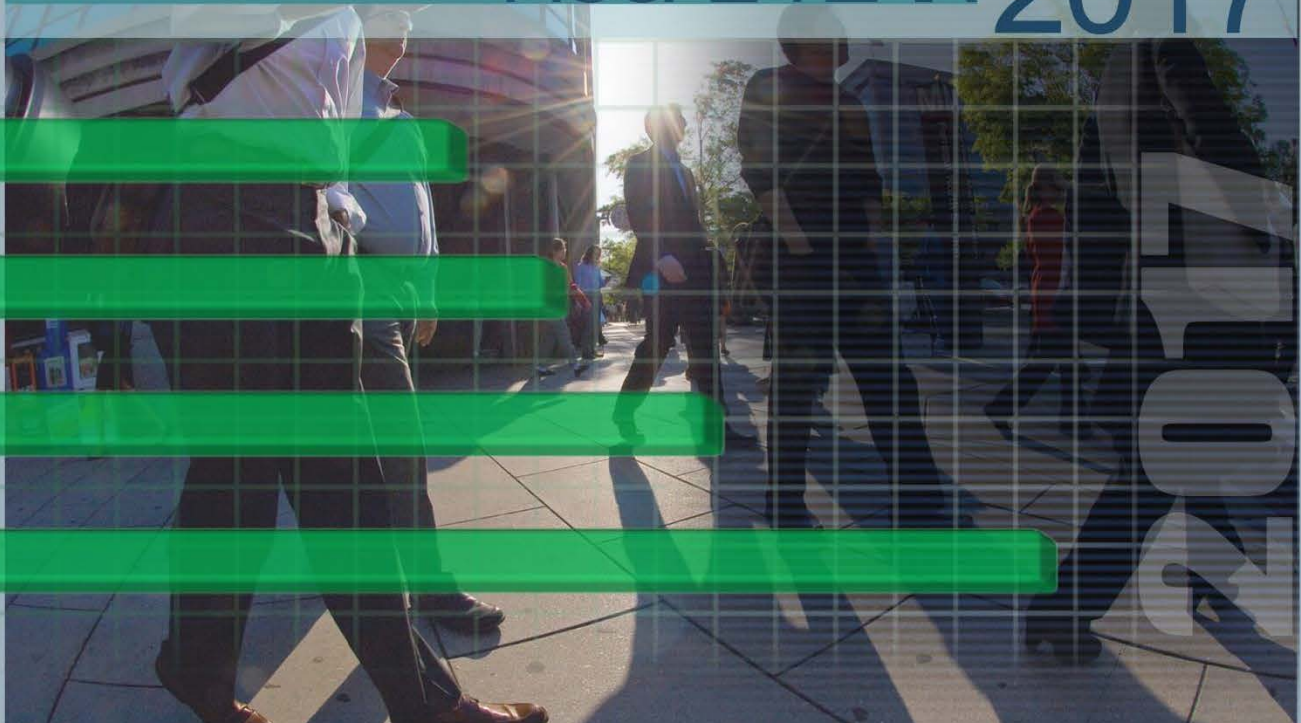




U.S. Environmental Protection Agency
OFFICE OF INSPECTOR GENERAL

ANNUAL PLAN

FISCAL YEAR 2017



This plan is available in hard copy from:

**Office of Inspector General
U.S. Environmental Protection Agency
MC 2491T
1200 Pennsylvania Avenue, NW
Washington, DC 20460**

by calling (202) 566-2391

or via the Internet at www.epa.gov/oig

Abbreviations

CSB	U.S. Chemical Safety and Hazard Investigation Board
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
OA	Office of Audit
OI	Office of Investigations
OIG	Office of Inspector General
OPE	Office of Program Evaluation

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

EPA Inspector General Hotline

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Message from the Inspector General

I am pleased to present the U.S. Environmental Protection Agency (EPA) Office of Inspector General (OIG) Annual Plan for fiscal year (FY) 2017. This document describes how the OIG will achieve its statutory mission to promote economy, efficiency, effectiveness and integrity to the programs and operations of the EPA and the U.S. Chemical Safety and Hazard Investigation Board (CSB).



Arthur A. Elkins Jr.

The OIG is dedicated to detecting and preventing fraud, waste, abuse and mismanagement at the EPA and the CSB. This plan reflects the priority work that the OIG believes is necessary to keep the EPA Administrator, the CSB Board, and Congress fully informed about problems and deficiencies relating to the administration of agency programs and operations.

This OIG Annual Plan identifies mandated and selected assignment topics continuing from FY 2016, as well as assignments scheduled to start during FY 2017. Although this plan provides a framework for activities we intend to carry out in FY 2017, the OIG often performs unanticipated work based on legislative mandates, congressional inquiries, hotline requests or governmentwide reviews. We must be flexible enough to address these other priorities as they arise.

Our annual plan is implemented through audits, evaluations and investigations in compliance with the Inspector General Act; the applicable professional standards of the Comptroller General of the United States; and the Quality Standards for Federal Offices of Inspector General of the Council of the Inspectors General on Integrity and Efficiency. Readers are encouraged to consult our website, www.epa.gov/oig, for the most current listing of recently issued reports relating to our implementation of the annual plan.

The OIG uses numerous criteria to identify assignments listed in the annual plan. Primary sources of input for these assignments include goals and objectives identified in our 5-year strategic plan; results of risk assessments conducted across agency programs and operations based on prior OIG work; priorities identified by our stakeholders; U.S. Government Accountability Office high-risk assessments; congressional interest; Office of Management and Budget (OMB) priorities; and agency vulnerability/internal control assessments under OMB Circular A-123 and the Federal Managers' Financial Integrity Act. Other assignments are required or are self-initiated based on our strategic themes that focus on providing the greatest value and risk reduction to the EPA and the CSB, and the greatest benefit to public health.

In addition to continuing our work with the agency and Congress, we look forward to meeting our goals and fulfilling our mission. For those interested in our planning process, we welcome feedback on the quality and value of our products and services via webcomments.oig@epa.gov.

A handwritten signature in dark ink, appearing to read "Arthur A. Elkins Jr.".

Arthur A. Elkins Jr.
Inspector General

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About the EPA Office of Inspector General

EPA Office of Inspector General

The Office of Inspector General (OIG) is an independent office of the U.S. Environmental Protection Agency (EPA) that detects and prevents fraud, waste and abuse to help the agency protect human health and the environment more efficiently and cost effectively.

The EPA OIG was created and is governed by the Inspector General Act of 1978, as amended (5 App. 3). The act established offices of Inspector General as independent and objective units to:

1. Conduct and supervise audits and investigations relating to the programs and operations of their agencies.
2. Review existing and proposed legislation and regulations relating to the programs and operations of their agencies.
3. Provide leadership and coordination, and recommend policies for activities designed to promote economy, efficiency and effectiveness, and to prevent and detect fraud, waste and abuse.
4. Provide a means for keeping the head of the agency and Congress fully and currently informed about problems and deficiencies, and the necessity for any progress of corrective actions.

EPA OIG staff members are located at headquarters in Washington, D.C.; at regional headquarters offices for all 10 EPA regions; and at other EPA locations, including Research Triangle Park, North Carolina, and Cincinnati, Ohio.

In fiscal year (FY) 2004, Congress designated the EPA Inspector General to also serve as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB).

EPA's Mission

The EPA's mission is to protect human health and the environment. The OIG Strategic and Annual Plans are specifically designed to connect implementation of the Inspector General Act with the EPA's mission for the most economical, efficient and effective achievement of the agency's performance goals. In Appendix A, we provide more details about our FY 2017 annual performance measures and targets. The list below identifies the EPA's strategic goals and cross-agency fundamental strategies that we take into account when planning audits, evaluations and investigations.

EPA's FY 2014–2018 Strategic Goals and Cross-Agency Strategies	
Strategic Goals	
<ul style="list-style-type: none"> • Addressing Climate Change and Improving Air Quality. <i>Reduce greenhouse gas emissions and develop adaptation strategies to address climate change, and protect and improve air quality.</i> 	
<ul style="list-style-type: none"> • Protecting America's Waters. <i>Protect and restore waters to ensure that drinking water is safe and sustainably managed, and that aquatic ecosystems sustain fish, plants, wildlife, and other biota, as well as economic, recreational, and subsistence activities.</i> 	
<ul style="list-style-type: none"> • Cleaning Up Communities and Advancing Sustainable Development. <i>Clean up communities, advance sustainable development, and protect disproportionately impacted low-income and minority communities. Prevent releases of harmful substances and clean up and restore contaminated areas.</i> 	
<ul style="list-style-type: none"> • Ensuring the Safety of Chemicals and Preventing Pollution. <i>Reduce the risk and increase the safety of chemicals and prevent pollution at the source.</i> 	
<ul style="list-style-type: none"> • Protecting Human Health and the Environment by Enforcing Laws and Assuring Compliance. <i>Protect human health and the environment through vigorous and targeted civil and criminal enforcement. Use Next Generation Compliance strategies and tools to improve compliance with environmental laws.</i> 	
Cross-Agency Fundamental Strategies	
<ul style="list-style-type: none"> • Working Toward a Sustainable Future. 	
<ul style="list-style-type: none"> • Working to Make a Visible Difference in Communities. 	
<ul style="list-style-type: none"> • Launching a New Era of State, Tribal, Local, and International Partnerships. 	
<ul style="list-style-type: none"> • Embracing EPA as a High-Performing Organization. 	

CSB's Mission

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 CSB. The OIG has the responsibility to audit, evaluate and investigate CSB programs, and to review proposed laws and regulations to determine their potential impact on CSB programs and operations.

Matrix of Agency Goals and Strategies That EPA OIG Plans to Address With Audits and Evaluations

When conducting our new discretionary and mandated audit and evaluation work during FY 2017, we take into account the EPA's five strategic goals and four cross-agency strategies in the agency's FYs 2014–2018 Strategic Plan. The table below shows how our audit and evaluation reports align with each of the agency's goals/strategies.

OIG Project	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 a Difference in Communities	State, Tribal, Local, and International Partnerships	Embracing EPA as a High-Performing Organization
Contract and Assistance Agreement Audits									
EPA Oversight of Grant, Interagency Agreement Grant, and Interagency Agreement Close-Out (per the Grants Oversight and New Efficiency Act)					X		X		X
Internal Control Oversight of EPA's Senior Environmental Employment Program				X		X	X		X
Greater Research Opportunities Undergraduate Fellowships					X	X	X		X
Audit of Northbridge Environmental Management Consultants Contract					X	X			X
EPA Acquisition System Data Quality for Selected Contracts					X		X		X
Agency Use of Blanket Purchase Agreements					X		X		X
Statistical Sampling for Clean Water and Drinking Water State Revolving Fund Programs Annual Review of State Programs		X			X	X	X	X	X
2017 Annual Risk Assessment of EPA's Purchase Cards and Convenience Checks							X		X
EPA Improper Payments Reporting for FY 2016					X	X			X
Efficiency Audits									
Human Resources Shared Service Centers					X				X
EPA Region 2's Oversight of Puerto Rico Assistance Agreements					X		X	X	X
Working Capital Fund Efficiencies					X				X
Invoice Payment Process					X	X	X		X
Forensic Audits									
Audit of Amendment Process for Assistance Agreements Related to Brownfields					X	X	X		X
Puerto Rico State Revolving Fund Financial Irregularities					X	X			X
Assessment of Office of Air and Radiation Timekeeping Practices	X				X		X		X
Review of EPA Region 10's Biweekly Pay Cap Waiver Process					X				X
FY 2017 Single Audit Program	X	X	X	X	X	X			X

OIG Project	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 a Difference in Communities	State, Tribal, Local, and International Partnerships	Embracing EPA as a High-Performing Organization
Financial Audits									
FY 2016 Financial Statements: Pesticides Reregistration and Expedited Processing Fund				X	X				X
FY 2016 Financial Statements: Pesticide Registration Fund			X	X	X				X
FY 2016 Financial Statements: Hazardous Waste Electronic Manifest System Fund	X	X	X	X	X				X
FY 2017 EPA Financial Statements					X				X
Information Resources Management Audits									
EPA's Compliance With the Federal Information Security Modernization Act for FY 2017					X				X
Information Technology Audit Support for the FY 2017 Pesticide Registration Fund Financial Statement Audit				X	X		X		X
Air									
EPA's Evaluation of Methane Emissions From the Oil and Gas Production Sector	X			X		X	X		
Impact of High-Priority Violation Policy on Startup, Shutdown and Malfunction Emissions	X					X	X		
Evaluation of EPA's Approval Process for Air Quality Dispersion Models	X					X	X		
Water									
EPA's Management and Enforcement of the Vessel General Permit Program		X			X	X	X		
EPA's WaterSense Program at 10 Years		X	X			X	X		
Public Notification of Drinking Water Quality		X			X	X	X		
Land Cleanup and Waste Management									
Abandoned Uranium Mines on Navajo Nation			X	X		X	X		
EPA's Oversight of Liability Transfer at Contaminated Sites			X	X		X	X		
EPA's Protection of Public Health From Landfill Fires			X	X		X	X		
Land Application of Sewage Sludge			X	X		X	X		
Toxics, Chemical Management and Pollution Prevention									
Evaluation of EPA's Management Controls to Implement and Enforce Pesticide Worker Protection Standards			X	X		X		X	
Environmental Research Programs									
Evaluating the Internal Controls of EPA's Vehicle and Fuel Emissions Laboratory Testing Program	X		X		X			X	X
Evaluating the Internal Controls of the Integrated Risk Information System Program					X	X			X
Benefits and Use of Office of Research and Development's Safe and Sustainable Water Resources Research			X			X	X		X
Special Program Reviews									
EPA and North Carolina Response to an Asbestos National Emissions Standards for Hazardous Air Pollutants Violation at the Old Davis Hospital			X			X	X		X
Protecting Children's Health From Asbestos Exposure in Schools			X			X	X		X
Management Challenges and Internal Control Weaknesses for 2017	X	X	X	X	X	X	X	X	X

Matrix of CSB Goals That EPA OIG Plans to Address With Audits

When conducting our new discretionary and mandated audit work during FY 2017, we take into account the CSB's three strategic goals in CSB's FYs 2017–2021 Strategic Plan. The table below shows how our audit reports align with each of the CSB's goals.

OIG Project	Prevent Recurrence of Significant Chemical Incidents Through Independent Investigations	Advocate Safety and Achieve Change Through Recommendations, Outreach, and Education	Create and Maintain an Engaged, High-Performing Workforce
Efficiency Audits			
FY 2017 Risk Assessment of CSB's Purchase Cards			X
CSB Improper Payments Reporting for FY 2016			X
CSB FY 2017 Proposed Management Challenges and Internal Control Weaknesses	X	X	X
Financial Audits			
FY 2017 CSB Financial Statements (Contracted)			X
Information Resources Management Audits			
CSB's Compliance With Federal Information Security Modernization Act for FY 2017	X	X	X

Overview of the Office of Inspector General Strategic Plan 2017 2021

VISION

Be the premier oversight organization trusted to speak the truth and promote good governance.

MISSION

Conduct independent audits, evaluations and investigations; make evidence based recommendations to promote economy, efficiency and effectiveness; and prevent and detect fraud, waste, and abuse for the U.S. Environmental Protection Agency and the U.S. Chemical Safety and Hazard Investigation Board.

GOALS

Contribute to improved EPA and CSB programs and operations protecting human health, the environment, and enhancing safety.

Conduct audits, evaluations and investigations that enable the EPA and CSB to improve business practices and accountability.

Improve OIG processes, resource allocation and accountability to meet stakeholder needs.

OBJECTIVES

- Influence actions and change that contribute to improved human health, safety and environmental quality.
- Produce results that contribute to the identification, reduction or elimination of environmental risks and challenges.

- Protect the integrity of programs and operations through criminal, civil and administrative investigations.
- Influence actions and identify best practices to improve efficiency and accountability, and achieve monetary benefits.
- Reduce risk of loss by detecting and achieving monetary benefits.
- Reduce risk of loss by detecting and preventing fraud, waste, abuse and misconduct.

- Promote and maintain an accountable, results oriented culture.
- Ensure that our products and services are timely, responsive, relevant, and maximize protection of human health and the environment and return on investment.
- Ensure that our processes and actions are efficient and effective through continuous improvement.
- Recruit, develop and retain an innovative, high performing and diverse workforce that is valued, appreciated and respected.
- Enhance constructive relationships and foster collaborative solutions.

Core Value: Be the best in public service

Customer Service

Integrity

Accountability

Identifying the Risks at EPA

As required by the Reports Consolidation Act of 2000, the OIG reviewed the major risks, challenges and planning priorities across the EPA and solicited first-hand input from agency leadership to identify and select OIG products and topics that would be of greatest benefit to the agency and the American public it serves. This section summarizes and applies key FY 2016 management challenges that help guide the general direction and focus of OIG audits, evaluations and investigative work.

Top EPA Management Challenges Reported by OIG for FY 2016

1. **The EPA Needs to Improve Oversight of States, Territories and Tribes Authorized to Accomplish Environmental Goal.** In recent years, OIG work has identified the absence of robust oversight by the EPA of entities authorized to implement environmental programs under several statutes. The EPA has made important progress, but recent and ongoing EPA OIG and U.S. Government Accountability Office work continues to support this as an agency management challenge.
2. **The EPA Needs to Improve Its Workload Analysis to Accomplish Its Mission Efficiently and Effectively.** The EPA's offices have not conducted a systematic workload analysis or identified workforce needs for budget justification purposes; such analysis is critically important to mission accomplishment. The EPA currently plans to apply workload analysis tools to task-driven agency functions, such as grants and contracts. While we understand the difficulty in applying such tools to the EPA's highly variable and non-linear activities, the EPA still needs to more broadly quantify what its full workload entails, so that it can more effectively prioritize and allocate limited resources to accomplish agency work.
3. **The EPA Needs to Enhance Information Technology Security to Combat Cyber Threats.** The EPA's information security challenges stem from four key areas: (1) risk management planning; (2) security information and event management tool implementation; (3) computer security incident response capability and network operation integration; and (4) computer security incident response capability relationship building.
4. **The EPA Continues to Need Improved Management Oversight to Combat Waste, Fraud and Abuse.** Recent events and activities indicate a possible "culture of complacency" among some EPA supervisors regarding time-and-attendance controls, segregation of duties for key financial transactions, real property management, and employee travel. EPA managers must emphasize and reemphasize the importance of compliance and ethical conduct throughout the agency, and ensure that this conduct is embraced at every level.

Identifying the Risks at CSB

As required by the Reports Consolidation Act of 2000, the OIG reviewed the major risks, challenges and planning priorities across the CSB and solicited first-hand input from agency leadership to identify and select OIG products and topics that would be of greatest benefit to the agency and the American public it serves. This section summarizes and applies key FY 2016 agencywide risks, issues and management challenges that help guide the general direction and focus of OIG audits and investigative work.

Top CSB Management Challenges Reported by OIG for FY 2016

1. **CSB Should Continue to Address Employee Morale.** CSB's management must continue to address employee morale to improve accomplishment of its investigative mission. The House Oversight and Government Reform Committee held a hearing on the CSB in June 2014 and found "...a toxic work environment" at CSB, "...retaliation against whistleblowers," and the former Chairperson's "...disregard for proper board governance." The newly confirmed Chairperson has implemented initiatives to improve employee morale by creating an environment to encourage open communication.
2. **CSB Should Increase Its Investigations and Improve Investigative Management Controls.** CSB is not investigating all accidents that fall within its legal jurisdiction and should increase the number of investigations it conducts. CSB has a "gap" between the number of accidents that it investigates and the number of accidents that fall under its statutory responsibility to investigate. Also, CSB needs to improve controls over investigations that it does conduct.
3. **CSB Should Establish a Chemical Reporting Regulation.** CSB has not published a chemical incident reporting regulation as envisioned in the Clean Air Act Amendments of 1990.

CSB Internal Control Weakness Identified by OIG for FY 2016

We identified the following CSB internal control weakness.

- Address operational controls to ensure that administrative operations are working in concert with its mission.

These operational controls relate to purchase cards and program operation.

Annual Plan Strategy

Annual planning is a dynamic process and requires adjustments throughout the year to meet priorities, and to anticipate and respond to emerging issues with available resources. The OIG examines the cross-agency risk assessment, agency challenges, prior work, future priorities, and customer input to develop and prioritize its FY 2017 work.

Making Choices A Customer Driven Process

OIG work that is not otherwise mandated is proposed, considered and selected through a rigorous process using the criteria listed below. From this criteria, we developed a portfolio of assignments that represent the best possible return on investment in terms of monetary or public value; and responsiveness in addressing the needs, risks, challenges, priorities and opportunities of OIG customers, clients and stakeholders. We also invited our entire staff to formulate assignment suggestions from their immediate knowledge of EPA and CSB operations, and the consideration of stakeholder input and risks.

Criteria Considered in Identifying and Selecting Audit and Evaluation Assignments for FY 2017

Potential threats to OIG independence:

- Are there any potential threats to OIG independence if we perform this audit?
- Will the OIG be able to comply with professional standards, legal requirements and ethical principles; and is the OIG acting without the legal mandate or authority of the audit organization?

Importance of idea:

- What is the known extent of the issue (e.g., sensitive or other populations impacted, area involved, and environmental justice)?
- Is the topic of the project generating interest from Congress, the public and news organizations? What is the interest and why?

Estimated return on investment:

- What is the potential environmental or human health benefit (return on investment) to be derived, and the reduction or prevention of environmental, human health or business risks?
- What is the expected return on investment (e.g., potential questioned costs, funds put to better use or other potential monetary benefits, improved decision-making, improved data quality/reliability, reduced vulnerabilities, and strengthened internal controls)?
- Are programs performing with the greatest efficiency and effectiveness in regard to allocation and application of resources?

Potential risk of fraud, waste or abuse:

- What resources and data, physical or cybersecurity equipment, and program integrity and violations of laws/regulations are involved?

Impact on current management challenges or internal control weaknesses:

- How does the project align with EPA OIG current management challenges or internal control weaknesses identified at the EPA?
- Are programs providing timely, accurate, complete and useful information for decision-making?
- Are computer security and privacy programs comprehensive and actively implemented throughout the organization to balance risk and mission requirements?

Prior audit/evaluation results:

- What are the conditions or changes since prior review by the EPA OIG, U.S. Government Accountability Office or other auditing body?
- What new information or indications of auditable issues are available?

The Plan: Carryover and New Assignments for FY 2017

Office of Audit

OIG audit work focuses on five areas, with emphasis on identifying opportunities for cost savings and reducing risk of resource loss. Funds awarded for assistance agreements and contracts account for approximately two-thirds of the EPA's budget. Producing timely and reliable financial statements remains a priority across the federal government. Equally important is the need to gather, protect and use financial and program performance information to improve the EPA's accountability and program operations. The OIG also has the responsibility to audit and investigate CSB programs to determine the potential impact on CSB programs and operations. The Office of Audit's five product lines are:

- Contract and Assistance Agreement Audits.
- Efficiency Audits.
- Forensic Audits.
- Financial Audits.
- Information Resources Management Audits.

The specific assignments listed on the following pages emphasize:

- Direct testing for fraud in grants, contracts and operational activities.
- Cost savings resulting from audits of grantee and contractor claims.
- Continued improvements in assistance agreements and contract administration.
- The EPA's preparation of timely, informative financial statements.
- The EPA's use of financial and program performance information (including efficiency measures) to identify cost savings and potential cost recoveries, reduce risks, and maximize results achieved from the agency's environmental programs.
- The CSB's programs and operations that identify and reduce risks and maximize results.
- Reviews of the EPA's internal controls, including its risk assessment processes and the allocation/application of human resources.
- The EPA's integrity of data and system controls, as well as compliance with a variety of federal information security laws and requirements, to ensure system and data integrity.

Following are definitions of OIG carryover, discretionary and mandated assignments:

- **Carryover**—Assignments still in progress that started in a prior fiscal year.
- **Discretionary**—Assignments that the OIG is not required to conduct by law or regulation but address areas of high-risk.
- **Mandated**—Assignments that the OIG is required to conduct by law or regulation.

Contract and Assistance Agreement Audits

The Contract and Assistance Agreement Audits product line is responsible for conducting performance audits of the EPA's management of contracts, grants, cooperative agreements and interagency agreements.

Point of Contact: Michael Petscavage (202) 566-0897

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
Contractor Support to Implement EPA's Alternative Dispute Resolution Policy, Contract # EP-W-14-020, Awarded to Systems Research and Application Corporation	As of June 2015, the contract value was \$51 million, with obligations of \$9 million and expenditures of \$3.9 million. We expect to identify potential unallowable costs paid by the EPA; assess the effectiveness of the agency's management of the contract, task orders, and technical direction; and determine contractor compliance with contract terms.	March 2016
Acquisition Planning	Better acquisition planning leads to better contracts with better prices to the government. When proper acquisition planning does not occur, the result may be poorly defined requirements, lack of competition, and ultimately a detrimental effect on the agency's ability to receive mission-critical goods and services in support of human health and the environment. This assignment also addresses the EPA's internal control weakness on contract management. The objective of the audit will be to answer whether the EPA is doing adequate contract planning to allow the agency to fulfill its needs in a timely manner and at a reasonable cost, and whether the agency is complying with specific Federal Acquisition Regulation requirements for cost reimbursement and high-risk acquisitions.	June 2016

Title	Primary Objectives	Estimated/Actual Start Date
EPA Monitoring of Performance-Based Contracts	The EPA obligated \$622 million in performance-based contracts that provide incentives for the contractor to provide quality service. If the EPA is not establishing good performance standards or not monitoring the standards, the contractor is receiving the incentive fee without having to provide the high-quality performance the agency desired when it awarded the contracts. Our objectives are to determine whether: (1) the EPA's quality assurance surveillance plans in performance-based contracts contain adequate performance measures, indicators and surveillance methods; (2) EPA staff are evaluating and assessing contractor performance prescribed in the quality assurance surveillance plans; and (3) the EPA accurately calculates and justifies incentive fees to contractors under performance-based contracts.	June 2016
Management of Brownfields Revolving Loan Funds After Grant Closeout	The EPA has closed about 60 Brownfields Revolving Loan Fund grants with an original award value of \$65 million. Decreased cleanups and assessments of brownfields sites will result if recipients are not properly using the millions of dollars of funds available after closeout. Our objective is to determine whether Brownfields Revolving Loan Fund recipients use program income to fund other brownfields activities, even after a grant is closed.	June 2016
Risk Assessment of Purchase Cards and Travel Cards	Identify and analyze risks of illegal, improper or erroneous payments; and develop a plan for using the risk assessments to determine the scope, frequency, and number of periodic audits of purchase cards.	July 2016
Discretionary		
EPA Acquisition System Data Quality for Selected Contracts	Determine the validity, completeness and accuracy of EPA Acquisition System data for reliability purposes, in accordance with Federal Acquisition Regulations and EPA criteria.	March 2017
Agency Use of Blanket Purchase Agreements	Determine whether blanket purchase agreements are in compliance with applicable laws, regulations, contract provisions and other requirements.	June 2017
Audit of Northbridge Environmental Management Consultants Contract	Examine whether the EPA: (1) received services in accordance with contract terms and conditions; (2) billed costs in accordance with contract terms and conditions; and (3) bid the contract competitively.	June 2017

Title	Primary Objectives	Estimated/Actual Start Date
EPA Oversight of Grant, Interagency Agreement Grant, and Interagency Agreement Closeout (per the Grants Oversight and New Efficiency Act)	Determine the dollar amount of EPA awards that expired at least 2 years ago with unliquidated obligations or zero obligations remaining; and determine whether the EPA complied with Resource Management Directive System 2520-03-p2, EPA Order 5700 Policy on Compliance, EPA Order 1610, and Office of Management and Budget Uniform Grant Guidance §200.343.2.	June 2017
Internal Control Oversight of EPA's Senior Environmental Employment Program	Determine whether internal controls for over \$207 million in Senior Environmental Employment program grants (awarded between FYs 2008–2016) verify that recipients are in compliance with the Environmental Programs Assistance Act (PL 98-313) and the EPA Senior Environmental Employment Guidance and Procedures Manual for the remaining funds totaling \$33 million.	July 2017
Greater Research Opportunities Undergraduate Fellowships	Determine whether the EPA tracks and evaluates grantee performance to ensure compliance with program requirements.	July 2017
Statistical Sampling for Clean Water and Drinking Water State Revolving Fund Programs' Annual Review of State Programs	Determine whether the Clean Water and Drinking Water State Revolving Funds' statistical sampling used for improper payments can be a cost-effective method for complying with the required annual review of State Revolving Fund programs.	July 2017
Mandated		
EPA Improper Payments Reporting for FY 2016	Assess compliance with the Improper Payments Elimination Act of 2002, as amended.	October 2016
2017 Annual Risk Assessment of EPA's Purchase Cards and Convenience Checks	Identify and analyze risks of illegal, improper or erroneous payments; and develop a plan for using the risk assessments to determine the scope, frequency and number of periodic audits of purchase cards.	July 2017

Efficiency Audits

The Efficiency Audits product line is responsible for identifying ways for EPA programs and operations to improve processes and realize cost savings, thus freeing resources for high-priority environmental projects.

Point of Contact: Mike Davis (513) 487-2363

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
EPA's Lean Government Initiative	The agency claims that Lean methods have shortened process timeframes by as much as 82 percent and reduced the number of process steps by more than 63 percent. The assignment is expected to identify any duplicative processes or methodologies either at headquarters and/or at the regional level where the EPA could achieve cost savings or avoidance by eliminating unnecessary expenses to the agency, or by being able to repeat such savings agencywide. The OIG also seeks to determine whether the agency's current use of "Lean" methodologies operate as indicated by eliminating waste, achieving savings, and putting funds to better use.	February 2016
Management Controls for Leave Bank Program	The EPA's leave bank, as of July 30, 2015, had a cumulative balance of 233,334 hours, or over 112 work years of leave. This assignment is expected to result in restitution and funds put to better use, and will question some of the cost for the millions of dollars in potential paid leave. The objective of the audit is to determine whether the EPA established and implemented internal controls for the leave bank to prevent and detect abuse of the program.	March 2016
Employee Parking Benefits	Identify and analyze risks in the parking subsidy program and consider cost-saving alternatives.	August 2016
Physical Control of Information Technology Property	Determine whether the EPA's information technology property policies and procedures for physical control: (1) include all applicable provisions consistent with federal and agency requirements; and (2) personnel responsible for management of agency information technology property have sufficiently implemented the controls.	August 2016
EPA's Audio Conference Lines	Determine whether the EPA's oversight and use of audio conference line services are efficient and economical.	September 2016

Title	Primary Objectives	Estimated/Actual Start Date
Discretionary		
Human Resources Shared Service Centers	Determine whether the EPA achieved savings and improved customer service of agency human resource operations by establishing three shared service centers in Cincinnati, Ohio; Las Vegas, Nevada; and Research Triangle Park, North Carolina.	October 2016
EPA Region 2's Oversight of Puerto Rico Assistance Agreements	Determine whether the EPA established controls and processes to oversee and manage Puerto Rico assistance agreements to protect human health and the environment.	October 2016
Working Capital Fund Efficiencies	Examine whether the EPA's working capital fund is managed to minimize expenses to taxpayers and provides optimum use of resources.	March 2017
Invoice Payment Process	Examine whether the EPA has implemented a contractor invoice payment process that ensures the efficient processing of accurate and supportable invoice payments, and complies with agency and federal regulations including the Prompt Payment Act.	September 2017
Mandated		
CSB Improper Payments Reporting for FY 2016	Audit the CSB's reporting of improper payments during FY 2016.	October 2016
CSB FY 2017 Proposed Management Challenges and Internal Control Weaknesses	Develop the OIG's input into the CSB's proposed management challenges and internal control weaknesses for FY 2017.	March 2017
2017 Risk Assessment of CSB's Purchase Cards	Determine the risk level of the CSB's purchase cards and convenience check program with regard to the risk of illegal, improper or erroneous use.	July 2017

Forensic Audits

The Forensic Audits product line is responsible for conducting financial audits of EPA assistance agreements and contracts to identify potentially fraudulent actions, and also determines the acceptability of costs claimed under specific financial instruments. Forensic audits apply auditing skills to situations that have legal consequences and use risk assessment tools to represent the first line of defense against fraud, waste and abuse in agency programs.

Point of Contact: John Trefry (202) 566-2474

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
Northwest Indian Fisheries Commission – Puget Sound Protections and Restoration, Tribal Implementation Program	The Northwest Indian Fisheries Commission is the lead tribal organization for the Puget Sound and has three grants totaling \$20.5 million. The assignment could result in questioning all or a portion of the grants awarded to the commission. Also, any failures to meet grant objectives could result in the agency's reduced ability to manage the environmental quality of the Puget Sound. We seek to determine whether the costs claimed under the grants are reasonable, allowable and allocable in accordance with the applicable laws, regulations and grant terms and conditions; and whether the objectives of the grant were met.	March 2016
EPA Region 5's Sexual Harassment Complaint Policies and Practices	Determine whether Region 5's practices for handling employee sexual harassment complaints made through the equal employment opportunity and human resources processes adhere to established policies and meet federal requirements.	June 2016
Congressional Request: Northwest Indian Fisheries Commission Tribal Implementation Grant – Improper Funding of Advocacy Campaign	Examine the activities and expenditures relating to a \$3 million cooperative agreement (#00J32201) awarded to the Northwest Indian Fisheries Commission.	June 2016
EPA Administrator's Protective Service Detail Time and Attendance Controls	Determine whether the EPA Administrator's Protective Service Detail has effective controls to prevent time-and-attendance abuse.	August 2016
Discretionary		
Puerto Rico State Revolving Fund Financial Irregularities	Determine whether the EPA identified the source of funds that make up the \$188 million in question (i.e., EPA funds, State Revolving Fund repayments, investment incomes, or a combination of all three for both Clean Water and Drinking Water funds); and the current status of the \$188 million.	November 2016

Title	Primary Objectives	Estimated/Actual Start Date
Assessment of Office of Air and Radiation Timekeeping Practices	Audit the Office of Air and Radiation's timekeeping practices to determine whether they comply with agency policies and procedures, and relevant regulations.	December 2016
EPA Region 10's Biweekly Pay Cap Waiver Process	Determine whether Region 10's biweekly pay cap waiver process adheres to established agency policies and procedures, and meets federal requirements.	December 2016
Amendment Process for Assistance Agreements Related to Brownfields	Determine whether the EPA followed agency procedures when amending assistance agreements.	March 2017
Mandated		
FY 2017 Single Audit Program	Review and process single audit reports prepared by certified public accounting firms under the Single Audit Act.	October 2016

Financial Audits

The Financial Audits product line is responsible for rendering opinions on financial statements produced by the EPA, and also conducts performance audits of EPA financial matters for efficiency and effectiveness.

Point of Contact: Paul Curtis (202) 566-2523

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
FY 2015 Financial Statements: Hazardous Waste Electronic Manifest System Fund	Determine whether the financial statements were fairly presented in all material respects, the EPA's internal controls over financial reporting were in place, and EPA management complied with applicable laws and regulations.	March 2016
FY 2015 Financial Statements: Pesticide Registration Fund	Render an opinion on the agency's statements, and determine compliance with laws and regulations.	March 2016
FY 2015 Financial Statements: Pesticides Reregistration and Expedited Processing Fund	Render an opinion on the agency's statements, and determine compliance with laws and regulations.	March 2016
Agency Digital Accountability and Transparency (DATA) Act Implementation Efforts	Complete an assessment of EPA implementation efforts to comply with the DATA Act. This will be the first time the OIG has audited the EPA's implementation of the act.	June 2016
Mandated		
FY 2017 EPA Financial Statements	Determine whether the EPA's consolidated financial statements were fairly stated in all material respects.	April 2016
FY 2017 CSB Financial Statements (Contracted)	Determine whether CSB financial statements were fairly stated in all material respects; internal controls over financial reporting in CSB were in place; and CSB management complied with applicable laws and regulations.	June 2016
FY 2016 Financial Statements: Pesticides Reregistration and Expedited Processing Fund	Render an opinion on the EPA's statements, and determine compliance with laws and regulations.	March 2017
FY 2016 Financial Statements: Pesticide Registration Fund	Render an opinion on the EPA's statements, and determine compliance with laws and regulations.	March 2017
FY 2016 Financial Statements: Hazardous Waste Electronic Manifest System Fund	Determine whether EPA financial statements were fairly presented in all material respects; EPA internal controls over financial reporting were in place; and EPA management complied with applicable laws and regulations.	March 2017

Information Resources Management Audits

The Information Resources Management Audits product line reviews the economy, efficiency and effectiveness of the agency's investments in systems for achieving environmental goals and ensuring the integrity of data used for decision-making. The product line reviews strategies for setting priorities, and develops plans to accomplish priorities and measure performance.

Point of Contact: Rudolph Brevard (202) 566-0893

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
Controls Over the Direct Modifications to EPA's Financial Data in Compass	Determine whether the EPA's Office of the Chief Financial Officer has established controls to: (1) review authorized changes prior to modifying Compass production data; and (2) obtain a report of changes made by direct access to Compass data (not using the application) to review if the changes were authorized.	November 2015
EPA's Compliance With the Federal Information Security Modernization Act for FY 2016	Determine whether the EPA implemented an information systems security program that is compliant with the requirements outlined in the Federal Information Security Modernization Act of 2014.	January 2016
CSB's Compliance With the Federal Information Security Modernization Act for FY 2016	Determine whether CSB implemented an information systems security program that is compliant with the requirements outlined in the Federal Information Security Modernization Act of 2014.	March 2016
Mandated		
EPA's Compliance With the Federal Information Security Modernization Act for FY 2017	Determine whether the EPA implemented an information systems security program that is compliant with the requirements outlined in the Federal Information Security Modernization Act of 2014.	January 2017
CSB's Compliance With the Federal Information Security Modernization Act for FY 2017	Determine whether CSB implemented an information systems security program that is compliant with the requirements outlined in the Federal Information Security Modernization Act of 2014.	March 2017
Information Technology Audit Support for the FY 2017 Pesticide Registration Fund Financial Statement Audit	Conduct a network vulnerability assessment of the information technology resources that protect the confidentiality, integrity and availability of the network infrastructure used to process the registration service fees for specific pesticide registrations, amended registrations, and associated tolerance actions as required by the Pesticide Registration Improvement Act of 2003.	March 2017

Office of Program Evaluation

The Office of Program Evaluation (OPE) examines the root causes, effects and opportunities leading to conclusions and recommendations that influence program change and contribute to the accomplishment of the EPA's mission. Program evaluations answer questions about how well a program or activity is designed, implemented or operating in achieving EPA goals. Program evaluations may produce conclusions about the value, merits or worth of programs or activities. The results of program evaluations can be used to improve the operations of EPA programs and activities, sustain best practices and effective operations, and facilitate the accomplishment of EPA goals.

Evaluations are performed by OPE staff with diverse backgrounds, including accounting, economics, environmental management and science; and the evaluations are conducted in compliance with Government Auditing Standards.

Evaluation topics and priorities in our plan are driven by our assessment of organizational risk in relation to available resources, and are based on input from EPA leadership, Congress and stakeholders. Program evaluations are conducted by the following six product lines:

- Air.
- Water.
- Land Cleanup and Waste Management.
- Toxics, Chemical Management and Pollution Prevention.
- Environmental Research Programs.
- Special Program Reviews.

Assignments concentrate on all of the OIG themes, reflecting our attention to the agency's mission as well as the agency's operational and systemic risks. Specific assignment titles are listed on the following pages.

Air

The Air product line is responsible for conducting evaluations to assess the EPA's programs and activities to protect human health and the environment through progress toward air quality and climate change goals.

Point of Contact: Jim Hatfield (919) 541-1030

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
Implementation of Benzene Fuel Content Standards	Determine whether gasoline refiners and importers are meeting EPA standards for benzene content in gasoline.	September 2015
Ambient Monitoring	Determine whether selected air monitoring data meet criteria established by the EPA. Specifically, do data revisions comply with EPA criteria; and do data exclusions or gaps comply with EPA criteria?	January 2016
EPA Efforts to Evaluate and Reduce Air Emissions From Concentrated Animal Feeding Operations	Determine what actions the EPA has taken to evaluate air emissions from Concentrated Animal Feeding Operations, including the status of the EPA's National Air Emissions Monitoring Study.	April 2016
Clean Air Act Compliance Inspector Training	Determine whether the EPA's Clean Air Act inspectors have met all training requirements.	May 2016
Follow-Up Review on EPA's Human Subjects Research Policy and Guidance	Determine whether the EPA has implemented recommendations from a prior OIG report, <i>Improvements to EPA Policies and Guidance Could Enhance Protection of Human Study Subjects</i> , Report No. 14-P-0154, issued March 31, 2014; and how the EPA recruits and compensates human study subjects.	September 2016
Discretionary		
EPA's Evaluation of Methane Emissions From the Oil and Gas Production Sector	Determine how the EPA estimates methane emissions from the oil and gas production sector, including the extent to which the EPA has used the results of the 2013 and 2014 emission studies conducted jointly by the Environmental Defense Fund and the University of Texas-Austin to estimate those emissions. Determine whether concerns about technical or other problems with the studies were identified or brought to the EPA's attention, and how the agency addressed and resolved the concerns.	January 2017
Impact of High-Priority Violation Policy on Startup, Shutdown and Malfunction Emissions	Assess the impact of the EPA's revised high-priority violation policy on the agency's enforcement decisions regarding violations of standards limiting air pollutant emissions from malfunctions, maintenance, startup and shutdown.	June 2017

Title	Primary Objectives	Estimated/Actual Start Date
Evaluation of EPA's Approval Process for Air Quality Dispersion Models	Assess the effectiveness of the EPA's process for reviewing and approving air quality dispersion models recommended for use by state, local and tribal air pollution control agencies.	July 2017

Water

The Water product line is responsible for conducting evaluations to assess the EPA's protection and restoration of healthy aquatic communities and waters that sustain human health.

Point of Contact: Kathleen Butler (404) 562-9736

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
Beaches Environmental Assessment and Coastal Health (BEACH) Act: Effectiveness of Identifying Contaminated Recreational Waters and Communicating Health Risks	Determine how federal BEACH Act grants assist states, territories and tribes in monitoring water quality of coastal recreational waters, and notify the public of contamination events.	August 2015
EPA Programs to Protect the Public From Mercury Contamination in Fish	Determine the extent the EPA ensures that federal, state and tribal risk communication efforts protect the public from mercury contamination through the consumption of fish.	September 2015
Review of EPA Response and Oversight Regarding Drinking Water Contamination in Flint, Michigan	Examine the circumstances of, and the EPA's response to, the contamination in the city of Flint's community water system, including the EPA's exercise of its oversight authority.	February 2016
Improving Compliance With Water Quality Monitoring Requirements	Evaluate how the EPA ensures that Safe Drinking Water Act primacy states monitor and report drinking water sampling results from public water systems, and determine whether the EPA can improve its oversight of state drinking water sampling programs.	September 2016
Discretionary		
EPA's Management and Enforcement of the Vessel General Permit Program	Determine whether the EPA manages and enforces the Vessel General Permit Program in compliance with regulations.	July 2017
EPA's WaterSense Program at 10 Years	Examine whether the accomplishments reported by the EPA's WaterSense program reflect actual results.	September 2017
Public Notification of Drinking Water Quality	Determine how Safe Drinking Water Act primacy states ensure the notification of customers when public water systems exceed maximum contaminant levels/action level for contaminants.	September 2017

Land Cleanup and Waste Management

The Land Cleanup and Waste Management product line is responsible for conducting evaluations to assess EPA programs, activities and initiatives to protect human health and the environment through cleanup and waste management, accident prevention and emergency response.

Point of Contact: Tina Lovingood (202) 566-2906

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
EPA Progress on Reducing Taxpayer Environmental Liabilities	Examine whether the EPA reviews nationwide Superfund and Resource Conservation and Recovery Act financial liabilities for companies with multiple facilities/sites, and verify financial assurance mechanisms are valid.	April 2015
Unregulated EPA Facilities Identified by Toxic Release Inventory Data	Determine how the EPA uses Toxic Release Inventory data to identify potentially unregulated facilities in the inventory's major media programs.	April 2016
Evaluation of EPA Efforts to Protect Tribal Communities From Risks Related to Underground Storage Tanks	<p>The EPA is responsible for directly implementing both the Underground Storage Tank and Leaking Underground Storage Tank programs in Indian Country across the United States. Since 2005, about 1,375 releases have been confirmed in Indian Country. Over the last decade, the cleanup rate of leaking underground storage tanks in Indian Country has lagged behind the national rate by about 10 percent.</p> <p>Our objectives are to determine whether the EPA's 2006 Tribal Strategy, and the 2015 revised underground storage tank regulations, prioritize and address releases from underground storage tanks that present the greatest threat to human health or the environment; and whether the EPA reduced the overall backlog of underground standard tank cleanups in Indian Country.</p>	June 2016

Title	Primary Objectives	Estimated/Actual Start Date
EPA Oversight of Delegated State Resource Conservation and Recovery Act Programs	States are required to have regulations that are at least as stringent as federal standards. As the EPA develops new Resource Conservation and Recovery Act regulations, states must ensure that they also incorporate the changes into their own regulations. For states that fall behind in adopting the more stringent and updated standards of the act, citizens may be exposed to inequitable health risks, and receive less public information compared to those states that have taken timely and appropriate action to update their Resource Conservation and Recovery Act standards. Our objective is to examine whether the EPA provides oversight to ensure that states implement new Resource Conservation and Recovery Act regulations.	June 2016
Superfund Workload Allocation	Determine whether the EPA's distribution of Superfund resources among EPA regions supports the current regional workload.	June 2016
Discretionary		
Abandoned Uranium Mines on Navajo Nation	Determine whether the EPA has a method for prioritizing the cleanup of 50 abandoned uranium mine sites on the Navajo Nation covered under a 2015 special account of \$990 million.	June 2017
EPA's Oversight of Liability Transfer at Contaminated Sites	Determine whether the EPA has the requirements and a standard process for approving the transfer of cleanup responsibility and liability from a parent company to a spinoff. For these transfers, what controls are in place to ensure that cost recovery agreements are fulfilled without additional costs to taxpayers? In cases where liability has been transferred, did the EPA follow its process and applicable requirements? Was aggregate liability, including liability for sites in different EPA regions, considered in determining the adequacy of the financial assurance instruments?	August 2017
EPA's Protection of Public Health From Landfill Fires	Determine what controls and procedures the EPA has in place to address landfill fires. How is the EPA assessing and taking measures to reduce human health risk from landfill fires?	August 2017
Land Application of Sewage Sludge	Examine whether the EPA has and implements controls over the land application of sewage sludge, in order to protect human health and the environment.	August 2017

Toxics, Chemical Management and Pollution Prevention

The Toxics, Chemical Management and Pollution Prevention product line is responsible for conducting evaluations to assess the EPA's management of chemical risks and programs to prevent pollution.

Point of Contact: Jeffrey Harris (202) 566-0831

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
EPA's Regional Negotiated Commitments With States for Federal Insecticide, Fungicide and Rodenticide Act Compliance Inspections	Determine what the EPA's procedures are for determining and periodically reviewing state commitments for Federal Insecticide, Fungicide and Rodenticide Act compliance inspections. How does the EPA ensure these commitments are appropriate? Does the EPA have current opportunities to modify state commitments and better use resources dedicated for these efforts?	October 2015
Structural Fumigation Treatment Incidents	Recently, there have been two high-profile incidents of serious injury to families in the United States due to improper structural fumigation activities. This project will evaluate this issue from a policy and regulatory perspective. We will seek to determine the extent and nature of adverse impacts caused by structural fumigants, and determine what are the regulatory, program execution (e.g., training, funding, inspections, enforcement) or other factors associated with adverse impacts.	October 2015
Effectiveness of EPA's Pesticide Import Inspections	The EPA's enforcement program addresses the illegal importation of unregistered or otherwise noncompliant pesticide products into the United States. This project could result in reduced risks to human health and the environment due to Federal Insecticide, Fungicide and Rodenticide Act imports noncompliance, while assuring effective deterrence through inspections and enforcement actions. We will seek to determine whether the Federal Insecticide, Fungicide and Rodenticide Act Import Inspection program effectively deters or identifies and confiscates illegal pesticide imports to protect human health and the environment.	May 2016

Title	Primary Objectives	Estimated/Actual Start Date
EPA's Management of Herbicide Tolerance	Determine what processes and practices, including alternatives, the EPA has provided to delay herbicide resistance. What steps has the EPA taken to determine and validate the accurate risk to human health and the environment for approved herbicide-resistant pesticides? Does the EPA independently collect and assess data on, and mitigate actual occurrences of, herbicide tolerance in the field?	April 2016
EPA's Utilization of the Chemical Safety for Sustainability Strategic Research Action Plan Products	Ensuring chemical safety is a top priority for the EPA. More than 80,000 chemicals are currently listed or registered for use under EPA authorities, and at least a thousand more are introduced every year. This review will assess critical questions regarding the EPA's investment to address this management challenge. We will seek to evaluate the EPA's effectiveness in incorporating the products (e.g., dashboards, enhanced ToxCast™) developed by the Chemical Safety for Sustainability Strategic Research Action Plan in meeting its priority setting, toxicity testing, and risk assessment needs.	September 2016
Discretionary		
Evaluation of EPA's Management Controls to Implement and Enforce Pesticide Worker Protection Standards	Evaluate the adequacy of EPA management controls that implement the new Worker Protection Standards designed to reduce pesticide exposure and risks to agricultural workers.	June 2017

Environmental Research Programs

The Environmental Research Programs product line conducts independent evaluations of the EPA's research and development programs. Particular focus is given to areas that support human health and environmental protection.

Point of Contact: Patrick Gilbride (303) 312-6969

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
EPA's Use of Federal Advisory Committees to Improve Agency Performance	Determine what system(s) of controls the EPA has in place to engage with and manage the recommendations and advice from science and research Federal Advisory Committee Act committees at the EPA, and whether those controls are effective.	October 2015
EPA's Controls for Early Detection of Fraudulent Research by EPA Contract Laboratories	Determine whether the EPA has controls in place to prevent or help uncover fraudulent research and/or data produced by the Superfund Contract Laboratory Program, and whether those controls are effective.	March 2016
Discretionary		
Internal Controls of EPA's Vehicle and Fuel Emissions Laboratory Testing Program	Determine whether the EPA's National Vehicle and Fuel Emissions Laboratory has internal controls over its vehicle testing program, and whether those controls are effective.	March 2017
Internal Controls of the Integrated Risk Information System Program	Determine what internal controls the Integrated Risk Information System program, within the Office of Research and Development, currently has in place; and whether the existing controls ensure the effective operation of the program.	March 2017
Benefits and Use of Office of Research and Development's Safe and Sustainable Water Resources Research	Determine whether the Office of Research and Development's Safe and Sustainable Water Resources research program delivers timely and relevant research data and tools to the Office of Water, and whether the Office of Water uses those research results to accomplish the EPA's strategic goal of protecting America's water.	June 2017

Special Program Reviews

The Special Program Reviews product line is responsible for conducting evaluations and follow-ups to assess agency programs and functions; and determining whether sufficient controls are in place to reduce the agency's risk of fraud, waste and abuse in its operations. The product line also develops, coordinates and reports on OIG-identified agency management challenges and internal control weaknesses.

Point of Contact: Eric Lewis (202) 566-2664

Title	Primary Objectives	Estimated/Actual Start Date
Carryover		
Workforce Restructuring Under Voluntary Early Retirement Authority/Voluntary Separation Incentive Payment	Evaluate the workforce restructuring goals by program and regional office for consistency of practices.	September 2014
EPA Pesticide Registrations Compliance With Human Health and Environmental Risks	Determine EPA compliance with human health and environmental risk assessment requirements for conditional and unconditional pesticide registrations.	June 2016
Assessment of EPA Telework Policies and Tools	Determine whether EPA managers have sufficient tools to manage all teleworking employees, including full-time teleworkers. Specifically, are EPA telework policies consistent with Office of Personnel Management guidance? Have managers received required training to manage all teleworking employees? Do managers know of, and have access to, teleworking tools?	August 2016
Discretionary		
Protecting Children's Health From Asbestos Exposure in Schools	Determine whether the EPA performs sufficient compliance inspections of schools to reduce asbestos exposure.	June 2017
EPA and North Carolina Response to an Asbestos National Emissions Standards for Hazardous Air Pollutants Violation at the Old Davis Hospital	Determine whether EPA Region 4 and the state of North Carolina followed appropriate procedures in addressing claims of an improper asbestos demolition at the Old Davis Hospital in Statesville, North Carolina.	October 2017
Mandated		
Management Challenges and Internal Control Weaknesses for 2017	Report on the top management challenges and internal control weaknesses facing the EPA, and provide the EPA Administrator and Congress with those issues that present the greatest challenge to the agency.	March 2016

Office of Investigations

The Office of Investigations (OI) is responsible for investigating hundreds of allegations of criminal activity and serious misconduct in EPA and CSB programs and operations. Due to the size and scope of the EPA and its mission to protect human health and the environment, OI often collaborates with other law enforcement entities and external stakeholders to enhance the effectiveness of our work. We participate in interagency task forces and working groups, and participate in OIG outreach programs by providing fraud awareness briefings to educate agency employee groups on potential indicators of fraud.

The Inspector General Act identifies the Assistant Inspector General for Investigations as being responsible for developing and implementing an investigative program that furthers OIG objectives. The Assistant Inspector General for Investigations primary responsibilities include investigating possible violations of criminal statutes relating to EPA and CSB programs and activities, investigating allegations of serious misconduct by EPA and CSB employees, interfacing with the Department of Justice on OIG-related criminal matters, and coordinating investigations and OIG initiatives with other federal, state, local and tribal investigative agencies.

The OIG's investigative process is mostly reactive, and we perform our proactive work strategically as opportunities and resources allow. Reactive work begins with the receipt of an allegation that impacts the agency, one of its employees, a grantee, or program area.

Because a decision to initiate an investigation must be made within a few days of each referral, the OIG does not schedule specific investigations in its annual investigative plan. Investigations are opened in accordance with priorities set forth in the OIG Strategic Plan for FYs 2017–2021, and in consideration of prosecutorial guidelines established by local U.S. Attorneys. OIG investigations are governed by the Attorney General Guidelines for OIGs with Statutory Law Enforcement Authority, and by the Council of the Inspectors General on Integrity and Efficiency Quality Standards for Investigations.

Investigative efforts often lead to criminal convictions, administrative sanctions, or civil monetary penalties. Investigations are initiated as a result of allegations or referrals from private citizens; EPA and CSB employees; Congress; other federal, state, local and tribal law enforcement agencies; OIG audits; and proactive efforts directed at areas bearing a high potential for fraud, waste, and abuse.

This investigative plan was developed to focus on OIG investigative priorities and the most effective and efficient use of available resources. The plan provides strategies and planned investigative work for FY 2017 in conjunction with the OIG Strategic Plan. The most serious management and performance challenges facing the EPA and CSB, as identified by the Inspector General, were also considered in the development of this plan.

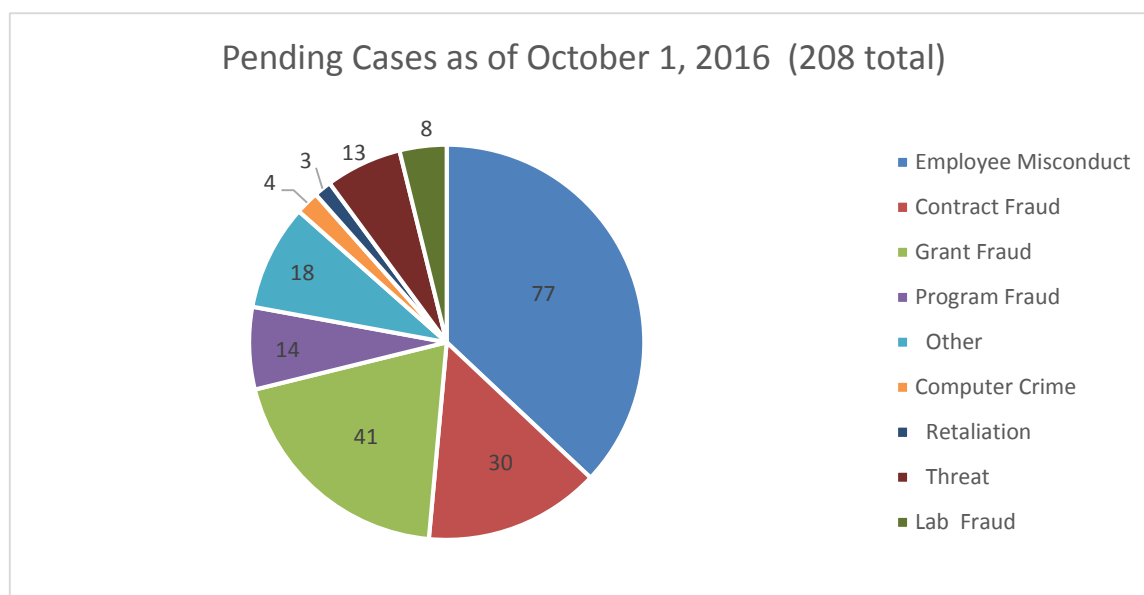
Point of Contact: Patrick Sullivan (202) 566-0308

PENDING INVESTIGATIVE ACTIVITIES

The OIG plays a critical oversight role helping to ensure that EPA funds are properly expended and not subject to fraud, waste or abuse. Pending cases as of October 1, 2016, totaled 208 cases.

The following pie chart shows that of the 208 pending cases, 93 of them are fraud related (almost 45 percent of our investigations). Employee misconduct is also high at 77 cases (37 percent of our work). These cases have been on the rise because of recent attention from Congress, and because of the attention garnered as a result of our investigative successes being publicized in the media. Most employee misconduct cases also involve combating fraud, waste and abuse at the EPA and CSB.

The pie chart below provides a summary of EPA OIG investigative activity by case type, as of October 1, 2016.



FY 2017 Office of Investigations Annual Plan

GOAL 1: Contribute to improved EPA and CSB programs and operations that protect human health and the environment, and enhance safety.

OI will conduct investigations into allegations of fraud and other crimes involving EPA grants and contracts that provide assistance to state, local and tribal governments; universities; and nonprofit recipients. We will play a critical role to ensure these funds are expended properly and are not subjected to fraud, waste or abuse. FY 2017 priorities include:

- **Financial fraud (grants and contracts).** Investigations that may involve multiple agencies and focus on criminal activities related to agency grants; state revolving funds; interagency agreements; and cooperative agreements that provide assistance to state, local and tribal governments, universities and nonprofit recipients. Collectively, these program account for about half of the EPA's budget. These investigations also focus on acquisition management, contracts and procurements. We specifically focus on mischarging, defective pricing, defective products and collusion.
- **Program Integrity.** Investigations that focus on activities that could undermine the integrity of agency programs involving safety and public health, and erode confidence in the agency pursuing its mission. Cases are initiated in response to allegations or referrals from audits or

evaluations, or may be self-initiated in high-risk areas where there is reasonable suspicion of fraud, violations of laws or risk to the public.

- **Contract Laboratory Fraud.** Investigations that deal with contract laboratory fraud relating to water quality and Superfund data, as well as payments made by the EPA for erroneous environmental testing data. Also includes investigating results that could undermine the bases for EPA decision-making, regulatory compliance and enforcement actions.
- **Threats directed against EPA and CSB employees, facilities and assets.** Investigations that involve the physical safety of EPA and CSB employees, agency contractors, all property and data. Investigations include the identification of attacks against the EPA's computer and network systems, and the protection of resources, infrastructure and intellectual property. We coordinate these efforts with the Federal Bureau of Investigation and the U.S. Department of Homeland Security.

GOAL 2: Conduct audits and investigations that enable EPA and CSB to improve business practices and accountability.

OI will continue to maintain and operate the OIG Hotline, which provides a confidential channel for EPA and CSB employees and contractors, and the public to report instances of fraud, waste and abuse. Investigations of employee misconduct help the OIG improve operations at the EPA and CSB. Priorities for FY 2017 include:

- **EPA OIG Hotline, deterrence and oversight.** OI supports the agency and conducts OIG oversight and assistance, as directed by statute and the Office of Management and Budget. We manage the EPA OIG Hotline Program, which receives hundreds of complaints, referrals and allegations of abuse and misconduct. We promptly process complaints; initiate OIG investigations, audits or evaluations when warranted; and properly dispose of allegations that do not warrant investigation.
- **Employee integrity and alleged criminal conduct or serious administrative misconduct.** Investigations that involve allegations made against EPA and CSB employees, which could threaten the credibility of the agency and the integrity of its resources. If an employee misconduct case does not conclude with a judicial action, OI prepares a report of investigation for the EPA to handle the case administratively. We also track any corrective or disciplinary action taken by the EPA. In an effort to communicate and collaborate on employee misconduct cases, OI is an active participant in biweekly meetings with the EPA's Office of General Counsel and the EPA's Insider Threat Program.
- **Travel card fraud.** Investigations that include coordinating with the EPA's Office of the Chief Financial Officer to investigate instances of abuse involving individual travel cards issued to agency employees, as well as purchase cards issued for the procurement of supplies and equipment.
- **Small business innovative research and Guardian Task Force work.** OI provides investigative support to OIG program offices, and participates as needed in multiagency criminal task forces on evolving national issues.

- **Stakeholder outreach.** We provide fraud awareness briefings to educate employees and groups about potential fraud indicators. We also work with the EPA to help educate individuals on how to prepare for an active threat situation.
- **Disaster relief spending oversight.** Investigations that involve examining disaster relief spending for fraud, waste and abuse. OI also participates with the EPA OIG's Office of Audit and other federal OIGs on the Federal Disaster Assistance Fraud Task Force.

GOAL 3: Improve OIG processes, resource allocation and accountability to meet stakeholder needs.

The OI workforce is considered our most important and valued resource. OI will continue to recruit, develop and retain a well-qualified workforce able to meet 21st century challenges. For FY 2017, our priorities include:

- **Workforce continuing professional development.** In conjunction with the OIG's Office of Management, OI plans to recruit, develop and retain a dedicated workforce to fulfill critical mission requirements. OI will work to identify new, real-world criminal schemes facing the agency (such as new methods of cyber intrusions), and provide training opportunities to our staff so they can properly respond to these new challenges. In addition, OI staff will continue to undergo training in mandatory firearms/marksmanship, use of force, and legal and financial crimes. This training ensures that our workforce continues to work in the most effective and efficient manner. Based on lessons learned, OI will also work to ensure that all members of its staff know and understand all OIG internal policies and procedures.
- **Data analytics and computer forensics.** Economic conditions have prompted greater scrutiny of government spending, and OI must work to ensure that our workforce uses data analytics to analyze and interpret data to eliminate fraud, waste and abuse in EPA and CSB programs. To date, our staff uses two data analytics tools to help improve the overall efficiency and effectiveness of our investigations. In addition, since nearly all of our investigations involve computing systems, we must work to ensure that our staff has the requisite forensic tools and training to gather evidence from a computing device in a way that is suitable for presentation in a court of law.
- **Proactive fraud, waste and abuse program.** Establish a fraud, waste and abuse program that systematically reviews operations and processes to identify and prioritize areas of probable fraudulent activity. This program will work with the Department of Justice Financial Fraud Enforcement Task Force's Grant Fraud Working Group to monitor the fraud, waste and abuse climate, and look for areas where the EPA and CSB may be vulnerable. For this review, OI has a mapping program that tracks outgoing EPA grant funds throughout the country. Initial areas to be examined involve the Office of Management and Budget Circular A-133 compliance supplements, which are used to audit federal assistance and grant programs, state audit reports, awards to nonprofits, and surety bond fraud.
- **Continuity of operations.** OI actively participates in helping the EPA fulfill its responsibilities to the federal government's Continuity of Operations Program.

Appendix A—Performance Measures and Targets

The Government Performance and Results Act requires federal agencies to develop goal-based budgets supported by annual performance plans that link the organization's mission and strategic goals to its annual performance goals. The annual performance goals are quantifiable targets supported by measures and indicators representing the expected outputs and outcomes. The agency's annual Performance Accountability Report includes actual results, compared to targets, to inform the Office of Management and Budget, Congress, and the public about the value derived from funds invested and how well the OIG is achieving its goals.

This annual plan explains how the OIG will achieve its mission through required and priority assignments. Outcome results and benefits from OIG work reflect measurable actions and impacts, but there is typically a time lag between the completion of OIG work and recognition of such results and benefits. Therefore, results and benefits from OIG audits, evaluations, investigations and reviews are recorded in the year they are recognized, regardless of when the work was performed. Through current-year outputs and long-term outcomes, OIG targets and seeks to measure and demonstrate the many ways the OIG promotes economy, efficiency and effectiveness; and prevents and detects fraud, waste and abuse. The following are the OIG annual performance goals that this plan is designed to achieve, pending final budget agreements.

Annual performance measures	Supporting indicators	FY 2017 targets (based on the President's budget funding level)
Environmental and business actions taken for improved performance and reduction of risk from or influenced by OIG work.	<ul style="list-style-type: none"> Policy, process, practice or control changes implemented. Environmental or operational risks reduced or eliminated. Critical congressional or public concerns resolved. 	274 total
Environmental and business recommendations or risks identified for corrective action by OIG work.	<ul style="list-style-type: none"> Recommendations or best practices identified for implementation. Risks or new management challenges identified for action. Certifications, verifications or analysis for decision or assurance. Outreach/technical advisory briefings. 	1,094 total
Return on the annual dollar investment, as a percentage of the OIG budget, from audits and investigations.	<ul style="list-style-type: none"> Recommended questioned costs. Recommended cost efficiencies and savings. Fines, penalties, settlements and restitutions. 	220% return on investment of budget
Criminal, civil, administrative and fraud prevention actions taken from OIG work.	<ul style="list-style-type: none"> Criminal convictions/civil judgments. Indictments/information. Administrative actions (staff actions and suspension or debarments). 	145 total