



At a Glance

Why We Did This Review

On August 27, 2013, a member of the 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. One of the factors that facilitated Beale's fraud was that the agency overrode automated controls used to cap pay at statutory limits. As a result, we initiated an audit of the EPA's (including OIG's) controls over statutory pay limits.

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/2015/20150619-15-P-0170.pdf

Improvements Needed to Ensure EPA Terminates Exceptions to Biweekly Pay Limits at Completion of Emergency Response Work

What We Found

Annual basic and aggregate pay received by EPA and OIG employees (including the Inspector General) were within the applicable pay limits for the periods sampled. However, we identified four EPA employees who exceeded the biweekly pay limit without proper authorization. The agency authorized an exception to the biweekly pay limit for emergency response work for each employee. However, the EPA did not terminate the authorizations at the end of the emergency response work, due to inadequate controls. This caused the employees to periodically receive unauthorized pay in excess of their biweekly pay limits. As a result, the EPA paid the employees \$4,141 for overtime and unused compensatory time in excess of their biweekly pay limits.

EPA made payments totaling \$4,141 to employees in excess of biweekly pay limits because authorized exceptions were not terminated at the end of emergency response work.

Recommendations and Planned Agency Corrective Actions

We recommend that the Deputy Administrator establish internal controls to ensure exceptions to the biweekly pay limits will be automatically terminated once the emergency response work has ended; recover the \$4,141 paid to EPA employees in excess of the biweekly pay limit; and identify and recover any additional funds paid to employees in excess of the biweekly limit as a result of the recent establishment of end dates for all open emergency response work. The agency concurred with our recommendations and provided corrective actions with milestone dates.

Noteworthy Achievements

The agency identified corrective measures taken and planned regarding statutory pay. These corrective measures included generating and reviewing reports detailing gross pay and total pay to ensure compliance with statutory pay limits, and removing the critical designation for all 22 positions designated as such in the EPA payroll system.