



At a Glance

Why We Did This Review

The U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) conducted this congressionally required review to report to the House and Senate Committees on Appropriations the Agency's current efforts to strengthen Superfund contracting controls to prevent future waste, fraud, and abuse.

Background

Congress enacted the Comprehensive Environmental Response, Compensation and Liability Act of 1980, commonly referred to as Superfund, to address threats to human health and the environment. In the cleanup of Superfund sites, EPA uses a variety of instruments, such as contracts and interagency agreements (IAs). In fiscal year 2010, EPA obligated \$413 million to contracts and \$244 million to the U.S. Army Corps of Engineers.

For further information, contact our Office of Congressional and Public Affairs at (202) 566-2391.

The full report is at:
www.epa.gov/oig/reports/2012/20120316-12-P-0360.pdf

EPA Superfund Contract Initiatives and Controls to Reduce Fraud, Waste, and Abuse

What We Found

We identified three EPA initiatives related to Superfund contracting controls:

- Contracts 2010 Strategy
- Office of Acquisition Management's Performance Measurement and Management Program
- Recovery Act Stewardship Plan

In addition to the above initiatives, EPA has other contract internal controls in place. EPA describes its contracting internal controls in documents such as the Contracts Management Manual, EPA Acquisition Handbook, EPA Acquisition Regulation, and IA Desk Manual. EPA evaluates implementation of internal controls through Office of Management and Budget Circular A-123 reviews.

As required by the Committees, we identified 20 OIG audit reports issued to EPA since fiscal year 2005 with recommendations related to Superfund contracting controls. A full listing of those recommendations and EPA's corrective actions are provided in appendix A. Some of the corrective actions implemented by EPA as a result of our recommendations include:

- EPA began verifying the timeliness of contractor performance evaluations by contracting officers and revised the EPA Acquisition Handbook.
- EPA developed a process to ensure adjustment vouchers and monies owed to EPA are tracked until receipt.
- EPA revised internal guidance to require a cost-benefit analysis be conducted prior to awarding a Cost-Plus-Award-Fee contract.

We noted that one audit report did not have two recommendations entered in the Agency tracking system, nor were the corrective actions to address the recommendations entered in the system.

We also identified five ongoing OIG audits and two audit projects planned to begin in fiscal year 2012 that impact Superfund contracting controls or EPA contracting controls in general.