



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

## Status of Corrective Actions in Response to 2008 Report, “Framework for Developing Tribal Capacity Needed in Indian General Assistance Program”

Report No. 13-P-0057

November 27, 2012



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## Report Contributors:

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## Abbreviations

AIEO	American Indian Environmental Office
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
GAP	Indian General Assistance Program
MATS	Management Audit Tracking System
OIG	Office of Inspector General
PO	Project Officer
PPG	Performance Partnership Grant
TEA	Tribal Environmental Agreement

**Cover photo:** Image from EPA's AIEO tribal portal website.

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# At a Glance

## Why We Did This Review

The Indian Environmental General Assistance Program Act of 1992 provides the U.S. Environmental Protection Agency (EPA) the authority to award grants to tribal governments to build capacity to administer environmental programs. The Act authorized EPA to provide General Assistance Program (GAP) grants to federally recognized tribes and tribal consortia. We reviewed actions taken by EPA to address a 2008 report by our office on tribal capacity. The 2008 report contained three recommendations to EPA on developing a framework for achieving capacity; developing environmental plans; and revising the grant funding formula to better reflect prior progress, needs, and long-term goals.

**This report addresses the following EPA Goal or Cross-Cutting Strategy:**

- *Strengthening state, tribal, and international partnerships*

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/2013/20121127-13-P-0057.pdf](http://www.epa.gov/oig/reports/2013/20121127-13-P-0057.pdf)

## ***Status of Corrective Actions in Response to 2008 Report, "Framework for Developing Tribal Capacity Needed in Indian General Assistance Program"***

### What We Found

EPA has taken a number of actions to address findings and recommendations from the Office of Inspector General's 2008 report, including developing the GAP Online database, drafting a GAP guidebook, and revising GAP guidance. EPA is also engaging or will engage in tribal consultation for both the guidebook and guidance. EPA said it intends to finalize its revised GAP guidance, including the guidebook, by May 2013. EPA has focused on ensuring that GAP work plans include intermediate and long-term outcomes/goals. EPA said it has made an incremental shift in the way it distributes GAP funding and said it will make additional changes based on internal conversations and information in GAP Online.

Although EPA certified all actions as completed in its Management Audit Tracking System, corrective actions are still in progress and we could not test their effectiveness. EPA should have an implementation period following issuance of the final GAP guidance and guidebook before we evaluate how well tribes and EPA regions operate under the new guidance.

### Recommendations and Planned Agency Corrective Actions

We recommend that the Assistant Administrator for International and Tribal Affairs complete implementation of corrective actions initiated in response to the 2008 report and denote May 2013 as the date to implement actions to address the 2008 report recommendations. The Agency accepted this recommendation and plans to complete corrective actions by May 2013.

### Noteworthy Achievements

Since its launch in 2007, GAP Online has provided grantees and EPA project officers with a centralized tool for creating work plans and reporting progress. EPA also provided GAP Online training to each region.



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

THE INSPECTOR GENERAL

November 27, 2012

**MEMORANDUM**

**SUBJECT:** Status of Corrective Actions in Response to 2008 Report,  
“Framework for Developing Tribal Capacity Needed in Indian  
General Assistance Program”  
Report No. 13-P-0057

**FROM:** Arthur A. Elkins, Jr.

A handwritten signature in black ink, appearing to read "Arthur A. Elkins, Jr.", is written over the printed name.

**TO:** Michael Stahl  
Deputy Assistant Administrator for International and Tribal Affairs

This is our report on the subject review conducted by the Office of Inspector General (OIG) of the U.S. Environmental Protection Agency (EPA). This report contains findings that describe the problems the OIG has identified and corrective actions the OIG recommends. This report represents the opinion of the OIG and does not necessarily represent the final EPA position. Final determinations on matters in this report will be made by EPA managers in accordance with established audit resolution procedures.

**Action Required**

You are required to provide a written response to this report within 60 calendar days. You should include planned corrective actions and completion dates for all unresolved recommendations. Your response will be posted on the OIG’s public website, along with our memorandum commenting on your response. Your response should be provided as an Adobe PDF file that complies with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended. The final response should not contain data that you do not want to be released to the public; if your response contains such data, you should identify the data for redaction or removal along with corresponding justification. We have no objections to the further release of this report to the public. We will post this report to our website at <http://www.epa.gov/oig>.

If you or your staff have any questions regarding this report, please contact Melissa Heist, Assistant Inspector General for Audit, at (202) 566-0899 or [heist.melissa@epa.gov](mailto:heist.melissa@epa.gov); or Patrick Gilbride, Director for Risk and Program Performance, at (303) 312-6969 or [gilbride.patrick@epa.gov](mailto:gilbride.patrick@epa.gov).

## *Table of Contents*

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<b>Purpose</b> .....	1
<b>Background</b> .....	1
<b>Noteworthy Achievements</b> .....	3
<b>Scope and Methodology</b> .....	3
<b>Results of Review</b> .....	4
Status of Actions to Address Recommendation 2-1 .....	4
Status of Actions to Address Recommendation 2-2.....	5
Status of Actions to Address Recommendation 3-1 .....	7
Effectiveness of Corrective Actions.....	9
<b>Recommendation</b> .....	9
<b>Agency Comments and OIG Evaluation</b> .....	10
<b>Status of Recommendations and Potential Monetary Benefits</b> .....	11

## **Appendices**

<b>A Agency’s Response to Draft Report</b> .....	12
<b>B Distribution</b> .....	14

## Purpose

On February 19, 2008, the U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) issued Report No. 08-P-0083, *Framework for Developing Tribal Capacity Needed in the Indian General Assistance Program*. The report included three recommendations to EPA related to the Indian General Assistance Program (GAP):

- 2-1 Require American Indian Environmental Office (AIEO) 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 GAP work plans.
- 2-2 Require regions to:
  - a. Negotiate with tribes to develop environmental plans that reflect intermediate and long-term goals,
  - b. Link those plans to annual GAP work plans, and
  - c. Measure tribal progress in meeting plans and goals.
- 3-1 Revise how GAP funding is distributed to tribes to place more emphasis on tribes' prior progress, environmental capacity needs, and long-term goals.

On September 30, 2011, EPA's Office of International and Tribal Affairs, which houses AIEO, certified in EPA's Management Audit Tracking System (MATS) that it completed all corrective actions resulting from the 2008 report. This review follows up on the 2008 report and EPA's corrective actions. The objectives of our follow-up audit were to determine what corrective actions EPA has implemented to address the findings from the prior audit report, and whether the corrective actions were effective in addressing the findings from the previous report.

## Background

### ***Indian Environmental General Assistance Program Act***

The Indian Environmental General Assistance Program Act of 1992 provides EPA the authority to award grants to Indian tribal governments to build capacity to administer environmental regulatory programs. The Act also provides for technical assistance from EPA in developing multimedia programs to address environmental issues on Indian lands. The purpose of GAP is to establish administrative, legal, technical, and enforcement capability needed to implement an environmental protection program. Since its inception 20 years ago, GAP has become the largest single source of funding for tribal environmental programs at over \$640 million.

Under the Act, EPA can award GAP grants to both Indian tribal governments and inter-tribal consortia. The Act defines an Indian tribal government as any Indian tribe, band, nation, or other organized group or community (including any Alaska native village or regional or village corporation) recognized as eligible for the special services provided by the United States to Indians. Some tribes have jurisdiction over land and some do not. The Act defines inter-tribal consortia as a partnership between two or more Indian tribal governments authorized by the governing bodies of those tribes to apply for and receive GAP assistance.

EPA issued GAP guidelines in 1994 to provide national policy guidance and criteria for awarding and administering GAP grants. EPA updated the guidelines in 2000 and 2006 to address compliance with grant policies, accountability for environmental results, and consistency with program requirements. The guidelines state that the GAP work plan is the basis for the management and evaluation of performance under grant agreements. EPA's guidelines include standardized work plan formats that tribes use when they request GAP funding. For purposes of tracking how grant recipients use GAP funds, recipients and EPA regional offices categorize the range of activities into the following areas:

- Legal
- Enforcement and Compliance
- Technical and Non-Administrative
- Communications
- Administrative
- Solid and Hazardous Waste<sup>1</sup>

According to EPA, work plans should state the primary category addressed by each work plan component and by each activity within each component.

### ***EPA Policy on Consultation and Coordination with Indian Tribes***

The White House issued Executive Order 13175, *Consultation and Coordination with Indian Tribal Governments*, on November 6, 2000, to establish regular and meaningful consultation and collaboration with tribal officials in the development of federal policies that have tribal implications. On November 5, 2009, the President directed each agency to submit a detailed plan of action to implement the policies and directives of Executive Order 13175, as well as an annual progress report on the status of each action included in its plan. EPA issued its *EPA Policy on Consultation and Coordination with Indian Tribes* (consultation policy) on May 4, 2011. EPA's policy outlines the key phases of the consultation process and identifies general categories of EPA activities appropriate for consultation, including policies and guidance documents. While the policy does not set required comment periods for consultation, the policy does state that

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<sup>1</sup> GAP may not be used for the ongoing implementation of media-specific environmental programs once established except as otherwise provided. Beyond capacity building, the only allowable implementation activities are for solid and hazardous waste.

consultation should occur early enough to allow tribes the opportunity to provide meaningful input prior to EPA deciding on how to act on a matter under consideration.

## **Noteworthy Achievements**

Since its launch in 2007, GAP Online has provided grantees and project officers (POs) with a centralized tool for creating work plans and reporting progress. The Agency provides GAP Online to the tribes through AIEO, and AIEO provided training to each region in 2007 and 2008. According to AIEO's senior advisor, the system is a significant management tool that aids both EPA and tribes by documenting program priorities and recipient performance. GAP Online facilitates review of individual grant work plans and reporting at both the national and regional level. It also facilitates the aggregation of information about funded activities in active and expired grants to show overall program trends over time. Before GAP Online, work plans varied from region to region. AIEO said that GAP Online has allowed the work plan structure to evolve with some consistency.

Tribes are required to enter their final work plans into GAP Online unless the grants are included in a Performance Partnership Grant (PPG), which is a single grant combining funds from more than one environmental program. AIEO's senior advisor said that approximately 20 percent of tribes receive GAP funding under a PPG. A tribe can have multiple components in a work plan. GAP Online requires each component to have both intermediate and long-term outcomes/goals, and tribes are to enter an estimated cost for each component. Tribes are to report on progress made in GAP Online, and regions are to monitor progress and either agree or disagree with the progress reported. An AIEO tribal program operations staff person said that GAP Online has established a clear chain of custody for tribes and regions to manage work plans.

## **Scope and Methodology**

We performed our review from March to September 2012 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform our review to obtain sufficient, appropriate evidence to provide a reasonable basis for any findings and conclusions based on our objectives. We believe the evidence obtained provides a reasonable basis for the observations presented in this report.

We reviewed relevant laws, regulations, policies, procedures, and guidance governing tribal capacity, including the GAP Act of 1992, EPA's GAP Guidelines from 2000 and 2006, and EPA's August 2011 consultation draft *Guidebook for Building Tribal Environmental Capacity*. We also reviewed the May 2011 *EPA Policy on Consultation and Coordination with Indian Tribes* and AIEO's timeline on developing the GAP guidebook to comply with the policy.



To understand the status of corrective actions taken to address recommendations from the 2008 OIG report, we interviewed the 2008 report team and reviewed the Agency's corrective action plan. We interviewed tribal staff in EPA Regions 5, 6, 9, and 10 on their process in reviewing GAP grants and work plans and measuring tribal progress in light of recommendations from the 2008 report. We focused on EPA Regions 5, 6, 9, and 10 because the 2008 report included them and because they represent the four regions with the largest number of tribes. In addition, the four regions received the largest amounts of funding for fiscal year (FY) 2012. We also met with AIEO, who provided us a demonstration of GAP Online and clarified the GAP funding formula. We also held several discussions with AIEO and the four regions to ensure our understanding of the status of actions taken to address recommendations from the 2008 report.

## Results of Review

EPA has taken a number of actions to address recommendations from the 2008 report, as cited in the Agency's MATS certification memo, which include the GAP Online database, GAP guidebook, and GAP guidance. In addition, EPA is engaging in tribal consultation consistent with the consultation policy for both the GAP guidebook and GAP guidance. While MATS lists all corrective actions as completed as of September 30, 2011, the Deputy Assistant Administrator for International and Tribal Affairs said EPA does not anticipate full implementation of corrective actions until May 2013. The following sections summarize our observations on corrective actions EPA has taken to date to address the recommendations from the OIG's 2008 report.

### ***Status of Actions to Address Recommendation 2-1***

*Require AIEO 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 GAP work plans.*

According to AIEO staff, EPA's framework includes the GAP Online database (described under "Noteworthy Achievements" above), GAP guidebook, and GAP guidance. AIEO's audit liaison said that AIEO released a draft GAP guidebook to the entire Agency in April 2011. In May 2011, the Agency issued its consultation policy. EPA is currently in the process of consulting with tribes on the GAP guidebook in accordance with the consultation policy. This process gives tribes the opportunity to provide input on the draft guidebook. EPA released the consultation draft GAP guidebook to tribes in August 2011, and the first round of consultation ended in January 2012. The second round of consultation will run from November 2012 through January 2013. The Agency plans to update the draft guidebook at the close of the second round of consultation and issue the final version by May 2013. AIEO's audit liaison provided the following timeline showing past and planned key milestones for the draft guidebook:

**Table 1: Key milestones for draft guidebook**

Key Milestones	Date
<i>Tribal Environmental Management Guidebook</i> released	04/2011
<i>EPA Policy on Consultation and Coordination with Indian Tribes</i> takes effect; published in the Federal Register	05/04/11
<i>Guidebook for Building Tribal Environmental Capacity</i> circulated internally to EPA regions and headquarters	06/29/11
Consultation and coordination notification letter sent to tribes	07/22/11
Consultation Draft <i>Guidebook for Building Tribal Environmental Capacity</i> released to tribes; consultation and coordination process begins	08/01/11
First consultation and coordination extension letter sent to tribes	08/15/11
Consultation and coordination reminder letter with project summary sent to tribes	10/28/11
Second consultation and coordination extension letter sent to tribes	11/28/11
Tribal comments due on guidebook	01/30/12
Broad-based Agency-wide revision to proposed guidebook (based on comments received from tribes and tribal organizations)	02/01/12
Proposed final guidance and guidebook released for 90-day tribal review and comment	11/02/12
EPA incorporates final round of tribal comments and finalizes guidance and guidebook	01/11/13 – 04/30/13
Guidance and Guidebook take effect (according to EPA, the Guidance will be applied to the grant process for FY 2014)	05/01/13

Source: Guidebook timeline provided by AIEO's audit liaison to OIG on March 30, 2012. The timeline was modified based on AIEO's response to our draft report.

The draft guidebook describes pathways for a core environmental protection program and media-specific programs. The draft also identifies measurable indicators to help track progress toward building tribal capacity. According to AIEO staff, the updated guidebook will be an appendix to a revised GAP guidance document. AIEO staff said the revised guidance will also undergo consultation in accordance with the consultation policy.

### **Status of Actions to Address Recommendation 2-2**

*Require regions to: (a) negotiate with tribes to develop environmental plans that reflect intermediate and long-term goals, (b) link those plans to annual GAP work plans, and (c) measure tribal progress in meeting plans and goals.*

According to AIEO staff, the draft GAP guidebook and revised GAP guidance will address the development and use of GAP work plans and include information on EPA-tribal environmental plans. AIEO's Deputy Director said the Agency believes that it has implemented this recommendation through oversight of the GAP work plans. The Deputy Director added that they have focused on ensuring that GAP work plans include intermediate and long-term outcomes/goals, and they have also focused on developing and implementing GAP Online. GAP

Online requires tribes to enter intermediate and long-term outcomes/goals and allows both the tribes and regions to track progress. Tribal staff in the four regions we spoke with said the majority of tribes report on GAP progress quarterly.

AIEO's Deputy Director said the use of EPA-tribal environmental plans is a long-term goal and the Agency is moving in that direction. EPA included information on the development of EPA-tribal environmental plans in the draft guidebook, including suggested components for a comprehensive EPA-tribal environmental plan. AIEO's Deputy Director and a senior advisor said that while EPA-tribal environmental plans are not currently required, the updated guidebook will establish the expectation that EPA-tribal environmental plans will be developed. AIEO staff also said the updated guidebook would identify required components of each agreement but allow for flexibility in the format of the plans to reflect the variation that exists from one tribe to another.

Regional staff said that all tribes not funded under a PPG use GAP Online to enter work plans for approval by the region. Each region provided additional information on work plans and monitoring progress.

- Region 5 Indian Environmental Office staff said that tribes funded under a PPG are still required to develop a GAP work plan in the same format as those entered in GAP Online. The region has been using Tribal Environmental Agreements (TEAs)<sup>2</sup> since 1995. TEAs are not required to get GAP funding, but 31 of 35 tribes agreed to TEAs in the last 3-year period and the region anticipates that all tribes will agree to TEAs in the next round. Regional staff said that TEAs link to the GAP work plans. The most recent funding announcement recommended that tribes consider including some activities outlined in their TEA when they develop their GAP work plan. The region looks at whether tribes meet commitments included in the TEAs as well as GAP work plans.
- Region 6 Office of Environmental Justice and Tribal Affairs staff said that tribes funded under a PPG are still required to develop a GAP work plan in the same format as those entered in GAP Online. The region is not requiring tribes to develop EPA-tribal environmental plans, but does allow grant distributions to tribes to help them develop environmental plans. Regional staff also said they follow the process outlined in the draft guidebook to work in partnership with tribes in developing EPA-tribal environmental plans. The region anticipates using a similar template to Region 5's TEAs. Regional staff said that POs review reporting by tribes to determine progress made under GAP work plans. POs review what tribes report versus work approved in the work plan.

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<sup>2</sup> According to Region 5, each TEA is comprised of an introduction describing the purpose and use of the document, tribal background information, environmental program priorities of the tribe, and an outline of the federal environmental programs that apply to the tribe.

- Region 9 Tribal Program Office staff said that tribes funded under a PPG are still required to develop a GAP work plan that meets requirements of 40 CFR Part 35.<sup>3</sup> Regional staff said nearly all tribes funded under a PPG are using the work plan template produced prior to GAP Online. The region encourages tribes to create EPA–tribal environmental plans and update them as needed. It also encourages tribes to include the development of an EPA–tribal environmental plan in their GAP work plans. In its most recent funding notification, the region listed creating an EPA–tribal environmental plan as a one-time mandatory task. Regional staff said that many tribes have environmental plans but many have not been recently updated, and that tribes are hesitant to create new EPA–tribal environmental plans until EPA finalizes the draft guidebook. The region does provide an EPA–tribal environmental plan template to interested tribes but does not require tribes to use this template. The region encourages tribes with environmental plans to reference them when creating GAP work plans. POs perform year-end evaluations to compare negotiated GAP work plans to actual products in the final report. POs also do 4-year summary reports when they close out GAP grants.
- Region 10 Tribal Trust and Assistance Unit staff said that tribes funded under a PPG are still required to develop a GAP work plan. Regional staff said POs assist tribes in developing new GAP work plans on an annual or semiannual basis and negotiate these to reflect capacity building endeavors with distinct outputs toward the tribe’s intermediate and long-term environmental goals. The region encourages tribes to discuss long-term environmental goals, as well as how their GAP work plan components and commitments will support them, in their project narratives. The region is involved with tribes in environmental planning, but it does not require tribes to develop an EPA–tribal environmental plan. Regional staff said it made tribes aware that the draft guidebook discusses EPA–tribal environmental plans. The region’s funding announcements list developing an EPA–tribal environmental plan as a one-time mandatory activity for all grantees. Regional staff said that POs monitor, on a regular basis, each tribe’s progress in accomplishing GAP work plan commitments in producing outputs and deliverables and in achieving anticipated outcomes.

### ***Status of Actions to Address Recommendation 3-1***

*Revise how GAP funding is distributed to tribes in order to place more emphasis on tribes’ prior progress, environmental capacity needs, and long-term goals.*

In response to the 2008 report, EPA said it would develop adjustments to the funding formula, allocations, distributions, and award decisions as appropriate

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<sup>3</sup> Title 40, “Protection of Environment,” Part 35, “State and Local Assistance,” covers environmental program grants for tribes, including GAP.

based on its revised GAP guidance. AIEO allocates the annual GAP funds to each region that has federally recognized tribes. Each region then distributes its allocation to eligible applicants.

AIEO's Deputy Director said AIEO made an incremental shift in how it distributed GAP funds to the regions in FY 2012, explaining that they factored in the number of actual GAP recipients rather than just the number of eligible recipients. AIEO (a) multiplied the number of federally recognized tribes in each region by \$110,000 to determine the base level of funding for each region, (b) subtracted the total amount of the base level of funding from the total FY 2012 appropriation for the GAP program, and (c) distributed the remainder to the regions based on the number of GAP recipients in the region. AIEO staff said it set aside \$300,000 for headquarters-selected projects in FY 2012. AIEO's Deputy Director said that additional changes will be made to the formula in future years based on internal conversations as well as information that is being entered into GAP Online. As more data becomes available through GAP Online regarding individual grantee progress, AIEO will consider additional modifications. However, as this data is currently unavailable, AIEO does not anticipate making large changes to the funding allocation formula at a national level for a few years.

After AIEO distributes funding to the regions, the regions distribute funding to eligible recipients. In its FY 2012 GAP funding allocation memo to the regions, AIEO said it expected regions to continue to take into account grant applicants' prior progress, environmental capacity needs, and long-term goals when making grant funding decisions. Each region distributes funding differently.

- Region 5 Indian Environmental Office staff said they use a base funding level of \$110,000 per tribe per year to allocate all the money the region receives from AIEO, and use excess funds for special projects.
- Region 6 Office of Environmental Justice and Tribal Affairs staff said they have a base level of \$75,000–\$115,000 per tribe per year listed in the region's most recent GAP funding announcement. The region distributes funds based on the tribes' negotiated allocations in their requests for funding. The region bases funding on need, priorities, and past performance. The region also targets different priority areas each year to address concerns in Indian country and will award additional funding to tribes to address these areas.
- Region 9 Tribal Program Office staff said they base funding levels to tribes on past performance, work plan complexity, and demonstrated need. To support core GAP work, the PO reviews the tribe's request, what was requested/awarded the prior year, the tribe's performance, the tribe's draws, and the complexity of the work proposed. Regional staff said there is no minimum or maximum funding amount but the region's most recent funding announcement indicated that most awards range from \$75,000–\$120,000 per tribe per year. Regional staff said it puts any funds

remaining after addressing core program needs toward supplemental projects, which may include cleanup of open dumps, purchase of equipment to support the program, or hiring a contractor to perform a one-time activity. Regional staff said they evaluate each supplemental project to determine that it is eligible, reasonable, and allocable to GAP, and then funds as many projects as possible. The region said that for FY 2012 over 90 percent of the region's GAP funds will go to tribes' base funding for core GAP needs.

- Region 10 Tribal Trust and Assistance Unit staff said that the maximum base level funding that tribes can apply for is \$125,000 per year, although there are a few tribes who, due to their size, can apply for up to \$175,000 in base funding. Regional staff said that POs assess the tribe's needs in each new assistance agreement negotiation. POs review the tribe's application, current performance, current financial information, and complexity of work proposed. If the tribe's proposal supports the amount requested, that is what the region will fund. Regional staff said that it has a three-tiered GAP funding approach: (a) funds are applied to tribes' base needs, (b) funds left over after funding base needs are put toward funding tribal consortia base needs, and (c) any funds left over after funding consortia are put toward special projects.

### ***Effectiveness of Corrective Actions***

Even though EPA listed all actions as completed in MATS, we could not test effectiveness of corrective actions because the draft GAP guidebook and revised guidance are still undergoing consultation in accordance with the consultation policy. While the Agency has made progress, we believe EPA should have some time following full implementation of the final GAP guidance and guidebook (planned for May 2013) before we evaluate how regions/tribes operate under the updated guidance. AIEO staff said FY 2014 will be the first year for the program to fully benefit from the implementation of these corrective actions.

## **Recommendation**

We recommend that the Assistant Administrator for International and Tribal Affairs:

1. Complete implementation of corrective actions initiated in response to the 2008 report and update MATS to denote May 2013 as the date to complete implementation of actions to address recommendations 2-1, 2-2, and 3-1 from the 2008 report (EPA OIG Report No. 08-P-0083).

## **Agency Comments and OIG Evaluation**

The Office of International and Tribal Affairs accepted our recommendation and plans to update MATS with the May 2013 date upon issuance of this final report. Appendix A contains the Agency's full response to our draft report and planned actions by the Office of International and Tribal Affairs to address our recommendation, which we believe addresses the intent of our recommendation. Our recommendation remains open pending the planned completion date on actions to address our report recommendation as well as recommendations from our 2008 report (EPA OIG Report No. 08-P-0083).

## **Status of Recommendations and Potential Monetary Benefits**

RECOMMENDATIONS						POTENTIAL MONETARY BENEFITS (in \$000s)	
Rec. No.	Page No.	Subject	Status <sup>1</sup>	Action Official	Planned Completion Date	Claimed Amount	Agreed-To Amount
1	9	Complete implementation of corrective actions initiated in response to the 2008 report and update MATS to denote May 2013 as the date to complete implementation of actions to address recommendations 2-1, 2-2, and 3-1 from the 2008 report (EPA OIG Report No. 08-P-0083).	O	Assistant Administrator for International and Tribal Affairs	May 2013		

<sup>1</sup> O = recommendation is open with agreed-to corrective actions pending  
 C = recommendation is closed with all agreed-to actions completed  
 U = recommendation is unresolved with resolution efforts in progress



## ***Agency's Response to Draft Report***



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

OFFICE OF  
INTERNATIONAL AND  
TRIBAL AFFAIRS

**October 26, 2012**

### **MEMORANDUM**

**SUBJECT:** Response to Office of Inspector General Project Draft Report No. OA-FY12-0333, "Status of Corrective Actions in Response to 2008 Report, 'Framework for Developing Tribal Capacity Needed in Indian General Assistance Program'," October 1, 2012

**FROM:** Michael Stahl /s/  
Acting Assistant Administrator

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

Thank you for the opportunity to respond to the issues and recommendation in the draft report. Following is a summary of the agency's overall position, along with its position on the draft report's recommendation.

### **AGENCY'S OVERALL POSITION**

The Agency accepts the recommendation in the draft report. Over the last several years we have been developing and implementing an improved internal control structure for GAP, which we believe satisfies the recommendations of the original audit. As such, we listed our corrective actions as completed in MATS and proceeded with our implementation strategy.

A phased approach to implementing the corrective actions was decided as most effective for complying with the requirements of the Agency's Consultation Policy. Given the broad nature and importance of the program there was an extremely high level of interest from tribal governments in the implementation of the changes to the program. As a result, OITA has led an extensive, multi-phased implementation approach to allow for two rounds of consultation with tribes. The last phase of this implementation will end by May 2013.

OITA takes our responsibilities related to the GAP audit very seriously and remains committed to improving operations of the GAP program and accountability for measuring program performance. Of significant importance to us is determining the effectiveness of the corrective actions. Given the GAP grant award and performance cycles, testing the effectiveness of the corrective actions before FY 2016 would yield limited information resulting in an inefficient use of resources. As previously discussed with both the original Audit Team and the Status Review Team, OITA expects to make further modifications to the funding distribution after sufficient data exists under the revised program framework. We strongly recommend that the OIG consider allowing the program to fully integrate the changes, through at least two award and performance cycles, prior to conducting further follow-up reviews.

We have included a Technical Comments Attachment to supplement this response.

AGENCY’S RESPONSE TO REPORT RECOMMENDATIONS

Agreements

<b>No.</b>	<b>Recommendation</b>	<b>High-Level Intended Corrective Action(s)</b>	<b>Estimated Completion by Quarter and FY</b>
1	Complete implementation of corrective actions initiated in response to the 2008 report and update MATS to denote May 2013 as the date to complete implementation of actions to address recommendations 2-1, 2-2, and 3-1 from the 2008 report (EPA OIG Report No. 08-P-0083).	EPA will update MATS to denote May 2013 as the date, reflecting input from the consultation process, to complete implementation of actions that address recommendations from the 2008 report.	May 2013

CONTACT INFORMATION

If you have any questions regarding this response, please contact Karin Koslow, Deputy Director of the American Indian Environmental Office on 202-564-0303 or Teresa Ruppe, Audit Follow-Up Coordinator, Office of International and Tribal Affairs at 202-564-6619.

Attachment

cc:

- JoAnn Chase, Director, AIEO
- Teresa Ruppe, Audit Follow-Up Coordinator, OITA
- Karin Koslow, Deputy Director, AIEO
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