



At a Glance

Why We Did This Review

John C. Beale, a former Senior Policy Advisor within the U.S. Environmental Protection Agency (EPA) Office of Air and Radiation, committed fraud against the EPA. The EPA Office of Inspector General (OIG) concluded it would need to determine conditions that may have allowed Mr. Beale's actions to take place.

On August 27, 2013, the Ranking Member of the Senate Committee on Environment and Public Works requested that the EPA OIG initiate work to determine "the agency's policies and processes that facilitated Mr. Beale's fraud."

This report addresses the following EPA theme:

- *Embracing EPA as a high performing organization.*

For further information, contact our public affairs office at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2014/20131211-14-P-0037.pdf

Early Warning Report: Internal Controls and Management Actions Concerning John C. Beale's Travel

What We Found

The EPA's lack of management oversight and weak internal controls that the EPA had in place enabled Beale's travel abuse. Beale's travel abuse included:

- Using premium class travel.
- Incurring expenses above per diem amounts.
- Charging questionable travel and transportation costs.

John C. Beale admitted to \$45,094 in fraudulent travel expenses, and additional expenses are questionable.

EPA's management actions while Beale was working at the EPA that contributed to Beale's fraudulent travel were:

- Limited review of vouchers or receipts.
- Dismissed questions raised about Beale's travel.
- Expenses not questioned because Beale's reviewing official was also a Deputy Assistant Administrator (a peer to Beale).
- Concern that Beale's "behavior and travel expenses" were supported by another senior executive."

Management Actions Taken

The EPA Office of the Chief Financial Officer identified internal control improvements made or that will be made to prevent or detect travel-related issues, including:

- Since 2012, vouchers for other than coach travel must include an approved waiver supporting premium class travel, and 100 percent review of all vouchers before payment.
- Effective November 15, 2013, eligibility regarding medical documentation supporting premium class travel waivers are to be made by EPA's Office of Reasonable Accommodation.
- Starting in the second quarter of fiscal year 2014, second line supervisors are to approve lodging amounts that exceed a designated percentage over per diem and require Senior Resource Official approval of any single trip exceeding \$5,000.
- By February 2014, internal control assessments are to be completed for travel in the areas of premium class travel, above government rate travel reimbursement and executive travel approvals.

The OIG has not verified the implementation and adequacy of the agency's identified improvements.