



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

OFFICE OF
INSPECTOR GENERAL

September 28, 2015

Ms. Lillian Shirley
Director
Office of the State Public Health Director
Oregon Health Authority
800 NE Oregon Street
Portland, Oregon 97232

Dear Ms. Shirley:

The Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) plans to begin preliminary research on the Oregon Health Authority's (OHA's) labor-charging practices and procedures for EPA grants. Our research will include grants awarded to OHA's Public Health Division. This project is included in our Fiscal Year 2015 Annual Plan.

Our overall objective is to determine whether the labor-charging practices and procedures used by OHA comply with federal requirements. The OIG plans to conduct our preliminary research at OHA's Public Health Division in Portland, Oregon, the week of October 19, 2015. We will review labor-charging practices and procedures, and documents supporting labor and fringe-benefit costs charged to EPA grants. Applicable generally accepted government auditing standards will be used in conducting our project.

We will contact you to arrange a mutually agreeable time to discuss our objectives and the purpose of our project. We would also be particularly interested in any areas of concern that you may have. We will answer any of your questions about the project process, reporting procedures, methods used to gather and analyze data, and what we should expect of each other during the course of the project. Throughout our preliminary research, we will provide updates to the staff of the Public Health Division on a regular basis.

To ensure the success and timely completion of this project, please have the following information available when we arrive:

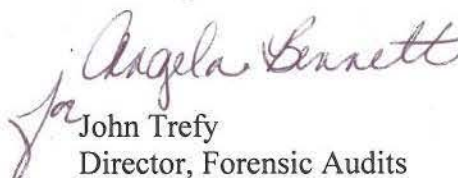
- Timekeeping and payroll policies and procedures.
- Accounting policies and procedures, and a chart of accounts.
- Any audit reports (issued within the last 3 years) pertaining to internal controls, accounting policies and procedures, and costs claimed under federal grants. Include the auditor's contact information as well.
- A listing of current EPA grants, and grants that were closed (including the final financial status report submitted) after October 19, 2012.
- A listing of employees who worked on the grants identified in the previous bullet.

We respectfully note that the OIG is authorized by the Inspector General Act of 1978 to have timely access to personnel and all materials necessary to complete its objectives. We will request your resolution if an employee or contractor refuses to provide requested records to the OIG, or otherwise fails to cooperate with the OIG. We may report unresolved access matters to the EPA Administrator and include the incident in the Semiannual Report to Congress.

I will supervise the preliminary research, and any information related to the project should be addressed to me at trefry.john@epa.gov or (202) 566-2474. The Project Manager, Angela Bennett, can also be contacted at bennett.angela@epa.gov or (404) 562-9844.

Thank you in advance for your cooperation.

Sincerely,


John Trefy
Director, Forensic Audits

cc: Howard Corcoran, Director, Office of Grants and Debarment, Office of Administration and Resources Management
Dennis McLerran, Regional Administrator, Region 10
Michelle Pirzadeh, Deputy Regional Administrator, Region 10
Dan Opalski, Director, Office of Water and Watersheds, Region 10
Katherine Kelly, Director, Office of Air, Waste, and Toxics, Region 10
Alan Lee, Audit Follow-Up Coordinator, Region 10
Nic Grzegozewski, Agency Follow-Up Coordinator
Brandon McDowell, Audit Follow-Up Coordinator, Office of Administration and Resources Management
Arthur A. Elkins Jr., Inspector General
Charles Sheehan, Deputy Inspector General
Aracely Nunez-Mattocks, Chief of Staff, Office of Inspector General
Alan Larsen, Counsel to the Inspector General
Kevin Christensen, Assistant Inspector General for Audit
Carolyn Copper, Assistant Inspector General for Program Evaluation
Patrick Sullivan, Assistant Inspector General for Investigations
Richard Eyermann, Deputy Assistant Inspector General for Audit
Jennifer Kaplan, Deputy Assistant Inspector General for Congressional and Public Affairs
Jeffrey Lagda, Congressional and Media Liaison, Office of Inspector General