



U.S. ENVIRONMENTAL PROTECTION AGENCY
OFFICE OF INSPECTOR GENERAL

EPA-350-R-09-002
February 2009

Catalyst for Improving the Environment

Annual Performance Report and Statistical Abstract Fiscal Year 2008



This report was produced by the EPA Office of Inspector General,
Office of Congressional, Public Affairs and Management
(202) 566-0913

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Office of Inspector General (Room 2104, EPA West)
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, DC 20460

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Foreword and Overview

I am pleased to present the seventh Annual Performance Report of the U.S. Environmental Protection Agency's (EPA) Office of Inspector General (OIG). This report presents statistical and narrative summaries of OIG performance results for Fiscal Year (FY) 2008 compared to our FY 2008 Annual Performance Targets. It also presents cumulative OIG results for FYs 2003 through 2008 compared to the OIG Annual Performance Goals. Below is partial list of results and activities that are of special interest in demonstrating progress, improvements, and performance toward the OIG strategic and tactical goals achieved during FY 2008:

- Identified over \$97 million in EPA questioned costs, savings, and recoveries, which is a 186% return on investment in the OIG.
- Achieved 113% of the OIG's annual target for outcome actions taken in response to OIG recommendations.
- Continued to significantly improve productivity by realigning organizational resources and product lines applying a greater proportion of staff resources to direct product production in areas of identified risk. As a result, overhead costs decreased by 10% and timeliness of report production improved by 42%.
- Initiated a comprehensive staffing program, consistent with congressional direction to further enhance the OIG's workforce.
- Over 90% of OIG products (without confidential information) are accessible electronically to the public.
- 100% of all OIG information technology systems have undergone security certification and accreditation.
- Continued to assess OIG field operations and identify where efficiencies could be realized nationally.
- Implemented a comprehensive Audit Follow-up program and reporting process in coordination with the Office of Chief Financial Officer to strengthen the Agency Audit management process and build audit follow-up into the Agency Federal Managers' Financial Integrity Act review process. The OIG identified 98 unimplemented (non contract or grant) recommendations, with 32 being implemented after their identification and reporting to the Agency.
- Updated an Agency-wide risk assessment effort to identify vulnerabilities and opportunities for operational savings and improvements to guide development of OIG strategy and plans.
- Implemented a comprehensive internal quality assurance program, and updated the Project Management Handbook to improve product quality, consistency, and timeliness.
- Implemented an organizational-wide performance, project management, and time accountability system.
- Initiated an Investigation Strike-Force to participate and lead detection, prevention, and protection of EPA and federal interests in a national or regional emergency.
- Conducted comprehensive reviews of OIG controls to ensure internal management integrity.
- Reported on a new set of Agency Top Management Challenges and Internal Control Weaknesses for Agency action.
- Created a Forensics Audit Division to increase efforts to deter fraud, waste, and abuse particularly in EPA's assistance agreements and contracts.

This report supplements, in greater statistical and narrative detail, the OIG summary performance results presented in EPA's FY 2008 Performance Accountability Report available at www.epa.gov/ocfopage. It also includes items required by the Government Performance and Results Act specific to the OIG, such as financial summaries and management challenges, as well other relevant measures of performance activity and accountability.

We rely upon our customers and stakeholders to inform us about the quality of our performance while helping us identify and reduce areas of risk. Please do not hesitate to contact me for any reason, as one of my personal goals is to build constructive relationships that promote the economic, efficient, and effective delivery of EPA's mission.



Bill A. Roderick
Deputy Inspector General

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About the EPA OIG

Vision

We are catalysts for improving the quality of the environment and Government through problem prevention and identification, and cooperative solutions.

Mission

Add value by promoting economy, efficiency, and effectiveness within EPA and the delivery of environmental programs. Inspire public confidence by preventing and detecting fraud, waste, and abuse in Agency operations and protecting the integrity of EPA programs.

Goals

1. Contribute to Improved Human Health and Environmental Quality

Objectives

- Influence programmatic and systemic changes and actions that contribute to improved human health and environmental quality.
- Add to and apply knowledge that contributes to reducing or eliminating environmental and infrastructure security risks and challenges.
- Identify recommendations, best practices, risks, and opportunities to leverage results in EPA programs and among its partners.

2. Contribute to Improved Business Practices and Accountability

Objectives

- Influence actions that improve operational efficiency and accountability, resolve public concerns and management challenges, and achieve monetary savings.
- Improve operational integrity and reduce risk of loss by detecting and preventing vulnerabilities to fraud, abuse, or breach of security.
- Identify recommendations, best practices, risks, weaknesses, opportunities for savings, and operational improvements.

3. Continuously Improve OIG Products and Services

Objectives

- Improve the timeliness, responsiveness, and value of our products and services to our clients and stakeholders.
- Apply technology, innovation, leadership, and skill proficiency for motivated staff and highly regarded products.
- Align organization plans, performance, measurement, processes, and follow-up for a cost-accountable results culture.
- Maximize use of available resources.
- Develop constructive relationships to leverage resources effectively and foster collaborative solutions.

OIG Product and Service Lines for Strategic Areas of Performance

Performance Evaluations

- Air
- Water
- Land
- Enforcement
- Cross-Media
- Special Review

Technology Audits Financial/Information

- Financial Statements
- Assistance Agreements and Contracts
- Forensic Audits
- Risk Assessment/Program Performance
- Information Technology

Investigations

- Financial Fraud
- Program Integrity
- Employee Integrity
- Laboratory Fraud
- Computer Crimes

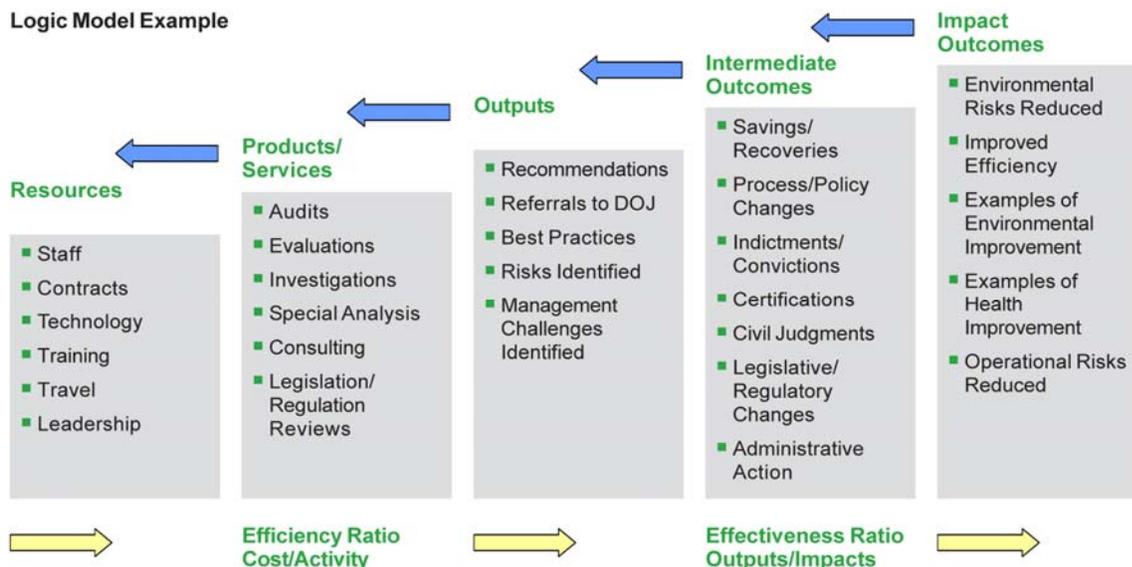
Public Liaison/ Analysis/Management

- Legislation/Policy Regulation Review
- Public Inquiry/ Outreach
- President's Council on Integrity and Efficiency
- Audit Follow-up
- Planning/Reporting
- Resource/Financial Management

Planning Starts with the End in Mind; Then We Link Our Work to Outcomes and Impacts

All of our work is planned based on the anticipated contribution to influencing resolution of the Agency's major management challenges, reducing risk, improving practices and program operations, and saving taxpayer dollars, leading to positive human health and environmental impacts, and attaining EPA's Strategic Goals. We measure the return on our investment by how efficiently our resources are converted into products, and how effectively our products drive outcomes.

Logic Model Example



Performance Presented in a Hierarchy of Related Measures

The Logic Model diagram above demonstrates how we “Start With the End in Mind” to align our organizational factors of performance for achieving our strategic goals. The performance results in this report represent the ways we measure value added along this continuum, both quantitatively and qualitatively, in relation to the resources expended. Our annual performance and progress toward our strategic goals is demonstrated by the Scoreboard of Results compared to the Annual Performance Goal Targets. Our long-term performance progress is demonstrated by the charts comparing our results against our goal targets for Fiscal Years (FYs) 2003 to 2008.

Scoreboard of OIG Fiscal 2008 Performance Results Compared to Annual Performance Goal (APG) Targets

All results reported in Fiscal 2008, from current and prior year's work, are as reported in OIG Performance Measurement and Results System, IGEMS and IGOR.

OIG FY 2008 Government Performance and Results Act Annual Performance Targets Compared to Fiscal 2008 Results Reported	Supporting Measures
Goal: Contribute to Human Health and Environmental Quality Through Improved Business Practices, Accountability, and Integrity of Program Operations	
Environmental Improvements/Actions/Changes Improvements in Business/Systems/Efficiency Risks Reduced or Eliminated Target: 334; Reported: 463 (139%) ●	1 Legislative/Regulatory Changes/Decisions 11 Environmental Policy, Process, Practice, Control Change Actions 164 Management Policy, Process, Practice, Control Changes, Actions 251 Certifications/Validations/Verifications/Corrections 4 Environmental/Mgt Risks Reduced/Eliminated 32 Recommendations Reported as Implemented, Previously Identified Unimplemented by Follow-up*
Environmental and Business Recommendations, Challenges Best Practices and Risks Identified Target: 971; Reported: 616 (63%) ●	11 Environmental Recommendations (for Agency/stakeholder action) 476 Management Recommendations (for Agency/stakeholder action) 11 Critical Congressional or Public Mgt. Concerns Addressed 2 Best Environmental Practices Identified 9 Referrals for Agency Action 20 New FMFIA/A-123/Mgt Challenges/Risks Identified 1 Environmental Risks Identified 86 Unimplemented Recommendations Identified
Return on Investment: Potential Dollar Return as Percentage (150%) of OIG Budget \$52.3 Million Target: \$78.50 M; Reported: \$97.3 M (186%) ●	<i>(Dollars in Millions)</i> \$ 13.9 Questioned Costs net EPA \$ 79.7 Recommended Efficiencies, Costs Saved (EPA)** \$ 3.7 Fines, Recoveries, Settlements
Criminal, Civil, and Administrative Actions Reducing Risk of Loss/Operational Integrity Target: 80; Reported: 84 (105%) ●	18 Criminal Convictions 21 Indictments/Informations/Complaints 3 Civil Judgments/Settlements/Filings 42 Administrative Actions
Other (no targets established) Sustained Monetary Recommendations and Savings Achieved from Current and Prior Periods: \$38.2 M Sustained Environmental and Management Recommendations for Resolution Action: 221 Reports Issued: 304	<i>(Dollars in Millions)</i> \$15.7 Questioned Costs Sustained \$22.5 Cost Efficiencies Sustained or Realized ** 219 Sustained Management Recommendations 2 Sustained Environmental recommendations 57 OIG Produced Reports 247 Reports by Other Audit Entities with OIG Oversight

* reported by the Agency as implemented of those reported by the OIG as unimplemented in 08-P-0200 report

** includes \$1.3 M efficiency identified and sustained prior to completion of audit, not in the resolution process

● Met or exceeded goal target ● Did not meet goal target

OIG Strategic Cumulative Performance Results FYs 2003-2008

This section demonstrates the EPA OIG annual progress in attaining its Strategic Performance Goals for FY 2003 through FY 2008 in compliance with the Government Performance and Results Act (GPRA). OIG performance can best be considered and evaluated over a period of several years rather than a single year. A lengthy time lag may occur before the outcome actions can come to fruition and be substantiated.

Performance Progress

The OIG has exceeded three of its four annual performance goal targets during FY 2008 with the results for two of the outcome targets being significantly exceeded. During FY 2008 many time-lagged actions from current and prior years' recommendations have come to fruition. The OIG has also increased its focus on identifying cost efficiencies through performance audits and program evaluations. Among the results, the OIG identified questioned costs and efficiencies, totaling over \$92 million and over \$3 million in fines, settlements, and recoveries. Also, EPA sustained over \$38 million in OIG monetary recommendations and savings from current and prior periods. During the fiscal year, the OIG improved its overall efficiency and productivity despite a smaller workforce, by converting a number of overhead staff and resources to direct product line functions, reducing the production cycle time, the amount of resources required to perform OIG work, and the cost of overhead.

The OIG did not meet one of its annual goal targets in FY 2008 - the number of recommendations and risks identified. This is an output goal originally increased over the previous year's target, consistent with the OIG appropriated budget level and in anticipation of a significant staffing increase. As a result of unanticipated delays in staffing, many planned assignments did not get completed, nor new ones started that would have accounted for target level of recommendations and risks identified. This is an example of how the OIG adjusts its targets to the funding levels, but cannot always meet its annual performance goal targets due to the time delay and variable nature in applying OIG resources and subsequent recognition of results.

The charts on the next page demonstrate that the OIG has exceeded its aggregate cumulative GPRA targets for FYs 2003-2008. In the case of potential monetary benefits, the OIG identified over \$1.5 billion in questioned costs, cost efficiencies, fines, recoveries, and settlements compared to about \$0.3 billion in OIG budgets for the same period FY 2003-2008.

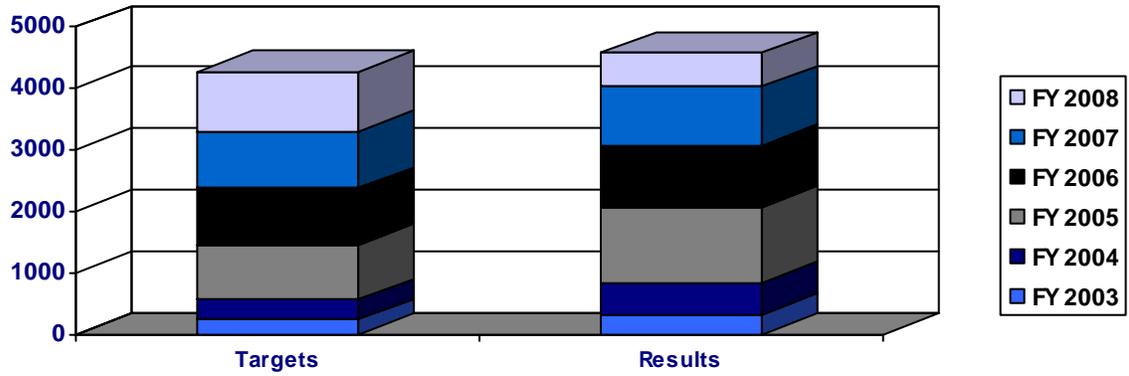
Challenges

During FY 2008, the OIG identified five issues as OIG-level weaknesses pertaining to: Communication Equipment and Accuracy of Working Capital Fund Charges (*new*); Freedom of Information Act Requests (*new*); Staffing (*new*); Organizational Structure (*new*); Product Timeliness and Quality.

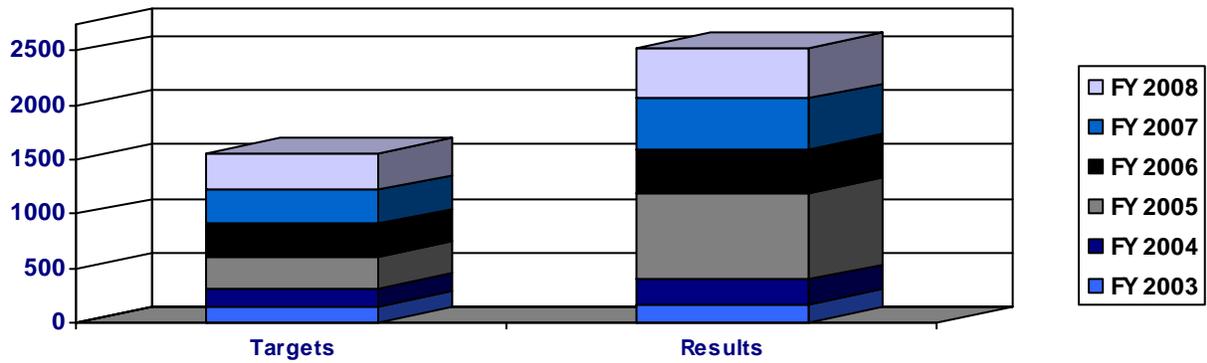
The OIG is continuing to improve its information technology and data quality by applying new tools to consolidate, integrate, or replace its many specific-use databases and systems. The OIG is improving its product timeliness and quality by streamlining its processes and organizational structure. The OIG is also implementing a follow-up improvement strategy including collaborative efforts with the Agency to provide greater accountability for actions the Agency has agreed to take as a result of OIG recommendations and understanding of the process for resolving OIG recommendations.

Below is a comparison of OIG Annual Performance Goals/Targets to Results for FYs 2003 to 2008

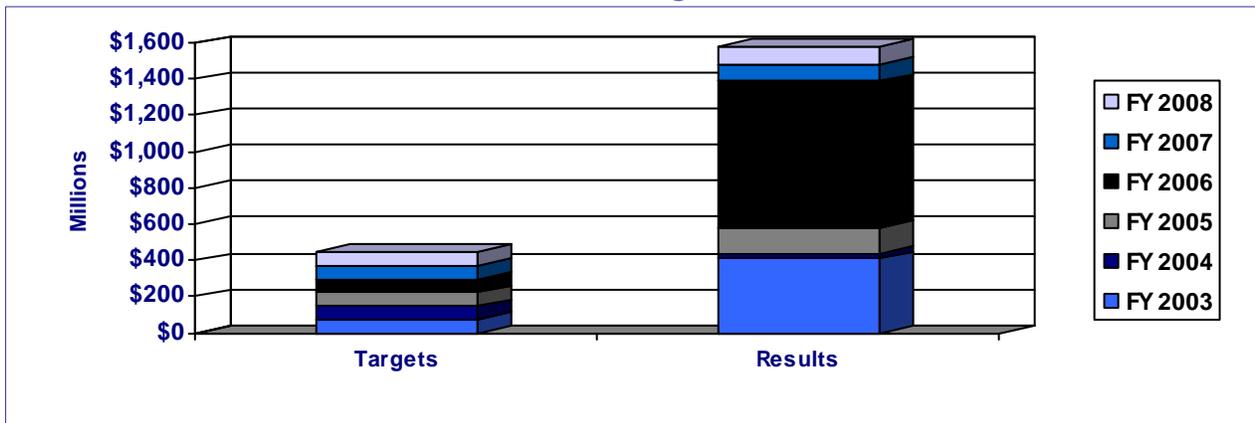
APG 7 –Environmental and Business Recommendations and Risks from OIG Audits, Evaluations, Inspections and Investigations



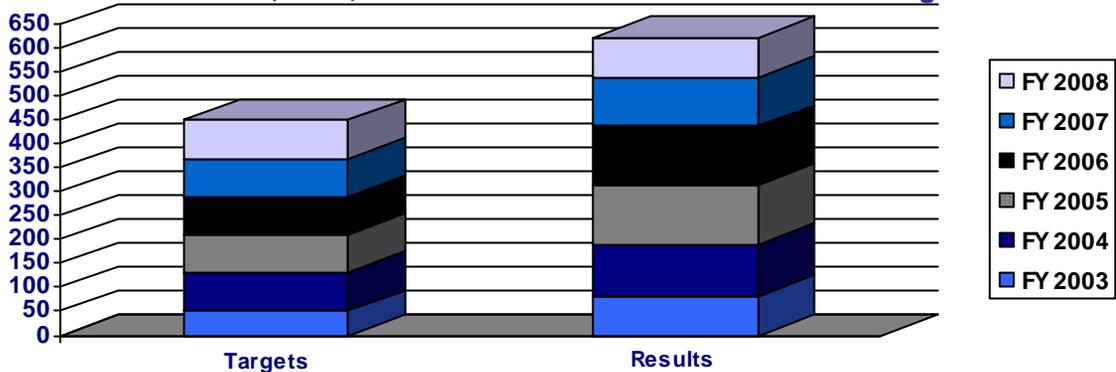
APG 8: Environmental and Business Actions Taken and Risks Reduced from OIG Audit, Evaluation, Inspection and Investigation Recommendations



APG 7: OIG Questioned Costs, Efficiencies, Savings, Fines, Recoveries from OIG Audits, Evaluations, and Investigations



APG 7 –Criminal, Civil, Administrative Actions from OIG Investigations



Summary of FY 2008 Performance Results by Product Line

AIR

Performance Highlights

In the OIG report, *Improvements in Air Toxics Emissions Data Needed to Conduct Residual Risk Assessments*, we found that EPA's National Emissions Inventory (NEI) data indicate an overall decline in air toxic emissions concurrent with implementation of the maximum achievable control technology (MACT) standards. Although NEI data reliability is uncertain, it is reasonable to conclude that air toxics emissions have decreased. EPA's review suggests that the MACT program has played a role in these reductions. We recommended that the Assistant Administrator for the Office of Air and Radiation develop data quality objectives for using NEI data in conducting residual risk assessments, and establish requirements for State reporting of air toxics emissions data and compliance monitoring information.

<http://www.epa.gov/oig/reports/2008/20071031-08-P-0020.pdf>

In the OIG report, *EPA's Office of Air and Radiation Needs to Improve Compliance with Audit Followup Process*, we found that EPA had generally taken corrective actions to implement the recommendations for the five air-related reports we reviewed. However, documented evidence of completion of agreed-to corrective actions was in the files for only 1 of 29 corrective actions. Upon reviewing additional information not contained in the official files, we determined that corrective actions had been completed for 26 of the 29 agreed-to recommendations reviewed. EPA's three incomplete corrective actions had not been implemented within 1 year, as stipulated in EPA Manual 2750, and Office of Air and Radiation had not notified the OIG of these delays. We recommend that the Assistant Administrator of the Office of Air and Radiation comply with EPA Manual 2750 by (1) biannually reviewing audit management information for accuracy and completeness; (2) completing the certification process for closing out reports; and (3) maintaining a list of specific corrective actions taken. We also recommended that EPA ensure that newly appointed Audit Follow-up Coordinators receive audit management training before taking over the position's roles and responsibilities.

<http://www.epa.gov/oig/reports/2008/20080212-08-P-0080.pdf>

In the OIG report, *More Action Needed to Protect Public from Indoor Radon Risks*, we found that nearly two decades after passage of the 1988 Indoor Radon Abatement Act (IRAA), exposure to indoor radon continues to grow. Efforts to reduce exposure through mitigation or building with radon-resistant new construction have not kept pace. Of 6.7 million new single family detached homes built nationwide between 2001 and 2005, only about 469,000 incorporated radon-resistant features. Of 76.1 million existing single family homes in the United States in 2005, only about 2.1 million had radon-reducing features in place. We recommended, and the Agency agreed, that the Assistant Administrator for the Office of Air and Radiation develop a strategy for achieving the long-term goal

of the IRAA that considered using the authorities authorized by Congress or explain its alternative strategy. We also recommended that EPA identify limitations to meeting the goal to Congress and improve on measures to report program results. <http://www.epa.gov/oig/reports/2008/20080603-08-P-0174.pdf>

WATER

Performance Highlights

In the OIG report, *Innovative Techniques for State Monitoring of Revolving Funds Noted*, we found that only 59 percent of the States reviewed identify the federal award information to the recipient. EPA's Annual Performance evaluation should include an evaluation of the States' subrecipient monitoring procedures. We recommended that EPA require all States to notify borrowers of federal award information to assure that they can comply with the Single Audit Act, and include a review of how States monitor borrowers as part of EPA's annual review procedures.

<http://www.epa.gov/oig/reports/2008/20080929-08-P-0290.pdf>

In the OIG report, *Despite Progress, EPA Needs to Improve Oversight of Wastewater Upgrades in the Chesapeake Bay Watershed*, we found that EPA's Chesapeake Bay wastewater treatment facilities risk not meeting the 2010 deadline for nutrient reductions if key facilities are not upgraded in time. In the 7 years since signing the Chesapeake 2000 Agreement, EPA and its State partners have taken a number of steps to lay the foundation for achieving the 2010 wastewater nutrient reduction goals. Significant challenges include generating sufficient funding and addressing continuing population growth. EPA needs to better monitor progress to ensure needed upgrades occur on time and loading reductions are achieved and maintained. Otherwise, Bay waters will continue to be impaired, adversely affecting living resources throughout the ecosystem that supports commercial and recreational uses. We recommended that EPA Region 3 Regional Administrator work with the States to establish interim construction milestones for priority facilities; monitor milestone and financial funding progress for these facilities; and continue efforts in developing effective and credible water quality trading programs. We also recommend that the Regional Administrator should have EPA and States continue to evaluate industrial discharges and refine industrial nutrient cap loads where appropriate. The Agency agreed with these recommendations.

<http://www.epa.gov/oig/reports/2008/20080108-08-P-0049.pdf>

In the OIG report, *Summary of Recent Developments in EPA's Drinking Water Program and Areas for Additional Focus*, we found that the Office of Ground Water and Drinking Water (OGWDW) addressed all of the EPA OIG drinking water program-related evaluation report recommendations made from September 2003 to May 2007. OGWDW also took action on prior report suggestions that include rule developments or

revisions, performance measure development, drinking water security, source water protection, capacity development, sustainable infrastructure, underground injection control, logic model development, State oversight, and analytical methods development. No recommendations were made in this report. <http://www.epa.gov/oig/reports/2008/20080331-08-P-0120.pdf>

In the OIG report, *EPA Needs to Better Report Chesapeake Bay Challenges*, we found that despite many noteworthy accomplishments by EPA's Chesapeake Bay partners, the Bay remains degraded. This has resulted in continuing threats to aquatic life and human health, and citizens being deprived of the Bay's full economic and recreational benefits. Through its reporting responsibilities, EPA could better advise Congress and the Chesapeake Bay community that (a) the Bay program is significantly short of its goals and (b) partners need to make major changes if goals are to be met. Current efforts will not enable partners to meet their goal of restoring the Bay by 2010. We recommended in four prior reports that the Region 3 Regional Administrator address individual sector needs (agricultural, developing lands, air deposition, and wastewater). We also recommend that the Administrator develop a strategy to further engage local governments and watershed organizations to capitalize on their resources, tools, authorities, and information to advance the mission of the Chesapeake Bay. <http://www.epa.gov/oig/reports/2008/20080714-08-P-0199.pdf>

In the OIG report, *EPA Assisting Tribal Water Systems but Needs to Improve Oversight*, we found that EPA's tribal drinking water sample results in EPA files indicate that drinking water supplies consistently met regulatory requirements. Regional EPA staff also made correct compliance decisions with sample results that tribal community water systems (CWSs) provided. However, internal control deficiencies existed in administering EPA's oversight of tribal CWSs in two of the five regions we reviewed. To varying degrees, tribal drinking water records in four of the five regions were incomplete due to a failure to maintain oversight of system operations and/or poor records management. We recommend that the Assistant Administrator for Water (1) establish national and regional tribal drinking water program Standard Operating Procedures in coordination with regional offices; (2) require Region 2 to submit a plan that corrects deficiencies in how it currently implements its tribal drinking water program, including those identified in this report; and (3) direct regions to issue monitoring and reporting violations, take appropriate enforcement actions against tribal CWSs with health-based violations or who fail to monitor or submit monitoring reports, and enter violations into the Safe Drinking Water Information System. The Agency agreed with our recommendations. <http://www.epa.gov/oig/reports/2008/20080916-08-P-0266.pdf>

SUPERFUND/LAND

Performance Highlights

In the OIG report, *Improved Controls Would Reduce Superfund Clean-up Backlogs*, we found that neither EPA nor the New Jersey Department of Environmental Protection

(NJDEP) took actions needed to ensure progress at seven New Jersey-led Superfund site clean-ups. We recommended that the Region 2 Administrator direct staff to coordinate with NJDEP officials the clean-up of specified sites more than 20 years old. Region 2 should assume lead status from New Jersey for those sites where both agencies agree it would be beneficial and develop Letters of Agreement for those sites. We also recommend that the Assistant Administrator for Solid Waste and Emergency Response, where appropriate, improve site profiles in EPA's public Superfund Website to accurately depict EPA and State actions taken to protect human health and the environment. The Agency agreed with these recommendations.

<http://www.epa.gov/oig/reports/2008/20080602-08-P-0169.pdf>

In the OIG report, *EPA Needs to Track Compliance with Superfund Cleanup Requirements*, we found that in EPA's Superfund information system, there were 3,397 active Superfund enforcement instruments to ensure cleanups at National Priorities List sites as of September 30, 2007. Yet, EPA does not nationally compile or track data on substantial non-compliance with the terms or requirements of these instruments. We recommended that EPA track and monitor substantial non-compliance by using and modifying, as appropriate, the existing Superfund information system. We also recommend that EPA establish enforceable response actions to address contamination from the Muskego Landfill Site. The Agency agreed with these recommendations.

<http://www.epa.gov/oig/reports/2008/20080428-08-P-0141.pdf>

In the OIG report, *EPA Can Recover More Federal Superfund Money*, we found that EPA regions have recovered \$165 million of \$294 million (56 percent) of the total Superfund costs from the sites reviewed. Potentially responsible parties at these sites have generally paid what they have been billed. However, EPA has not recovered as much as \$129 million (44 percent) and has determined it will not attempt to recover between \$30 million and \$90 million of this amount. This indicates a potentially significant breakdown in controls impeding future Superfund cost recovery. We recommended that EPA (1) enhance cost recovery guidance for all the regions, (2) implement mechanisms to support calculating how efficiently it is recovering site costs and tracking corrections, and (3) implement performance measures to track how efficiently it is recovering these costs. The Agency agreed with these recommendations.

<http://www.epa.gov/oig/reports/2008/20080326-08-P-0116.pdf>

In the OIG report, *EPA Decisions to Delete Superfund Sites Should Undergo Quality Assurance Review*, we found that as of September 2007, EPA had deleted 322 sites from the National Priorities List. Among the eight sites we reviewed, documentation for the Agency's decision to delete three sites was not consistent with EPA guidance. The Agency's decisions for two of these sites were also not consistent with criteria specified by EPA guidance and not supported by data and analysis. EPA did not ensure cleanup activities and goals were complete and remedies were fully protecting human health and the environment before deleting these two sites. We recommended that EPA implement a national quality assurance process that ensures deletion decisions meet criteria specified by EPA guidance are supported. We also recommended actions

to ensure better support for deletion decisions and oversight of ongoing cleanup activities at the deleted sites we reviewed.

The Agency agreed with these recommendations.

<http://www.epa.gov/oig/reports/2008/20080916-08-P-0264.pdf>

In the OIG report, *Making Better Use of Stringfellow Superfund Special Accounts*, we found that by FY 2010, EPA Region 9 could reclassify, or transfer to the Superfund Trust Fund, up to \$47.8 million in special account funds for the Stringfellow Superfund site, located near Glen Avon, California. Reclassifying or transferring is consistent with EPA guidance and would potentially allow \$47.8 million to be available for better use in Region 9's Superfund program or elsewhere in the Nation. We recommended that the Region 9 Administrator reclassify or transfer to the Superfund Trust Fund, as appropriate, \$47.8 million of the Stringfellow special accounts.

<http://www.epa.gov/oig/reports/2008/20080709-08-P-0196.pdf>

In the OIG report, *Making Better Use of Superfund Special Accounts in Region 8*, we found that Region 8 can reclassify, or transfer to the Trust Fund, approximately \$8 million from the special accounts for the Portland Cement site in Utah. Construction was complete at the site in September 2006. However, in 2005, the Region identified a portion of the Portland Cement special accounts for reclassification. The Region said that there will be minimal but undetermined future costs for site maintenance at Portland Cement. These costs will be paid from the \$8.5 million balance. Region 8 can also reclassify, or transfer to the Trust Fund, approximately \$16,000 from four other special accounts. We recommended that the Region 8 Administrator reclassify, or transfer to the Trust Fund, \$8 million of the Portland Cement special accounts and approximately \$16,000 from the four other interest-only special accounts. The Agency agreed with these recommendations.

<http://www.epa.gov/oig/reports/2008/20080317-08-P-0102.pdf>

In the OIG report, *EPA Should Continue to Improve Its National Emergency Response Planning*, we found that EPA's Emergency Response Business Plan did not disclose the basis for EPA's resource estimates. Additionally, EPA management stated they did not consider State and local resources in their resource estimates because they believed they would be working with the affected State and local governments in a unified command structure. EPA considered past experience in estimating the activities they would be asked to perform. Also, EPA did not use existing data on chlorine storage volumes because it was attempting to develop a national scenario applicable to any chemical. We recommended that EPA revise the Plan to incorporate the methodology and assumptions used to develop all personnel and resource estimates, the rationale for the selection of the incidents of national significance, lessons learned from past incidents, logistics of resource deployment, and risk communications. We also recommend that EPA should update key milestones and expand coordination with other EPA offices and relevant federal agencies in revising the Plan. The Agency agreed with these recommendations.

<http://www.epa.gov/oig/reports/2008/20080109-08-P-0055.pdf>

ENFORCEMENT

Performance Highlights

In the OIG report, *EPA Has Initiated Strategic Planning for Priority Enforcement Areas, but Key Elements Still Needed*, we found that EPA has instituted a process for strategic planning in its national enforcement priority areas. EPA has developed strategic planning guidance and a strategy template to facilitate continual review and improvement of the strategies. However, each of the plans is missing key elements to monitor progress and accomplishments and efficiently utilize Agency resources. All three strategies lack a full range of measures to monitor progress and achievements. Two strategies lack detailed exit plans. Additionally, EPA's combined sewer overflow strategy does not address the States' key roles in attaining the strategy's overall goal. The absence of these elements hinders EPA from monitoring progress and achieving desired results in a timely and efficient manner. We found that the Assistant Administrator for Enforcement and Compliance Assurance issued a policy that requires strategy documents for the priority areas to include: a) a full range of performance measures; b) exit plans; c) and the States' roles, where needed. We also recommended EPA develop a cost-effective methodology for measuring resource inputs in the national priorities.

<http://www.epa.gov/oig/reports/2008/20080925-08-P-0278.pdf>

CROSS-MEDIA

Performance Highlights

In the OIG report, *Border 2012 Program Needs to Improve Program Management to Ensure Results*, we found that the current organizational structure of the Border 2012 Program allows it to achieve a collaborative relationship at the U.S.-Mexico border and address environmental and public health issues unique to the border region. The structure also creates opportunities for stakeholder involvement from local, State, and national groups while providing the program with the ability to leverage diverse partners and create an effective convening mechanism to discuss border issues. We also found management controls that do not ensure project and program results are documented or that the Border 2012 goals are achieved. We recommended, and the Agency agreed to: strengthen management controls to effectively demonstrate program performance; develop a strategic plan, issue guidance to better support program results, improve performance measures, and develop criteria for determining what constitutes successful completion of program goals.

<http://www.epa.gov/oig/reports/2008/20080903-08-P-0245.pdf>

In the OIG report, *Voluntary Greenhouse Gas Reduction Programs Have Limited Potential*, we found that the set of voluntary Greenhouse Gas (GHG) programs we reviewed use outreach efforts to recruit program partners and reduce GHG emissions. We also found the greatest barriers to participation were the perceived emission reduction costs and reporting requirements; and that it is unlikely these voluntary programs can reduce more than 19 percent of the projected 2010 GHG emissions for their industry sectors. From this, we determined

that if EPA wishes to reduce GHG emissions beyond this point, it needs to consider additional policy options. We recommended that EPA review emission reduction cost analyses annually and update as needed. For programs that recruit and enroll participants, EPA should adopt written partnership agreements that require stronger data quality provisions and details on how Confidential Business Information will be handled. For programs that do not recruit and enroll participants, EPA should develop a policy or procedure that specifically identifies how these voluntary GHG programs link their reported outcomes to program efforts. <http://www.epa.gov/oig/reports/2008/20080723-08-P-0206.pdf>

PUBLIC LIAISON AND SPECIAL REVIEWS

Performance Highlights

In the OIG report, *A Region 5 Penalty Reduction Was Unjustified and Undocumented*, we found that EPA Region 5 Regional Counsel's decision to reduce a civil penalty of \$110,000 against Minnesota Metal Finishing, Inc. (MMF) to \$85,000 was unjustified. Further, the Regional Counsel's basis for the reduction was not documented. Regional Counsel relied on information in an internal Office of Regional Counsel memorandum. EPA did not have current reliable financial information to justify the decision nor a complete understanding of the owner's prior relationship with the company. We recommended that Region 5's Regional Administrator direct the Regional Counsel and the Land and Chemicals Division Director to document their rationale for reducing the amount of MMF's penalty, and properly determine and document all future penalty decisions. We also recommend that the Regional Administrator direct Regional Counsel and the Director to follow through on hiring staff who can provide the necessary financial and accounting expertise to understand and assess a violator's financial health. The Agency has already directed staff to properly document in the future, and has begun the process to hire a civil investigator and attorney to ensure future penalties are properly calculated and documented. However, we do not consider Region 5's plans for documenting the MMF penalty rationale to be sufficient. Further, Region 5 needs to clearly define the difference between an ability-to-pay memorandum and a bottom-line settlement amount. <http://www.epa.gov/oig/reports/2008/20080929-08-P-0291.pdf>

In the OIG report, *Corrective Actions Were Generally Implemented at Stauffer Chemical Company Superfund Site, Tarpon Springs, Florida*, the OIG evaluated the actions taken by EPA Region 4 staff in response to a June 2004 OIG report concerning the Stauffer Chemical Company Superfund site. We reviewed six sites to determine if recently-started site investigations included work to identify the presence and impact of karst. Although three of the six sites are not in karst-prone areas, three sites are so located. Earlier studies at these three sites had not evaluated the potential impact of karst. More recent studies are addressing the karst issue. <http://www.epa.gov/oig/reports/2008/20080916-08-P-0264.pdf>

In the OIG report, *Follow-up Review on Progress at Escambia Treating Company Superfund Site, Pensacola, Florida*, we found that EPA Region 4 implemented all but one of our prior report recommendations. Although Region 4 indicated it had provided electronic files containing the site administrative record to Citizens Against Toxic Exposure (CATE), an environmental group, CATE's current president said the organization did not receive any compact disks (CDs) from the Region. Also, the Region was unable to locate any evidence (e.g., copy of transmittal letter) that it had submitted the CDs to CATE. We recommended that EPA Region 4 provide copies of the updated administrative record CDs to CATE. The Agency agreed with these recommendations. <http://www.epa.gov/oig/reports/2008/20080714-08-P-0200.pdf>

ASSISTANCE AGREEMENTS

Performance Highlights

In the OIG report, *National Caucus and Center on Black Aged, Inc., Incurred Cost Audit of Eight EPA Cooperative Agreements*, we found that for the eight cooperative agreements EPA awarded to the recipient to administer the Senior Environmental Employment (SEE) Program, outlays reported in Quarterly Financial Status Reports as of September 30, 2007, were presented fairly, in all material respects. However, we did find that the recipient did not clearly disclose its allocation methods in its indirect cost proposals. The recipient charged employee leave costs to grants disproportionately to the amount of time employees spent on each assistance agreement. We recommended that EPA's Grants and Interagency Agreements Management Division require the recipient to:

- Revise its cost policy statement to clearly disclose the basis for allocation of costs, the costs being allocated, the intermediate cost pools used, and whether the costs are allocated individually or as a pool;
- Have the revised proposals submitted to its cognizant federal agency; and use a more equitable method for allocating employee paid absences to agreements.

<http://www.epa.gov/oig/reports/2008/20080925-08-1-0277.pdf>

In the OIG report, *EPA Actions Should Lead to Improved Grants Accountability*, we found that EPA implemented the corrective action plan it prepared in response to the September 2005 OIG report on grant accountability. In the 2005 report, we recommended that EPA establish a process to measure project officer, supervisor, and manager performance against grants management requirements. EPA established a process for measuring project officer performance, including quantitative performance measures such as the average number of days to transmit funding recommendations and the number of baseline monitoring activities for active awards. EPA's actions should lead to improvements in managing assistance agreements. EPA stated that it will continue to work with the grants management community to ensure that grants accountability is a focal point in managing assistance agreements.

<http://www.epa.gov/oig/reports/2008/20080924-08-P-0276.pdf>

In the OIG report, *Passaic Valley Sewerage Commissioners – Unallowable Costs Claimed Under EPA Grant XP98237601*, we found that Passaic Valley Sewerage Commissioners (grantee) claimed \$2,385,634 for pre-award costs under Grant XP98237601 that were incurred prior to the grant award and thus were unallowable under the grant administrative conditions and Office of Management and Budget Circular A-87. The federal share of the unallowable pre-award costs was \$1,312,099. We recommended that the EPA Regional Administrator, Region 2, recover \$1,312,099, the federal share of the unallowable pre-award costs.

<http://www.epa.gov/oig/reports/2008/20080806-08-2-0226.pdf>

In the OIG report, *Oglala Sioux Single Audits – Corrective Actions Taken but Improvements Needed in Resolving Costs*, we found that EPA Region 8 continues to take actions to resolve the internal control findings in the single audit reports. Region 8 identified Oglala Sioux Tribe (OST) as high risk, requested a corrective action plan, and reviewed OST accounting documentation. However, Region 8 did not monitor implementation of the corrective actions in the Agency's Management Audit Tracking System (MATS) until all actions were completed. We recommend that the EPA Region 8 Regional Administrator:

- Track the remaining corrective action that OST has not implemented in MATS, or submit a revised corrective action plan to the OIG for evaluation.
- When resolving the FY 2004 and future single audits, (1) obtain sufficient supporting documentation from the grantee's official accounting system to support resolving questioned costs, (2) fully reconcile the supporting documentation to the costs that were claimed, and (3) recover any unsupported costs from the grantee.

<http://www.epa.gov/oig/reports/2008/20080728-08-P-0213.pdf>

In the OIG report, *Village of Wellsville, Ohio – Ineligible Costs Claimed Under EPA Grant XP97582801*, we found that the Village of Wellsville (grantee) did not meet the Title 40 Code of Federal Regulations Part 31 requirements for financial management. In particular, the grantee did not have support for required matching costs and received grant funds it never expended. As a result, EPA will need to recover \$1,241,591 under Grant XP97582801. The grantee also made two improper procurements for engineering services, and did not maintain acceptable procurement or contract administration systems. Further, the grantee did not conform to the terms and conditions of its grant. Therefore, EPA should classify the Village of Wellsville as a high risk grantee. We recommended that the Regional Administrator, EPA Region 5:

- Recover the \$1,241,591 in questioned costs.
- Require the grantee to re-bid both engineering contracts with Dallis Dawson and Associates in accordance with federal regulations.
- Require the grantee to strengthen its accounting and procurement systems to meet the requirements of Title 40 Code of Federal Regulations Part 31.
- Classify the Village of Wellsville as a high risk grantee, and apply special conditions to this and future awards until improvements are made to the accounting and procurement systems.

<http://www.epa.gov/oig/reports/2008/20080721-08-2-0204.pdf>

In the OIG report, *Canaan Valley Institute, Inc., Incurred Cost Audit of Five EPA Cooperative Agreements*, we found that EPA awarded five cooperative agreements to Canaan Valley Institute (recipient) to provide further enhancements to the Mid-Atlantic Highland's environment and economic sustainability, and continued support for the Highland action plan. We also found that with the exception of the questioned costs discussed below, the outlays reported in the recipient's Federal Cash Transaction Reports and Financial Status Reports present fairly, in all material respects, the allowable outlays incurred in accordance with the terms and conditions of the agreements and applicable laws and regulations. We questioned \$3,235,927 of the \$6,686,424 in reported net outlays because the recipient reported unallowable outlays for indirect, contractual, and in-kind costs. Specifically, the recipient:

- Claimed indirect costs without approved indirect rates;
- Did not credit back to the agreements all program income;
- Did not demonstrate that it performed cost analysis of contracts;
- Reported costs for services outside of the scope of one agreement;
- Did not comply with terms and conditions of contracts; and
- Used EPA funds to match another federally-funded cooperative agreement.

We recommended that the EPA Director, Grants and Interagency Agreements Management Division, and/or the Regional Administrator, Region 3 recover questioned outlays of \$3,218,661 unless the recipient provides sufficient documentation to support the related reported costs in accordance with federal regulations. EPA should require the recipient to prepare and submit its indirect cost rate proposals for negotiation using the accrual method, and disclose the direct allocation methodology. The recipient should credit \$17,266 in program income to the agreements. The recipient needs to ensure that cost and pricing analyses are performed and documented as part of its contract procurement process. We also recommended that EPA direct the recipient to revise its subrecipient monitoring program to require technical reports from its subrecipients, in addition to financial reports that are already required. The recipient should also time its subrecipient payments to ensure the funds are expended timely by its subrecipients.

<http://www.epa.gov/oig/reports/2008/20080519-08-4-0156.pdf>

In the OIG report, *Improvements Needed to Ensure Grant Funds for U.S.-Mexico Border Water Infrastructure Program Are Spent More Timely*, we found from FYs 2005 to 2007, EPA took actions to implement timeframes for Border Program projects, reduce the scope of projects, and reduce unliquidated obligations of projects. However, EPA needs to make additional changes to the process it uses to manage the funds Congress appropriates for water infrastructure improvements along the U.S.-Mexico Border. Region 6 Border Program grant work plans did not include specific projects, measures, milestones, or costs associated with projects. The work plan for EPA Region 9's FY 2006 grant included total cost of projects, but did not include sufficient detail about how much the grant funded for the projects. We recommend that EPA:

- Require project planning and design be completed before awarding grant funds for construction.

- Develop a plan to fund other projects with the unobligated funds.
- Prepare work plans that contain required project information.

<http://www.epa.gov/oig/reports/2008/20080331-08-P-0121.pdf>

In the OIG report, *City of Bad Axe, Michigan – Unallowable Costs Claimed Under EPA Grant XP98578301*, we found that the City of Bad Axe (grantee) purchased two parcels of land totaling \$51,297 without obtaining prior approval as required by federal regulations. The grantee also paid an engineering firm \$211,143 to design a water treatment facility but did not use the design. As a result, EPA needs to recover \$262,440 under Grant XP98578301. We recommended that the Regional Administrator, EPA Region 5, recover the unallowable land purchase and design costs totaling \$262,440.

<http://www.epa.gov/oig/reports/2008/20080227-08-2-0095.pdf>

In the OIG report, *Borough of Carteret, New Jersey - Unallowable Costs Claimed Under EPA Grant XP98247001*, we found that the Borough of Carteret, New Jersey (grantee), did not meet the Title 40 Code of Federal Regulations Part 31 requirements for financial management systems. Based on directions from EPA, the grantee claimed \$1,360,429 in costs for reimbursement for work that was not within the scope of the original project. The grantee also claimed up to \$214,962 in unallowable pre-award costs. The final Financial Status Report did not accurately reflect the project's cumulative total outlays. The grantee also incurred additional project costs that EPA has not reviewed for eligibility and could have been claimed. We recommended that the Regional Administrator, EPA Region 2:

1. Sustain the questioned costs of \$1,575,391, consisting of:
 - a. \$1,360,429 in out-of-scope project costs.
 - b. \$214,962 in unallowable pre-award costs.

The Region can consider amending the grant period or the scope of work during the resolution of questioned costs.

2. Request that the grantee provide a revised final Financial Status Report that reflects the actual amount of cumulative total outlays.
3. Review unclaimed costs of \$1,286,668 for potential eligibility.

<http://www.epa.gov/oig/reports/2008/20080220-08-2-0084.pdf>

In the OIG report, *Framework for Developing Tribal Capacity Needed in the Indian General Assistance Program*, we found that EPA's purpose for Indian General Assistance Program (IGAP) grants is to help tribes develop environmental programs, and over 70 percent of tribes have met at least one of EPA's strategic goals for improving human health and the environment in Indian country. However, only 12 percent of tribes are implementing federal environmental programs. Many tribes have not developed long-term plans that describe how they will build environmental capacity to operate their environmental programs. Six of 27 reviewed tribes that have received funding for more than 5 years had activities limited to outreach, training, and meetings; how the activities will lead to implementing environmental programs is unclear. This situation has occurred because EPA has not provided a framework for tribes to follow or adapt as they develop their capacity to implement environmental programs. As a result, it is not clear whether IGAP funding will result in tribes being

able to operate their own environmental programs. EPA has awarded \$455 million in IGAP funds since 1992. We recommend that the Assistant Administrator for Water:

- Require the American Indian Environmental Office to develop and implement an overall framework for achieving capacity, including valid performance measures for each type of tribal entity, and provide assistance to the regions for incorporating the framework into the IGAP work plans.
- Require regions to (a) negotiate with tribes to develop environmental plans that reflect intermediate and long-term goals, (b) link those plans to annual IGAP work plans, and (c) measure tribal progress in meeting plans and goals.
- Revise how IGAP funding is distributed to tribes to place more emphasis on tribes' prior progress, environmental capacity needs, and long-term goals.

<http://www.epa.gov/oig/reports/2008/20080219-08-P-0083.pdf>

In the OIG report, *City of Elizabeth, New Jersey - Excess Clean Water State Revolving Funds Claimed*, we found that the City of Elizabeth, New Jersey (grantee) claimed and was reimbursed under its Clean Water State Revolving Fund loan \$335,232 in excess of actual costs incurred, contrary to the requirements of Title 40, Code of Federal Regulations, Section 35.3155 (d)(2). The grantee initially paid for all project construction costs using its internal service funds, and was reimbursed with draws from either the State loans or from the EPA grant. The grantee did not associate all reimbursements with contract invoice payments. The over reimbursement was associated with a State of New Jersey loan that was 50-percent funded from the Clean Water State Revolving Fund. These funds could have been made available for use by other potential loan recipients.

<http://www.epa.gov/oig/reports/2008/20080123-08-2-0062.pdf>

In the OIG report, *Unallowable Federal Funds Drawn on EPA Grant No. XP98247201 Awarded to the Wayne County Water and Sewer Authority, New York*, we found that the Wayne County Water and Sewer Authority (grantee) claimed and was reimbursed for preaward costs of \$276,268 that are unallowable under federal regulations and the grant terms and conditions. As a result, EPA will need to recover \$151,947 under Grant No. XP98247201. The grantee's financial management system does not provide accurate information to ensure costs are claimed in accordance with federal regulations. We found four instances of inaccurate disclosures. As a result, we had no assurance that the costs were not being claimed more than once or that the grantee was complying with the funding or matching requirements for the various funding sources. We recommend that the Regional Administrator, EPA Region 2:

1. Obtain recovery of \$151,947 in unallowable preaward costs under Grant No. XP98247201.
2. Require the grantee to reconcile costs claimed for each of the sources of funding to ensure that financial reports are accurate and costs claimed in accordance with grant requirements.

<http://www.epa.gov/oig/reports/2008/20071217-08-2-0045.pdf>

In the OIG report, *Village of Laurelville, Ohio – Unallowable Costs Claimed Under EPA Grant XP97579701*, we found that the Village of Laurelville (grantee) did not maintain an acceptable financial management system in accordance with

federal regulations to support drawdown requests submitted to EPA for \$278,448 in grant funds. Therefore, we are questioning the entire \$278,448 that the grantee has drawn down. The grantee claimed costs of \$207,476 that were not allowable under federal regulations and grant conditions. These costs were associated with pre-award expenses, repayment of a loan and interest, a garage extension, office and maintenance equipment, and consultant fees. We are also questioning costs the grantee claimed of \$5,018 for an ultraviolet disinfection system that was not installed as of August 2007. We recommended that Regional Administrator, EPA Region 5:

1. Require the Village of Laurelville to (a) repay the \$207,476 in questioned federal funds drawn; (b) install the ultraviolet disinfection system or repay the \$5,018 of federal costs claimed for the system; and (c) develop an adequate accounting system to support the remaining \$65,954 of federal funds drawn. If this cannot be accomplished, the Region should recover the funds.
 2. Provide documentation to support matching costs. If the grantee cannot provide sufficient documentation, costs claimed will need to be revised.
 3. Classify the Village of Laurelville as a high risk grantee in accordance with Title 40, Code of Federal Regulations, section 31.12, and apply special conditions on all future awards.
- <http://www.epa.gov/oig/reports/2008/20071205-08-2-0039.pdf>

In the OIG report, *Millions of Federal Dollars Remain for Colonias Projects*, we found that nearly 10 years after EPA Region 6 awarded the last Colonias Wastewater Treatment Assistance Program (CWTAP) grant to the Texas Water Development Board, \$78 million still has not been spent. The Region has taken some positive steps to address unliquidated obligations in the CWTAP, such as working with the Board to establish a schedule for using the remaining funds. However, Region 6's oversight of the program has been hindered because work plans lacked project details and operating agreements did not specify corrective actions. We recommended that the Regional Administrator for Region 6:

1. Amend the workplans and/or operating agreements for the open CWTAP grants to include specific projects, schedules, and dollar amounts.
 2. Develop and implement a policy, similar to what is contained in the Office of the Chief Financial Officer's 2007 EPA Policy for the U.S.-Mexico Border Program, which specifies a process for taking corrective actions when projects are delayed.
- <http://www.epa.gov/oig/reports/2008/20080623-08-P-0184.pdf>

In the OIG report, *EPA Should Continue Efforts to Reduce Unliquidated Obligations in Brownfields Pilot Grants*, we found that EPA had not consistently implemented a national policy or process that provides reasonable assurance that Brownfields grant funds will be spent in a timely manner. EPA Headquarters has not provided specific guidelines on when grants should be terminated, nor has it defined inadequate progress for grant performance. Regions have generally allowed time extensions when grantees requested them. We recommended that the Assistant Administrator for the Office of Solid Waste and Emergency Response establish a process for reviewing non-performing grants, and develop procedures for terminating and deobligating funds from those grants. We

also recommended the term "insufficient progress" in relation to the grant assessment; and regions deobligate remaining funds for 21 grants that are scheduled to end by September 30, 2008. The Agency agreed with these recommendations.

<http://www.epa.gov/oig/reports/2008/20080916-08-P-0265.pdf>

In the OIG report, *Followup on Information Concerning Superfund Cooperative Agreements with New York and New Jersey*, we found that EPA Region 2 had deobligated \$7.3 million from four of the six sites in New York and New Jersey cited for cooperative agreements identified in an earlier report. Remaining funds obligated for the Burnt Fly Bog, Combe Fill South, and Syncon Resins agreements are expected to be used for ongoing work at the sites. The amounts deobligated differ from the amounts identified in our prior report because additional funds were no longer needed for the Ellis Property site agreement, and because New York made final drawdowns on the New York Multi-Site agreement. Since the remaining funds obligated under the agreements are expected to be used for ongoing work, we are not requesting that EPA take additional corrective actions at this time.

<http://www.epa.gov/oig/reports/2008/20080304-08-2-0099.pdf>

CONTRACTS

Performance Highlights

In the OIG report, *EPA Can Improve the Awarding of Noncompetitive Contracts*, we found that EPA's most recent competition report made several recommendations to strengthen EPA's competition practices, and improve compliance with the Federal Acquisition Regulation and EPA policy. For example, we identified Justifications for Other than Full and Open Competition (JOFOCs) that were not approved at the appropriate level, including two of seven that were not approved by the Competition Advocate. Eight of 15 JOFOCs we reviewed were not prepared in accordance with federal requirements. We also identified two noncompetitive procurements in which market research could have been improved. By increasing competition, the government saves taxpayer money, improves contractor performance, and curbs fraud. We recommended that the Assistant Administrator for the Office of Administration and Resources Management:

- Document in each contract file the circumstances why the JOFOC was not approved at the appropriate level and the corrective actions taken.
- Revise the Approval Matrix in the Acquisition Handbook to require that contracting staff one level above the Contracting Officer review and approve all JOFOCs to ensure they include required elements.
- Ensure that internal controls designed to identify JOFOCs for sole source procurements over \$550,000 requiring the Competition Advocate's approval are developed and properly implemented.

The Agency agreed with these recommendations.

<http://www.epa.gov/oig/reports/2008/20080630-08-P-0186.pdf>

In the OIG report, *EPA Should Further Limit Use of Cost-Plus-Award-Fee (CPAF) Contracts*, we found that EPA has paid contractors nearly \$16 million in award fees over the past 10

years on the nine contracts reviewed. EPA has no assurance that the use of CPAF contracts facilitates a higher level of performance than other types of contracts. EPA CPAF contracts generally contain performance indicators tied to the Agency's mission. We found five contracts that contained a base fee percentage higher than the 3 percent allowed. The high base fees were provided because of a lack of knowledge by EPA employees regarding the regulation and an oversight by Headquarters. We recommended that EPA further limit the use of CPAF contracts by revising the Contracts Management Manual to require that a cost-benefit analysis be conducted prior to awarding a CPAF contract. In instances when CPAF contracts are used, we recommend that EPA better document the basis for decisions to substantiate the performance ratings given. EPA should also modify its contracts to bring them into compliance with the EPA Acquisition Regulation to avoid the future overpayment of base fees.

<http://www.epa.gov/oig/reports/2008/20080226-08-P-0093.pdf>

FORENSICS

Performance Highlights

In the OIG report, *Response Action Claim No. 4, Submitted by United Technologies Corporation and The Town of Southington for the Old Southington Landfill Superfund Site, Southington, Connecticut*, we found that the claimed costs for a Preauthorized Mixed Funding Claim were:

- Related to tasks authorized in the Preliminary Decision Document;
- Supported by vendor invoices or other documentation from the provider of services;
- Paid by the claimant; and
- Allowable, reasonable, and allocable in accordance with provisions of Title 48, Code of Federal Regulations, Subpart 31.2 – Contracts With Commercial Organizations.

We recommended that the EPA accept the claim as perfected and reimburse the claimant.

In an OIG report on costs claimed by a Superfund Technical Assistance and Response Team contractor, we found that:

- The contractor improperly billed for labor costs of employees who did not meet the minimum contract requirements.
- No subcontractor met the minimum contract requirements for education and training.
- The contractor billed for employees who were not approved at the time the labor costs were incurred.
- The contractor improperly billed for employees who did not complete required Basic Incident Command System Level 200 training.

Although our review only covered 1 year of the 5-year contract, we found the Agency was billed \$440,000 in ineligible labor and subcontract costs.

FINANCIAL MANAGEMENT

Performance Highlights

In the OIG report, *Agreed-Upon Procedures on EPA's Fiscal Year 2008 Third Quarter Financial Statements*, we found that the financial statements generated by the OIG:

- Agreed with EPA's FY 2008 third quarter Financial Statements for the Consolidated Balance Sheet, Consolidated Statements of Net Cost and Changes in Net Position, Combined Statement of Budgetary Resources and Statement of Custodial Activity, Statement of Changes in Net Position for Earmarked Funds, and Consolidated Statement of Net Cost by Goal.
- EPA's FY 2007 post-closing instructions do not agree with EPA's Year End Closing Table and Treasury's Closing Instructions.
- The first, second, and the third quarter FY 2008 Report of General Ledger Balance by Treasury Symbol beginning balances were different for seven budgetary accounts. The Agency stated these beginning balance changes were due to the child agencies. The adjustments in accounts 4221 and 4251 are for the differences we found in the first quarter stemming from the U.S. Department of Health and Human Services. The other adjustments were to move Child Trial Balances from reimbursable to direct. Therefore, Total Obligations Incurred shows no activity for unfilled customer orders. Other than line 3 (Budgetary Authority) on the Combined Statement of Budgetary Resources there is no financial statement impact.

As a result of our performance of the agreed-upon procedures, no recommendations were made for this assignment.

<http://www.epa.gov/oig/reports/2008/20080930-08-2-0309.pdf>

In the OIG report, *Follow-up on Audit of Undistributed Site Costs Finds Corrective Actions Not Complete*, we found that EPA initiated some corrective actions in response to our prior report on undistributed site costs, but did not complete them. Also, EPA did not maintain accurate information in MATS. Management control weaknesses contributed to a breakdown in the audit follow-up process. EPA did not document formal work assignments, monitor audit follow-up activities, communicate follow-up status among program offices and obtain follow-up agreements, and document work completion. Since EPA did not complete the corrective actions, its financial management and environmental protection efforts could be impacted. We recommended that EPA make formal work assignments, document the assignments, and hold assignees accountable. EPA also needs to monitor audit follow-up activity, communicate among program offices, document work progress, and elevate future disagreements for resolution. We also recommend that EPA resolve an interagency agreement redistribution problem and redistribute interagency agreement costs of \$4.9 million, including \$1.8 million in additional costs recorded after May 12, 2006, and redistribute \$2.8 million cooperative agreement costs to the correct general and site specific identifiers.

<http://www.epa.gov/oig/reports/2008/20080825-08-P-0236.pdf>

In the OIG report, *Fiscal Year 2007 and 2006 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund (FIFRA)*, we rendered an unqualified opinion on EPA's Pesticides Reregistration and Expedited Processing Fund Financial Statements for Fiscal Years 2007 and 2006. We recommended that the Assistant Administrator for Prevention, Pesticides, and Toxics Substances, along with the Chief Financial Officer, provide reliable information on accomplishments for reregistration and amendment actions under FIFRA Performance Measure Two. EPA did not have effective controls to ensure data accuracy. The Agency agreed with our findings and recommendations.
<http://www.epa.gov/oig/reports/2008/20080708-08-1-0194.pdf>

In the OIG report, *Fiscal Year 2007 and 2006 Financial Statements for the Pesticide Registration Fund (PRIA)*, we rendered an unqualified opinion on EPA's Pesticide Registration Fund Financial Statements for Fiscal Years 2007 and 2006, meaning that they were fairly presented and free of material misstatement. The Agency was in substantial compliance with the statutory decision time frames. We did not note any instances involving operations that we consider to be a significant deficiency or noncompliance issue. However, we will continue to disclose a significant deficiency concerning documentation of the current accounting system and its automated application controls until EPA implements the planned replacement automated accounting system.
<http://www.epa.gov/oig/reports/2008/20080505-08-1-0149.pdf>

In the OIG report, *Audit of EPA's Fiscal 2007 and 2006 (Restated) Consolidated Financial Statements*, we rendered an unqualified opinion on EPA's Consolidated Financial Statements for FYs 2006 and 2007 (restated). We recommended to the Office of Chief Financial Officer one material weakness with EPA's Implementation of the "Currently Not Collectible" policy for accounts receivable that caused a Material Understatement of Asset Value and led to the restatement of the FY 2006 financial statements. Further, we noted the following six significant deficiencies:

- EPA did not properly compute an allowance for doubtful accounts.
- EPA needs to improve internal controls in recording and accounting for accounts receivable.
- Key applications do not meet federal and EPA information security requirements.
- Access and security practices over critical information technology assets need improvement.
- EPA needs to improve controls over the Integrated Financial Management System Suspense Table.
- EPA did not maintain adequate documentation for obligating accounting adjustments.

The Agency agreed with our findings and recommendations.
<http://www.epa.gov/oig/reports/2008/20071115-08-1-0032.pdf>

INFORMATION RESOURCES MANAGEMENT

Performance Highlights

In the OIG report, *Management of EPA Headquarters Internet Protocol Addresses Needs Improvement*, our contractor found that EPA's Federal Information Security Management Act (FISMA) processes used to assign and track IP addresses within EPA Headquarters in Washington, DC, need strengthening to enforce accountability. Vulnerability testing of the EPA Headquarters network identified 391 Internet Protocol (IP) addresses with *high-risk* and/or *medium-risk* vulnerabilities. Although Enterprise Desktop Solutions Division (EDSD) personnel conducted research to identify the Program Offices responsible for the IP addresses, EDSD could not identify the offices responsible for 273 of the IP addresses. As a result, 18 *high-risk* vulnerabilities exist where the responsible EPA offices could not be contacted to remediate the risks. We recommended that EPA:

- Take immediate action to address all identified network security weaknesses and start risk mitigation actions to reduce the risks from the remaining 18 unidentified IP addresses.
- Develop and implement procedures to document and keep current a complete inventory of all IP addresses assigned to EPA Headquarters.
- Develop and implement a revised IP address allocation scheme to assign entire IP address blocks to Program Offices to eliminate fragmentation and improve security administration.
- Implement a process that augments the current vulnerability testing process used to identify active Headquarters IP address with the use of other network monitoring tools.
- Develop Plans of Actions and Milestones for each recommendation.

<http://www.epa.gov/oig/reports/2008/20080923-08-P-0273.pdf>

In the OIG report, *EPA Personnel Access and Security System Would Benefit from Improved Project Management to Control Costs and the Timeliness of Deliverables*, we found that EPA has put into place processes to adequately justify costs of projects identified in its IT investments portfolio. However, the lack of key project management practices prevents it from achieving many of the projected milestone and budget estimates. In particular, EPA did not require the EPA Personnel Access and Security System (EPASS) contractor to follow Agency procedures for system development. Had EPA implemented processes to mitigate many of the identified system development weaknesses, it would have been better able to anticipate and possibly avoid most of the additional \$983,216 in costs for EPASS. We recommended that the Director of the Security Management Division, Office of Administration, Office of Administration and Resources Management:

- Develop and maintain an EPASS System Management Plan that includes the required Change Management and information security documents.

- Appoint a certified EPASS Project Manager with authority to oversee contractor work and ensure compliance with EPA's System Life Cycle Management guidance.
- Issue a memorandum to all EPASS Task Order Project Officers that outlines and reinforces expectations for complying with EPA invoice reviewing guidance.
- Follow up with the Contracting Officer to ensure EPA collects from the contractor the amount EPA overpaid for billing rate errors in the contractor's invoices.

The Agency agreed with these recommendations.

<http://www.epa.gov/oig/reports/2008/20080922-08-P-0271.pdf>

In the OIG report, *Identification Proofing, Incident Handling, and Badge Disposal Procedures Needed for EPA's Smartcard Program*, we found that although EPA developed detailed procedures to guide the EPASS staff's issuance of new Smartcard identification (ID) badges, an employee error in using the new ID card system resulted in an EPA employee having ID documents and other identifying information incorrectly associated with another EPA employee. Although we did not discover more than one incident, we found that EPA lacks procedures to ensure employees take steps to correct similar incidents when they occur. We recommend that the Director, Security Management Division, Office of Administration and Resources Management:

- Update existing identification card issuing procedures to ensure the procedures include all mandatory steps.
- Create incident-handling procedures to be used by EPASS program staff when errors in the ID card issuing process occur.
- Create and implement procedures for proper handling and disposal of defective ID badges.

The Agency agreed to implement our recommendations.

<http://www.epa.gov/oig/reports/2008/20080916-08-P-0267.pdf>

On behalf of the OIG, a contractor conducted the annual FISMA audit of EPA. Vulnerability testing of the EPA Headquarters network identified 391 Internet Protocol addresses with high-risk and/or medium-risk vulnerabilities. However, EPA's Enterprise Desktop Solutions Division could not identify the offices responsible for 273 of the addresses. EPA needs a process to track the assignment of Internet Protocol addresses and to identify all active and assigned addresses as reported in the annual required FISMA review.

<http://www.epa.gov/oig/reports/2008/20080926-08-P-0280.pdf>

INVESTIGATIONS

Performance Highlights

As a result of an OIG investigation, on May 28, 2008, a federal jury found William C. Orr guilty of mail fraud, wire fraud, false statements, and failure to file tax return charges. These charges were related to defrauding investors and the U.S. Government concerning Orr's proposed alternative fuel additive. Orr, of Parker, Colorado, is the founder, President, and a member of the Board of Directors for Octane International, Ltd. Sentencing is pending in this matter. *This case is being conducted with the Internal Revenue Service Criminal Investigation Division and the U.S. Postal Inspection Service.*

JMJ Environmental, Inc., of Laurel Springs, New Jersey, as well as its owner and a former employee of a prime contractor, were charged and pled guilty in a bid-rigging scheme in connection with subcontracts for wastewater treatment supplies and services at two Superfund sites in New Jersey. On July 31, 2008, Bennett Environmental, Inc. (BEI), a Canadian company, was also charged and pled guilty for its role in the scheme. BEI defrauded EPA at the Federal Creosote site by inflating the prices it charged to a prime contractor and paying kickbacks to employees of that contractor from approximately May 2002 until spring 2004. BEI was given confidential bid information that it used to inflate invoices to cover almost \$1.3 million in kickbacks to employees of the prime contractor in exchange for their assistance in steering subcontracts to BEI. The kickbacks were in the form of money wire transfers, cruises for senior officials, various entertainment tickets, and home entertainment electronics. As part of the fraudulent scheme, BEI and its co-conspirators also included amounts they kept for themselves in the inflated invoices. *This case is being conducted with the Internal Revenue Service Criminal Investigation Division.*

As a result of an OIG investigation, on August 14, 2008, two U.S. Virgin Island government officials were sentenced to prison in U.S. District Court for the District of the Virgin Islands for their roles in a \$1.4 million bribery and kickback scheme. Both were found guilty on February 27, 2008, following a 2-week jury trial. Dean C. Plaskett, the former commissioner of U.S. Virgin Islands Department of Planning and Natural Resources, and Marc A. Biggs, the former commissioner of the Department of Property and Procurement, were found guilty of demanding and accepting bribes and kickbacks in connection with the award of a \$650,000 government contract to a shell company. Plaskett was also convicted of obstruction of justice stemming from his efforts to conceal the scheme from federal and local investigators, as well as a grand jury. Plaskett, was sentenced to 9 years in prison to be followed by 3 years of probation. Biggs was sentenced to 7 years in prison to be followed by 3 years of probation. *This investigation is being conducted with the Federal Bureau of Investigation, the Internal Revenue Service Criminal Investigation Division, the U.S. Postal Inspection Service, and the Virgin Islands Office of Inspector General.*

Stephanie Jackson, of Arlington, Texas, pled guilty in U.S. District Court for the District of Massachusetts to 10 counts of making false statements. Jackson was previously charged in June 2008. Jackson was employed with The Environmental Careers Organization, Inc. (ECO). ECO placed Jackson in an internship position with EPA in March 2006; however, EPA contacted ECO within 2 weeks and requested that Jackson be replaced with another intern. After she left her internship at EPA, Jackson submitted forged timesheets to ECO, which subsequently continued to pay Jackson a salary for approximately 1 year after her internship had been terminated. Her salary was paid from funds provided to ECO through an EPA grant. Jackson is scheduled to be sentenced on December 3, 2008.

As a result of an OIG investigation, Stephen Francis, of Lanham, Maryland, was convicted of theft and sentenced in the District Court of Maryland for Montgomery County, Maryland. Francis was sentenced to 18 months in jail, which

the judge suspended to an 18-month supervised probation. Francis was also ordered to pay a \$300 fine and a \$58 special assessment. Francis used the stolen identity of an EPA employee to establish cellular telephone service for five cell phone accounts. During the investigation, the original cellular service agreement was obtained and forwarded to the U.S. Secret Service Forensics Laboratory for latent fingerprint analysis. The fingerprints identified on the document were used to identify Francis as the suspect in this case.

U.S. CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

Performance Highlights

In the OIG report, *Evaluation of U.S. Chemical Safety and Hazard Investigation Board's (CSB) Compliance with the Federal Information Security Management Act and Efforts to Protect Sensitive Agency Information (Fiscal Year 2007)*, our contractor found that during Fiscal Year 2007, CSB continued to make progress in improving the security of its information system resources. CSB had done this by performing the following:

- Assigning a risk categorization to CSB's General Support System in accordance with federal requirements,
- Developing policies mandating the use of security configuration checklists and updating them to contain security configuration settings, and
- Conducting contingency plan testing and an e-authentication risk assessment.

We did find areas where CSB could continue to improve its information security program. Specifically, the OIG recommended that CSB (1) expand the security training to include specialized, role-based training, (2) document the CSB Breach Policy and related privacy information policies and procedures to meet CSB needs and Office of Management and Budget requirements, (3) update the CSB security policy and associated procedures to address reviewing, approving, and documenting non-standard security configurations, and (4) update, as applicable, the appropriate security documentation to ensure compliance with National Institute of Standards and Technology Special Publication 800-53 controls guidance.

<http://www.epa.gov/oig/reports/2008/20080421-08-P-0134.pdf>

In the OIG report, *Evaluation of U.S. Chemical Safety and Hazard Investigation Board's (CSB) Compliance with the Federal Information Security Management Act and Efforts to Protect Sensitive Agency Information (Fiscal Year 2008)*, our contractor found that during FY 2008, CSB continued to make significant progress in improving the security of its information system resources. CSB had done this by performing the following:

- Expanding the security training to include specialized, role-based training;
- Implementing incident response training and testing and issuing a Breach Policy; and
- Benchmarking and utilizing government and industry best practices and templates in updating the CSB Certification and Accreditation documentation, including the System

Security Plan, the Risk Assessment, and the security test controls.

We did find areas where CSB could continue to improve its information security program; it should (1) insert the approved security "banner" within all CSB database applications; (2) continue to update the CSB Configuration Management policy and associated procedures to address reviewing, approving, and documenting non-standard security configurations to meet the deadline established by CSB; (3) insert the approved security "banner" within all CSB database applications; (4) continue to update the CSB Configuration Management policy and associated procedures to address reviewing, approving, and documenting non-standard security configurations to meet the deadline established by CSB; and (5) continue to update, as applicable, the appropriate security documentation to ensure compliance with National Institute of Standards and Technology Special Publication 800-53 controls guidance and update the security documents to include revision history information such as date of revision, individual who updated the document, and description of the revision.

<http://www.epa.gov/oig/reports/2008/20080929-08-P-0295.pdf>

OIG ENABLING SUPPORT PROGRAMS

- The Immediate Office of the Inspector General
- The Office of Planning, Analysis and Results*
- The Office of Mission Systems*
- The Office of Human Capital
- The Office of Inspector General Counsel
- The Office of Congressional and Public Liaison*

* also have mission product lines.

In early FY 2009, the Offices of Congressional and Public Liaison, Human Capital, and Planning Analysis and Results were consolidated into the Office of Congressional, Public Affairs and Management.

Performance Highlights

OIG FY 2009 Annual Plan Designed to Address Agency

Risks: The OIG executed a planning process based upon the Enterprise Risk Management Integrated Framework Model developed by the Committee of Sponsoring Organizations of the Treadway Commission. This resulted in the development of an FY 2009 strategy and work plan that addresses EPA's most significant environmental and management risks, priorities, and challenges. The Plan is available at <http://www.epa.gov/oig/planning.htm>. The planning process included the updating of a comprehensive compendium of risks, challenges, and opportunities for each Agency management and media area, as well as regional cross-goal and management issues. The plan lists assignments in progress from FY 2008 for completion in FY 2009, along with required assignments and those selected to start during the first half of FY 2009, by product line. This plan, which also includes a summary update on the OIG Strategic Plan, is designed to adjust for new priorities and conditions while pursuing a program of work that leverages the greatest return on investment in terms of Agency improvements, performance, and risk reduction.

Legislation and Regulations Reviewed: The OIG analyzed 54 proposed changes to legislation, regulations, policy, and procedures that could affect EPA and provided comments on 18 of those reviewed. Items on which the OIG made significant recommendations include Strengthening Transparency and Accountability in Federal Spending Act of 2008; Proposed EPA Order, Intelligence Operations; Proposed Revision to EPA Order 1000.24, Management's Responsibility for Internal Controls; and Proposed Resource Management Directives System Chapter 2540-11, Property, Plant, & Equipment (PP&E) Policy Standard and Technical Interpretation.

OIG Audit Follow-up Strategy Demonstrating Results: The OIG continued implementing a new audit follow-up strategy for strengthening both the OIG's and Agency's attention to the process for closing-out and completing agreed-to actions on OIG recommendations. According to the Institute of Internal Auditors, follow-up is a process by which "internal auditors determine the adequacy, effectiveness, and timeliness of actions taken by management on all reported audit findings." OMB Circular A-50 notes that audit follow-up is a "shared responsibility" between the audited and auditor entities. In response to a December 2007 request by the House Committee on Oversight and Government Reform, the OIG provided a description of unimplemented recommendations in OIG reports issued to EPA from January 2001 to December 2007 including specific information on each recommendation. Additionally, the OIG issued a report to the Agency on March 31, 2008, <http://www.epa.gov/oig/reports/2008/20080331-08-P-0123-rv.pdf>, comprising the same information as that provided to the House Committee. To comply with the Inspector General Act reporting requirements and to help EPA managers gain greater awareness of outstanding commitments for action, we have developed a "Compendium of Unimplemented Recommendations" <http://www.epa.gov/oig/reports/2009/20081031-09-P-0014.pdf>. The list of OIG reports containing unimplemented recommendations from the Compendium is on page 22 of this report. OIG identification of unimplemented recommendations has already yielded significant results. During the first half of FY 2008, the OIG identified 65 unimplemented recommendations. Of those 65 identified requiring action, 32 have since been implemented. Subsequently, 21 additional unimplemented recommendations have been reported in the Compendium, for a total of 86 unimplemented recommendations identified during the fiscal year with several others identified pending further review. Additionally, we provided training to OIG staff on improving follow-up procedures; and worked with EPA's Office of Chief Financial Officer to revise an Agency policy making the review of open recommendations a required element of EPA's Agency-wide Federal Managers' Financial Integrity Act (FMFIA) and Office of Management and Budget A-123 Internal Control process.

OIG Performs Internal Funds Control Review: The OIG performed a comprehensive internal review of its funds control program processes, to ensure that: (1) funds are used only for authorized purposes, (2) funds are economically and efficiently used, and (3) obligations and expenditures do not exceed the amounts authorized and available. Our review of FY 2007 travel and non-purchase card requisitions greater than \$500

indicated that 100 percent of the sampled transactions are properly recorded and accounted. The review was performed using the revised OMB Circular A-123 checklist, which we have advocated for use within the Agency through our review comments on Agency Policy Directives. Although no problems were found, as a result of the review, we are updating the OIG's *Financial Management Policy* to account for the current management and oversight structure, and processes. The OIG also reviewed the control over billing of Working Capital Fund services and hand-held electronic devices. As a result, the OIG implemented additional controls to save potentially tens of thousands of dollars by identifying when the Agency Working Capital Fund continues billing for services after notification that staff members have left the OIG.

OIG TESTIMONY

Performance Highlights

Testimony on EPA's Role in Restoring the Chesapeake Bay: On July 30, 2008, Wade Najjum, Assistant Inspector General for Program Evaluation, testified before the House Transportation and Infrastructure Subcommittee on Water Resources and Environment during a hearing on protecting and restoring the Chesapeake Bay. In response to a request from a U.S. Senator from Maryland, the OIG issued four major reports on the Chesapeake Bay Program's efforts in reducing excess nutrients and sediments into the Bay. The OIG focused on the key sources of nutrients and sediments: agriculture, air deposition, developing land, and wastewater treatment facilities. "In each area the OIG found that the Bay partners had accomplished some noteworthy achievements, but achieving the Chesapeake Bay water quality goals is in serious jeopardy," Mr. Najjum testified. Moreover, he said, "the Bay remains degraded and at the current rate of progress, the Bay will remain impaired for decades."

Testimony on Investigation of EPA's Clean-up of Libby, Montana, Superfund Site: On September 25, 2008, Stephen Nesbitt, Assistant Inspector General for Investigations, testified before the Senate Environment and Public Works Committee on the OIG's investigation of EPA clean-up actions at the Libby, Montana, Superfund site. The OIG initiated an investigation in March 2006 in response to a misconduct allegation raised by a former EPA toxicologist against a contractor working in Libby. "While we determined this allegation did not merit prosecution, witnesses and EPA employees raised other allegations regarding EPA's clean-up actions in Libby that we believed warranted our attention," said Mr. Nesbitt. After the hearing, a joint report was issued by the Senate Committee on Environment and Public Works majority staff and Sen. Max Baucus' staff entitled "EPA's Failure to Declare a Public Health Emergency in Libby, Montana," that detailed their own findings and conclusions regarding EPA's decision not to declare a public health emergency in Libby.

OIG Reported Key Agency Management Challenges

The Reports Consolidation Act of 2000 requires the OIG to report on the Agency's most serious management and performance challenges, known as the Key Management Challenges. Management Challenges represent vulnerabilities in program operations and their susceptibility to fraud, waste, abuse, or mismanagement. This fiscal year, the OIG identified three new challenges. The Agency took sufficient action on three previous challenges and they were removed from the list. The table below includes issues the OIG identified as Key Management Challenges facing EPA and the relationship of the issues to the Agency's Strategic Plan and the President's Management Agenda.

EPA's Top Major Management Challenges Reported by the Office of Inspector General	FY 2006	FY 2007	FY 2008	Link to EPA Strategic Goal	Link to President's Management Agenda
Performance Measurement* : EPA must focus on the logic and design of its measures for success and efficiency, along with data standards and consistent definitions, to ensure that usable, accurate, timely, and meaningful information is used to evaluate and manage EPA programs, operations, processes, and results.	•	•	•	Cross-Goal	Performance Improvement, E-Gov
Meeting Homeland Security Requirements** : EPA needs to implement a strategy to effectively coordinate and address threats, including developing a scenario to identify resource needs, internal and external coordination points, and responsible and accountable entities.	•	•	•	Cross-Goal	Performance Improvement,
Threat and Risk Assessments : The Agency does not comprehensively assess threats to human health and the environment across media to ensure EPA's actions are planned, coordinated, designed and budgeted to most efficiently and effectively address environment risks. The fragmentary nature of EPA's approach continues as environmental laws often focus on single media or threats.			•	Cross-Goal	Performance Improvement,
EPA's Organization and Infrastructure*** : EPA maintains 204 offices and laboratories in 144 locations with over 18,000 staff members. With diminishing resources, the autonomous nature of regional and local offices, and the growing pressure to expand its role globally, EPA will be challenged to assess the efficiency and effectiveness of its current structure to identify opportunities for consolidating and reducing costs.	•	•	•	Cross- Goal	Performance Improvement, Financial Performance, Human Capital
Water and Wastewater Infrastructure : Drinking water and wastewater treatment systems are wearing out, and it will take huge investments to replace, repair, and construct facilities.	•	•	•	Goal 2	Performance Improvement,
Oversight of Delegations to States : * Implementing EPA's programs, enforcement of laws and regulations, and reporting on program performance has to a large extent been delegated to States and tribes, with EPA retaining oversight responsibility. However, inconsistent capacity and interpretation of responsibility among State, local, and tribal entities limits accountability for and compliance with environmental programs and laws.	•	•	•	Goal 4 Goal 5	Performance Improvement,
Chesapeake Bay Program : After 20 years of effort by federal, State, and local governments, Bay waters remain degraded and required nutrient and sediment reductions will not be met by the 2010 target. EPA needs to institute management controls ensuring that actions to manage land development, agricultural runoff, nutrient reduction technology, and air emissions are implemented, and that consistent sources of funding are identified by EPA partners.			•	Goal 2 Goal 4	Performance Improvement,
Voluntary Programs – Update**** : EPA must ensure that applying voluntary approaches and innovative or alternative practices to provide flexible, collaborative, and market-driven solutions for measurable results are managed using standards, consistent processes, and verifiable data, to ensure that programs are efficiently and effectively providing intended and claimed environmental benefits.	•	•	•	Cross-Goal	Performance Improvement,

* FY 2004 and 2005 Working Relationships with the States and Linking Mission to Management were consolidated into Managing for Results. FY 2006 and FY 2007 Managing for Results and Data Gaps were merged into Performance Management

** FY 2006 and 2007 titled Agency Efforts in Support of Homeland Security

*** FY 2007 this topic was include in Workforce Planning and in FY 2005 and 2006 in Human Capital Management

**** FY 2006 and 2007 Voluntary Programs included Alternative and Innovative Practices and Programs

Data Quality, Emission Factors for Sources of Air Pollution, Privacy Program, and Workforce Planning Reported as Key Management Challenge in FY 2006 and 2007 were reported as Internal Control Weakness in FY 2008

OIG Management Challenges

In FY 2008, for the ninth straight year, the OIG reported no material weaknesses under the Federal Managers' Financial Integrity Act. Further, the OIG continues to make progress in addressing reported OIG-level weaknesses. One of the weaknesses identified in FYs 2006 and 2007 was not fully resolved in FY 2008 because of its complexity, although significant progress was made.

OIG - Level Weakness	2006	2007	2008
Information Technology			
Product Timeliness and Quality			
Follow-up on Corrective Actions			
Data Quality			
Office Security – Controls Over Equipment			
Communication Equipment and Accuracy of Working Capital Fund Charges			
Freedom of Information Act Requests			
Staffing			
Organizational Structure			

The OIG took the following steps to assess and improve management controls:

- Scored specific quality characteristics of all reports issued by the OIG during FY 2008;
- Revised the *Project Management Handbook*;
- Developed or updated policies and procedures on funds control, communications devices, data quality, and personal property inventory;
- Prepared the February 2008 report entitled *Measuring the Quality of Inspector General Reports* that highlighted areas for improvement;
- Revised the OIG Inventory Accountability Tracking System to better track the distribution and status of IT property;
- Assigned and provided training to Property Custodial Officers in headquarters and each field office;
- Coordinated and implemented planning, measuring, evaluating, and reporting under GPRA, FMFIA, and the Inspector General Act, as well as requirements of the President's Council on Integrity and Efficiency (PCIE);
- Analyzed all Special Agents' compliance with the requirements of Law Enforcement Availability Pay for FY 2007;
- Reviewed and commented on 55 regulatory and policy issues and Agency directives;
- Completed a data integrity review of information that had been entered into *The Inspector General Enterprise Resource* (TIGER) system;
- Reviewed Working Capital Fund billings and canceled charged services for departed staff members;
- Produced the OIG FY 2007 Annual Performance Report in January 2008;
- Continued the OIG FMFIA internal control review and corrective action reporting process;
- Provided instructors for PCIE Introductory Audit Classes (nearly 200 students) to develop individuals to perform at the highest levels of professionalism;
- Conducted reviews of invoices and usage logs for Office of Investigation's contracts with ChoicePoint and Dun and Bradstreet to ensure appropriate usage and billing;
- Ensured all OIG employees completed annual Security Awareness Training and Hatch Act Training;
- Developed a follow-up work plan to analyze and report on EPA's progress and results in implementing OIG recommendations;
- Revised policies on the *OIG Review of Regulations and Agency Directives, Software Management and Piracy Policy, Student Loan Repayment Program, Career Ladder Promotion Policy, Law Enforcement Availability Pay, Law Enforcement Vehicles, and Safety Incident Review Board*;
- Conducted an Annual Work Planning Process and issued an Annual Assignment Plan based on assessing Agency risks and outreach;
- Conducted a comprehensive inventory review of OIG handheld communication devices;
- Initiated financial controls for review of OIG contracts by the contract specialist and Senior Resource Official;
- Conducted a comprehensive review of the OIG Purchase Card Program.

OIG FY 2008 Profile of Activities and Results

Audit/ Evaluation Activity and Agency Action		Investigative Activity	
Reports Issued			
▪ Reviews performed by OIG	57	▪ Investigations opened	49
▪ Reviews by another Federal Agency	163	▪ Investigations closed	65
▪ Single Audit Reviews	84	▪ Pending investigations as of 9/30/08	95
TOTAL Reports	304	▪ Indictments persons/firms	21
Monetary Results (in millions)		▪ Convictions persons/firms	18
▪ Questioned costs	\$13.9	▪ Administrative actions: EPA employees/firms	42
▪ Questioned costs form DCAA/OIG coordinated	\$5.6	▪ Civil judgments	3
▪ Cost efficiencies	*\$79.7	▪ Fines and recoveries (in millions)	\$3.7
▪ Cost efficiencies from DCAA/OIG coordinated	\$2.2	▪ Prison time in months	251
▪ Costs sustained (from current and prior periods)	*\$38.2	▪ Suspended time in months.	18
▪ Reports resolved (from current and prior periods)	103	▪ Probation in months	558
▪ Agency recoveries (from current and prior periods)	\$9.8	▪ Community service in hours	280
<i>*Includes \$1.3 M in efficiencies identified and sustained prior to report completion - not in the resolution process.</i>			
Audit Resolution (Dollars in Millions)	Questioned	Efficiencies	Other
Recommendations as Costs			
▪ With no management decision start FY 2008 (67)	\$57.8	\$14.5	▪ Hotline complaints received
▪ Issued in FY 2008 (92)	\$13.9	\$79.7	▪ Hotline complaints opened
▪ Total inventory	\$71.7	\$94.2	▪ Hotline complaints closed
▪ Agreed to/sustained by management or value of nonawards (not including prior to issuance) (67)	\$16.3	\$22.5	▪ Public inquiries addressed without opening complaint
▪ Not agreed/sustained to by management (42)	\$36.7	\$19.1	▪ Referrals to other offices
▪ With no management decision, end FY 2007 (131)	\$18.7 52%	\$52.6 24%	▪ Legislative/regulatory/policy items reviewed
<i>Percent of total costs agreed to by mgmt.</i>			
▪ Total audits with no Federal actions as of 9/30/08 which are over 365 days past issuance date: 74 reports			838
o Program	34		2
o Assist Agreemt	23		8
o Contract	0		182
o Single Audits	16		647
o Financial Statement	1		54
▪ Reports with costs for which no management decision was made within 6 months of issuance at 9/30/08: 19 reports.	\$16.4	\$1.5	
▪ Reports resolved: 103			

OIG FY 2008 Audit, Inspection, and Evaluation Report Resolution

Category	Disallowed Costs (Financial Audits)		Funds Put To Better Use (Performance Audits)	
	Number	Value	Number	Value
A. Audits with management decisions but without final action at the beginning of the period	67	\$ 63,555,893	7	\$ 95,477,000
B. Audits for which management decisions were made during the period	151	\$ 15,697,008	6	\$ 21,228,301
(i) Management decisions with disallowed costs (56)				
(ii) Management decisions with no disallowed costs (95)				

C. Total audits pending final action during the period (A+B)	218	\$ 79,252,901	13	\$ 116,705,301
D. Final action taken during the period:	159	\$ 5,537,144	4	\$ 2,683,900
(i) Recoveries				
a) Offsets		\$ 233,935		
b) Collection		\$ 1,405,776		
c) Value of Property		\$ 0		
d) Other		\$ 1,390,746		
(ii) Write-Offs		\$ 1,553,210		
(iii) Reinstated Through Grantee Appeal		\$ 953,477		
(iv) Value of recommendations completed				\$ 68
(v) Value of recommendations management decided should/could not be completed				\$ 2,683,832
E. Audits without final action at end of period (C-D)	59	\$ 73,715,757	9	\$114,021,401

EPA's FY 2008 management activities for audits without dollars are summarized below:

- Final Corrective Action Not Taken.** Of the 384 audits that EPA tracked, a total of 215 audits—which include program evaluation/program performance, assistance agreement, contracts, and single audits—were without final action and not yet fully resolved at the end of FY 2008. (The 27 audits with management decisions under administrative appeal by the grantee are not included in the 215 total; see discussion below.)
- Final Corrective Action Not Taken Beyond 1 Year.** Of the 215 audits, EPA officials had not completed final action on 47 audits within 1 year after the management decision (the point at which the Office of Inspector General and the Action Official reach agreement on the corrective action plan). Because the issues to be addressed may be complex, Agency managers often require more than 1 year after management decisions are reached with the Office of Inspector General to complete the agreed-upon corrective actions. These audits are listed below by category—audits of program performance and single audits—and identified by title and responsible office. Additional details are available on EPA's Web site at www.epa.gov/ocfo/par/2008par.

OIG Reports with Unimplemented Recommendations by Program Office (as of September 30, 2008)

Office of Air and Radiation

2007-P-00028, *ENERGY STAR Program Can Strengthen Controls Protecting the Integrity of the Label*
2005-P-00010, *Substantial Changes Needed in Implementation and Oversight of Title V Permits If Program Goals Are to Be Fully Realized*

Office of Administration and Resources Management

08-P-0093, *EPA Should Further Limit Use of Cost-Plus-Award-Fee Contracts*

Office of the Chief Financial Officer

08-1-0032, *Audit of EPA's Fiscal 2007 and 2006 (Restated) Consolidated Financial Statements*
2006-P-00027, *EPA Could Improve Its Redistribution of Superfund Payments to Specific Sites*

Office of Enforcement and Compliance Assurance

2007-P-00026, *EPA Needs to Take More Action in Implementing Alternative Approaches to Superfund Cleanups*
2005-P-00024, *Limited Knowledge of the Universe of Regulated Entities Impedes EPA's Ability to Demonstrate Changes in Regulatory Compliance*
2001-P-00013, *State Enforcement of Clean Water Act Dischargers Can Be More Effective*

Office of Environmental Information

2007-P-00035, *EPA Needs to Strengthen Its Privacy Program Management Controls*
2007-P-00008, *EPA Could Improve Controls Over Mainframe System Software*
2007-P-00007, *EPA Could Improve Processes for Managing Contractor Systems and Reporting Incidents*

Office of Policy, Economics, and Innovation

2007-P-00013, *Performance Track Could Improve Program Design and Management to Ensure Value*
2006-P-00001, *Rulemaking on Solvent-Contaminated Industrial Wipes*

Office of Prevention, Pesticides, and Toxic Substances

2006-P-00009, *Opportunities to Improve Data Quality and Children's Health through the Food Quality Protection Act*

Office of Solid Waste and Emergency Response

2007-P-00026, *EPA Needs to Take More Action in Implementing Alternative Approaches to Superfund Cleanups*
2006-P-00038, *Existing Contracts Enabled EPA to Quickly Respond to Hurricane Katrina; Future Improvement Opportunities Exist*
2006-P-00016, *EPA Can Better Implement Its Strategy for Managing Contaminated Sediments*
2006-P-00013, *EPA Can Better Manage Superfund Resources*
2003-P-00012, *EPA's Response to the World Trade Center Collapse: Challenges, Successes, and Areas for Improvement*

Office of Water

2007-P-00025, *EPA Can Improve Its Oversight of Audit Follow-up*
2006-P-00016, *EPA Can Better Implement Its Strategy for Managing Contaminated Sediments*
2004-P-00030, *EPA Needs to Reinforce Its National Pretreatment Program*

OIG FY 2008 Budget and Resource Analysis Use and Allocation

OIG Budget Boost Initiates Staffing Increases – But Progress in Staffing is Slow

In December 2007, Congress provided the EPA OIG with a needed but unanticipated continuing resolution budget funding level that was above both the FY 2007 enacted level and \$7.4 million over the FY 2008 President’s Budget level. In accordance with a congressional directive pertaining to the Consolidated Appropriations Act for 2008, the OIG commenced a hiring initiative to increase its staffing level to that of prior years, consistent with the available funds.

Difficulties with the hiring process hindered the OIG’s efforts to increase its staffing level as quickly as anticipated. However, the OIG was able to hire 35 new employees during FY 2008, and an additional 41 staffing actions were in various stages of the recruitment and selection process at the end of the fiscal year. Below is a summary of the OIG actual and projected resource levels/expenditures for FYs 2000 through 2009.

The lag in the hiring process created a gap between funding and staffing levels. The OIG partially compensated for the gap in specialized skills by contracting and entering into interagency agreements for specialty evaluative services. Additionally, FY 2008 funds planned for the unfulfilled staffing level were carried over into 2009. The OIG will use these carryover funds, in addition to new FY 2009 funding, to support increased staffing levels as much as possible.

Historical Budget and Manpower Summary			
Fiscal Year	Enacted Budget (after rescissions where applicable)	On-Board Staff (as of October 1)	Expenditures (includes carryover)
2000	\$43,379,700	340	\$39,384,100
2001	\$45,493,700	351	\$41,050,807
2002	\$45,886,000	354	\$45,238,608
2003	\$48,425,200	348	\$46,023,048
2004	\$50,422,800	363	\$52,212,862
2005	\$50,542,400	365	\$61,733,781
2006	\$50,241,000	350	\$49,583,584
2007	\$50,459,000	326	\$48,658,217
2008	\$52,585,000	290	\$52,231,690
2009	\$52,585,000*	304	\$56,362,400**

* H.R. 2638, the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009

** Projected

Resource Usage by Appropriation

FY 2007 Appropriation - Final Utilization Rate

<u>Account</u>	<u>\$ Appropriation Available</u>	<u>\$ Appropriation Used</u>	<u>% \$ Appropriation Used</u>
Management	\$37,111,000	\$37,052,680	99.8%
Superfund	<u>13,336,853</u>	<u>13,3193,951</u>	<u>99.9%</u>
TOTAL	\$50,447,853	\$50,372,631	99.9%

FY 2008 Appropriation Usage

<u>Account</u>	<u>\$ Appropriation Available</u>	<u>\$ Appropriation Used</u>	<u>% \$ Appropriation Used</u>
Management	\$41,035,000	\$36,324,538	88.5%
Superfund	<u>11,485,979</u>	<u>10,450,099</u>	<u>91.0%</u>
TOTAL	\$52,520,979	\$46,774,637	89.1%

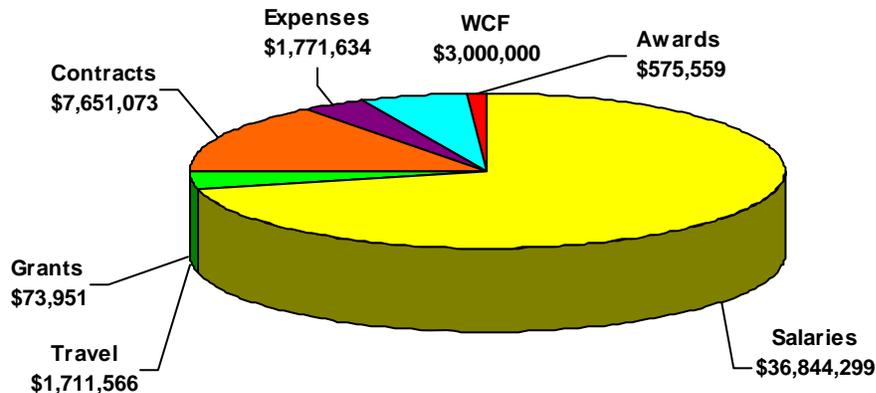
FY 2008 FTE Usage

<u>Account</u>	<u>FY 08 FTE Available</u>	<u>FY 07 FTE Used</u>	<u>% FTE Budget Used</u>
Management	259.8	225.1	86.6%
Superfund	<u>72.0</u>	<u>62.7</u>	<u>87.1%</u>
TOTAL	331.8	287.8	86.7%

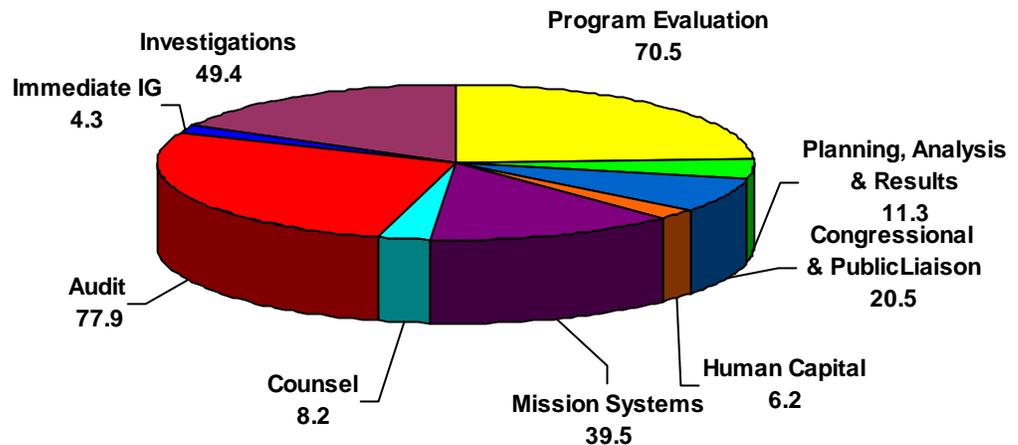
*FY 2007 funds were available through FY 2008

**Unused FY 2008 funds are available through FY 2009

FY 2008 Funds Used (FY 07 Carryover and FY 08 Appropriation) By Object Class: \$51,628,082



FY 2008 FTEs Used By Component: Total 287.8



OIG Financial Analysis of FY 2008 OIG Fund Use and Carryover Balances

MANAGEMENT	FY 07 Carryover <u>Available in 08</u>	FY 07 Carryover <u>Used in 08</u>	FY 07 Lapsed <u>Funds</u>	FY 08 <u>Appropriation</u>	FY 08 Funds <u>Used in 08</u>	Total Cost of FY 08 <u>Operations</u>	FY 08 Carryover <u>Available in 09</u>
PC&B	\$1,862,471	\$1,818,658	\$43,813	\$30,410,780	\$27,023,425	\$28,842,083	\$3,387,355
Travel	474,477	473,323	1,154	2,037,000	933,323	1,406,646	1,103,677
Expenses	443,206	439,752	3,454	929,220	869,173	1,308,925	60,047
Contracts	864,743	854,844	9,899	5,309,000	5,150,377	6,005,221	158,623
WCF	0	0	0	2,345,000	2,345,000	2,345,000	0
Grants	<u>46,387</u>	<u>46,387</u>	<u>0</u>	<u>4,000</u>	<u>3,240</u>	<u>49,627</u>	<u>760</u>
Total Management	\$3,691,284	\$3,632,964	\$58,320	\$41,035,000	\$36,324,538	\$39,957,502	\$4,710,462
SUPERFUND	FY 07 Carryover <u>Available in 08</u>	FY 07 Carryover <u>Used in 08</u>	FY 07 Lapsed <u>Funds</u>	FY 08 <u>Appropriation</u>	FY 08 Funds <u>Used in 08</u>	Total Cost of FY 08 <u>Operations</u>	FY 08 Carryover <u>Available in 09</u>
PC&B	\$757,106	\$749,792	\$7,314	\$8,469,060	\$7,827,983	\$8,577,775	\$641,077
Travel	57,294	55,084	2,210	572,000	249,836	304,920	322,164
Site Travel	0	0	0	0	0	0	0
Expenses	234,796	232,523	2,273	249,940	230,186	462,709	19,754
Contracts	164,673	159,568	5,105	1,538,900	1,486,284	1,645,852	52,616
WCF	0	0	0	655,000	655,000	655,000	0
Grants	<u>23,514</u>	<u>23,514</u>	<u>0</u>	<u>1,079</u>	<u>810</u>	<u>24,324</u>	<u>269</u>
Total Superfund	\$1,237,383	\$1,220,481	\$16,902	\$11,485,979	\$10,450,099	\$11,670,580	\$1,035,880
Total Management and Superfund	\$4,928,667	\$4,853,445	\$75,222	\$52,520,979	\$46,774,637	\$51,628,082	\$5,746,342

Historic Planned versus Actual Resources and Results FYs 2005 to 2009

		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009
OIG Appropriation:										
Enacted		\$50,542,400		\$50,241,000		\$50,509,000		\$52,585,000		\$52,521,000
Used		\$61,733,781		\$49,583,584		\$48,752,387		\$51,628,082		TBD
FTE										
Authorized		368.0		361.8		361.8		331.8		340
Used		358.0		337.1		308.1		287.8		TDB
Annual Performance Measures	Supporting Indicators	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Targets
Environmental and Business Actions Taken for Improved Performance from OIG Work (outcomes)	<ul style="list-style-type: none"> o Policy, process, practice or control changes implemented o Environmental or operational risks reduced or eliminated o Critical congressional or public concerns resolved o Certifications, verification, or analysis for decision or assurance 	288	794	303	407	318	464	334	463	334
Environmental and Business Recommendations or Risks Identified for Corrective Action by OIG Work (outputs)	<ul style="list-style-type: none"> o Recommendations or best practices identified for implementation o Risks or new management challenges identified for action o Critical congressional/public actions addressed or referred for action 	895	1231	925	1024	925	949	971	624	971
Potential Monetary Return on Investment in the OIG, as a Percentage of the OIG Budget (in millions)	<ul style="list-style-type: none"> o Recommended questioned costs o Recommended cost efficiencies and savings o Fines, penalties, settlements, restitutions 	150% \$75.8	285% \$144	150% \$73.5	1600% \$809.6	150% 75.7	189% \$95.2	150% \$78.5	186% \$97.3	120% \$63 (without DCAA work)
Criminal, Civil, Administrative and Fraud Prevention Actions Taken from OIG Work	<ul style="list-style-type: none"> o Criminal convictions o Indictments/Informations o Civil judgments o Administrative actions (staff actions and suspension or debarments) 	80	125	80	121	80	103	80	84	80
Activity	<ul style="list-style-type: none"> o Audit/Evaluation Reports Issued 		65		65		71		57	

- All targets are set, consistent with relative changes in funding. Outputs change in nearly direct proportion, while outcomes are further adjusted for growth because a lag generally occurs between all previous outputs (recommendations) before they come to fruition as outcomes (action on recommendations).

OIG Data Verification and Validation

Performance Database: The OIG Performance Measurement and Results System captures and aggregates information on an array of measures in a logic model format, linking immediate outputs with long-term intermediate outcomes and results. OIG performance measures are designed to demonstrate value added by promoting economy, efficiency, and effectiveness; and preventing and detecting fraud, waste, and abuse as described by the Inspector General Act of 1978 (as amended). Because intermediate and long-term results may not be realized for several years, only verifiable results are reported in the year completed.

Data Source: Designated OIG staff enter data into the systems. Data are from OIG performance evaluations, audits, research, court records, EPA documents, data systems, and reports that track environmental and management actions or improvements made and risks reduced or avoided. OIG also collects independent data from EPA's partners and stakeholders.

Methods, Assumptions, and Suitability: OIG performance results are a chain of linked events, starting with OIG outputs leading to subsequent actions taken by EPA or its stakeholders/partners reported as intermediate outcomes to improve operational efficiency and environmental program delivery. The resulting improvements in operational efficiency, risks reduced/eliminated, and conditions of environmental and human health are reported as outcomes. The OIG can only control its outputs, and has no authority, beyond its influence, to implement its recommendations that lead to environmental and management outcomes.

Quality Assurance/Quality Control Procedures: All performance data submitted to the database require at least one verifiable source assuring data accuracy and reliability. Data quality assurance and control are performed as an extension of OIG products and services, subject to rigorous compliance with the Government Auditing Standards of the Comptroller General Government Auditing Standards (2003 Revision), Government Accountability Office, *GAO-07-731G*, July 2007; available on the Internet at www.gao.gov/govaud/ybk01.htm, and regularly reviewed by an independent OIG Quality Assessment Review Team, and external independent peer reviews. Each Assistant Inspector General certifies the completeness and accuracy of his or her respective performance data. Additionally, the EPA OIG earned a "clean" or unmodified opinion in FY 2007 through a rigorous peer review performed the previous year.

Data Limitations: All OIG staff are responsible for data accuracy in their products and services. However, a possibility of incomplete, miscoded, or missing data in the system could exist due to human error or time lags. Data supporting achievement of results are often from indirect or external sources, with their own methods or standards for data verification/validation.

Error Estimate: The error rate for outputs is estimated at +/-2%, while the error rate for outcomes is presumably greater because of the longer period needed for realizing results and difficulty in verifying a nexus between our work and subsequent impacts beyond our control. Errors tend to be those of omission.

Listing of OIG Reports, Timeliness, and Costs

Report Number	Report Name	Calendar Days in Production	Staff Days	Total Cost
2008-P-0020	MACT Implementation Progress and Challenges	807	1,661	\$1,298,318
2008-P-0049	Chesapeake Bay Point Sources	394	744	\$585,776
2008-P-0055	Emergency Response Business Plan	232	181	\$142,745
2008-P-0080	Follow-up Process for Air Evaluation Reports	87	180	\$146,335
2008-P-0083	Tribal Capacity for Indian General Assistance Program	199	566	\$472,195
2008-P-0093	Use of Cost-Plus-Award-Fee Contracts	196	421	\$351,224
2008-P-0102	Utilization of Superfund Special Accounts – Region 8	335	1,164	\$920,174
2008-P-0116	Recovery of Superfund Expenditures	351	621	\$490,359
2008-P-0120	Summary Assessment of EPA Drinking Water Program	178	352	\$278,133
2008-P-0121	U.S. Mexico Border Water Projects Grant Program	230	504	\$420,146
2008-P-0123	Congressionally Requested Report on OIG Unimplemented Recommendations	115	4	\$2,898
2008-2-0039	Village of Laurelville, Ohio	45	99	\$82,861
2008-2-0045	Wayne County, New York	128	53	\$44,093
2008-2-0062	City of Elizabeth, New Jersey	85	46	\$38,680
2008-2-0084	Borough of Carteret, New Jersey	120	63	\$52,452
2008-2-0095	City of Bad Axe, Michigan	59	85	\$71,027
2008-2-0099	New York/New Jersey Cooperative Agreement Follow-up	184	65	\$54,643
2008-1-0032	Audit of EPA's FY 2007 & 2006 (Restated) Financial Statements	196	3,213	\$2,833,000
2008-P-0134	FY 2007 FISMA Review of Chemical Safety Board	N/A	6	\$4,362
2008-P-0141	Tracking Compliance with Superfund Clean-up Requirements	567	414	\$326,997
2008-P-0169	Management of the National Priorities List	606	1,252	\$987,507
2008-P-0174	Efforts to Address Indoor Risks from Radon	416	800	\$634,369

Report Number	Report Name	Calendar Days in Production	Staff Days	Total Cost
2008-P-0184	Assistance Agreements – Colonias Water Grants Region 6	190	109	\$91,002
2008-P-0186	Award of Noncompetitive Contracts	232	378	\$314,750
2008-P-0196	Making Better Use of Stringfellow Superfund Special Accounts	272	1094	\$865,000
2008-P-0199	EPA Needs to Better Report Chesapeake Bay Challenges	399	348	\$275,466
2008-P-0200	Follow-up at Escambia Treating Company Superfund Site	161	188	\$162,970
2008-P-0206	Voluntary Greenhouse Gas Reduction Programs	170	569	\$449,866
2008-P-0213	Oglala Sioux Single Audits	183	99	\$84,208
2008-P-0235	EPA Decisions to Delete Superfund Sites	618	757	\$809,869
2008-P-0236	Follow-up on Audit of Undistributed Site	105	159	\$132,371
2008-P-0245	Border 2012 Program	299	561	\$443,684
08-P-0264	Follow-up at Stauffer Chemical Company Superfund Site	291	192	\$165,151
08-P-0265	Unliquidated Obligations in Brownfields Pilot Grants	171	269	\$231,917
08-P-0266	Assisting Tribal Water Systems	351	1,058	\$836,663
08-P-0267	Procedures for EPA's Smartcard Program	82	154	\$120,932
08-P-0271	EPA Personnel Access and Security System	354	463	\$392,376
08-P-0273	Management of EPA Headquarters Internet Protocol	*	*	*
08-P-0276	EPA Actions Should Lead to Improve Grants Accountability	185	236	\$200,353
08-P-0278	Strategic Planning for Priority Enforcement Areas	267	663	\$528,717
08-P-0280	Fiscal Year 2008 FISMA Report	N/A	99	\$388,135
08-P-0290	Techniques for State Monitoring of Revolving Funds	N/A	N/A	\$95,076
08-P-0291	Region 5 Penalty Reduction	N/A	N/A	
08-P-0295	FY 2008 FISMA Review of Chemical Safety Board	N/A	N/A	\$6,224
08-1-0277	National Caucus and Center on Black Aged Incurred Costs	86	144	\$123,370
08-2-0204	Village of Wellsville, Ohio-Grant XP97582801	94	153	\$130,586
08-2-0226	Passaic Valley (New Jersey) Sewerage Commissioners-Grant XP98237601	79	84	\$73,519

Report Number	Report Name	Calendar Days in Production	Staff Days	Total Cost
08-4-0156	Assistance Agreements – Canaan Valley Institute	226	448	\$373,397
08-1-0149	2007 PRIA Financial Statements	109	211	\$175,830
08-1-0194	2007 FIFRA Financial Statements	161	275	\$228,642
08-2-0142	Agreed Upon Procedures – FY 2008 1 st Qtr Fin. Statements	30	158	\$131,492
08-2-0241	Agreed Upon Procedures – FY 2008 2 nd Qtr Fin. Statements	53	36	\$29,973
08-2-0309	Agreed Upon Procedures – FY 2008 3 rd Qtr Fin. Statements	48	21	\$17,484
08-4-0143	Tech Law Labor Charges	79	57	\$47,456
08-4-0146	Cambridge Labor Charging Verification Review	86	66	\$54,855
08-4-0154	Tetra Tech Charging Verification Review	171	168	\$140,018
08-4-0270	Final Mixed Funding Claim	162	43	\$35,384

* Costs and staff days of this report are included in those for report 08-P-0280

Comparison of Production Statistics FYs 2004 to 2008					
	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Total Number of Reports	57	65	65	71 (net)	57
Avg. Calendar Days Elapsed	351**	380**	288**	383**	221**
Avg. Staff Days Charged	341**	331**	278.3**	297**	337**
Avg. Loaded Cost.	\$259,357**	\$257,056**	\$231,005**	\$239,215**	\$282,946**

** Not including Financial Statement Audit