



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

DEC 30 2015

OFFICE OF
RESEARCH AND DEVELOPMENT

MEMORANDUM

SUBJECT: Response to Recommendation No. 8 from the Office of Inspector General (OIG) Final Report titled, *EPA's Alternative Asbestos Control Method Experiments Lacked Effective Oversight and Threatened Human Health*, Report No. 14-P-0359, dated September 25, 2014

FROM: Lek G. Kadeli, Principal Deputy Assistant Administrator for Management

TO: Arthur A. Elkins, Jr., Inspector General
Office of Inspector General

Thank you for the opportunity to respond again to the issues and recommendations in the subject report. We also appreciate the ability to work with you and your staff to reach a resolution on recommendation 8. We are pleased to report that we have completed the corrective action to address report recommendation 8, as detailed below.

As discussed in ORD's November 26, 2014 response, we believe that ORD's proposed corrective action achieves effective oversight of our research projects and takes into account the constraints on ORD as well as Agency resources and system limitations.

Proposed ORD Corrective Action to OIG's Recommendation #8: *ORD agrees with the need to enhance internal controls, including allocations, and has implemented an improved internal process that ensures all ORD research projects are being appropriately tracked and planned to prevent similar incidents related to OIG's findings regarding the AACM studies.*

Since 2012, ORD has made significant changes to our research planning process, improving transparency, oversight, and accountability to enhance internal controls and achieve effective oversight. This process requires all nationally significant research be captured, and includes oversight and input from senior managers and others familiar with the regulatory statutes and legal and policy requirements. To realize this process, ORD implemented a matrix-managed organization with six streamlined National Programs. Each National Program develops a four year Strategic Research Action Plan (StRAP) using the Agency Strategic Plan as a starting point, ensuring that ORD's planned portfolio is aligned with both Agency and research objectives.

To maintain a research structure (Research Action Plan [RAP] projects and tasks) and deliverables (products and outputs) that are relevant and up to date, ORD developed and implemented a Research Portfolio Review process through which modifications are identified and agreed upon for use in the Operating Plan year. Information on the status of products and outputs, as well as agreed upon modifications, is entered into the Research Management System (RMS).

The business process for inputting and tracking research deliverables in the RMS is designed to enhance our internal controls. ORD's National Program Directors review and verify the data reported by National Labs and Centers. ORD's Office of Program Accountability and Resource Management reviews and compiles mid-year and year-end status of products and outputs and reports to ORD senior management, and the Office of the Chief Financial Officer. At year-end, data is also reported in EPA's Annual Performance Report to OMB, Congress, and the public.

ORD's extensive annual research portfolio planning process and use of RMS achieves transparency and accountability for ORD's research programs. ORD is continuing to review these business processes and systems in order to ensure that these processes and systems effectively fulfill their intended function.

Please direct questions regarding this response to Kami Nolte, Acting Policy Administration and Management Integrity Division Director, at (202) 564-6652 or Heather Cursio, ORD Audit Coordinator, at (202) 566-2327.

cc: Carolyn Copper, OIG
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