



# OFFICE OF INSPECTOR GENERAL

## Semiannual Report to Congress

October 1, 2015–March 31, 2016

EPA-350-R-16-001  
May 2016

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

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### **Abbreviations**

CFR	Code of Federal Regulations
CSB	U.S. Chemical Safety and Hazard Investigation Board
EPA	U.S. Environmental Protection Agency
FBI	Federal Bureau of Investigation
FY	Fiscal Year
OHS	Office of Homeland Security
OIG	Office of Inspector General
STAR	Science to Achieve Results

**Are you aware of fraud, waste or abuse in an EPA program?**

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## Message to Congress

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During this semiannual period, we looked at many issues of interest to the public. We performed independent and objective work on such key areas as water quality, and whether the U.S. Environmental Protection Agency (EPA) conducts important assessments in an unbiased manner. We also looked at whether the agency ensures there is sufficient financial assurance to pay for land cleanups, monitors background investigations properly, and sufficiently controls administrative leave. Investigations detected instances of fraud, waste and abuse, resulting in criminal convictions and dollars recouped.

### Water Quality

The ongoing crisis in Flint, Michigan, regarding drinking water contaminated with lead, has drawn significant attention to water quality throughout the United States. During the semiannual reporting period, we completed and published a report discussing problems being confronted by small community water systems. We define small systems as those servicing 3,300 or fewer residents year-round, and there are more than 42,000 such systems in the United States serving an estimated 24.4 million people in total (although the Flint system is not one of them). Small systems especially face problems in that they have limited financial resources and are less likely to have the technical capability of larger systems. Our review showed that in Puerto Rico alone nearly 200,000 people lack safe drinking water.

Regarding the situation in Flint, my office is examining the circumstances of, and the EPA's response to, contamination in the city's community water system, including the EPA's exercise of its oversight authority. Just after the semiannual reporting period closed, we sent a team to visit the community, and our work includes interviewing residents who submitted complaints to the EPA, the Office of Inspector General and the White House as far back as April 2014.

Also, in Colorado, we are looking into the August 2015 release from the Gold King Mine of approximately 3 million gallons of contaminated water into a tributary of the Animas River.

During the semiannual period, we completed a review regarding the EPA's decision to conduct an assessment of the Bristol Bay Watershed in Alaska. We found no evidence of bias in how the EPA conducted its assessment of the watershed, or that the agency predetermined the assessment outcome. However, we did find a possible misuse of a position in that an EPA Region 10 employee used personal nongovernmental email to provide comments on a petition from tribes before the tribes submitted the petition to the EPA. The petition sought to prevent discharge of dredged or fill material associated with large-scale mining in the area.

### Business Practices

We issued a management alert report expressing concern about the EPA's oversight and management of financial assurance for land cleanups. Companies may be required to provide financial assurance that they can pay for their share of cleanups. EPA data for corporate self-assurance show that \$577 million is



Arthur A. Elkins Jr.

expired and more than \$6 billion is insufficient or not documented as being provided to the EPA. Environmental and financial risks exist from the EPA's failure to have complete and accurate data. If companies cannot pay what they committed to pay for cleanups, the financial burden may fall onto the taxpayers.

The EPA did not sufficiently monitor its Personnel Security Branch support contracts for the conducting of background checks. While the U.S. Office of Personnel Management is responsible for conducting the background investigations, the EPA uses two support contracts to assist with the processing. We found that contracting officers were not performing invoice reviews, and contractor incentive fees were paid without adequate evidence that the contractor met standards. Additionally, the EPA does not have an interagency agreement in place with the Office of Personnel Management to ensure proper management and oversight of the services and billings between the agencies.

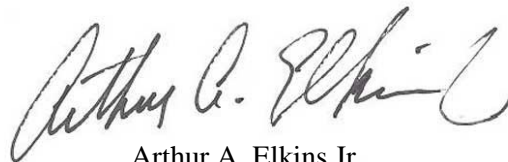
Further, we found that the EPA's use of extended administrative leave can result in unnecessary and excessive payroll costs, and lack of documentation and justification can lead others to second guess the agency's decisions. For just seven people about whom we reviewed administrative leave, we found that more than 15,000 in administrative leave hours were provided.

## **Investigations**

Various investigations addressed fraud, waste and abuse. The former Chief Executive Officer of a Canadian company that specializes in treatment and disposal of contaminated soil was found guilty of conspiring to pay kickbacks and committing major fraud in connection with work at the Federal Creosote Superfund site in New Jersey. Ten other individuals already have been convicted of crimes related to this investigation. As a result of another investigation, a Massachusetts company agreed to pay \$190,000 for disadvantaged business enterprise fraud. Two Montana officials received several years of jail time for embezzling from a tribe, and were each ordered to pay \$1.4 million in restitution.

## **Protecting People and the Planet**

Water is vital to life, both for the people who use it and the planet itself. The importance of protecting water is a topic that appears frequently in this Semiannual Report to Congress—whether it be better managing small community water systems or assessing the Bristol Bay Watershed in Alaska. Protecting the air and land is also vital, and we talk about ways the agency can improve its efforts in those areas as well, both to better protect human health and the environment as well as to improve the EPA's business practices and accountability. To learn more about what we found during this reporting period, please read on.



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.

# Scoreboard of Results

The information below shows the taxpayers' return on investment for the work performed by the EPA OIG during the first half of fiscal year (FY) 2016 compared to FY 2016 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: 274</b> <b>Reported: 166</b> (60% of goal)	<b>Supporting measures</b> 164 Environmental and management actions implemented or improvements made 1 Critical congressional and public concern addressed 1 Legislative or regulatory change made
<b>Annual Performance Goal 2: OIG environmental and business output recommendations, awareness briefing or testimony (for agency action)</b>	
<b>Target: 1,094</b> <b>Reported: 499</b> (45% of goal)	<b>Supporting measures</b> 179 Environmental and management recommendations or referrals for action 247 OIG-identified findings in external reports impacting EPA 29 Environmental and management risks and vulnerabilities identified 44 External awareness briefings, training or testimony given
<b>Annual Performance Goal 3: Monetary return on investment – potential monetary return on investment as percentage (220%) of budget</b>	
<b>Target: 220% return on investment</b> <b>Reported: \$4.1 million</b> (7.9% of goal)	<b>Supporting measures</b> \$22,208 Questioned costs \$702,185 Recommended efficiencies, costs saved \$233,940 Fines, penalties, settlements and restitutions resulting from OIG investigations \$3,182,920 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: 145</b> <b>Reported: 83</b> (57% of goal)	<b>Supporting measures</b> 5 Criminal convictions 7 Indictments, informations and complaints 2 Civil actions 27 Administrative actions (other than debarments or suspensions) 10 Suspension or debarment actions 5 Allegations disproved 27 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>\$400,000 in questioned costs sustained</li> <li>155 recommendations sustained (82% of recommendations issued)</li> </ul>	
<b>Reports Issued: 124</b>	
<ul style="list-style-type: none"> <li>28 reports issued by EPA OIG</li> <li>96 issued by Single Auditors</li> </ul>	

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

## Furthering EPA's Goals and Strategies

When conducting our audit and evaluation work during the first half of FY 2016, 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 reports on the EPA aligned with 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 Needs to Improve Security Planning and Remediation of Identified Weaknesses In Systems Used to Protect Human Health and the Environment	16-P-0006									X
EPA Needs Policies and Procedures to Manage Public Pesticide Petitions in a Transparent and Efficient Manner	16-P-0019				X					X
Administrative Leave Decisions for EPA Employee Disciplinary Actions Should Be Better Documented, and Parameters on Use of Such Leave Should Be Established	16-P-0036									X
Fiscal Year 2015 Federal Information Security Modernization Act Report: Status of EPA's Information Security Program	16-P-0039									X
Awards Made by EPA's Office of the Chief Financial Officer Raise Questions	16-P-0048									X
EPA Is Documenting How It Addresses Time-Critical Public Health Risks Under Its Superfund Authority	16-P-0059			X						
EPA's Background Investigation Support Contracts and OPM Billings Need Better Oversight and Internal Controls	16-P-0078									X
EPA Can Strengthen Its Reviews of Small Particle Monitoring in Region 6 to Better Ensure Effectiveness of Air Monitoring Network	16-P-0079	X				X				
EPA's Tracking and Reporting of Its Conference Costs Need Improvement	16-P-0081									X
EPA's Bristol Bay Watershed Assessment: Obtainable Records Show EPA Followed Required Procedures Without Bias or Predetermination, but a Possible Misuse of Position Noted	16-P-0082		X						X	
EPA Needs to Improve Its Information Technology Audit Follow-Up Processes	16-P-0100									X
Follow-Up Report: EPA Has Developed Measures to Improve Training for Risk Management Program Inspectors	16-P-0101					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 Has Not Met Statutory Requirements for Hazardous Waste Treatment, Storage and Disposal Facility Inspections, but Inspection Rates Are High	16-P-0104			X		X				
Positioning EPA for the Digital Age Requires New Mindsets Toward Printing	16-P-0107									X
Drinking Water: EPA Needs to Take Additional Steps to Ensure Small Community Water Systems Designated as Serious Violators Achieve Compliance	16-P-0108		X			X			X	
Management of Overtime Improved at EPA's Immediate Office of Air and Radiation	16-P-0111									X
No Intent to Underestimate Costs Was Found, but Supporting Documentation for EPA's Final Rule Limiting Sulfur in Gasoline Was Incomplete or Inaccurate in Several Instances	16-P-0122	X								
EPA's Fiscal Year 2015 Purchase Card and Convenience Check Program Assessed as Low Risk	16-P-0124									X
EPA Offices Are Aware of the Agency's Science to Achieve Results Program, but Challenges Remain in Measuring and Internally Communicating Research Results That Advance the Agency's Mission	16-P-0125									X
Management Alert: Significant Data Quality Deficiencies Impede EPA's Ability to Ensure Companies Can Pay for Cleanups	16-P-0126					X				
<b>Totals</b>		<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>12</b>

# Impediments to OIG Efforts

## **Office of Homeland Security Continued to Block Access**

In the previous Semiannual Report to Congress, we reported theoretical progress with regard to the long-standing denial of access for the OIG by the EPA's Office of Homeland Security (OHS) to information sought by the OIG. After considerable delay, OHS provided some documents to the OIG but continued to deny access to others.

During the semiannual reporting period ending March 31, 2016, senior officials from the OIG and EPA met with senior Federal Bureau of Investigation (FBI) officials about, among other things, any FBI insistence on restricting access by the OIG to any information shared with or held by the EPA. In short, the FBI assured the OIG and EPA that the FBI sought no restriction, and agreed that FBI information could be shared with the OIG. However, once again, when it came to implementation, OHS has asserted that it will not inform OIG of cases unless OHS determines the matter is within OIG jurisdiction.

Under the Inspector General Act, the OIG is to have access to all information "available to" the agency. Only the OIG—not some agency component—can determine whether it will pursue or forego further investigation of a matter. OHS continues to impede the OIG's carrying out its statutory responsibilities.

Also during this semiannual reporting period, OHS worked on developing "Insider Threat" rules and structure. Initially, the OHS approach gave the OIG a minimal role. OHS asked the OIG to comment on the policy only a few weeks before it planned to finalize the document. The OIG was not considered to be a primary party for the purpose of developing policy and procedure documents, and was not a part of the Governance Board nor the decision-making hub. This is of concern given that insider threat cases involve employee misconduct, and the OIG is the sole entity in the agency that can investigate allegations of employee misconduct. After lengthy negotiations, OHS agreed to include the OIG as a central entity in the Insider Threat Program.

# OIG Identifies Funds to Put to Better Use and Health and Environmental Concerns

During the semiannual reporting period, a number of reports that we issued noted instances of funds that could potentially be put to better use. For example:

- Data quality deficiencies and a lack of internal controls prevent the EPA from properly managing financial assurance for land cleanups. EPA data for corporate self-assurance showed that \$577 million is expired and more than \$6 billion is insufficient or not documented. If companies cannot pay what they committed to pay for cleanups, taxpayers may need to pay instead. (Report No. [16-P-0126](#))
- The EPA is spending up to \$1.2 million per year storing publications, many of which are old and outdated, and the agency can save significant funds by updating its printing guidance—which is more than 20 years old—to address the need for fewer printed items in the digital age. (Report No. [16-P-0107](#))
- By performing the required analysis and documenting the results, the EPA can have better assurance that a contractor is meeting performance standards, and the EPA can put \$182,000 in incentive fees to better use. (Report No. [16-P-0078](#))

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

- The EPA can do more to protect the public from contaminated drinking water in small community water systems. These systems serve an estimated 24.4 million people nationwide, and due to their limited resources are particularly vulnerable to problems. (Report No. [16-P-0108](#))
- Generally, state and local annual monitoring network plans in Region 6 included most information required for monitoring air for fine particulate matter, but annual plans did not include evidence to demonstrate monitoring sites were, in fact, in compliance with siting requirements. (Report No. [16-P-0079](#))
- The EPA does not have policies or procedures to ensure transparency when managing public petitions related to pesticides the agency regulates. The EPA did not effectively communicate with petitioners through updates on agency work to resolve petitions or on petition decisions. (Report No. [16-P-0019](#))

Details on these and other issues are in the “Significant OIG Activity” section.

# Significant OIG Activity

## Congressional Activities

### Report

#### **EPA's Bristol Bay Watershed Assessment: Obtainable Records Show EPA Followed Required Procedures Without Bias or Predetermination, but a Possible Misuse of Position Noted**

Report No. [16-P-0082](#), issued January 13, 2016

Based in part on congressional inquiries and hotline complaints, we conducted this review regarding the actions of the EPA and its decision to conduct an assessment of the Bristol Bay watershed in Alaska. We found no evidence of bias in how the EPA conducted its assessment of the watershed, or that the EPA predetermined the assessment outcome. The EPA's assessment appropriately included sections on the three primary phases discussed in the agency's ecological risk assessment guidelines. Further, the EPA met requirements for peer review and verifying information quality. However, we did find a possible misuse of position in that an EPA Region 10 employee used personal nongovernmental email to provide comments on a draft Clean Water Act

[Click here](#) for a podcast about our report on the Bristol Bay watershed.



The Bristol Bay, Alaska, watershed study area. (EPA photo)

petition from tribes before the tribes submitted the petition to the EPA. The petition was to prevent the discharge of dredged or fill material associated with large-scale mining in the Bristol Bay area. Agency employees must remain impartial in dealings with outside parties, particularly those that have or are considering petitioning the agency. This employee retired from the EPA in April 2013. The agency concurred with our recommendations designed to prevent possible misuse of position in the future.

### Briefings

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

During this semiannual reporting period, the OIG provided more than 18 briefings to Congress on the OIG's work. We regularly offered more focused presentations on individual topics. Additional OIG work attracting much congressional interest included the ongoing assessment of whether the EPA complied with the reporting requirements of laws authorizing the Renewable Fuel Standard, and updated the lifecycle supporting that

standard with findings from the statutorily mandated National Academy of Sciences. Another ongoing review, looking into the cause of, and the EPA's response to, an August 2015 spill of heavy metals from the Gold King Mine into a tributary to the Animas River in Colorado, continues to generate many inquiries.

We briefed committee staff on findings and recommendations related to the OIG's review on whether the EPA conducted an assessment of the Bristol Bay watershed in Alaska in a biased manner, predetermined the outcome, and followed policies and procedures for reviewing and verifying quality. We also briefed legislative staff on work that determined whether the EPA has adequate policies and procedures in place for the use of administrative leave in connection with employee conduct and disciplinary actions.

During this reporting period, the OIG received many congressional requests for specific data.

## Human Health and Environmental Issues

### Drinking Water: EPA Needs to Take Additional Steps to Ensure Small Community Water Systems Designated as Serious Violators Achieve Compliance

Report No. [16-P-0108](#), issued March 22, 2016

EPA efforts to bring small community water systems into compliance through enforcement and compliance assistance resulted in some improvement, but the EPA needs to take additional steps to protect the public from contaminated drinking water. Small community water systems, defined as providing drinking water to 3,300 or fewer residents year-round, serve an estimated 24.4 million people in the United States through about 42,200 systems. Small systems have limited financial resources and are less likely to have the technical capability of larger systems. In October 2011, the EPA designated 193 small systems nationwide as serious violators with Tier 1 violations; such violations reflect the most serious public health-related violations, requiring public notification to customers within 24 hours. Of those 193 systems, 84 are collectively in Puerto Rico, Texas and Kansas, so we focused our 2015 review on those locations. Some of the systems reviewed in Texas had made progress toward compliance, but we found less

[Click here](#) for a podcast about our report on small community water systems.



Drinking water storage tanks in a community water system in Puerto Rico that lack functioning chlorination equipment. (EPA OIG photo)

progress in Kansas, and a lack of progress in Puerto Rico was of particular concern. For example, monitoring samples from 2013 showed that 35 percent of the small systems in Puerto Rico violated fecal coliform standards, and territory officials said that they had informed drinking water systems to issue boil water notices more than 2,000 times that year. Nearly, 200,000 people in Puerto Rico still lack safe drinking water. We made various recommendations to the EPA to improve its compliance assistance and oversight of enforcement efforts, and the agency concurred with all of them.

### EPA Can Strengthen Its Reviews of Small Particle Monitoring in Region 6 to Better Ensure Effectiveness of Air Monitoring Network

Report No. [16-P-0079](#), issued December 17, 2015

Generally, state and local annual monitoring network plans in Region 6 included most information required by the EPA for monitoring the air for fine particulate matter. Also, Region 6 identified several issues in its review of annual plans to help ensure monitoring networks were operated in accordance with requirements. However, annual plans did not include evidence to demonstrate monitoring sites were, in fact, in compliance with siting

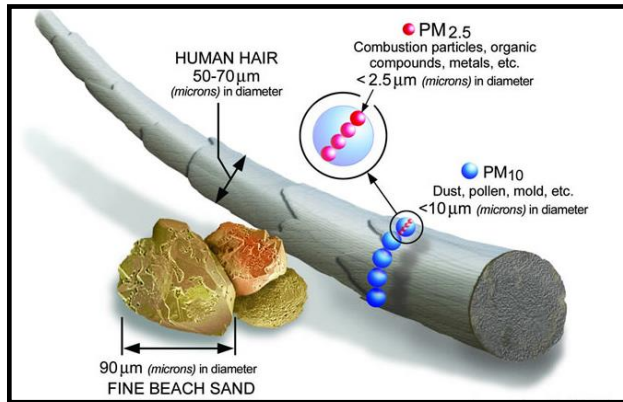


Image noting relative size of fine particulate matter (PM<sub>2.5</sub>). (EPA image)

requirements. The EPA needs to clarify this concept so that states can better address this annual plan requirement. Properly located monitors protect public health by demonstrating whether air quality meets health standards, and provides the public with timely information on air quality. We recommended that the agency clarify what constitutes sufficient evidence to demonstrate compliance with siting and operational requirements, develop a process to update analytic tools for future assessments, and emphasize the importance of network assessments. The agency agreed with our recommendations and provided acceptable completion dates.

### EPA Needs Policies and Procedures to Manage Public Pesticide Petitions in a Transparent and Efficient Manner

Report No. [16-P-0019](#), issued October 27, 2015

The EPA does not have policies or procedures to ensure transparency when managing public petitions related to pesticides the agency regulates. Public petitions can be submitted to the EPA’s Office of Pesticide Programs for rulemaking; to modify or revoke pesticide tolerances; to cancel a pesticide’s registration; or to request a specific action on a policy, guidance or agency process. Due to a lack of transparency and direct communication, some petitioners sued the EPA for “unreasonable delay,” resulting in unnecessary costs to the agency and public. Our review found that the Office of Pesticide Programs did not effectively communicate with petitioners by acknowledging petition receipt, providing updates about the agency’s work to resolve petitions, and providing petition decisions. We also found that the Office of Pesticide Programs lacks policies and procedures to manage petitions in a generally efficient or effective manner. The EPA agreed to take corrective actions for all recommendations.

#### Types of public petitions managed by Office of Pesticide Programs

Public petition	Actions requested
<b>Registration</b>	A petition from the public to cancel (terminate), suspend or modify a pesticide registration or registrations.
<b>Rulemaking</b>	A petition from the public to request the EPA initiate an Administrative Procedure Act rulemaking to change the EPA’s regulations.
<b>Policy</b>	A petition from the public to request a specific action on a policy, guidance or agency process.
<b>Tolerance</b>	A petition from the public to revoke or modify a pesticide tolerance or tolerances.

Source: EPA Office of General Counsel.

### EPA Has Not Met Statutory Requirements for Hazardous Waste Treatment, Storage and Disposal Facility Inspections, but Inspection Rates Are High

Report No. [16-P-0104](#), issued March 11, 2016

Overall, the EPA had a high inspection completion rate of 91 percent for Resource Conservation and Recovery Act hazardous waste treatment, storage and disposal facilities (656 out of a universe of 718 facilities reviewed). However, specific inspection completion rates varied for the three types of facilities: 94 percent for private facilities; 85 percent for federal facilities; and 54 percent for state or local facilities. Although the EPA’s overall inspection completion rate is high, the agency did not fully meet the legal requirement for inspecting 100 percent of such facilities for FY 2014. Missed inspections violate legal requirements and can increase the risk of exposure to hazardous substances. There are about 60,000 hazardous waste treatment, storage and disposal facilities in the United States, which generate and manage 30 to 40 million tons of hazardous waste annually. Based on our recommendation, the agency agreed to implement management controls to complete the required inspections at treatment, storage and disposal facilities.

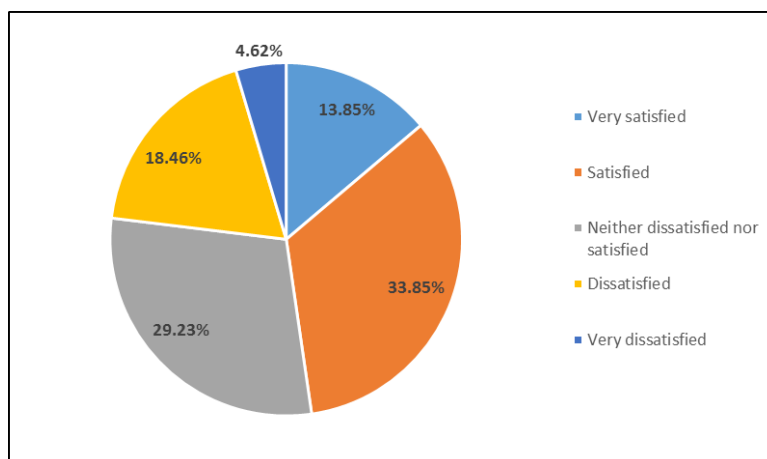


Hazardous waste material barrels. (EPA photo)

### EPA Offices Are Aware of the Agency’s Science to Achieve Results Program, but Challenges Remain in Measuring and Internally Communicating Results That Advance the Agency’s Mission

Report No. [16-P-0125](#), issued March 30, 2016

Our survey of Science to Achieve Results (STAR) grant users within the EPA found that over 75 percent of respondents were very familiar with the STAR program, and



Satisfaction with communication of STAR results

Source: OIG analysis of survey responses.

74 percent had an awareness of the impacts of STAR research on mission-oriented work within the EPA’s program offices. The STAR program has awarded over \$1 billion through grants and fellowships since 1995. Despite the general awareness of the program within the EPA, challenges remain in measuring and communicating research results. Survey respondents suggested that the agency’s Office of Research and Development needs



to enhance the review and award process, as well as communication associated with STAR grant research results. Further, the EPA has not officially established defined goals and objectives for the STAR program and cannot demonstrate how the program advances the agency's mission. We recommended that the EPA create pre-award procedures that ensure consideration of program office input; develop and implement communication procedures; and formally establish goals, objectives and performance measures. The agency agreed with all our recommendations.

### **Follow-Up Report: EPA Has Developed Measures to Improve Training for Risk Management Program Inspectors**

Report No. [16-P-0101](#), issued March 10, 2016

Improvements by the EPA should help to ensure that Risk Management Program inspectors are properly trained to conduct quality inspections that prevent chemical releases into the air. The OIG previously had found that the EPA's management controls did not ensure these inspectors and their first-line supervisors met training requirements. Our follow-up review found that actions taken by the agency to improve inspector training have been completed, and no further action is required.

### **EPA Is Documenting How It Addresses Time-Critical Public Health Risks Under Its Superfund Authority**

Report No. [16-P-0059](#), issued December 9, 2015

We found that the EPA can provide documentation that imminent and substantial endangerment threats to public health at Superfund time-critical removal sites have been addressed. In a detailed review of three sites located in different EPA regions, we found that site removal records contained documentation to support EPA regions' conclusions that potential threats were addressed. EPA documentation of work conducted at time-critical removal sites provides assurance that imminent human and environmental health issues are addressed. Therefore, we made no recommendations.

For more information on hazardous waste cleanups near you, visit the EPA's [Cleanups in My Community](#) web page.

## Agency Business Practices and Accountability

### Management Alert: Significant Data Quality Deficiencies Impede EPA’s Ability to Ensure Companies Can Pay for Cleanups

Report No. [16-P-0126](#), issued March 31, 2016

Data quality deficiencies and a lack of internal controls prevent the EPA from properly overseeing and managing financial assurance for land cleanups. Companies with facilities regulated by the Resource Conservation and Recovery Act and the Comprehensive Environmental Response, Compensation and Liability Act (Superfund sites) are required to provide financial assurance that they can pay for their share of cleanups. EPA data for



The Asarco Copper Smelter Site in Hayden, Arizona. This site is associated with a bankruptcy settlement agreement reached between Asarco and the federal government. (EPA photo)

corporate self-assurance showed that \$577 million is expired and more than \$6 billion is insufficient or not documented as being provided to the EPA. Environmental and financial risks exist from the EPA’s failure to have complete and accurate data; if companies cannot pay what they committed to pay for cleanups, taxpayer funds may be used instead. In these cases, the financial burden shifts from the responsible private party onto taxpayers. In addition, site or facility cleanup delays from a lack of sufficient financial assurance create a risk of longer exposures to unsafe chemicals or longer periods where natural resources are restricted and unavailable for use. The agency has not taken meaningful steps to address the problem, and has not disclosed this area of vulnerability in its Federal Managers’ Financial Integrity Act report in the last 5 years. The agency disagreed with our findings, and we are

working toward resolution. Although we reported this issue in a “Management Alert” due to its time-critical nature, our ongoing evaluation could result in additional matters being reported to the agency. We issued the Management Alert because we believe that the EPA cannot provide reasonable assurance of proper controls over its programs and operations that protect the public from environmental harm and safeguard federal funds.

### EPA’s Background Investigation Support Contracts and OPM Billings Need Better Oversight and Internal Controls

Report No. [16-P-0078](#), issued December 14, 2015

The EPA did not monitor its Personnel Security Branch support contracts for compliance with the terms and conditions of the contracts. Each year the EPA spends millions of dollars on background investigations. While the U.S. Office of Personnel Management is responsible for conducting the background investigations, the EPA’s Personnel Security Branch uses two support contracts to assist with the processing. We found that

contracting officers were not performing invoice reviews, proper contract documentation was not being maintained, and contractor incentive fees were paid without adequate evidence that the contractor met quality assurance standards. By not maintaining contract documentation, the EPA did not have reasonable assurance that work was progressing according to the contract, or that billings were correct. On one contract, the agency awarded over \$545,000 in incentive fees without adequate support. Also, the EPA does not have an interagency agreement in place with the Office of Personnel Management for background investigation services, so the EPA cannot ensure proper management and oversight of the services and billings between the agencies. The EPA has overpaid approximately \$6,000 over the last 2½ years to the Office of Personnel Management. The EPA agreed with all 14 of our recommendations and provided expected completion dates.

### **Administrative Leave Decisions for EPA Employee Disciplinary Actions Should Be Better Documented, and Parameters on Use of Such Leave Should Be Established**

Report No. [16-P-0036](#), issued November 9, 2015

The EPA's use of extended administrative leave can result in unnecessary and excessive payroll costs, and lack of documentation and justification can lead others to second guess the agency's decisions. Although the EPA has policies for the use of administrative leave, those policies can be improved regarding documentation and parameters for how much administrative leave should be approved. We found that the EPA's use of administrative leave appears disproportionate when compared to federal guidance, which indicates administrative leave should not be used for an extended period of time. As shown in the table, for all but one of the employees in our audit, the cases involved administrative leave of 4 months or more, which we do not consider a brief absence.

#### **Summary of administrative leave taken**

<b>Case no.</b>	<b>Administrative leave hours</b>	<b>Period when leave was taken</b>
1	2,116	08/01/13 – 11/13/14
2	5,881	03/04/10 – 07/08/14
3	756	02/05/14 – 06/19/14
4	----	Excluded from analysis *
5	3,561	01/27/12 – 12/27/13
6	1,281	03/17/14 – 10/30/14
7	300	09/12/13 – 01/08/14
8	1,120	04/15/14 – 10/31/14
<b>Total</b>	<b>15,015</b>	

Sources: OIG analysis and EPA's Compass Data Warehouse.

\* We excluded this employee from our analysis due to an ongoing investigation.

Because of limited documentation in case files, we were unable to determine the basis for the extended periods of administrative leave. As a result of our recommendations, the agency updated its administrative leave policy.

## EPA's Tracking and Reporting of Its Conference Costs Need Improvement

Report No. [16-P-0081](#), issued January 7, 2016



EPA booth at the Water Environment Federal Annual Technical Exhibition and Conference 2012. (EPA photo)

The EPA established internal controls to report conferences to the OIG and the public, as required by law and federal guidance. However, we found improvements are needed. For the \$985,851 in expenses we reviewed for eight conferences, we found that \$6,916 in expenses (less than 1 percent) for two of those conferences were inappropriate. Also, we found that some conference costs were underreported, some conference spending was not publicly reported as required, and some of the conferences that had to be reported to the OIG were reported late or not at all. Addressing these issues will allow the EPA to better analyze costs and identify efficiencies for conferences. We recommended that the agency provide additional guidance or training as needed, use correct conference project codes, identify

all conference costs in the financial system, report all conference costs paid with EPA funds, and classify conferences properly. The agency agreed to act on all recommendations.

## Positioning EPA for the Digital Age Requires New Mindsets Toward Printing

Report No. [16-P-0107](#), issued March 21, 2016

The EPA's main authoritative guidance for printing operations (Printing Management Manual) is over 20 years old and outdated. Even though the agency said it hopes to update the manual once federal regulations are updated, the manual currently does not provide effective guidance for accountability or oversight. The agency had amassed large quantities of printed material, as evidenced by the nearly 8 million in items recycled at the National Service Center for Environmental Publications between June 2013 and March 2015 as a result of a prior OIG report.

Further, the EPA has yet to implement all corrective actions identified in that prior report to develop a plan to strategically source print management. We recommended that the EPA update the Printing Management Manual, issue guidance to reiterate roles and responsibilities, and establish achievable milestones to address recommendations in the prior OIG report. The EPA concurred with all of the recommendations and is already practicing print-on-demand.



Inside view of the National Service Center for Environmental Publications in Blue Ash, Ohio, after recycling 8 million items. (EPA OIG photo)

## Audit of EPA's Fiscal Years 2015 and 2014 Consolidated Financial Statements

Report No. [16-F-0040](#), issued November 16, 2015

We rendered an unqualified opinion on the EPA's Consolidated Financial Statements for FYs 2015 and 2014, meaning that they were fairly presented and free of material misstatements. However, we noted a material weakness involving software costs of about \$124 million and associated amortization totaling \$56 million from prior years not being properly classified. Further, we noted significant deficiencies involving:

### EPA OIG One of Few OIGs to Perform Financial Statement Audits

Having qualified staff and being able to offer the taxpayer significant savings, the EPA OIG is one of the few OIGs in the federal government that conducts financial statement audits of its agency. (When the EPA OIG sought to contract out its financial statement auditing in 2007 per Office of Management and Budget Circular A-76, Performance of Commercial Activities, the EPA OIG submitted its own bid and came in more than \$1 million under the lowest acceptable bid from a Certified Public Accounting firm.) The EPA OIG team that audits financial statements is led by an experienced Certified Public Accountant, and many of the team members are also Certified Public Accountants. In addition to conducting the mandated annual audits of the agency's overall consolidated financial statements, the EPA OIG audits the financial statements for EPA pesticide and e-manifest funds.

- Misstating earned and unearned revenue for Superfund Special Accounts.
- Reconciling property and financial systems.
- Resolving long-standing cash differences with the U.S. Treasury.
- Clearing transactions from the suspense account.
- Reviewing cancellation of accounts receivable and collection transactions.
- Recording accounts receivable from a Superfund judgment.
- Reconciling accounts receivable subsidiary ledgers and general ledgers.
- Overbilling a state for a Superfund State Contract.
- Overseeing user access to the Payment Tracking System.
- Complying with controls for financial and mixed-financial applications.
- Managing HelpDesk procedures for distributing passwords.
- Improving a travel system's credit card data protection.

We also noted an instance of noncompliance with laws and regulations related to complying with federal accounting standards for recording interest. The agency generally agreed with our findings and recommendations.

## EPA Needs to Improve Security Planning and Remediation of Identified Weaknesses in Systems Used to Protect Human Health and the Environment

Report No. [16-P-0006](#), issued October 14, 2015

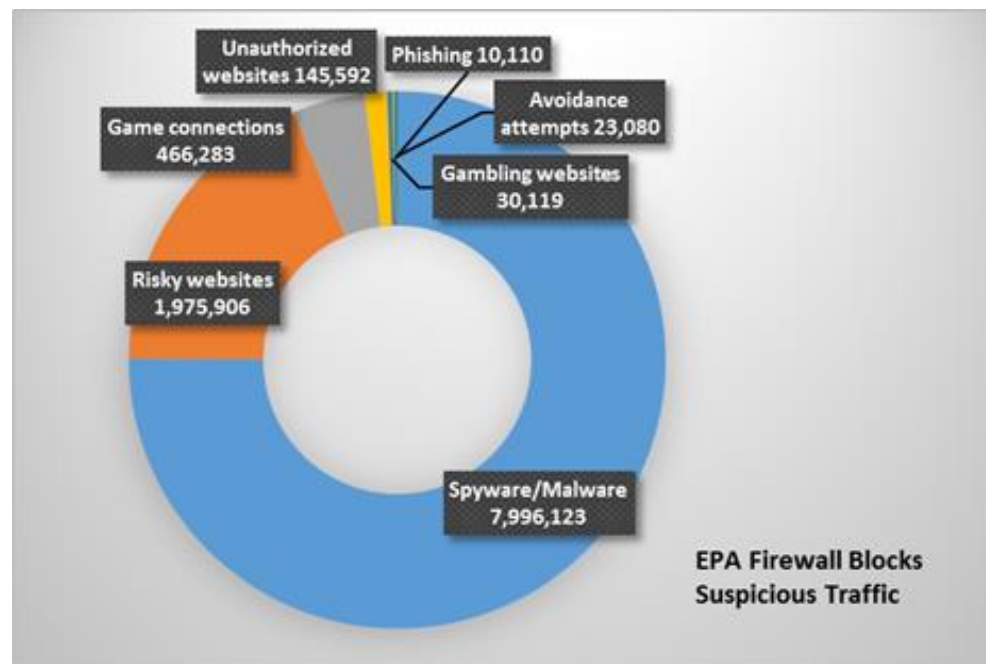
Xacta is the EPA's official system for recording and maintaining information regarding compliance with mandated information system security requirements, and is necessary to enable the EPA to advance the protection of human health and the environment. While the EPA indicated it took steps to improve the completeness and accuracy of reported information system security data, more management emphasis is needed to ensure that

Xacta is authorized to operate in accordance with federally mandated requirements and offices manage known system weaknesses. Xacta was placed into service without complete and properly approved information system documentation. We recommended that the agency undertake a number of corrective actions to address security planning in the EPA's risk management system and improve processes for remediating known weaknesses. The agency agreed with our recommendations and began taking corrective actions.

### **Fiscal Year 2015 Federal Information Security Modernization Act Report: Status of EPA's Information Security Program**

Report No. [16-P-0039](#), issued November 16, 2015

The EPA met six of the 10 federally mandated metrics for evaluating its information security, but we found that the lack of a fully developed contractor systems program hinders the agency in protecting its resources and data. Although the EPA has guidance in place for oversight contractor systems, significant improvements are needed to (1) ensure contractors comply with required security controls, (2) maintain an accurate inventory of contractor systems and (3) identify contractor systems that interface with the EPA systems. Regarding the three other metrics where we found issues, improvements are needed regarding identity and access management, risk management, and plan of action and milestones. We made no recommendations for corrective actions because the findings on contractor systems were disclosed in a prior OIG report; the EPA indicated it has completed or is acting on the prior recommendations.



OIG analysis of the EPA's network traffic blocked by the agency's firewall.

## EPA Needs to Improve Its Information Technology Audit Follow-Up Processes

Report No. [16-P-0100](#), issued March 10, 2016

The EPA's audit follow-up oversight regarding information technology security did not ensure that agreed-to corrective actions were fully implemented, carried out timely, accurately recorded, or managed effectively in the agency's Management Audit Tracking System. In addition, corrective actions were not always verified even though the corrective actions were recorded as completed in the tracking system. A high rate of unreliable data in the Management Audit Tracking System, and a lack of management follow-through to verify that corrective actions address weaknesses, raise significant doubts and questions about the effectiveness and efficiency of the EPA's information security program. We made various new recommendations, including that the agency develop and implement formal processes to strengthen internal controls for monitoring and completing corrective actions on open audits. The agency concurred with all of our new recommendations.

## EPA's Fiscal Year 2015 Purchase Card and Convenience Check Program Assessed as Low Risk

Report No. [16-P-0124](#), issued March 29, 2016



A purchase card. (U.S. General Services Administration photo)

We assessed the EPA's FY 2015 purchase card and convenience check program, as required by the *Government Charge Card Abuse Prevention Act* of 2012, and found the program to be at low risk for illegal, improper or erroneous purchases and payments. During the first 9 months of FY 2015, the EPA had purchase card transactions totaling \$16.2 million and convenience check transactions totaling about \$133,000. We found that the EPA had made a number of improvements to its purchase card policy in response to a prior EPA OIG report. Also, the scope of the Contract Management Assessment Program purchase card reviews appeared to be thorough. Our report made no recommendations.

## Investigations

### *Significant Investigations*

#### **Executive Convicted in New Jersey Superfund Site Kickback Scheme**

On March 16, 2016, following a 3-week trial in the U.S. District Court for the District of New Jersey, a jury found John Bennett—the former Chief Executive Officer of a Canadian company—guilty of conspiring to pay kickbacks and committing major fraud against the United States. The charges were in connection with obtaining subcontracts for the treatment and disposal of contaminated soil at a New Jersey Superfund site overseen by the EPA and the U.S. Army Corps of Engineers. Sentencing is scheduled for June 27, 2016. In addition, one individual and one entity were debarred for their involvement in the scheme.

Beginning in 2001, Bennett conspired with others at Bennett Environmental to pay over \$1 million in kickbacks to the project manager at Federal Creosote, a Superfund site in Manville, New Jersey, in an effort to guarantee the award of soil treatment contracts to his company. These kickbacks included money transferred by wire to a co-conspirator's shell company, lavish trips, entertainment expenses and personal gifts. In exchange for these gifts and cash payments, the project manager at Federal Creosote provided Bennett Environmental employees with "last looks" at their competitors' confidential bids that enabled Bennett Environmental to outbid its competitors at the last minute.

Also, effective October 22, 2015, Gordon McDonald and his company, Gordon McDonald Environmental Consulting, were debarred from participation in federal procurement and non-procurement programs for 25 years. McDonald was the Severson Environmental Services Inc. project manager at the Federal Creosote Superfund site.

Over the past 10 years, this investigation at the Federal Creosote site resulted in the conviction of 10 individuals and three companies on charges including major fraud, tax fraud, money laundering and obstruction of justice. Criminal fines and restitution of more than \$6 million have been imposed as a result of this investigation. The clean-up for the Federal Creosote Superfund site was partly funded by the EPA under an interagency agreement between the EPA and the U.S. Army Corps of Engineers.

*This investigation was conducted jointly with the U.S. Department of Justice's Antitrust Division, including the division's Foreign Commerce Section, and the Criminal Division's Office of Internal Affairs; and the Internal Revenue Service's Criminal Investigation Division. Also assisting were U.S. Customs and Border Protection – Department of Homeland Security; the Canadian Department of Justice – International Assistance Group; and the Royal Canadian Mounted Police.*



### **Settlement of \$3 Million Reached for Testing Procedures Not Being Followed**

A Dayton, New Jersey, company agreed to pay \$3 million to settle claims that its employees failed to strictly follow applicable EPA methods to analyze certain soil and wastewater semi-volatile analyzer samples. On November 12, 2015, a settlement agreement was reached between the U.S. Department of Justice, Civil Division, District of New Jersey, and the company, Accutest Laboratories. Accutest provides services to industrial, engineering/consulting and government clients. The government contended that from 2011 through 2013, some employees, agents and/or representatives of the lab did not strictly follow applicable EPA methods and did not properly extract samples. *This investigation was conducted jointly with the EPA Criminal Investigation Division; the U.S. Department of Defense, Defense Criminal Investigative Service; the U.S. Army Criminal Investigation Division, Major Procurement Fraud Unit; the U.S. Navy Criminal Investigative Service and the U.S. Air Force Office of Special Investigations.*

### **Company to Pay \$190,000 for Disadvantaged Business Enterprise Fraud**

D'Allessandro Corp., an Avon, Massachusetts, company, entered into an assurance of discontinuance agreement to resolve allegations that it had improperly used a subcontractor to meet the disadvantaged business enterprise requirements on a number of public works contracts, several of which involved EPA State Revolving Funds. The subcontractor—Luxor Equipment—had contracted out the work to non-disadvantaged business enterprise companies. D'Allessandro Corp., which knew that Luxor Equipment itself did not meet the disadvantaged requirements, improperly claimed the credit for using a disadvantaged business enterprise company on the contracts. On November 2, 2015, D'Allessandro Corp. entered into the agreement with the Massachusetts Attorney General's Office to pay \$190,000 to the state for the violation.

### **Montana Officials Given Jail Time for Embezzlement From Tribe**

Neal Paul Rosette Sr., former Chief Financial Officer, and Billi Anne Raining Bird-Morsette, the former Chief Executive Officer of Plain Green and First American Capital Resources—online lending entities for the Rocky Boy Indian Tribe in Montana—were sentenced on March 7, 2016, for conspiracy to embezzle federal funds from the tribe. Both are residents of the tribe's reservation in Box Elder, Montana. The former Chief Financial Officer was sentenced to 41 months in jail and 3 years of probation, and ordered to pay \$1.4 million in restitution. The former Chief Executive Officer was sentenced to 38 months in jail and 3 years of probation, and also ordered to pay \$1.4 million in restitution. 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 investigation is being conducted by Montana's Federal Program Fraud Task Force, also known as the Guardians Project, which is made up of the FBI; the Internal Revenue*

*Service; and OIGs of the U.S. Department of the Interior, the U.S. Department of Health and Human Services, the U.S. Department of Agriculture, and the EPA.*

### **Alaskan Tribal Council Officials Sentenced for Theft**

Steven D. Osborne, of Fairbanks, Alaska, former Executive Director of the Alaska Inter Tribal Council, was sentenced on October 22, 2015, to 21 months in jail and 3 years of probation, and ordered to pay \$145,000 in restitution, for theft of funds from an organization receiving federal funding. Also, Thomas R. Purcell of Anchorage, Alaska, the former Finance Director of the council, was sentenced on October 23, 2015, to 5 years of probation, 200 hours of community service and a fine of \$15,000, and ordered to pay \$22,720 in restitution. *This investigation was conducted jointly with the FBI.*

### **Former Maine Tribal Official Pleads Guilty to Embezzlement and Theft**

On November 16, 2015, Stephen E. Crawford, a former official for the Passamaquoddy Tribe at Pleasant Point in Maine, pleaded guilty in the U.S. District Court for the District of Maine to one count of embezzlement and theft from an Indian tribal organization. From October 2006 through January 2012, the former official traveled in his official capacity as the environmental director for the tribe, sought and received reimbursement totaling approximately \$25,000 for his travel expenses from third parties, and then converted that reimbursement to his own use. He did this despite knowing that the tribe already had reimbursed him for the costs of that travel, and that the third-party reimbursement therefore rightly belonged to the tribe and not to him.

### **Mississippi Mayor Suspended From Federal Procurement Following Plea**

After pleading guilty to five counts of embezzlement in Rankin County District Court, a Mississippi mayor was suspended from participating in federal procurement and assistance activities. The mayor had been the treasurer for a Mississippi Board of Mayors that was awarded an EPA cooperative agreement worth \$120,000. The mayor misused his city-issued credit card for personal services, and was sentenced to 10 years in prison, along with paying restitution. On February 2, 2016, the EPA issued a Notice of Continued Suspension and Proposed Debarment to the mayor.

### **Former Federal Employee Debarred Over Embezzlement Scheme**

On November 25, 2015, a former U.S. Department of Agriculture employee was debarred by an EPA Suspension and Debarment Official from participation in federally funded projects for 3 years. Investigative findings from the U.S. Department of Agriculture OIG determined that the subject—Donna J. Remides, of Jonesville, Louisiana—embezzled \$640,000 from the Northeast Delta Resource Conservation and Development Council—an EPA grantee in Columbia, Louisiana—over a 10-year period by cashing or depositing council checks, as

well as checks from a major national retailer, and by charging fuel for a personal vehicle to a council account. In 2013, the subject had been sentenced in the U.S. District Court of the Western District of Louisiana to 40 months in prison and 5 years of supervised release for falsifying loan applications to receive loans used to hide the theft. She also was ordered to pay \$450,000 in restitution. *This investigation was conducted jointly with the FBI and the U.S. Department of Agriculture OIG.*

### **EPA Contractor Ordered to Pay Restitution for Employee Viewing Pornography**

On October 6, 2015, an EPA contractor was ordered to pay \$22,088 in restitution as a result of one of its employees watching pornography on an EPA computer. The investigation disclosed that the employee routinely visited adult sites and installed special software to delete the Web browsing history on the computer. For 18 years, the contractor's employee spent approximately 1 to 2 hours a day viewing pornography with the EPA computer equipment during core work hours.

### **EPA Employee Receives Suspension for Falsely Reporting a Threat**

On February 10, 2016, the OIG was notified that an EPA employee had completed a 14-day suspension for lack of candor during an investigation and conduct unbecoming of a federal employee. In July 2014, the employee falsely reported that a threat had been made at an EPA facility in Region 4. When questioned, the employee lied about making the false report. Later, the employee admitted that the false report had been made in retaliation for accusations made against the employee that had resulted in an internal EPA investigation. The false report of the threat resulted in a heightened security level at the EPA facility and the reallocation of EPA security.

### **EPA Employee Receives Letter of Warning for Mishandling Information**

On March 7, 2016, an EPA GS-14 employee was issued a warning memorandum regarding proper handling of confidential business information. The U.S. Army Corps of Engineers had provided the EPA with confidential business information related to a dredging project. Evidence obtained during our investigation supported an allegation that the employee had released confidential business information related to this project to the Florida Department of Environmental Protection. This unauthorized release resulted in the information being placed on the state department's public website, as well as the direct release of the information by the department to an environmental organization. The employee admitted to releasing the information, but no criminal intent was found. Although the document was clearly marked as confidential business information not to be released outside of the EPA, the employee assumed the release was justified because it was to another regulatory agency. In addition to the letter of warning, the employee was directed to review the EPA policy related to the handling of confidential business information, as well as complete a formalized training course related to this subject.

## 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, inspect 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. Details on our work involving the CSB are available on the OIG's [webpage](#) on CSB.

### FY 2015 U.S. Chemical Safety and Hazard Investigation Board Management Challenges

Report No. [16-N-0018](#), issued October 22, 2015

As required by the Reports Consolidation Act, the OIG provided to CSB the following issues that it considered to be CSB's major management challenges for FY 2015. Attention to these challenges could result in stronger results and protection for the public, and increased confidence in management integrity and accountability.

- CSB Should Address Employee Morale:** As noted by the House Oversight and Government Reform Committee in a 2014 hearing, a toxic work environment had been prevalent at CSB, and although CSB has new leadership, it needs to continue to make strides regarding employee morale.
- CSB Should Increase Its Investigations and Improve Investigative Management Controls:** CSB needs to increase the number investigations that it conducts of accidents that fall within its legal jurisdiction. The table below shows the percentages of such investigations conducted.

FY	Accidents and investigations with fatalities			
	Investigations initiated	Investigations not initiated	Total	Percent not investigated
2014	2	47	49	96%
2013	2	47	49	96%
2012	1	64	65	98%
2011	5	46	51	90%
2010	6	32	38	84%

Sources: CSB budget justifications for FYs 2011, 2012, 2013 and 2014; CSB performance and accountability report for FY 2010; and other supporting data.

- **CSB Should Determine the Need for a Chemical Reporting Regulation:** CSB has not published a chemical incident reporting regulation as envisioned in the Clean Air Act Amendments of 1990.

CSB is in a transition period and stated it is working on these areas.

## Audit Reports

### Fiscal Year 2015 Federal Information Security Modernization Act Report: Status of CSB's Information Security Program

Report No. [16-P-0086](#), issued January 27, 2016

The effectiveness of CSB's information security program is challenged by its lack of personal identity verification cards for logical access into its systems, a complete inventory of systems operated by a contractor on behalf of the agency, and documented policies and procedures for specialized security training. We determined the CSB's baseline assessment of its information security areas using the criteria specified by the FY 2015 Department of Homeland Security reporting metrics for the Federal Information Security Modernization Act.



Example of a required PIV card login.  
(MAX.gov login image)

Although we noted the issues above, we found that the CSB information security program fully met metrics for continuous monitoring management, configuration management, incident response and reporting, risk management, plan of action and milestones, remote access management, and contingency planning.

### CSB Needs Better Security Controls to Protect Critical Data Stored on Its Regional Servers

Report No. [16-P-0035](#), issued November 5, 2015



CSB Western Regional Office of Investigations in Denver, Colorado. (OIG photo)

We found that CSB needs to strengthen physical and environmental protection for the computer server room at its Western Region Office of Investigations in Denver, Colorado. The ineffective server room controls left CSB's investigative data at risk of theft, loss or damage. Weak controls include insufficient policies and procedures, as well as a lack of access control rosters and physical access logs to control and monitor access. Further, CSB had not implemented procedures to escort visitors, secured server room keys, installed automatic fire suppression capability, or monitored humidity levels. CSB concurred with our

various recommendations to improve controls and already has implemented some of the recommended corrective actions.

### **Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2015 and 2014 Financial Statements**

Report No. [16-F-0041](#), issued November 16, 2015

The firm that audited CSB's financial statements for FYs 2015 and 2014 on behalf of the EPA OIG found that the statements were fairly presented and free of material misstatements. The auditors found no matters involving CSB internal controls that they considered to be a material weakness, and the firm found no instances of noncompliance.

### **CSB Complied With Improper Payment Legislation Requirements for Fiscal Year 2015**

Report No. [16-P-0109](#), issued March 23, 2016

CSB was fully compliant with legislation for improper payments during FY 2015. Agencies are required to report on, reduce and recapture improper payments, and Inspectors General are required to determine whether agencies sufficiently do so. As required, CSB published its Performance and Accountability Report and posted that report. Further, CSB conducted a risk assessment and did not identify any programs and activities that are susceptible to significant improper payments.

## ***Significant Investigations***

### **CSB Employee Retires During Management Inquiry**

On December 2, 2015, a CSB employee retired from federal service while on administrative leave during a pending CSB management inquiry. The OIG found that the employee used a nongovernment email system to communicate on official CSB matters. By using this approach, those communications were not preserved as official records.

### **Notice of Proposed Removal Issued to CSB Employee**

On November 16, 2015, another CSB employee was issued a Notice of Proposed Removal from federal service for conduct unbecoming of a federal employee. The proposal was based, in part, on an OIG Report of Investigation that found the employee used a nongovernment email system to communicate on official CSB matters. The employee is currently appealing the Notice of Proposed Removal.

## Hotline Activities

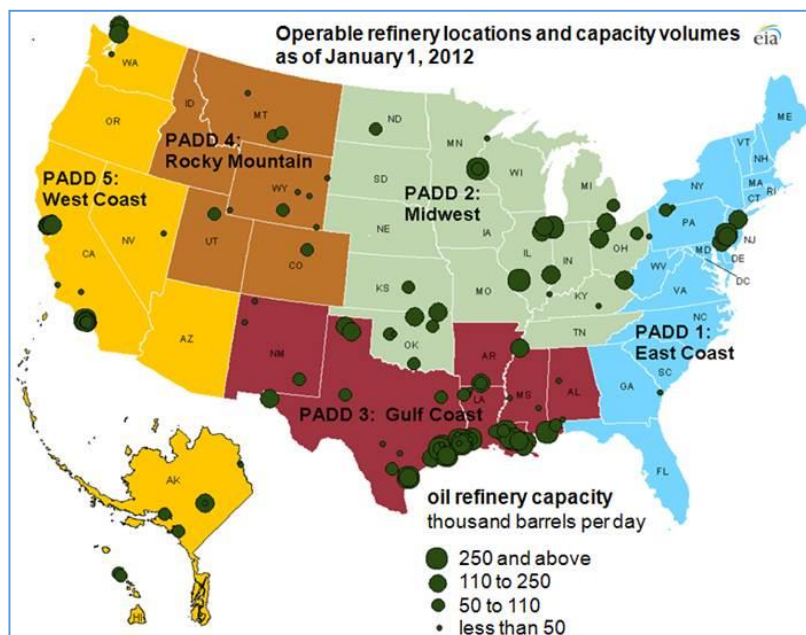
The purpose of the EPA OIG Hotline is to receive complaints of fraud, waste or abuse in EPA programs and operations, including mismanagement or violations of law, rules or regulations by EPA employees or program participants. Examples of reportable violations include contract, procurement and grant fraud; bribery and acceptance of gratuities; significant mismanagement and waste of funds; conflict of interest; travel fraud; abuse of authority; theft or abuse of government property; and computer crime. As a result of hotline complaints, the OIG may conduct audits and evaluations, as well as investigations. In addition to being responsible for the EPA hotline, we are responsible for the CSB hotline. Details on audit and evaluation reports issued during the semiannual reporting period, as well as investigations, follow.

### *Audit and Evaluation Reports on EPA*

#### **No Intent to Underestimate Costs Was Found, but Supporting Documentation for EPA's Final Rule Limiting Sulfur in Gasoline Was Incomplete or Inaccurate in Several Instances**

Report No. [16-P-0122](#), issued March 29, 2016

We found no evidence to substantiate hotline allegations that the EPA purposely underestimated costs to petroleum refineries or intentionally misrepresented information in



**Geographic location and capacity of U.S. refineries grouped by geographic regions called Petroleum Administration for Defense Districts (PADDs).**

Source: U.S. Energy Information Administration.

public rulemaking documents regarding new sulfur content standards for gasoline. The Tier 3 Motor Emission and Fuel Standards rule requires new emission limits for motor vehicles, as well as reduced limits on the amount of sulfur in gasoline. Although we did not find the allegations of underestimating to be substantiated, we did identify several instances where descriptions of certain aspects of the EPA's cost modeling analyses were inaccurate or incomplete in the final regulatory impact analysis. This inaccurate and incomplete documentation did not impact the EPA's estimate of costs to the refining industry.

Nonetheless, inaccurate or incomplete documentation could prevent a third party from obtaining a full and accurate understanding of how the EPA arrived at its cost estimate for the Tier 3 rule. We made a recommendation for the EPA Office of Air and Radiation to improve quality assurance review of future regulatory impact analysis documents, and the agency agreed with our recommendation.

### **Awards Made by EPA's Office of the Chief Financial Officer Raise Questions**

Report No. [16-P-0048](#), issued November 30, 2015

The EPA's Office of the Chief Financial Officer did not pay an alleged \$250,000 bonus to the newly hired Director of the Research Triangle Park Finance Center in North Carolina because it was unable to provide relocation expenses. However, the office's unprecedented award of \$9,000 in bonuses to that Director less than 3 months after hire raises questions about the reasonableness of the awards and how the office uses the awards process. One award of \$4,500 came just 6 weeks after the Director's start date, and another \$4,500 award came 6 weeks later. The office had considered a third award for the Director but did not process it because of the OIG review. We recommended that the EPA Deputy Administrator revisit the awards reviewed and take corrective actions if necessary, and take certain actions to prevent such awards in the future. The agency concurred with our recommendations.

### **Management of Overtime Improved at EPA's Office of Air and Radiation Immediate Office**

Report No. [16-P-0111](#), issued March 24, 2016

Allegations regarding misuse of overtime by an employee in the Office of Air and Radiation's Immediate Office were unsubstantiated. However, the employee may have incurred unnecessary overtime costs as a result of pre-signed Requests for Overtime Authorization Forms by the employee and approver. The employee recorded 262 hours of overtime, representing about \$12,948, over an approximately 2-year period. The agency indicated that, since August 2015, no overtime had been reported for the employee. The allegation that the employee inappropriately used administrative leave to attend a funeral was valid; the employee and agency agreed, and the administrative leave charges were removed and replaced with sick leave.

## ***Audit and Evaluation Reports on CSB***

### **CSB Did Not Follow Federal Guidance While Managing the Vantage Contract**

Report No. [16-P-0112](#), issued March 24, 2016

A hotline complaint from the former CSB Chairperson alleged the possible misuse of contractor resources and federal funds in relation to a \$125,000 contract with Vantage



Human Resource Services Inc. Our review determined that the original contracting officer's representative and his advisor did not violate Federal Acquisition Regulation requirements regarding misuse of contractor resources or federal funds, as alleged, nor did Vantage misrepresent the delivered work product. However, we determined that the board's Managing Director acted inappropriately in approving a request for an advisor without the contracting officer's knowledge, instructing a subcontractor to change a contract deliverable, and removing the contracting officer's representative from the contract. In addition, the original contracting officer's representative did not, in line with requirements, provide critical information so that the contracting officer could exercise adequate oversight. The board accepted OIG recommendations to require training and update a board order to address the roles and responsibilities of acquisition professionals.

### ***Significant Investigations on EPA***

#### **California Man Debarred for False Statements**

On February 25, 2016, the EPA Suspension and Debarment Official debarred a San Diego, California, man and two companies owned by him from participation in federal procurement and non-procurement programs until February 24, 2021. The man had previously been 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. 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.

#### **EPA Employee Removed From Service for Threatening Comments**

An EPA GS-13 employee in Kansas City, Kansas, agreed to end government service on October 31, 2015, after allegedly making a comment in the workplace that was deemed a threat by a fellow employee. Witness interviews were conducted, and it was learned that there had been documented complaints against this employee in the past. The investigation substantiated that threatening comments were made by the employee. A final Report of Investigation was submitted to EPA officials, and on August 25, 2015, a Notice of Proposed Removal was presented to the employee.

### EPA Employee Resigns After Not Disclosing Outside Employment

On February 4, 2016, an EPA GS-15 employee resigned after allegations regarding non-disclosed outside employment were substantiated. The former employee was working for a nonprofit organization while working at the EPA and failed to include this employment information on the Confidential Financial Disclosure Report from 2009 to 2014.

### EPA Employee Receives 3-Day Suspension

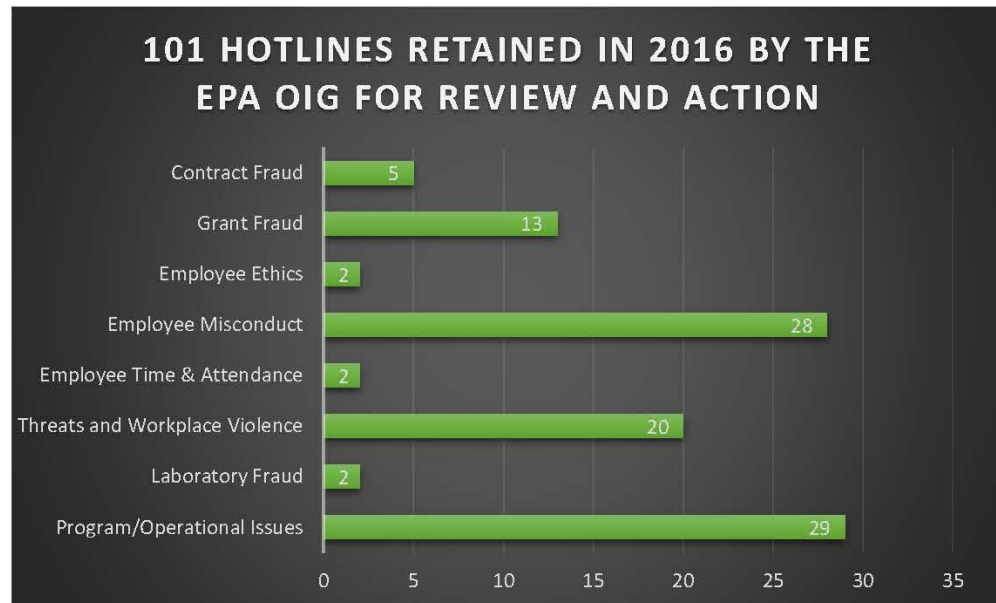
On March 3, 2016, an EPA Region 4 employee received a 3-day suspension for creating an appearance of impartiality and violating the standards of ethical conduct for an employee of the executive branch. The ethics violations were related to the employee's personal relationship with an environmental consulting company employee and providing preferential treatment to the company as a result of that relationship.

### Hotline Statistics

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 ending March 31, 2016.

	Semiannual period (October 1, 2015– March 31, 2016)
<b>Cases/referrals open at the beginning of the period</b>	183
<b>Cases/referrals received during the period</b>	141
<b>Cases/referrals closed during the period</b>	123
<b>Cases/referrals pending at the end of the period</b>	201
<b>Cases/referrals referred to others</b>	
<b>OIG offices</b>	101
<b>EPA program offices</b>	28
<b>Other federal agencies</b>	5
<b>State/local agencies/other</b>	7
<b>Contacts to the EPA OIG Hotline (telephone, voice mail, email, correspondence) and hotline web page views)</b>	4,607

The chart below breaks out by category inquiries received by the hotline that are retained by the OIG and reviewed for a possible investigation, audit or evaluation.



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 via the following options.

<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.

## Other Activities

### Quality Control Review of EPA OIG Reports Issued in Fiscal Year 2014

Report No. [16-N-0029](#), issued November 4, 2015

The OIG's quality control review of its audit and evaluation reports issued in FY 2014 found that the OIG continued to make improvements regarding Planning and Execution, Field Work, Evidence and Supervision. Nonetheless, we noted areas where improvements should be made. Some workpapers continued to be unnecessarily lengthy, assignment guides needed approval before kickoff, and revision of milestone dates for assignments must be documented. Further, some teams continued to use their own measures to define the scope of work instead of the methods identified by OIG guidance. Also, updating indexes in reports to identify up-to-date/current information is needed. We made various suggestions for management to reinforce OIG guidance with staff.

### 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 basis for our comments are the audit, evaluation, investigation and legislative experiences of the OIG, as well as our participation on the Council of the Inspectors General on Integrity and Efficiency. During the reporting period, we reviewed 25 proposed changes to legislation, regulations, policy, procedures or other documents that could affect the EPA or the Inspector General.

### Office of Special Counsel Whistleblower Certification Being Sought by EPA

In the previous Semiannual Report to the Congress, we noted that 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. We noted that the agency, not the OIG, must take the steps outlined to receive the Office of Special Counsel certification. During this semiannual reporting period, the EPA worked with the OIG to understand the requirements for certification and initiate the steps toward obtaining it.

# Other Results of OIG Work

## 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 10 audit and evaluation reports issued during the semiannual reporting period ending March 31, 2016, our review included follow-up on prior audits and evaluations.

Report No.	Report Title	Date
<a href="#">16-P-0006</a>	EPA Needs to Improve Security Planning and Remediation of Identified Weaknesses in Systems Used to Protect Human Health and the Environment	October 14, 2015
<a href="#">16-P-0036</a>	Administrative Leave Decisions for EPA Employee Disciplinary Actions Should Be Better Documented, and Parameters on Use of Such Leave Should Be Established	November 9, 2015
<a href="#">16-P-0039</a>	Fiscal Year 2015 Federal Information Security Modernization Act Report: Status of EPA's Information Security Program	November 16, 2015
<a href="#">16-F-0040</a>	Audit of EPA's Fiscal Years 2015 and 2014 Consolidated Financial Statements	November 16, 2015
<a href="#">16-F-0041</a>	Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2015 and 2014 Financial Statements	November 16, 2015
<a href="#">16-P-0086</a>	Fiscal Year 2015 Federal Information Security Modernization Act Report: Status of CSB's Information Security Program	January 27, 2016
<a href="#">16-P-0100</a>	EPA Needs to Improve Its Information Technology Audit Follow-Up Processes	March 10, 2016
<a href="#">16-P-0101</a>	Follow-Up Report: EPA Has Developed Measures to Improve Training for Risk Management Program Inspectors	March 10, 2016
<a href="#">16-P-0107</a>	Positioning EPA for the Digital Age Requires New Mindsets Toward Printing	March 21, 2016
<a href="#">16-P-0109</a>	CSB Complied With Improper Payment Legislation Requirements for Fiscal Year 2015	March 23, 2016

## Single Audit Reporting Efforts Make Impact

In accordance with the Single Audit Act of 1984 and Office of Management and Budget guidance, nonfederal entities that expend more than \$750,000 in federal funds (usually in the form of grants) are required to have a comprehensive annual audit of their financial statements and compliance with major federal program requirements. The entities receiving the funds include states, local governments, tribes and not-for-profit organizations. The act provides that grantees are subject to one annual comprehensive audit of all their federal programs versus a separate audit of each federal program, hence the term “single audit.” The audits are usually performed by private firms. Federal agencies rely upon the results of single audit reporting when performing their grants management oversight of these entities.

The OIG provides an important customer service to the EPA by performing technical reviews of these reports, and issues reports to the EPA for audit resolution and corrective action. These reports recommend that the EPA action officials confirm that the corrective actions have been taken. If the corrective actions have not been implemented, the EPA needs to obtain a corrective action plan, with milestone dates, for addressing the findings in a single report. For example:

- A single audit of a county in Montana showed that the county did not prepare and submit grant status reports to the EPA timely. A similar finding was noted in the prior year’s single audit report.
- A single audit of a state environmental agency discovered the state agency did not comply with the required process for funding administrative costs. The state agency also did not report financial status for two open grants for the drinking and clean water programs.

### Summary of OIG single audit activity for semiannual period ending March 31, 2016

No. of reports issued	No. of reports with no further action	No. of findings reported to EPA	Reported questioned costs	Quality review of single audit reports	Deficiency letters issued to single auditors
96	685	214	\$22k	11	5

Source: OIG analysis.

The OIG also provides technical assistance and advice to the EPA, single auditors and others as they relate to the single audit process. For example, the EPA OIG National Single Audit Coordinator was invited to present at the American Institute of Certified Public Accountants’ National Training for Government and Non-Profit Entities. The coordinator presented information on common single audit challenges that EPA grantees face, and fielded technical questions from single auditors and grant recipients.

## Actions Taken on Reports Result in Improvements

The EPA has taken a number of corrective actions based on audit and evaluation reports issued during the current and 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, assuring millions of dollars are expended for proper purposes.

**Report No. [15-P-0033](#), *EPA Needs Better Management of Personal Property in Warehouses*, issued December 8, 2014.** The agency issued and implemented policy guidance requiring EPA Senior Resource Officials to conduct periodic unannounced visits to warehouses to guard against unauthorized use of government resources. The agency developed and disseminated best practices for inventory and storage to warehouse managers at various locations, and to all property management officers. The EPA conducted biannual training for custodial officers on best practices in accounting for property and disposing of excess property.

**Report No. [16-P-0019](#), *EPA Needs Policies and Procedures to Manage Public Pesticides in a Transparent and Efficient Manner*, issued October 27, 2015.** In response to our recommendations, the EPA developed policies and standard operating procedures to manage public petitions received by the Office of Pesticide Programs in a transparent and efficient manner. These procedures include direct communication with petitioners by providing a letter to the petitioner acknowledging receipt of the petition, communicating petition decisions to the petitioner in writing, and providing updates to petitioners about the status and progress of pending petitions.

**Report No. [16-P-0082](#), *EPA's Bristol Bay Watershed Assessment: Obtainable Records Show EPA Followed EPA's Required Procedures Without Bias or Predetermination, but a Possible Misuse of Position Noted*, issued January 13, 2016.** Region 10's Regional Administrator issued a memo to all Region 10 staff on January 21, 2016, emphasizing that personnel are to follow the Standards of Ethical Conduct of Employees of the Executive Branch. The memo listed all 14 principles, and the Regional Administrator noted that staff cannot allow personal interests to affect their impartiality in carrying out their official duties. Staff were encouraged to consult ethics attorneys if they have questions.

## 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.

- The Office of Enforcement and Compliance Assurance convened a national workgroup, with representatives from all 10 EPA regions and the Office of Water, to characterize the barriers that have kept some public water systems from returning to compliance. The workgroup is considering goals for: defining “intractable” systems and identifying their significant barriers to compliance; highlighting gaps in legal authority, policies or other impediments; understanding what tools and options are available; and exploring options for a searchable data base. (Report No. [16-P-0108](#))
- The Texas Commission on Environmental Quality stays informed about drinking water system violations that pose a risk to human health because state-contracted samplers collect all chemical drinking water samples across the state. The commission receives sampling results regardless of whether the system has paid lab analysis bills. The commission funds this program, in part, through an EPA Public Water System Supervision grant. (Report No. [16-P-0108](#))
- The EPA’s Office of Air and Radiation has internal controls to manage its petitions and prioritize transparency and efficiency. The office sends letters acknowledging receipt of a petition, directly communicates the petition decision to the petitioner, and announces the decision in the Federal Register. The office also tracks petitions. (Report No. [16-P-0019](#))
- The agency developed a new audit tracking training guide to show how to use the Management Audit Tracking System application and comply with agency audit management policies. Additionally, the Office of the Chief Financial Officer was in the process of developing system training, including online training. (Report No. [16-P-0100](#))



# Statistical Data

## Profile of Activities and Results

<b>Audit and evaluation operations OIG reviews</b>	
<b>October 1, 2015 – March 31, 2016 (\$ in millions)</b>	
Questioned costs *	\$0.00
Recommended efficiencies *	\$0.19
Costs disallowed to be recovered	\$0.36
Costs disallowed as cost efficiency	\$0.00
Reports issued by OIG	28
Reports resolved (Agreement by agency officials to take satisfactory corrective actions) **	108

<b>Audit and evaluation operations Reviews performed by Single Audit Act auditors</b>	
<b>October 1, 2015 – March 31, 2016 (\$ in millions)</b>	
Questioned costs *	\$0.02
Recommended efficiencies *	\$0.00
Costs disallowed to be recovered	\$0.04
Costs disallowed as cost efficiency	\$0.00
Single Audit Act reviews	96
Agency recoveries Recoveries from audit resolutions of current and prior periods (cash collections or offsets to future payments) ***	\$0.70

<b>Investigative operations (\$ in millions)</b>			
<b>October 1, 2015 – March 31, 2016</b>			
	<b>EPA OIG only</b>	<b>Joint</b>	<b>Total</b>
Total fines and recoveries	\$0.044	\$0.183	\$0.227
Cost savings	\$0.507	\$0	\$0.507
Cost avoidances	\$0	\$0	\$0
Civil settlements	\$0.190	\$3.00	\$3.190
Cases open during period	49	4	53
Cases closed during period	48	8	56
Indictments/informations of persons or companies	5	2	7
Convictions of persons or companies	2	3	5
Civil judgments/settlements/filings	1	1	2

\* 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 the EPA's Office of Financial Management and is unaudited.

## Audit, Inspection and Evaluation Report Resolution

**Table 1: OIG-issued reports with questioned costs for semiannual period ending March 31, 2016 (\$ in thousands)**

Report category	No. of reports	Questioned costs *	Unsupported costs
A. For which no management decision was made by October 1, 2015 **	27	\$16,612	\$13,694
B. New reports issued during period	1	22	22
Subtotals (A + B)	28	16,634	13,716
C. For which a management decision was made during the reporting period:	10	7,369	4,572
(i) Dollar value of disallowed costs	3	2,797	0
(ii) Dollar value of costs not disallowed	7	4,572	0
D. For which no management decision was made by March 31, 2016	10	9,264	3,143

\* 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 March 31, 2016 (\$ in thousands)**

Report Category	No. of reports	Dollar Value
A. For which no management decision was made by October 1, 2015 *	12	\$85,767
B. Which were issued during the reporting period	2	217
Subtotals (A + B)	14	85,984
C. For which a management decision was made during the reporting period:	4	20,396
(i) Dollar value of recommendations from reports that were agreed to by management	1	19
(ii) Dollar value of recommendations from reports that were not agreed to by management	3	20,379
D. For which no management decision was made by March 31, 2016	9	65,586

\* 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 March 31, 2016, 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	43	61
Assistance agreements	9	13
Single audits	13	19
Financial statement audits	5	7
<b>Total</b>	<b>70</b>	<b>100</b>

## Summary of Investigative Results

### Summary of investigative activity during reporting period

Cases open as of October 1, 2015 *	237
Cases opened during period	53
Cases closed during period	56
Cases pending as of March 31, 2016	234

\* Adjusted from prior period.

### Investigations pending by type as of March 31, 2016

	Superfund	Management	Split funded	Recovery Act	CSB	Total
Contract fraud	8	9	10	2	0	29
Grant fraud	0	25	12	8	0	45
Laboratory fraud	3	3	2	0	0	8
Employee integrity	3	33	53	0	1	90
Program integrity	1	12	4	0	0	17
Computer crimes	0	1	5	0	0	6
Threat	1	3	11	0	0	15
Retaliation	0	1	2	0	0	3
Other	1	13	7	0	0	21
<b>Total</b>	<b>17</b>	<b>100</b>	<b>106</b>	<b>10</b>	<b>1</b>	<b>234</b>

### Results of prosecutive actions

	EPA OIG only	Joint *	Total
Criminal indictments/informations/complaints	5	2	7
Convictions	2	3	5
Civil judgments/settlements/filings	1	1	2
Deportations	0	0	0
Fines and recoveries (including civil)	\$190,025	\$3,182,920	\$3,372,945
Prison time	0 months	21 months	21 months
Prison time suspended	0 months	0 days	0 days
Home detention	0 months	0 months	0 months
Probation	6 months	96 months	102 months
Community service	0 hours	200 hours	200 hours

\* With another federal agency.

### Administrative actions

	EPA OIG only	Joint *	Total
Suspensions	1	3	4
Debarments	1	5	6
Other administrative actions	26	1	27
<b>Total</b>	<b>28</b>	<b>9</b>	<b>37</b>
<b>Administrative recoveries</b>	<b>\$43,915</b>	<b>\$0</b>	<b>\$43,915</b>
<b>Cost avoidance</b>	<b>\$507,269</b>	<b>\$0</b>	<b>\$507,269</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	
<b>PERFORMANCE REPORTS</b>						
16-P-0006	EPA Needs to Improve Security Planning and Remediation of Identified Weaknesses in Systems Used to Protect Human Health and the Environment	Oct. 14, 2015	\$0	\$0	\$0	\$0
16-P-0019	EPA Needs Policies and Procedures to Manage Public Pesticide Petitions in a Transparent and Efficient Manner	Oct. 27, 2015	0	0	0	0
16-P-0035	CSB Needs Better Security Controls to Protect Critical Data Stored on Its Regional Servers	Nov. 05, 2015	0	0	0	0
16-P-0036	Administrative Leave Decisions for EPA Employee Disciplinary Actions Should Be Better Documented, and Parameters on Use of Such Leave Should Be Established	Nov. 09, 2015	0	0	0	0
16-P-0039	Fiscal Year 2015 Federal Information Security Modernization Act Report: Status of EPA's Information Security Program	Nov. 16, 2015	0	0	0	0
16-P-0048	Awards Made by EPA's Office of the Chief Financial Officer Raise Questions	Nov. 30, 2015	0	0	0	0
16-P-0059	EPA Is Documenting How It Addresses Time-Critical Public Health Risks Under Its Superfund Authority	Dec. 09, 2015	0	0	0	0
16-P-0078	EPA's Background Investigation Support Contracts and OPM Billings Need Better Oversight and Internal Controls	Dec. 14, 2015	0	0	0	188,000
16-P-0079	EPA Can Strengthen Its Reviews of Small Particle Monitoring in Region 6 to Better Ensure Effectiveness of Air Monitoring Network	Dec. 17, 2015	0	0	0	0
16-P-0081	EPA's Tracking and Reporting of Its Conference Costs Need Improvement	Jan. 07, 2016	0	0	0	6,916
16-P-0082	EPA's Bristol Bay Watershed Assessment: Obtainable Records Show EPA Followed Required Procedures Without Bias or Pre Determination, But a Possible Misuse of Position Noted	Jan. 13, 2016	0	0	0	0
16-P-0086	Fiscal Year 2015 Federal Information Security Modernization Act Report: Status of CSB's Information Security Program	Jan. 27, 2016	0	0	0	0
16-P-0100	EPA Needs to Improve Its Information Technology Audit Follow-Up Processes	Mar. 10, 2016	0	0	0	0
16-P-0101	Follow Up: EPA Has Developed Measures to Improve Training for Risk Management Program Inspectors	Mar. 10, 2016	0	0	0	0
16-P-0104	EPA Has Not Met Statutory Requirements for Hazardous Waste Treatment, Storage and Disposal Facility Inspections, but Inspection Rates Are High	Mar. 11, 2016	0	0	0	0
16-P-0107	Positioning EPA for the Digital Age Requires New Mindsets Toward Printing	Mar. 21, 2016	0	0	0	0
16-P-0108	Drinking Water: EPA Needs to Take Additional Steps to Ensure Small Community Water Systems Designated as Serious Violators Achieve Compliance	Mar. 22, 2016	0	0	0	0
16-P-0109	CSB Complied with Improper Payment Legislation Requirements for Fiscal Year 2015	Mar. 23, 2016	0	0	0	0
16-P-0111	Management of Overtime Improved at EPA's Immediate Office of Air and Radiation	Mar. 24, 2016	0	0	0	0
16-P-0112	CSB Did Not Follow Federal Guidance While Managing the Vantage Contract	Mar. 24, 2016	0	0	0	0
16-P-0122	No Intent to Underestimate Costs Was Found, but Supporting Documentation for EPA's Final Rule Limiting Sulfur in Gasoline Was Incomplete or Inaccurate in Several Instances	Mar. 29, 2016	0	0	0	0
16-P-0124	EPA's Fiscal Year 2015 Purchase Card and Convenience Check Program Assessed as Low Risk	Mar. 29, 2016	0	0	0	0

Report No.	Report	Date	Questioned Costs			Federal Recommended Efficiencies
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
16-P-0125	EPA Offices Are Aware of Science to Achieve Results Program, but Challenges Remain in Measuring and Internally Communicating Research Results That Advance the Agency's Mission	Mar. 30, 2016	0	0	0	0
16-P-0126	Management Alert: Significant Data Quality Deficiencies Impede EPA's Ability to Ensure Companies Can Pay for Cleanups	Mar. 31, 2016	0	0	0	0
<b>TOTAL PERFORMANCE REPORTS = 24</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$194,916</b>
<b>SINGLE AUDIT REPORTS</b>						
16-S-0001	Texas, State of – FY 2014	Oct. 06, 2015	\$0	\$0	\$0	\$0
16-S-0002	South Carolina, State of – FY 2014	Oct. 07, 2015	0	0	0	0
16-S-0003	Puerto Rico Water Pollution Control Revolving Fund – FY 2014	Oct. 07, 2015	0	0	0	0
16-S-0004	Vermont, State of – FY 2014	Oct. 07, 2015	0	0	0	0
16-S-0005	Washington, State of – FY 2014	Oct. 07, 2015	0	0	0	0
16-S-0007	Togiak, Alaska, Traditional Council of – FY 2012	Oct. 13, 2015	0	0	0	0
16-S-0008	White Mountain, Alaska, Native Village of FY 2012	Oct. 13, 2015	0	0	0	0
16-S-0009	Los Angeles Dept. of Water & Power-Water System, California – FY 2013	Oct. 13, 2015	0	0	0	0
16-S-0010	Shelton, Nebraska, Village of – FY 2013	Oct. 13, 2015	0	0	0	0
16-S-0011	West Virginia, State of – FY 2014	Oct. 13, 2015	0	0	0	0
16-S-0012	Oden Water Association, Idaho – FY 2013	Oct. 13, 2015	0	0	0	0
16-S-0013	Nome Joint Utility System, Alaska – FY 2013	Oct. 13, 2015	0	0	0	0
16-S-0014	Altoona Water Authority, Pennsylvania – FY 2013	Oct. 15, 2015	0	0	0	0
16-S-0015	Arcadia, Florida, City of – FY 2013	Oct. 19, 2015	0	0	0	0
16-S-0016	Missouri System, Missouri, University of – FY 2014	Oct. 20, 2015	0	0	0	0
16-S-0017	Turlock, California, City of – FY 2014	Oct. 20, 2015	0	0	0	0
16-S-0020	Winslow, Arizona, City of – FY 2014	Oct. 26, 2015	0	0	0	0
16-S-0021	Maui, Hawaii, County of – FY 2014	Oct. 26, 2015	0	0	0	0
16-S-0022	Ellsworth, Maine, City of – FY 2014	Oct. 26, 2015	0	0	0	0
16-S-0023	Livonia, Louisiana, Town of – FY 2013	Oct. 26, 2015	0	0	0	0
16-S-0024	Marlin, Texas, City of – FY 2013	Oct. 26, 2015	0	0	0	0
16-S-0025	Alaska, State of – FY 2014	Oct. 26, 2015	0	0	0	0
16-S-0026	Nondalton Tribal Council, Alaska – FY 2014	Oct. 26, 2015	0	0	0	0
16-S-0027	Colorado, State of – FY 2014	Oct. 27, 2015	0	0	0	0
16-S-0028	District of Columbia Water and Sewer Authority – FY 2014	Oct. 27, 2015	0	0	0	0
16-S-0030	Agriculture and Land Based Training Association, California – FY 2013	Nov. 03, 2015	0	0	0	0
16-S-0031	Elk Valley Rancheria, California, Governmental Departs. of – FY 2013	Nov. 03, 2015	0	0	0	0
16-S-0032	Te-Moak Tribe of Western Shoshone Battle Mountain Band Council, Nevada – FY 2013	Nov. 03, 2015	0	0	0	0
16-S-0033	Redwood Valley Little River Band of Pomo Indians, California – FY 2013	Nov. 03, 2015	0	0	0	0
16-S-0034	Northwest Straits Marine Conservation Foundation, Washington – FY 2013	Nov. 03, 2015	0	0	0	0
16-S-0037	Jourdanton, Texas, City of – FY 2013	Nov. 10, 2015	0	0	0	0
16-S-0038	Santa Nella County Water District, California – FY 2013	Nov. 10, 2015	0	0	0	0
16-S-0042	Nye County, Nevada – FY 2014	Nov. 17, 2015	0	0	0	0
16-S-0043	Santa Barbara County Air Pollution Control District, California – FY 2013	Nov. 17, 2015	0	0	0	0
16-S-0044	Tillamook Estuaries Partnership, Oregon – FY 2014	Nov. 23, 2015	0	0	0	0
16-S-0045	North Pole, Alaska, City of – FY 2013	Nov. 23, 2015	0	0	0	0
16-S-0046	West Bonner Water & Sewer District, Idaho – FY 2013	Nov. 23, 2015	0	0	0	0
16-S-0047	Decision Science Research Institute, Inc., Oregon – FY 2013	Nov. 23, 2015	0	0	0	0
16-S-0049	Anaconda Deer Lodge County, Montana – FY 2014	Nov. 24, 2015	0	0	0	0
16-S-0050	Belle Fourche River Watershed Partnership, South Dakota – FY 2014	Nov. 24, 2015	0	0	0	0
16-S-0051	Box Elder, South Dakota, City of – FY 2012	Nov. 30, 2015	0	0	0	0
16-S-0052	New Hampshire, State of – FY 2014	Nov. 30, 2015	0	0	0	0
16-S-0053	New York, State of – FY 2014	Dec. 01, 2015	0	0	0	0
16-S-0054	Park Rapids, Minnesota, City of – FY 2013	Dec. 03, 2015	0	0	0	0
16-S-0055	Perham, Minnesota, City of – FY 2013	Dec. 03, 2015	0	0	0	0
16-S-0056	Richmond, Minnesota, City of – FY 2013	Dec. 03, 2015	0	0	0	0
16-S-0057	Maple Lake, Minnesota, City of – FY 2013	Dec. 07, 2015	0	0	0	0
16-S-0058	Stewart, Minnesota, City of – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0060	Swanville, Minnesota, City of – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0061	Wadena, Minnesota, City of – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0062	Warren, Minnesota, City of – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0063	Oconto Falls, Wisconsin, City of – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0064	Corp. for Conservation of San Juan Bay Estuary, Puerto Rico – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0065	Bonham, Texas, City of – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0066	Corrales, New Mexico, Village of – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0067	Lake Livingston Water Supply and Sewer Corporation, Texas – FY 2013	Dec. 08, 2015	0	0	0	0

Report No.	Report	Date	Questioned Costs			Federal Recommended Efficiencies
			Ineligible Costs	Unsupported Costs	Unreasonable Costs	
16-S-0068	Bernalillo, New Mexico, Town of – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0069	Lone Chimney Water Association, Oklahoma – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0070	Longtown Rural Water District #1, Oklahoma – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0071	Agua Special Utility District, Texas – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0072	Merrill, Wisconsin, City of – FY 2013	Dec. 08, 2015	0	0	0	0
16-S-0073	Kentucky, Commonwealth of – FY 2014	Dec. 09, 2015	0	0	0	0
16-S-0074	Mississippi, State of – FY 2014	Dec. 09, 2015	0	0	0	0
16-S-0075	Maine Municipal Bond Bank, Maine – FY 2014	Dec. 09, 2015	0	0	0	0
16-S-0076	North Carolina, State of – FY 2014	Dec. 09, 2015	0	0	0	0
16-S-0077	North Dakota, State of – FY 2014	Dec. 09, 2015	0	0	0	0
16-S-0080	New Mexico Environment Department, New Mexico – FY 2014	Dec. 31, 2015	0	0	0	0
16-S-0083	Lake Station, Indiana, City of – FY 2013	Jan. 12, 2016	0	0	0	0
16-S-0084	Blue Island, Illinois, City of – FY 2014	Jan. 19, 2016	0	0	0	0
16-S-0085	Pleasant Point Passamaquoddy Tribal Council, Maine – FY 2013	Jan. 22, 2016	0	0	0	0
16-S-0087	Pennsboro, West Virginia, City of – FY 2013	Jan. 25, 2016	0	0	0	0
16-S-0088	Williamsburg Municipal Authority, Pennsylvania – FY 2013	Jan. 25, 2016	0	0	0	0
16-S-0089	Chicago Park District, Chicago, Illinois – FY 2014	Jan. 27, 2016	0	0	0	0
16-S-0090	Provincetown, Massachusetts, Town of – FY 2014	Feb. 03, 2016	0	0	0	0
16-S-0091	Gloucester, Massachusetts, City of – FY 2014	Feb. 03, 2016	0	0	0	0
16-S-0092	National Association of State Departments of Agriculture – FY 2014	Feb. 04, 2016	0	0	0	0
16-S-0093	Saint Regis Mohawk Tribe, New York – FY 2014	Feb. 08, 2016	0	0	0	0
16-S-0094	Michigan, State of – FY 2014	Feb. 08, 2016	0	0	0	0
16-S-0095	Los Angeles Department of Water and Power-Water System, California – FY 2014	Feb. 08, 2016	0	0	0	0
16-S-0096	Winchester, Connecticut, Town of – FY 2014	Feb. 09, 2016	0	0	0	0
16-S-0097	Mahomet, Illinois, Village of – FY 2015	Feb. 09, 2016	0	0	0	0
16-S-0098	New Chicago, Indiana, Town of – FY 2013	Feb. 09, 2016	0	0	0	0
16-S-0099	Northern Mariana Islands, Commonwealth of – FY 2014	Feb. 24, 2016	0	0	0	0
16-S-0110	Battelle Memorial Institute, Ohio – FY 2014	Mar. 23, 2016	0	0	0	0
16-S-0115	Oakland County, Michigan – FY 2014	Mar. 23, 2016	0	0	0	0
16-S-0116	Wayne, Michigan, Charter County of – FY 2013	Mar. 25, 2016	0	0	0	0
16-S-0117	Cedar Lake, Indiana, Town of – FY 2013	Mar. 25, 2016	0	0	0	0
16-S-0118	American Samoa Power Authority, American Samoa – FY 2014	Mar. 25, 2016	0	0	0	0
16-S-0119	California Safe Drinking Water State Revolving Fund – FY 2014	Mar. 25, 2016	0	0	0	0
16-S-0120	Commonwealth Utilities Corporation, MP – FY 2014	Mar. 25, 2016	0	0	0	0
16-S-0123	Crow Tribe of Indians, Montana – FY 2013	Mar. 28, 2016	0	0	0	0
16-S-0128	San Bernardino Municipal Water Department, California – FY 2015	Mar. 30, 2016	0	0	0	0
16-S-0129	Arctic Village Tribal Council, Alaska – FY 2014	Mar. 30, 2016	0	22,208	0	22,208
16-S-0130	North Pole, Alaska – FY 2014	Mar. 30, 2016	0	0	0	0
16-S-0131	Copper River Native Association, Alaska – FY 2014	Mar. 30, 2016	0	0	0	0
16-S-0132	Huslia Tribal Council, Alaska – FY 2014	Mar. 30, 2016	0	0	0	0
<b>TOTAL SINGLE AUDIT REPORTS = 96</b>			<b>\$0</b>	<b>\$22,208</b>	<b>\$0</b>	<b>\$22,208</b>
<b>NON-AUDIT REPORTS</b>						
16-N-0018	FY 2015 U.S. Chemical Safety and Hazard Investigation Board Management Challenges	Oct. 22, 2015	\$0	\$0	\$0	\$0
16-N-0029	Quality Control Review of EPA Office of Inspector General Reports Issued in Fiscal Year 2014	Nov. 04, 2015	0	0	0	0
<b>TOTAL NON-AUDIT REPORTS = 2</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>FINANCIAL AUDIT REPORTS</b>						
16-F-0040	Audit of EPA's Fiscal Year 2015 and 2014 Consolidated Financial Statements	Nov. 16, 2015	\$0	\$0	\$0	\$0
16-F-0041	Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2015 and 2014 Financial Statements	Nov. 16, 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 = 124</b>			<b>\$0</b>	<b>\$22,208</b>	<b>\$0</b>	<b>\$217,124</b>

## Appendix 2—Reports Issued Without Management Decisions

### For Reporting Period Ended March 31, 2016

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 March 31, 2016.

#### Region 8—Regional Administrator

##### Report No. 12-1-0560, 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 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.

#### 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. Debt Forgiveness Package was received from the tribe requesting that EPA forgive the \$74,418.70 owed as a result of the OIG's agreed-upon procedures review. As of March 31, 2016, Region 9 is still waiting for the EPA Claim's Officer's decision on debt forgiveness.

##### 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. Debt Forgiveness Package was received from the tribe requesting that EPA forgive the \$74,418.70 owed as a result of the OIG's agreed-upon procedures review. As of March 31, 2016, Region 9 is still waiting for the EPA Claim's Officer's decision on debt forgiveness.

**Report No. 15-3-0302, Timbisha Shoshone Tribe, California – FY 2013, September 29, 2015**

*Summary:* The single auditor reported five findings that pertain to EPA programs. We questioned \$77,384 as unsupported related to excessive cash draws under three EPA grants.

*Agency Explanation:* Management decision is pending due to a revised audit response from the grant recipient concerning proposed changes to the corrective actions.

**Report No. 15-3-0303, Cold Springs Rancheria of Mono Indians, California – FY 2013, September 28, 2015**

*Summary:* The single auditor reported seven audit findings and questioned \$14,296 in unsupported EPA grant expenditures.

*Agency Explanation:* Management decision is pending due to a revised audit response from the grant recipient concerning proposed changes to the corrective actions.

**Total reports issued before reporting period for which  
no management decision had been made as of March 31, 2016 = 5**



## 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 addressing an unauthorized, full-time work-at-home arrangement, we recommended that the EPA 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. As of September 8, 2015, negotiations were concluded with one employee union and an agreement ratified, while negotiations with another employee union are nearing completion. After telework agreements are in place with the unions, the EPA plans to issue a new telework policy for non-bargaining unit employees. (Report No. 10-P-0002)
- In a report on the environmental benefits and impact of the EPA Superfund removal program and the agency's plan to achieve future program goals, we recommended that the EPA synchronize data between Pollution Reports and the Comprehensive Environmental Response, Compensation, and Liability Information System. While synchronizing the data between these systems seemed like a possible option to explore, subsequent system changes impacted the agency's ability to carry out the recommendation. Since the report was issued, the Comprehensive Environmental Response, Compensation, and Liability Information System was retired and replaced with the Superfund Enterprise Management System. The new system has ongoing software changes and fixes being implemented, and the concept of pulling data from a non-EPA website to populate this system was found to be problematic, costly, duplicative and unnecessary. Removal data is currently being entered into the Superfund Enterprise Management System, and the Office of Land and Emergency Management indicated it is working closely with the regions to ensure the quality of the data. (Report No. 13-P-0176)

This appendix contains separate tables of unimplemented recommendations for the EPA and CSB. The tables are further divided by: (1) recommendations with past due corrective actions and (2) recommendations with corrective actions that have a future completion date. Many of the recommendations have completion dates in the future due to the complexity or challenging nature of the recommendations.

Below is a listing of the responsible EPA offices that have recommendations included in the following tables. 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:

OA	Office of the Administrator
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
OGD	Office of Grants and Debarment
OEI	Office of Environmental Information
OLEM	Office of Land and Emergency Management
OW	Office of Water
Region 2	
Region 3	
Region 5	
Region 6	
Region 7	
Region 8	
Region 9	

## EPA Reports With Past Due Unimplemented Recommendations

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Unused Earmark Funds for Water Projects Totaling \$6.2 Million Could Be Put to Better Use (15-P-0299)	09/30/15	OW	2. Establish a method to identify at least semiannually grants with no financial activity for an extended period of time and take action with the regions to identify and help resolve the cause for delay or identify the grant as a no-progress grant.	03/31/16	The Close Out Strategy is currently in the final review stage by upper management and is expected to be signed and made available by 5/27/16.
EPA Needs to Improve the Recognition and Administration of Cloud Services for the Office of Water's Permit Management Oversight System (15-P-0295)	09/24/15	OEI	1. Appoint the National Computing Center as the agency lead for evaluating all information technology hosting proposals to determine if the hosting is cost beneficial and meets federal requirements.  3. Develop and maintain an inventory of cloud systems.	12/31/15  03/31/16	Delays in receiving tracking information from OIG into agency audit tracking system caused delays in implementation. Expected completion date revised to 6/30/16 for Recommendation 1 and 9/30/16 for Recommendation 3.
EPA Needs to Track Whether Its Major Municipal Settlements for Combined Sewer Overflows Benefit Water Quality (15-P-0280)	09/16/16	OECA	3. Develop an Annual Commitment System goal that establishes regional goals for monitoring and reporting outcomes associated with combined sewer overflow consent decrees, in order to prioritize consent decree tracking in regional offices.	02/28/16	OECA requires additional time to complete this action. Expected completion date is 8/26/16.
EPA Can Increase Impact of Environmental Justice on Agency Rulemaking by Meeting Commitments and Measuring Adherence to Guidance (15-P-0274)	09/03/15	OA	1. Implement a process to measure use of the environmental justice guides in the rulemaking process. This should minimally include a certification statement by a Director within the originating office when the guides are used.  3. Develop and provide training on the use of the <i>EJ Technical Guidance</i> upon its final issuance.	12/31/15  03/31/16	OA is meeting with the Administrator to discuss and finalize the guidance by May 2016 and training by June 2016.
Improvements Needed by EPA to Reduce Risk in Employee Hiring Process (15-P-0253)	08/03/15	OARM	1. Review and revise EPA Human Resource Bulletin <i>Quality Assurance in the Hiring Process</i> , to enhance internal controls for vetting prior employment, verifying awards/professional certifications and contacting references by:  a. Establishing a requirement that an applicant's prior employment, awards/professional certifications and references be verified. b. Establishing a requirement that the selecting official or delegated authority document that they verified prior employment, awards/professional certifications and references of prospective new hires, or explain the reasons why they did not verify. Retain documentation in a permanent file for the time period required in the applicable EPA Record Schedule.	09/30/15	The revised bulletin is drafted and in the review stage. Additional time is needed to reconcile comments and conduct the final review including legal review. We will complete this corrective action by 6/30/16.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Internal Controls Needed to Control Costs of Superfund Technical Assessment & Response Team Contracts, as Exemplified in Region 7 (15-P-0215)	07/20/15	Region 7	2. Require the Project Officer to notify the contractor regarding the required schedules and ensure that all are received with the contractor's invoices.	12/31/15	Region 7 has received notification that corrective actions have been completed, but is awaiting receipt of documentation confirming all corrective actions have been fully implemented before they can be closed out.
			3. Require the Project Officer to notify the contractor of the required monthly progress report elements, and ensure that the contractor begins submitting all required elements.	12/31/15	
			4. Require the Contracting Office to recover the \$1,320 related to the double-billing of Tyvex suits, gloves and air cartridges, and review all other billings on the contract to identify other double-billings and recover any identified costs.	12/31/15	
			5. Require the Contracting Officer to require the contractor to begin billing Subcontractor C immediately as a subcontractor, consistent with how the costs were proposed and the definition of a subcontractor per the Federal Acquisition Regulation.	09/30/15	
			6. Require the Contracting Officer to recover the \$2,236 of unallowable General and Administrative costs related to Subcontractor C and review all billings from November 2014 to the present and recover any additional General and Administrative billed to the government.	12/31/15	
			7. Ensure that the two contractor employees who do not meet the contract qualifications no longer work on the Superfund Technical Assessment & Response Team contract in positions they are not qualified for.	09/30/15	
			8. Require the Project Officer to review the qualifications of all personnel who have been billed on the contract to ensure they meet contract qualifications, and report any who do not meet the qualifications to the Contracting Officer.	12/31/15	

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
		Region 7	<p>9. Require the Contracting Officer to recover the \$73,971 of billed costs associated with the unqualified employees as of February 4, 2014, as well as any amounts billed for these employees after that date. The Contracting Officer should also recover any costs associated with unqualified personnel identified by the Project Officer in implementing Recommendation 8.</p> <p>10. Provide training to the Project Officer and Task Order Project Officers on the EPA's Invoice Review &amp; Approval Desk Guide.</p> <p>12. Ensure that Region 7 staff receive and review the staffing plan from the contractor in accordance with the contract.</p> <p>13. Require the Contracting Officer to recover \$4,795 related to staffing plans paid for but not received in year one of the contract.</p> <p>14. Calculate the costs paid out for staffing plans that were not received for year two and recover that amount.</p> <p>15. Conduct training on the proper procedures for performing annual invoice reviews.</p> <p>16. Require the Contracting Officer for the Region 7 Superfund Technical Assessment &amp; Response Team contract to perform quarterly invoice reviews as recommended in the EPA Acquisition Guide and the Invoice Review &amp; Approval Desk Guide.</p> <p>17. Perform a review of all contracts administered by Region 7, evaluate the risks associated with them, and implement quarterly Contracting Officer invoice reviews of contracts deemed to be of a higher risk.</p> <p>18. Develop and implement a management internal control to ensure Contracting Officer invoice reviews are being conducted.</p>	<p>12/31/15</p> <p>09/30/15</p> <p>12/31/15</p> <p>12/31/15</p> <p>12/31/15</p> <p>09/30/15</p> <p>12/31/15</p> <p>12/31/15</p> <p>12/31/15</p>	

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
			<p>20. Develop a tracking system to ensure that the Contracting Officer distributes the indirect rate agreement to the Project Officer and that the contractor's adjustment vouchers are received timely.</p> <p>21. Notify all Region 7 Project Officers of adjustment voucher policies and procedures, emphasizing the Project Officer's responsibility in the process.</p> <p>26. Require the Contracting Officer to review the contract and include all missing information, eliminate repetitive clauses and make corrections to inaccurate clauses.</p>	<p>09/30/15</p> <p>09/30/15</p> <p>06/30/15</p>	
Enhanced EPA Oversight and Action Can Further Protect Water Resources From the Potential Impacts of Hydraulic Fracturing (15-P-0204)	07/16/15	OCSP	3. Establish and publish an action plan with milestone dates that outlines the steps necessary for determining whether to propose a rule to obtain information on chemical substances and mixtures used in hydraulic fracturing.	01/31/16	In May 2014, the EPA issued an Advanced Notice of Proposed Rulemaking to seek public and stakeholder input on how to best obtain information on chemicals and mixtures used in hydraulic fracturing. While OCSP is making progress in evaluating these public comments, the agency has not yet completed its assessment of the data collected in order to determine appropriate next steps and our future plan of action. The agency's revised completion date is 7/31/16.
Benefits of EPA Initiative to Promote Renewable Energy on Contaminated Lands Have Not Been Established (15-P-0198)	07/16/15	OLEM	<p>1. Determine whether benefits from its investment of program resources in renewable energy promotion, education and outreach efforts outlined in the Management Plan demonstrate the value of the RE-Powering America's Land Initiative. If benefits cannot be demonstrated for the initiative, the EPA should modify or terminate the program.</p> <p>3. If the EPA chooses to continue with the initiative in its current or modified form, use available data from sites that have had renewable energy development and are under EPA oversight to track and publicly report on economic and environmental benefits realized at sites.</p>	<p>03/31/16</p> <p>03/31/16</p>	For Recommendations 2 and 4, additional time is needed to allow OLEM the opportunity to complete the enhanced web area on benefits on the RE-Power web site and updated tracking matrix. Additionally, OLEM will release a report with a more detailed benefits matrix by 5/31/16.
Improvements Needed to Ensure EPA Terminates Exceptions to Biweekly Pay Limits at Completion of Emergency Response Work (15-P-0170)	06/19/15	OA	2. Recover the \$4,141 paid to EPA employees in excess of the biweekly pay limit.	09/30/15	The recovery of the overpayment was recommended in a memo from OARM Human Resources Acting Director to Director of OCFO's Office of Financial Services. OA is awaiting confirmation that the recovery of overpayment has occurred.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
Improved Oversight of EPA's Grant Monitoring Program Will Decrease the Risk of Improper Payments (15-P-0166)	6/11/15	OGD	3. Follow up on undocumented costs identified in the OIG finding and require grant recipients to reimburse the agency for costs deemed unallowable based on insufficient and/or unacceptable source documentation.	12/31/15	<p>Due to resource constraints and an inability of recipients to respond to EPA requests for documentation in a timely manner, OGD was unable to meet the planned completion deadline. OGD expects to make a determination regarding the remaining unresolved questioned costs by 4/30/16.</p> <p>OGD has resolved all questioned costs for three of the seven administrative advanced monitoring reviews/recipients listed in Table 3 of the final OIG audit report and continues to work with the regional Grant Management Offices to resolve findings for the four remaining unresolved advanced monitoring reviews. Once the Grant Management Offices have reviewed all of the additional supporting documentation submitted by each recipient and made a determination of whether there were any improper payments (unallowed costs), OGD will ensure that the Compliance Database is properly updated and the Las Vegas Finance Center is notified.</p>
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)	4/17/15	Region 2	1.To correct problems with the implementation of the Clean Water Act, request the EPA Administrator to begin the process of withdrawing the U.S. Virgin Islands Clean Water Act program authorization by ordering a hearing under 40 Code of Federal Regulations (CFR) §123.64 and describing the Clean Water Act program deficiencies in the hearing order.	3/31/16	Region 2 has completed the approximately 1 year of implementing the Enhanced Oversight process for Territorial Pollutant Discharge Elimination System permitting and enforcement actions. Region 2 is preparing a comprehensive status report for this effort, but has encountered scheduling delays. Region 2 expects to issue this report by 5/31/16.
EPA Can Better Assure Continued Operations at National Computer Center Through Complete and Up-to-Date Documentation for Contingency Planning (15-P-0136)	4/9/15	OLEM	4. Develop and implement a contingency plan for the Emergency Management Portal system that identifies system-specific recovery strategies.	12/31/15	The Office of Emergency Management's Emergency Management Portal is in the middle of receiving contracted Security Services, i.e., creation of contingency plan and risk assessment. The new projected completion date for completing the Emergency Management Portal Contingency Plan is 6/30/16.
Audit of EPA's Fiscal Years 2014 and 2013 (Restated) Consolidated Financial Statements (15-1-0021)	11/17/14	OCFO	<p>5. Improve and maintain support for how EPA lab renovation projects are funded.</p> <p>6. Review funding sources of all current and future lab renovations to ensure correct funding is utilized.</p> <p>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.</p>	<p>03/31/16</p> <p>03/31/16</p> <p>03/31/16</p>	Planned completion dates for corrective actions to Recommendations 5-7 have been extended to 5/31/16. Office of Financial Management is evaluating policy priorities and plans to issue a policy bulletin to address these issues.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
			<p>12. Research and resolve differences between Compass and the property management system timely.</p> <p>14. Require project officers to approve federal disbursements timely.</p>	<p>09/30/15</p> <p>03/31/15</p>	<p>OCFO has resolved \$50 million of the differences between Compass and Maximo as required by the Resource Management Directive System. The differences were partially due to data conversion from the Integrated Financial Management System to Compass. The remaining differences are between the Fixed Assets Subsystem and General Ledger and is due to software overhead vouchers. Reporting and Analysis Staff will continue to clear the differences. New anticipated completion date is 6/30/16.</p> <p>The revision of the Interagency Agreement Manual is a collaborative effort between OGD, Region 10 and the Office of General Counsel. The two Interagency Shared Service Centers are working on the Interagency Agreement manual revision, led by the Director, East - Interagency Shared Service Center. This project is an OGD priority. The project is on track to be completed by 10/15/16.</p>
<p>EPA Needs to Improve Its Process for Accurately Designating Land as Clean and Protective for Reuse (14-P-0364)</p>	<p>09/24/14</p>	<p>OLEM</p>	<p>3. Stipulate the following in the grant agreements for each program:</p> <ul style="list-style-type: none"> <li>a. For Brownfields, require grantees to track the status and type of reuse of remediated sites and report that information to OLEM.</li> <li>b. For Resource Conservation and Recovery Act Corrective Action, whenever there is a change in site conditions or site use, require states to revise the Resource Conservation and Recovery Act Corrective Action determination form to reflect the changes and have states re-submit the form to OLEM.</li> <li>c. For Underground Storage Tanks, require states to submit to OLEM and make publicly available site-specific information, including site name.</li> </ul> <p>5. Appropriately qualify the validity, uses and reliability of the Cross-Program Revitalization Measures data reporting in OLEM's publicly available information systems.</p>	<p>09/30/15</p> <p>09/30/15</p>	<p>For Recommendations 3 and 5, the OLEM is continuing to work with the Association of State and Territorial Solid Waste Management Officials to finalize the clarifying language document for review by the states. The estimated completion date is 6/30/16.</p>

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
<p>More Action is Needed to Protect Water Resources from Unmonitored Hazardous Chemicals (14-P-0363)</p>	<p>09/29/14</p>	<p>OW</p>	<p>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.</p> <p>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:</p> <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> <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 403.12(p) requirement that industrial users submit hazardous waste notifications.</p>	<p>09/30/15</p> <p>09/30/15</p> <p>09/30/15</p>	<p>The OW, OECA and OEI are working to develop an electronic tool that will make the data on discharges to Publicly Owned Treatment Works reported under Toxics Release Inventory easily available to Publicly Owned Treatment Works, states, EPA and the general public. The new electronic tools will be a part of the Discharge Monitoring Report Pollutant Loading Tool, a tool used to easily access data submitted from National Pollutant Discharge Elimination System Discharge Monitoring Reports and Toxic Release Inventory as part of Clean Water Act monitoring activities. The OECA, the lead for the Integrated Compliance Information System-National Pollutant Discharge Elimination System has developed a working beta version of the tool that will be tested with the regions and then improved based on testing feedback. This testing is important to have a tool that is actually useful to the local, state and federal regulators. This tool is expected to be completed and ready for launch by 7/31/16.</p> <p>The OW is also updating training materials for Whole Effluent Toxicity to satisfy Recommendation 4a. These will be available by 7/31/16.</p>



Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
			<p>4. Develop, in coordination with OECA, mechanisms to:</p> <ul style="list-style-type: none"> <li>a. Improve sewage treatment plant compliance with permit terms that require submission of Whole Effluent Toxicity monitoring results to the permitting authority.</li> <li>b. Facilitate the use of monitoring data to track facilities that have violated chemical or Whole Effluent Toxicity permit exceedance requirements.</li> </ul>	09/30/15	
EPA Needs to Work With States to Develop Strategies for Monitoring the Impact of State Activities (14-P-0348)	09/03/14	OW	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.	06/30/15	The completion of the corrective action is delayed until 12/31/16. The Nonpoint Source Measures Workgroup has continued to make progress reviewing and discussing available and achievable common measures that all Hypoxia Task Force states can use to track progress. EPA has assembled information on the conservation practices funded by the agency's 319 nonpoint source control grant program and made this available to states. States have compiled data on state-funded practices. The workgroup is now working to identify potential sources of private conservation investments and is anticipating that United States Department of Agriculture's (USDA's) National Resource Conservation Service will release a national data sharing policy to describe a process for states to access USDA conservation practice implementation information. Based on a preliminary data analysis and with anticipation of the USDA's forthcoming national data sharing policy, the Workgroup expects that a Nonpoint Source Measures Report can be completed this calendar year. The Task Force will continue working to include information on privately funded conservation investment in future reports on nonpoint source progress.
Cloud Oversight Resulted in Unsubstantiated and Missed Opportunities for Savings, Unused and Undelivered Services, and Incomplete Policies (14-P-0332)	08/15/14	OEI	<p>11. Publish detailed instructions for agency programs to use when considering moving applications to the cloud that fully addresses federal guidance, including but not limited to such areas as:</p> <ul style="list-style-type: none"> <li>a. Assessing and classifying applications for cloud migration.</li> <li>b. Creating cloud migration roadmaps.</li> <li>c. Performing a documented analysis to determine whether a secure, reliable and cost-effective cloud option exists for all new applications.</li> </ul>	03/31/16	The corrective action has been extended to 09/30/16 to complete the update to the System Life Cycle Management. Because of the passing of Federal Information Technology Acquisition Reform Act legislation in December 2015, the direction for the System Life Cycle Management has changed, which has caused a delay in the updates to it. Federal Information Technology Acquisition Reform Act legislation has provided stronger opportunities for the Chief Information Officer to make decisions on cloud hosting/migration options.

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Unliquidated Obligations Resulted in Missed Opportunities to Improve Drinking Water Infrastructure (14-P-0318)	07/16/14	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	Each state has its own institutional processes superimposed on the 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 Drinking Water State Revolving Fund fundable plans. The new completion date is 9/30/16.
EPA Has Made Progress in Assessing Historical Lead Smelter Sites but Needs to Strengthen Procedures (14-P-0302)	09/30/14	OLEM	5. Following completion of the 2012 Strategy, create and post as 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	The summary of results based on EPA's implementation of the 2012 lead strategy is currently in draft, and will need time for the lead smelter workgroup to give one last review and to go through the signature process. It is due for completion by 6/30/16.
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 changed the grants and EPA-specific CFR Part 35 rules, making the guidance much more complicated, and requiring more time to finalize an agencywide policy. Guidance is then expected to be issued by 3/31/17.
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 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 the Office of Management and Budget.
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	Delays result from the loss of contractor assistance with the Management Accountability Reviews and reduced staffing. Reviews have been scaled back from seven to four being performed each year. Management Accountability Reviews were started in June 2013 and to date, eight reviews have been completed. At the current rate, the anticipated completion date is September 30, 2018.
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	EPA is considering approving a regulatory exception to allow a large amount of the questioned labor costs New Mexico Environment Department charged to EPA grants that were questioned in an OIG audit. Office of Grants and Debarment and Region 6 will consult with the OIG in April 2016 prior to making a decision on whether to grant an exception, with completion of corrective actions expected by 6/30/16.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
			<p>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.</p> <p>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.</p> <p>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.</p>	<p>12/31/14</p> <p>12/31/14</p> <p>12/31/14</p>	
<p>Improvements Needed in EPA Training and Oversight for Risk Management Program Inspections (13-P-0178)</p>	<p>03/21/13</p>	<p>OLEM</p>	<p>7. Revise inspection guidance to recommend minimum inspection scope for the various types of facilities covered under the program and provide more detailed examples of minimum reporting.</p>	<p>07/31/14</p>	<p>This action requires development of guidance which will specify the minimum inspection scope for each of the facility types regulated by the Risk Management Program and revise reporting guidance to provide detailed examples of compliance. Currently the Administration's priority is to complete a final Risk Management Program regulation by late 2016/early 2017. Following completion of the final regulation, EPA will be required to revise the Risk Management Program on-line reporting system and over a dozen guidance documents to incorporate the regulatory changes. This effort will take 2-3 years and must be completed in that timeframe to give facilities time to review the guidance and comply with the new requirements under the Risk Management Program. The revised completion date is 9/30/18.</p>

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
			8. Develop and implement an inspection monitoring and oversight program to better manage and assess the quality of program inspections, reports, supervisory oversight, and compliance with inspection guidance.	09/30/14	This action requires the development of an on-line system for the regions to file/submit each of their inspection reports. This system must allow for quality control and the ability to not only assess the quality of the inspection reports, but identify trends and issues at Risk Management Program facilities in order to better target our inspection efforts. Currently the Administration's priority is to complete a final Risk Management Program regulation by late 2016/early 2017. Following completion of the final regulation, EPA will be required to revise the Risk Management Program on-line reporting system and over a dozen guidance documents to incorporate the regulatory changes. The revised completion date is 09/30/19.
Results and Benefits Information is Needed to Support Impacts of EPA's Superfund Removal Program (13-P-0176)	03/11/13	OLEM	2. Implement system controls to: <ul style="list-style-type: none"> <li>a. Ensure required Comprehensive Environmental Response, Compensation, and Liability Information System data are entered and completed.</li> <li>b. Synchronize data between the Pollution Reports and Comprehensive Environmental Response, Compensation, and Liability Information System.</li> </ul>	09/30/13	When the OIG review concluded in 2013, synchronizing data between Pollution Reports and Comprehensive Environmental Response, Compensation, and Liability Information System seemed like a possible option to explore. However since the report was issued, the Comprehensive Environmental Response, Compensation, and Liability Information System was retired and replaced with the Superfund Enterprise Management System. The new system has ongoing software changes and fixes being implemented and the concept of pulling data from a non-EPA web site to populate this system was found to be problematic, costly and duplicative. Removal data is currently being entered into the Superfund Enterprise Management System and OLEM is working closely with the regions to ensure the quality of the data migrated from the Comprehensive Environmental Response, Compensation and Liability Information System.  The OLEM is working with the OIG to determine if the intent of this recommendation has been met with the request for change in corrective action. Expected completion is June 2016.

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EPA Could Improve Contingency for Oil and Hazardous Substance Response (13-P-0152)	02/15/13	OLEM	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.	09/30/13	The OLEM agreed to re-assess Recommendation 4 by August 2015. Now that the second round of Voluntary Early Retirement Authority/Voluntary Separation Incentive Payment has concluded and the agency is trying to hire personnel to reach the 15,000 full-time equivalent level, it is an opportune time to relook at the recommendation. The new Director, Office of Emergency Management, has been tasked to develop a long-term strategic plan for the program office. As part of the strategic planning process, Office of Emergency Management 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 OLEM Assistant Administrator has requested that Office of Emergency Management have a final strategic plan in place by 5/30/16.
Audit of EPA's Fiscal 2012 and 2011 Consolidated 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	Corrective action is being delayed until 12/31/16 in order to give the agency an opportunity to explore new methods to streamline its accrual processes and take advantage of efficiencies available in the Compass upgrade scheduled for February, 2016.
Review of Hotline Complaint Concerning Cost and Benefit Estimates for EPA's Lead-Based Paint Rule (12-P-0600)	07/25/12	OCSP	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>The schedule for the Lead Renovation, Repair and Painting in Public and Commercial Buildings Rulemaking requires the EPA to evaluate whether or not renovation activities on public and commercial buildings create lead-based paint hazards as defined under section 403 of the Toxic Substances Control Act. The OCSP's corrective action plan sent to the OIG on 11/28/12, stated that the timeline for developing the Lead Renovation Repair and Painting on Public and Commercial Building Rulemaking would be subject to both (1) OMB approval of a survey to gather the more extensive information and (2) a settlement agreement which stipulated that EPA propose a rule by 7/1/15.</p> <p>The settlement agreement has since been amended, and the new date for the proposed rule is now 3/31/17. As a result, the schedule for completion of corrective actions 1-3 and 1-4 is now as follows:</p>

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
			<p>CA3: OCSPP will draft information and analysis submitted to the Office of Management and Budget 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 the Office of Management and Budget for review under Executive Orders 12866 and 13563 by 11/21/16.</p> <p>The Lead Renovation, Repair, and Painting in Public and Commercial Buildings Rule proposed rulemaking is currently scheduled to be signed by 3/31/17, with publication following in 7-10 work days.</p>
Controls Over State Underground Storage Tank Inspection Programs in EPA Regions Generally Effective (12-P-0289)	02/15/12	OLEM	1. Require EPA and states to enter into Memorandums of Agreement that reflect program changes from the 2005 Energy Policy Act and address oversight of municipalities conducting inspections.	08/01/13	On 7/15/15, the revised Underground Storage Tank regulations were published. These rules will become effective on 10/3/15. States were given 3 years (10/13/18) to submit their application to receive State Program Approval or the application to get their current State Program Approval status renewed. We agreed that we would require all states to update their current Memorandums of Agreement with EPA at the same time. Therefore, our expected completion date for this action is 10/13/18.
EPA Needs to Further Improve How It Manages Its Oil Pollution Prevention Program (12-P-0253)	02/06/12	OLEM	<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>10/31/13</p> <p>09/30/13</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.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
			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.	10/31/14	
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 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:  a. How to collect and analyze workload data. b. The benefits of workload analysis. c. How this information should be used to prepare budget requests.	09/30/12  09/30/12	OCFO is finalizing Resource Management Directive 2520 for agency review and Office of Financial Management will submit to Office of Management and Budget for official clearance. OMB advised OFM that they will not be able to provide approval for RMDS 2520 until May 2016. The planned completion date was been extended to May 31, 2016 to reflect the change in OMB's approval schedule.
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	Region 8 expects to complete the Community Involvement Plan by 6/30/16. The plan will implement a process for ongoing evaluation post Record of Decision Region 8's communication strategy and incorporate results into community involvement planning.
EPA Needs Better Agency-Wide Controls Over Staff Resources (11-P-0136)	02/22/11	OARM	1. Establish an Agency-wide workforce program that includes controls to ensure regular reviews of positions for efficiency, effectiveness, and mission accomplishment.	09/30/12	As of 2/19/16, the order was submitted to the Human Resources community for review/comments. To date, the order is still being reviewed in PPTD. It will be sent out to the Human Resources community for showstopper comments and thereafter submitted for signature. Anticipated completion of this action is 6/30/16.
EPA Needs to Strengthen Internal Controls for Determining Workforce Levels (11-P-0031)	12/20/10	OCFO	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.	09/30/12	The revised Resource Management Directive 2520 was submitted to the Office of Management and Budget for review and approval. Office of Management and Budget has notified EPA that they have comments on the Directive. EPA has scheduled a meeting for 4/26/16 to review Office of Management and Budget's comments.

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date	Reason for Delay
EPA Needs a Coordinated Plan to Oversee its Toxic Substances Control Act Responsibilities (10-P-0066)	02/17/10	OCSPP	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.	01/31/12	The OCSPP continues to consider a range of actions, including regulatory, to address this recommendation, but a completion date has not been formally scheduled. However, as part of the office's commitment to increasing public access to critical chemical information, OCSPP developed and launched ChemView. ChemView is an easy to use online database of a wide range of health and safety information on more than 10,000 chemicals. ChemView was designed to improve access to and the usefulness of chemical information, enabling the public and decision makers to easily find the information they need to make safer chemical choices. EPA has also declassified more than 1,000 chemical Confidential Business Information claims, making this information publicly available for the first time.
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 3/30/16, the American Federation of Government Employees did not ratify the policy. The agency will work with the American Federation of Government Employees to strategize on next steps. As of the current update, conversations are ongoing between the American Federation of Government Employees and agency management to reach an agreement on telework.



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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	The delay of the Record of Decision and reclassification of funds are due to contract stays, employee furloughs and additional investigative work needed. As a result of the continued fiscal uncertainties in the state, EPA will continue to maintain the funds in the Stringfellow accounts to implement the final remedy, if required. EPA intended to re-evaluate the use of funds after the final Record of Decision is completed.
Asbestos Cleanup in Libby Montana (2007-P-00002)	12/05/06	OLEM	1. Fund and execute a comprehensive amphibole asbestos toxicity assessment to determine (1) the effectiveness of the Libby removal actions, and (2) to determine whether more actions are necessary. The toxicity assessment should include the effects of asbestos on children. The EPA Science Advisory Board should review the toxicity assessment and report to the Office of the Administrator and the Libby Community Advisory Group whether the proposed toxicity assessment can sufficiently protect human health.	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. A final report summarizing these studies and their results is anticipated to be completed by 5/30/16.
EPA Can Better Manage Superfund Resources (2006-P-00013)	02/28/06	OCFO	2-3:1. Define costs in a manner that supports management decision making and improve their accounting of such resources to maximize achieving program goals.	09/30/12	The Office of Management and Budget advised OCFO that they will not be able to provide approval for Resource Management Directive 2520 until May 2016. The planned completion date was been extended to reflect the change in the Office of Management and Budget's approval schedule.

## CSB Reports With Past Due 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 9/30/16. 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	The CSB developed its FY 2016 Action Plan and have provided a copy of the plan to OIG on 2/23/16. Final Action Plan will be provided to OIG at the end FY 2016.
		3. Review investigations open for more than 3 years and develop a plan to close out those investigations.	12/31/13	The CSB provided a listing to the OIG that shows the status and plans for closure of all investigations. It will continue to provide OIG all updates. The draft report for the Williams Olefins incident is currently under review. The draft report for the Macondo Blowout and explosion incident has been sent to the board for notation vote. All votes are due by 4/27/16. These are the last of the investigations open for more than 3 years. Copies of the final reports will be provided to the OIG upon completion.
		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 has updated Board Order 19 - Records Management and revised report is currently with the Board for notation vote. All votes are due by 4/21/16.
		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	With the departure of several members of the protocol team, a new team was formed to complete the updates. The team has been delayed because of many competing investigation priorities.



## EPA Reports With Unimplemented Recommendations With Future Dates

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date
EPA Should Collect Full Costs for Its Interagency Agreements and Report Full Costs for Great Lakes Legacy Act (15-P-0300)	09/30/15	OARM & OCFO	2. Train project officers to prepare independent government cost estimates with indirect costs.	06/30/16
		Region 5 & OCFO	4. Direct the Great Lakes National Program Office to disclose in the Great Lakes Legacy Act project agreements that EPA's direct labor and indirect costs are not being included, with management's reason for not including these costs. Document the final project costs, including direct and indirect charges, in the closeout memo for each project agreement.	01/31/17
Unused Earmark Funds for Water Projects Totaling \$6.2 Million Could Be Put to Better Use (15-P-0299)	09/30/15	OW	1. Develop and communicate guidance to EPA regions aimed to further reduce Special Appropriations Act Project grant unliquidated obligations by clarifying: <ul style="list-style-type: none"> <li>a. The time period that is reasonable for a grant to have no financial activity before taking steps to identify the grant as a no-progress grant.</li> <li>b. The guidelines that determine a grant is making reasonable or sufficient progress.</li> </ul>	11/30/16
			3. Develop and implement a plan to expedite the reduction of unobligated funds.	11/30/16
EPA Needs to Improve the Recognition and Administration of Cloud Services for the Office of Water's Permit Management Oversight System (15-P-0295)	09/24/15	OW	4. Develop and implement an approved system authorization package (i.e., a risk assessment, System Security Plan, and Authorization to Operate), and perform annual security assessments for the Permit Management Oversight System application.	05/31/16
EPA Needs Better Management Controls for Approval of Employee Travel (15-P-0294)	09/22/15	OCFO	3. Determine the amount of ineligible travel expenses to the Los Angeles area, share details, and take appropriate action to obtain repayment from the former Region 9 Administrator.	04/30/16
Incomplete Contractor Systems Inventory and a Lack of Oversight Limit EPA's Ability to Facilitate IT Governance (15-P-0290)	09/21/15	OEI	3. Implement the previously approved EPA Information Security Task Force recommendation for implementing role-based training and credentialing programs, and include contractor oversight training as part of the programs.	09/30/16
			4. Implement the recommendation of the EPA's Information Security Task Force to manage annual security assessments, and include steps to oversee assessments to be conducted under a centralized contract or interagency agreement.	09/30/16
			5. Implement the recommendation of the EPA's Information Security Task Force to manage the vulnerability management program.	09/30/17
EPA Needs to Track Whether Its Major Municipal Settlements for Combined Sewer Overflows Benefit Water Quality (15-P-0280)	09/16/15	OECA	2. Develop a nationally consistent consent decree tracking and accountability system that includes: <ul style="list-style-type: none"> <li>a. Consent decree milestones.</li> <li>b. Frequency of combined sewer overflow events and changes in combined sewer overflow volumes.</li> <li>c. Effluent and water quality data collected by states and communities at combined sewer overflow outfalls.</li> <li>d. Wherever possible, water quality improvement of municipal impaired waters attributable to combined sewer overflow upgrades.</li> </ul>	04/01/16
			4. Provide information on a public website that links the public to combined sewer overflow consent decree information, and links to information produced under the recommendation pertaining to progress and results.	04/01/16

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date
EPA's Presidential Green Chemistry Challenge Awards Program Lacks Adequate Support and Transparency and Should Be Assessed for Continuation (15-P-0279)	09/15/2015	OCSPP	2. Assess the need and value of the Green Chemistry Awards Program for supporting pollution prevention or other agency goals and measures. If the agency determines that the program is useful, should be continued, and elects to use the data to support agency goals, the EPA should:	
			a. Implement a system to track and analyze data and environmental results collected by the program.	09/30/16
			b. Develop a program feedback system that includes a process for gathering information on the subsequent impact(s) of projects that have received awards, and includes tracking data to evidence the long-term benefits of green chemistry innovations.	07/31/16
			d. Develop program-specific goals, objectives and measures.	09/30/16
			e. Link the program's activities to EPA and OCSPP strategic plan goals and performance measures.	09/30/16
			f. Create a program-specific logic model that reflects outputs and short-, intermediate- and long-term outcomes of the program.	09/30/16
			g. Periodically review the program to evaluate results and to assess progress in achieving goals.	09/30/16
EPA Can Reduce Risk of Undetected Clean Air Act Violations Through Better Monitoring of Settlement Agreements (15-P-0277)	09/10/15	OECA	1. Update and reissue the <i>Manual on Monitoring and Enforcing Administrative and Judicial Orders</i> to address:	09/30/16
			a. Requirements for monitoring of consent decrees, including enforcement file documentation; responsibilities for ensuring applicable Clean Air Act permit applications and draft permits have incorporated consent decree-required emission limits and other requirements; and documentation of EPA management decisions, company follow-up and correspondence.	
		b. EPA's general responsibilities and process to be used to terminate a consent decree.		
		c. Documentation needed to demonstrate supervisory review of enforcement staff's consent decree monitoring activities.		
2. Ensure that all regions have consent decree compliance monitoring systems in place that:	09/30/16			
		Region 3	4. As part of the periodic review of AEP's annual progress reports for compliance with the consent decree, confirm whether American Electric Power submitted a Title V permit renewal application and corresponding copy of the draft permit for the John Amos facility that included the consent decree requirements for flue gas desulfurization controls, and take appropriate follow-up action as needed to ensure the consent decree requirements are met.	06/19/16
EPA Can Increase Impact of Environmental Justice on Agency Rulemaking by Meeting Commitments and Measuring Adherence to Guidance (15-P-0274)	09/03/15	OA	2. If the February 2016 milestone date to issue the <i>EJ Technical Guidance</i> is missed by 6 months, prepare and submit to the EPA Administrator a report detailing the progress in completing the document, including reasons for delay, revised milestone date, and steps to keep the completion of the guidance on schedule.	08/31/16

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date
Enhanced EPA Oversight and Action Can Further Protect Water Resources From the Potential Impacts of Hydraulic Fracturing (15-P-0204)	07/16/15	OW	1. Use authorities under the Safe Drinking Water Act to: <ol style="list-style-type: none"> <li>Determine whether the EPA, primacy states and tribes issue permits for hydraulic fracturing using diesel fuels as required by statute, the interpretive memorandum and permitting guidance.</li> <li>Report the results of the determination to the public.</li> <li>Submit an action plan outlining the steps (along with completion dates) the agency will take if the determination reveals permitting of hydraulic fracturing using diesel fuels is not occurring in accordance with statute, the interpretive memorandum and permitting guidance.</li> </ol>	12/31/16  03/30/17 03/30/17
EPA Does Not Effectively Control or Monitor Imports of Hazardous Waste (15-P-0172)	07/06/15	OECA & OLEM	3. Work with U.S. Customs and Border Protection to use the International Trade Data System for hazardous waste imports to enhance domestic compliance monitoring.	12/31/16
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)	06/16/15	OAR	1. Assemble a team of experienced asbestos experts from the Technical Review Workgroup, OECA, OLEM, Office of General Counsel, on-scene coordinators, and asbestos inspectors to advise and assist OAR in producing an updated consolidated guidance document which has practical application to the regulated community.	04/30/16
			2. Review rule applicability regarding containment of asbestos-contaminated waste materials at demolition sites (including, but not limited to, asbestos in demolition water).	04/30/16
			3. Identify, review and revise, as appropriate, the pertinent existing guidance documents.	04/30/16
			4. Collect, review and compile existing work practices into a set of implementation guidelines for containment of asbestos-contaminated waste materials, and materials contaminated by asbestos during the demolition process.	04/30/16
			5. Collect and review existing applicability determinations issued by regional offices and headquarters that have a bearing on this issue.	04/30/16
			6. Identify and review existing sampling and analysis methods that are applicable to asbestos in various media, and incorporate into the guidance as appropriate.	04/30/16
			7. Consolidate relevant materials into a single set of guidance materials.	04/30/16
			8. Implement guidance via outreach to local and state agencies and regional offices through team meetings, monthly Regional Asbestos Coordinator/ National Asbestos Council group meetings, technical conferences and symposia, and/or Web-based platforms.	04/30/16
Time and Attendance Fraud Not Identified for Employees on Extended Absence, But Matters of Concern Brought to EPA's Attention (15-P-0167)	6/15/15	OA	1. Address the specific matters of concern noted in this report pertaining to: <ol style="list-style-type: none"> <li>Accuracy of time charges in PeoplePlus.</li> <li>Use of a personal computer to conduct official work.</li> <li>Safety of the work space for employee on Reasonable Accommodation telework.</li> </ol>	4/30/16

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date
EPA's Oversight of State Pesticide Inspections Needs Improvement to Ensure Safeguard for Workers, Public and Environment Are Enforced (15-P-0156)	5/15/15	OECA	<p>1. In conjunction with the Office of Chemical Safety and Pollution Prevention, revise the Federal Insecticide, Fungicide and Rodenticide Act Project Officer Manual to include specific guidance for:</p> <ul style="list-style-type: none"> <li>a. Reporting, documenting and retaining records from project officer inspection reviews.</li> <li>b. Providing documentation on how a state's enforcement actions are consistent with the state's enforcement policies and procedures.</li> <li>c. Selecting inspection files for review.</li> <li>d. Documenting closeout meeting with states.</li> </ul>	06/30/17
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)	4/17/15	Region 2	<p>9. To improve oversight of the Clean Air Act, establish a timeframe for Region 2 to complete end-of-year grant performance evaluations.</p> <p>13. To improve oversight of the Underground Storage Tank/Leaking Underground Storage Tank program, establish an updated Underground Storage Tank/Leaking Underground Storage Tank Memorandum of Agreement with the U.S. Virgin Islands that reflect changes and new provisions results from the Energy Policy Act of 2005. The Memorandum of Agreement should also outline roles, responsibilities and expectations.</p> <p>15. Assist U.S. Virgin Islands with getting Local Emergency Planning Committees fully operational.</p> <p>16. Assist USVI in implementing procedures to identify Emergency Planning and Community Right-to-Know Act Tier II non-filters.</p> <p>17. Review Emergency Planning and Community Right-to-Know Act and other data to ensure that all Risk Management Program-covered facilities are reporting to the EPA.</p> <p>18. Develop a plan to address currently uncompleted tasks and activities, and develop a schedule for reprogramming grant funds to accomplish these task if U.S. Virgin Islands does not or cannot complete them. Upon completion of the financial management corrective actions, follow the OCFO's Resource Management Directive System 2520-03 to determine whether any of the current unspent funds of approximately \$37 million under the U.S. Virgin Islands assistance agreements could be put to better use.</p>	<p>09/30/16</p> <p>09/30/18</p> <p>09/30/16</p> <p>09/30/16</p> <p>09/30/16</p> <p>09/30/18</p>
Audit of EPA's Fiscal Years 2014 and 2013 (Restated) Consolidated Financial Statements (15-1-0021)	11/17/14	OCFO	<p>2. Require the Reporting and Analysis Staff to coordinate with OARM project officers to receive software project cost support once placed into service.</p> <p>3. Document and support project costs for all software costs placed into service over the past 7 years.</p>	<p>10/31/18</p> <p>10/31/18</p>
Enhanced EPA Oversight Needed to Address Risks From Declining Clean Air Act Title V Revenues (15-P-0006)	10/20/14	OAR	<p>1. Assess whether the EPA's 1993 fee schedule guidance sufficiently addresses current program issues and requirements related to how Title V fees should be collected, retained, allocated and used. Revise the fee guidance as necessary and re-issue to EPA regions.</p> <p>2. Issue guidance requiring EPA regions to periodically obtain and assess authorized state and local permitting authorities' Title V program revenues, expenses and accounting practices to ensure that permitting authorities collect sufficient Title V revenues to cover Title V program costs.</p>	<p>09/30/17</p> <p>09/30/17</p>

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date
			<p>3. Establish a fee oversight strategy, including a hierarchy of actions and related timeframes, to ensure that EPA regions take consistent and timely actions to identify and address violations of 40 CFR Part 70 Title V fee revenues, expenses and accounting practices.</p> <p>4. Ensure that EPA regions complete program evaluation reports of authorized state and local permitting authorities within a reasonable period of time following the evaluation, and require that EPA regions publicly issue these program evaluation reports.</p> <p>5. Require that EPA regions periodically emphasize and include reviews of Title V fee revenue and accounting practices in Title V program evaluations.</p> <p>6. Require that EPA regions address shortfalls in the financial or accounting expertise among regional Title V program staff as the regions update their workforce plans. This may include resource sharing and collaboration with other EPA regions, or use of outside organizations, as appropriate.</p> <p>7. Require that EPA regions re-assess permitting authority fee structures when revenue sufficiency issues are identified during program evaluations, and require fee demonstrations as necessary.</p> <p>8. Require that EPA regions take action on permitting authorities not in compliance with 40 CFR Part 70 by finding them to be inadequately administered or enforced, and issuing the required Notice of Deficiencies.</p>	<p>09/30/17</p> <p>09/30/16</p> <p>09/30/17</p> <p>09/30/17</p> <p>09/30/17</p> <p>09/30/17</p>
EPA Region 6 Mismanaged Coastal Wetlands Planning, Protection and Restoration Act Funds (15-P-0003)	10/09/14	Region 6	<p>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 management provides sufficient and appropriate documentation to demonstrate that questioned costs paid with the Coastal Wetlands Planning, Protection and Restoration Act funds were incurred in accordance with the Coastal Wetlands Planning, Protection and Restoration Act, appropriations law and principles, and interagency agreements.</p> <p>2. Direct the Region 6 Assistant Regional Administrator to work with the OCFO to perform an internal review of the Water Quality Protection Division's Coastal Wetlands Planning, Protection and Restoration Act 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 U.S. Army Corp of Engineers) any questioned costs identified during this review.</p> <p>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.</p> <p>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 Coastal Wetlands Planning, Protection and Restoration Act spending.</p>	<p>12/31/16</p> <p>12/31/16</p> <p>12/31/16</p> <p>12/31/16</p>



Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date
Cloud Oversight Resulted in Unsubstantiated and Missed Opportunities for Savings, Unused and Undelivered Services, and Incomplete Policies (14-P-0332)	08/15/14	OEI	4. Prior to entering into any future Infrastructure-as-a-Service contracts, perform a formal documented analysis to determine whether such contracts are in the EPA's best interest that includes the investments the EPA would have to make to address integration requirements, obstacles and gaps identified as a result of the current Infrastructure-as-a-Service contract.	10/16/17
Improvements Needed in EPA Efforts to Address Methane Emissions From Natural Gas Distribution Pipelines (14-P-0324)	07/25/14	OAR	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
			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 Clean Air Act.	09/30/16
			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
Impact of EPA's Conventional Reduced Risk Pesticide Program Is Declining (14-P-0322)	07/24/14	OCSPP	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
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
EPA Has Made Progress in Assessing Historical Lead Smelter Sites but Needs to Strengthen Procedures (14-P-0302)	09/30/14	OLEM	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
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
			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

Report Title/No.	Report Date	Office	Unimplemented Recommendation	Planned Completion Date
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: <ol style="list-style-type: none"> <li>EPA Procedure for Approval of State, Tribal, or Local Government Authorized or Delegated Program Applications for Implementing CROMERR;</li> <li>EPA Procedure for Implementation of CROMERR for EPA Systems;</li> <li>Technical Review Committee Charter; and</li> <li>CROMERR authorized program review for approval flowchart.</li> </ol>	03/31/17
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.  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  12/31/16
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
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
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.  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.  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  09/30/20  09/30/20

Report Title/No.	Report Date	Office	Unimplemented Recommendation	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).  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  09/30/20
EPA is Not Recovering All Its Costs of the Lead Based Paint Fees Program (13-P-0163)	02/20/13	OCSPP	1: 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
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.	09/30/18
EPA Could Improve Contingency for Oil and Hazardous Substance Response (13-P-0152)	02/15/13	OLEM	2: Require regions to keep critical planning information up to date using the most effective method available and avoid unnecessary duplication.	09/30/16
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.	12/31/18
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
EPA Needs a Coordinated Plan to Oversee its Toxic Substances Control Act Responsibilities (10-P-0066)	02/17/10	OCSPP	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.	12/31/17

## CSB Reports With Unimplemented Recommendations With Future Dates

Report Title/No.	Report Date	Unimplemented Recommendation	Planned Completion Date
U.S Chemical Safety and Hazard Investigation Board Needs to Complete More Timely Investigations (13-P-0337)	07/30/13	4. Develop and implement a succession or retention policy to help with any future effects of the turnover rate on CSB's mission.	12/31/16
U.S. Chemical Safety and Hazard Investigation Board Did Not Take Effective Corrective Actions on Prior Audit Recommendations (11-P-0115)	02/15/11	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.	12/31/16

## 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 conducted an external peer review of the system of quality control for the audit organization of the U.S. Department of Education OIG. Our review covered the period April 1, 2012, through March 31, 2015. We conducted the review in accordance with *Government Auditing Standards* and guidelines established by the Council of the Inspectors General on Integrity and Efficiency. We provided a final report to the U.S. Department of Education OIG on October 27, 2015. In our opinion, the U.S. Department of Education OIG audit organization's system of quality control in effect for the year ending March 31, 2015, was suitably designed and complied with to provide that OIG with reasonable assurance of performance and reporting in conformity with applicable professional standards in all material respects. The U.S. Department of Education OIG received an external peer review rating of *pass*.

### 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: (312) 353-2507

#### 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) 541-1027

#### 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) 947-4527  
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

#### Winchester

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

