



# OFFICE OF INSPECTOR GENERAL

## Semiannual Report to Congress

April 1, 2015–September 30, 2015

EPA-350-R-15-002  
November 2015

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## *Inspector General Act of 1978, as amended*

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### **Abbreviations**

CSB	U.S. Chemical Safety and Hazard Investigation Board
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
OIG	Office of Inspector General

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1200 Pennsylvania Avenue, NW (2410T)  
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 (202) 566-2391  
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## Message to Congress

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During this semiannual period, witnesses from the Office of Inspector General (OIG) testified at several congressional hearings, and the OIG produced a number of reports in response to congressional requests, demonstrating the continued interest Congress has in our work. Our independent and objective audits, evaluations and investigations covered a lot of ground, so to speak, with air quality, clean water and management of hazardous waste representing a few areas of emphasis. As always, return on investment was our bottom line.

In February 2015, a bipartisan group of Senators founded the Whistleblower Protection Caucus to raise awareness of protections for employees who call attention to wrongdoing. In thinking about that charge, it occurred to me that OIGs perform a function similar to whistleblowers. We serve the critical function of bringing to light fraud, waste, abuse, misconduct and inefficiencies that might otherwise go uncorrected. We also must contend with criticism by parties that would rather we be silent. Unlike individuals, we at the EPA OIG don't have to fear retaliation, given that I am appointed by the President and not an agency head. We are empowered by the Inspector General Act to keep agencies honest by providing independent oversight, much of which results from tips to our hotline. To be successful in our mission, we depend on whistleblowers—and the protections afforded them.



Arthur A. Elkins Jr.

### Congressional Interest

In April 2015, I testified before the Senate Committee on Environment and Public Works' Subcommittee on Superfund, Waste Management and Regulatory Oversight on a range of topics, including the EPA's special hiring authority under U.S. Code Title 42, preservation of text messages, controls over scientific equipment, assessment of potential mining impacts in Alaska, and oversight of hydraulic fracturing impact on water resources. I also briefed Congress on investigations underway, and discussed impediments the OIG continues to face from the agency's Office of Homeland Security.

My Assistant Inspector General for Investigations and I later testified before the House Committee on Oversight and Government Reform about the Office of Homeland Security-related impediments and employee misconduct. Several cases involved EPA employees who had downloaded pornography on government-issued computers, including one individual who admitted to viewing and downloading such material for 2 to 6 hours daily over a period of several years. Another employee, a Senior Executive Service official, was alleged to have engaged in a series of inappropriate and/or unwelcome interactions with more than a dozen women. The agency had failed to respond to these claims or to notify my office.

In response to a congressional request in connection with fraud committed by a high-level EPA employee, we conducted audits looking at time and attendance, biweekly pay limits, the hiring process and travel. The travel audit found that a former Regional Administrator incurred more than \$69,000 in questionable expenses. Another congressionally requested audit found that overtime hours incurred were not always approved in advance, as required, and were not always sufficiently documented. A congressionally requested program evaluation found no indications of political interference or delay in releasing information under the Freedom of Information Act.

## **Protecting Air Quality and America's Waters**

The OIG recommended that the EPA improve the way it tracks compliance under settlement agreements with industry facilities to reduce the risk of Clean Air Act violations going undetected. We also evaluated the EPA's asbestos demolition standard, and determined that it was outdated and could result in the release of enough asbestos into the environment to pose a significant risk to human health.

We continued to propose ways in which the EPA could better protect America's waters. Our review of the U.S. Virgin Islands' environmental programs determined that poor management posed a danger to human health, in particular at beaches and for drinking water systems. We recommended a withdrawal of authority delegated to the territory's government of certain environmental programs. The OIG also evaluated the permitting process for diesel fuel use during hydraulic fracturing, a proposed agency rule to manage hazardous waste standards, and how the agency is tracking the environmental results of its \$32 billion investment into communities to address the discharge of untreated sewage. Our recommendations further the agency's efforts to protect water resources through streamlining processes and establishing rules.

## **Managing Hazardous Waste**

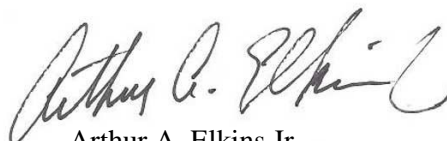
We assessed the agency's oversight of hazardous waste imports into the United States, and also safeguards the agency has in place for the long-term care of disposed hazardous waste. We found that the EPA lacks authority to block imported shipments of hazardous waste and materials, which could lead to human exposure to toxic substances. We recommended that the agency implement controls to ensure identification of all waste import shipments and develop procedures to address deficiencies. Regarding long-term care of disposed hazardous waste, we found that the EPA had not finalized guidance on criteria for determining whether human health and the environment will be protected if post-closure care ends.

## **Impediments to OIG Access**

This semiannual report, like previous semiannual reports, documents ongoing problems related to the EPA's Office of Homeland Security refusing to allow the OIG access to information within our jurisdiction. I also have concerns relating to the Office of Homeland Security's use of a criminal investigator despite its lack of investigative authority. Despite the fact that OIG and agency officials repeatedly have met to address these issues, not much has changed.

## **Return on Investment**

Based on annual performance goals and plans established through the implementation of the Government Performance and Results Act, the OIG exceeded performance targets in all four of its established goals for fiscal year 2015. In terms of the all-important performance goal dealing with the monetary return on investment as a percentage of the budget, the OIG is reporting a total of \$852 million in savings, or \$16 for every dollar spent.



Arthur A. Elkins Jr.  
Inspector General

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# About EPA and Its Office of Inspector General

## U.S. Environmental Protection Agency

The mission of the U.S. Environmental Protection Agency (EPA) is to protect human health and the environment. As America's steward for the environment since 1970, the EPA has endeavored to ensure that the public has air that is safe to breathe, water that is clean and safe to drink, food that is free from dangerous pesticide residues, and communities that are protected from toxic chemicals.

## EPA Office of Inspector General

### ***EPA OIG Peer Reviewed***

The systems of quality control for the EPA OIG are peer reviewed by another OIG on a regular basis to ensure the EPA OIG satisfies professional standards. The last external peer review of the EPA OIG's audit and evaluation offices was completed in June 2015 and the last external peer review of the EPA OIG's investigations office was completed in December 2014. Both reviews gave the EPA OIG the highest rating possible—*pass*. Further details are in Appendix 4.

The Office of Inspector General (OIG), established by the Inspector General Act of 1978, as amended, 5 U.S.C. App. 3, is an independent office of the EPA that detects and prevents fraud, waste and abuse to help the agency protect human health and the environment more efficiently and cost effectively. OIG staff are located at headquarters in Washington, D.C.; at the EPA's 10 regional offices; and at other EPA locations, including Research Triangle Park, North Carolina, and Cincinnati, Ohio. The EPA Inspector General also serves as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB). Our vision, mission and goals are as follows:

### **Vision**

Be the best in public service and oversight for a better environment tomorrow.

### **Mission**

Promote economy, efficiency, effectiveness, and prevent and detect fraud, waste, and abuse through independent oversight of the programs and operations of the EPA and CSB.

### **Goals**

1. Contribute to improved human health, safety, and environment.
2. Contribute to improved EPA and CSB business practices and accountability.
3. Be responsible stewards of taxpayer dollars.
4. Be the best in government service.

# Furthering EPA's Goals and Strategies

When conducting our audit and evaluation work during the second half of fiscal year (FY) 2015, we took into account the EPA's five strategic goals and four cross-agency strategies in the agency's FYs 2014–2018 Strategic Plan. The table below shows how our audit and evaluation reports aligned with each of the agency's goals/strategies.

**OIG-Issued Reports — Linkage to EPA Goals and Strategies**

OIG Report	Report No.	Climate Change/ Air Quality	Protecting America's Waters	Cleaning Communities/ Sustainable Development	Safe Chemicals/ Preventing Pollution	Enforcing Laws/ Ensuring Compliance	Working Toward Sustainable Future	Making Difference in Communities	State, Tribal, Local and International Partnerships	Embracing EPA as High-Performing Organization
EPA Can Better Assure Continued Operations at National Computer Center Through Complete and Up-to-Date Documentation for Contingency Planning	15-P-0136									X
Conditions in the U.S. Virgin Islands Warrant EPA Withdrawing Approval and Taking Over Management of Some Environmental Programs and Improving Oversight of Others	15-P-0137	X	X	X		X		X	X	
EPA Complied With Improper Payment Legislation, But Opportunities for Improvement Exist	15-P-0152									X
EPA's Oversight of State Pesticide Inspections Needs Improvement to Better Ensure Safeguards for Workers, Public and Environment Are Enforced	15-P-0156				X					
FY 2015 EPA Management Challenges	15-N-0164	X	X	X	X	X	X	X	X	X
Walker River Paiute Tribe Needs to Improve Its Internal Controls to Comply With Federal Regulations	15-2-0165							X		
Improved Oversight of EPA's Grant Monitoring Program Will Decrease the Risk of Improper Payments	15-P-0166			X						X
Time and Attendance Fraud Not Identified for Employees on Extended Absence, But Matters of Concern Brought to EPA's Attention	15-P-0167									X
EPA Should Update Guidance to Address the Release of Potentially Harmful Quantities of Asbestos That Can Occur Under EPA's Asbestos Demolition Standard	15-P-0168	X								
Some Safeguards in Place for Long-Term Care of Disposed Hazardous Waste, But Challenges Remain	15-P-0169			X						
Improvements Needed to Ensure EPA Terminates Exceptions to Biweekly Pay Limits at Completion of Emergency Response Work	15-P-0170									X
EPA Does Not Effectively Control or Monitor Imports of Hazardous Waste	15-P-0172			X	X	X				
Fiscal Years 2013 and 2012 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund	15-1-0180									X



OIG Report	Report No.	Climate Change/ Air Quality	Protecting America's Waters	Cleaning Communities/ Sustainable Development	Safe Chemicals/ Preventing Pollution	Enforcing Laws/ Ensuring Compliance	Working Toward Sustainable Future	Making Difference in Communities	State, Tribal, Local and International Partnerships	Embracing EPA as High-Performing Organization
Fiscal Years 2013 and 2012 Financial Statements for the Pesticide Registration Fund	15-1-0181									X
Quick Reaction Report: EPA Should Ensure Positions Vacated Under Buyouts Are Eliminated or Properly Filled	15-P-0184									X
Benefits of EPA Initiative to Promote Renewable Energy on Contaminated Lands Have Not Been Established	15-P-0198			X						
Enhanced EPA Oversight and Action Can Further Protect Water Resources From the Potential Impacts of Hydraulic Fracturing	15-P-0204		X		X					
Internal Controls Needed to Control Costs of Superfund Technical Assessment & Response Team Contracts, as Exemplified in Region 7	15-P-0215			X						X
Independent Environmental Sampling Shows Some Properties Designated by EPA as Available for Use Had Some Contamination	15-P-0221			X						
Improvements Needed by EPA to Reduce Risk in Employee Hiring Process	15-P-0253									X
Follow-Up Report: EPA Proposes to Streamline the Review, Management and Disposal of Hazardous Waste Pharmaceuticals	15-P-0260		X		X					
Response to Congressional Request Concerning Political Interference in Release of Documents Under the Freedom of Information Act	15-N-0261									X
EPA Can Increase Impact of Environmental Justice on Agency Rulemaking by Meeting Commitments and Measuring Adherence to Guidance	15-P-0274							X		
EPA Needs Accurate Data on Results of Pollution Prevention Grants to Maintain Program Integrity and Measure Effectiveness of Grants	15-P-0276				X					
EPA Can Reduce Risk of Undetected Clean Air Act Violations Through Better Monitoring of Settlement Agreements	15-P-0277	X				X				
EPA's Presidential Green Chemistry Challenge Awards Program Lacks Adequate Support and Transparency and Should Be Assessed for Continuation	15-P-0279				X					
EPA Needs to Track Whether Its Major Municipal Settlements for Combined Sewer Overflows Benefit Water Quality	15-P-0280		X					X		
Incomplete Contractor Systems Inventory and a Lack of Oversight Limit EPA's Ability to Facilitate IT Governance	15-P-0290									X
EPA Needs to Improve Recording Information Technology Investments and Issue a Policy Covering All Investments	15-P-0292									X
EPA Not Fully Compliant With Overtime Policies	15-P-0293									X



OIG Report	Report No.	Climate Change/ Air Quality	Protecting America's Waters	Cleaning Communities/ Sustainable Development	Safe Chemicals/ Preventing Pollution	Enforcing Laws/ Ensuring Compliance	Working Toward Sustainable Future	Making Difference in Communities	State, Tribal, Local and International Partnerships	Embracing EPA as High-Performing Organization
EPA Needs Better Management Controls for Approval of Employee Travel	15-P-0294									X
EPA Needs to Improve the Recognition and Administration of Cloud Services for the Office of Water's Permit Management Oversight System	15-P-0295									X
Early Warning Report: EPA Region 9 Should Withhold Award of the Fiscal Year 2015 Drinking Water State Revolving Fund Grant to the Hawaii Department of Health	15-P-0298		X						X	
Unused Earmark Funds for Water Projects Totaling \$6.2 Million Could Be Put to Better Use	15-P-0299		X							X
EPA Should Collect Full Costs for Its Interagency Agreements and Report Full Costs for Great Lakes Legacy Act Project Agreements	15-P-0300		X							X
<b>Totals</b>		<b>4</b>	<b>8</b>	<b>8</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>5</b>	<b>3</b>	<b>19</b>

# Scoreboard of Results

The information below shows the taxpayers' return on investment for the work performed by the EPA OIG during FY 2015 compared to FY 2015 annual performance goal targets. All results reported are based on goals and plans established based on the Government Performance and Results Act.

<b>Annual Performance Goal 1: Environmental and business outcome actions taken or realized by the EPA (based on OIG recommendations)</b>	
<b>Target: 268</b> <b>Reported: 296</b> (110% of goal)	<b>Supporting measures</b> 285 Environmental and management actions implemented or improvements made 8 Critical congressional and public concerns addressed 3 Legislative or regulatory changes made
<b>Annual Performance Goal 2: OIG environmental and business output recommendations, awareness briefing or testimony (for agency action)</b>	
<b>Target: 967</b> <b>Reported: 1,110</b> (114% of goal)	<b>Supporting measures</b> 474 Environmental and management recommendations or referrals for action 11 Environmental and management certifications, verifications and validations 33 Environmental and management risks and vulnerabilities identified 105 External awareness briefings, training or testimony given 481 OIG-identified findings in external report impacting (1) EPA and (2) OIG reviews of external policies, directives, legislation or regulations. 6 Congressional testimonies presented
<b>Annual Performance Goal 3: Monetary return on investment – potential monetary return on investment as percentage of budget</b>	
<b>Target: 220% return on investment</b> <b>Reported: \$852 million</b> (1,656% return on investment)	<b>Supporting measures (dollars in millions)</b> \$43.4 Questioned costs \$87.8 Recommended efficiencies \$595.2 Costs saved or avoided \$10.8 Fines, penalties, settlements and restitutions resulting from EPA OIG investigations \$115.3 Fines, penalties, settlements and restitutions resulting from joint investigations between EPA OIG and other federal entities
<b>Annual Performance Goal 4: Criminal, civil and administrative actions reducing risk or loss/operational integrity</b>	
<b>Target: 175</b> <b>Reported: 304</b> (174% of goal)	<b>Supporting measures</b> 28 Criminal convictions 21 Indictments, informations and complaints 4 Civil actions 68 Administrative actions (other than debarments or suspensions) 32 Suspension or debarment actions 11 Allegations disproved 140 Fraud briefings
<b>Other (no targets established)</b>	
<b>Savings and recommendations sustained from current and prior periods:</b> <ul style="list-style-type: none"> <li>\$9.22 million in questioned costs sustained</li> <li>\$14.28 million in cost efficiencies sustained or realized</li> <li>393 recommendations sustained (80% of recommendations issued)</li> </ul> <b>Reports Issued:</b> <ul style="list-style-type: none"> <li>66 reports issued by EPA OIG.</li> <li>246 issued by Single Auditors.</li> </ul>	

Sources: OIG Performance Measurement and Results System and Inspector General Enterprise Management System.

# Congressional Activities

## *Testimony*

### **Inspector General Testifies on Oversight of EPA and CSB**

On April 14, 2015, Inspector General Arthur A. Elkins Jr. testified before the U.S. Senate Committee on Environment and Public Works, Subcommittee on Superfund, Waste Management, and Regulatory Oversight, on [\*Management and Performance Oversight by the Office of Inspector General for the EPA and CSB\*](#). The Inspector General noted that in FY 2014 the EPA OIG identified \$54.5 million in questioned costs; \$321.7 million in recommended efficiencies and costs saved; and \$3.8 million in fines, penalties, settlements and restitutions.

The Inspector General told the subcommittee about reports the OIG had underway, on such topics as hiring authority, preserving text messages, use of scientific equipment, potential mining impacts in Alaska, and hydraulic fracturing. Mr. Elkins also briefed the subcommittee on various ongoing investigations. In addition, Mr. Elkins discussed impediments the EPA OIG continues to face regarding the EPA's Office of Homeland Security, including issues related to access to information and the fact that the Office of Homeland Security continues to have a criminal investigator even though the office lacks any investigative authority. "These are important impediment issues that we have not yet resolved with the EPA," Mr. Elkins noted. The Inspector General testified further on these issues before a U.S. House of Representatives committee (see below).

### **Inspector General Testifies on Impediments With Office of Homeland Security**

On April 30, 2015, Inspector General Elkins testified before the U.S. House of Representatives Committee on Oversight and Government Reform on [\*Ongoing Negotiations Regarding Impediments to Full Inspector General Access With the Office of Homeland Security and Importance of Timely Reporting of Employee Misconduct\*](#). Back in September 2014, Mr. Elkins had testified about problems the OIG was having in gaining access to information the Office of Homeland Security considered "intelligence." Mr. Elkins said that, following negotiations, it was agreed all activities would be shared with the OIG if the OIG sought access or an issue is within OIG purview. However, the Inspector General noted there was still concern about information not being shared. Mr. Elkins also talked briefly about employee misconduct at the EPA, on which the OIG's Assistant Inspector General for Investigations testified further at the same hearing (see below).

In his concluding remarks, Mr. Elkins noted that while this was not the first time he had testified about impediments, and "considering that these issues remain unresolved, I question the priority or the sense of urgency placed on resolution, on the part of agency

leadership, to move beyond the current status quo. Cooperation, unlimited access and immediately reporting fraud, waste and abuse to the OIG are necessary tools that enable an OIG to fully accomplish its mission.... It is essential that the tenets of the statute directing the OIG's work remain intact, well supported, and not subject to arbitrary revisions by agency heads.”

### **Assistant Inspector General for Investigations Testifies on Employee Misconduct**

On April 30, 2015, after testimony by Inspector General Elkins, EPA OIG Assistant Inspector General for Investigations Patrick Sullivan testified before the U.S. House of Representatives' Committee on Oversight and Government Reform on [Employee Misconduct at the U.S. Environmental Protection Agency](#). His testimony discussed several cases of EPA employees who downloaded pornography on government-issued computers. One EPA employee admitted to viewing and downloading pornographic material for approximately 2 to 6 hours daily over a period of several years. A second employee admitted to viewing pornography 1 to 4 hours a day; this employee's actions were identified after a child who was visiting the office during the EPA's "Bring Your Daughters and Sons to Work Day" witnessed the employee viewing pornography. A third employee admitted to downloading child pornography on a work computer.

Mr. Sullivan also testified on allegations involving a former acting Associate Administrator for the Office of Homeland Security. It was found that this employee had engaged in a series of inappropriate and unwelcome interactions with a 21-year-old female intern from another government entity, engaged in exchanges considered to be unwelcome by 16 additional females, and was not in compliance with building entry security procedures. Further, Mr. Sullivan noted a lack of due diligence by other senior-level officials at the EPA in responding to earlier claims of unwelcome conduct involving this employee, and how the OIG's investigation was negatively impacted and delayed due to the fact that these senior officials did not notify the OIG about their knowledge of alleged incidents of the employee's inappropriate behavior toward women. The employee retired in January 2015 prior to administrative action being taken.

## **Briefings**

### **Frequent Briefings Provided to Congress**

During this reporting period, the OIG provided more than 20 briefings to Congress on the OIG's work. We regularly offered general overviews on our work and more focused presentations on individual topics. For example, as a result of recent changes in the 114<sup>th</sup> Congress, the OIG was asked by certain congressional leadership and staff to highlight its significant work. Committee and member staff also requested specific information and often provided input on major OIG work, such as our ongoing preliminary review that will determine the cause of, and the EPA's response to, a spill of

heavy metals that was released in August 2015 from the Gold King Mine into a tributary to the Animas River in Colorado.

Additional OIG work receiving much congressional interest included the ongoing assessment of whether the EPA adhered to laws, regulations and procedures in developing its assessment of potential mining impacts on ecosystems in Bristol Bay, Alaska. Partly as a result of the April 2015 hearings, Congress expressed its longstanding concern regarding the sharing of information on EPA employee misconduct between the OIG and the agency, as well as information related to EPA's Office of Homeland Security. The OIG's ongoing audit on the EPA's processes for preserving text messages also generated much congressional interest.

We briefed committee staff on findings and recommendations related to the OIG's review on the EPA's protection of water resources from the potential impacts of hydraulic fracturing. We also briefed legislative staff on work related to the agency's Drinking Water State Revolving Fund projects, including an FY 2015 grant to the Hawaii Department of Health. During this reporting period, the OIG also received many congressional requests for specific data.

Our work related to the CSB, for which we also serve as the OIG, likewise continued to garner informational requests from Congress.

### ***Congressionally Requested Audit and Evaluation Reports***

#### **Response to Congressional Request Concerning Political Interference in Release of Documents Under the Freedom of Information Act**

Report No. [15-N-0261](#), issued August 20, 2015

We did not find any indications of political interference or delay in the release of Freedom of Information Act documents. In June 2015, we received a congressional request to look into whether involvement of non-career EPA officials (political appointees) occurred and resulted in undue delay of responses to Freedom of Information Act requests or the withholding of any documents. According to the EPA, while there have been delays in responding to Freedom of Information Act requests, those delays were generally due to the complexity or volume of information requested. As part of the congressional request, we also sought written certification from the EPA's Chief Freedom of Information Act Officer that no non-career officials were involved in responding to requests or, if such involvement occurred, that it never resulted in an undue delay or withholding of information. However, this EPA official stated, "I do not consider this request to be feasible because non-career employees have FOIA [Freedom of Information Act] responsibilities just like career employees," and thus did not provide the certification.

**EPA Not Fully Compliant With Overtime Policies**

Report No. [15-P-0293](#), issued September 22, 2015

On April 9, 2014, the OIG received a congressional request to examine various issues regarding how the agency documents and manages overtime. In FYs 2012 and 2013 combined, overtime costs totaled about \$8 million. We found that the EPA has established policies but, based on a limited sample, did not always use the *Request for Overtime Authorization* form for overtime requests and authorizations as required, and even when the form was prepared the overtime hours were not always approved in advance. Also, the EPA did not always maintain the forms in accordance with EPA records management requirements. The agency agreed to act on our recommendations.

**Reviews Completed Involving Time and Attendance, Statutory Pay, Vetting Processing During Hiring, and Approval of Travel**

Following an August 27, 2013, congressional request, we initiated work in connection with fraud committed by a former EPA employee—John C. Beale, who had been a Senior Policy Advisor in the Office of Air and Radiation. In particular, the committee member asked the OIG to determine EPA policies and processes that “facilitated” Beale’s fraud. In connection with this request, we completed reviews during the semiannual reporting period related to time and attendance, statutory pay, the vetting process during hiring, and approval of employee travel.

- **Time and Attendance Fraud Not Identified for Employees on Extended Absence, But Matters of Concern Brought to EPA’s Attention**

Report No. [15-P-0167](#), issued June 15, 2015

Our audit did not identify any instances of time and attendance fraud for employees receiving salary payments while absent from their duties for an extended period of time. However, we identified time card errors for three employees, use of a personal computer to conduct official work by one individual, and potentially unsafe telework space conditions for three employees doing fulltime reasonable accommodation telework. We made various recommendations, and the agency initiated corrective actions.

- **Improvements Needed to Ensure EPA Terminates Exceptions to Biweekly Pay Limits at Completion of Emergency Response Work**

Report No. [15-P-0170](#), issued June 19, 2015

Our audit found that annual basic and aggregate pay received by EPA and OIG employees were within the applicable statutory pay limits for the period sampled. However, we found that the EPA made payments totaling \$4,141 to four employees in excess of biweekly pay limits because authorized exemptions were

not terminated at the end of emergency response work performed by those employees. As recommended, the EPA recovered the \$4,141 and agreed to establish improved internal controls.

- **Improvements Needed by EPA to Reduce Risk in Employee Hiring Process**

Report No. [15-P-0253](#), issued August 3, 2015

The EPA has a multi-step hiring process and written procedures to ensure quality in the hiring process, and performs some verification of an applicant's assertions during the pre-employment hiring process. However, we found that during the pre-employment phase, the EPA does not confirm employees' assertions or prior employment or awards/professional certifications, nor does it document any reference checks (although the EPA does verify the academic credentials for jobs with a positive education requirement). Without verification of prior employment or references, the potential exists that the EPA will not hire the best possible staff, or will hire an employee based on false statements. The agency agreed to take recommended corrective actions.

- **EPA Needs Better Management Controls for Approval of Employee Travel**

Report No. [15-P-0294](#), issued September 22, 2015

Our analysis of randomly selected travel vouchers for EPA employees disclosed significant issues with travel by a former Region 9 Administrator, as well as other weaknesses agencywide. From FY 2007 to January 2009, the former Region 9 Administrator made 51 trips to Orange County/Los Angeles County, California, near his residence, at a cost of approximately \$69,000. The Region 9 headquarters is in San Francisco. Comparison with other Region 9 Administrator travel calls into question whether the extent of the travel was essential to performance of the agency mission. For other EPA employees reviewed, our randomly selected analysis noted inadequate or no justification being provided for certain lodgings above per diem rates, a lack of trip reports for international travel, and vouchers not being submitted within the required timeframes. We made various recommendations to address the issues noted, including obtaining repayment from the former Region 9 Administrator for any ineligible travel expenses, and the agency concurred.



# Impediments to OIG Efforts

## Office of Homeland Security Continues to Block Access

In the OIG's previous *Semiannual Report to Congress*, we reported that the EPA's Office of Homeland Security continued to deny the OIG access to information sought to investigate threats against EPA employees and facilities; misconduct; and computer intrusions. At that time, the agency and the OIG had agreed that there is no category of activity at the EPA—including in the Office of Homeland Security—to which the OIG does not have unfettered access, as provided by the Inspector General Act. Additionally, Federal Bureau of Investigation senior management had indicated that it does not require the withholding of information from the OIG.

Since then, the Inspector General and Assistant Inspector General for Investigations testified about this ongoing situation before a House committee, and the Inspector General also testified about it before a Senate subcommittee. Later, on July 7, 2015, EPA Administrator Gina McCarthy sent Inspector General Elkins a letter assuring him that the OIG would have access to all cases and documents we had been seeking from the EPA's Office of Homeland Security. She stated that she had instructed the Office of Homeland Security to provide the OIG "all information within its possession." The OIG's Assistant Inspector General for Investigations immediately followed up on that directive by requesting that the OIG's investigators be given prompt access to the documents sought.

After considerable delay, on August 21, 2015, the Office of Homeland Security provided the OIG some documents but since has continued to deny access to others. Agency officials again told the OIG that the Office of Homeland Security is precluded from providing the documents because Office of Homeland Security employees signed non-disclosure agreements with the Federal Bureau of Investigation.

## Whistleblower Ombudsman Certification Still Not Sought by Agency

The U.S. Office of Special Counsel maintains a program that certifies a federal agency's compliance with training and awareness provisions of the Whistleblower Protection Act if the agency meets five requirements. Under the Whistleblower Protection Enhancement Act of 2012 (Public Law No. 112-199), OIGs have responsibility for educating employees about whistleblower protections, rights and remedies. In this role, the EPA OIG provides ongoing outreach to agency personnel. However, as reported in our last *Semiannual Report to Congress*, the agency, not the OIG, must take the steps outlined to receive the Office of Special Counsel's certification. While the OIG has requested that the agency take those steps, as reported previously, it still has not happened.

## Actions Taken on Prior Reports Result in Improved Efficiencies and Environmental Benefits

The EPA has taken a number of corrective actions based on audit and evaluation reports we had issued in prior semiannual reporting periods. Examples follow.

**Report No. [14-P-0171](#), *EPA Needs to Continue to Improve Controls for Improper Payment Identification*, issued April 10, 2014.** The EPA took substantial corrective actions to identify improper payments and track the recovery of overpayments. We identified fewer misstatements in the EPA's agency financial report in FY 2015 compared to prior years. The EPA's implementation of our previous recommendations contributed to more accurate identification of improper payments and improved tracking of the recovery of overpayments. This action benefits the agency's environmental programs by assuring millions of dollars are expended for the proper purposes.

**Report No. [12-P-0508](#), *EPA Inaction in Identifying Hazardous Waste Pharmaceuticals May Result in Unsafe Disposal*, issued May 25, 2012.** Referencing the OIG report, the EPA proposed a rule for the management of hazardous waste pharmaceuticals. The EPA estimates that the proposed rule will lead to the diversion of approximately 6,440 tons annually of hazardous waste pharmaceuticals from sewer disposal to alternate forms of disposal. This reduction likely will reduce the concentration of active pharmaceutical ingredients in the nation's waterways, potentially benefiting both ecosystems and human populations. Also, according to the EPA, \$24.3 million in potential cost savings may be achieved with full compliance.

**Report No. [10-P-0081](#), *EPA Needs Procedures to Address Delayed Earmark Projects*, issued March 22, 2010.** Based on our recommendation, the agency implemented a policy to reduce the number of unobligated and unliquidated grants. Since the implementation of that policy, the EPA has put \$570.9 million to better use by either having the funds be used for water and wastewater facilities as intended or, with congressional rescission, having it returned to the U.S. Treasury.

**Report No. [13-P-0161](#), *EPA Needs to Improve Air Emissions Data for the Oil and Natural Gas Production Sector*, issued February 20, 2013.** To address a recommendation in our report, the EPA released a tool for estimating nonpoint source emissions resulting from oil and gas production. The agency publicly released a draft version to the public, solicited public comments, incorporated public comments as appropriate, and then released the final tool along with the user's guide.

**Report No. [14-P-0128](#), *Ineffective Oversight of Purchase Cards Results in Inappropriate Purchases at EPA*, issued March 4, 2014.** On August 1, 2015, the EPA's Office of Acquisition Management implemented the automated purchase card management system—PaymentNet—to enhance purchase card program oversight and internal controls of the \$30 million purchase card program supporting the agency's environmental operations. The automated system allows virtual purchase card transaction reviews of all cardholder activity. In the past, records of cardholder activity were decentralized and difficult to review so problems were not easy to determine.

# OIG Identifies Funds to Put to Better Use and Potential Health and Environment Concerns

During the semiannual reporting period, a number of reports that we issued noted instances of funds that could be put to better use. Examples follow.

- We estimate that the agency potentially could have recovered an additional \$5.4 million for interagency agreements examined related to improving water quality for the Great Lakes if the EPA had included appropriate indirect costs in agreed-upon cost estimates. (Report No. [15-P-0300](#))
- Due to a Notice of Noncompliance issued to the Hawaii Department of Health and lack of adequate progress on a corrective action plan, we recommended that the EPA withhold from Hawaii about \$8.8 million in FY 2015 Drinking Water State Revolving Fund capitalization grant funds, and the agency agreed. (Report No. [15-P-0298](#))
- EPA oversight of grant monitoring reviews did not protect \$507,168 in taxpayer money, and the agency agreed to follow up with each grant recipient to request additional documentation to support potentially unallowable costs that we questioned. (Report No. [15-P-0166](#))
- The Walker River Paiute Tribe, located in midwestern Nevada, did not comply with federal regulations, and we identified \$994,963 in questioned costs. As a result of our report, the agency has not accepted any claimed costs from the tribe and plans to determine whether costs paid should be refunded or used as credit for future cost claims. (Report No. [15-P-0165](#))

## ***Did you know?***

Entities that receive federal funds—including states, local governments and not-for-profit organizations—are subject to audit requirements commonly referred to as “single audits” under the Single Audit Act of 1984, as amended in 1996. The act provides that grantees are subject to one annual comprehensive audit of all of their federal programs versus separate audits of each federal program, hence the term “single audit.” Federal agencies rely upon the results of the single audit when performing their grants management oversight of these entities. The EPA OIG provides an important customer service to the agency by reviewing single audits and identifying potential cost savings.

In addition, we found instances in which the EPA can better protect human health and the environment. For example:

- Agency oversight of the U.S. Virgin Islands did not ensure that program requirements for numerous activities related to air, water and land protection—including monitoring the water quality at its beaches—were being met. The

deficiencies noted placed the public and environment at increased risk by allowing unmonitored or excess pollutants. (Report No. [15-P-0137](#))

- EPA Region 8 was not conducting inspections at establishments that produce pesticides in North Dakota, and the state itself did not have a state inspector with qualifications equivalent to a federal inspector to conduct inspections on the EPA's behalf. Consequently, federal inspections of establishments that produce pesticides in North Dakota have not occurred for 14 years, which may result in exposure to unsafe pesticides. In response to our report, EPA Region 8 stated that it would immediately coordinate with North Dakota to ensure relevant inspections are conducted. (Report No. [15-P-0099](#))
- The EPA's Alternative Asbestos Control Method experiments showed that, under the agency's asbestos demolition standard, demolishing buildings that are structurally unsound and in imminent danger of collapse can release enough asbestos into the environment to pose a potential risk to human health. (Report No. [15-P-0168](#))

Further details on these issues are in the "Significant OIG Activity" section.

# Follow-Up Important Aspect of OIG Efforts

For audit and evaluation efforts to be effective, it is important for an OIG to follow up on certain previously issued reports to ensure that appropriate and effective corrective actions have been taken. For the following 14 audit and evaluation reports issued during the semiannual reporting period ending September 30, 2015, our review included follow-up on prior audits and evaluations.

Report No.	Report Title	Date
<a href="#">15-P-0152</a>	EPA Complied With Improper Payment Legislation, But Opportunities for Improvement Exist	May 1, 2015
<a href="#">15-P-0153</a>	CSB Complied With Reporting Requirements of the Improper Payments Elimination and Recovery Act for Fiscal Year 2014	May 1, 2015
<a href="#">15-P-0166</a>	Improved Oversight of EPA's Grant Monitoring Program Will Decrease the Risk of Improper Payments	June 11, 2015
<a href="#">15-P-0167</a>	Time and Attendance Fraud Not Identified for Employees on Extended Absence, But Matters of Concern Brought to EPA's Attention	June 15, 2015
<a href="#">15-P-0170</a>	Improvements Needed to Ensure EPA Terminates Exceptions to Biweekly Pay Limits at Completion of Emergency Response Work	June 19, 2015
<a href="#">15-1-0180</a>	Fiscal Years 2013 and 2012 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund	July 10, 2015
<a href="#">15-1-0181</a>	Fiscal Years 2013 and 2012 Financial Statements for the Pesticide Registration Fund	July 10, 2015
<a href="#">15-P-0215</a>	Internal Controls Needed to Control Costs of Superfund Technical Assessment & Response Team Contracts, as Exemplified in Region 7	July 20, 2015
<a href="#">15-P-0245</a>	CSB Needs to Improve Its Acquisition Approvals and Other Processes to Ensure Best Value for Taxpayers	July 31, 2015
<a href="#">15-P-0260</a>	Follow-Up Report: EPA Proposes to Streamline the Review, Management and Disposal of Hazardous Waste Pharmaceuticals	August 19, 2015
<a href="#">15-P-0290</a>	Incomplete Contractor Systems Inventory and a Lack of Oversight Limit EPA's Ability to Facilitate IT Governance	September 21, 2015
<a href="#">15-P-0294</a>	EPA Needs Better Management Controls for Approval of Employee Travel	September 22, 2015
<a href="#">15-P-0295</a>	EPA Needs to Improve the Recognition and Administration of Cloud Services for the Office of Water's Permit Management Oversight System	September 24, 2015
<a href="#">15-P-0299</a>	Unused Earmark Funds for Water Projects Totaling \$6.2 Million Could Be Put to Better Use	September 30, 2015

# Agency Best Practices Noted

During the semiannual reporting period, several reports that we issued highlighted agency “best practices” of value to other components in the agency. Examples follow.

- EPA Region 2 conducted a review of a nonprofit grant recipient to determine whether costs are allowable, allocable and reasonable. The recipient was not in compliance with EPA grant requirements for documenting policies, procedures and drawdown costs, and Region 2 disallowed the costs and placed the recipient in the high-risk category. Region 2 also provided the nonprofit grant recipient with guidance for developing a successful grants management system that included guidance on personnel, fringe benefits, and timekeeping, as well as templates, to help the recipient draft procedures. Region 2 conducted extensive follow-up on this review, and the region’s attention to detail helped to ensure taxpayer dollars are protected and used for the correct purposes of improving the environment. This is a best practice that is being considered by other regions. (Report No. [15-P-0166](#))
- The EPA’s Office of Enforcement and Compliance Assurance is beginning to use EPA’s GeoPlatform tool in conjunction with data from the “EJSCREEN” tool to produce better air toxics targeting tools to facilitate environmental justice for EPA regions. The EPA’s GeoPlatform is a Web-based geographic information system tool that the agency launched in May 2012 which allows EPA staff to build custom maps by adding any of the thousands of available data layers to GeoPlatform base maps. It also allows agency staff to easily share completed mapping products with other EPA users. Other EPA offices could consider using this best practice. (Report No. [15-P-0101](#))
- Long-term risks at closed Resource Conservation and Recovery Act hazardous waste disposal units with waste left in place are partly addressed by legal and operational safeguards. For example, regulations require that the implementing authority—which in most cases is a state environmental director—make a site-specific determination on whether unacceptable risks remain at the end of the planned post-closure care period. In addition, the act provides a safeguard through corrective actions and other enforcement authorities that the EPA and authorized states can use to address cleanup needs at facilities undergoing post-closure care. Some states have exercised their authority, extending post-closure care and associated financial assurance when unacceptable risks remain, and other states should consider doing the same. (Report No. [15-P-0169](#))



# Significant OIG Activity

## Human Health and Environment Issues

### Enhanced EPA Oversight and Action Can Further Protect Water Resources From the Potential Impacts of Hydraulic Fracturing

Report No. [15-P-0204](#), issued July 16, 2015

Since 2007, the EPA, states and other stakeholders have established regulations, policy, guidance, industry standards and recommended practices to manage impacts to water resources from unconventional oil and gas development activities, such as hydraulic fracturing. Our review identified two areas where the EPA needs to improve. First, the EPA needs to improve oversight of permit issuance for hydraulic fracturing using diesel fuels, and address any related compliance issues. Evidence shows that companies have used diesel fuels during hydraulic fracturing without necessary EPA or state permits. Second, the EPA needs to develop a plan for responding to the public's concerns about chemicals used in hydraulic fracturing. In May 2014, the EPA initiated a

[Click here](#) for a podcast on our hydraulic fracturing report.



Example of a hydraulic fracturing site located in the Marcellus Shale. (EPA photo)

process to evaluate whether to establish federal requirements for chemical disclosure, but the agency had not yet developed a plan of action. We recommended that the agency determine whether primacy states and tribes issue permits for the use of diesel fuels as required, and address any compliance issues. Further, we recommended that the EPA establish and publish a plan with milestone dates for determining whether to propose a chemical disclosure rule to help address public concerns on hydraulic fracturing chemicals. The EPA either agreed with our recommendations or proposed sufficient alternative actions.

### Conditions in the U.S. Virgin Islands Warrant EPA Withdrawing Approval and Taking Over Management of Some Environmental Programs and Improving Oversight of Others

Report No. [15-P-0137](#), issued April 17, 2015

The U.S. Virgin Islands has not met program requirements for numerous activities related to programs for protecting air, land and water. These activities included monitoring environmental conditions, conducting compliance inspections and enforcing program requirements. The poor management endangered public health and the environment, including protection of the islands' beaches, a key facet of the islands'

[Click here](#) for a podcast on our U.S. Virgin Islands report.

tourist economy. The deficiencies noted place the public and environment at increased risk by allowing unmonitored excess pollutants into the air, land, surface waters and



A bird's-eye view of Hurricane Hole in Virgin Islands' Coral Reef National Monument, showing protected bays and coastlines fringed by mangroves. (U.S. Geological Survey photo)

drinking waters. The EPA awards over \$2 million a year in grant funds to support the U.S. Virgin Islands' continuing environmental programs. We were asked to look at this territory's controls by EPA Region 2 due to the region's longstanding concerns with the territory's financial systems and program implementation. We made 19 recommendations to EPA Region 2, ranging from beginning withdrawal of the U.S. Virgin Islands' authority for implementing EPA-authorized programs to providing additional EPA oversight, and the region agreed to take sufficient corrective actions.

### **EPA's Oversight of State Pesticide Inspections Needs Improvements to Better Ensure Safeguards for Workers, Public and Environment Are Enforced**

Report No. [15-P-0156](#), issued May 15, 2015

Improvements in the EPA review process for pesticide inspection reports for states will increase assurance that state inspections are preventing unreasonable risk to human health and the environment from pesticides. The regions we reviewed did not consistently document or retain evidence of the quality of state-performed Worker Protection Standards and certification inspections aimed to protect agricultural workers from the effects of pesticide exposure. We found it difficult to analyze EPA project officer oversight reviews for adequacy because of an overall lack of records and transparency on how issues associated with state inspections are addressed. Weaknesses occurred due to inadequate guidance and training. We recommended that the EPA revise guidance to include specific requirements for selecting inspections; reporting, documenting and retaining inspection review records; and communicating results. The agency agreed with our recommendations.



A Worker Protection Standard-compliant warning sign. (From EPA website)

### **EPA Can Reduce Risk of Undetected Clean Air Act Violations Through Better Monitoring of Settlement Agreements**

Report No. [15-P-0277](#), issued September 10, 2015

For the three consent decrees reviewed involving Clean Air Act violations, we found that the EPA had not ensured the facilities were complying with several key terms of the decrees. A consent decree is a legal settlement contained in a court order where a person or company agrees to take specific actions. The EPA has entered into multi-year consent



A sulfuric acid plant. (EPA photo)

decrees with facilities involving millions of dollars in pollution control equipment, penalties and supplemental environmental projects. Adequate tracking by the EPA of consent decree compliance reduces the risk of violations going undetected, which could impact human health and the environment. For the three consent decrees reviewed (involving a cement manufacturer, a coal-fired electric utility and a sulfuric acid production facility), EPA regional enforcement files were missing

key consent decree deliverables as well as other required documents. Also, consent decree requirements were not always incorporated into facility permits, and potential violations were not addressed. We made various recommendations, including a need to update and reissue guidance and a need to require the use of a monitoring system to track consent decree compliance. The agency agreed with some recommendations but others remain unresolved.

### **EPA Should Update Guidance to Address the Release of Potentially Harmful Quantities of Asbestos That Can Occur Under EPA’s Asbestos Demolition Standard**

Report No. [15-P-0168](#), issued June 16, 2015

Under the EPA’s asbestos demolition standard, demolished buildings that are structurally unsound and in imminent danger of collapse nonetheless can release enough asbestos into the environment to pose a potential risk to human health.

The EPA’s Alternative Asbestos Control Method experiments to assess the amount of asbestos released into the environment show that under the EPA’s Asbestos National Emission Standards for Hazardous Air Pollutants, the demolition of such buildings that are constructed with an asbestos-containing joint compound can release significant amounts of asbestos into runoff wastewater. The untreated discharge of runoff

[Click here](#) for a podcast on our asbestos demolition standard report.

wastewater, which often can exceed the legally reportable quantity for asbestos, can contaminate the soil at the site or the water into which it is discharged. Asbestos demolitions could require notifying the National Response Center if a release into the environment occurs, after which the EPA will need to determine the seriousness of the release and the need for an immediate response or cleanup. The agency agreed that its guidance in the area reviewed was “dated and disparate” and proposed alternative corrective actions for updating guidance, which we accepted.



Demolition and wetting of an Alternative Asbestos Control Method building. (EPA photo)

## EPA Does Not Effectively Control or Monitor Imports of Hazardous Waste

Report No. [15-P-0172](#), issued July 6, 2015

The EPA lacks explicit authority to block imported shipments of hazardous waste that lack prior EPA consent. This situation could lead to improper handling and disposal, resulting in unknown human and environmental exposure to toxic substances, including solvents, mercury, or lead. According to data from the EPA's 2011 Biennial Report, hazardous waste treatment/storage/disposal facilities in the United States receive and manage approximately 90,000 tons of hazardous waste annually from at least

[Click here](#) for a podcast on our hazardous waste imports report.



An OIG-prepared map showing hazardous waste imports, based on OIG analysis of the EPA's 2011 Biennial Report data. The map excludes approximately 9,000 tons reported without an importing country identified.

eight foreign countries. However, based on our assessment of data in EPA information systems, the EPA has an incomplete picture of hazardous waste entering the country. Also, the EPA does not review manifests or data to identify regulatory violations and pursue appropriate enforcement actions consistent with federal laws. We made recommendations to the EPA to implement controls to ensure identification and tracking of all hazardous waste import shipments, and to develop procedures to identify and pursue administrative and enforcement actions when appropriate. After some revisions, the agency agreed with all our recommendations.

## EPA Needs to Track Whether Its Major Municipal Settlements for Combined Sewer Overflows Meet Their Environmental Objectives

Report No. [15-P-0280](#), issued September 16, 2015

We found that some communities under consent decrees for combined sewer overflows are meeting project milestones, and there is evidence that overflows have been reduced. However, the EPA needs to track and assess environmental results, and show how the \$32 billion that communities are spending to address discharges of untreated sewage and contaminated stormwater improves water quality. Without such an assessment, it is unknown whether monies invested in



A faded sign at Proctor Creek in Atlanta, Georgia, warns of combined sewer overflow contamination. (EPA OIG photo)

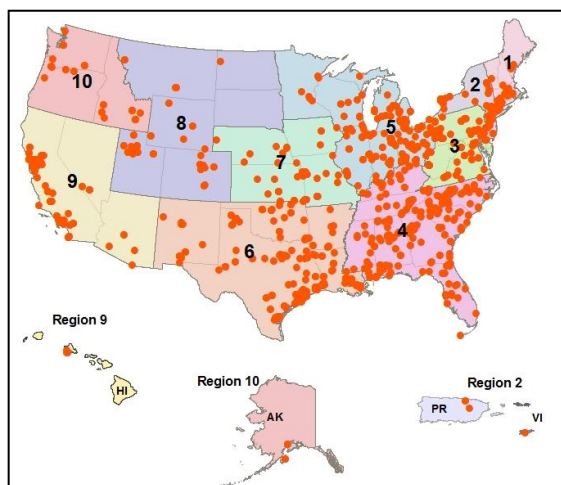


system changes and upgrades actually lead to the water quality improvements that the EPA anticipated, and reported to Congress and the public. We recommended that the EPA develop and report outcome-based goals and measures for combined sewer overflow consent decrees, develop a national consent decree tracking system, develop an Annual Commitment System goal that establishes regional goals for outcome monitoring and reporting, and provide a public website for combined sewer overflow consent decree information. The EPA's corrective action plan met the intent of the report's recommendations, and all recommendations were resolved.

### **Some Safeguards in Place for Long-Term Care of Disposed Hazardous Waste, But Challenges Remain**

Report No. [15-P-0169](#), issued June 17, 2015

We found that long-term risks at closed Resource Conservation and Recovery Act hazardous waste disposal units with waste left in place are partly addressed by legal and operational safeguards. Our evaluation of whether the EPA and 48 authorized states have



Closed hazardous waste disposal units as of October 9, 2014. (EPA OIG-prepared map based on agency information)

safeguards to control long-term risks of hazardous waste disposal beyond the 30-year post-closure care period found that states have exercised their authority, extending post-closure care and associated financial assurance when unacceptable risks remain. However, challenges to long-term care remain. The EPA has not finalized its guidance on criteria for determining whether human health and the environment will be protected if post-closure care ends. Also, 18 states do not have environmental covenant statutes that strengthen controls for long-term protection of land use. Further, the EPA and states will have increased workload as more units reach the end of their expected 30-year post-closure care period. We made various recommendations to address these issues, and the agency provided acceptable corrective action plans.

### **Benefits of EPA Initiative to Promote Renewable Energy on Contaminated Lands Have Not Been Established**

Report No. [15-P-0198](#), issued July 16, 2015

The EPA sets specific goals for its activities related to promoting and providing education and outreach for siting renewable energy on contaminated lands, but does not have a mechanism to measure the outcomes of accomplishing initiative goals or the return on investment realized for activities completed. As a result, the agency is unable to demonstrate benefits realized for the \$4 million it stated it has invested in these efforts



Ground-mounted solar photovoltaic system installed at the Frontier Fertilizer Superfund Site, Davis, California. (EPA photo)

since 2008. In that year, the EPA launched the RE-Powering America's Land initiative, through which the EPA encourages renewable energy development on contaminated lands. Renewable energy is energy obtained from sources that can be continually replenished, such as solar, wind and biomass. We recommended that the EPA determine whether the benefits from its renewable energy promotion efforts demonstrate the value of the RE-Powering initiative. If benefits cannot be demonstrated, the EPA should modify or terminate the program. If the EPA continues with this initiative, it needs

to establish various management controls. The agency provided sufficient planned corrective actions for all our recommendations.

### **EPA Needs Accurate Data on Results of Pollution Prevention Grants to Maintain Program Integrity and Measure Effectiveness of Grants**

Report No. [15-P-0276](#), issued September 4, 2015

The EPA is unable to determine the extent to which pollution prevention grants achieved pollution prevention goals. Neither headquarters nor the regions we reviewed consistently implemented EPA quality control guidance and practices when compiling pollution prevention grant results. Also, we found reporting and transcription errors. The EPA has awarded over \$122 million in pollution prevention grants in the last 26 years. However, inaccurate reporting of results misrepresents the impacts of pollution prevention activities provided to the public, and misinforms EPA management on the effectiveness of its investment in the program. For example, in FY 2011, the regions reported over \$200 million saved by businesses by incorporating pollution prevention practices, but we found that headquarters reduced this amount by 58 percent. We made various recommendations to the EPA, including implementing a "GrantsPlus" database and developing controls to ensure accurate reporting of regional results to headquarters. The EPA agreed with all our recommendations.

#### **Five Pollution Prevention Program Priority National Focus Areas for Grant Activities**

1. Greenhouse gas reduction.
2. Toxic and hazardous materials reduction.
3. Resource conservation.
4. Business efficiency.
5. Pollution prevention integration.

### **EPA's Presidential Green Chemistry Challenge Awards Program Lacks Adequate Support and Transparency and Should Be Assessed for Continuation**

Report No. [15-P-0279](#), issued September 15, 2015

We found that contributions reported from the Presidential Green Chemistry Challenge Awards Program to EPA pollution

[Click here](#) for a podcast on our green chemistry awards report.

prevention results are not adequately supported or transparent. We also found that all award results are self-reported by award recipients and the EPA does not verify or validate the results. The self-reported results are included in the agency's summary of Pollution Prevention Program accomplishments. The awards program promotes the environmental and economic benefits of developing and using green chemistry by recognizing industry



Presidential Green Chemistry Challenge Awards on display. (EPA photo)

innovations, and award results can be significant. However, without data verification and transparency, the EPA risks reporting award results that are unreliable. Recommendations included the agency discontinuing the use of data from the Green Chemistry Awards program in the EPA's Pollution Prevention Program performance metrics until data quality controls are in place, and the EPA assessing the need and value of the awards program. Three recommendations were resolved with planned corrective actions, but six recommendations remained unresolved.

### **EPA Can Increase the Impact of Environmental Justice on Agency Rulemaking by Meeting Commitments and Measuring Adherence to Guidance**

Report No. [15-P-0274](#), issued September 3, 2015

Continuing delays in issuing or finalizing environmental justice guidance limits the EPA's ability to broadly and consistently consider environmental justice during the rulemaking process, potentially impacting susceptible populations at high risk of suffering effects of environmental hazards. Environmental justice is the fair treatment and meaningful involvement of all people with respect to developing, implementing and



Playground near an industrial facility. (EPA photo)

enforcing environmental laws, regulations and policies. The EPA was more than 3 years behind schedule in issuing the final *Action Development Process: Interim Guidance on Considering Environmental Justice During the Development of an Action*. The document was supposed to have been completed by the end of 2011, but had still not been finalized as of the end of May 2015. According to the EPA, delays were due to efforts to address extensive comments received during the internal agency review process. We made various recommendations, with which the agency agreed.



**Follow-Up Report: EPA Proposes to Streamline the Review, Management and Disposal of Hazardous Waste Pharmaceuticals**

Report No. [15-P-0260](#), issued August 19, 2015

Corrective actions taken by the EPA in response to a 2012 OIG report meet the intent of our recommendations to review new and existing pharmaceuticals that may qualify as hazardous waste. The EPA states that it intends to issue a proposed rule, *Management Standards for Hazardous Waste*, which will attempt to streamline the approach to managing and disposing of hazardous and nonhazardous pharmaceutical waste. In March 2015, the Office of Solid Waste and Emergency Response submitted a proposed rule to the U.S. Office of Management and Budget that requests comments on the approaches to review new and existing pharmaceuticals as well as the management and disposal of hazardous waste pharmaceuticals. Therefore, we make no additional recommendations.

**Independent Environmental Sampling Shows Some Properties Designated by EPA as Available for Use Had Some Contamination**

Report No. [15-P-0221](#), issued July 21, 2015

OIG soil sampling at 21 Brownfields and Resource Conservation and Recovery Act sites in four states showed that most sites that had been designated by the EPA as “ready for anticipated use” met the standards to protect human health. Specifically, 241 results, or 95 percent, met the standards. The OIG soil sample results are not EPA-validated data, but are considered screening-level data. We did, however, find that 14 results, or 5 percent, did not meet the standards. This finding was unexpected and could signal a need to implement changes to ensure protection of human health. We recommended that Region 4 (in which we sampled Florida and South Carolina) and Region 6 (in which we sampled Louisiana and Texas) assess the soil sampling results that did not meet the established standards and, if appropriate, take necessary actions. The agency agreed to take sufficient corrective actions.

## Agency Business Practices and Accountability

### Early Warning Report: EPA Region 9 Should Withhold Award of the Fiscal Year 2015 Drinking Water State Revolving Fund Grant to the Hawaii Department of Health

Report No. [15-P-0298](#), issued September 28, 2015

Due to a Notice of Non-Compliance issued to the Hawaii Department of Health and a lack of adequate progress on a corrective action plan, we recommended that the EPA withhold about \$8.8 million in FY 2015 Drinking Water State Revolving Fund capitalization grant funds from Hawaii. During our review, initiated as a result of a hotline complaint, we found that the Hawaii department had not managed the funds in a sound, efficient and prudent manner, and has not committed and expended all funds as efficiently and expeditiously as possible. Although the Hawaii Department of Health in January 2015 had submitted a corrective action plan in response to a Notice of Non-Compliance from EPA Region 9, we found that the department did not sufficiently act on the notice. Following a briefing by the OIG, Region 9 on September 21, 2015, advised the Hawaii Department of Health that the FY 2015 Drinking Water State Revolving Fund capitalization grant would be withheld and that the region may withhold future awards.

Initiated from  
OIG Hotline. The audit  
resulted in potential  
monetary benefits of  
\$8.8 million.

[Click here](#) for a podcast  
on our Hawaii grant  
report.

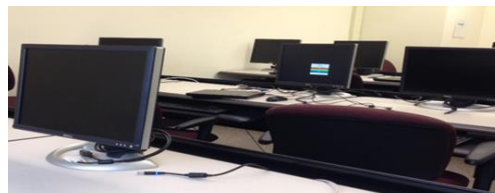
### Unused Earmark Funds for Water Projects Totaling \$6.2 Million Could Be Put to Better Use

Report No. [15-P-0299](#), issued September 30, 2015

Special Appropriations Act Project grants are funds that are specifically identified in the EPA appropriation to be used for defined water and wastewater projects. EPA actions successfully have reduced both the number and dollar amount of grants with unobligated funds (funds available, grants not awarded) and unliquidated grants (grant awarded, funds not spent) in the Special Appropriations Act Project grant program, under which grants have not been awarded since FY 2010. However, we identified \$6.2 million of funds that could be put to better use due to a lack of activity for a number of years. Although these grant funds are available indefinitely, the EPA has a responsibility to ensure timely use of federal funds. Such grant funds either should be used for water and wastewater facility projects as intended or, with congressional rescission, be returned to the U.S. Treasury. The agency agreed to take corrective actions.

**EPA Can Better Assure Continued Operations at National Computer Center Through Complete and Up-to-Date Documentation for Contingency Planning**Report No. [15-P-0136](#), issued April 9, 2015

We found that key EPA National Computer Center and information security system contingency planning documents either were not up to date or did not exist. The center provides the computing and data management support for a significant portion of the agency's information technology applications, and timely recovery of National Computer Center operations from a disaster may be hindered by the lack of documented information needed for the full functioning of all of the center's operations. Three of the center's contingency plans had several required elements missing; for example, the latest version of the center's Disaster Recovery Plan was missing telephone numbers for some points of contact and had incorrect telephone numbers for others. We recommended that the agency develop and implement a process to keep the center's information security contingency planning documents current and take other actions to update information and develop processes. The agency agreed to take sufficient corrective action.



Computers on the EPA's network. (EPA OIG photo)

**Quick Reaction Report: EPA Should Ensure Positions Vacated Under Buyouts Are Eliminated or Properly Filled**Report No. [15-P-0184](#), issued July 14, 2015

Two of four EPA organizations we reviewed correctly used federal authority under the Voluntary Early Retirement Authority and Voluntary Separation Incentive Payment buyout programs by either eliminating vacated positions or filling them using different position descriptions. However, the Office of Environmental Information filled one of its nine vacated positions using the same position description, and Region 8 filled seven of 31 vacated positions using the same position descriptions. The EPA paid a total of \$200,000 in buyouts to employees vacating these eight positions (\$25,000 each), and that funding could represent a lost opportunity to reduce costs or improve mission work. The EPA, which in May 2015 announced plans to hire more than 500 employees by September 2015, agreed to our recommendation to implement controls to prevent positions vacated by buyout programs from being filled with the same position descriptions.

**EPA Should Collect Full Costs for Its Interagency Agreements and Report Full Costs for Great Lakes Legacy Act Project Agreements**Report No. [15-P-0300](#), issued September 30, 2015

EPA project officers did not include indirect costs in agreed-upon cost estimates for interagency agreements involving the agency's Great Lakes National Program Office, or



Kinnickinnic River Legacy Act Cleanup, Milwaukee Estuary Area of Concern. (EPA photo)

use the appropriate cost rate for some agreements. If the agency had included appropriate costs, the EPA potentially could have recovered an additional \$6.4 million. We also found that the EPA did not include other costs in the Great Lakes Legacy Act project agreements, which are cost-sharing agreements between the Great Lakes National Program Office and nonfederal sponsors. If the EPA had reported total project costs, it could have collected the nonfederal sponsors' share of the labor and other costs, which we estimated to be \$2.7 million per year. The agency

concurred with our recommendations for managing the interagency agreements and provided acceptable corrective actions.

### **Walker River Paiute Tribe Needs to Improve Its Internal Controls to Comply With Federal Regulations**

Report No. [15-2-0165](#), issued June 11, 2015

EPA Region 9 was concerned about the Walker River Paiute Tribe's accounting system, along with other issues, and requested our assistance. The tribe is located in midwestern Nevada. Our audit determined that the tribe's accounting system and written policies and procedures complied with federal regulations. However, our testing disclosed multiple instances in which the tribe's actual practices did not comply with federal regulations, resulting in \$994,963 of questioned costs. Our audit also found incomplete grant tasks remaining from an EPA General Assistance Program grant for FYs 2008 through 2012. We recommended that the region disallow and recover unsupported costs of \$841,477, as well as \$151,895 in claimed costs associated with incomplete grant tasks, unless the tribe can provide adequate support. We also recommended recovering ineligible costs of \$1,591, and requiring the tribe to implement better internal controls. The tribe either did not comment on recommendations or did not provide sufficient corrective actions, so our positions remain unchanged.

### **Internal Controls Needed to Control Costs of Superfund Technical Assessment & Response Team Contracts, as Exemplified in Region 7**

Report No. [15-P-0215](#), issued July 20, 2015

EPA Region 7 was not adequately reviewing contractor bills to ensure compliance with its Superfund Technical Assessment & Response Team contract terms. Region 7 awarded this contract in 2013 with a maximum value of \$54 million over several years. We found, based on a limited sample of 10 invoices, unallowable billings of \$82,322. We also found that Region 7 was not adequately monitoring the contractor for compliance with the contract requirements. For example, Region 7 did not sufficiently review contractor invoices. Also, monthly progress reports did not meet contract requirements, contractor billings included double-billed and other unallowable items, staffing plans were not

received as required, adjustment vouchers were not submitted timely, and Statements of Work were too general. We made 26 recommendations, and the agency agreed with most of the recommendations. All are resolved.

### **EPA Needs to Improve Recording Information Technology Investments and Issue a Policy Covering All Investments**

Report No. [15-P-0292](#), September 22, 2015

The EPA's management of \$334 million in information technology investments is noncompliant with its current policy. This situation puts the agency at risk of not managing taxpayer dollars properly. We identified an investment of \$15 million in the FY 2015 budget that was not recorded in the Registry of EPA Applications, Models and Databases. We also found that the Capital Planning and Investment Control process policy did not reflect the EPA's analyses of investments at certain levels. By not having an updated policy to reflect current processes and practices, the EPA increases the risk that its investments are not considered in its analysis and properly reported to the Office of Management and Budget. The EPA agreed with our recommendation to update policies.

### **Incomplete Contractor Systems Inventory and a Lack of Oversight Limit EPA's Ability to Facilitate IT Governance**

Report No. [15-P-0290](#), issued September 21, 2015

The Registry of EPA Applications, Models and Databases did not contain information on 22 contractor systems that are owned or operated on behalf of the EPA and are located outside of the agency's network. The registry also lacked information on 81 internal EPA contractor-supported systems. In addition, personnel with oversight responsibilities for contractor systems were not aware of the requirements outlined in EPA information security procedures. As a result, EPA contractors did not conduct required annual security assessments, provide security assessment results to the agency for review, or establish the required incident response capability. Without required security controls, data breaches costing up to \$12 million could have occurred. The EPA agreed with our recommendations, including the updating of instructions, and provided a corrective action plan.

### **EPA Needs to Improve the Recognition and Administration of Cloud Services for the Office of Water's Permit Management Oversight System**

Report No. [15-P-0295](#), issued September 24, 2015

The EPA is not fully aware of the extent of its use of cloud services for the Office of Water's Permit Management Oversight System, and thereby is missing an opportunity to make the most efficient use of its limited resources regarding cloud-based acquisitions. In addition, inadequate oversight of the system's contractor resulted in inadequate controls over EPA data. The Permit Management Oversight System jeopardized government

transparency by being hosted on an Internet domain registered to a prior contractor, and by allowing the service provider to host system-provided email services that may not be considered when responding to Freedom of Information Act requests. We recommended that the EPA appoint a lead office to evaluate information technology hosting proposals, and develop a cloud system inventory and guidance. The agency agreed with our recommendations, but its corrective actions only partially satisfied the recommendations.

### **Improved Oversight of EPA's Grant Monitoring Program Will Decrease the Risk of Improper Payments**

Report No. [15-P-0166](#), issued June 11, 2015

We found that the EPA's oversight of advanced administrative monitoring of grants (the in-depth assessment of a grant recipient's progress and management of the grant) was not always effective for ensuring grant recipient costs were allowable, allocable and reasonable. EPA guidance and reference materials do not clearly state that advanced administrative monitoring reviews are to assess whether the reviewed costs meet the requirements of applicable federal cost principles. Insufficient oversight of these reviews increases the risk of improper payments, so that the reviews cannot be relied on to accurately identify whether costs are allowable, allocable and reasonable. During our audit, we found that the agency's oversight of advanced administrative monitoring reviews did not protect \$507,168 in taxpayer dollars. We recommended that the agency implement a process to enhance quality-control reviews of advanced administrative monitoring reports, and issue national guidance to EPA Grants Management Offices. The agency agreed with all of the recommendations and provided planned corrective actions with completion dates.



Sulphur Springs City Hall was cleaned up with EPA Brownfields grant funds. (Photo courtesy of city of Sulphur Springs, Texas)

### **EPA Complied With Improper Payment Legislation, But Opportunities for Improvement Exist**

Report No. [15-P-0152](#), issued May 1, 2015

The EPA complied with the Improper Payments Elimination and Recovery Act when reporting improper payments in FY 2014. The EPA took substantial corrective actions during 2014 to identify improper payment and track the recovery of overpayments. However, we found areas in which the EPA can improve its process for identifying and reporting improper payments. The EPA did not consider internal control assessments of



the EPA's payroll and travel payment streams when preparing its qualitative risk assessments. Also, the EPA did not include improper payments made to a former EPA employee, John Beale, who pleaded guilty to the theft of government property in its estimate of improper payments. Further, EPA regional staff did not always complete required fields in transaction testing worksheets, nor identify some required information in program evaluation reports. We made various recommendations to address the issues noted, and the agency agreed to take sufficient corrective actions on all recommendations.

### **Audits of Pesticide Funds Render Clean Opinions**

The OIG conducted required financial statement audits of two EPA pesticide funds, and for both funds we rendered an unmodified, or clean, opinion, meaning the financial statements were fairly presented and free of material misstatement. However, we found a material weakness in internal control for each fund. Specifically:

- **Fiscal Years 2013 and 2012 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund**

Report No. [15-1-0180](#), issued July 10, 2015

This fund is used to collect fees from pesticide manufacturers to enable the agency to reassess the safety of older pesticide registrations against modern health and environmental testing standards. Despite the clean opinion, we noted a material weakness in internal controls in that the EPA could not initially produce accurate, timely and complete financial statements for the fund, which delayed the completion of our required audit. We recommended that the agency improve its process for preparing the fund's statements, and the agency agreed to do so.

- **Fiscal Years 2013 and 2012 Financial Statements for the Pesticide Registration Fund**

Report No. [15-1-0181](#), issued July 10, 2015

To expedite the registration of certain pesticides, Congress authorized the EPA to assess and collect pesticide registration fees. Despite the clean opinion, we also noted for this fund a material weakness in internal controls in that the EPA could not initially produce accurate, timely and complete financial statements for the fund. We recommended that the agency improve its process for preparing this fund's statements as well, and the agency agreed to do so.



## Investigations

### **Duke Energy Subsidiaries Plead Guilty and Sentenced to Pay \$102 Million for Clean Water Act Crimes**

Three subsidiaries of Duke Energy Corporation pleaded guilty to nine criminal violations of the Clean Water Act related to their unlawful discharge of coal ash from their coal-fired plants throughout North Carolina, and were sentenced to pay a \$68 million criminal fine and spend \$34 million on environmental projects and land conservation. The plea occurred in the U.S. District Court of the Eastern District of North Carolina on May 14, 2015.

On February 3, 2014, Duke Energy Progress Inc. had reported the release of coal ash at its Dan River facility in Eden, North Carolina, after an underground storm water drainage pipe burst and released stored coal ash into the river. The investigation, in which the EPA OIG participated extensively, disclosed that additional discharges of coal ash previously had occurred at other Duke plants throughout the state.

*This investigation was conducted jointly with the EPA Criminal Investigation Division, the Internal Revenue Service Criminal Investigation Division and the North Carolina State Bureau of Investigation.*

### **Scientists Sentenced to Prison for Defrauding Research Program**

Two scientists in the Tampa Bay, Florida, area were sentenced to multiyear prison sentences and ordered to pay millions of dollars in restitution for fraudulently obtaining funds through the Small Business Research Innovation Program.

On September 10, 2015, Mahmoud Aldissi and his wife, Anastasia Bogomolova, both Ph.D. scientists, were sentenced to federal prison for 15 years and 13 years, respectively, in the U.S. District Court for the Middle District of Florida. Further, the scientists were ordered to pay a money judgment in the amount of \$10,654,969, representing the proceeds of the crime, and ordered to pay another \$10,654,969 in restitution to the government, for a total of \$21,309,938. The EPA will receive a total of \$394,974 from the restitution paid. An Order of Forfeiture of seized assets for both defendants was included in the judgment. Aldissi and Bogomolova each also received 3 years of probation. The defendants were found guilty of conspiracy to commit wire fraud, aggravated identity theft and falsification of records involving federal investigations.

According to testimony and evidence presented during trial, Aldissi and Bogomolova fraudulently obtained over \$10.5 million in small business research awards from the federal government, including approximately \$400,000 in EPA funds. To obtain these

awards, Aldissi and Bogomolova—through their companies Fractal Systems Inc. and Smart Polymers Research Corporation—submitted proposals to the U.S. government using the stolen identities of real people, including one who was deceased, to create false endorsements for their proposed contracts and grants. In the proposals, they also lied about their facilities, costs, the principal investigator on some of the contracts, and certifications.

*This investigation was conducted jointly with the Defense Criminal Investigative Service; the Major Procurement Fraud Unit of the U.S. Army Criminal Investigation Division; and OIGs of the National Aeronautics and Space Administration, the National Science Foundation, the Department of Homeland Security and the Department of Energy.*

### **Company Pays \$4.95 Million for Disadvantaged Business Fraud Scheme**

HD Supply Waterworks—the nation’s largest supplier of water, sewer, fire protection and storm drain products—agreed to pay the United States \$4,945,000 under the False Claims Act to resolve allegations that it participated in a scheme to improperly take advantage of the Disadvantaged Business Enterprise Program. The settlement was reached on August 11, 2015, with the U.S. Attorney’s Office for the Northern District of New York.

The EPA and the U.S. Department of Transportation administer programs intended to provide opportunities for businesses owned by socially and economically disadvantaged individuals to perform work on projects financed, at least in part, by the federal government. In 2008, authorities began investigating the now-defunct American Indian Builders & Suppliers Inc., a Native American-owned company certified as a Disadvantaged Business Enterprise in New York and other states, and the prime contractors that claimed to have conducted business with the company.

The government alleged that HD Supply Waterworks, headquartered in Thomasville, Georgia, enabled several prime contractors to represent falsely that American Indian Builders & Suppliers had performed a commercially useful function on federally-funded contracts by negotiating price and other terms of sale. In actuality, the prime contractors had negotiated such terms with HD Supply Waterworks and used American Indian Builders & Suppliers as a pass-through. HD Supply Waterworks acknowledged in the settlement agreement that American Indian Builders & Suppliers collected invoices from HD Supply Waterworks, transferred the information from those invoices to American Indian Builders & Suppliers’ own invoices, added a markup, and then passed the American Indian Builders & Suppliers’ marked-up invoices on to the prime contractors. The government alleged that this conduct enabled prime contractors to certify falsely that American Indian Builders & Suppliers supplied materials, resulting in the submission of false or fraudulent claims for payment from the federal government.

*This case was conducted jointly with the U.S. Department of Transportation OIG and the Federal Bureau of Investigation.*

### **New York Man Arrested for Making Terroristic Threats**

On August 28, 2015, a New York man was arrested and then charged by the Albany County District Attorney's Office for making terroristic threats against an EPA employee. On July 17, 2015, an individual left a threatening voice message for an employee of the EPA Hudson River Field Office in Albany, New York. Shortly thereafter, the same individual left a threatening voice message for an employee of the U.S. Department of Housing and Urban Development's office in Albany. The investigation identified the caller, and an EPA OIG search of Internet chat rooms discovered that the man had posted numerous threatening comments directed toward EPA employees and federal law enforcement officials who enforce environmental laws, and threatened to open fire on agents. He also had posted numerous references to weapons he possessed that were in violation of the New York Safe Act regulating the sale and possession of assault weapons and handguns. On August 28, 2015, a search warrant was executed at the subject's residence. In addition to digital evidence, three rifles, a shotgun and two high capacity magazines were seized. *This case is being conducted jointly with the New York State Police, the Federal Protective Service, and the Department of Housing and Urban Development OIG.*

Initiated from  
OIG Hotline.

### **Montana Tribal Official Given Jail Time for Theft and Embezzlement**

The former Finance Manager of the Rocky Boy Health Clinic at the Rocky Boy Indian Reservation was sentenced on April 14, 2015, to 12 months and 1 day of imprisonment and 3 years of supervised release, and ordered to pay restitution in the amount of \$96,948 for theft and embezzlement of federal funds from the tribe. Other individuals associated with the reservation are currently under indictment or have received jail time, restitution and other penalties in the U.S. District Court for the District of Montana related to bribery and theft in relation to contracts that involved EPA funds. *This case is being conducted by Montana's Federal Program Fraud Task Force, also known as the Guardians Project, which is made up of the Federal Bureau of Investigation; the Internal Revenue Service; OIGs of the Departments of Interior, Health and Human Services and Agriculture; and the EPA.*

### **Colorado Man Sentenced for False Statements**

On September 29, 2015, an Englewood, Colorado, man was sentenced to 6 months of incarceration, restitution in the amount of \$1,171,179, a \$250,000 fine, 2 years of supervised release, and 1,000 hours of community service for conspiring to make false statements to the Small Business Administration to retain eligibility in the Small Disadvantaged Business Program. The sentencing occurred September 29, 2015, in the U.S. District Court for the District of Colorado. The false statements allowed this man's company to obtain preferential treatment in the awarding of contracts by various government agencies, including the EPA, from 2006 to 2013. The EPA paid

approximately \$3.3 million to the man's company on delivery orders under a governmentwide acquisition contract for information technology services.

*This investigation was conducted jointly with the General Services Administration OIG, the Small Business Administration OIG, the Internal Revenue Service Criminal Investigation Division, the Defense Criminal Investigative Service and the Major Procurement Fraud Unit of the U.S. Army Criminal Investigation Division.*

### **Tennessee Man Sentenced and Debarred for Falsifying Asbestos Survey Data**

On May 26, 2015, a Tennessee man and his company, Environmental Consulting and Testing LLC, were debarred from participation in federal procurement and non-procurement programs for a period of 3 years for falsifying asbestos survey data. The Tennessee Department of Environment and Conservation reported that it had received fraudulent laboratory test documents from Environmental Consulting and Testing in support of an asbestos survey. The man, on behalf of the company, submitted a survey report to the Tennessee Department of Environment and Conservation claiming that he had 57 samples from seven separate locations tested by an area laboratory. Contact with the laboratory disclosed that it only had performed four tests for Environmental Consulting and Testing. A subsequent search warrant of the business resulted in the recovery of evidence from the owner's computer to support the allegations. On July 9, 2014, the man pleaded guilty to wire fraud and was sentenced to 3 years of probation.

### **Tennessee Man Sentenced to Prison Term and Ordered to Pay Restitution**

A Tennessee man and his companies—HAZ-TECH Inc. and EMS of Savannah Inc.—were issued Notices of Suspension and Proposed Debarment on July 1, 2015, suspending them from participation in future federal procurement and non-procurement programs for a period of 3 years due to false reporting of methamphetamine remediation. On April 14, 2013, the Tennessee man, owner of HAZ-TECH, performed a remediation of a quarantined methamphetamine house in Manchester, Tennessee, and signed a Certificate of Fitness claiming the property to be cleaned to proper standards and safe for human use. The Tennessee Department of Environmental Conservation advised that the HAZ-TECH owner was not certified by the department as a clandestine methamphetamine laboratories hygienist—an industrial hygienist certified to assess properties where methamphetamine was manufactured. Investigation further disclosed that the HAZ-TECH owner had certified 18 remediated houses. The Tennessee Department of Environmental Conservation retested 11 of the houses, and nine were found to still be contaminated. The HAZ-TECH owner falsified remediation data in 17 counties in Tennessee. The owner, who was previously indicted and charged with mail fraud and false statements, pleaded guilty to a violation of false statements. On December 15, 2014, the HAZ-TECH owner was sentenced to 6 months in prison and 3 years of supervised release, and ordered to pay \$102,225 in restitution.

### **California Man Sentenced for False Statements to EPA Suspension and Debarment Division**

A San Diego, California, man was sentenced to 6 months of monitored home detention, a \$23,426 fine, 5 years of probation and 100 hours of community service for submitting false documents to the EPA while contesting his suspension and proposed debarment. The sentencing occurred on September 23, 2015, in the U.S. District Court for the Southern District of California. This investigation was initiated by the OIG after it was alleged that the man may have submitted false statements to EPA Suspension and Debarment personnel in an attempt to influence a decision to suspend and debar him from receiving federal contracts and grants. The suspension and proposed debarment action was taken following the EPA Criminal Investigation Division's investigation that led to the man's conviction in federal court in 2012 for the unlawful storage of hazardous waste.

### **Two Former North Dakota Tribal Officials Receive Probation for Fraud**

Two former officials of the Spirit Lake Tribe in Fort Totten, North Dakota, were sentenced on June 23, 2015, in the U.S. District Court for the District of North Dakota for theft, false claims and conspiracy in relation to time card fraud. One former official was sentenced to 24 months of probation and the other to 12 months of probation; each also was ordered to pay \$10,100 in restitution. Both former officials were also debarred from participating in federal procurement and non-procurement programs for 3 years. At the time of the investigation, one of the former officials already had retired from his tribal position, and the other's position with the tribe was terminated based on this investigation. The two former officials had conspired to commit time card fraud by one member submitting, and the other approving, fraudulent time cards reflecting work being charged against the tribe's Underground Storage Tank Program that had not occurred.

### **Oklahoma Company Violates Buy American and False Claims Acts**

An Oklahoma company agreed to pay \$6,500 for violations of the Buy American and False Claims Acts in relation to work done under an American Recovery and Reinvestment Act grant. On May 12, 2015, the settlement, which increases to \$11,000 if a default occurs, was reached in the U.S. District Court for the Northern District of Oklahoma. The OIG had received a complaint from an employee of the Texas Water Development Board alleging a violation committed by H&R Enterprises LLC Inc., Sapulpa, Oklahoma. H&R Enterprises was the contractor in a city of Dimmitt, Texas, Recovery Act project. We substantiated that the company's owners provided false Buy American Act manufacturer's certification forms for steel plates used for the Dimmitt project. One of the company's owners was debarred from participation in federal procurement and non-procurement programs for 3 years.

### **Former EPA Employee Sentenced for Child Pornography Possession**

On April 13, 2015, a former EPA employee was sentenced to 30 months in prison and ordered to pay \$9,750 in restitution after pleading guilty in the U.S. District Court for the Northern District of Illinois to possession of child pornography. The EPA employee was an information technology specialist who downloaded, viewed and possessed child pornography on an EPA computer. The employee had resigned from the EPA on August 25, 2013, as a result of the OIG investigation.

### **Former Special Agent Sentenced for False Statement**

On July 29, 2015, a former EPA Criminal Investigation Division special agent was sentenced to 1 year of probation and ordered to pay restitution and fines totaling \$8,000 for making a false statement. The special agent was found to have intentionally not documented reportable earnings on the *Confidential Financial Disclosure Report* (Office of Government Ethics Form 450) and then certified the document as accurate. The sentencing occurred in the U.S. District Court for the District of Connecticut. The unreported earnings were derived from the special agent's involvement in a pyramid scheme. The employee had retired from federal service in January 2015 as a result of the OIG investigation.

### **EPA Attorney Removed for Misconduct**

On July 28, 2015, an EPA attorney was removed from employment for falsifying an official work document, lack of candor and negligent performance of duties. In 2013, it was alleged that the employee had forged a signature on a tolling agreement, which extended the applicable statute of limitations for bringing an enforcement action under the Toxic Substances Control Act against a corporation. The forged signature and the employee's failure to obtain a valid agreement harmed the EPA by resulting in the agency's inability to proceed with an enforcement action against the corporation.

### **EPA OIG Employee Removed for Time and Attendance Violations**

On September 3, 2015, the EPA OIG removed an employee from employment for falsifying time and attendance records, being absent without leave, violating the OIG telework policy and lack of candor. The investigation disclosed that the employee falsely claimed telework hours on numerous occasions. The employee admitted to reporting telework hours for unauthorized time away from an assigned alternate work location and failing to perform government work. The employee also was required to reimburse the government for pay received for the time periods identified as unauthorized leave.

**Initiated from  
OIG Hotline.**

### EPA Employee Suspended for Marijuana Possession

On June 16, 2015, an EPA employee was suspended from the EPA for 21 days without pay related to charges involving attempting to bring approximately three grams of marijuana and two marijuana pipes through the security checkpoint at an Internal Revenue Service facility in Denver, Colorado. On November 5, 2014, the employee appeared in the U.S. District Court for the District of Colorado and was found guilty of one count of possession of marijuana on federal property. On January 14, 2015, the employee was sentenced to a 3-day suspended sentence, 12 months of unsupervised probation and 20 hours of community service, and ordered to pay a \$2,500 fine.

### EPA OIG Employee Suspended for Conduct Infraction

On June 12, 2015, an EPA OIG employee was suspended for 4 days without pay for use of offensive language in the workplace and failing to meet the standards set forth in Inspector General Statement No. 15 (2014 Equal Employment Opportunity Policy Statement). The employee completed diversity training.

### EPA OIG Special Agent Disciplined for Firearm Safety Violation

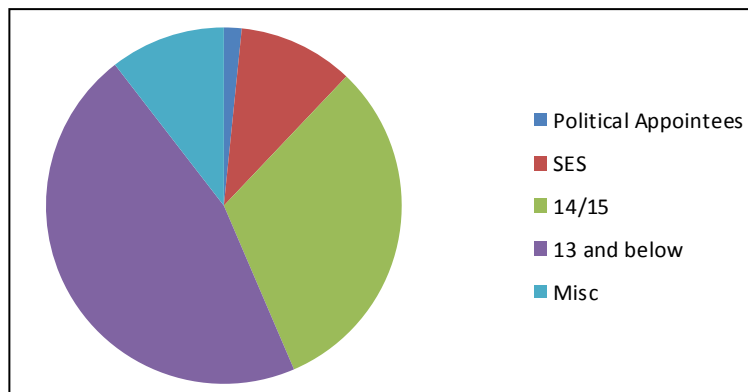
On July 21, 2015, an OIG special agent was suspended for 1 day without pay for failing to properly secure an OIG-issued firearm in the workplace.

Initiated from  
OIG Hotline.

## Closed Employee Integrity Cases

Statistics on employee integrity investigation cases closed during the semiannual reporting period follow.

	Political appointees	SES	GS-14/15	GS-13 and below	Misc.	Total
Pending 4/1/15	4	11	24	41	2	82
Open	1	2	19	32	5	59
Closed	0	4	5	8	2	19
Pending 9/30/15	2	13	39	57	13	124



## Other Activities

### FY 2015 EPA Management Challenges

Report No. [15-N-0164](#), issued May 28, 2015

According to the Government Performance and Results Modernization Act of 2010, major management challenges are programs or management functions, within or across agencies, that have greater vulnerability to waste, fraud, abuse and mismanagement where a failure to perform well could seriously affect the ability of an agency or the government to achieve its mission or goals. Attention to these challenges could result in stronger results and protection for the public, and increased confidence in management integrity and accountability. As required by the Reports Consolidation Act of 2000, the OIG provided the following issues that it considered the EPA's major management challenges for FY 2015.

[Click here](#) for a podcast on our management challenges for the EPA.

- **The EPA Needs to Improve Oversight of States Authorized to Accomplish Environmental Goals:** Oversight of state activities requires that the EPA establish consistent national baselines that states must meet, and the EPA must monitor the states.
- **Limited Controls Hamper the Safe Reuse of Contamination Sites:** The EPA must strengthen its oversight of the long-term safety of contaminated sites, particularly when non-EPA parties have key responsibilities.
- **The EPA Faces Challenges in Managing Chemical Risks:** The EPA needs to enhance program management and overcome statutory limitations on data availability to effectively ensure the safe production and use of chemicals.
- **The EPA Needs to Improve Its Workload Analysis to Accomplish Its Mission Efficiently and Effectively:** The EPA's program and regional offices need to conduct more systematic workload analyses and identify workload needs.
- **The EPA Needs to Enhance Information Technology Security to Combat Cyber Threats:** Information security challenges for the EPA include risk management planning, implementation of security tools, computer security incident response capability and follow-up on remediation actions taken.
- **The EPA Continues to Need Improved Management Oversight to Combat Fraud and Abuse and Take Prompt Action Against Employees Found to Be Culpable.** A "culture of complacency" among some supervisors needs to be overcome in such areas as time and attendance controls, employee computer usage, real property management and acting promptly against employees.



## **EPA OIG Develops Action Plan in Response to Department of Defense OIG Report of Investigation**

On October 24, 2013, there was a series of interactions between staff of the EPA OIG and staff of the EPA's Office of Homeland Security following our interview of an Office of Homeland Security employee. These events and the underlying impediments to OIG access to information previously were reported to Congress. In most circumstances, the OIG would investigate the issues that arose in such interactions. However, because OIG employees were involved, the OIG concluded that it should not conduct this investigation. Instead, the U.S. Department of Defense OIG agreed to conduct the investigation. The Department of Defense OIG issued its report on these matters to the EPA OIG and the EPA on August 17, 2015.

In response to the report, the EPA OIG has developed a series of planned internal actions. First, we reviewed and modified certain policies and procedures to provide clarification and guidance to our special agents on topics including employee interviews and case management. To ensure that special agents are aware of policies and procedures pertaining to the OIG Office of Investigations, as well as any updates, special agents will be required to certify on an annual basis that they have read and are familiar with these. Second, the OIG has created a training program for its special agents to increase their preparedness to deal with difficult and/or uncooperative persons they may encounter while working on OIG investigations. Third, we thoroughly evaluated the facts presented in the report, addressed them with our employees and took appropriate action. Finally, we continue to seek the assistance and cooperation of senior agency officials and the Office of Homeland Security to improve our working relationship with the Office of Homeland Security and to ensure that the OIG's mission is properly understood and supported throughout the agency. This objective includes receiving the full cooperation of Office of Homeland Security staff to make its records available to the OIG and enable us to carry out our statutorily mandated responsibilities.

## **Legislation and Regulations Reviewed**

Section 4(a) of the Inspector General Act requires the Inspector General to review existing and proposed legislation and regulations relating to the program and operation of the EPA and to make recommendations concerning their impact. We also review drafts of Office of Management and Budget circulars, memorandums, executive orders, program operations manuals, directives and reorganizations. The primary bases for our comments are the OIG's audit, evaluation, investigation and legislative experiences, as well as our participation on the Council of the Inspectors General on Integrity and Efficiency. During the reporting period, we reviewed 35 proposed changes to legislation, regulations, policy, procedures or other documents that could affect the EPA or the Inspector General, and provided comments on four.

## U.S. Chemical Safety and Hazard Investigation Board

The U.S. Chemical Safety and Hazard Investigation Board (CSB) was created by the Clean Air Act Amendments of 1990. The CSB's mission is to investigate accidental chemical releases at facilities, report to the public on the root causes and recommend measures to prevent future occurrences.



In FY 2004, Congress designated the EPA Inspector General to serve as the Inspector General for the CSB. As a result, the EPA OIG has the responsibility to audit, evaluate and investigate the CSB's programs, and to review proposed laws and regulations to determine their potential impact on the CSB's programs and operations.

### *Investigation*

#### **Chairperson Resigns After OIG Investigation**

On April 10, 2015, Rafael Moure-Eraso resigned from his position as CSB Chairperson following an OIG investigation that substantiated findings that he had routinely used a non-government email account to communicate official CSB matters in violation of the Federal Records Act. The investigation further substantiated that Moure-Eraso purposefully employed this practice to ensure that official CSB business conducted on nongovernmental email systems was not preserved on official agency systems and, therefore, would not be archived. This set-up would prevent the ability to locate this information in response to any future Freedom of Information Act requests and, ultimately, render the information unavailable for public review. This prohibited practice greatly diminishes the integrity of the CSB, its program functionality and the public trust. On January 22, 2015, the OIG submitted a Report of Investigation to the President of the United States, since the CSB Chairperson is a presidentially appointed position. On March 4, 2015, the OIG testified before Congress regarding this case. The President subsequently requested Moure-Eraso's resignation.

**Initiated from  
OIG Hotline.**

Inspector General Elkins discussed the matters concerning Moure-Eraso when he testified on April 14, 2015, before the U.S. Senate Committee on Environment and Public Works' Subcommittee on Superfund, Waste Management, and Regulatory Oversight. During that testimony, the Inspector General noted that the OIG had notified the U.S. Attorney's Office in the District of Columbia that Moure-Eraso may have committed perjury and certain other crimes in relation to his testimony on March 4, 2015.

## Reports

### CSB's Public Meeting Announcement Violated Sunshine Act

Report No. [15-P-0304](#), issued September 30, 2015

Our review, in response to a hotline complaint, found that CSB's public meeting announcement in the Federal Register for its January 28, 2015, meeting was not compliant with the "open meeting" requirement in the Government in the Sunshine Act (known as the Sunshine Act). At a public meeting, CSB passed a motion to terminate five investigations on which it already had spent over \$800,000 in taxpayer funds without announcing the planned

Initiated from  
OIG Hotline.



CSB's July 22, 2015, public business meeting.  
(Photo from CSB website)

motion in advance, as required by the Sunshine Act. The motion also consolidated the former CSB Chairperson's authority over the agency and rescinded 18 board orders without advance notice. The insufficient announcement violated the Sunshine Act's transparency goals. CSB, which now has a new Chairperson and a number of other new board members, has acknowledged that CSB was not compliant with the Sunshine Act, and has provided planned corrective actions for our recommendations.

### CSB Needs to Improve Its Acquisition Approvals and Other Processes to Ensure Best Value for Taxpayers

Report No. [15-P-0245](#), issued July 31, 2015

CSB did not have in its contract files the proper approvals to allocate funds for 13 contracts and interagency agreements totaling over \$1.9 million. Consequently, CSB's acquisition process was at risk.

Initiated from  
OIG Hotline.

Further, CSB had limited evidence that it had contracted at the best value. We conducted our review in response to a hotline complaint questioning a contract. Our review noted that CSB issued instructions in October 2014 that were inconsistent with then-existing board orders governing acquisitions. Also, CSB had not followed its internal controls and had not implemented the OIG's 2011 audit recommendation to develop and implement a management control plan. Further, CSB did not perform market research actions for two contracts totaling over \$380,000, and did not monitor or establish plans to monitor the quality of contract work through quality assurance surveillance plans. CSB stated it plans to fully address our recommendations.

**CSB's Fiscal Year 2014 Purchase Card Program Assessed as High Risk**

Report No. [15-N-0171](#), issued June 29, 2015

Our risk assessment determined that CSB's \$280,000 purchase card program for FY 2014 was at high risk for illegal, improper or erroneous purchases and payments. The Government Charge Card Abuse Prevention Act of 2012 requires OIGs to conduct periodic assessments of agency purchase card programs to identify potential risks. We found that CSB's program did not meet federal requirements. Deficiencies included not having a written Charge Card Management Plan when required, not having sufficient policies in place when required and not obtaining prior written supervisory approvals for purchases. Because CSB's purchase card program is at high risk, we will conduct an audit of the CSB purchase card program in FY 2016.

**CSB Complied With Reporting Requirements of the Improper Payments Elimination and Recovery Act for Fiscal Year 2014**

Report No. [15-P-0153](#), issued May 1, 2015

We found that CSB was fully compliant with the reporting requirements of the Improper Payments Elimination and Recovery Act for FY 2014. As required, CSB published its Performance and Accountability Report and posted that report and accompanying materials on the agency's website. Agencies are required to report on improper payments, and we found that CSB had improved its oversight since our last audit.

# Statistical Data

## Profile of Activities and Results

Audit and evaluation operations Reviews performed by OIG (\$ in millions)		
	April 1, 2015, to September 30, 2015	FY 2015
Questioned costs *	\$0.99	\$40.76
Recommended efficiencies *	\$15.5	\$87.78
Cost savings	\$595.2	\$595.2
Costs disallowed to be recovered	\$0.0	\$8.88
Costs disallowed as cost efficiency	\$0.0	\$7.93
Reports issued by OIG	39	66
Reports resolved (Agreement by agency officials to take satisfactory corrective actions) **	113	183

Audit and evaluation operations Reviews performed by Single Audit Act auditors (\$ in millions)		
	April 1, 2015, to September 30, 2015	FY 2015
Questioned costs *	\$0.25	\$2.73
Recommended efficiencies *	\$0.0	\$0.0
Cost savings	\$0.0	\$0.0
Costs disallowed to be recovered	\$0.05	\$0.05
Costs disallowed as cost efficiency	\$0.0	\$0.0
Single Audit Act reviews	145	246
Agency recoveries Recoveries from audit and evaluation resolutions of current and prior periods (cash collections or offsets to future payments) ***	\$0.6	\$1.3

Investigative operations (\$ in millions)						
	April 1, 2015, to September 30, 2015			FY 2015		
	EPA OIG only	Joint*	Total	EPA OIG only	Joint	Total
Total fines and recoveries	\$10.687	\$103.769	\$114.457	\$10.864	\$106.672	\$117.536
Cost savings	\$0.017	\$0	\$0.017	\$0.037	\$0	\$0.037
Cost avoidances	\$0	\$0	\$0	\$0	\$0	\$0
Civil settlements	\$0.006	\$4.945	\$4.951	\$0.006	\$7.715	\$7.721
Cases open during period	70	11	81	103	20	123
Cases closed during period	45	10	55	86	25	111
Indictments/informations of persons or companies	1	2	3	6	15	21
Convictions of persons or companies	0	6	6	9	19	28
Civil judgments/settlements/filings	2	1	3	2	2	4

\* Questioned costs and recommended efficiencies are subject to change pending further review in the audit resolution process.

\*\* Reports resolved are subject to change pending further review.

\*\*\* Information on recoveries from audit resolutions is provided by EPA's Office of Financial Management and is unaudited.

\*\*\*\* Fines and recoveries resulting from joint investigations.

## Audit, Inspection and Evaluation Report Resolution

### Status report on perpetual inventory of reports in resolution process for semiannual period ending September 30, 2015

Report category	No. of reports	Report issuance (\$ in thousands)		Report resolution costs sustained (\$ in thousands)	
		Questioned costs	Recommended efficiencies	To be recovered	As efficiencies
A. For which no management decision was made by April 1, 2015*	31	\$18,685	\$79,449	\$227	\$0
B. Which were issued during the reporting period	176	1,242	15,505	53	7,931
C. Which were issued during the reporting period that required no resolution	70	0	0	0	0
Subtotals (A + B - C)	137	19,927	94,954	280	7,931
D. For which a management decision was made during the reporting period	168	2,744	4,290	53	3,614
E. For which no management decision was made by September 30, 2015	31	17,183	90,664	227	4,317
F. Reports for which no management decision was made within 6 months of issuance	42	15,374	28,388	0	0

\* Any difference in number of reports and amounts of questioned costs or recommended efficiencies between this report and our previous semiannual report results from corrections made to data in our audit tracking system.



**Table 1: Inspector General-issued reports with questioned costs for semiannual period ending September 30, 2015 (\$ in thousands)**

Report category	No. of reports	Questioned costs *	Unsupported costs
A. For which no management decision was made by April 1, 2015 **	22	\$18,685	\$13,353
B. New reports issued during period	7	1,242	1,220
Subtotals (A + B)	29	19,927	14,573
C. For which a management decision was made during the reporting period:	7	2,744	880
(i) Dollar value of disallowed costs	1	1,668	0
(ii) Dollar value of costs not disallowed	6	1,076	880
D. For which no management decision was made by September 30, 2015	19	17,183	16,694
Reports for which no management decision was made within 6 months of issuance	13	15,374	11,511

\* Questioned costs include unsupported costs.

\*\* Any difference in number of reports and amounts of questioned costs between this report and our previous semiannual report results from corrections made to data in our audit, inspection and evaluation tracking system.

**Table 2: Inspector General-issued reports with recommendations that funds be put to better use for semiannual period ending September 30, 2015 (\$ in thousands)**

Report Category	No. of reports	Dollar value
A. For which no management decision was made by April 1, 2015 *	9	\$79,449
B. Which were issued during the reporting period	3	15,505
Subtotals (A + B)	12	94,954
C. For which a management decision was made during the reporting period:	4	4,290
(i) Dollar value of recommendations from reports that were agreed to by management	4	4,290
(ii) Dollar value of recommendations from reports that were not agreed to by management	0	0
(iii) Dollar value of nonawards or unsuccessful bidders	0	0
D. For which no management decision was made by September 30, 2015	10	90,644
Reports for which no management decision was made within 6 months of issuance	6	28,388

\* Any difference in number of reports and amounts of funds put to better use between this report and our previous semiannual report results from corrections made to data in our audit, inspection and evaluation tracking system.

**Audits, inspections and evaluations with no final action as of September 30, 2015, over 365 days past the date of the accepted management decision (including audits, inspections and evaluations in appeal)**

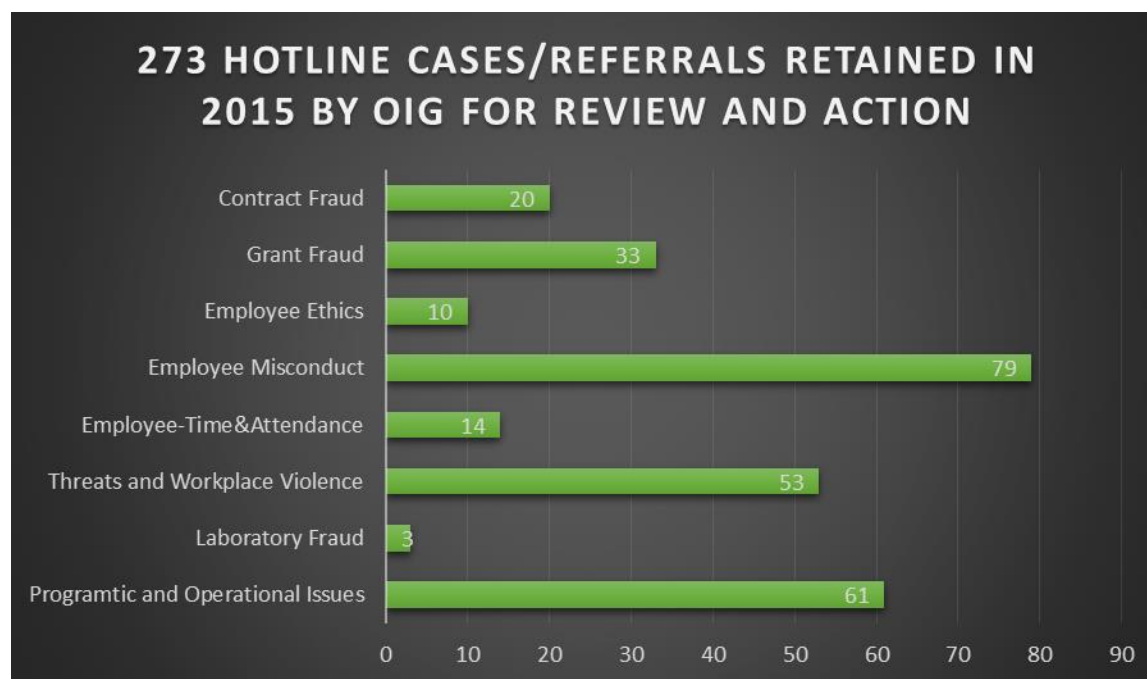
Audits, inspections and evaluations	Total	Percentage
Program	54	60
Assistance agreements	13	14
Contract audits	0	0
Single audits	19	21
Financial statement audits	4	4
<b>Total</b>	<b>90</b>	<b>100</b>

## Hotline Activity

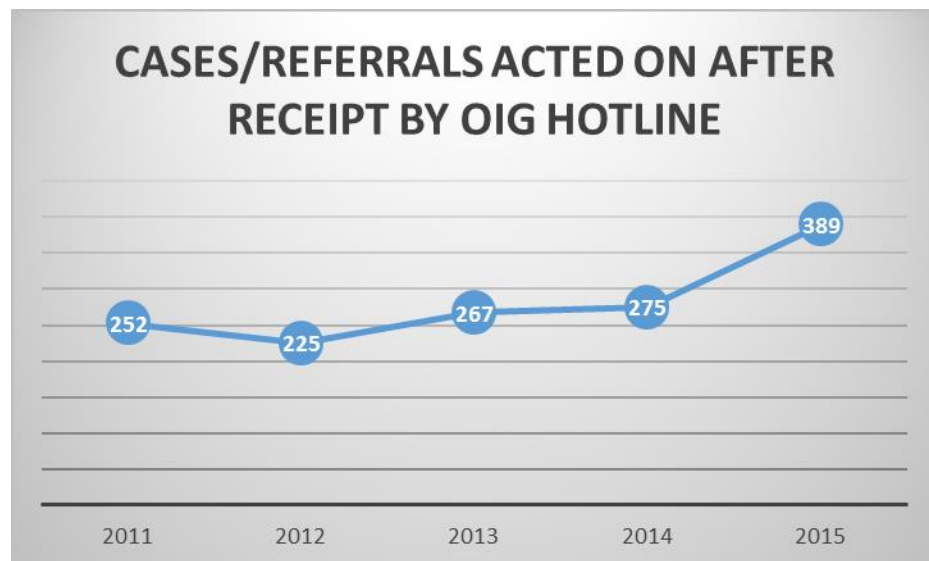
The following table shows OIG hotline activity regarding complaints of fraud, waste and abuse in EPA and CSB programs and operations during the semiannual reporting period and annual period ending September 30, 2015.

	Semiannual Period (April 1, 2015 - September 30, 2015)	Annual Period (October 1, 2014 - September 30, 2015)
Cases/referrals open at the beginning of the period	138	189
Cases/referrals received during the period	221	389
Cases/referrals closed during the period	176	395
Cases/referrals pending at the end of the period	183	183
Cases/referrals referred to others		
OIG offices	163	273
EPA program offices	36	73
Other federal agencies	2	10
State/local agencies	20	33
Contacts to the EPA OIG hotline (telephone, voice mail, email, correspondence and hotline Web page views)	5,121	10,180

The table below breaks out by category inquires received by the hotline that are retained by the OIG and reviewed for a possible investigation, audit or evaluation. In FY 2015, the hotline forwarded 273 out of 389 inquires received for review and potential action.



The OIG's hotline continues to see an upward trend in the number of inquiries and complaints received each fiscal year. As a result of this increase, the table below reflects the increased number of OIG cases/referrals generated by the hotline over the last 5 fiscal years, which suggests a growing public interest in the OIG's mission.



The hotline makes it easy to report allegations of fraud, waste, abuse, mismanagement or misconduct in the programs and operations of the EPA and CSB. Employees, as well as contractors, grantees, program participants and members of the general public may report allegations to the OIG. Complaints may be submitted to the hotline by phone, fax, U.S. mail or electronically via email.

<b>Phone:</b>	(888) 546-8740
<b>Fax:</b>	(202) 566-2599
<b>Mail:</b>	<b>EPA Inspector General Hotline</b> 1200 Pennsylvania Avenue, NW (2431T) Washington, DC 20460
<b>Email:</b>	<a href="mailto:OIG_Hotline@epa.gov">OIG_Hotline@epa.gov</a>

The Inspector General Act of 1978, as amended, and other laws protect those who make hotline complaints. For example, the Whistleblower Protection Enhancement Act of 2012 provides protection to employees who disclose misconduct or misuse of government resources. Individuals who contact the hotline are not required to identify themselves and may request confidentiality. However, the OIG encourages those who report allegations to identify themselves so that they can be contacted if the OIG has additional questions. Pursuant to Section 7 of the Inspector General Act, the OIG will not disclose the identity of an employee of the EPA or CSB who provides information unless that employee consents or the Inspector General determines that such disclosure is unavoidable during the course of an investigation, audit or evaluation. As a matter of policy, the OIG will provide comparable protection to employees of contractors, grantees and others who provide information to the OIG and request confidentiality. Individuals who are concerned about the confidentiality or anonymity of electronic communication may submit allegations by telephone or U.S. mail.

## Summary of Investigative Results

### Summary of investigative activity during reporting period

Cases open as of April 1, 2015 *	210
Cases opened during period	81
Cases closed during period	55
Cases pending as of September 30, 2015	237

\* Adjusted from prior period.

### Investigations pending by type as of September 30, 2015

	Superfund	Management	Split funded	Recovery Act	CSB	Total
Contract fraud	9	8	9	3	0	29
Grant fraud	0	23	8	8	0	39
Laboratory fraud	3	4	2	0	0	9
Employee integrity	4	42	57	0	2	105
Program integrity	1	10	5	0	0	16
Computer crimes	0	0	5	0	0	5
Threat	0	7	3	0	0	10
Retaliation	0	1	1	0	0	2
Other	3	10	8	1	0	22
<b>Total</b>	<b>20</b>	<b>105</b>	<b>98</b>	<b>12</b>	<b>2</b>	<b>237</b>

### Results of prosecutive actions

	EPA OIG only	Joint *	Total
Criminal indictments/informations/complaints	1	2	3
Convictions	0	6	6
Civil judgments/settlements/filings	2	1	3
Deportations	0	0	0
Fines and recoveries (including civil)	\$10,700,717	\$109,714,773	\$120,408,990
Prison time	375 months	18 months	393 months
Prison time suspended	12 months	0 months	12 months
Home detention	0 months	6 months	6 months
Probation	240 months	288 months	528 months
Community service	0 hours	1,100 hours	1,100 hours

\* with another federal agency

### Administrative actions

	EPA OIG only	Joint *	Total
Suspensions	2	4	6
Debarments	3	4	7
Other administrative actions	35	1	36
<b>Total</b>	<b>40</b>	<b>9</b>	<b>49</b>
<b>Administrative recoveries</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Cost avoidance</b>	<b>\$16,945</b>	<b>\$0</b>	<b>\$16,945</b>

\* with another federal agency

# Appendices

## Appendix 1—Reports Issued

The Inspector General Act of 1978, as amended, requires a listing, subdivided according to subject matter, of each report issued by the OIG during the reporting period. For each report, where applicable, the Inspector General Act also requires a listing of the dollar value of questioned costs and the dollar value of recommendations that funds be put to better use.

Report No.	Report	Date	Questioned Costs			Federal Recommended Efficiencies
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
PERFORMANCE REPORTS						
15-P-0136	EPA Can Better Assure Continued Operations at National Computer Center Through Complete and Up-to-Date Documentation for Contingency Planning	Apr. 09, 2015	\$0	\$0	\$0	\$0
15-P-0137	Conditions in the U.S. Virgin Islands Warrant EPA Withdrawing Approval and Taking Over Management of Some Environmental Programs and Improving Oversight of Others	Apr. 17, 2015	0	0	0	37,000,000
15-P-0152	EPA Complied With Improper Payment Legislation, But Opportunities for Improvement Exist	May 01, 2015	0	0	0	0
15-P-0153	CSB Complied With Reporting Requirements of the Improper Payments Elimination and Recovery Act for Fiscal Year 2014	May 01, 2015	0	0	0	0
15-P-0156	EPA's Oversight of State Pesticide Inspections Needs Improvement to Better Ensure Safeguards for Workers, Public and Environment Are Enforced	May 15, 2015	0	0	0	0
15-P-0166	Improved Oversight of EPA's Grant Monitoring Program Will Decrease the Risk of Improper Payments	Jun. 11, 2015	0	0	0	507,168
15-P-0167	Time and Attendance Fraud Not Identified for Employees on Extended Absence, But Matters of Concern Brought to EPA's Attention	Jun. 15, 2015	0	0	0	0
15-P-0168	EPA Should Update Guidance to Address the Release of Potentially Harmful Quantities of Asbestos That Can Occur Under EPA's Asbestos Demolition Standard	Jun. 16, 2015	0	0	0	0
15-P-0169	Some Safeguards in Place for Long-Term Care of Disposed Hazardous Waste, But Challenges Remain	Jun. 17, 2015	0	0	0	0
15-P-0170	Improvements Needed to Ensure EPA Terminates Exceptions to Biweekly Pay Limits at Completion of Emergency Response Work	Jun. 19, 2015	0	0	0	0
15-P-0172	EPA Does Not Effectively Control or Monitor Imports of Hazardous Waste	Jul. 06, 2015	0	0	0	0
15-P-0184	Quick Reaction Report: EPA Should Ensure Positions Vacated under Buyouts Are Eliminated or Properly Filled	Jul. 14, 2015	0	0	0	0
15-P-0198	Benefits of EPA Initiative to Promote Renewable Energy on Contaminated Lands Have Not Been Established	Jul. 16, 2015	0	0	0	0
15-P-0204	Enhanced EPA Oversight and Action Can Further Protect Water Resources From the Potential Impacts of Hydraulic Fracturing	Jul. 16, 2015	0	0	0	0
15-P-0215	Internal Controls Needed to Control Costs of Superfund Technical Assessment & Response Team Contracts, as Exemplified in Region 7	Jul. 20, 2015	0	0	0	82,322
15-P-0221	Independent Environmental Sampling Shows Some Properties Designated by EPA as Available for Use Had Some Contamination	Jul. 21, 2015	0	0	0	0
15-P-0245	CSB Needs to Improve Its Acquisition Approvals and Other Processes to Ensure Best Value for Taxpayers	Jul. 31, 2015	0	0	0	0
15-P-0253	Improvements Needed by EPA to Reduce Risk in Employee Hiring Process	Aug. 03, 2015	0	0	0	0
15-P-0260	Follow-Up Report: EPA Proposes to Streamline the Review, Management and Disposal of Hazardous Waste Pharmaceuticals	Aug. 19, 2015	0	0	0	0
15-P-0274	EPA Can Increase Impact of Environmental Justice on Agency Rulemaking by Meeting Commitments and Measuring Adherence to Guidance	Sep. 03, 2015	0	0	0	0
15-P-0276	EPA Needs Accurate Data on Results of Pollution Prevention Grants to Maintain Program Integrity and Measure Effectiveness of Grants	Sep. 04, 2015	0	0	0	0
15-P-0277	EPA Can Reduce Risk of Undetected Clean Air Act Violations Through Better Monitoring of Settlement Agreements	Sep. 10, 2015	0	0	0	0
15-P-0279	EPA's Presidential Green Chemistry Challenge Awards Program Lacks Adequate Support and Transparency and Should Be Assessed for Continuation	Sep. 15, 2015	0	0	0	0
15-P-0280	EPA Needs to Track Whether Its Major Municipal Settlements for Combined Sewer Overflows Benefit Water Quality	Sep. 16, 2015	0	0	0	0
15-P-0290	Incomplete Contractor Systems Inventory and a Lack of Oversight Limit EPA's Ability to Facilitate IT Governance	Sep. 21, 2015	0	0	0	0

Report No.	Report	Date	Questioned Costs			Federal Recommended Efficiencies
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
15-P-0292	EPA Needs to Improve Recording Information Technology Investments and Issue a Policy Covering All Investments	Sep. 22, 2015	0	0	0	0
15-P-0293	EPA Not Fully Compliant With Overtime Policies	Sep. 22, 2015	0	0	0	0
15-P-0294	EPA Needs Better Management Controls for Approval of Employee Travel	Sep. 22, 2015	0	0	0	0
15-P-0295	EPA Needs to Improve the Recognition and Administration of Cloud Services for the Office of Water's Permit Management Oversight System	Sep. 24, 2015	0	0	0	0
15-P-0298	Early Warning Report: EPA Region 9 Should Withhold Award of the Fiscal Year 2015 Drinking Water State Revolving Fund Grant to the Hawaii Department of Health	Sep. 28, 2015	0	0	0	8,787,000
15-P-0299	Unused Earmark Funds for Water Projects Totaling \$6.2 Million Could Be Put to Better Use	Sep. 30, 2015	0	0	0	6,192,000
15-P-0300	EPA Should Collect Full Costs for Its Interagency Agreements and Report Full Costs for Great Lakes Legacy Act Project Agreements	Sep. 30, 2015	0	0	0	5,400,000
15-P-0304	Hotline Report: CSB's Public Meeting Announcement Violated The Government in the Sunshine Act	Sep. 30, 2015	0	0	0	0
<b>TOTAL PERFORMANCE REPORTS = 33</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$57,968,490</b>

**SINGLE AUDIT REPORTS**

15-3-0129	Grosse Pointe Woods, Michigan, City of – FY 2013	Apr. 06, 2015	\$0	\$0	\$0	\$0
15-3-0130	Evansville, Indiana, City of – FY 2012	Apr. 06, 2015	0	0	0	0
15-3-0131	Fox Metro Water Reclamation District, Illinois – FY 2013	Apr. 06, 2015	0	0	0	0
15-3-0132	Ann Arbor, Michigan, City of – FY 2012	Apr. 06, 2015	0	0	0	0
15-3-0133	Bay City, Michigan, City of – FY 2013	Apr. 06, 2015	0	0	0	0
15-3-0134	Carrollton, Illinois, City of – FY 2013	Apr. 06, 2015	0	0	0	0
15-3-0135	Michigan, State of – FY 2013	Apr. 07, 2015	0	0	0	0
15-3-0138	Allegheny College, Pennsylvania – FY 2013	Apr. 20, 2015	0	0	0	0
15-3-0139	Anne Arundel County, Maryland – FY 2013	Apr. 20, 2015	0	0	0	0
15-3-0141	Baltimore County, Maryland – FY 2013	Apr. 20, 2015	0	0	0	0
15-3-0142	Castlewood Water and Sewage Authority, Virginia – FY 2013	Apr. 21, 2015	0	0	0	0
15-3-0143	Gloucester, Massachusetts, City of – FY 2013	Apr. 22, 2015	0	0	0	0
15-3-0144	Machias, Maine, Town of – FY 2013	Apr. 22, 2015	0	0	0	0
15-3-0145	Utica, New York, City of – FY 2013	Apr. 24, 2015	0	0	0	0
15-3-0146	Saranac Lake, New York, Village of – FY 2013	Apr. 24, 2015	0	0	0	0
15-3-0147	Charles Town Utility Board, West Virginia – FY 2013	Apr. 27, 2015	0	0	0	0
15-3-0148	Albion, New York, Village of – FY 2013	Apr. 27, 2015	0	0	0	0
15-3-0149	Camden, New Jersey, City of – FY 2013	Apr. 27, 2015	0	0	0	0
15-3-0150	Trenton, New Jersey, City of – FY 2013	Apr. 29, 2015	0	0	0	0
15-3-0151	Puerto Rico, Puerto Rico, University of – FY 2013	Apr. 29, 2015	0	0	0	0
15-3-0154	Pine Grove, West Virginia, Town of – FY 2013	May 11, 2015	0	0	0	0
15-3-0155	Kingwood Sanitary District, West Virginia – FY 2013	May 12, 2015	0	0	0	0
15-3-0157	Beverly, West Virginia, Town of – FY 2013	May 18, 2015	0	0	0	0
15-3-0158	Southern Jackson County Public Service District, West Virginia – FY 2013	May 18, 2015	0	0	0	0
15-3-0159	Marysville, Michigan, City of – FY 2013	May 18, 2015	0	0	0	0
15-3-0160	Snow Hill, Maryland, Town of – FY 2013	May 18, 2015	0	0	0	0
15-3-0161	Bristol Township, Pennsylvania – FY 2013	May 18, 2015	0	0	0	0
15-3-0162	Freedom Township Water and Sewer Authority, Pennsylvania – FY 2013	May 19, 2015	0	0	0	0
15-3-0163	Windber Area Authority, Pennsylvania – FY 2013	May 19, 2015	0	0	0	0
15-3-0173	National Academy of Sciences, District of Columbia – FY 2013	Jul. 08, 2015	0	0	0	0
15-3-0174	Ypsilanti Community Utilities Authority, Michigan – FY 2014	Jul. 08, 2015	0	0	0	0
15-3-0175	Paynesville, Minnesota, City of – FY 2014	Jul. 08, 2015	0	0	0	0
15-3-0176	Colby, Kansas, City of – FY 2013	Jul. 08, 2015	0	0	0	0
15-3-0177	Mulberry, Florida, City of – FY 2013	Jul. 09, 2015	0	0	0	0
15-3-0178	Pell City, Alabama, City of – FY 2013	Jul. 09, 2015	0	0	0	0
15-3-0179	West Florida Regional Planning Council, Pensacola, Florida – FY 2013	Jul. 09, 2015	0	0	0	0
15-3-0182	Piedmont, South Dakota, City of – FY 2012	Jul. 10, 2015	0	0	0	0
15-3-0183	Ashton, Idaho, City of – FY 2013	Jul. 10, 2015	0	0	0	0
15-3-0185	Pennsylvania, Commonwealth of – FY 2013	Jul. 10, 2015	0	0	0	0
15-3-0186	Connecticut, State of – FY 2014	Jul. 10, 2015	0	0	0	0
15-3-0187	Chandlerville, Illinois, Village of – FY 2013	Jul. 10, 2015	0	0	0	0
15-3-0188	Pennsylvania, Commonwealth of – FY 2014	Jul. 13, 2015	0	0	0	0
15-3-0189	Maryland Coastal Bays Foundation, Inc., Maryland – FYs 2013 and 2014	Jul. 13, 2015	14,509	104,741	0	0
15-3-0190	Stockton, Illinois, Village of – FY 2013	Jul. 14, 2015	0	0	0	0
15-3-0191	Wheaton, Minnesota, City of – FY 2013	Jul. 14, 2015	0	0	0	0
15-3-0192	Howey-In-The-Hills, Florida – FY 2013	Jul. 14, 2015	0	0	0	0
15-3-0193	Lake Hamilton, Florida – FY 2013	Jul. 14, 2015	0	0	0	0
15-3-0194	Hillsboro Beach, Florida – FY 2013	Jul. 14, 2015	0	0	0	0



Report No.	Report	Date	Questioned Costs			Federal Recommended Efficiencies
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
15-3-0195	Lena, Illinois, Village of – FY 2013	Jul. 14, 2015	0	0	0	0
15-3-0196	Jones County, Georgia – FY 2013	Jul. 14, 2015	0	0	0	0
15-3-0197	Erskine, Minnesota, City of – FY 2013	Jul. 14, 2015	0	0	0	0
15-3-0199	Greenbush, Minnesota, City of – FY 2013	Jul. 14, 2015	0	0	0	0
15-3-0200	Kentucky Infrastructure Authority, Frankfort, Kentucky – FY 2014	Jul. 15, 2015	0	0	0	0
15-3-0201	Adair County Water-Columbia/Adair Utilities District, Columbia, Kentucky – FY 2014	Jul. 15, 2015	0	0	0	0
15-3-0202	Paintsville, Kentucky – FY 2014	Jul. 15, 2015	0	0	0	0
15-3-0203	East Casey County, Liberty, Kentucky – FY 2013	Jul. 15, 2015	0	0	0	0
15-3-0205	Cabazon Band of Mission Indians, California – FY 2013	Jul. 16, 2015	1,154	0	0	0
15-3-0206	Osage, Missouri, Public Water Supply District No. 3 of – FY 2012	Jul. 16, 2015	0	0	0	0
15-3-0207	Castro Valley Sanitary District, California – FY 2013	Jul. 16, 2015	0	0	0	0
15-3-0208	St. John, Kansas, City of – FY 2013	Jul. 16, 2015	0	0	0	0
15-3-0209	Cass County, Missouri, Public Water Supply District No. 11 of – FY 2013	Jul. 16, 2015	0	0	0	0
15-3-0210	West Sullivan, Missouri, Town of – FY 2010	Jul. 16, 2015	0	0	0	0
15-3-0211	Caddo Mills, Texas, City of – FY 2013	Jul. 16, 2015	0	0	0	0
15-3-0212	Ozaukee County, Wisconsin – FY 2013	Jul. 16, 2015	0	0	0	0
15-3-0213	Marinette County, Wisconsin – FY 2013	Jul. 16, 2015	0	0	0	0
15-3-0214	Manitowoc County, Wisconsin – FY 2013	Jul. 16, 2015	0	0	0	0
15-3-0216	Commerce, Texas, City of – FY 2013	Jul. 16, 2015	0	0	0	0
15-3-0217	Plainfield, Indiana, Town of – FY 2013	Jul. 16, 2015	0	0	0	0
15-3-0218	West Liberty, Kentucky, City of – FY 2014	Jul. 17, 2015	0	0	0	0
15-3-0219	Belhaven, North Carolina, Town of – FY 2014	Jul. 17, 2015	0	0	0	0
15-3-0220	Franklin, North Carolina, Town of – FY 2014	Jul. 17, 2015	0	0	0	0
15-3-0222	Holtville, California, City of – FY 2013	Jul. 22, 2015	0	0	0	0
15-3-0223	Lower Brule Sioux Tribe, South Dakota – FY 2013	Jul. 22, 2015	0	0	0	0
15-3-0224	Jeffersonville, Indiana, City of – FY 2012	Jul. 22, 2015	0	0	0	0
15-3-0225	Green Valley Sanitary District, South Dakota – FY 2012	Jul. 22, 2015	0	0	0	0
15-3-0226	Delaware, State of – FY 2014	Jul. 22, 2015	0	0	0	0
15-3-0227	Green River/Rock Springs/SW CO Joint Powers Water Board, Wyoming – FY 2013	Jul. 22, 2015	0	0	0	0
15-3-0228	Hawaii Department of Health, State of – FY 2014	Jul. 22, 2015	0	0	0	0
15-3-0229	Idaho, State of – FY 2014	Jul. 23, 2015	0	0	0	0
15-3-0230	Marshfield Clinic, Wisconsin – FY 2013	Jul. 23, 2015	0	0	0	0
15-3-0231	Alsip, Illinois, Village of – FY 2013	Jul. 23, 2015	0	0	0	0
15-3-0232	Caledonia, Wisconsin, Village of – FY 2013	Jul. 23, 2015	0	0	0	0
15-3-0233	Minong, Wisconsin, Village of – FY 2013	Jul. 23, 2015	0	0	0	0
15-3-0234	LaPorte, Indiana, City of – FY 2013	Jul. 23, 2015	0	0	0	0
15-3-0235	Akiak Native Community, Alaska – FY 2013	Jul. 27, 2015	0	0	0	0
15-3-0236	Birchwood, Wisconsin, Village of – FY 2014	Jul. 27, 2015	0	0	0	0
15-3-0237	Ladysmith, Wisconsin, City of – FY 2013	Jul. 27, 2015	0	0	0	0
15-3-0238	Pittsville, Wisconsin, City of – FY 2013	Jul. 27, 2015	0	0	0	0
15-3-0239	Oakland County, Michigan – FY 2013	Jul. 27, 2015	0	0	0	0
15-3-0240	Calumet City, Illinois, City of – FY 2013	Jul. 28, 2015	0	0	0	0
15-3-0241	Neenah Menasha Sewerage Commission, Wisconsin – FY 2013	Jul. 28, 2015	0	0	0	0
15-3-0242	Waterford, Michigan, Charter Township of – FY 2013	Jul. 28, 2015	0	0	0	0
15-3-0243	Jackson, Minnesota, City of – FY 2013	Jul. 29, 2015	0	0	0	0
15-3-0244	Hillsborough, North Carolina, Town of – FY 2014	Jul. 29, 2015	0	0	0	0
15-3-0246	Resource Conservation District of Santa Cruz County, California – FY 2014	Jul. 29, 2015	0	0	0	0
15-3-0247	Eden Valley, Minnesota, City of – FY 2014	Jul. 29, 2015	0	0	0	0
15-3-0248	Metropolitan Domestic Water Improvement District, Tucson, Arizona – FY 2014	Jul. 29, 2015	0	0	0	0
15-3-0249	Grand Traverse County, Michigan – FY 2013	Jul. 30, 2015	0	31,113	0	0
15-3-0250	Huron County, Michigan – FY 2013	Jul. 30, 2015	0	0	0	0
15-3-0251	Saint Paul, Minnesota, Board of Water Commissioners of the City of – FY 2013	Jul. 30, 2015	0	0	0	0
15-3-0252	Karlstad, Minnesota, City of – FY 2013	Jul. 30, 2015	0	0	0	0
15-3-0254	Spruce Pine, North Carolina, Town of – FY 2014	Jul. 31, 2015	0	0	0	0
15-3-0255	South Carolina Rural Water Association – FY 2013	Jul. 31, 2015	0	0	0	0
15-3-0256	Lewisburg Water and Wastewater Department, Lewisburg, Tennessee – FY 2013	Jul. 31, 2015	0	0	0	0
15-3-0257	North City Water District, Washington – FY 2013	Jul. 31, 2015	0	0	0	0
15-3-0258	Milwaukee Metropolitan Sewerage District, Wisconsin – FY 2013	Aug. 03, 2015	0	0	0	0
15-3-0259	Kiana, Alaska, Native Village of FY 2010	Aug. 14, 2015	0	0	0	0
15-3-0262	Terre Haute, Indiana, City of – FY 2012	Aug. 27, 2015	0	0	0	0
15-3-0263	Montgomery County, Indiana – FY 2012	Aug. 27, 2015	0	0	0	0
15-3-0264	Speedway, Indiana, Town of – FY 2012	Aug. 27, 2015	0	0	0	0
15-3-0265	Portage, Indiana, City of – FY 2012	Aug. 27, 2015	0	0	0	0
15-3-0266	Knox County, Ohio – FY 2012	Aug. 28, 2015	0	0	0	0
15-3-0267	Middletown, Delaware, Town of – FY 2014	Aug. 28, 2015	0	0	0	0
15-3-0268	Littlestown, Pennsylvania, Borough of – FY 2014	Aug. 28, 2015	0	0	0	0

Report No.	Report	Date	Questioned Costs			Federal Recommended Efficiencies
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
15-3-0269	Monroe, Michigan, City of – FY 2013	Aug. 31, 2015	0	0	0	0
15-3-0270	Potlatch, Idaho, City of – FY 2013	Aug. 31, 2015	0	0	0	0
15-3-0271	Vernonia, Oregon, City of – FY 2013	Aug. 31, 2015	0	0	0	0
15-3-0272	Leonardo Academy, Inc., Wisconsin – FY 2012	Sep. 01, 2015	0	0	0	0
15-3-0273	White House, Tennessee – FY 2014	Sep. 01, 2015	0	0	0	0
15-3-0275	Payson, Arizona, Town of – FY 2014	Sep. 03, 2015	0	0	0	0
15-3-0278	Big Valley Rancheria Band of Pomo Indians, California – FY 2013	Sep. 08, 2015	0	0	0	0
15-3-0281	Cameron, Missouri, City of – FY 2013	Sep. 15, 2015	0	0	0	0
15-3-0282	Jefferson, Missouri, City of – FY 2013	Sep. 15, 2015	0	0	0	0
15-3-0283	Fort Dodge, Iowa, City of – FY 2014	Sep. 15, 2015	0	0	0	0
15-3-0284	Humboldt, Iowa, City of – FY 2014	Sep. 15, 2015	0	0	0	0
15-3-0285	Fairchild, Wisconsin, Village of – FY 2013	Sep. 16, 2015	0	0	0	0
15-3-0286	Hillsboro, Wisconsin, City of – FY 2013	Sep. 16, 2015	0	0	0	0
15-3-0287	Strum, Wisconsin, Village of – FY 2014	Sep. 16, 2015	0	0	0	0
15-3-0288	Western Lake Superior Sanitary District, Minnesota – FY 2013	Sep. 16, 2015	0	0	0	0
15-3-0289	Ottawa County Public Utilities System, Michigan – FY 2013	Sep. 17, 2015	0	0	0	0
15-3-0291	Illinois, Illinois, University of – FY 2013	Sep. 21, 2015	0	0	0	0
15-3-0296	Wyoming, State of – FY 2014	Sep. 22, 2015	0	0	0	0
15-3-0297	Wisconsin, State of – FY 2014	Sep. 22, 2015	0	0	0	0
15-3-0301	Tonto Apache Tribe, Arizona – FY 2013	Sep. 29, 2015	0	0	0	0
15-3-0302	Timbisha Shoshone Tribe, California – FY 2013	Sep. 29, 2015	0	77,384	0	0
15-3-0303	Cold Springs Rancheria of Mono Indians, California – FY 2013	Sep. 28, 2015	0	14,296	0	0
15-3-0305	Houston Authority, Texas, Port of – FY 2011	Sep. 30, 2015	0	0	0	0
15-3-0306	Hammond, Louisiana, City of – FY 2014	Sep. 30, 2015	0	0	0	0
15-3-0307	Davis Municipal Authority, Oklahoma	Sep. 30, 2015	0	0	0	0
15-3-0308	Morgan City, Louisiana, City of – FY 2012	Sep. 30, 2015	0	0	0	0
15-3-0309	Westlake, Louisiana, City of – FY 2014	Sep. 30, 2015	0	0	0	0
15-3-0310	Georgetown, Delaware, Town of – FY 2014	Sep. 30, 2015	0	0	0	0
15-3-0311	Northwest New Mexico Council of Governments, New Mexico – FY 2013	Sep. 30, 2015	0	0	0	0
15-3-0312	Ohio, State of – FY 2014	Sep. 30, 2015	0	0	0	0
15-3-0313	Puerto Rico Aqueduct and Sewer Authority, Puerto Rico – FY 2014	Sep. 30, 2015	0	0	0	0
15-3-0314	Puerto Rico Environmental Quality Board, Puerto Rico – FY 2014	Sep. 30, 2015	0	0	0	0
<b>TOTAL SINGLE AUDIT REPORTS = 146</b>			<b>\$15,663</b>	<b>\$227,534</b>	<b>\$0</b>	<b>\$0</b>
<b>AGREED-UPON PROCEDURES REVIEW</b>						
15-2-0165	Walker River Paiute Tribe Needs to Improve Its Internal Controls to Comply With Federal Regulations	Jun. 11, 2015	\$1,591	\$993,372	\$0	\$0
<b>TOTAL AGREED-UPON PROCEDURES REVIEW = 1</b>			<b>\$1,591</b>	<b>\$993,372</b>	<b>\$0</b>	<b>\$0</b>
<b>NON-AUDIT REPORTS</b>						
15-N-0164	FY 2015 EPA Management Challenges	May 28, 2015	\$0	\$0	\$0	\$0
15-N-0171	CSB's Fiscal Year 2014 Purchase Card Program Assessed as High Risk	Jun. 29, 2015	0	0	0	0
15-N-0261	Response to Congressional Request Concerning Political Interference in Release of Documents Under the Freedom of Information Act	Aug. 20, 2015	0	0	0	0
<b>TOTAL NON-AUDIT REPORTS = 3</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FINANCIAL AUDITS</b>						
15-1-0180	Fiscal Years 2013 and 2012 Financial Statements for the Pesticides Reregistration and Expedited Processing Fund	Jul. 10, 2015	\$0	\$0	\$0	\$0
15-1-0181	Fiscal Years 2013 and 2012 Financial Statements for the Pesticide Registration Fund	Jul. 10, 2015	0	0	0	0
<b>TOTAL FINANCIAL AUDIT REPORTS = 2</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>TOTAL REPORTS ISSUED = 185</b>			<b>\$17,254</b>	<b>\$1,220,906</b>	<b>\$0</b>	<b>\$57,968,490</b>

## Appendix 2—Reports Issued Without Management Decisions

### For Reporting Period Ended September 30, 2015

The Inspector General Act of 1978, as amended, requires a summary of each audit report issued before the commencement of the reporting period for which no management decision had been made by the end of the reporting period, an explanation of the reasons such management decision had not been made, and a statement concerning the desired timetable for achieving a management decision on each such report. Office of Management and Budget Circular A-50 requires resolution within 6 months of a final report being issued. In this section, we report on audits with no management decision or resolution within 6 months of final report issuance. In the summaries below, we note the agency's explanation of the reasons a management decision has not been made, the agency's desired timetable for achieving a management decision and the OIG follow-up status as of September 30, 2015.

#### Office of Grants and Debarment

##### Report No. 13-P-0341, Lead Remediation Association of America, August 6, 2013

*Summary:* The OIG found that the Lead Remediation Association of America's financial management system did not meet the standards established under the Code of Federal Regulations. The association's accounting system data were not updated timely. The association also made cash draws and submitted its final federal financial report using the grant budget amounts rather than actual costs incurred. In addition, the association did not maintain source documentation to support the costs incurred or claimed as required. We also found that the association did not meet the grant objectives as outlined in the approved workplan. As of the date of the OIG's report—2 years after the grant period end date of June 30, 2011—the association had not produced the required DVDs, provided evidence of brochure distribution, or completed the required training and workshops. As a result of the issues noted, the OIG questioned the \$249,870 claimed and recommended recovery of the \$249,882 drawn under the grant.

*Agency Explanation:* The OIG has reactivated this audit and notified Office of Grants and Debarment that it can proceed with work on developing the management decision. The Office of Grants and Debarment is reviewing additional materials from the Lead Remediation Association of America in order to develop its management decision. The forecast date to issue the management decision for the audit is December 31, 2015.

*OIG Follow-Up Status:* Resolution pending receipt of additional information.

#### Office of Research and Development

##### Report No. 14-P-0359, EPA's Alternative Asbestos Control Method Experiments Lacked Effective Oversight and Threatened Human Health, September 25, 2014

*Summary:* This review assessed the EPA's oversight of Alternative Asbestos Control Method experiments. The OIG found that the EPA conducted the Alternative Asbestos Control Method research for over a decade without appropriate oversight or an agreed research goal. This situation resulted in wasted resources and the potential exposure of workers and the public to unsafe levels of asbestos. The OIG recommended that the EPA improve research oversight by requiring significant research to follow a controlled process, tracking project costs and contributions, and reviewing and resolving internal EPA comments. The OIG also recommended that the EPA establish a process for the review of alternative regulatory emission control method submissions, and establish and follow standard procedures.

*Agency Explanation:* The Office of Research and Development and the OIG are communicating and exchanging information to reach a management decision. OIG requested further documentation from the Office of Research and Development on September 23, 2014, regarding the unresolved corrective action number 8. The Office of Research and Development is working on a response to the OIG's additional information request.

*OIG Follow-Up Status:* None provided.

**Region 1—Regional Administrator****Report No. 15-4-0072, Costs of \$1.2 Million for Brownfields Cooperative Agreement to Pioneer Valley Planning Commission in Massachusetts Questioned, February 2, 2015**

*Summary:* This review found that the Pioneer Valley Planning Commission did not follow federal requirements when administering the agreement. The commission's accounting system cannot provide an accurate, current and complete disclosure of the financial results. Of the \$1.2 million in funds drawn, the commission acknowledged that \$94,891 involved duplicate invoices and ineligible indirect costs, and agreed to repay \$94,891. The OIG considers the remaining \$1.1 million also to be questionable due to other accounting deficiencies.

*Agency Explanation:* The region has been coordinating with the recipient regarding the questioned costs. As of June 1, 2015, the recipient has refunded the \$19,277 in ineligible program income and has agreed to the \$94,891 ineligible costs identified during the OIG financial review. The recipient is in the process of sending in support documentation for the remaining \$1,147,497 costs associated with the grant award. The region issued a letter to the recipient on July 9, 2015, indicating that based on support documentation submitted the region was able to verify \$536,235. The region was scheduled to conduct an on-site visit the week of August 24, 2015, to review further support documentation and the recipient's financial management system. The region conducted the on-site visit on August 26 and 27, 2015. The region and the recipient agreed on the amount of ineligible grant costs and reviewed the recipient's financial management system. The region will be issuing the final determination letter by October 2015.

*OIG Follow-Up Status:* None provided.

**Region 6—Regional Administrator****Report No. 13-4-0296, Labor-Charging Practices at the New Mexico Environment Department, June 17, 2013**

*Summary:* This review found that three of four New Mexico Environment Department bureaus did not always comply with requirements found in the Code of Federal Regulations. The Air Quality Bureau and Drinking Water Bureau charged labor, fringe benefits and indirect costs to federal grants based upon budget allocations instead of actual activities performed. Personnel activity reports received from the Surface Water Quality Bureau to support charges for labor costs incurred prior to July 2006 did not meet requirements. New Mexico personnel stated that they charged labor based upon budget allocations because they thought the practice was acceptable. The OIG questioned \$298,159 in labor, fringe benefits and related indirect costs claimed by the Air Quality Bureau; \$2,974,318 claimed by the Drinking Water Bureau; and \$2,733,798 claimed by the Surface Water Quality Bureau. The OIG also identified an additional \$486,305 charged to a Drinking Water Bureau-administered grant that has not yet been reported to the EPA.

*Agency Explanation:* The management decision letter to the New Mexico Environment Department was issued on February 7, 2014. However, OIG acceptance has been delayed until questioned costs can be confirmed. The expected resolution date is December 31, 2015.

*OIG Follow-Up Status:* None provided.

**Region 7—Regional Administrator****Report No. 13-R-0367, American Recovery and Reinvestment Act Award to Grace Hill Settlement House, August 30, 2013**

*Summary:* This review found that Grace Hill's financial management system did not meet federal standards. In particular, procurements did not meet the competition or cost and price analysis requirements of the Code of Federal Regulations. The contract administration system also did not meet the code's requirements. Unallowable costs were not segregated and financial management data were not properly supported, labor charges did not comply with requirements, and cash draws did not meet the immediate cash needs requirements and were not properly documented. As a result of the issues noted, the OIG questioned \$1,615,353 of the \$2,250,031 claimed under the cooperative agreement. In addition, due to a lack of adequate documentation from Grace Hill, we were unable to determine whether Grace Hill accomplished the objective of the cooperative agreement or met the job reporting requirements of the American Recovery and Reinvestment Act's Section 1512.

*Agency Explanation:* Grace Hill submitted a request for a deviation to Region 7, dated July 14, 2014. Region 7's final determination, with OIG concurrence, is on hold pending the resolution of the waiver request. Region 7 continues to work on rewriting the Region 7 position on the Grace Hill deviation request and to incorporate clarity where needed.

and requested by the EPA headquarters' Office of Grants and Debarment and Office of General Counsel. Region 7 anticipates submitting the newly clarified Region 7 position on the Grace Hill deviation request document back to headquarters (Office of Air and Radiation, Office of General Counsel, and then Office of Grants and Debarment) by October 9, 2015.

*OIG Follow-Up Status:* None provided.

#### **Region 8—Regional Administrator**

##### **Report No. 2007-4-00078, Cheyenne River Sioux Tribe, September 24, 2007**

*Summary:* The tribe did not comply with the financial and program management standards under the Code of Federal Regulations and Office of Management and Budget Circular A-87. We questioned \$3,101,827 of the \$3,736,560 in outlays reported. The tribe's internal controls were not sufficient to ensure that outlays reported complied with federal cost principles, regulations and grant conditions. In some instances, the tribe also was not able to demonstrate that it had completed all work under the agreements and had achieved the intended results.

*Agency Explanation:* Region 8 is working with the recipient on draft policies and procedures as part of a multi-federal partnership with the tribe. In addition, the Office of Grants and Debarment and the region are discussing the contents of the proposed final determination letter. Region 8 discussed next steps with the OIG in June 2015, including the potential for a corrective action plan and/or a regulatory waiver. Mutual agreement on final steps is still pending.

*OIG Follow-Up Status:* None provided.

##### **Report No. 14-R-0032, The State of Colorado Did Not Fully Assure that Funds Intended to Treat Mining Wastes and Remove Contaminants from Water Were Effectively Spent, November 19, 2013**

*Summary:* The Colorado Department of Public Health and Environment generally complied with Colorado's state procurement policies and procedures as required by the Code of Federal Regulations. However, the department did not always comply with the cost or price analysis requirements and did not include language in bid proposals designating the date, time and place of bid openings, as required by State of Colorado Procurement Rule R-24-103-202a-08(b). In addition, the department did not always ensure required federal language was included in bid proposals and contracts. As a result, we questioned \$2,593,495 claimed under the cooperative agreement.

*Agency Explanation:* Region 8 sent a draft management decision letter to the OIG for concurrence. Region 8 also has had regular check-ins with the OIG on the ongoing efforts toward resolution with the state of Colorado. The region and OIG are using "OMB MAX" for sharing detailed information about the audit resolution process. Region 8 sent a waiver request to the Office of Grants and Debarment related to findings in the audit report after discussion with the OIG about the draft management decision letter. As of September 30, 2015, Region 8 has received tentative approval of the final determination from the OIG Director of Forensic Audits, who is waiting for final approval from headquarters.

*OIG Follow-Up Status:* None provided.

#### **Region 9—Regional Administrator**

##### **Report No. 13-3-0159, Summit Lake Paiute Tribe, Nevada – FY 2010, February 19, 2013**

*Summary:* The tribe did not file or maintain documentation of compliance for annual reports. Also, the required SF 425 report did not cover the correct period. A similar finding was noted in the prior year audit report. The tribe recorded deferred revenues in the amount of \$804,104 and only \$150,416 in available cash. The single auditor questioned \$653,688. A similar finding was noted in the prior year audit report. The tribe's operating practices did not reflect the processes described in the approved policies and procedures manual. The tribe did not properly reconcile its SF 425 report to the general ledger for certain awards and the single auditor questioned \$20,556. The single auditor also questioned \$76,216 involving amounts paid to the General Assistance Program Director.

*Agency Explanation:* Region 9 is addressing five audits with Summit Lake—one agreed-upon procedures audit and four single audits. Summit Lake appealed the agreed-upon procedures audit and the Regional Administrator accepted the appeal on August 13, 2014. The debt forgiveness package was received from the tribe requesting that the EPA forgive the \$74,418.70 owed as a result of the OIG's agreed-upon procedures review. The EPA reviewed the debt forgiveness package and requested additional documentation from the tribe by October 2, 2015. Once there is

sufficient documentation, Region 9 will prepare a memo to request the Las Vegas Finance Office's review. Due to the amount of the debt, the authority for approval is with the Office of Grants and Debarment.

*OIG Follow-Up Status:* None provided.

**Report No. 13-3-0160, Summit Lake Paiute Tribe, Nevada – FY 2011, February 19, 2013**

*Summary:* The tribe did not file the quarterly narratives for the General Assistance Program. Furthermore, the tribe was unable to locate documentation for two quarterly SF 425 reports. There were no formalized controls regarding the security of the payroll stamp. Also, the single auditor noted issues related to pay rates. A similar finding was noted in the prior year audit report. Budgets prepared excluded the carry-forward amounts from prior periods. Several transactions were not supported by a purchase order or other type of approval prior to the expenditure being made. One transaction charged to travel in the amount of \$2,877 did not appear to be valid and appropriate for the granting requirements, and the single auditors questioned that amount.

*Agency Explanation:* Region 9 is addressing five audits with Summit Lake—one agreed-upon procedures audit and four single audits. Summit Lake appealed the agreed-upon procedures audit and the Regional Administrator accepted the appeal on August 13, 2014. The debt forgiveness package was received from the tribe requesting that the EPA forgive the \$74,418.70 owed as a result of the OIG's agreed-upon procedures review. The EPA reviewed the debt forgiveness package and requested additional documentation from the tribe by October 2, 2015. Once there is sufficient documentation, Region 9 will prepare a memo to request the Las Vegas Finance Office's review. Due to the amount of the debt, the authority for approval is with the Office of Grants and Debarment.

*OIG Follow-Up Status:* None provided.

**Report No. 13-3-0350, Wells Band Council, Nevada – FYs 2008, 2011 and 2012, August 21, 2013**

*Summary:* This review found numerous financial statement and major program compliance findings. As a result of significant cash management issues, we questioned as unsupported \$361,027 and recommended that the council be considered high risk, in accordance with the Code of Federal Regulations.

*Agency Explanation:* The initial due date for the tribe to submit the corrective action plan was revised to October 15, 2015. The tribe and the contractor will provide assurance that all documentation can support allowable costs under the grant and reconciled to the accounting system. Since the disallowed amount would yet to be determined, the OIG agreed to an extension to November 30, 2015, to issue one combined management decision letter including both agreed-upon procedures and single audit reports for 2008, 2011 and 2012.

*OIG Follow-Up Status:* None provided.

**Report No. 14-2-0316, Wells Band Council Nevada – FY 2008, 2011 and 2012, August 21, 2013**

*Summary:* EPA Region 9 requested assistance from the OIG due to concerns about the financial practices and internal controls of the Wells Band Council. The financial practices and internal controls involved equipment and travel costs, and timekeeping methods and procedures. The OIG found that the council did not timely submit federal financial reports to support draws of \$390,000 made by the council under EPA grant 00T39801. By not submitting federal financial reports within the period reviewed under this engagement, the council had not claimed any costs; therefore, the OIG could not evaluate travel and equipment costs incurred under their EPA grant. Additionally, the OIG found that council timekeeping methods and procedures were not in compliance with federal regulations. Personnel activity reports or equivalent documents were not maintained. Also, the council's financial management system did not meet the standards established under federal regulations.

*Agency Explanation:* The initial due date for the tribe to submit the corrective action plan was revised to October 15, 2015. The tribe and the contractor will provide assurance that all documentation can support allowable costs under the grant and reconciled to the accounting system. Since the disallowed amount would yet to be determined, the OIG agreed to an extension to November 30, 2015, to issue one combined management decision letter including both agreed-upon procedures and single audit reports for 2008, 2011 and 2012.

*OIG Follow-Up Status:* None provided.



**Report No. 14-3-0248, Richmond, California, City of – 2012, May 8, 2014**

*Summary:* This review found that the city of Richmond did not report expenditures of federal awards for the Brownfield Assessment and Cleanup Cooperative Agreements for FYs 2010 and 2011. The city made four drawdowns totaling \$600,000 after the budget and project end dates. The OIG questioned the \$600,000 as unsupported costs.

*Agency Explanation:* Management decision is delayed due to an ongoing OIG investigation involving the audit recipient.

*OIG Follow-Up Status:* Pending further investigation from the OIG.

**Total reports issued before reporting period for which  
no management decision had been made as of September 30, 2015 = 12**

## Appendix 3—Reports With Corrective Action Not Completed

In compliance with reporting requirements of Section 5(a)(3) of the Inspector General Act of 1978, as amended, we are to identify each significant recommendation described in previous semiannual reports on which corrective action has not been completed.

Several examples of why recommendations remained unimplemented follow:

- In a report on evaluating Superfund expenditures and recommending options to increase resources directed to extramural cleanup while minimizing administrative costs, we recommended that the EPA should agree to define costs in a manner that supports management decision-making and improve their accounting of such resources to maximize achieving program goals. The EPA agreed to finalize Resource Management Directives System 2520, but the manual is currently with the contractor for final formatting and editing. The completion date was revised to October 2015 due to added contractor support to complete the task. (Report No. 2006-P-00013)
- In a report on the EPA's FYs 2010 and 2009 Consolidated Financial Statements, we recommended that the EPA adequately address why personal property items are missing. The EPA agreed to improve controls to headquarters' property, specifically to develop a new property tracking system to include individual location and property tracking features. Implementation of the system was delayed due to funding issues. The new system will be rolled out in conjunction with Office of the Chief Financial Officer Compass 7.2 upgrades in October 2015. (Report No. 11-1-0015)
- In a report on EPA Region 9's management of several Superfund special accounts for the Stringfellow Superfund site (located near Glen Avon, California), the review specifically put emphasis on special accounts that had high available balances or were at least years 10 years old. We recommended that the EPA reclassify or transfer to the Superfund Trust Fund, as appropriate, \$27.8 million (plus an earned interest less oversight costs) of the Stringfellow special accounts in annual reviews, and at other milestones. The EPA agreed to finalize the Record of Decision in FY 2010 and have the consent decree signed in late calendar year 2011. However, in 2012, a new area of groundwater contamination was identified that impacted the cleanup of existing Stringfellow contamination, thus requiring further investigations. Due to the additional investigations at the site, the current anticipated date to complete the site-wide record of decision is December 2015. (Report No. 08-P-0196)

Separate tables for the EPA and CSB listing all recommendations for which corrective action has not been completed are on the following pages. Many of the recommendations have completion dates in the future due to the complexity or challenging nature of the recommendations. While a recommendation may be listed as unimplemented, the agency may be on track to complete agreed-upon corrective actions by the planned due date. A reason for delay is only shown for those recommendations that are past their original planned completion date. The information regarding reason for delay was provided by the agency and was not verified by the OIG.

### Responsible EPA Offices:

OAR	Office of Air and Radiation
OARM	Office of Administration and Resources Management
OCFO	Office of the Chief Financial Officer
OCSP	Office of Chemical Safety and Pollution Prevention
OECA	Office of Enforcement and Compliance Assurance
OHS	Office of Homeland Security
OEI	Office of Environmental Information
ORD	Office of Research and Development
OSWER	Office of Solid Waste and Emergency Response
OW	Office of Water
Region 2	
Region 6	
Region 8	
Region 9	
Region 10	

## EPA Reports With Unimplemented Recommendations

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Quick Reaction Report: EPA Pesticide Inspections Must Resume in North Dakota to Determine Compliance and Protect Human Health and the Environment (15-P-0099)	02/23/15	OECA	4: Review Region 8's fiscal year 2015 North Dakota End-of-Year report and confirm that Federal Insecticide, Fungicide, and Rodenticide Act producer establishment and import inspections in North Dakota have been initiated.	04/15/16	No Delay - Agency implementation currently adhering to original planned completion date.
EPA Needs to Demonstrate Public Health Benefits of Drinking Water State Revolving Fund Projects (15-P-0032)	12/05/14	OW	1: Enforce the grant requirement for states to input all necessary data in the Projects and Benefits Reporting database (e.g., project completion, project results, project start/end dates, compliance period begin/end dates, and public water system identification numbers).	04/30/15	Subsequent to the review period, all recommendations for this report have been completed and a certification memo is being prepared.
Audit of EPA's Fiscal Years 2014 and 2013 (Restated) Consolidated Financial Statements (15-1-0021)	11/17/14	OARM	14. Require project officers to approve federal disbursements timely.	03/31/15	The Interagency Shared Service Center has completed a comprehensive review of the existing manual and identified necessary changes, including a description of the billing requirement. This description will be contained in the revised version of the manual which will be completed by March 31, 2016.
		OCFO	2. Require the Reporting and Analysis Staff to coordinate with OARM project officers to receive software project cost support once placed into service.	10/31/18	No Delay - Agency implementation currently adhering to original planned completion date.
			3. Document and support project costs for all software costs placed into service over the past 7 years.	10/31/18	No Delay - Agency implementation currently adhering to original planned completion date.
			5. Improve and maintain support for how EPA lab renovation projects are funded.	03/31/16	No Delay - Agency implementation currently adhering to original planned completion date.
			6. Review funding sources of all current and future lab renovations to ensure correct funding is utilized.	03/31/16	No Delay - Agency implementation currently adhering to original planned completion date.
			7. Develop policies and procedures for capital improvements/betterments to real property, specifically, to address EPA lab renovations which could include bulk purchases of equipment and funding from agency program appropriations other than the Building and Facilities appropriation.	03/31/16	No Delay - Agency implementation currently adhering to original planned completion date.

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		OCFO	12. Research and resolve differences between Compass and the property management system timely.	09/30/15	OCFO has resolved \$50M of the differences between Compass and Maximo as required by the Resource Management Directive System. The differences were partially due to data conversion from IFMS (Integrated Financial Management System) to Compass. The remaining differences is between FAS (Fixed Assets Subsystem) & GL (General Ledger) and is due to software overhead vouchers. RAS (Reporting and Analysis Staff) will continue to clear the differences. New anticipated completion date is June 30, 2016.
EPA Region 6 Mismanaged Coastal Wetlands Planning, Protection and Restoration Act Funds (15-P-0003)	10/09/14	Region 6	1. Reimburse the Task Force (through the U.S. Army Corp of Engineers) questioned costs of \$780,793, unless Region 6 Water Quality Protection Division (WQPD) management provides sufficient and appropriate documentation to demonstrate that questioned costs paid with the Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA) funds were incurred in accordance with CWPPRA, appropriations law and principles, and interagency agreements.	12/31/16	No Delay - Agency implementation currently adhering to original planned completion date.
			2. Direct the Region 6 Assistant Regional Administrator to work with the OCFO to perform an internal review of the WQPD's CWPPRA spending at the end of FY 2014 to identify improper expenditures that occurred in 2008 and 2009, as well as from July 1, 2013, through September 30, 2014. Reimburse the Task Force (through the US Army Corp of Engineers) any questioned costs identified during this review.	12/31/16	No Delay - Agency implementation currently adhering to original planned completion date.
			3. Identify and address any Antideficiency Act violations resulting from questioned costs identified in this report or found by the Region 6 Assistant Regional Administrator's review, and report any violations in accordance with the Antideficiency Act and EPA Directive 2520.	12/31/16	No Delay - Agency implementation currently adhering to original planned completion date.
			4. Direct the WQPD to establish control activities for the CWPPRA program (e.g., verifications, comparisons and reconciliations of CWPPRA spending with Task Force approved CWPPRA budgets) to ensure proper stewardship and accounting of CWPPRA resources.	12/31/15	No Delay - Agency implementation currently adhering to original planned completion date.

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		Region 6	5. Take administrative disciplinary actions, in accordance with EPA Directive 2520, against EPA employees responsible for purpose violations or Antideficiency Act violations related to improper CWPPRA spending.	12/31/16	No Delay - Agency implementation currently adhering to original planned completion date.
More Action is Needed to Protect Water Resources from Unmonitored Hazardous Chemicals (14-P-0363)	09/29/14	OW	1: Develop, in coordination with OEI, a usable format for sharing Toxics Release Inventory data on discharges sent to sewage treatment plants, with OW developing materials to explain the utility of Toxics Release Inventory data to National Pollutant Discharge Elimination System permit writers and pretreatment program personnel. This will include exploring options for an online search tool to more easily identify Toxics Release Inventory discharges to specific sewage treatment plants.	09/30/15	Delayed until December 15, 2015.
			2: Develop, in coordination with EPA regions, a list of chemicals beyond the priority pollutants appropriate for inclusion among the chemicals subject to discharge permits. This may include: <ul style="list-style-type: none"> <li>a. Review of Toxics Release Inventory-reported discharges to sewage treatment plants. Initial review could focus on Resource Conservation and Recovery Act hazardous chemicals reported in the Toxics Release Inventory.</li> <li>b. Review of chemicals monitored nationwide in sewage treatment plant discharge permits, especially chemicals monitored by Region 9.</li> <li>c. Review of chemical monitoring data already collected by sewage treatment plants but not included in discharge permits.</li> <li>d. Discussion with the Office of Resource Conservation and Recovery for suggested hazardous chemicals.</li> <li>e. Development of mechanisms that ensure discharge and pretreatment programs coordinate during discharge permit writing.</li> </ul>	09/30/15	Delayed until December 15, 2015.

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		OW	<p>3: Confirm, in coordination with OECA and EPA regions, that sewage treatment plants and their industrial users are aware of and comply with the 40 CFR (Code of Federal Regulations) 403.12(p) requirement that industrial users submit hazardous waste notifications.</p> <p>4: Develop, in coordination with OECA, mechanisms to:</p> <p>a. Improve sewage treatment plant compliance with permit terms that require submission of Whole Effluent Toxicity monitoring results to the permitting authority.</p> <p>b. Facilitate the use of monitoring data to track facilities that have violated chemical or Whole Effluent Toxicity permit exceedance requirements.</p>	<p>09/30/15</p> <p>09/30/15</p>	<p>OW and OECA are working on the development of a joint memo that describes best practices for the National Pretreatment Program to eliminate the potential contamination of surface water from hazardous chemicals passing through publicly owned treatment works.</p> <p>Delayed until December 15, 2015.</p>
EPA's Risk Assessment Division Has Not Fully Adhered to Its Quality Management Plan (14-P-0350)	09/10/14	OCSPP	<p>2: Direct Risk Assessment Division's Quality Assurance Coordinator to conduct annual internal quality assurance audits in accordance with Risk Assessment Division's Quality Management Plan.</p> <p>6: Conduct a quality assurance analysis of the Office of Pollution Prevention and Toxics to determine whether all divisions have fully implemented their Quality Management Plans (QMPs).</p>	<p>09/30/15</p> <p>09/30/15</p>	<p>This corrective action will be completed within 6 months of the original agreed-upon date, or by 3/30/16. Office of Pollution and Prevention Toxics (OPPT) Risk Assessment Division has identified a topic/area to be audited and is preparing to conduct the audit.</p> <p>OPPT conducted a review of its quality system in FY 2015, after its recent reorganization, to ensure that the Office is in compliance with the Agency's quality policy. The OPPT QMP was significantly revised in response to this review and was submitted to OEI for review on Sept. 2, 2015. As part of this process each Division revised its individual QMPs and assessed how well they were implementing their respective QMPs. OCSPP expects to complete this corrective action by March 30, 2016.</p>
EPA Needs to Work With States to Develop Strategies for Monitoring the Impact of State Activities (14-P-0348)	09/03/14	OW	<p>1: Work with state and federal Task Force members in the Mississippi River Watershed to develop and enhance monitoring and assessment systems that will track the environmental results of state nutrient reduction activities, including their contribution to reducing the size of the Gulf of Mexico hypoxic zone.</p>	06/30/15	No reason for delay provided.

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EPA Needs to Improve Contract Management Assessment Program Implementation to Mitigate Contracting Vulnerabilities (14-P-0347)	09/02/14	OARM	2: Ensure the organizational changes currently being considered for the contracting function at the EPA provide OAM (Office of Acquisition Management) with greater authority and oversight over regional contracting organizations are implemented, to allow for more effective Contract Management Assessment Program implementation.	09/15/15	OAM has submitted a proposed re-organization package for formal EPA review and approval. As indicated above, in this package OAM proposes re-aligning operational contracting activities around lines of business, and indicates its intent to establish various review and documentation processes. Additionally, OAM began integrating purchase card reviews into the Contract Management Assessment Program in April 2014. Furthermore, as indicated above, OAM modified the Balanced Scorecard Performance Measurement and Management Program Guide to clarify and address actions for noncompliance with the Contract Management Assessment Program on 10/8/14. OAM anticipates approval of the re-organization package on or before March 2016.
Increased Emphasis on Strategic Sourcing Can Result in Substantial Savings (14-P-0338)	08/26/14	OARM	3: Develop and implement policies and procedures to ensure that controls are in place so that all strategically sourced vehicles are utilized unless a valid exception is justified.	12/31/14	OAM had prepared the above-referenced policy and was staffing for approval and implementation by 6/30/2015. However, concurrent with OAM's efforts, the Federal Acquisition Regulation (FAR) Council initiated FAR Case 2015-014, Strategic Sourcing Documentation, which is a direct final rule to amend FAR 8.004 to require mandatory documentation for purchases not made from a Federal Strategic Sourcing Initiative vehicle. In order to ensure the OAM EPA strategic sourcing policy does not conflict with the FAR, particularly when the same commodities can be acquired under both EPA strategic sourcing vehicles and a Federal Strategic Sourcing Initiative vehicle, such as cell phones and cellular service, OAM's policy is on hold pending implementation of the final FAR rule. Once the final FAR rule is published, OAM will amend/revise the EPA's policy on this subject to address what becomes the first mandatory source, including appropriate documentation requirements. An extension until 5/31/2016 is requested to allow for processing time for the final FAR rule.



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Improvements Needed in EPA Efforts to Address Methane Emissions From Natural Gas Distribution Pipelines (14-P-0324)	07/25/14	OAR	2. Develop and implement a strategy to address the financial and policy barriers to repairing methane leaks from distribution pipelines. This strategy should include partnering with state PUCs (Public Utility Commissions) to overcome barriers, and consider regional/state pipeline infrastructure and policy variations.	09/30/15	OAR needed additional time to establish the appropriate contacts and dialogue with the Public Utility Commissions. Completion expected by 03/31/16.
			3. Establish annual performance goals for reducing methane emissions from distribution pipelines through the EPA's voluntary programs, such as Natural Gas STAR, and report annually in the EPA's Annual Performance Report the agency's progress in meeting these goals.	09/30/16	No Delay - Agency implementation currently adhering to original planned completion date.
			4. Assess annually whether the above annual performance goals are being met and, if not, determine whether changes or modifications in voluntary programs and other options available to the EPA are needed, including whether regulating methane emissions from the distribution sector would be appropriate under the CAA (Clean Air Act).	09/30/16	No Delay - Agency implementation currently adhering to original planned completion date.
			5. Review data from existing and ongoing studies (as they become available) to determine whether the data can be used to verify and/or update existing emission factors, and document the rationale for determination of usability. If the data can be used, update emission factors as appropriate. If not, the EPA should proactively identify opportunities to work with the research community to obtain the data needed to update the distribution sector emission factors.	09/30/16	No Delay - Agency implementation currently adhering to original planned completion date.
Impact of EPA's Conventional Reduced Risk Pesticide Program Is Declining (14-P-0322)	07/24/14	OCSP	1: Reduce participation barriers for the Conventional Reduced Risk Pesticide Program by seeking statutory authority from Congress to reduce application fees for approved Conventional Reduced Risk Pesticide registrations.	06/30/17	No Delay - Agency implementation currently adhering to original planned completion date.
Unliquidated Obligations Resulted in Missed Opportunities to Improve Drinking Water Infrastructure (14-P-0318)	07/16/14	OW	1b: Reduce unliquidated obligations by quarterly providing to the regions a summary of states that have attended the cash flow analysis training and compare that with states not achieving the goals of the 2014 strategy to identify states that may need additional assistance.	09/30/16	No Delay - Agency implementation currently adhering to original planned completion date.

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		OW	3: Require that EPA regions, when reviewing the capitalization grant application for states with high unliquidated obligations balances, ensure states have adopted the EPA's guidance on the definition of "Ready to proceed" and use that definition in developing the fundable list.	09/30/15	Most states have adopted the ready to proceed definitions for their state. There are still many states in Regions 4, 6, 7, and 9 that have not. Note: Each state has its own institutional processes superimposed on the IUP (Intended Use Plan) development process it uses in establishing its fundable plan. Regions will continue to work with states that still need to modify their processes to accomplish inclusion of this definition in implementing their DWSRF (Drinking Water State Revolving Fund) fundable plans. The new completion date is September 30, 2016.
EPA Should Improve Oversight and Assure the Environmental Results of Puget Sound Cooperative Agreements (14-P-0317)	07/15/14	Region 10	4: Evaluate whether the resources allocated to overseeing Puget Sound cooperative agreements are sufficient to effectively achieve the Puget Sound Program's needed environmental results.	04/30/15	Region 10 Management reviewing Grant Streamlining Policy update. Revised corrective action completion is 1st Quarter FY 2016.
		OARM	5: Review existing grants policies to determine whether policies need to be updated to clarify project officer and grant specialist responsibilities with sub-awards, as well as recipient responsibilities for sub-award monitoring.	09/30/15	The revised Subaward Policy will have an effective date of January 1, 2016. From November 2015 through December 2015, OGD (Office of Grants and Debarment) will provide training on the policy to project officers and grants specialists by 12/31/15.
EPA Has Made Progress in Assessing Historical Lead Smelter Sites but Needs to Strengthen Procedures (14-P-0302)	09/30/14	OSWER	3: Assess existing EPA guidance for addressing lead contamination in soil within the Superfund site assessment process and obtain input from the regions to determine whether any updates are needed and revise as appropriate.	09/30/16	No Delay - Agency implementation currently adhering to original planned completion date.
			5: Following completion of the 2012 Strategy, create and post a summary of the results of the EPA's efforts to address sites included in the strategy and, as applicable, any findings and recommendations on the EPA's website.	12/31/15	No Delay - Agency implementation currently adhering to original planned completion date.
New Jersey Department of Environmental Protection Needs to Meet Cooperative Agreement Objectives and Davis-Bacon Act Requirements to Fully Achieve Leaking Underground Storage Tank Goals (14-R-0278)	06/04/14	Region 2	1: Require New Jersey Department of Environmental Protection to establish internal controls to ensure that modifications to the cooperative agreement work plan are in accordance with the requirements of 40 CFR 31.30 and 31.40.	09/30/15	The OIG audit was conducted under the former EPA grant regulations. The new Uniform Grants Guidance (UGG) changed the grants and EPA-specific CFR Part 35 rules, making the guidance much more complicated, and requiring more time to finalize an Agency-wide policy. OGD plans to present guidance to the Agency Grants Management Council by 12/31/2015. Guidance is then expected to be issued by 2/29/2016.

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EPA Has Not Implemented Adequate Management Procedures to Address Potential Fraudulent Environmental Data (14-P-0270)	05/29/14	OEI	2: Include in the revised Chief Information Officer Procedure 2106 specific due diligence steps for laboratory fraud that provide procedural details on communication and coordination efforts between program and enforcement staff, review and analysis of data for any impacts to human health and the environment, communication of any impact information to data users, and amendment of past environmental decisions impacted by fraudulent data.	12/31/16	No Delay - Agency implementation currently adhering to original planned completion date.
			3: Provide training on the "Notification Process" and the revised Chief Information Officer Procedure 2106 to the EPA staff working with laboratory data.	03/31/17	No Delay - Agency implementation currently adhering to original planned completion date.
		OSWER	5: Update the <i>Contract Laboratory Program Roles and Regulations Guidance Document</i> .	12/31/14	OSWER informed the OIG that corrective actions for this recommendation were completed on September 11, 2015.
EPA Needs to Improve Management of the Cross-Media Electronic Reporting Regulation Program in Order to Strengthen Protection of Human Health and the Environment (14-P-0143)	03/21/14	OEI	1. Update written Cross-Media Electronic Reporting Regulation Program (CROMERR) business practices and remove references to the Exchange Network Policy and Planning Workgroup and Quality Information Counsel-Exchange Network Subcommittee since they no longer participate in the CROMERR program. Those written practices should include: <ul style="list-style-type: none"> <li>a. EPA Procedure for Approval of State, Tribal, or Local Government Authorized or Delegated Program Applications for Implementing CROMERR;</li> <li>b. EPA Procedure for Implementation of CROMERR for EPA Systems;</li> <li>c. Technical Review Committee Charter; and</li> <li>d. CROMERR authorized program review for approval flowchart.</li> </ul>	03/31/17	No Delay - Agency implementation currently adhering to original planned completion date.

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EPA's Information Systems and Data Are at Risk Due to Insufficient Training of Personnel with Significant Information Security Responsibilities (14-P-0142)	03/21/14	OEI	1: Define key information security aspects and duties for each security role. This includes identifying, where appropriate, broadly similar characteristics within each role to allow for more precise alignment of roles to applicable training requirements. This also includes ensuring that existing EPA policies, procedures, and guidance fully and consistently define all information security roles and responsibilities currently implemented across the organization.	12/31/16	No Delay – Agency implementation currently adhering to original planned completion date.
			2: Provide additional training options specific to the federal information security environment and EPA information security roles, such as the processes and controls outlined in National Institute of Standards and Technology Special Publication 800-53. Training should be specific to supporting EPA professionals in executing and performing assigned information security roles and responsibilities in accordance with EPA policies and procedures. For example, vendor training may be warranted for hands-on information security roles, but general orientation training may be suitable for executives.	12/31/16	No Delay – Agency implementation currently adhering to original planned completion date.
			4: Standardize the terminology and definition of responsibilities for key information technology security management and oversight roles across all EPA organizations and within the EPA information security policy.	12/31/15	No Delay – Agency implementation currently adhering to original planned completion date.
EPA Did Not Conduct Thorough Biennial User Fee Reviews (14-P-0129)	03/04/14	OW	5: Apply federal user fee policy in determining whether to (a) charge fees for issuing federal National Pollutant Discharge Elimination System permits in which the EPA is the permitting authority, or (b) request an exception from OMB (Office of Management and Budget) to charging fees.	12/31/14	OW is working with OCFO to request an exception from a National Pollutant Discharge Elimination System user fee from OMB.
Internal Controls Needed to Control Costs of Emergency and Rapid Response Service Contracts, as Exemplified in Region 6 (14-P-0109)	02/04/14	Region 6	3: Direct Contracting Officers to require that the contractor adjust all its billings to reflect the application of the correct rate to team subcontract other direct costs.	09/30/24	No Delay - Agency implementation currently adhering to original planned completion date.

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Audit of EPA's Fiscal 2013 and 2012 Consolidated Financial Statements (14-1-0039)	12/16/13	OEI	12: Conduct training for staff in charge of receiving and analyzing monthly vulnerability management reports to ensure they are knowledgeable of the agency's remediation process for vulnerabilities. This training should include specific information on how to review the provided vulnerability management report and what actions offices must take regarding the identified vulnerabilities.	09/30/17	No Delay - Agency implementation currently adhering to original planned completion date.
EPA Does Not Adequately Follow National Security Information Classification Standards (14-P-0017)	11/15/13	OHS	4. Work with the Assistant Administrator for OARM to develop a process for approving classification guides within the 30 days specified in Executive Order 13526.	09/30/14	OHS (Office of Homeland Security) continues to work with OARM and OGC (Office of General Counsel) as EPA develops and implements a process for approving classification guides within the 30 days specified in Executive Order 13526.
The EPA Needs to Improve Timeliness and Documentation of Workforce and Workload Management Corrective Actions (13-P-0366)	08/30/13	OCFO	1: Notify all the EPA's action officials that when they extend planned completion dates for corrective actions by more than 6 months they must provide the OIG with written notification that includes the new milestone dates.	09/30/15	Resource limitations have resulted in scaling back reviews from 7 per year to 4. OCFO anticipates completing a full round of reviews by September 30, 2018.
Improved Information Could Better Enable EPA to Manage Electronic Waste and Enforce Regulations (13-P-0298)	06/21/13	OSWER	3: Evaluate the implementation of currently used electronics certification programs as detailed in the National Strategy. If necessary, conduct Resource Conservation and Recovery Act inspections (for federal regulations only) of certified recyclers accordingly.	07/31/14	All fieldwork was completed in April 2015; however, additional time is needed to analyze the results of the fieldwork and to draft the final report, which will include the development of comprehensive recommendations for improving the implementation of the standards across the entire electronics system. Additional time is also needed to allow for a limited stakeholder review of the report review prior to its release. A draft of the report will be available to the OIG concurrent with stakeholder review, currently estimated to be early November 2015. The date for the release of the final report has been revised to 12/17/15.

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Air Quality Objectives for the Baton Rouge Ozone Nonattainment Area Not Met Under EPA Agreement 2A-96694301 Awarded to the Railroad Research Foundation (13-R-0297)	06/20/13	Region 6	1: Recover federal funds of \$2,904,578 unless the foundation provides a verifiable and enforceable remedy to reduce diesel emissions in the Baton Rouge ozone nonattainment area, as required by the cooperative agreement.		
			CA2: Two of the five rebuilt locomotives will continue to operate in the Baton Rouge nonattainment area.	9/30/20	No Delay - Agency implementation currently adhering to original planned completion date.
			CA3: The remaining three rebuilt locomotives will continue to operate between Baton Rouge and New Orleans until economic conditions in Baton Rouge necessitate moving as many locomotives as possible back to the Baton Rouge nonattainment area.	9/30/20	No Delay - Agency implementation currently adhering to original planned completion date.
			CA5: Railroad Research Foundation will provide locomotive location data to EPA on a quarterly basis showing where the five locomotives were operated.	09/30/20	No Delay - Agency implementation currently adhering to original planned completion date.
			CA6: As a penalty for noncompliance, Railroad Research Foundation will remit to the U.S. EPA \$4,841 for each locomotive for each month any of the five locomotives are operated outside of the restricted area for more than 10 plus consecutive days, outside the Baton Rouge nonattainment area and the Exception area (for other than maintenance).	09/30/20	No Delay - Agency implementation currently adhering to original planned completion date.
			CA7: Each of the five locomotives will operate in Baton Rouge area or the Exception area for 10 years after the date each engine was placed back into service.	09/30/20	No Delay - Agency implementation currently adhering to original planned completion date.
Labor-Charging Practices at the New Mexico Environment Department (13-4-0296)	06/17/13	Region 6	1. Disallow and recover unsupported labor costs of \$298,159 from Air Quality Bureau and \$2,974,318 from Drinking Water Bureau, unless New Mexico Environment Department can provide support that complies with 2 CFR Part 225, Appendix B, Section 8.h.	05/31/14	Due to coordination with the Office of Grants and Debarment, the planned completion date is delayed to 12/31/15.
			2. Ensure that New Mexico Environment Department does not claim unsupported costs of \$486,305 for the period October 1, 2011, to April 13, 2012, for grant F00620311, unless New Mexico Environment Department can provide support that complies with 2 CFR Part 225, Appendix B, Section 8.h.	12/31/14	

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		Region 6	3. Identify and recover any unsupported costs from Air Quality Bureau- and Drinking Water Bureau-administered grants, which are not covered in our cost-impact determination.  5. Disallow and recover unsupported Surface Water Quality Bureau labor costs of \$2,733,798 claimed under grant number C999610112, unless New Mexico Environment Department can provide support that complies with federal requirements.	12/31/14  12/31/14	
Opportunities for EPA-Wide Improvements Identified During Review of a Regional Time and Materials Contract (13-P-0209)	04/04/13	OARM	5: Ensure that OAM conducts and documents the results of the review prompted from this evaluation of all remedial action contracts to:  a. Determine the best method for paying the remedial action contractors for all subcontract management costs.  b. Consistently apply this method for all remedial action contracts agencywide.	10/20/14	This corrective action is dependent upon the Remedial Acquisition Framework which is not yet completed. The expected completion date is now March 31, 2016.
EPA Should Increase Fixed-Price Contracting for Remedial Actions (13-P-0208)	03/28/13	OARM  OARM and OSWER	1b: For current cost reimbursement Remedial Action Contracts, at the end of the base period, require written acquisition plans be prepared and approved by the Head of the Contracting Activity.  2: Develop performance measures for each region for the use of fixed-price contracts and task orders for remedial actions. The performance measures should be implemented in a way that holds the regions accountable (both the Superfund program staff and contracting staff) for decreasing the use of high risk contracts and task orders.	03/31/14  09/30/14	OARM and OSWER are conducting discussions with each regional office to plan for off-ramps under the current RAC (Remedial Action Contract) contracts and transitioning onto the new suite of RAF (Remedial Action Framework) contracts. Discussions will conclude mid-April with a draft national transition plan completed by April 30. Implementation of the transition plan will commence once the RAF contracts are awarded – currently anticipated 3rd and 4th quarter FY 2016.  OARM and OSWER have developed metrics for evaluating and tracking performance under the RAF contracts in terms of: use of performance based contracting; appropriate selection of task order type; standardization of contract administration processes (including adherence to the task order competition process); and effectiveness of training provided to Superfund program and contracting staff, etc. Currently, a national workgroup is determining how best to incorporate data requirements into the contracts and internal processes, in order to measure and track performance against the metrics established. Implementation now expected to be completed by 3/31/16.



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		OARM and OSWER	3: As part of the implementation of the Contracts 2010 Strategy, provide training to both Superfund program and contracting staff on how and when less risky contracts and task orders should be used in the Superfund remedial program.	11/30/13	OARM and OSWER have convened a national workgroup to evaluate Superfund program and contracting staff training needs. Considering resources required under the Acquisition Planning Process, the RAF, Centers of Expertise Study and input from the regions during their RAF transition meetings, a detailed list of training needs, including use of the most appropriate contract/task order type, has been compiled. Next steps are to develop a schedule and to identify resources to prepare training materials and deliver the courses.
		OARM and OSWER	4: Determine whether staffing changes are needed in each region to ensure that staff have the skills to manage the increased use of fixed-price contracts and task orders, and develop a plan for addressing the staffing needs.	09/30/14	OARM and OSWER have identified resource alignment and resource needs in support of the RAF, taking into consideration the uncertainty of the exact number of multiple award contracts to be awarded, future Superfund budget constraints as it impacts the volume of projects to be administered under the RAF suites of contracts, and EPA human resource constraints in 2016 and beyond.
Results and Benefits Information is Needed to Support Impacts of EPA's Superfund Removal Program (13-P-0176)	03/11/13	OSWER	2: Implement system controls to: a. Ensure required Comprehensive Environmental Response, Compensation, and Liability Information System data are entered and completed. b. Synchronize data between the Pollution Reports and Comprehensive Environmental Response, Compensation, and Liability Information System.	09/30/13	OSWER is working with the regions and its partner offices to address proposed system changes and enhancements to the Superfund Enterprise Management System. OSWER is working closely with the regions to conduct quality assurance on the removal data being migrated from Comprehensive Environmental Response, Compensation, and Liability Information System. Completion expected by 03/31/16.
EPA Is Not Recovering All Its Costs of the Lead-Based Paint Fees Program (13-P-0163)	02/20/13	OCSPP	3: Update the March 20, 2009, fees rule to reflect the amount of fees necessary for the program to recover the costs of implementing and enforcing the program.	01/31/17	No Delay - Agency implementation currently adhering to original planned completion date.
EPA Needs to Improve Air Emissions Data for the Oil and Natural Gas Production Sector (13-P-0161)	02/20/13	OAR	2: Prioritize and update existing oil and gas production emission factors that are in greatest need of improvement and develop emission factors for key oil and gas production processes that do not currently have emission factors.	09/30/19	No Delay - Agency implementation currently adhering to original planned completion date.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
EPA Could Improve Contingency for Oil and Hazardous Substance Response (13-P-0152)	02/15/13	OSWER	<p>2: Require regions to keep critical planning information up to date using the most effective method available and avoid unnecessary duplication.</p> <p>4: Assess the resources, including On-Scene Coordinators, necessary to develop and maintain contingency plans. Use the results of this analysis to develop a workforce plan to distribute contingency planning resources.</p>	<p>09/30/16</p> <p>09/30/13</p>	<p>No Delay - Agency implementation currently adhering to original planned completion date.</p> <p>OSWER/OEM (Office of Emergency Management) agreed to re-assess the recommendation #4 in 18 months (August 2015). Now that OEM has a permanent Office Director as of August 11, 2015, the second round of VERA/VSIP (Voluntary Early Retirement Authority/Voluntary Separation Incentive Payment) has concluded and the Agency is trying to hire personnel to reach the 15,000 FTE (full-time equivalent) level, it is an opportune time to relook at the recommendation. The new OEM Office Director has been tasked to develop a long-term strategic plan for the program office. As part of the strategic planning process, OEM plans to work closely with its Regional partners to inform and prioritize Agency emergency response and removal program efforts. Due to the revitalized focus on area contingency planning as a result of the crude by rail issue and chemical executive order, staff resources and support for area planning will certainly be part of that programmatic conversation. The OSWER AA (Assistant Administrator) has requested that OEM have a final strategic plan in place by February 2016.</p>
Audit of EPA Fiscal 2012 and 2011 Financial Statements (13-1-0054)	11/15/12	OCFO	6: Update EPA's policy for recognizing year-end accruals to require reconciliations of accruals and accrual reversals.	03/31/13	Delayed until 12/30/16 to give the agency an opportunity to explore new methods to streamline our accrual processes and take advantage of efficiencies available in the Compass upgrade scheduled for February 2016.
Improvements Needed in Estimating and Leveraging Cost Savings Across EPA (13-P-0028)	10/22/12	OCFO	2: Develop an agencywide procedure for estimating savings, efficiencies, and cost avoidances to include requiring program offices and regions to consult with internal financial managers to obtain complete and up-to-date cost data.	12/31/15	No Delay - Agency implementation currently adhering to original planned completion date.
EPA Should Improve Management Practices and Security Controls for Its Network Directory Service System and Related Servers (12-P-0836)	09/20/12	OARM	8: Due to the sensitive nature of the report's security findings the recommendation and corrective actions are not being included.	09/30/13	Corrective actions to satisfy this recommendation is expected to be completed by 10/31/15.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Review of Hotline Complaint Concerning Cost and Benefit Estimates for EPA's Lead-Based Paint Rule (12-P-0600)	07/25/12	OCSPP	<p>1: Reexamine the estimated costs and benefits of the 2008 Lead Rule and the 2010 amendment to determine whether the rule should be modified, streamlined, expanded, or repealed.</p> <p>CA3: OCSPP will draft information and analysis submitted to OMB for Interagency review as part of the Action Development Process.</p> <p>CA4: OCSPP will publish the work practice and cost information as part of the proposed rule.</p>	<p>03/31/15</p> <p>09/30/15</p>	<p>The draft proposed rule is currently scheduled to be submitted to Office of Management and Budget review under Executive Orders 12866 and 13563 by November 21, 2016.</p> <p>The Lead Renovation, Repair, and Painting in Public and Commercial Buildings Rule proposed rulemaking is currently scheduled to be signed by March 31, 2017, with publication following 7-10 work days later.</p>
EPA Needs to Further Improve How It Manages Its Oil Pollution Prevention Program (12-P-0253)	02/06/12	OSWER	<p>1: Improve oversight of facilities regulated by the EPA's oil pollution prevention program by:</p> <p>d. Producing a biennial public assessment of the quality and consistency of Spill Prevention, Control, and Countermeasure Plans and Facility Response Plans based on inspected facilities.</p> <p>CA 1-2. A summary of findings will be developed by October, 2013. These findings will help to identify areas where additional guidance and outreach are needed to improve the quality and consistency of Spill Prevention, Control, and Countermeasure Plans.</p> <p>CA 1-3. The model developed for the Spill Prevention, Control, and Countermeasure program will then be used to develop a review protocol for Facility Response Plans by September, 2013, to examine Facility Response Plan inspections conducted during the FY 2013 inspection cycle.</p> <p>CA 1-4. A summary of findings will be developed by October 2014. These findings will help to identify areas where additional guidance and external outreach are needed to improve the quality and consistency of Facility Response Plans.</p>	<p>10/31/13</p> <p>09/30/13</p> <p>10/31/14</p>	<p>Reduced extramural resources and personnel, program implementation including inspections and new priority concerns for oil spill response associated with increased oil transportation have delayed, and will continue to delay, effort on this milestone for at least a year or more. In addition, recent enactment of the Water Resources Reform and Development Act place priority responsibilities on the Spill Prevention, Control and Countermeasure program for the next 2 years. Consequently, action on this action cannot begin before June 2017.</p>

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Agreed-Upon Procedures Applied to EPA Grants Awarded to Summit Lake Paiute Tribe, Sparks, Nevada (12-2-0072)	11/10/11	Region 9	2: Require the tribe to implement internal controls to ensure that: <ul style="list-style-type: none"> <li>a. Employees document all hours worked in accordance with 2 CFR Part 225 requirements.</li> <li>b. The chairman's consent to use his signature stamp for timesheet approval is independently verified.</li> <li>c. Leave allocation complies with 2 CFR Part 225 requirements.</li> </ul>	07/31/12	Debt Forgiveness Package received from the tribe requesting that EPA forgive the \$74,418.70 owed as a result of the OIG's Agreed-Upon Procedures review. EPA reviewed the Debt Forgiveness Package and requested additional documentation from the tribe. Once there is sufficient documentation, Region 9 will prepare memo to request Las Vegas' review. Due to the amount of the debt, the authority for approval is at the HQ's EPA Claims Officer's level (OGC).
Region 9 Technical and Computer Room Security Vulnerabilities Increase Risk to EPA's Network (11-P-0725)	09/30/11	Region 9	4, 6, 8, and 10: These recommendations were made to the senior information official, Region 9. Detailed information for this report is not being included due to the sensitive nature of the report's security findings.	03/31/14	Due to the sensitive nature of this report, this section is not included.
EPA Should Update Its Fees Rule to Recover More Motor Vehicle and Engine Compliance Program Costs (11-P-0701)	09/23/11	OAR	1: Update the 2004 fees rule to increase the amount of the Motor Vehicle and Engine Compliance Program costs it can recover.	12/31/17	No Delay - Agency implementation currently adhering to original planned completion date.
EPA Needs Workload Data to Better Justify Future Workforce Levels (11-P-0630)	09/14/11	OCFO	1: Conduct a pilot project requiring EPA organizations to collect and analyze workload data on key project activities.  2: Use information learned from the pilot and the ongoing contracted workload study to issue guidance to the EPA's program offices on: <ul style="list-style-type: none"> <li>a. How to collect and analyze workload data.</li> <li>b. The benefits of workload analysis.</li> <li>c. How this information should be used to prepare budget requests.</li> </ul>	09/30/12  09/30/12	OCFO is finalizing Resource Management Directive 2520 for agency review and OFM (Office of Financial Management) will submit to OMB for official clearance. Once submitted to OMB, we can issue the "draft" manual internally on the agency intranet site. Revised date to October 2015 due to adding contractor support to complete task.
An Overall Strategy Can Improve Communication Efforts at Asbestos Superfund Site in Libby, Montana (11-P-0430)	08/03/11	Region 8	2: Revise the Libby community engagement plan to serve as the overall communication strategy by including: a) key messages that address specific public concerns and site activities; b) timeliness for community involvement activities and outreach projects; c) measures for successful communications; and d) mechanisms for identifying community concerns and collecting feedback.	12/31/15	No Delay - Agency implementation currently adhering to original planned completion date.
Office of Research and Development Needs to Improve its Method of Measuring Administrative Savings (11-P-0333)	07/14/11	ORD	1: Develop and establish a more timely and accurate system to measure its effective use of resources and to allow ORD to better manage its initiatives to reduce administrative costs.	12/31/15	No Delay - Agency implementation currently adhering to original planned completion date.
EPA Promoted the Use of Coal Ash Products With Incomplete Risk Information (11-P-0173)	03/23/11	OSWER	1: Define and implement risk evaluation practices to determine the safety of the coal combustion residual beneficial uses the EPA promotes.	03/30/14	OSWER expects to complete the development of the conceptual model for evaluating risks from encapsulated uses of coal combustion residuals by April 2016.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
EPA Needs Better Agency-Wide Controls Over Staff Resources (11-P-0136)	02/22/11	OARM	1: Establish an agencywide workforce program that includes controls to ensure regular reviews of positions for efficiency, effectiveness, and mission accomplishment.	09/30/12	Once Human Resources Line of Business is fully operational, the agency can work to issue and implement the final policy. The draft position management policy has been reviewed by the Office of General Counsel and was submitted to the Office of Human Resources in late February. The policy is expected to be finalized by 12/31/15.
EPA Needs to Strengthen Internal Controls for Determining Workforce Levels (11-P-0031)	12/20/10	OCFO	2-1: Amend the Resource Management Directive System 2520 and the annual planning and budget memoranda to require using workload analysis to help determine employment levels needed to accomplish agency goals.	12/20/10	The Financial Control Manual is currently with the contractor for final formatting and editing. OCFO has obtained informal concurrence from OIG, Office of General Counsel and Agency Financial Control Officers. Once received from the contractor, Office of Financial Management will submit to the Office of Management and Budget for official clearance. Once submitted to the Office of Management and Budget, we can issue the "draft" manual internally on the agency intranet site. Revised date to 10/31/15 due to adding contractor support to complete task.
Audit of EPA's Fiscal 2010 and 2009 Consolidated Financial Statements (11-1-0015)	11/15/10	OARM	9: Adequately address and resolve the issue and determine why personal property items are missing.	05/30/12	The new property system being developed will be rolled out in conjunction with the OCFO Compass 7.2 upgrades scheduled for August 2015. The estimated completion date will be 10/31/15.
EPA Should Revised Outdated or Inconsistent EPA-State Clean Water Act Memoranda of Agreement (10-P-0224)	09/14/10	OW OECA	2-2: Develop a systematic approach to identify which states have outdated or inconsistent memoranda of agreement; renegotiate and update those memoranda of agreement using the memorandum of agreement template; and secure the active involvement and final, documented concurrence of headquarters to ensure national consistency.	09/30/17	No Delay - Agency implementation currently adhering to original planned completion date.
EPA Needs a Coordinated Plan to Oversee its Toxic Substances Control Act Responsibilities (10-P-0066)	02/17/10	OCSP	2-4: Establish criteria and procedures outlining what chemicals or classes of chemicals will undergo risk assessments for low-level and cumulative exposure. Periodically update and revise risk assessment tools and models with latest research and technology developments.  2-5: Develop a more detailed Toxic Substances Control Act confidential business information classification guide that provides criteria for approving confidential business information coverage and establishes a time limit for all confidential business information requests to allow for eventual public access to health and safety data for chemicals.	02/28/13  01/31/12	Delays in issuance of agencywide guidance on conducting cumulative risk assessments and in publication of data from the U.S. Consumer Product Safety Commission and the U.S. Food and Drug Administration on Phthalates Alternatives. The agency now anticipates on issuing the guidance by December 2017. Additionally, the agency is proposing a modification to their corrective action to address these recommendations—as the agency is no longer pursuing development of new rulemaking to address Recommendation 2-5.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Lack of Final Guidance on Vapor Intrusion Impedes Efforts to Address Indoor Air Risks (10-P-0042)	12/14/09	OSWER	3: Train the EPA and state staff and managers and other parties on the newly updated, revised and finalized guidance document(s).	11/30/12	On June 11, 2015, EPA finalized and published two companion guidance documents to address vapor intrusion risk from both petroleum and non-petroleum-based subsurface contaminants (see <a href="http://www.epa.gov/oswer/vaporintrusion">http://www.epa.gov/oswer/vaporintrusion</a> and <a href="http://www.epa.gov/oust/cat/pvi">www.epa.gov/oust/cat/pvi</a> ). OSWER is developing a plan and schedule for training and will notify the OIG when this is accomplished. Proposed completion date is December 11, 2015.
Audit of EPA's Fiscal 2009 and 2008 (Restated) Consolidated Financial Statements (10-1-0029)	11/16/09	OCFO	27: Ensure that all new financial management systems (including the Integrated Financial Management System replacement system) and those undergoing upgrades include a system requirement that the fielded system include an automated control to enforce separation of duties.		
			CA9: OCFO's Office of Technology Solutions will modify Compass users profiles to create specific security roles to allow Compass Security Officers to better manage user access.	12/31/15	No Delay - Agency implementation currently adhering to original planned completion date.
			CA10: The Office of Technology Solutions will enhance the Access Request Form application with additional controls and automatic logic to check for approved waivers on file to prevent users from submitting security options that violate the separation of duties policy.	12/31/15	No Delay - Agency implementation currently adhering to original planned completion date.
EPA Oversight and Policy for High Priority Violations of Clean Air Act Need Improvement (10-P-0007)	10/14/09	OECA	1: Direct the EPA regions to comply with the High Priority Violations policy, and monitor and report on regions' compliance.  3: Implement proper management controls over High Priority Violations by (1) following the watch list standard operating procedures, including generating trend reports and conducting national annual reviews; and (2) ensuring that Air Facility System data is accurate by documenting data inaccuracies and their disposition in regular meeting notes.	10/01/12  10/01/12	A headquarters--regional workgroup has been established to develop an alternative approach to identifying and tracking the most important violations, including High Priority Violations. As part of that effort, the workgroup will develop a new High Priority Violation identification report that will satisfy the OC CA (Office of Compliance's corrective action) to "Issue an HPV Identification Report" pursuant to the OIG evaluation of High Priority Violations. (The workgroup is scheduled to launch the HPV/SNS tool in December 2015. Accordingly, the High Priority Violation Identification Report will be available then.)

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Review of Hotline Complaint on Employee Granted Full-Time Work-at-Home Privilege (10-P-0002)	10/07/09	OARM	<p>1: Assign responsibility for authorizing all non-OARM geographically separate duty station changes to the Assistant Administrator for OARM.</p> <p>2a: Establish and implement agency policy for all of the EPA's employees, clearly articulating the process and procedures for changing an employee's duty station to a location geographically separate from the position of record. This policy should include eligibility criteria for positions and personnel, records management requirements, periodic review and reauthorization, verification of correct pay rate (locality and grade), and specific approvals required from initial submission to final approval to ensure equity. The policy should require the Assistant Administrator for OARM to be the final decision authority for all geographically separate duty station locations authorizations except those duty station location changes initiated within OARM.</p> <p>2b: Identify and review all existing arrangements of full-time work-at-duty-station separate from the position of record, including the situation that was the subject of this review, and bring each of these arrangements into compliance with implemented EPA policy.</p>	<p>06/20/11</p> <p>06/20/11</p> <p>06/30/11</p>	As of September 8, 2015, the National Treasury Employees Union Master Collective Bargaining Agreement (NTEU MCBA) negotiations are concluded, the union has ratified the agreement and the agreement is now undergoing agency head review and ratification. The AFGE (American Federation of Government Employees) MCBA is nearing completion. After telework agreements are in place with the Unions, we will issue a new telework policy for non-bargaining unit employees.
Making Better Use of Stringfellow Superfund Special Accounts (08-P-0196)	07/09/08	Region 9	2: Reclassify or transfer to the Trust Fund, as appropriate, up to \$27.8 million (plus any earned interest less oversight costs) of the Stringfellow special accounts in annual reviews, and at other milestones including the end of FY 2010, when the record of decision is signed and the final settlement is achieved.	12/31/12	In 2012, a new area of groundwater contamination was identified that is commingling and will directly impact the cleanup of the Stringfellow contamination. Due to the additional investigations, the anticipated completion date is 12/31/15.
EPA Needs to Plan and Complete a Toxicity Assessment for the Libby Asbestos Cleanup (2007-P-00002)	12/05/06	OSWER	1-2: Complete the National Health and Environmental Effects Research Lab animal toxicity studies.	09/30/15	The testing phase of the laboratory toxicity studies being conducted under the Libby Action Plan by EPA's National Health and Environmental Effects Research Laboratory was completed this month. Analysis of tissue samples was completed in May 2014. Four of the seven National Health and Environmental Effects Research Laboratory projects have been completed and to date this research has resulted in 22 peer reviewed publications, with 6 or 7 remaining publications anticipated to be cleared in 2015. A final report summarizing these studies and their results is anticipated to be completed by 11/30/15.



Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
EPA Can Better Manage Superfund Resources (2006-P-00013)	02/28/06	OCFO	2-3: Define costs in a manner that supports management decision making and improve their accounting of such resources to maximize achieving program goals.	10/31/11	Agency is finalizing Resource Management Directive 2520 and is expected to be issued by 10/31/15.
EPA and States Not Making Sufficient Progress in Reducing Ozone Precursor Emissions in Some Major Metropolitan Areas (2004-P-00033/13-1-0434)	09/29/04	OAR	3-1: Develop oversight procedures and guidance that will expedite development, approval, and implementation rate of progress plans and related emission controls.	12/31/15	No Delay - Agency implementation currently adhering to original planned completion date.
			3-3: Develop guidance for analyzing and comparing periodic emission inventories to projected emission target levels and evaluating assumptions used in applicable rate of progress plans, in order to: 1) reconcile differences between projected and actual inventories; 2) identify any incorrect assumptions or projections and understatement of needed emissions reductions; and 3) establish improvements that may be needed in the rate of progress development process, and ensure training of staff in conducting these analyses.	12/31/15	No Delay - Agency implementation currently adhering to original planned completion date.

## CSB Reports With Unimplemented Recommendations

Report Title/No.	Report Date	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
U.S Chemical Safety and Hazard Investigation Board Needs to Complete More Timely Investigations (13-P-0337)	07/30/13	1. Develop and implement performance indicators related to its first strategic performance goal and objective to complete timely investigations. Indicators should track and measure the efficiency of key phases of the investigation process and clarify the definition of a "timely" completed investigation. Also, address the indicators in the investigation protocol policy.	12/31/13	The CSB is analyzing key investigation metrics such as investigator hours, costs and elapsed days to develop performance indicators for various investigation product types. These indicators will be incorporated in the Investigation Product Development and Review procedure of the investigation protocol, which will provide timelines for key milestones. Given staff resources and the investigation workload, the deadline for completion has been changed. We expect to provide the Board with a draft Investigation Product Development and Review procedure for consideration and approval by December 31, 2015. Other work priorities have delayed the completion of this recommendation.
		2. Revise and publish an annual action plan to comply with GPRA (Government Performance and Results Act) 2010 and update related individual performance plans to ensure that performance indicators are addressed and investigative staff are held accountable for performing key phases in the investigation process.	12/31/13	CSB developed an annual action plan with specific annual and quarterly milestones for investigations, and these goals are being incorporated into individual performance standards. CSB believes this recommendation should now be closed.
		3. Review investigations open for more than 3 years and develop a plan to close out those investigations.	12/31/13	CSB only has only two cases older than 3 years old in its current dockets. In both instances, final reports have been drafted and are in review. CSB believes this recommendation is satisfied. The number of deployments and operational challenges caused delay in completing reports.
		7. Implement and update the records management policy to ensure that the classification of electronic investigation files agrees with the investigation protocol policy and staffs perform internal reviews of records as required by the policy.	12/31/13	The CSB agrees with this recommendation. The CSB reviewed its Records Management policy (Board Order 19) and updated the policy in June 2015. A new Chairperson is now on board as well as 3 new board members. The board is beginning the process of reviewing and updating all internal procedures. We are reviewing the Board Orders to update them.
		8. Update the investigation protocol policy for all current investigation procedures to include scoping documents and recommendation briefs. Provide formal training to the investigative staff on changes and updates to the investigative process.	12/31/13	This project was again delayed by the retirement of the Senior investigator who lead the project, and departure of other members of the protocol team. A new team was formed in August 2014, with its first priority to complete a procedure for reviewing external work products, and then a procedure for developing external work products. Because this is a new team and there are many competing investigation priorities, the CSB will draft guidance for both.

Report Title/No.	Report Date	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Audit Follow-Up Process Needed for the U.S. Chemical Safety and Hazard Investigation Board (13-P-0128)	02/01/13	1. Develop and implement a follow-up system as required by Office of Management and Budget Circulars A-50 and A-123 that include establishing a policy that identifies an audit follow-up official, roles and responsibilities, required documentation, and reporting requirements, to allow for prompt resolution of recommendations and implementation of agreed-to corrective actions.	04/30/13	Other work priorities and management challenges have delayed the completion of this recommendation. Comments currently under review.
U.S. Chemical Safety and Hazard Investigation Board Did Not Take Effective Corrective Actions on Prior Audit Recommendations (11-P-0115)	02/15/11	1. Develop and implement a management control plan that documents and addresses the five internal control standards in accordance with Office of Management and Budget Circular A-123 and General Accounting Office's <i>Standards for Internal Controls in the Federal Government</i> . The plan should include an effective monitoring system to track corrective actions to address and implement audit recommendations. The plan is to include:  a. A database to track all prior audit recommendations, planned milestone completion dates, and corrective actions taken.  b. Procedures for conducting periodic internal control reviews and properly documenting those reviews, including verifying and ensuring that audit recommendations are resolved promptly.	02/28/11	The draft Management Accountability Control Plan will be provided to the Board for review given the arrival of 2 new board members in August 2015. We will work to finalize and approve this draft by the end of calendar year 2015.
		2. Develop and publish a regulation requiring persons to report chemical accidents, as required by the Clean Air Act.	09/30/11	The following was provided to the OIG in April 2013. The CSB believes that it receives adequate incident notifications through constant media and Internet searches, as well as existing Federal sources such as the National Response Center. The CSB's ability to consider rulemaking and program development in this area has been further impacted by Congressional budget cuts and sequestration, which effectively prevent any hiring that would be needed for a regulatory program. The CSB has developed written questionnaires that are being sent to companies that have incidents, on a discretionary basis. No further action is planned.
		3. Follow up with Congress on the CSB request for clarification of its statutory mandate. Upon receipt of the response, develop a plan to describe and address the investigative gap, address prior audit recommendations and request the necessary resources to meet CSB's statutory mandate.	04/30/11	The following was provided to the OIG in April 2013: The CSB believes this recommendation should be closed since the CSB raised the statutory issue with Congress by letter in November 2009; in addition the letter from then-Chairman Bresland stated, "Pending any further direction from Congress, the CSB will continue to adhere to its interpretation of its statutory authority and mandate." In the event Congress opts to consider reauthorization of the CSB, the CSB will remind Congress of this wording concern of the OIG.

Report Title/No.	Report Date	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
		5. Develop and implement a system for periodic reviews of board orders to ensure they remain updated (i.e., effective date of the policy and scheduled review date) and include the requirement for such a system in the management control plan.	02/28/11	A new Chairperson is now on the Board as well as 3 new Board Members. The Board is beginning the process of reviewing and updating the internal procedures. We are reviewing the Board Orders to update them.
		6c. Board Order 027, "Roles, Responsibilities, and Standards of Conduct in Procurement Activities," to reflect current procurement practices and processes to ensure consistency in the procurement process (appendix A, audit recommendation 7).	3/31/11	For those Board Orders that refer to positions that no longer exist (e.g., Chief Operating Officer), the CSB General Counsel has concluded that the delegated position authority references the equivalent position, e.g., Managing Director. In those instance in which no equivalent position exists, authority is reposed in the next higher ranking official with decision-making authority. In those rare instances in which no equivalent position can be determined, the administrative authority will revert to the Chair or the Board, as appropriate.
		6e. Board Order 028, "Executive Administrative Functions of the Board," to document the role and responsibility of the managing director position.	9/30/11	No reason for delay.

## Appendix 4—Peer Reviews Conducted

### Audits/Evaluations

The Social Security Administration OIG completed an external peer review of the EPA OIG audit organization (which includes the EPA OIG's Office of Audit and Office of Program Evaluation) covering the fiscal year ended September 30, 2014, and issued its report on June 12, 2015. The review was conducted in accordance with guidelines established by the Council of the Inspectors General on Integrity and Efficiency. The external peer review of the EPA OIG audit organization stated that the EPA OIG audit organization's system of quality control was suitably designed and complied with to provide the EPA OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects, and the EPA OIG received a rating of *pass*.

The EPA OIG is conducting an external peer review of the system of quality control for the audit organization of the U.S. Department of Education OIG. Our review covers the period April 1, 2012, through March 31, 2015. This review is being conducted in accordance with *Government Auditing Standards* and guidelines established by the Council of the Inspectors General on Integrity and Efficiency. We provided a draft report to the U.S. Department of Education OIG on September 3, 2015.

### Investigations

The Federal Deposit Insurance Corporation OIG completed a mandated Council of the Inspectors General on Integrity and Efficiency quality assurance review of the EPA OIG Office of Investigations and issued its report on December 2, 2014. The Federal Deposit Insurance Corporation identified no deficiencies and found internal safeguards and management procedures compliant with quality standards.

In November 2014, an EPA OIG inspection team began performing a quality assurance review of the U.S. Department of Education OIG Investigation Services office per the Council of the Inspectors General on Integrity and Efficiency. We issued our final report on September 15, 2015. Overall, in our opinion, the system of internal safeguards and management procedures for the investigative function of the Department of Education OIG for the year ended October 30, 2014, were in compliance with standards established by the Council of the Inspectors General on Integrity and Efficiency and Attorney General guidelines.

## Appendix 5—OIG Mailing Addresses and Telephone Numbers

### Headquarters

U.S. Environmental Protection Agency  
Office of Inspector General  
1200 Pennsylvania Ave., NW (2410T)  
Washington, DC 20460  
(202) 566-0847

### Offices

#### Atlanta

U.S. Environmental Protection Agency  
Office of Inspector General  
61 Forsyth Street, SW  
Atlanta, GA 30303  
Audit/Evaluation: (404) 562-9830  
Investigations: (404) 562-9857

#### Boston

U.S. Environmental Protection Agency  
Office of Inspector General  
5 Post Office Square, Suite 100 (OIG15-1)  
Boston, MA 02109-3912  
Audit/Evaluation: (617) 918-1470  
Investigations: (617) 918-1466

#### Chicago

U.S. Environmental Protection Agency  
Office of Inspector General  
77 West Jackson Boulevard  
13th Floor (IA-13J)  
Chicago, IL 60604  
Audit/Evaluation: (312) 353-2486  
Investigations: (312) 353-2507

#### Cincinnati

U.S. Environmental Protection Agency  
Office of Inspector General  
26 West Martin Luther King Drive  
Cincinnati, OH 45268-7001  
Audit/Evaluation: (513) 487-2363  
Investigations: (513) 487-2364

#### Dallas

U.S. Environmental Protection Agency  
Office of Inspector General (6OIG)  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733  
Audit/Evaluation: (214) 665-6621  
Investigations: (214) 665-2249

#### Denver

U.S. Environmental Protection Agency  
Office of Inspector General  
1595 Wynkoop Street, 4th Floor  
Denver, CO 80202  
Audit/Evaluation: (303) 312-6969  
Investigations: (303) 312-6868

#### Kansas City

U.S. Environmental Protection Agency  
Office of Inspector General  
11201 Renner Boulevard  
Lenexa, KS 66219  
Audit/Evaluation: (913) 551-7878  
Investigations: (312) 353-2507

#### New York

U.S. Environmental Protection Agency  
Office of Inspector General  
290 Broadway, Room 1520  
New York, NY 10007  
Audit/Evaluation: (212) 637-3049  
Investigations: (212) 637-3041

#### Philadelphia

U.S. Environmental Protection Agency  
Office of Inspector General  
1650 Arch Street, 3rd Floor  
Philadelphia, PA 19103-2029  
Audit/Evaluation: (215) 814-5800  
Investigations: (215) 814-2359

#### Research Triangle Park

U.S. Environmental Protection Agency  
Office of Inspector General  
Mail Drop N283-01  
Research Triangle Park, NC 27711  
Audit/Evaluation: (919) 541-2204  
Investigations: (919) 541-2204

#### San Francisco

U.S. Environmental Protection Agency  
Office of Inspector General  
75 Hawthorne Street (IGA-1)  
7th Floor  
San Francisco, CA 94105  
Audit/Evaluation: (415) 947-4521  
Investigations: (415) 947-8711

#### Seattle

U.S. Environmental Protection Agency  
Office of Inspector General  
Mail Code OIG-173  
1200 Sixth Avenue, Suite 900  
Seattle, WA 98101  
Audit/Evaluation: (206) 553-6906  
Investigations: (206) 553-1273

#### Washington

U.S. Environmental Protection Agency  
Office of Inspector General  
Potomac Yard  
2733 Crystal Drive  
Arlington, VA 22202  
Investigations: (703) 347-8740

#### Winchester

U.S. Environmental Protection Agency  
Office of Inspector General  
200 S. Jefferson Street, Room 314  
P.O. Box 497  
Winchester, TN 37398  
Investigations: (423) 240-7735