



U.S. ENVIRONMENTAL PROTECTION AGENCY

OFFICE OF INSPECTOR GENERAL

ANNUAL PLAN
SECOND HALF FISCAL YEAR **2018**

SECOND HALF
2018

The graphic features a large teal arrow pointing right, with the text "ANNUAL PLAN" in large blue letters and "SECOND HALF" in white letters on a teal background. To the right, "FISCAL YEAR 2018" is written in white. Below the text is a photograph of people walking on a sidewalk, with four horizontal green bars obscuring the lower portion of the image. On the right side of the photo, the words "SECOND HALF" and "2018" are written vertically in white.

This plan is available via the internet at www.epa.gov/oig.

Definitions

Carryover	Assignments that are still in progress but were 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.

Abbreviations

CDR	Chemical Data Reporting
CIGIE	Council of the Inspectors General on Integrity and Efficiency
CSB	U.S. Chemical Safety and Hazard Investigation Board
EPA	U.S. Environmental Protection Agency
FIFRA	Federal Insecticide, Fungicide, and Rodenticide Act
FISMA	Federal Information Security Modernization Act
FY	Fiscal Year
LEAP	Law Enforcement Availability Pay
OA&E	Office of Audit and Evaluation
OI	Office of Investigations
OIG	Office of Inspector General
OMB	Office of Management and Budget
PRIA	Pesticide Registration Improvement Act

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's (EPA's) Office of Inspector General (OIG) Annual Plan for fiscal year (FY) 2018. This annual plan, initially published in November 2017 to reflect the first 6 months of FY 2018, has been updated in June 2018 to include OIG assignments for the entire year. The document continues to describe how the OIG will achieve its statutory mission to promote economy, efficiency, effectiveness and integrity in 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 and Congress fully informed about problems and deficiencies relating to the administration of agency programs and operations.

This OIG Annual Plan identifies mandated and discretionary assignment topics continuing from FY 2017, as well as mandated and discretionary assignments scheduled to start during FY 2018. The OIG often performs unanticipated work based on legislative mandates, congressional inquiries, hotline requests or governmentwide reviews. It is important that we remain flexible to address these and other priorities as they arise due to unforeseen challenges.

Our annual plan is implemented through audits 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*, issued by 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 this 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, which focus on providing the greatest value and risk reduction to the EPA and the CSB, as well as 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 black ink, appearing to read "Arthur A. Elkins Jr." The signature is fluid and cursive, written over a white background.

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 perform the following functions:

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, as well as the necessity and progress of corrective actions.

EPA OIG staff members are located at headquarters in Washington, D.C.; at regional offices in 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's Strategic and Annual Plans are specifically designed to align our implementation of the Inspector General Act with the EPA's strategic goals to help the agency achieve its performance goals in the most economical, efficient and effective manner possible. The list below identifies the EPA's FY 2018–2022 strategic goals, which we consider when planning audits and investigations. In Appendix A, we provide more details about the OIG's FY 2018 annual performance measures and targets. In Appendix B, we provide a summary of the OIG's Strategic 2018–2022 Plan.

EPA's FY 2018–2022 Strategic Goals

Strategic Goals

Core Mission: Deliver real results to provide Americans with clean air, land, and water, and ensure chemical safety.

- Objective 1.1 – Improve Air Quality: Work with states and tribes to accurately measure air quality and ensure that more Americans are living and working in areas that meet high air quality standards.
- Objective 1.2 – Provide for Clean and Safe Water: Ensure waters are clean through improved water infrastructure and, in partnership with states and tribes, sustainably manage programs to support drinking water, aquatic ecosystems, and recreational, economic, and subsistence activities.
- Objective 1.3 – Revitalize Land and Prevent Contamination: Provide better leadership and management to properly cleanup contaminated sites to revitalize and return the land back to communities.
- Objective 1.4 – Ensure Safety of Chemicals in the Marketplace: Effectively implement the Toxics Substances Control Act, and the Federal Insecticide, Fungicide, and Rodenticide Act, to ensure new and existing chemicals and pesticides are reviewed for their potential risks to human health and the environment and actions are taken when necessary.

Cooperative Federalism: Rebalance the power between Washington and the states to create tangible environmental results for the American people.

- Objective 2.1 – Enhance Shared Accountability: Improve environmental protection through shared governance and enhanced collaboration with state, tribal, local, and federal partners using the full range of compliance assurance tools.
- Objective 2.2 – Increase Transparency and Public Participation: Listen to and collaborate with impacted stakeholders and provide effective platforms for public participation and meaningful engagement.

Rule of Law and Process: Administer the law, as Congress intended, to refocus the Agency on its statutory obligations under the law.

- Objective 3.1 – Compliance with the Law: Timely enforce environmental laws to increase compliance rates and promote cleanup of contaminated sites through the use of all of EPA's compliance assurance tools, especially enforcement actions to address environmental violations.
- Objective 3.2 – Create Consistency and Certainty: Outline exactly what is expected of the regulated community to ensure good stewardship and positive environmental outcomes.
- Objective 3.3 – Prioritize Robust Science: Refocus the EPA's robust research and scientific analysis to inform policy making.
- Objective 3.4 – Streamline and Modernize: Issue permits more quickly and modernize our permitting and reporting systems.
- Objective 3.5 – Provide proper leadership and internal operations management to ensure that the Agency is fulfilling its mission.

CSB's Mission

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



Matrix of EPA Goals and Strategies OIG Plans to Address with Audits

When conducting our mandated and carryover audit work during FY 2018, we will consider the EPA's FYs 2018–2022 strategic goals. In addition, the table below shows how our planned audits align with each of the agency's objectives.

Planned FY 2018 OIG Projects <i>Carryover projects not included.</i>	EPA's FY 2018–2022 Strategic Objectives							
	Improve air quality (Objective 1.1)	Provide for clean and safe water (Objective 1.2)	Revitalize land and prevent contamination (Objective 1.3)	Ensure safety of chemicals (Objective 1.4)	Prioritize robust science (Objective 3.3)	Compliance with the law (Objective 3.1)	Partner with states and other stakeholders (Objectives 2.1, 2.2)	Operate efficiently and effectively (Objectives 3.2, 3.4, 3.5)
Air Directorate								
* EPA Oversight of Smokestack Emissions Testing and Reporting	X						X	X
* Continuous Emissions Monitoring Data Quality for Large Stationary Sources of Air Pollution	X						X	X
Contract and Assistance Agreement Directorate								
EPA Acquisition System Data Quality for Selected Contracts						X		X
Agency Use of Blanket Purchase Agreements						X		X
Northridge Environmental Management Consultants Contract						X		X
EPA Oversight of Grant, Interagency Agreement Grant, and Interagency Agreement Closeout (per the Grants Oversight and New Efficiency Act)						X		X
Internal Control Oversight of EPA's Senior Environmental Employment Program						X		X
EPA Improper Payments Reporting for FY 2017					X	X		X
2018 Annual Risk Assessment of EPA's Purchase Cards and Convenience Checks								X
* 2017 Audit of EPA's Purchase Cards and Convenience Checks							X	X
* EPA's CSRA Contract Billing Controls							X	X
Efficiency Directorate								
* EPA's Water Infrastructure Finance and Innovation Act Program		X						
* EPA's Management of Counterterrorism and Emergency Response Equipment						X		X

EPA's FY 2018-2022 Strategic Objectives								
Planned FY 2018 OIG Projects <i>Carryover projects not included.</i>	Improve air quality (Objective 1.1)	Provide for clean and safe water (Objective 1.2)	Revitalize land and prevent contamination (Objective 1.3)	Ensure safety of chemicals (Objective 1.4)	Prioritize robust science (Objective 3.3)	Compliance with the law (Objective 3.1)	Partner with states and other stakeholders (Objectives 2.1, 2.2)	Operate efficiently and effectively (Objectives 3.2, 3.4, 3.5)
* U.S. Army Corps of Engineers Interagency Agreements						X		X
Environmental Research Programs Directorate								
Controls over EPA's Citizen Science and Crowdsourcing Efforts					X		X	X
* Office of Research and Development's Sustainable and Healthy Communities Research Program			X		X	X		X
Financial Directorate								
FY 2017 Financial Statements: Pesticides Reregistration and Expedited Processing Fund				X	X			X
FY 2017 Financial Statements: Pesticide Registration Fund			X	X	X			X
FY 2017 Financial Statements: Hazardous Waste Electronic Manifest System Fund	X	X	X	X	X			X
FY 2018 EPA Financial Statements						X		X
Forensic Directorate								
* Amendment Process for Assistance Agreements Related to Brownfields						X	X	X
* Administratively Determined Positions						X		X
* EPA Office of Criminal Enforcement Forensics and Training Law Enforcement Availability Pay Reporting						X		X
* Salary Overpayment and Debt Forgiveness Waiver Process						X		X
* EPA OIG Office of Investigations Law Enforcement Availability Pay Reporting						X		X
* Splitting/Combining Time-Off and Monetary Awards						X		X
FY 2018 Single Audit Program	X	X	X	X	X	X	X	X
Information Resources Management Directorate								
* Security Categorization for EPA Systems That Handle Hazardous Material Information				X		X		X
* EPA's Processes for Preserving Emails and Text Messages and Responding to Freedom of Information Act Requests						X		X
* Hotline: EPA's Remedy System Security Controls to Protect Personally Identifiable Information						X		X
EPA's Compliance with the Federal Information Security Modernization Act for FY 2018					X			X
* Information System Security Controls for EPA's Budget Systems								X
Land Cleanup and Waste Management Directorate								
* Superfund Enforcement			X			X		
Special Programs Directorate								
* EPA's Green Chemistry Challenge Awards and the Use of Data from the Awards Results					X			X
Management Challenges and Internal Control Weaknesses for 2018	X	X	X	X	X	X	X	X

EPA's FY 2018–2022 Strategic Objectives								
Planned FY 2018 OIG Projects <i>Carryover projects not included.</i>	Improve air quality (Objective 1.1)	Provide for clean and safe water (Objective 1.2)	Revitalize land and prevent contamination (Objective 1.3)	Ensure safety of chemicals (Objective 1.4)	Prioritize robust science (Objective 3.3)	Compliance with the law (Objective 3.1)	Partner with states and other stakeholders (Objectives 2.1, 2.2)	Operate efficiently and effectively (Objectives 3.2, 3.4, 3.5)
Toxics, Chemical Management and Pollution Prevention Directorate								
* EPA's Implementation and Enforcement of the Lead-Based Paint Renovation Repair and Painting Rule						X	X	X
* Implementation of Executive Order 13771						X		X
* Impact of EPA's Failure to Issue Notice of Availability for Required Training Materials on Worker Protection Standard Implementation						X	X	
Water Directorate								
* EPA's Preparedness and Response Efforts to the 2017 Hurricanes in EPA Regions 2, 4 and 6		X					X	X

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Matrix of CSB Goals OIG Plans to Address with Audits

When conducting our mandated work during FY 2018, we will consider the CSB's three strategic goals outlined in its FY 2017–2021 Strategic Plan. The table below shows how our planned FY 2018 audits align with each of the CSB's goals.

Planned FY 2018 OIG Projects	CSB's FY 2017–2021 Strategic Goals		
	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 Directorate			
2018 Risk Assessment of CSB's Purchase Cards			X
CSB Improper Payments Reporting for FY 2017			X
CSB FY 2018 Proposed Management Challenges and Internal Control Weaknesses	X	X	X
Financial Directorate			
FY 2017 CSB Financial Statements (Contracted)			X
Information Resources Management Directorate			
CSB's Compliance with the Federal Information Security Modernization Act for FY 2018	X	X	X

Identifying Risks at EPA

As required by the Government Performance and Results Act of 2010 (Sec. 3), the OIG reviewed the major risks, challenges and planning priorities across the EPA and solicited firsthand 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 the agency's key management challenges identified by the OIG in FY 2017, which will help guide the general direction and focus of OIG audits and investigative work in FY 2018.

Top EPA Management Challenges—Reported by OIG in FY 2017

- 1. The EPA needs to improve oversight of states, territories and tribes authorized to accomplish environmental goals.** 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 issue 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 nonlinear 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 cyberthreats.** 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.

Identifying Risks at CSB

As required by the Government Performance and Results Act of 2010, the OIG reviewed the major risks, challenges and planning priorities across the CSB and solicited firsthand input from board leadership to identify and select OIG products and topics that would be of greatest benefit to the board and the American public it serves. This section summarizes the CSB's key management challenge identified by the OIG in FY 2017, which will help guide the general direction and focus of OIG audits and investigative work in FY 2018.

Top CSB Management Challenge—Reported by OIG in FY 2017

- 1. The CSB should continue to address human resources management.** The CSB's leaders should continue to address the human resources management recommendations from a 2015 Office of Personnel Management evaluation report and complete implementation of corrective actions. Also, CSB leaders should address the findings in the board's March 2017 organizational assessment.

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 has examined the cross-agency risk assessment, agency challenges, prior work, future priorities and customer input to develop and prioritize its FY 2018 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 strategic themes (i.e., criteria) listed in the section below. From these criteria, we develop a portfolio of assignments that represents the best possible return on investment in terms of (1) monetary or public value and (2) responsiveness in addressing the needs, risks, challenges, priorities and opportunities of OIG customers, clients and stakeholders. We also invite our staff to formulate assignment suggestions from their immediate knowledge of EPA and CSB operations and from their consideration of stakeholder input and risks.

Criteria Considered in Identifying and Selecting New Discretionary Audit Assignments for FY 2018

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?
- 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 what is 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 regarding allocation and application of resources?

Potential risk of fraud, waste or abuse:

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

Impact of current management challenges or internal control weaknesses:

- How does the project align with OIG current management challenges or internal control weaknesses identified at the EPA or CSB?
- 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 results:

- What are the conditions or changes since the prior audit was conducted 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 2018

Office of Audit and Evaluation

The Office of Audit and Evaluation (OA&E) is responsible for executing audits on behalf of the Inspector General. The OA&E designs and implements long-term, nationwide audit plans to improve the economy, efficiency and effectiveness and to prevent fraud, waste and mismanagement of agency programs through independent oversight. Comprising a multidisciplinary workforce that assesses EPA programs (including evidence of effectiveness and results), the OA&E has overall responsibility for leading audits of EPA activities that support clean air, clean water, safer chemicals, cleaner communities and scientific research that informs EPA decisions. This office also leads and participates in multiagency projects to address governmentwide management issues. The OA&E is composed of the following 11 directorates:

- Air.
- Contract and Assistance Agreement.
- Efficiency.
- Environmental Research Programs.
- Financial.
- Forensic.
- Information Resources Management.
- Land Cleanup and Waste Management.
- Special Programs.
- Toxics, Chemical Management and Pollution Prevention.
- Water.

Air Directorate

The Air Directorate is responsible for conducting audits to assess the EPA’s programs and activities to protect human health and the environment through progress toward air quality goals.

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

Title	Primary objectives	Estimated/actual start date
Carryover		
Ambient Monitoring Data Changes and Gaps	Determine whether selected air monitoring data meet criteria established by the EPA. Specifically, determine whether data revisions and data exclusions/gaps comply with EPA criteria.	January 2016 (issued February 2018)

Title	Primary objectives	Estimated/actual start date
Effectiveness of EPA's Oversight of State Vehicle Inspection and Maintenance Programs in Achieving Emission Reductions	Determine whether the EPA's oversight has ensured that vehicle inspection and maintenance programs are effective and efficient in reducing vehicle emissions in enhanced inspection and maintenance areas.	June 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.	To be determined; ongoing litigation
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 determine how the agency addressed and resolved the concerns.	July 2017 (issued March 2018)
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.	June 2017
New Discretionary		
* EPA Oversight of Smokestack Emissions Testing and Reporting	Determine the effectiveness of EPA oversight to assure that emission stack tests are conducted in accordance with EPA regulation, policy and guidance.	May 2018
* Continuous Emissions Monitoring Data Quality for Large Stationary Sources of Air Pollution	Determine whether selected continuous emissions monitoring data meet applicable quality assurance and quality control criteria.	April 2018

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Contract and Assistance Agreement Directorate

The Contract and Assistance Agreement Directorate 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		
Council of the Inspectors General on Integrity and Efficiency (CIGIE) Purchase Card Cross-Cutting Project	Determine whether the CIGIE cross-cutting project examined purchase card transactions for the first two quarters of FY 2017 according to the CIGIE algorithms and guide.	December 2016

Title	Primary objectives	Estimated/actual start date
EPA Monitoring of Performance-Based Contracts	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. The EPA obligated \$622 million in performance-based contracts that provide incentives for contractors to provide quality service. If the EPA is not establishing effective performance standards or not monitoring the standards, contractors may be receiving the incentive fee without providing high-quality performances.	June 2016 (issued February 2018)
Acquisition Planning	Answer whether the EPA is conducting adequate contract planning to allow the agency to fulfill its needs in a timely manner and at a reasonable cost. Also determine whether the agency is complying with specific Federal Acquisition Regulation requirements for cost-reimbursement and high-risk acquisitions.	July 2016 (issued November 2017)
EPA Oversight of Fellowship Programs	Determine whether (1) the EPA is monitoring, evaluating and setting standards for fellowship performance, (2) fellowship performances support the EPA's mission, (3) the EPA and its fellowship recipients are following fellowship cooperative agreement terms and conditions, and (4) the EPA has implemented proper controls to promote and encourage the mission of the fellowship programs.	March 2017
New 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 comply with applicable laws, regulations, contract provisions and other requirements.	June 2017
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
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 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 (OMB) Uniform Grant Guidance § 200.343.2.	May 2018

Title	Primary objectives	Estimated/actual start date
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 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 available funds, which total \$33 million.	November 2017
Mandated		
EPA Improper Payments Reporting for FY 2017	Assess compliance with the Improper Payments Elimination Act of 2002, as amended.	November 2017 (issued April 2018)
2018 Annual Risk Assessment of EPA's Purchase Cards and Convenience Checks	Identify and analyze the 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.	October 2017
* 2017 Audit of EPA's Purchase Cards and Convenience Checks	Identify and analyze purchases using the purchase card in late FY 2017 and convenience checks throughout the year to identify the propriety of purchases that could be made by means other than purchase cards.	October 2017
* EPA's CSRA Contract Billing Controls <i>(Note: CSRA is a government contractor.)</i>	Determine whether the EPA's contract administration of CSRA contract EP-W-11-019, Task Order 12, has effective controls to prevent billing and funding fraud, waste and abuse.	March 2018

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Efficiency Directorate

The Efficiency Directorate 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		
Employee Parking Benefits	Identify and analyze risks in the parking subsidy program, and consider cost-saving alternatives.	August 2016 (issued November 2017)
Physical Control of Information Technology Property	Determine whether (1) the EPA's information technology property policies and procedures for physical control 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 (issued May 2018)

Title	Primary objectives	Estimated/actual start date
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.	March 2017 (issued May 2018)
Working Capital Fund Efficiencies	Examine whether the EPA's working capital fund is managed to (1) minimize expenses to taxpayers and (2) provide optimum use of resources.	October 2017
Invoice Payment Process	Examine whether the EPA has implemented a contractor invoice payment process that (1) ensures the efficient processing of accurate and supportable invoice payments and (2) complies with agency and federal regulations, including the Prompt Payment Act.	June 2017
New Discretionary		
* EPA's Water Infrastructure Finance and Innovation Act Program	Determine whether the EPA has established effective internal controls for the Water Infrastructure Finance and Innovation Act Program.	October 2017
* EPA's Management of Counterterrorism and Emergency Response Equipment	Determine whether (1) the EPA has the needed and required counterterrorism and emergency response equipment and (2) the equipment is efficiently managed, tracked and available for potential counterterrorism or emergency response incidents.	March 2018
* U.S. Army Corps of Engineers Interagency Agreements	Determine whether (1) the EPA is being fiscally responsible in awarding interagency agreements to the U.S. Army Corps of Engineers and (2) the agency is meeting planned expectations in time, cost and outcomes in its use of these agreements.	June 2018
Mandated		
2018 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.	November 2017
CSB Improper Payments Reporting for FY 2017	Assess compliance with the Improper Payments Elimination Act of 2002, as amended.	October 2017 (issued May 2018)
CSB FY 2018 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.	December 2017

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Environmental Research Programs Directorate

The Environmental Research Programs Directorate conducts independent audits of the EPA's research and development programs, with a focus on areas that support human health and environmental protection.

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

Title	Primary objectives	Estimated/actual start date
Carryover		
Internal Controls of EPA's Vehicle and Fuel Emissions Laboratory Testing Program	Determine whether (1) the EPA's National Vehicle and Fuel Emissions Laboratory has internal controls over its vehicle testing program and (2) those controls are effective.	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. Also determine whether the Office of Water uses those research results to accomplish the EPA's strategic goal of protecting America's water.	June 2017 (issued April 2018)
Internal Controls of EPA's Vehicle and Fuel Emissions Laboratory Testing Program to Detect and Prevent Vehicle Emissions Fraud in the Heavy-Duty Sector	Determine whether the EPA's existing internal controls are effective at detecting and preventing light-, medium- and heavy-duty on-road vehicle emissions fraud.	July 2017 (report on light-duty vehicles issued May 2018)
New Discretionary		
Controls over EPA's Citizen Science and Crowdsourcing Efforts	To determine whether the EPA has developed controls to manage the use of citizen science and crowdsourcing results to meet the EPA's mission.	October 2017
* Office of Research and Development's Sustainable and Healthy Communities Research Program	Determine whether the Office of Research and Development's Sustainable and Healthy Communities Research program is delivering timely research data and tools in a format that meets the needs of EPA program offices.	October 2018

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Financial Directorate

The Financial Directorate is responsible for rendering opinions on financial statements produced by the EPA and 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		
Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and Pesticide Registration Improvement Act (PRIA) Funds Management	Determine whether the EPA manages the FIFRA and PRIA funds effectively to minimize reliance on appropriated funds.	February 2017
Agency Digital Accountability and Transparency Act Implementation Efforts	Complete an assessment of EPA implementation efforts to comply with the Digital Accountability and Transparency Act. This will be the first time the OIG has audited the EPA's implementation of the act.	April 2017 (issued November 2017)
FY 2017 EPA Financial Statements	Determine whether the EPA's consolidated financial statements were fairly stated in all material respects.	April 2017 (issued November 2017)
FY 2017 CSB Financial Statements (Contracted)	Determine whether CSB financial statements were fairly stated in all material respects, CSB internal controls over financial reporting were in place, and CSB management complied with applicable laws and regulations.	April 2017 (issued November 2017)
Mandated		
FY 2017 Financial Statements: Pesticides Reregistration and Expedited Processing Fund	Render an opinion on the EPA's statements, and determine compliance with laws and regulations.	November 2017
FY 2017 Financial Statements: Pesticide Registration Fund	Render an opinion on the EPA's statements, and determine compliance with laws and regulations.	December 2017
FY 2017 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.	December 2017
FY 2018 EPA Financial Statements	Determine whether the EPA's consolidated financial statements were fairly stated in all material respects.	April 2018
FY 2018 CSB Financial Statements (Contracted)	Determine whether CSB financial statements were fairly stated in all material respects, CSB internal controls over financial reporting were in place, and CSB management complied with applicable laws and regulations.	April 2018

Forensic Directorate

The Forensic Directorate is responsible for conducting financial audits of EPA assistance agreements and contracts to identify potentially fraudulent actions. This directorate also determines the acceptability of costs claimed under specific financial instruments. Forensic audits apply auditing skills to situations with 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		
Office of Air and Radiation Timekeeping Practices	Determine whether the Office of Air and Radiation complies with relevant regulations and agency policies and procedures.	January 2017
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.	February 2017 (issued January 2018)
Amendment Process for Assistance Agreements Related to Brownfields	Determine whether the EPA followed agency procedures when amending assistance agreements.	March 2017
Congressional Request: EPA's Adherence to Policies and Procedures and Oversight Controls Pertaining to the Administrator's Travel	Determine the frequency, cost and extent of the Administrator's travel to Oklahoma through July 31, 2017, based on recent congressional request.	August 2017
EPA Administrator 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 2017
New Discretionary		
* Amendment Process for Assistance Agreements Related to Brownfields	Determine whether the EPA followed agency procedures when amending assistance agreements.	December 2017
* Administratively Determined Positions	Determine how the agency has used its authority under the Safe Drinking Water Act to fill up to 30 administratively determined positions.	December 2017
* EPA Office of Criminal Enforcement Forensics and Training Law Enforcement Availability Pay (LEAP) Reporting	Determine whether Criminal Investigators assigned to the EPA's Office of Criminal Enforcement, Forensics and Training properly record LEAP hours in compliance with federal requirements and EPA policies and procedures.	November 2017
* Salary Overpayment and Debt Forgiveness Waiver Process	Determine whether the agency is properly collecting salary overpayments from its employees.	January 2018

Title	Primary objectives	Estimated/actual start date
* EPA OIG Office of Investigations (OI) LEAP Pay Reporting	Determine whether (1) the EPA OIG's OI Special Agents properly record LEAP hours in compliance with established OIG policies and procedures and (2) the records meet federal requirements.	December 2017
* Splitting/Combining Time-Off and Monetary Awards	Determine whether the agency is inappropriately splitting and/or combining time-off and monetary awards to circumvent regulations.	January 2018
Mandated		
FY 2018 Single Audit Program	Review and process single audit reports prepared by certified public accounting firms under the Single Audit Act.	October 2017

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Information Resources Management Directorate

The Information Resources Management Audits Directorate 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 directorate also 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		
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 PRIA.	January 2017
EPA File Server Security	Determine how the agency is implementing security controls around its file servers.	February 2017
EPA's Processes for Managing Background Investigations and Remediating Known Information Security Weaknesses	Determine whether the EPA has established a process to verify that background investigations are conducted for those individuals (federal employees and contractors) with privileged access permissions to the agency's information systems and network.	March 2017
EPA's Compliance with the Federal Information Security Modernization Act (FISMA) for FY 2017	Determine whether the EPA implemented an information systems security program that is compliant with the requirements outlined in the FISMA of 2014.	May 2017
CSB's Compliance with the FISMA for FY 2017	Determine whether the CSB implemented an information systems security program that is compliant with the requirements outlined in the FISMA of 2014.	May 2017

Title	Primary objectives	Estimated/actual start date
New Discretionary		
* Security Categorization for EPA Systems That Handle Hazardous Material Information	Determine whether the EPA classified the sensitivity of data in the e-Manifest system, which handles hazardous waste material information, as prescribed by the National Institute for Standards and Technology.	December 2017
* EPA's Processes for Preserving Emails and Text Messages and Responding to Freedom of Information Act Requests	Determine whether the EPA took action to complete OIG recommendations regarding the preservation of email and text messages and the improvement of the agency's Freedom of Information Act process.	May 2018
* Hotline: EPA's Remedy System Security Controls to Protect Personally Identifiable Information	Determine whether the EPA implemented security controls to protect personally identifiable information processed in the agency's incident ticketing systems.	March 2018
Mandated		
EPA's Compliance with the FISMA for FY 2018	Determine whether the EPA implemented an information systems security program that is compliant with the requirements outlined in the FISMA of 2014.	March 2018
CSB's Compliance with the FISMA for FY 2018	Determine whether the CSB implemented an information systems security program that is compliant with the requirements outlined in the FISMA of 2014.	March 2018
* Information System Security Controls for EPA's Budget Systems	To determine whether the Office of the Chief Financial Officer (1) identified and tested all inherited security controls for the EPA's Budget Automation System and (2) took steps to require the contractor for the replacement budget system to comply with mandatory information security controls.	November 2017

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Land Cleanup and Waste Management Directorate

The Land Cleanup and Waste Management Directorate is responsible for conducting audits 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 Oversight of Delegated State Resource Conservation and Recovery Act Programs	Examine whether the EPA provides oversight to ensure that states implement new Resource Conservation and Recovery Act regulations. 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 may receive less public information compared to those states that have taken timely and appropriate action to update their Resource Conservation and Recovery Act standards.	September 2016
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.	December 2017
Land Application of Sewage Sludge	Examine whether the EPA has and implements controls over the land application of sewage sludge to protect human health and the environment.	June 2017
New Discretionary		
* Superfund Enforcement	Determine whether the EPA enforces potentially responsible parties' compliance with EPA Superfund Comprehensive Environmental Response, Compensation, and Liability Act response settlements and unilateral administrative orders.	June 2018

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Special Programs Directorate

The Special Programs Directorate is responsible for (1) conducting new and follow-up audits to assess agency programs and functions and (2) determining whether sufficient controls are in place to reduce the agency's risk of fraud, waste and abuse in its operations. The directorate 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		
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.	July 2016
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.	March 2017
Protecting Children's Health from Asbestos Exposure in Schools	Determine whether the EPA performs sufficient compliance inspections of schools to reduce asbestos exposure.	April 2017
Follow-up on two prior OIG reports: (1) <i>EPA Needs to Plan and Complete a Toxicity Assessment for the Libby Asbestos Cleanup.</i> (2) <i>Better Planning, Execution and Communication Could Have Reduced the Delays in Completing a Toxicity Assessment of the Libby, Montana, Superfund Site.</i>	Follow-up audit to verify that the Deputy Administrator's office, the Office of Land and Emergency Management (then the Office of Solid Waste and Emergency Response), EPA Region 8, and the Office of Research and Development implemented the corrective actions reported in the Management Audit Tracking System to address previous OIG recommendations.	August 2017 (issued January 2018)
New Discretionary		
* EPA's Green Chemistry Challenge Awards and the Use of Data from the Awards Results	Identify the internal controls put in place by the EPA to prevent the use of unverified, self-reported results for agency reporting purposes and to verify that the EPA implemented corrective actions for recommendations made in OIG Report No. 15-P-0279, issued September 15, 2015.	January 2018
Mandated		
Management Challenges and Internal Control Weaknesses for 2018	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.	January 2018 (issued May 2018)

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Toxics, Chemical Management and Pollution Prevention Directorate

The Toxics, Chemical Management and Pollution Prevention Directorate is responsible for conducting audits 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 FIFRA Compliance Inspections	Determine what the EPA's procedures are for determining and periodically reviewing state commitments for FIFRA compliance inspections, including (1) how the EPA ensures these commitments are appropriate and (2) whether the EPA has opportunities to modify state commitments and better use resources dedicated to these efforts.	April 2015; suspended October 2015; restarted January 2017
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.	March 2017 (issued February 2018)
EPA's FIFRA Section 18 Emergency Exemptions	Determine whether the EPA has a comprehensive emergency exemption process that maintains environmental and human health safeguards.	September 2017
Importers and Manufacturers Chemical Data Reporting (CDR) Under the Toxic Substances Control Act	Determine how the EPA ensures companies comply with CDR requirements under the Toxic Substances Control Act and whether the EPA uses CDR data to prioritize imported and manufactured chemicals to identify the potential for human health and environmental risks.	September 2017
New Discretionary		
* EPA's Implementation and Enforcement of the Lead-Based Paint Renovation, Repair and Painting Rule	Evaluate the EPA's implementation and enforcement of the Lead-Based Paint Renovation, Repair and Painting Rule.	May 2018
* Implementation of Executive Order 13771	Evaluate the EPA's management controls for implementing Executive Order 13771.	May 2018
* Impact of EPA's Failure to Issue Notice of Availability for Required Training Materials on Worker Protection Standard Implementation	Determine how the EPA's failure to issue a notice of availability for required Agricultural Worker Protection Standard training materials affected implementation of and compliance with the revised rule.	May 2018

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Water Directorate

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

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

Title	Primary objectives	Estimated/actual start date
Carryover		
Beaches Environmental Assessment and Coastal Health Act: Effectiveness of Identifying Contaminated Recreational Waters and Communicating Health Risks	Determine how federal Beaches Environmental Assessment and Coastal Health Act grants assist states, territories and tribes in monitoring the water quality of coastal recreational waters and in notifying the public of contamination events.	July 2015 (issued January 2018)
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.	August 2016
Atlanta Combined Sewer Overview	Determine whether Atlanta is complying with the requirements of the consent decree and evaluate EPA Region 4 internal controls.	April 2017 (issued May 2018)
Public Notification of Drinking Water Quality	Determine whether the EPA adequately ensures that public drinking water systems notify the public as required by the public notification rule promulgated under the Safe Drinking Water Act, such as when the systems identify contamination at unsafe levels.	September 2017
New Discretionary		
* EPA's Preparedness and Response Efforts to the 2017 Hurricanes in EPA Regions 2, 4 and 6	Determine how the EPA's preparedness and response efforts during the three major hurricanes of 2017 (Harvey, Irma and Maria) protected human health and water resources from storm-related drinking water and surface water contamination.	January 2018

* Project added to *FY 2018 Annual Work Plan* in June 2018 update.

Office of Investigations

The 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, the 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 we 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 U.S. 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, but we perform 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 a 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 2018–2022 and in consideration of prosecutorial guidelines established by local U.S. Attorneys. OIG investigations are governed by the *Attorney General Guidelines for Offices of Inspector General With Statutory Law Enforcement Authority* and by the *CIGIE 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 with a high potential for fraud, waste and abuse.

This investigative plan was developed to focus our OIG investigative priorities and ensure the most effective and efficient use of available resources. The plan provides strategies and planned investigative work for FY 2018 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

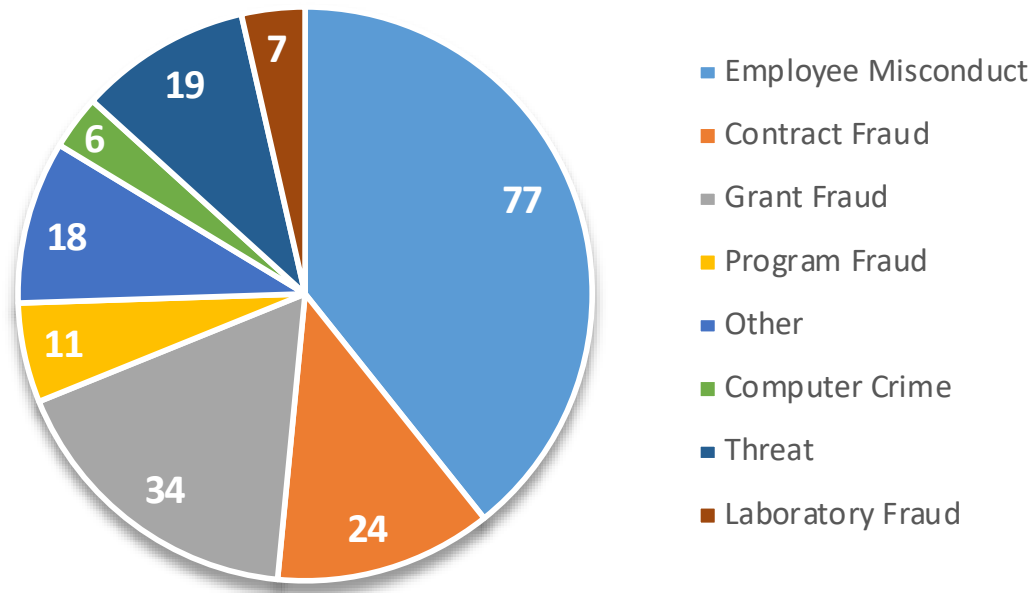
Pending Investigative Activities

The OIG plays a critical oversight role helping to ensure that EPA funds are properly expended and not subject to fraud, waste or abuse. As of October 1, 2017, we had a total of 196 pending cases.

The following pie chart shows that, of the 196 pending cases, 76 of them are fraud-related (38 percent of our investigations). Employee misconduct is also high, at 76 cases (39 percent of our work). These cases have been on the rise because of recent attention from Congress and because of the attention garnered from our investigative successes being publicized in the media.

The pie chart below provides a summary of EPA OIG investigative activity by case type, as of October 1, 2017.

Pending Cases as of October 1, 2017 (196 Total)



FY 2018 OI Annual Plan

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

The 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 that these funds are expended properly and are not subject to fraud, waste or abuse. The following list details our FY 2018 priorities:

- **Financial fraud (grants and contracts).** These investigations 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 programs 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.** These investigations focus on activities that could undermine the integrity of agency programs involving safety and public health and that could erode confidence in the EPA's pursuit of its mission. Cases are initiated in response to allegations or referrals from audits, or they may be self-initiated in high-risk areas with reasonable suspicion of fraud, violations of laws or risk to the public.
- **Contract laboratory fraud.** These investigations 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. These cases also include 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.** These investigations involve the physical safety of EPA and CSB employees, agency contractors, and 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 investigations with the Federal Bureau of Investigation; the U.S. Attorney's Offices; the U.S. Department of Homeland Security; and other federal, state and local law enforcement agencies, as appropriate.

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

The OI will continue to maintain and operate the OIG hotline, which provides a confidential channel for EPA and CSB employees, EPA and CSB 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. The following list details our FY 2018 priorities:

- **EPA OIG Hotline, deterrence and oversight.** The OI supports the agency and conducts OIG oversight and assistance, as directed by statute and the OMB. 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 or referrals for audits when warranted, and properly dispose of allegations that do not warrant investigation.
- **Employee integrity and alleged criminal conduct or serious administrative misconduct.** These investigations involve allegations made against EPA and CSB employees that could threaten the credibility of these agencies and the integrity of their resources. If an employee misconduct case does not conclude with a judicial action, the 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, the 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.** These investigations 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 and involving purchase cards issued for the procurement of supplies and equipment.
- **Small business innovative research and Guardian Task Force work.** The 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.** These investigations involve examining disaster relief spending for fraud, waste and abuse. The OI also participates with the EPA OIG's OA&E 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. The OI will continue to recruit, develop and retain a well-qualified workforce able to meet 21st century challenges. The following list details our FY 2018 priorities:

- **Workforce continuing professional development.** In conjunction with the OIG's Office of Management, the OI plans to recruit, develop and retain a dedicated workforce to fulfill critical mission requirements. The OI will work to identify new, real-world criminal schemes facing the agency (such as new methods of cyber intrusions) and to 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, the 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 the 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 use 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.** The OI will establish a fraud, waste and abuse program centered on data analytics in an effort to identify and prioritize areas of

probable fraudulent activity. This program will work with other law enforcement agencies and related task force working groups to monitor the fraud, waste and abuse climate and to look for areas where the EPA and CSB may be vulnerable. For this program, the OI will utilize data analytics and other resources, such as a mapping program that tracks outgoing EPA grant funds throughout the country. These efforts will include but not be limited to OMB 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.** The OI actively participates in helping the EPA fulfill its responsibilities to the federal government's Continuity of Operations Program.

Appendix A: OIG's FY 2018 Performance Measures and Targets

The Government Performance and Results Act of 2010 (Sec. 3) 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 OMB, 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 the recognition of such results and benefits. Therefore, results and benefits from OIG audits and investigations 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 table illustrates the OIG annual performance goals that this plan is designed to achieve, pending final budget agreements.

Annual performance measures	Supporting indicators	FY 2018 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. 	196 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. 	460 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. 	160% 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). 	87 total

Appendix B: Overview of EPA OIG's 2018–2022 Strategic Plan

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