



At a Glance

Why We Did This Review

Based on Office of Inspector General (OIG) concerns, we conducted an audit to determine the extent to which personal property—any property except real property—stored in warehouse space is effectively utilized, accounted for and disposed of by the U.S. Environmental Protection Agency (EPA).

The OIG issued the following early warning reports related to this audit:

- *Main EPA Headquarters Warehouse in Landover, Maryland, Requires Immediate EPA Attention*, May 2013.
- *National Service Center for Environmental Publications in Blue Ash, Ohio, Spent \$1.5 Million to Store Excess Publications*, March 2014.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

Send all inquiries to our public affairs office at (202) 566-2391 or visit www.epa.gov/oig.

The full report is at: www.epa.gov/oig/reports/2014/20141208-15-P-0033.pdf

EPA Needs Better Management of Personal Property in Warehouses

What We Found

The EPA did not adequately inventory property nor provide adequate oversight to ensure effective and efficient use of EPA resources. Specifically, the EPA:

- Did not have policies to account for its non-accountable and non-sensitive personal property.
- Did not maintain annual physical inventories of personal property.
- Did not follow a requirement to inventory and track all electronic property.
- Inventoried personal property in a separate, manual system rather than in its official inventory system.

Monetary benefits totaling \$8.9 million can be achieved by the EPA through improved warehouse management of personal property.

Also, the EPA did not establish effective and efficient controls for its property stored at its warehouse facilities. Specifically, the EPA:

- Did not timely excess or dispose of property.
- Did not sufficiently utilize warehouse space to store property.
- Unnecessarily stored items that were readily available for purchase locally or did not fulfill an immediate need.
- Did not prevent the unauthorized use of government property.

The EPA did not implement effective oversight and controls to ensure efficient use of stored EPA property. Though the EPA contracted for almost \$50 million for warehouse management at the eight facilities we reviewed, it has incomplete information, which impairs its ability to safeguard property against theft, loss, waste and mismanagement.

Recommendations and Planned Corrective Actions

We recommend that the EPA update policies to inventory non-accountable and all electronic property, have the same inventory management system for all property stored, and reconcile annual physical inventory counts against its inventory system records for all personal property. Additionally, we recommend that the EPA optimize space, improve property storage procedures, and address oversight and accountability.

The agency agreed with our recommendations and provided corrective actions with estimated completion dates. All of the nine recommendations we made are resolved and corrective actions are completed or ongoing.