



At a Glance

Why We Did This Review

On August 27, 2013, a member of the U.S. Senate Committee on Environment and Public Works requested that the U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), initiate work in connection with a fraud committed by John C. Beale, a former Senior Policy Advisor with the EPA's Office of Air and Radiation. In particular, the committee member asked the OIG to determine EPA policies and processes that "facilitated" Beale's fraud. Although the EPA authorized retention incentive pay to Beale until 2003, the agency continued to make retention incentive payments to him until 2013.

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/2014/20140502-14-B-0246.pdf

EPA OIG Compliance With Retention Incentive Regulations and Policies

What We Found

The EPA OIG did not comply with Office of Personnel Management regulations or agency policies on retention incentive pay. From 2006 through 2009, retention incentives were paid to two EPA OIG employees. The two EPA OIG employees received \$64,204 in retention incentives with no documentation of annual recertification from 2008 through 2009.

Unauthorized retention incentive payments totaling \$64,204 were made to EPA OIG employees due to a lack of adequate internal controls and agency follow-up.

The EPA OIG employees received unauthorized retention pay due to:

- Management confusion over the requirement for annual recertification of retention incentive pay.
- Evidence of the annual recertification not being retained.
- The agency's human resource system lacking internal controls to track, notify and automatically discontinue retention incentive pay if not properly authorized.

Recommendation and Planned Corrective Actions

We recommend that the Deputy Inspector General determine whether any additional evidence exists to justify a retention incentive. If unjustified, he Deputy Inspector General should refer the matter to the agency to initiate action to recover the unauthorized retention incentive amounts paid to EPA OIG employees.

The Deputy Inspector General agreed with our recommendation.