



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

MAR - 8 2012

THE INSPECTOR GENERAL

**MEMORANDUM**

**SUBJECT:** Close-Out of OIG Report No. 11-P-0527, *EPA's Gulf Coast Oil Spill Response Shows Need for Improved Documentation and Funding Practices*

**TO:** Barbara J. Bennett  
Chief Financial Officer

Thank you for your memorandum dated February 27, 2012, which included a corrective action plan for recommendation 1 in the subject report. In accordance with EPA Manual 2750, your memorandum provided a proposed corrective action and estimated milestone completion date for recommendation 1. We agree that the proposed corrective action meets the intent of the recommendation and we are closing recommendation 1 out. Recommendations 2, 3, and 4 have already been closed out. EPA should update the Management Audit Tracking System to record progress in completing this recommendation. Please notify my staff if there is a significant change in the agreed-to corrective action plan.

Attached is a copy of your February 27, 2012, memorandum. If you or your staff have any questions, please contact Elizabeth Grossman, Acting Assistant Inspector General for Program Evaluation, at (202) 566-0838 or [grossman.elizabeth@epa.gov](mailto:grossman.elizabeth@epa.gov); or Carolyn Copper at (202) 566-0829 or [copper.carolyn@epa.gov](mailto:copper.carolyn@epa.gov).

Arthur A. Elkins, Jr.

cc:	Bob Perciasepe	Stefan Silver	Dale Miller
	Maryann Froehlich	Raffael Stein	Jeanne Conklin
	Patricia Gilchrist	Nena Shaw	Melvin Visnick
	Elizabeth Grossman	Joshua Baylson	Carol Terris
	Carolyn Copper	David Bloom	John Bashista
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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
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FEB 27 2012

OFFICE OF  
CHIEF FINANCIAL OFFICER

MEMORANDUM

**SUBJECT:** Supplemental Response to Office of Inspector General Report No. 11-P-0527  
"EPA's Gulf Coast Oil Spill Response Shows Need for Improved Documentation and  
Funding Practices," issued August 25, 2011

**FROM:** Barbara J. Bennett  
Chief Financial Officer 

**TO:** Arthur A. Elkins, Jr.  
Inspector General

Thank you for your memorandum dated December 2, 2011. The Office of the Chief Financial Officer appreciates the OIG's consideration of the agency's comments on the final report and this opportunity to resolve recommendation 1.

The agency continues to meet with the U.S. Coast Guard to obtain clarification of documentation required from the U.S. Environmental Protection Agency for future Pollution Removal Funding Authorizations. Upon confirmation of required documentation, the EPA will determine whether regions and headquarters need to prepare and provide additional activity-related documentation. We are pleased that the OIG believes these actions will meet the intent of recommendation 1. In addition, the EPA and the USCG are in negotiations to develop standard cost documentation procedures for use in all future inland oil spill billings. The EPA will also incorporate best practices which emerge from these discussions.

We have revised the corrective action plan for recommendation 1 accordingly. We have also revised the proposed completion dates for recommendations 2.1 and 3.2 based on current developments and discussions with USCG.

If you have any questions concerning this response, please contact Stefan Silzer, Director, Office of Financial Management at (202) 564-4905 or Kyana Bundy-Evans of the Office of Financial Management at (202) 564-0988.

Attachment

cc: Bob Perciasepe  
Maryann Froehlich  
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Sandy Dickens

## OCFO's Supplemental Response to OIG Final Report – Corrective Action Plan

*“Office of Inspector General Evaluation of EPA's Gulf Coast Oil Spill Response Shows Need for Improved Documentation and Funding Practices”*

Report No. 11-P-0527, dated August 25, 2011

Rec. No.	OIG Recommendation	Action Official(s)	Proposed Corrective Action	Proposed Completion Date
1.	Implement controls to ensure that the U.S. Environmental Protection Agency consistently generates response activity documentation that provides a clear audit trail linking response work performed to response work billed.	Office of the Chief Financial Officer/Office of Financial Services	1.1 The EPA and the U.S. Coast Guard are in negotiations to implement standard cost documentation procedures which will be used for all future inland oil spill billings.	September 30, 2012
2.	Implement controls to ensure that bills and supporting cost documentation packages submitted to the Coast Guard are clear and complete and comply with cost documentation requirements.	OCFO/OFS	2.1 The EPA and the USCG are in negotiations to establish a protocol for future sites that will include a new cost documentation procedure that ensures the EPA provides the USCG with the necessary documentation to support the EPA billings.	September 30, 2012
3.	Work with Coast Guard counterparts to develop and ensure the timely implementation of an appropriate means of sharing the EPA contractors' response cost documentation designated as Confidential Business Information.	Office of the Administrator	3.1 The EPA and the USCG reached an agreement on the CBI issue for Deep Water Horizon.  3.2 The EPA (OCFO-OFS) and the USCG are in negotiations to implement a non-disclosure agreement that will cover all work performed on future sites.	March 9, 2011 Completed  September 30, 2012

Rec. No.	OIG Recommendation	Action Official(s)	Proposed Corrective Action	Proposed Completion Date
4.	Seek new or additional emergency response funding authority for oil spills.	OCFO/Office of Budget	4.1 In its FY 2012 President's Budget (2012 appropriation), the EPA proposed to Congress new statutory authority for emergency transfers from any of the EPA's appropriations into the Oil Spill Response Account when the cash flow of funds out of the account is higher than expected. This authority will reduce the risk of future anti-deficiency violations by the agency.	February 14, 2011 Completed