



At a Glance

Why We Did This Audit

We conducted this audit to determine the effectiveness of U.S. Environmental Protection Agency (EPA) oversight and controls for employees in travel status.

On August 27, 2013, a member of the Senate Committee on Environment and Public Works requested that the EPA Office of Inspector General initiate work to determine the agency policies and processes that facilitated fraud by John C. Beale, a former Senior Policy Advisor within the EPA's Office of Air and Radiation. In response to the request, we increased the audit testing to address the increased risk associated with travel-related fraud.

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/2015/20150922-15-P-0294.pdf

EPA Needs Better Management Controls for Approval of Employee Travel

What We Found

Our analysis of randomly selected travel vouchers for all EPA employees disclosed significant issues with a former Region 9 Administrator, as well as other weaknesses agencywide.

Weak internal controls make EPA travel dollars vulnerable to fraud waste and misuse.

The former Region 9 Administrator made 88 trips from fiscal year (FY) 2007 through January 2009. For 51 of the 88 trips (58 percent), the former Region 9 Administrator traveled to Orange County/Los Angeles County (OC/LA), California, near the former Region 9 Administrator's residence at a cost of approximately \$69,000. The Region 9 headquarters is in San Francisco. The Assistant Deputy Regional Administrator who authorized and approved some of the travel said the trips to OC/LA were necessary. Our comparison of the number of trips made by the subsequent acting Regional Administrator and the current Regional Administrator calls into question whether some of the travel of the former Regional Administrator was essential to performance of the agency mission.

For other EPA employees, our randomly selected analysis disclosed inadequate or no justification being provided for certain lodging above per diem rates. We noted a lack of trip reports for international travel, vouchers not being submitted within the required timeframe, and travel card refresher training requirements not being in compliance with Office of Management and Budget A-123 requirements. The EPA's FYs 2011 and 2012 annual reporting to the U.S. General Services Administration on premium class travel was incomplete and thus inaccurate. Insufficient implementation of federal and EPA travel policies and controls result in EPA travel dollars being vulnerable to fraud, waste and misuse.

Recommendations and Planned Agency Corrective Actions

We recommend that the EPA evaluate the effectiveness of its *Executive Approval Framework*, review quarterly reports for frequent travelers traveling to the same location, and submit irregularities to the Office of the Chief Financial Officer. We also recommend that the EPA update its travel manual to reflect changes pertaining to lodging, international trip reports, and travel card refresher training; and that the EPA reconcile annual premium class reports. The agency has completed or initiated corrective actions for all recommendations.

Noteworthy Achievements

As a result of Mr. Beale's guilty plea, the EPA initiated an internal review and issued a report—*2014 Internal Control Assessments - Travel, Payroll, Parking and Transit*. As of April 24, 2014, the EPA has taken planned actions on the need for proper justification for per diem rates and international trip reports. The final action is planned to be completed by September 2015.