



At a Glance

Why We Did This Project

This audit resulted from a hotline request submitted in June 2016 by the then acting Regional Administrator for Region 5 of the U.S. Environmental Protection Agency (EPA). The acting Regional Administrator requested that the Office of Inspector General (OIG) review Region 5's property procedures for information technology (IT) equipment. We sought to determine whether Region 5 had controls in place that protect IT property—especially computer laptops—from fraud, waste or misuse.

Following our preliminary research, we expanded the scope of our audit to look at similar controls for Region 2 and headquarters' Office of Water (OW) to determine whether there were any trends that should be of concern to the EPA.

The EPA's Office of Administration and Resources Management (OARM) is responsible for EPA property management.

This report addresses the following:

- *Operating efficiently and effectively.*

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EPA Region 5 Needs to Better Protect Information Technology Property, and Areas for Agencywide Improvement Exist

What We Found

Our review of Region 5's accountability over IT property based on the hotline request yielded the following areas of concern:

- No policy existed for tracking laptops in transition.
- Personnel were unaware of IT property status or procedural changes.
- Excess property was not always tracked or recorded.
- Existing policy did not include guidance for taking laptops out of the office.
- The role of property custodians was not always included in employee performance standards.

A lack of sufficient controls for managing IT property creates vulnerability to fraud, waste and abuse, including potential theft and misuse.

Our further review of how Region 2 and OW managed IT property identified additional concerns that represent agencywide issues OARM should address:

- Agencywide responsibility for the EPA property management program rested with a non-managerial-level employee.
- Personnel lacked sufficient awareness of the EPA's Agency Asset Management System and were not always using the system.
- EPA guidance for excess IT personal property was not established. *Excess personal property* means any personal property under the control of any federal agency that is no longer required for that agency's needs as determined by the agency head or designee.
- Property roles and responsibilities were often not included in employee performance standards.
- A required form documenting employee property custody was rarely used.

Recommendations and Planned Agency Corrective Actions

We made five recommendations to Region 5 focusing on the need to create or revise policies and procedures to address deficiencies. Further, we made five recommendations to OARM to strengthen that office's role as the agency's overall property management organization. Lastly, we made a recommendation to OW and Region 2 regarding employee performance standards.

Region 5, Region 2 and OW agreed with the recommendations addressed to them and provided adequate planned corrective actions and completion dates. OARM had disagreed with most of our draft report recommendations, and we modified the recommendations to OARM as a result of OARM's response. OARM subsequently concurred with all the revised recommendations and provided adequate planned corrective actions and completion dates.