimed by contractors and assess the effectiveness of EPA's contract management.
Assistance Agreement Audits assess financial and performance of EPA's State Revolving Fund programs, EPA grants, interagency agreements, and cooperative agreements.
Financial Statement Audits review the Agency's financial systems and statements to ensure that adequate controls are in place and the Agency's financial information is timely, accurate, reliable and useful, and complies with applicable laws and regulations.
Business Systems Audits review the economy, efficiency and effectiveness of operations by examining the Agency's support systems for achieving environmental goals, including its information systems and systems for setting priorities, developing and implementing strategies to accomplish them, and measuring performance.

Investigations identify and close high risk and systemic weaknesses; obtain prosecutions, recoveries, indictments, and convictions for criminal activity, and civil and administrative remedies.

Contract and Assistance Agreement investigations focus on financial crimes, criminal activity, or serious misconduct in the performance of EPA contracts and procurement practices; grants to individuals, businesses or organizations, the application and awarding of EPA grant monies. These investigations also focus on similar activities in the use of EPA money involved in State Revolving Funds, interagency agreements, and cooperative agreements awarded to state, local, and tribal governments, universities, and nonprofit recipients**.**
Employee Integrity investigations focus on allegations of criminal activity or serious misconduct by EPA employees that could threaten the credibility of the Agency, validity of executive decisions, security of personnel or business information entrusted to the Agency, or financial loss to the Agency.
Computer Fraud investigations respond to suspected computer intrusions, and support Agency information security personnel as they examine the Agency network for weaknesses and vulnerabilities.
Laboratory Fraud investigations uncover criminal activity in laboratories within the environmental community including commercial and EPA laboratories. The Agency relies upon laboratory test results to assess environmental threats and determine what actions are necessary to control hazardous wastes, toxins, and other contaminated substances that pollute our air, water, and land.

Planning Criteria Used to Evaluate and Determine Risk, Priorities and Assignments

In addition to Strategic Customer Analysis, we constantly consider a number of factors listed below to assess risks and opportunities. This process helps identify new directions, the best application of resources, and the selection of assignments through the Multi-Year Plan in support of the Strategic Plan.

Evaluation Factors in Determining Goals, Objectives, Strategies and Measures In relation to *current*, Strengths, Weaknesses, and *emerging* Opportunities and Threats	
1. Environmental Risk	Considers problems, relative risks, and our potential to reduce or prevent the risks
2. Risk of Fraud	Considers indicators of fraud, waste, or abuse, and opportunities for improvement
3. Business Systems	Considers major management challenges, processes, accountability for decision making
4. Customer/Stakeholder Interest	Considers customer/client/partner interest, need, value, and public benefit
5. Federal Investment	Considers investment level from EPA and others, and potential of larger scale results
6. Agency Credibility	Considers if our work can enhance, protect, or restore EPA credibility in its operations
7. Previous Experience New Indicators	Considers historic work of the OIG (and others), chronic problems or issues, and new knowledge, research, indicators
8. Quality/Value	Considers ways of improving and leveraging results and usefulness of OIG work
9. Timely/Cost Effective	Considers process improvements to deliver products faster and more efficiently
10. Innovative	Considers new products, approaches, and applications of technology & skills

Alignment of Planning and Performance Measurement Throughout the OIG, for Integration with Staff Performance Expectation Agreements

***Plan*: Linking Purpose and Expectations**	***Measures*: Linking Performance/Results**
- Strategic strengths, weaknesses, opportunities, threats - Cultural/organizational change & direction (vision, values) - Alternative options - Set goals and targets	*Annual/Semiannual Reporting* -Intermediate & Impact Outcomes - Return on Investment of Resources
- Tactical Program Direction - Management Accountability - Establish milestones - Align process activities - Assignment/Staff Performance Expectation Agreements	*Monthly/Quarterly Reporting* - Outputs/Quantity - Quality/Activity - Customer Value - Cost/Resource Application - Timeliness

OIG Management Challenges (From FMFIA Reporting)

Below is the list of Management Level Weaknesses that the OIG has reported to the EPA Administrator FY 2001-2003 in accordance with OMB Circular A-123, Management Accountability and Control, and the Federal Managers' Financial Integrity Act (FMFIA), and internal control requirements of OMB Circular A-130, Management of Federal Information Resources. *The strategies and objectives in Goal 3 of this Plan are specifically designed to resolve OIG weaknesses and improve upon previously reported issues. The issues listed below will also have priority for OIG internal process assessment.*

OIG Management Level Weaknesses	2001	2002	2003
OIG Intranet			
Records Management			
Cost Accounting			
Business Planning Process			
Followup on Assignments/Corrective Actions			
Human Capital Strategy			
Organizational Structure			
Information Technology Strategy			
Inspector General Operations Reporting System (IGOR)			
Project Management/Accountability			
Background Investigations/ Security Process			

Summary of Most Frequent Suggestions for Improving OIG Products and Services Identified from External Customer and Staff Surveys/Interviews

- Develop better program and technical knowledge
- Make recommendations more specific and focused, but flexible to help implement solution
- Improve timeliness of products
- Provide better transfer of knowledge, problems, recommendations and best practices across EPA
- Expand advisory services to help solve specific problems and issues
- Provide Agency with monthly status report with brief descriptions and links to significant work
- Perform followup to keep the Agency focused
- Link performance awards to outcomes
- Provide better communication with Regions to better balance regional issues with national concerns
- Need to work closer with states to help coordinate problem identification and solutions
- Need more user friendly web page
- Need historical index of work and recommendations
- Segment products better by 1. research/problem identification, 2. solution development, 3. followup
- Partner more with Agency training activities, especially in planning, measuring, grants
- Provide better balance and credit on progress
- Offer more practical recommendations/solutions instead of ones requiring more resources
- Improve IG local contact points in Regions
- Help improve EPA program efficiency, helping and finding ways of doing more with less
- Keep Agency more currently informed of project findings, and provide more time to respond
- Coordinate better with GAO and internally to avoid duplication
- Follow up on leads presented during reviews
- Should have separate review and assistance teams to identify and help advise on solutions
- Should review Working Capital Fund and Regional support
- Provide advisory assistance to recommend solutions on specific problems and issues
- Eliminate pass/fail performance evaluations
- Improve consistency of communications and actions with values
- Employ flexible faster recruiting and contracting tools

EPA and OIG Federal Partnering Opportunities

The following chart, from the Compendium of Environmental Programs demonstrates, that there are 29 Federal agencies with a known environmental mission, and provides the number of programs administered within each media area, presenting significant opportunities for collaboration. The full Compendium is available at: yosemite.epa.gov/oig/compendium.nsf/homepage?openform

Federal Departments and Agencies	Participation (No. of Programs/Activities Identified)			
	Air	Water	Waste	Totals
Department of Agriculture	16	73	6	**95**
Department of Interior	9	68	12	**89**
Department of Transportation	36	12	14	**62**
Department of Commerce	13	33	6	**52**
Department of Defense	7	21	18	**46**
Department of Energy	22	5	16	**43**
Department of Health and Human Services	14	14	12	**40**
Tennessee Valley Authority	19	8	0	**27**
Department of Justice	0	1	15	**16**
National Aeronautics and Space Administration	9	2	1	**12**
National Science Foundation	3	3	1	**7**
Federal Emergency Management Agency	0	0	6	**6**
Office of Science and Technology Policy	5	0	0	**5**
Department of Treasury	0	0	5	**5**
Department of Housing and Urban Development	1	3	1	**5**
Department of State	1	0	4	**5**
U.S. Postal Service	0	4	0	**4**
Nuclear Regulatory Commission	0	1	2	**3**
National Academy of Sciences	2	1	0	**3**
Small Business Administration	0	2	1	**3**
General Services Administration	0	2	1	**3**
Department of Labor	1	0	1	**2**
Agency for International Development	0	2	0	**2**
Federal Housing Finance Board	0	0	1	**1**
Department of Veterans Affairs	0	0	1	**1**
Joint Subcommittee on Aquiculture	0	1	0	**1**
N. American Research Strategy for Tropospheric Ozone	1	0	0	**1**
International Boundary and Water Commission	0	1	0	**1**
Endocrine Disruptor Screening & Testing Advisory Commission	0	1	0	**1**