



OFFICE OF INSPECTOR GENERAL

Semiannual Report to Congress

April 1, 2018–September 30, 2018

EPA-350-R-18-003
November 2018

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Inspector General Act of 1978, as amended

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Abbreviations

CSB	U.S. Chemical Safety and Hazard Investigation Board
EPA	U.S. Environmental Protection Agency
FY	Fiscal Year
OIG	Office of Inspector General
U.S.C.	United States Code
SES	Senior Executive Service

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EPA Inspector General Hotline

1200 Pennsylvania Avenue, NW (2431T)
 Washington, DC 20460
 (888) 546-8740
 (202) 566-2599 (fax)
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EPA Office of Inspector General

1200 Pennsylvania Avenue, NW (2410T)
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 (202) 566-2391
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Message to Congress

The U.S. Environmental Protection Agency's (EPA's) Office of Inspector General (OIG) is pleased to present this semiannual report for the period ending September 30, 2018. The work produced by the OIG the past 6 months was broad in scope and deep in rigor. The results are a direct reflection of my predecessor, Inspector General Arthur A. Elkins Jr., who, after more than 8 years, retired on October 12, 2018. As acting Inspector General, my mission—with the indispensable aid of a staff of high talents and substantial experience—is to continue to advance the EPA OIG as an independent oversight organization trusted to speak truth and promote good governance and, by doing so, contribute to improved human health and the environment.



Charles J. Sheehan

The EPA OIG confronts ever-increasing pressures to address significant issues of the day in the face of constrained budgets generally trending downward. Since 2014, our annual budget has shrunk over \$1 million dollars. In fiscal year (FY) 2018, we received an unprecedented number of congressional requests to audit and investigate. Against the backdrop of much ongoing work, our charge in FY 2018 was to balance important and competing interests and make difficult decisions about accepting new requests—which could displace ongoing work. At the same time, audits mandated by Congress, more of which are gradually added to our plate over time, limit our flexibility to accept even worthy requests. Nonetheless, despite twin constraints of a tight budget and required reports narrowing the band of issues that we can tackle at our discretion, the EPA OIG continues to generate an impressive body of accomplishments.

Our Core: Integrity, Health and Environmental Concerns

Our investigators, auditors, evaluators and other staff marshalled collective efforts to comprehensively and carefully—yet expeditiously—address a range of matters related to Scott Pruitt, the EPA Administrator until July 2018. These matters included potential threats made against him; his travel, calendars and security detail; his hiring, reassignment and demotion of staff; and alleged misuse of his position. Although some requested work was not initiated or able to be completed due to Administrator Pruitt's resignation, two significant audits were released. While assessing the Administrator's use of hiring authorities under the Safe Drinking Water Act, we found that six employees received substantial pay increases along with conversions of their positions. We issued a "management alert" to so notify the agency while our broader audit work on the matter continues. In addition, our audit of the Administrator's Protective Service Detail found that the agency had no approved standard operating procedures to address the level of protection required or how those services are provided.

Other OIG work impacted how the EPA can intervene to help protect communities from drinking water contamination, the health of our children in schools and the oversight of automobile emissions. A key report looked at lapses by the EPA when responding to water contamination in Flint, Michigan, including a recommendation that the EPA establish controls to verify that states are monitoring compliance with all Lead and Copper Rule requirements, which could improve the quality and safety of our drinking water nationwide. By using lessons learned from the Flint crisis, the agency can establish clear oversight roles,

implement an effective system to evaluate risk, and improve the effectiveness of monitoring in the event of a similar situation.

In another audit, we found that EPA regions significantly reduced or eliminated resources for their asbestos programs, including inspecting for asbestos in schools. Without inspections, the EPA cannot

know whether schools pose an actual risk of asbestos exposure to children and staff. We also assessed whether the EPA has implemented stronger controls to detect instances of emissions fraud since Volkswagen was found cheating the emissions testing process in 2015. Our audit found that although the EPA has augmented its testing, further improvements could be made to prevent noncompliance with mobile source regulations, which can lead to excess emissions of pollutants.

Throughout this body of audits, the OIG continues its tradition of fair, balanced reporting. When the facts so warrant, as they frequently did this year, our reports tout agency “noteworthy achievements” or “best practices.” An audit that shows a well-functioning program or operation with no deficiencies—also the case in several instances this year—gives due credit and makes no recommendation for improvements.

Our Influence: OIG Recommendations and Agency Corrective Actions

An especially telling measurement of our impact is the agency’s recognition of the value of our recommendations and investigative findings. Of 170 recommendations for

improvement we made in audit reports in FY 2018, agency leadership agreed with 153 (90 percent). Of 18 Reports of Investigation we referred to the agency in FY 2018, 16 were accepted for action (89 percent).

Lastly, this year—the 40th anniversary of the Inspector General Act—is fresh reinforcement of the value of Inspectors General, who promote and facilitate the efficiency, effectiveness and wise spending of taxpayer dollars. Our office was one of the original 12 OIGs created in 1978. Our community has grown to include 73 Inspectors General who oversee nearly every aspect of the federal government. We look forward to continuing independent and effective oversight of the EPA and the U.S. Chemical Safety and Hazard Investigation Board, as well as working with our Inspector General community on issues cutting across the entire federal government.



Charles J. Sheehan
Acting Inspector General

OIG Accomplishments <i>(this reporting period and fiscal year 2018)</i>	
<ul style="list-style-type: none"> Questioned costs and potential monetary benefits <i>(includes results from single audits)</i> April 1–September 30, 2018: \$3.503 million FY 2018: \$378.243 million 	
<ul style="list-style-type: none"> Total fines and recoveries <i>(includes EPA only and joint investigations)</i> April 1–September 30, 2018: \$1.124 million FY 2018: \$1.651 million 	
<ul style="list-style-type: none"> Reports issued April 1–September 30, 2018: 34 reports FY 2018: 52 reports 	
<ul style="list-style-type: none"> Investigative cases closed April 1–September 30, 2018: 80 cases FY 2018: 134 cases 	
<ul style="list-style-type: none"> Administrative actions resulting from investigative cases April 1–September 30, 2018: 63 actions FY 2018: 106 actions 	
<ul style="list-style-type: none"> Hotline inquiries closed April 1–September 30, 2018: 98 inquiries FY 2018: 221 inquiries 	
<ul style="list-style-type: none"> Hotline inquiries referred for action April 1–September 30, 2018: 180 inquiries FY 2018: 377 inquiries 	

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About EPA and Its Office of Inspector General

U.S. Environmental Protection Agency

The mission of the U.S. Environmental Protection Agency (EPA) is to protect human health and the environment. As America's steward for the environment since 1970, the EPA has endeavored to ensure that the public has air that is safe to breathe, water that is clean and safe to drink, food that is free from dangerous pesticide residues, and communities that are protected from toxic chemicals.

EPA Office of Inspector General

EPA OIG Peer Reviewed

The systems of quality control for the EPA OIG are peer reviewed by another OIG on a regular basis to ensure that the EPA OIG satisfies professional standards. On June 18, 2018, the EPA OIG audit organization received an external peer review rating of *pass*—the highest rating possible. On June 11, 2018, the EPA OIG's investigations office was found to have no deficiencies, as well as to have internal safeguards and management procedures compliant with quality standards. Further details are in Appendix 5.

The Office of Inspector General (OIG), established by the Inspector General Act of 1978, as amended, 5 U.S.C. App. 3, is an independent office of the EPA that detects and prevents fraud, waste and abuse to help the agency protect human health and the environment more efficiently and cost effectively. OIG staff are located at EPA headquarters in Washington, D.C.; the EPA's 10 regional offices; and at Research Triangle Park, North Carolina, and Cincinnati, Ohio. The EPA Inspector General also serves as the Inspector General for the U.S. Chemical Safety and Hazard Investigation Board (CSB). Our vision, mission and goals are as follows:

Vision

Be the best in public service and oversight for a better environment tomorrow.

Mission

Promote economy, efficiency, effectiveness, and prevent and detect fraud, waste, and abuse through independent oversight of the programs and operations of the EPA and CSB.

Goals

1. Contribute to improved human health, safety and environment.
2. Contribute to improved EPA and CSB business practices and accountability.
3. Be responsible stewards of taxpayer dollars.
4. Be the best in government service.

Scoreboard of Results

The information below shows taxpayer return on investment for work performed by the EPA OIG during fiscal year (FY) 2018 compared to FY 2018 annual performance goal targets. All results reported are based on goals and plans established under the Government Performance and Results Act.

Annual Performance Goal 1: Environmental and business outcome actions taken; changes, corrections or improvements made; risks reduced, eliminated or influenced by OIG work	
Target: 196 Reported: 103 (53% of goal)	Supporting measures 4 Environmental/health improvements realized or influenced by OIG work 99 Environmental, chemical safety or business policy, practice or process changes made or decisions implemented 0 Legislative or regulatory changes
Annual Performance Goal 2: Recommendations, challenges, best practices or risks identified for action	
Target: 460 Reported: 759 (165% of goal)	Supporting measures * 34 Certifications, verifications, validations * 235 Recommendations for improvement (including risk identified) 19 Referrals for agency action 7 Unimplemented recommendations identified in issued reports * 462 OIG-identified findings in external reports impacting EPA 2 Beneficial practices identified for potential transfer
Annual Performance Goal 3: Return on investment: potential dollar return as percentage of OIG budget	
Target: 160% of budget Reported: 588% of target	Supporting measures (in millions) OIG budget: \$50.3 Potential return: \$473.1 * \$3.192 Questioned costs \$375.051 Potential monetary benefits identified in reports—excluding questioned costs \$90.990 Monetary actions taken or resolved prior to report issuance \$0.389 Fines, penalties, settlements and restitutions resulting from EPA OIG investigations \$0.936 Actual cost savings identified after report issuance \$1.255 Cost avoidance savings/cost savings identified after report issuance or based on investigative results \$1.261 Fines, penalties, settlements and restitutions resulting from joint investigations between EPA OIG and other entities
Annual Performance Goal 4: Criminal, civil and administrative actions reducing risk, and loss of resources and operational integrity taken or influenced by OIG work	
Target: 87 Reported: 330 (379% of goal)	Supporting measures 85 Allegations disproved 6 Indictments, informations and complaints 4 Convictions 1 Civil action 87 Administrative actions taken (other than debarments or suspensions) 19 Suspension or debarment actions 128 Fraud briefings conducted
Other (no targets established)	
Savings and recommendations sustained (can include sustained costs for recommendations from prior fiscal year reports): <ul style="list-style-type: none"> * 222 sustained environmental or business recommendations (resolved or agreed-to) for action * \$9.125 million in sustained questioned costs * \$375.05 million in sustained potential monetary benefits 	

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

* These measures include single audits, which are generally audits of nonfederal entities performed by private firms. Further details on single audits are on page 38.

FY 2018 EPA Management Challenges Issued

Report No. [18-N-0174](#), issued May 8, 2018

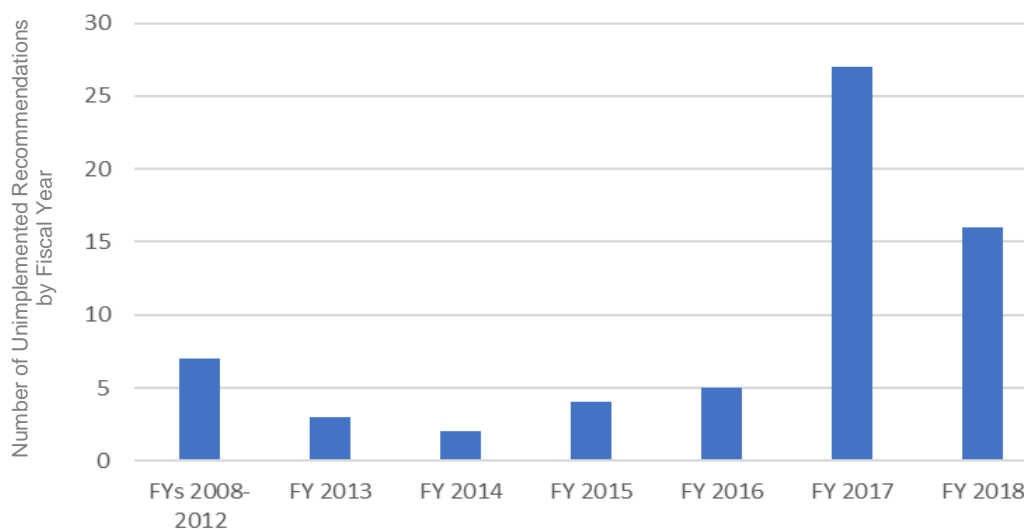
Attention to agency management challenges—areas with greater vulnerability to waste, fraud, abuse and mismanagement—could result in better protection for the public and increased confidence in management integrity and accountability. As required by the Reports Consolidation Act of 2000, the OIG identified the following issues as the EPA’s key management challenges for FY 2018:

- **The EPA Needs to Improve Oversight of States, Territories and Tribes Authorized to Accomplish Environmental Goals:** The EPA has made important progress, but our work continues to identify challenges throughout agency programs and regions, and many of our recommendations are still not fully implemented.
- **The EPA Needs to Improve Its Workload Analysis to Accomplish Its Mission Efficiently and Effectively:** The EPA needs to better identify its workload needs so that it can more effectively prioritize and allocate limited resources to accomplish its work.
- **The EPA Needs to Enhance Information Technology Security to Combat Cyber Threats:** Though the EPA continues to initiate actions to strengthen or improve its information security program, the agency lacks a holistic approach to managing accountability over its contractors. It also lacks follow-up on whether corrective actions are taken.
- **The EPA Needs to Improve on Fulfilling Mandated Reporting Requirements:** The agency faces challenges in tracking and submitting reports mandated by law that contain key program information for Congress, the EPA Administrator and the public.
- **The EPA Needs Improved Data Quality for Program Performance and Decision-Making:** Poor data quality negatively impacts the EPA’s effectiveness in overseeing programs that directly impact public health.

Status of OIG Unimplemented Recommendations

OIG audits provide recommendations to help improve EPA program offices and regions. Benefits for the agency and the public are realized through the implementation of these recommendations. To encourage continued progress on completing management action, we analyzed the list of unimplemented recommendations in Appendix 3 and provide the results of that analysis below. Unimplemented recommendations include those for which implementation is past due, as well as those that are due in the future.

Unimplemented Recommendations as of September 30, 2018
(presented by fiscal year issued)



For the semiannual reporting period ending September 30, 2018, the EPA had 64 unimplemented recommendations, and the CSB had one unimplemented recommendation in that same period. The potential monetary benefits of these recommendations for the EPA and CSB are approximately \$86 million and \$402,000, respectively. The table below shows the status of the recommendations, which fall into five categories. The CSB report is included in the “Management and Operations” category.

Category	Total	
	No. of recommendations	Potential monetary benefits (in \$000s)
1. Management and Operations	34	\$45,714
2. Water Issues	7	0
3. Environmental Contamination and Cleanup	8	27,800
4. Toxics, Chemical Safety and Pesticides	12	0
5. Air Quality	4	13,000
Total	65	\$86,514

For each category, we include the benefit(s) of implementing each recommendation as one or more of the following: (1) improved human health and the environment, (2) more effective and efficient operations and (3) potential monetary benefits.

Category 1 Management and Operations

The 34 unimplemented recommendations in this category were issued within the following 14 reports and offer the potential for more effective and efficient operations, as well as potential monetary benefits of \$45.7 million:

- Improved oversight of:
 - Companies with multiple cleanup liabilities that self-insure (Report No. [18-P-0059](#)).
 - Project managers without the appropriate information technology certification (Report No. [18-F-0039](#)).
 - Leave bank program (Report No. [17-P-0374](#)).
 - Use of religious compensatory time (Report No. [16-P-0333](#)).
 - Hawaii water quality grants (Report No. [16-P-0218](#)). *The potential monetary benefit of this unimplemented recommendation is \$8.3 million.*
 - CSB future leasing with the General Services Administration (Report No. [16-P-0179](#)). *The potential monetary benefit of this unimplemented recommendation is \$0.4 million.*
 - Grants execution in the U.S. Virgin Islands (Report No. [15-P-0137](#)). *The potential monetary benefit of this unimplemented recommendation is \$37 million.*
 - Emergency and Rapid Response Contracts (Report No. [14-P-0109](#)).
 - Reassessment of the Community-Focused Exposure and Risk Screening Tool (Report No. [17-P-0378](#)).

- Institutionalization of the Lean program to reap cost and time benefits (Report No. [17-P-0346](#)).

- Better processes for information technology regarding:
 - Integration and use of cloud services (Report No. [15-P-0295](#)).
 - Information security vulnerability program (Report No. [15-P-0290](#)).
 - Determining whether infrastructure-as-a-service contracts are in the agency's best interest (Report No. [14-P-0332](#)).
 - Internal controls for applications management (Report No. [10-1-0029](#)).

Category 2 Water Issues

The seven unimplemented recommendations in this category were issued within the following four reports and offer the potential for improved human health and the environment, as well as more effective and efficient operations:

- Share the EPA's voluntary WaterSense program practices with the agency's Program Management Improvement Officer (Report No. [17-P-0352](#)).
- Provide leadership and better guidance to improve fish advisory risk communications (Report No. [17-P-0174](#)).
- Assess environmental and economic benefits of completed Clean Water State Revolving Fund green projects (Report No. [16-P-0162](#)).
- Revise outdated or inconsistent EPA/state clean water memorandums of agreement (Report No. [10-P-0224](#)).

Category 3 Environmental Contamination and Cleanup

The eight unimplemented recommendations in this category were issued within the following six reports and offer the potential for improved human health and the environment, more effective and efficient operations, and potential monetary benefits of \$27.8 million:

- Make enhancements to EPA reporting software for noncompliant facilities (Report No. [18-P-0001](#)).
- Assure distribution of Superfund human resources supports current regional workload (Report No. [17-P-0397](#)).
- Improve oversight of the Underground Storage Tank/Leaking Underground Storage Tank program for the U.S. Virgin Islands (Report No. [15-P-0137](#)).
- Revise risk management inspection guidance to recommend minimum inspection scope and provide detailed examples of minimum reporting (Report No. [13-P-0178](#)).
- Enter into memorandums of agreement that address oversight of municipalities conducting inspections of underground storage tanks (Report No. [12-P-0289](#)).
- Make better use of Stringfellow Superfund Special Accounts (Report No. [08-P-0196](#)). *The potential monetary benefit of this unimplemented recommendation is \$27.8 million.*

Category 4 Toxics, Chemical Safety and Pesticides

The 12 unimplemented recommendations in this category were issued within the following seven reports and have the potential for improved human health and the environment:

- Effectively manage state pesticide cooperative agreements and reduce risk of misuse (Report No. [18-P-0079](#)).
- Reduce risks from illegal pesticides by effectively identifying imports for inspection and sampling (Report No. [17-P-0412](#)).
- Assess needs and implement management controls to ensure effective incorporation of chemical safety research products (Report No. [17-P-0294](#)).
- Strengthen oversight of herbicide resistance with better management controls (Report No. [17-P-0278](#)).
- Take additional measures to prevent deaths and serious injuries from residential fumigation (Report No. [17-P-0053](#)).
- Assure continued effectiveness of hospital-level disinfectants (Report No. [16-P-0316](#)).
- Establish criteria and procedures outlining what chemical or classes of chemicals will undergo risk assessments (Report No. [10-P-0066](#)).

Category 5 Air Quality

The four unimplemented recommendations in this category were issued within the following three reports and have the potential for improved human health and the environment, and potential monetary benefits of \$13 million:

- Improve data and oversight to assure compliance with the standards for benzene content in gasoline (Report No. [17-P-0249](#)).
- Prioritize and update existing oil and gas production emission factors and develop new factors for processes that do not currently have emission factors (Report No. [13-P-0161](#)).
- Update the fees rule to recover more motor vehicle and engine compliance program costs (Report No. [11-P-0701](#)). *The potential monetary benefit of this unimplemented recommendation is \$13 million.*

Acting Administrator Wheeler Emphasizes Need for Cooperation with OIG

In an email issued August 8, 2018, to all agency employees, acting Administrator Andrew Wheeler emphasized the need for all EPA staff to cooperate with the OIG.

“I recognize the important role that the Office of Inspector General serves in preventing and identifying fraud, waste and abuse in EPA programs and operations,” Wheeler said in the email, which was prefaced with the subject line *Cooperating with the Office of Inspector General*. He continued, “One of the ways we ensure accountability deserving of the public’s trust is through the review and oversight carried out by the OIG. This important work enables us all to be more effective in achieving the agency’s mission with the resources and authorities provided by Congress.”

As the message noted, “The OIG is an independent office within the EPA and, to meet its statutory mandate under the Inspector General Act, the OIG requires information and assistance from EPA managers and staff on a regular basis.” Consequently, Wheeler stressed, “It is imperative and expected that agency personnel provide the OIG with access to personnel, facilities and records or other information or material that is needed by the OIG to accomplish its mission.” In addition, Wheeler said that he expects “all employees to report fraud, waste and abuse to the OIG. ... Each employee taking the responsibility to report activity to the OIG which appears wasteful or illegal is one of the most important and successful means the OIG has for identifying and stopping wrongdoing.”

Furthering EPA's Efforts

When conducting our audit work during the second half of FY 2018, we considered the EPA's key areas of effort. The table below shows how our reports on the EPA aligned with these areas.

OIG-Issued Reports — Linkage to Key EPA Areas of Effort

OIG report	Report no.	Improving air quality	Ensuring clean/safe water	Cleaning up/ revitalizing land	Ensuring safety of chemicals	Improving EPA research programs	Compliance with the law	Partnering with states/ others	Operating efficiently/ effectively
EPA's Safe and Sustainable Water Resources Research Program Is Delivering Timely and Relevant Data to the Office of Water	18-P-0151		X			X			
EPA Complied with Improper Payments Elimination and Recovery Act Requirements	18-P-0153						X		
Management Alert - Salary Increases for Certain Administratively Determined Positions	18-N-0154								X
EPA's Fiscal Year 2018 Management Challenges	18-N-0174	X	X	X	X	X	X	X	X
EPA Region 5 Needs to Better Protect Information Technology Property, and Areas for Agencywide Improvement Exist	18-P-0176								X
EPA Did Not Identify Volkswagen Emissions Cheating; Enhanced Controls Now Provide Reasonable Assurance of Fraud Detection	18-P-0181	X					X		
Atlanta Is Largely in Compliance with Its Combined Sewer Overflow Consent Decree, but Has Not Yet Met All Requirements	18-P-0206		X						
Operational Efficiencies of EPA's Human Resources Shared Service Centers Not Measured	18-P-0207								X
Management Alert - To Minimize Risk of Environmental Harm, the Security Categorization of Electronic Manifest System Data Needs to Be Re-Evaluated	18-P-0217				X				
EPA Complied with the <i>Statement of Federal Financial Accounting Standards No. 47</i> and <i>Treasury Financial Manual, Part 2, Chapter 4700</i>	18-P-0220						X		
Management Weaknesses Delayed Response to Flint Water Crisis	18-P-0221		X				X		
EPA Completed OIG Recommendations for the Presidential Green Chemistry Challenge Awards Program but Lacks Controls over Use of Unverified Results	18-P-0222								X
EPA's Chemical Data Reporting Rule Largely Implemented as Intended, but Opportunities for Improvement Exist	18-P-0226				X		X		
Incomplete Oversight of State Hazardous Waste Rule Authorization Creates Regulatory Gaps and Human Health and Environmental Risks	18-P-0227							X	
Without E-Invoicing and Stronger Payment Process Controls, EPA Is Placing \$1.2 Billion at Risk Annually	18-P-0231								X
EPA's Purchase Card and Convenience Check Program Controls Are Not Effective for Preventing Improper Purchases	18-P-0232								X

OIG report	Report no.	Improving air quality	Ensuring clean/safe water	Cleaning up/ revitalizing land	Ensuring safety of chemicals	Improving EPA research programs	Compliance with the law	Partnering with states/ others	Operating efficiently/ effectively
EPA Needs to Finish Prioritization and Resource Allocation Methodologies for Abandoned Uranium Mine Sites on or Near Navajo Lands	18-P-0233			X					
Without a Process for Monitoring Sensitive Data, EPA Region 4 Risks Unauthorized Access to File Servers and Share Folders	18-P-0234						X		X
EPA's June 2018 Issuance of the Delayed Notice of Availability of Farm Worker Protection Training Materials Will Reduce Risks of Injury and Illness	18-P-0238				X				
EPA Asserts Statutory Law Enforcement Authority to Protect Its Administrator but Lacks Procedures to Assess Threats and Identify the Proper Level of Protection	18-P-0239								X
EPA Needs a Comprehensive Vision and Strategy for Citizen Science that Aligns with Its Strategic Objectives on Public Participation	18-P-0240					X			
EPA Can Strengthen Its Process for Revising Air Quality Dispersion Models that Predict Impact of Pollutant Emissions	18-P-0241	X							
Management Alert - EPA Oversight of Employee Debt Waiver Process Needs Immediate Attention	18-P-0250								X
EPA Needs to Re-Evaluate Its Compliance Monitoring Priorities for Minimizing Asbestos Risks in Schools	18-P-0270						X	X	
Delayed Cleanup of Asbestos Debris at the Old Davis Hospital Site Necessitates Changes for EPA Region 4 and North Carolina	18-P-0271			X				X	
Measures and Management Controls Needed to Improve EPA's Pesticide Emergency Exemption Process	18-P-0281				X				
Collecting Additional Performance Data from States Would Help EPA Better Assess the Effectiveness of Vehicle Inspection and Maintenance Programs	18-P-0283	X							
EPA Paid \$14.5 Million to Foreign Fellows that Could Have Funded Research by U.S. Citizens or Permanent Residents	18-P-0288					X			
Management Alert: EPA's Incident Tracking System Lacks Required Controls to Protect Personal Information	18-P-0298								X

Status of Whistleblower Retaliation and Interference with Independence

Whistleblower Retaliation

Section 5(a)(20) of the Inspector General Act of 1978, as amended, requires a detailed description of any instances of whistleblower retaliation noted by the EPA OIG. This requirement includes information about an official found to have engaged in retaliation and the consequences the agency imposed to hold that official accountable. There were no whistleblower retaliation cases closed within the semiannual period ending September 30, 2018.

Impediments to Independence

Section 5(a)(21) of the Inspector General Act of 1978, as amended, requires a detailed description of any attempt by the establishment (or, in this case, the EPA or the CSB) to interfere with the independence of the EPA OIG. This requirement includes budget constraints designed to limit the OIG's capabilities, as well as incidents where the agency resisted OIG oversight or delayed OIG access to information. The OIG encountered no impediments during this semiannual reporting period.

Significant OIG Activity

Congressionally Requested Activities

Audit Report

Atlanta Is Largely in Compliance with Its Combined Sewer Overflow Consent Decree, but Has Not Yet Met All Requirements

Report No. [18-P-0206](#), issued May 30, 2018

The OIG examined the city of Atlanta, Georgia's compliance with requirements of a 1998 Combined Sewer Overflow Consent Decree. Combined sewer overflows occur



Atlanta's R.M. Clayton Pump Station was built as a result of the city's 1998 Combined Sewer Overflow Consent Decree. (EPA OIG photo)

when untreated or partially treated waste, toxic materials and debris mix with stormwater and flow into waterbodies. The decree also addresses sanitary sewer overflows that occur when sewage escapes sewer systems. The city completed its combined sewer overflow consent decree capital improvement projects by 2008 and complied with reporting requirements, but it has not yet achieved all consent decree requirements. The combined sewer overflow continues to have periodic permit violations due to high levels of fecal coliform, operations-related errors leading to high levels of chlorine in treated wastewaters, and missed water quality tests. Sanitary sewer overflows

also continue to occur, with untreated household and human waste being released into city streets and surface waters. The city has until 2027 to achieve all sanitary sewer consent decree requirements. We made no recommendations.

Investigations

EPA Administrator's Resignation Leaves Investigation into Allegation of Gift Inconclusive

The OIG conducted an administrative investigation into EPA Administrator Scott Pruitt's lodging agreement with a lobbyist's wife that allegedly constituted a gift. Investigators interviewed witnesses and reviewed records pertaining to the lodging agreement, which involved the Administrator renting a room in a townhouse owned by a lobbyist's wife. Mr. Pruitt resigned prior to being interviewed by investigators. For that reason, the OIG deemed that the result of the investigation was inconclusive. The case will be closed.

EPA Administrator’s Resignation Leaves Investigation into Improper Use of Position Inconclusive

The OIG investigated the following allegations: that EPA Administrator Scott Pruitt had subordinates at the EPA assist him in finding personal housing; that he used his official position and EPA staff to seek a “business opportunity” for his wife with Chick-fil-A, a fast-food restaurant chain; that he enlisted subordinates at the EPA to secure a mattress for his personal use; and that he had his security detail run errands for him. Investigators interviewed witnesses and reviewed records. Mr. Pruitt resigned prior to being interviewed by investigators. For that reason, the OIG deemed that the result of the investigation was inconclusive. The case will be closed.

Allegation of Senior Executive Service Employee Nonperformance of Work Duties Not Supported

A Senior Executive Service (SES)-level employee allegedly did not attend work or perform work duties from November 2017 through January 2018. It was also alleged that the subject had subordinates conduct menial tasks. Investigators interviewed witnesses, who stated that the employee was often in the EPA office and attended meetings during that time frame. Investigators reviewed records, which showed that the employee worked during the time specified. Witnesses also stated that the employee did not have subordinates conduct menial tasks. During an interview, the subject denied both allegations. The allegations were not supported.

Allegation of EPA Ethics Officials Being Improperly Pressured Not Supported

The OIG conducted an administrative investigation into whether EPA ethics officials were improperly pressured by EPA officials to render opinions pertaining to EPA Administrator Scott Pruitt’s lodging agreement. Investigators interviewed potential victims, who stated that they did not feel pressured into rendering opinions pertaining to the lodging agreement. A review of records showed nothing of investigative merit supporting the allegation. The allegation was not supported.

Briefings, Requests and Inquiries

During this reporting period, the OIG provided 10 briefings to Congress on the OIG’s work. Specific OIG work receiving considerable congressional interest included that related to the various allegations against Administrator Scott Pruitt and his staff. During the reporting period, the OIG also received many congressional requests for specific data.

Human Health and Environmental Issues

Management Weaknesses Delayed Response to Flint Water Crisis

Report No. [18-P-0221](#), issued July 19, 2018

In October 2016, the OIG issued a [Management Alert](#) to the EPA about specific factors that delayed the agency's emergency response to contamination in the community water system for the city of Flint, Michigan. Our subsequent and final report, issued July 19, 2018, provided further details about implementation and oversight lapses by the EPA, state of Michigan and city of Flint. We found that EPA Region 5 did not implement management controls that could have facilitated more informed and proactive decision-making when Flint and the Michigan Department of Environmental Quality did not properly implement the Lead and Copper Rule. For example, the region did not establish clear oversight roles and responsibilities and did not have an effective system to evaluate risk. We also found that the EPA should strengthen its oversight of state drinking water programs to improve the efficiency and effectiveness of the agency's response to drinking water emergencies.

A [podcast, video and slideshow](#) on the Flint water crisis report are available.

We recommended that EPA headquarters and Region 5 use lessons learned from Flint to improve oversight of Safe Drinking Water Act compliance. We also recommended that EPA headquarters revise the Lead and Copper Rule to improve the effectiveness of monitoring requirements. The EPA provided adequate corrective actions for eight of our nine recommendations. The unresolved recommendation—to establish controls to annually verify that states are monitoring compliance with all Lead and Copper Rule requirements—could improve compliance with the Lead and Copper Rule nationwide. Efforts to resolve this recommendation are ongoing.



Left photo: Lead service lines showing inner surface without any coating (left), coated with a corrosion inhibitor (right) and fully corroded (middle). (EPA photo)

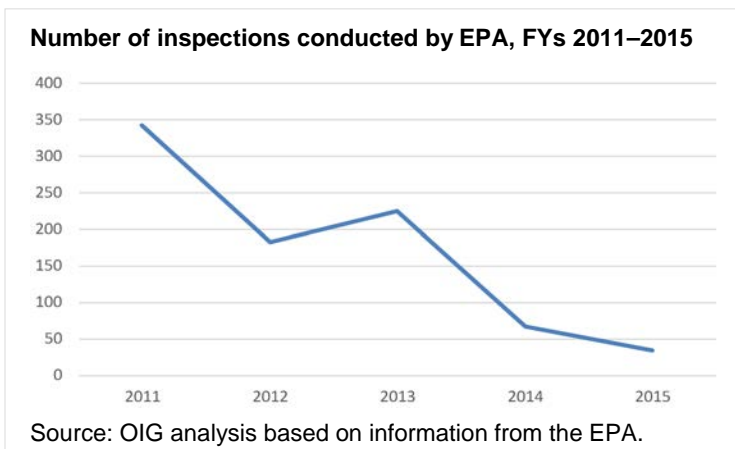
Right photo: Flint Water Treatment Plant. (EPA OIG photo)

EPA Needs to Re-Evaluate Its Compliance Monitoring Priorities for Minimizing Asbestos Risks in Schools

Report No. [18-P-0270](#), issued September 17, 2018

Even though the EPA was responsible for conducting Asbestos Hazard Emergency Response Act compliance inspections in schools for the majority of states, it conducted fewer inspections overall than the states responsible for their own inspections. From FYs 2011 through 2015, the EPA conducted 13 percent of pertinent asbestos inspections, whereas

A [podcast](#) on the asbestos in schools report is available.



states with jurisdiction over their own inspections performed 87 percent. Without the inspections, the EPA cannot know whether schools pose an actual risk of asbestos exposure to students and personnel. EPA regions have either significantly reduced or eliminated resources for their asbestos programs, due largely to competing priorities. Five of the 10 regions only inspect for asbestos in schools when they receive asbestos-related tips or

complaints. We made various recommendations for the EPA to improve its asbestos monitoring efforts, and the agency agreed to take acceptable corrective actions.

EPA Did Not Identify Volkswagen Emissions Cheating; Enhanced Controls Now Provide Reasonable Assurance of Fraud Detection

Report No. [18-P-0181](#), issued May 15, 2018

Since the discovery of Volkswagen's emissions fraud in 2015, the EPA has enhanced its testing process to detect emissions

A [podcast](#) on the report about the EPA's controls to detect vehicle emissions fraud is available.



Vehicle equipped with Portable Emissions Monitoring System to measure on-road vehicle exhaust emissions. (EPA OIG photo)

noncompliance in cars and trucks weighing up to 14,000 pounds (i.e., the *light-duty vehicle sector*). Noncompliance can and has led to excess emissions of pollutants, which have significant negative impacts on human health and the environment. However, we found that the EPA could strengthen controls to better address strategic risks and achieve compliance with emissions regulations. The agency agreed with our seven recommendations, including formalizing the role of special testing and tracking compliance issues.

Measures and Management Controls Needed to Improve EPA's Pesticide Emergency Exemption Process

Report No. [18-P-0281](#), issued September 25, 2018

The EPA grants federal and state agencies authority in certain emergency situations to approve emergency exemptions that allow the limited application of a pesticide for an unregistered use. However, the EPA does not have outcome measures to determine how



Citrus greening (a bacterial disease) occurring on a Florida citrus tree. (U.S. Department of Agriculture photo)

well the emergency exemption process maintains human health and environmental safeguards. In addition, the agency does not have comprehensive internal controls to manage the emergency exemption data it collects, nor does it consistently communicate emergency exemption information with stakeholders. Of our eight recommendations, the EPA proposed corrective actions that meet the intent of three; the remaining five are unresolved with resolution efforts in progress.

EPA Can Strengthen Its Process for Revising Air Quality Dispersion Models that Predict Impact of Pollutant Emissions

Report No. [18-P-0241](#), issued September 5, 2018

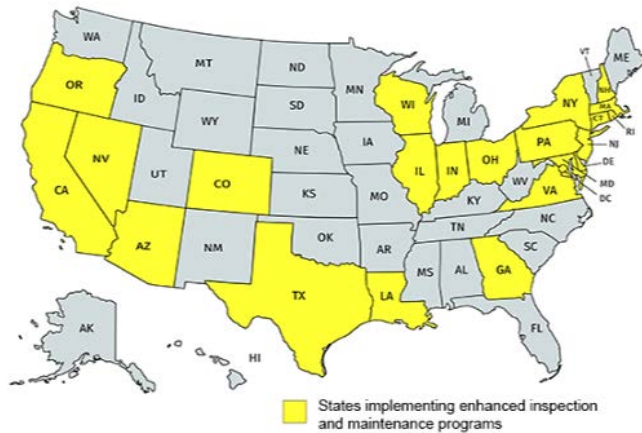
Although the EPA had guidance on recommended procedures for reviewing the development and evaluation of new air quality dispersion models, similar guidance was not available for model revisions. Air quality dispersion models predict the air quality impact of pollutants released into the atmosphere. Standard operating procedures and quality assurance project plans (or equivalent documents) for model revisions help assure consistent application of quality assurance and control activities. However, from 2006 through 2016, the EPA issued 12 Model Change Bulletins for the dispersion model it prefers to use for regulatory purposes (the American Meteorological Society/EPA Regulatory Model), but the quality assurance and control activities for these revisions were not as extensive as what EPA guidance recommends for new model development. The agency agreed to take corrective actions to provide better guidance and planning documents for model revisions.



The American Meteorological Society/EPA Regulatory Model is the preferred model for estimating the impact of mobile source emissions—such as from highway traffic—on air quality. (U.S. Department of Transportation photo)

Collecting Additional Performance Data from States Would Help EPA Better Assess the Effectiveness of Vehicle Inspection and Maintenance Programs

Report No. [18-P-0283](#), issued September 25, 2018



The 23 states with enhanced inspection and maintenance programs. (EPA OIG image)

The EPA should collect additional program performance data to better assess the effectiveness of enhanced inspection and maintenance programs. Vehicles that are poorly maintained or have malfunctioning emission controls contribute to pollutant emissions in the air. Our audit found that nine states did not conduct the required biennial program evaluations to assess the effectiveness of their programs, and four other states did not conduct the required on-road testing to obtain information about the performance of in-use vehicles. We recommended that the EPA take

actions to assure consistent and effective implementation of their programs, assist states in complying with requirements, and conduct outreach to states as needed. The EPA agreed with our recommendations and provided acceptable corrective actions.

Incomplete Oversight of State Hazardous Waste Rule Authorization Creates Regulatory Gaps and Human Health and Environmental Risks

Report No. [18-P-0227](#), issued July 31, 2018

Most states are authorized to implement the majority of new required hazardous waste rules promulgated by the EPA under the Resource Conservation and Recovery Act.

However, states and the EPA have taken from less than 1 year to more than 31 years to complete the authorization process. No state has been authorized by the EPA for all required rules. For the 173 required rules, the number not authorized ranges from six to 98 per state.

Further, the EPA has not defined authorization goals to track program performance. We recommended that the EPA identify, prioritize and track

rules for which states have not sought authorization and take steps to improve the authorization process. The agency agreed with the recommendations and is acting to have those rules authorized.



Cleanup of potential hazardous waste at the Nogales Wash in Arizona. (EPA photo)

EPA Needs to Finish Prioritization and Resource Allocation Methodologies for Abandoned Uranium Mine Sites on or Near Navajo Lands

Report No. [18-P-0233](#), issued August 22, 2018

The EPA has taken steps to develop a prioritization methodology for cleaning up the approximately 50 abandoned uranium mine sites on or near Navajo Nation lands that are



An EPA contractor and college interns collecting water and sediment samples in the Arizona Cove Wash in April 2017. (EPA photo)

part of a 2015 settlement with a chemical company, Tronox Incorporated. Approximately \$1 billion is in a special account for cleaning up these sites in Arizona and New Mexico. In conjunction with the Navajo Nation and other stakeholders, the EPA has developed a system for identifying immediate risks and has been gathering data needed to complete prioritization for site cleanups. Site prioritization will aid EPA-initiated actions at locations where there is imminent danger. EPA Regions 6 and 9 agreed on a timeline to complete key activities. It is critical that the EPA meet its milestones, and we recommended that

the agency complete necessary site removal evaluations and implement prioritization and resource allocation methodologies.

EPA Needs a Comprehensive Vision and Strategy for Citizen Science that Aligns with Its Strategic Objectives on Public Participation

Report No. [18-P-0240](#), issued September 5, 2018

Although citizen science is carried out throughout the EPA, the agency has not developed controls necessary to manage it agencywide. In particular, the agency has not provided a clear vision or means for using results. Citizen science is a form of open collaboration in which individuals or organizations participate voluntarily in the scientific process in various ways, including collecting and analyzing data, to enable members of the public to participate and support EPA programs. Absent sufficient controls, the EPA cannot undertake a systematic effort to analyze the risks and opportunities that citizen science presents. Barriers to effectively using its citizen science results include the lack of a comprehensive vision and support from senior management, and a lack of understanding and buy-in. We made recommendations to establish a strategic vision and objectives for citizen science, as well as various improvements, and the agency agreed with our recommendations.

Spectrum of citizen science uses



OIG-generated image based on 2016 National Advisory Council for Environmental Policy and Technology report.

Delayed Cleanup of Asbestos Debris at the Old Davis Hospital Site Necessitates Changes for EPA Region 4 and North Carolina

Report No. [18-P-0271](#), issued September 18, 2018

EPA Region 4 and the state of North Carolina followed appropriate procedures at the Old Davis Hospital site in Statesville, North Carolina, regarding asbestos removal, but we questioned the

A [podcast](#) on the Old Davis Hospital asbestos report is available.



Debris pile in the basement area of the Old Davis Hospital demolition site as of June 2016. (EPA photo)

timeliness of the removal. In late October 2015, personnel from the state observed piles of debris at the site suspected of containing asbestos, which they later verified. However, it took over 7 months for the state to request EPA assistance in performing removal of asbestos at the site—in early June 2016—during which time there was a potential threat of asbestos exposure for nearby residents. We recommended that EPA Region 4, in coordination with North Carolina, take various steps to improve future remediation efforts at other locations in the state, and the agency concurred.

EPA’s Chemical Data Reporting Rule Largely Implemented as Intended, but Opportunities for Improvement Exist

Report No. [18-P-0226](#), issued July 27, 2018

While the EPA conducts quality checks of the chemical information submitted by companies under the Chemical Data Reporting Rule, the agency lacked documented policies and procedures that specify how to select and conduct these checks. The EPA uses Chemical Data Reporting data to prioritize imported and manufactured chemicals for the purpose of identifying their potential risks to human health and the environment.

Primary goals of the Chemical Data Reporting rulemaking

	Goal
1	Tailor the Chemical Data Reporting information collected to better meet the EPA’s overall information needs.
2	Increase the EPA’s ability to effectively provide public access to Chemical Data Reporting information.
3	Obtain new and updated information relating to potential exposures to a subset of chemical substances listed on the Toxic Substances Control Act Inventory.
4	Improve the usefulness of the information reported.

Source: *Toxic Substances Control Act Inventory Update Reporting Modifications; Chemical Data Reporting (Final Rule)*.

The EPA also uses on-site inspections and other tools to monitor companies’ compliance with the rule and takes enforcement action when violations are identified. We recommended that the agency develop and implement a policy or procedure for data quality checks, which will help prevent the loss of institutional knowledge resulting from staff turnover or absence. The agency concurred with our recommendation.



An EPA employee sampling filtered water for assessment of filter efficacy. (EPA photo)

EPA’s Safe and Sustainable Water Resources Research Program Is Delivering Timely and Relevant Data to the Office of Water

Report No. [18-P-0151](#), issued April 9, 2018

The EPA Office of Research and Development’s Safe and Sustainable Water Resources research products were generally delivered in a timely fashion. We found that 100 percent of the program’s research products were completed by the expected due date. We also found that the products were relevant to the EPA’s efforts to protect America’s waters. Therefore, we made no recommendations regarding the program.

EPA’s June 2018 Issuance of the Delayed Notice of Availability of Farm Worker Protection Training Materials Will Reduce Risks of Injury and Illness

Report No. [18-P-0238](#), issued August 30, 2018

Per the 2015 revision of the Agricultural Worker Protection Standard, the EPA was to publish a Notice of Availability in the Federal Register to inform stakeholders when expanded training materials were available. We found that the EPA did not publish the notice as required. As a result, agricultural workers, pesticide handlers and employers did not have the most recent information about the revised standard, designed to reduce the risk of injury and illness from pesticide exposure. On June 22, 2018, after the start of this audit, the EPA published the notice for the expanded 2015 revised training materials, so we made no recommendations.



Migrant worker picks peaches.
(U.S. Department of Defense photo)

Agency Business Practices and Accountability

Management Alert: Salary Increases for Certain Administratively Determined Positions

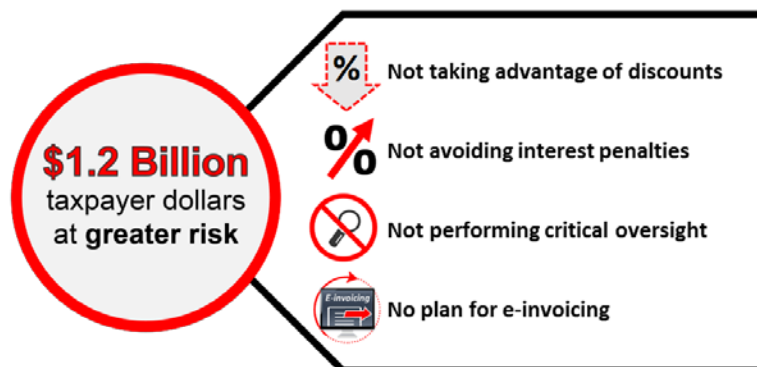
Report No. [18-N-0154](#), issued April 16, 2018

Our audit of administratively determined positions in the Office of the Administrator identified six employees whose files contained at least three *Request for Personnel Action* forms and the corresponding *Notification of Personnel Action* indicating employee position conversions and substantial pay increases. For example, one person was hired as an administratively determined appointment, converted to a Schedule C appointment and converted back to an administratively determined appointment. This employee received a 67 percent salary increase—from \$97,956 to \$164,200, a total increase of \$66,244—in under 13 months. Our management alert made no recommendations, as audit work is continuing.

Without E-Invoicing and Stronger Payment Process Controls, EPA Is Placing \$1.2 Billion at Risk Annually

Report No. [18-P-0231](#), issued August 16, 2018

The EPA can maximize the efficiency of its contract invoice payment process by implementing an electronic invoicing system, as required by the Office of Management and Budget, and by performing critical oversight duties related to the review and processing of invoices. Also, the EPA can save money by paying invoices in a timely manner to avoid interest penalties and by taking prompt payment discounts when offered.



Depiction of taxpayer funds placed at greater risk. (EPA OIG image)

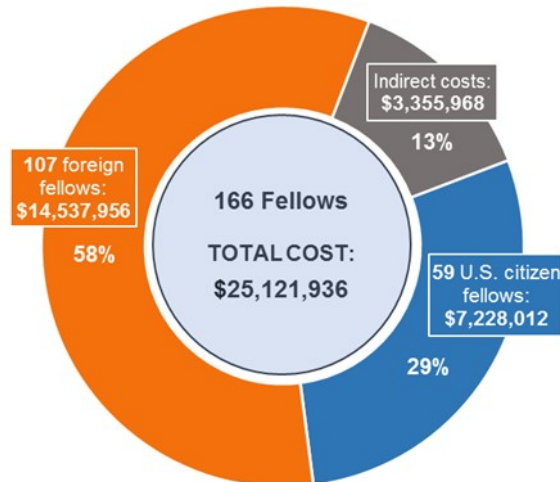
From October 1, 2015, to September 30, 2017, the EPA paid out more than \$2.4 billion in contract invoice payments for 55,549 contract invoices, an average of \$1.2 billion annually. If the EPA does not improve its payment process controls, these tax dollars will remain vulnerable to waste, fraud and abuse. The agency agreed with our final report recommendations.

EPA Paid \$14.5 Million to Foreign Fellows that Could Have Funded Research by U.S. Citizens or Permanent Residents

Report No. [18-P-0288](#), issued September 26, 2018

Of the 166 fellows hosted at EPA laboratories over an 11-year period under EPA cooperative agreements awarded to the National Academy of Sciences, 107 of those fellows (64 percent) were foreign nationals rather than citizens or permanent residents of the United States. Those

A [podcast](#) on the fellowship program report is available.



National Academy of Sciences foreign national fellows and funding over 11 years. (EPA OIG analysis of National Academy of Sciences data)

fellows totaled \$14.5 million. The EPA requires U.S. citizenship or permanent residency when it directly awards fellowships, but did not require that for fellowships awarded by third parties—nonprofit organizations—to whom the EPA provides funds through cooperative agreements for the awarding of fellowships. Also, we noted that fellowship expenses reported to the EPA from two of the nonprofit organizations audited were sometimes inaccurate, resulting in \$11,965 in overpayments for two fellows. We recommended that the EPA stipulate in future cooperative agreements that fellowships only be awarded to U.S. citizens or those meeting U.S. residency requirements, and the agency concurred.

Management Alert: EPA Oversight of Employee Debt Waiver Process Needs Immediate Attention

Report No. [18-P-0250](#), issued September 12, 2018

We initiated an audit to determine whether the EPA properly collects salary overpayments from employees. Although our audit is ongoing, we issued a management alert to notify the EPA about internal control weaknesses that failed to detect 18 EPA employee debt waiver requests totaling \$22,015. The agency has taken several actions to improve debt waiver processing, but underlying issues have not been fully addressed. The EPA agreed to analyze and manage open debt waiver requests and implement standard operating procedures for processing those requests. Although the agency disagreed with our recommendation to record individual accounts receivable for each employee debt, it adopted a new procedure to record accounts receivable on a quarterly basis.



The EPA failed to detect 18 employee debt waiver requests. (EPA OIG image)

Management Alert: To Minimize Risk of Environmental Harm, the Security Categorization of Electronic Manifest System Data Needs to Be Re-Evaluated

Report No. [18-P-0217](#), issued June 21, 2018

The EPA categorized the sensitivity of the information within its Electronic Manifest system at such a low level that the required security controls would not protect the information within the system to minimize the risk of environmental harm. The Electronic Manifest system was being designed to track shipment of hazardous waste from a generator's site to another site for disposition, and a breach of the system may facilitate terrorist or other criminal activities.

A [podcast](#) on the e-Manifest system report is available.

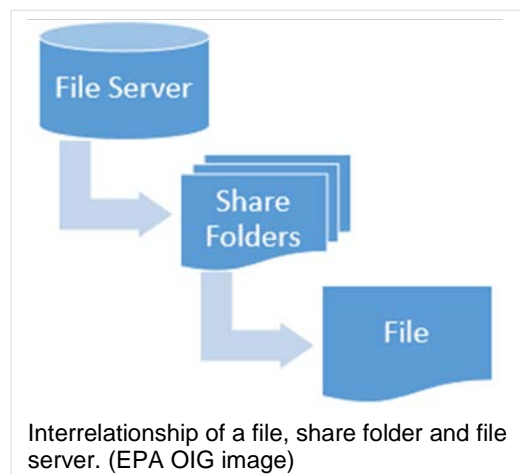
"Chemicals of interest" are hazardous chemicals that the U.S. Department of Homeland Security wants to keep out of the hands of those who would misuse them.

Personnel responsible for categorizing the sensitivity of the system and its information did not sufficiently consider homeland security implications as they relate to "chemicals of interest." Also, the EPA did not consider further uses of the system, such as for use by first responders in the event of an incident involving transport of waste. The EPA agreed to take corrective actions.

Without a Process for Monitoring Sensitive Data, EPA Region 4 Risks Unauthorized Access to File Servers and Share Folders

Report No. [18-P-0234](#), issued August 28, 2018

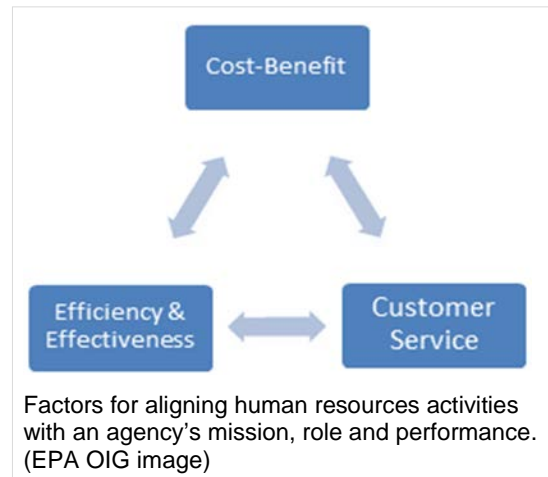
We assessed the EPA's implementation of security controls for agency file servers and found that EPA data were vulnerable to unauthorized access. Specifically, Region 4 did not create procedures to ensure that EPA security control requirements were implemented for file servers and share folders. The lack of procedures, combined with the lack of audit logging or an audit log review process, increased the EPA's risk of unauthorized activity being undetected and uninvestigated. We recommended that Region 4 develop a process for approving and monitoring access to share folder content. The region agreed and completed the proposed corrective action.



Operational Efficiencies of EPA’s Human Resources Shared Service Centers Not Measured

Report No. [18-P-0207](#), issued May 31, 2018

In 2008, the EPA established Human Resources Shared Service Centers in accordance with federal guidance. However, the EPA did not establish baseline metrics or collect data related to performance by the centers. Therefore, neither the agency nor the OIG can determine whether the centers achieved operational efficiencies, savings or improved customer service. There was also no direct correlation between the number of EPA employees serviced by and the number of human resources staff employed at each Shared Service Center and region. In addition, because some policies were outdated, Shared Service Center managers often self-interpreted federal guidance and policies, thus creating confusion and inconsistencies. The agency concurred with our three recommendations to address these findings.



EPA’s Purchase Card and Convenience Check Program Controls Are Not Effective for Preventing Improper Purchases

Report No. [18-P-0232](#), issued August 20, 2018



Laboratory supplies are typical items obtained through one of the sampled purchase card transactions. (EPA OIG photo)

EPA internal controls for purchase cards and convenience checks are not effective. After conducting a risk assessment, we followed up with an audit to determine whether EPA internal controls over the agency’s purchase card and convenience check program are adequate to prevent and detect illegal, improper and erroneous purchases. We found that ineffective oversight contributed to improper purchases totaling \$57,017 from sampled transactions. Although cardholders and approving officials must ensure that purchases comply with federal and agency acquisition and appropriation rules, in most transactions they did not. The EPA agreed to take corrective actions on all 11 of our recommendations.

EPA Completed OIG Recommendations for the Presidential Green Chemistry Challenge Awards Program but Lacks Controls over Use of Unverified Results

Report No. [18-P-0222](#), issued July 20, 2018

In the 2015 audit detailed in Report No. [15-P-0279](#), we found that even though Presidential Green Chemistry Challenge Award results were self-reported by award



Presidential Green Chemistry Challenge Awards on display. (EPA photo)

recipients and were not validated by the agency, they were still included as metrics in agency reports. In this follow-up audit, we verified that the EPA completed the agreed-upon corrective actions from the 2015 report and discontinued using the award results as agency metrics. However, we found that the EPA lacked documented internal controls to prevent the future use of award results, and we recommended that the agency develop such controls. The agency agreed with our recommendation.

EPA Complied with Improper Payments Elimination and Recovery Act Requirements

Report No. [18-P-0153](#), issued April 16, 2018

The EPA complied with requirements of the Improper Payments Elimination and Recovery Act of 2010 and the Office of Management and Budget when reporting improper payments in its FY 2017 Agency Financial Report. The EPA—which reported an estimated \$15.79 million of improper payments for FY 2017—published the required documents and conducted the needed risk assessments. Through compliance with the act, the EPA provides better assurance that efforts are being made to reduce improper payments. No recommendations were made.

EPA Complied with the *Statement of Federal Financial Accounting Standards No. 47* and *Treasury Financial Manual, Part 2, Chapter 4700*

Report No. [18-P-0220](#), issued July 12, 2018

We conducted a preliminary review of the EPA’s classification in the *Treasury Financial Manual, Part 2, Chapter 4700, Appendix 5b*, to confirm the agency’s classification, at the request of the U.S. Department of the Treasury. We found that the EPA’s classification as a consolidating entity is proper and complete. We did not identify any discrepancies with the EPA’s information in Appendix 5b. The EPA concurred.

Investigations

Significant Investigations

Computer Store Owner Charged with Defrauding Federal Agencies via Government Learning Program

On June 20, 2018, Steven E. Mays of Athens, Alabama, was indicted in the U.S. District Court for the Central District of Illinois on four counts of mail fraud, one count each of wire fraud and theft of government property, and interstate transportation of stolen property. These charges stemmed from allegations that Mays fraudulently obtained computer equipment through the U.S. General Services Administration's Computers for Learning Program, which is designed to transfer unused government computers and equipment to schools and educational nonprofit organizations. It is alleged that Mays, a computer store owner, received thousands of computers and related equipment from various federal agencies, including the EPA, which he then sold through his business or on eBay. It is alleged that Mays has received over \$22 million in computers and related equipment from the federal government since 2007, including over \$158,000 from the EPA.

This investigation is ongoing and is being conducted jointly with the U.S. General Services Administration and National Aeronautics and Space Administration OIGs.

EPA Recovers Funds from State Revolving Fund Loan

On June 28, 2018, the EPA recovered \$153,258 after an OIG investigation determined that a Kentucky state employee submitted duplicate invoices to two federal agencies. The city of Campton, Kentucky, was engaged in a sewer improvement project funded by a federally assisted State Revolving Fund loan awarded to the Kentucky Infrastructure Authority by the EPA in the amount of \$1.4 million. Based on an independent auditor's report, it appeared that the Army Corps of Engineers and Appalachian Regional Commission collectively overpaid the city, and the investigation found that a state employee had submitted duplicate invoices to the two federal entities. It was later determined that a project partnership agreement previously had been established between the city of Campton and the two federal agencies that required invoices to be submitted for reimbursement. In an attempt to abide by this agreement, the employee submitted the invoices to both federal agencies, unknowingly causing duplicate payments.

Employee and Organization Debarred for Embezzling Grant Funds

On August 17, 2018, the Mississippi Conference of Black Mayors and an employee were debarred from participation in federal procurement and nonprocurement programs for

misappropriating an Environmental Justice Collaborative Problem-Solving grant and an Area-Wide Planning Brownfields grant totaling over \$100,000. EPA officials requested on several occasions that the grantee provide quarterly reports to account for the funds that had been withdrawn, but their requests were ignored. The grantee and employee were debarred until December 15, 2019.

City of Atlanta Official Debarred

On June 1, 2018, Adam Smith, former chief procurement officer for the city of Atlanta, Georgia, was debarred from participating in federal procurement and assistance activities for 3 years. The investigation stemmed from an ongoing federal investigation into corruption at city hall. Smith was convicted and sentenced for accepting bribes in exchange for lucrative city contracts. Smith was debarred due to the proximity of his work to EPA grants.

Contractor Suspended for Damaging EPA Water Monitors

On August 8, 2018, Kenneth Morrison of Indiana and his metal scrapping business were suspended by the EPA from future government contracts as a result of a 2017 indictment in which he was charged with one count of Interstate Transportation of Stolen Property. In 2015, Morrison was arrested by the State of Indiana Department of Natural Resources Police Department for illegally disassembling a city rail bridge and stealing the scrap metal for resale. The disassembly of the bridge resulted in the collapse of the bridge into the Grand Calumet River. The OIG investigation found that, as a result of the bridge collapse, several EPA-owned water monitors were damaged. In addition, the debris removal process impacted a \$12 million EPA dredging project that was set to begin in April 2015.

This case was conducted jointly with the EPA Criminal Investigation Division.

Tribal Council Director Suspended from Government Contracts

On June 19, 2018, David McGraw, former accountant and finance director for the Yukon River Inter-Tribal Watershed Council in Anchorage, Alaska, was suspended by the EPA from participating in federal contracts and assistance activities pending the outcome of his legal proceedings. On March 21, 2018, McGraw was indicted for theft and money laundering associated with the work he performed while employed by the council. In each year for FYs 2010 through 2014, the council had been awarded federal grant money in excess of \$1 million. McGraw is alleged to have willfully misapplied over \$300,000 of these funds for his personal benefit.

This investigation was conducted jointly with the Federal Bureau of Investigation, the National Science Foundation OIG and the Internal Revenue Service.

Woman Pleads Guilty to Assault in EPA Reception Area

On August 21, 2018, a woman pleaded guilty in the Northern District of Georgia to assaulting a federal officer. The woman was sentenced to time served (18 months, 14 days). In 2017, the woman was charged with assault for attacking a security officer at the EPA Region 4 building in Atlanta, grabbing the officer's gun and then firing a shot. The woman allegedly entered the EPA Region 4 reception area asking to use the EPA library, refused to provide identification, became belligerent, engaged in a physical confrontation with a security officer, removed the security officer's weapon from the holster and fired a single round before being apprehended. No one was injured by the shot.

This investigation was conducted jointly with the U.S. Department of Homeland Security's Federal Protective Service.

Employee Retires in Lieu of Removal for Time-and-Attendance Fraud

On May 17, 2018, an EPA GS-8 employee retired from federal service after the EPA issued the person a Notice of Proposed Removal for time-and-attendance fraud. The employee was required to repay \$17,633 to the agency. The OIG investigation found numerous instances where the employee's recorded time on a sign-in log did not match the time the employee recorded on the official timesheet. Evidence was also obtained that the employee disregarded numerous orders from the supervisor to amend the employee's time-and-attendance records. In addition, evidence was obtained that showed the employee misused Leave Bank hours to take a vacation.

Reports of Investigation

A Report of Investigation documents the facts and findings of an OIG investigation and generally involves an employee integrity matter. When the OIG's Office of Investigations issues a Report of Investigation that has at least one "supported" allegation, it requests that the entity receiving the report—whether it is an office within the EPA or an office within the EPA OIG—provide a notification to the OIG within 60 days regarding the administrative action taken or proposed to be taken in the matter. This section provides information on how many Reports of Investigation with at least one supported allegation were issued to the agency and to the OIG, and for how many of those Reports of Investigation a response was not received within a 60-day period.

For the reporting period ending September 30, 2018, the Office of Investigations received no responses outside the 60-day window for the six Reports of Investigation that were issued:

Agency and OIG Reports of Investigation

No. of Reports of Investigation issued during reporting period with findings	Agency response* received after 60 days	Awaiting agency response	OIG response* received after 60 days	Awaiting OIG response
6	0	0	0	0

* Agency or the OIG will or will not take an action, or will conduct a supplemental investigation.

Hotline Activities

The Inspector General Act of 1978, as amended, requires each OIG to manage a hotline. The purpose of the hotline is to receive complaints of fraud, waste or abuse in EPA and CSB programs and operations, including mismanagement or violations of law, rules or regulations by agency employees or program participants. The hotline also encourages suggestions for assessing the efficiency and effectiveness of agency programs. Complaints and requests may be submitted by anyone, including EPA and CSB employees, participants in EPA and CSB programs, Congress, organizations, and the public. As a result of these contacts, the OIG may conduct audits, evaluations and investigations. Details on audit and investigative work during the semiannual reporting period follow.

Audit Reports Initiated via OIG Hotline

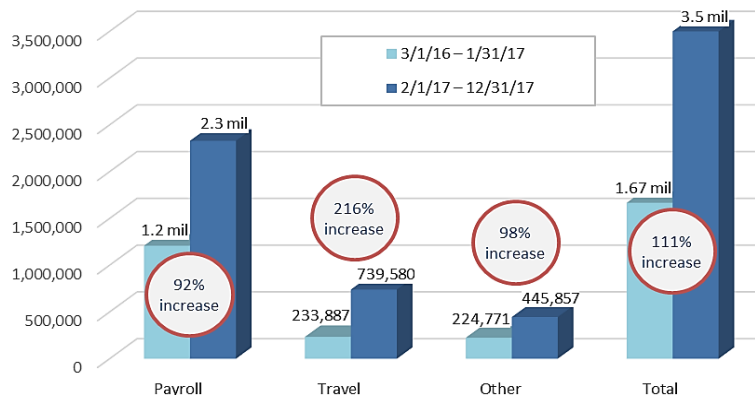
EPA Asserts Statutory Law Enforcement Authority to Protect Its Administrator but Lacks Procedures to Assess Threats and Identify the Proper Level of Protection

Report No. [18-P-0239](#), issued September 4, 2018

We found that the Protective Service Detail for the EPA Administrator had no approved standard operating procedures to address the level of protection required for the Administrator or how those services were to be provided. A lack of standard procedures can result in unclear lines of authority, inconsistent practices, inappropriate staffing and excessive costs. For example, the detail incurred over \$3.5 million in costs from February 1, 2017, through December 31, 2017, for Administrator Scott Pruitt—an increase of over 110 percent compared to the prior period’s costs of \$1.6 million for the previous Administrator—without documented justification. We recommended that the

A [podcast](#) on the Administrator’s Protective Service Detail report is available.

Protective Service Detail cost comparison for Administrators



The Administrator’s Protective Service Detail incurred over \$3.5 million in costs from February 2017 through December 2017—an increase of over 110 percent over the prior period’s costs. (EPA OIG image)

EPA complete a threat analysis on a regular basis to identify proper protection required. Also, without a legal opinion, we could not determine whether Protective Service Detail agents possessed law enforcement authority to provide protective services for the Administrator; the agency’s Office of General Counsel subsequently issued a legal opinion asserting that the EPA has such authority. We also found that agents worked overtime without proper justification.

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

Report No. [18-P-0176](#), issued May 9, 2018

Our review of accountability over EPA Region 5 information technology property, initiated at the request of a former acting Regional Administrator, noted areas of concern. No policy existed for tracking laptops in transition, personnel were unaware of property status or procedural changes, excess property was not always tracked, and controls for laptops taken out of the office were insufficient. Further, we audited Region 2 and EPA headquarters' Office of Water to see if problems existed elsewhere in the agency, and we noted issues. In particular, agencywide responsibility for the EPA property management program rested with a non-managerial-level employee. A lack of sufficient property controls can lead to fraud, waste and abuse, including potential theft and misuse. We recommended that the agency improve controls and strengthen the role of the Office of Administration and Resources Management as the agency's overall property management organization. Corrective actions are underway.

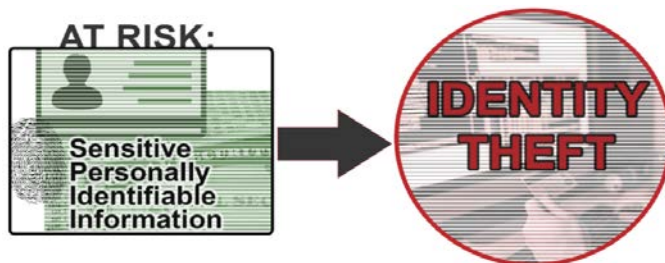


Loaner laptops on a contractor desk in Region 5. (EPA OIG photo)

Management Alert: EPA's Incident Tracking System Lacks Required Controls to Protect Personal Information

Report No. [18-P-0298](#), issued September 28, 2018

A complaint to the OIG Hotline alleged that the EPA's current incident tracking system contained personally identifiable information (such as name, date of birth and address) and sensitive personally identifiable information (such as Social Security numbers, biometric data, and financial or medical information).



Depiction of consequences of at-risk personally identifiable information. (EPA OIG image)

The EPA was unaware that both forms of personal information were included on incident tickets handled by help desk technicians, or that personal information was visible to anyone with access to the system. We found that the EPA's incident tracking system lacks the required privacy and security controls, which could lead to identity theft. We recommended that the

EPA to implement a strategy to protect the confidentiality of personal information in the current incident tracking system, and to update standard operating procedures for help desk technicians. The agency has initiated corrective actions.

Significant Investigation Initiated via OIG Hotline

Individual Sentenced for Theft of Federal Funds

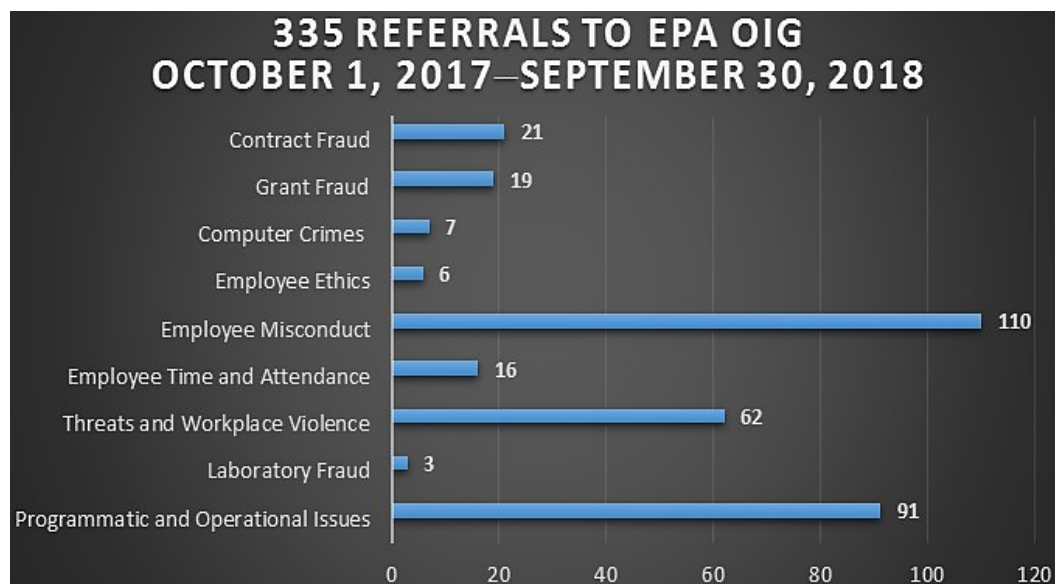
On July 30, 2018, Tracy Bronson of Marshall, Michigan, was sentenced to 37 months in federal prison and 3 years of supervised release, and ordered to pay \$573,159 in restitution. Bronson was the Executive Director of the Calhoun Conservation District in Calhoun County, Michigan. In calendar years 2014, 2016 and 2017, the district received federal grant funds from the EPA and the U.S. Fish and Wildlife Service, and Bronson was accused of misappropriating over \$500,000 of those funds for her own personal benefit and use. On April 6, 2018, Bronson pleaded guilty to one count of theft or bribery concerning programs receiving federal funds. Bronson admitted she embezzled between \$500,000 and \$1,500,000. On March 26, 2018, Bronson was also suspended by the EPA from future federal contracts and assistance activities.

Hotline Statistics

The following table shows EPA OIG Hotline activity regarding complaints of fraud, waste, abuse, mismanagement or misconduct in EPA programs and operations during the semiannual reporting period and annual period ending September 30, 2018.

	Semiannual Period (April 1, 2018 - September 30, 2018)	Annual Period (October 1, 2017 - September 30, 2018)
Issues open at the beginning of the period	294	220
Inquiries received during the period	183	380
Inquiries closed during the period	98	221
Inquiries pending at the end of the period	379	379
Issues referred to others		
OIG offices	165	335
EPA program offices	13	31
Other federal and state/local agencies	2	11
Contacts to the EPA OIG Hotline (telephone, voicemails, emails, website and correspondence)	4,950	10,293

The chart below details the categories of inquiries the EPA OIG Hotline receives that are retained by the EPA OIG and reviewed by investigation and audit staff. For FY 2018, the hotline retained 335 of the 380 inquiries received for review and action.



Hotline Confidentiality

The Inspector General Act of 1978, as amended, and other laws protect those who make hotline complaints. The Whistleblower Protection Enhancement Act of 2012 provides protection to employees who disclose misconduct or misuse of government resources. Individuals who contact the hotline are not required to identify themselves and may request confidentiality when submitting allegations. However, the OIG encourages those who report allegations to identify themselves so that they can be contacted if the OIG has additional questions. Pursuant to Section 7 of the Inspector General Act, the OIG will not disclose the identity of an EPA employee who provides information unless that employee consents or the Inspector General determines that such disclosure is unavoidable during the course of the investigation, audit or evaluation. As a matter of policy, the OIG will provide comparable protection to employees of contractors, grantees and others who provide information to the OIG and request confidentiality. Individuals concerned about the confidentiality or anonymity of electronic communication may submit allegations by telephone or U.S. mail.

EPA OIG Hotline

To report fraud, waste or abuse, contact us through one of the following methods:

email: OIG_Hotline@epa.gov
 phone: 888-546-8740 or 202-566-2476
 fax: 202-566-0814
 online: [EPA OIG Hotline](#)

write: EPA OIG Hotline
 1200 Pennsylvania Avenue, NW
 Mail Code 2431T
 Washington, DC 20460

EPA Whistleblower Protection Coordinator

To contact the EPA Whistleblower Coordinator:

phone: 202-566-1513 (anonymity provided)

online: [EPA Whistleblower Protection](#)

Other Activities

OIG Office of Investigations' Records Demonstrate Compliance with Law Enforcement Availability Pay Requirements

Report No. [18-B-0228](#), issued August 6, 2018

In conjunction with our audit of the agency's handling of Law Enforcement Availability Pay for its investigators, we conducted an internal review of the OIG's Office of Investigations regarding management of this pay. We found that criminal investigators in the OIG properly recorded Law Enforcement Availability Pay hours in compliance with federal requirements and OIG policies, certifications were adequately supported, and required hours were worked. We noted that additional tracking system programming is needed by the OIG to calculate average times worked, and worksheets were not always approved within OIG-required timeframes. The OIG initiated corrective actions.

Quality Assurance Review of EPA OIG Reports Issued in Fiscal Year 2017

Report No. [18-N-0219](#), issued July 9, 2018

OIG quality assurance staff report annually on systemic issues identified during referencing and compliance monitoring reviews. They found that EPA OIG audit and evaluation reports issued in FY 2017 demonstrated high levels of compliance with OIG quality assurance procedures and received average compliance scores of nearly 94 percent. Their reviews of 47 FY 2017 reports indicated only one systemic issue: timeliness. Specifically, some assignments exceeded timeliness standards, and revisions to estimated milestones were not always approved and documented. OIG management agreed with steps recommended to make improvements.

OIG compliance monitoring review categories

Category	Point value	Average score
Planning and Execution	12.00	11.59
Communication	13.00	12.13
Supervision	30.00	28.53
Report Quality	20.00	19.51
Timeliness	15.00	12.36
Post Reporting/Data Quality	10.00	9.58
Total	100.00	93.70

Source: EPA OIG-generated.

U.S. Chemical Safety and Hazard Investigation Board

The U.S. Chemical Safety and Hazard Investigation Board (CSB) was created by the Clean Air Act Amendments of 1990. The CSB's mission is to investigate accidental chemical releases at facilities, report to the public on the root causes and recommend measures to prevent future occurrences.



In FY 2004, Congress designated the EPA Inspector General to serve as the Inspector General for the CSB. As a result, the EPA OIG has the responsibility to audit, evaluate, inspect and investigate the CSB's programs, and to review proposed laws and regulations to determine their potential impact on the CSB's programs and operations. Details on our work involving the CSB are available on the OIG's [webpage](#) about the CSB.

FY 2018 CSB Management Challenges

Report No. [18-N-0208](#), issued June 4, 2018

As required by the Reports Consolidation Act of 2000, the OIG identified management challenges and reported them to the CSB for FY 2018. One challenge noted that the position of CSB Chairperson lacks authority to hold board members accountable, and the board has been plagued with tension among board members. A second challenge noted that budget uncertainties and the President's proposals to eliminate the CSB negatively impact efforts to attract, hire and retain staff. We removed a challenge from FY 2017 regarding human resources management issues, as the CSB has taken sufficient action in that area.

CSB Audit Reports

CSB Purchase Card Program at Low Risk for Unauthorized Purchases

Report No. [18-P-0218](#), issued July 3, 2018



Depiction of purchase card and convenience check transactions, as well as risk determination. (EPA OIG image)

The CSB's purchase card program, for which it spent \$321,241 in FY 2017, is at low risk for unauthorized purchases. We conducted this audit per the Government Charge Card Abuse Prevention Act of 2012. Our review of 18 purchase card and two convenience check transactions found that all but one were legitimate. For the one of concern, CSB identified the transaction, which was made by an outside party, as fraudulent; took proper steps to reverse the charge; and closed the associated card. We made no recommendations.

CSB Complied with Improper Payments Legislation and Requirements for Fiscal Year 2017

Report No. [18-P-0175](#), issued May 9, 2018

The CSB was fully compliant with legislation for improper payments during FY 2017. As required, the CSB published its Performance and Accountability Report and posted that report and accompanying materials on the agency website. The CSB also conducted a risk assessment and did not identify any programs and activities susceptible to significant improper payments. The report made no recommendations.

Other Results of OIG Work

Follow-Up Is Important Aspect of OIG Efforts

It is important for an OIG to follow up on certain previously issued reports to ensure that appropriate and effective corrective actions have been taken. The following reports issued during the semiannual reporting period ending September 30, 2018, involved follow-up on prior OIG reports.

Report no.	Report title	Date
18-P-0153	EPA Complied with Improper Payments Elimination and Recovery Act Requirements	April 16, 2018
18-P-0218	CSB Purchase Card Program at Low Risk for Unauthorized Purchases	July 3, 2018
18-N-0219	Quality Assurance Review of EPA OIG Reports Issued in Fiscal Year 2017	July 9, 2018
18-P-0222	EPA Completed OIG Recommendations for the Presidential Green Chemistry Challenge Awards Program but Lacks Controls over Use of Unverified Results	July 20, 2018
18-P-0232	EPA's Purchase Card and Convenience Check Program Controls Are Not Effective for Preventing Improper Purchases	August 20, 2018
18-P-0271	Delayed Cleanup of Asbestos Debris at the Old Davis Hospital Site Necessitates Changes for EPA Region 4 and North Carolina	September 18, 2018

Source: EPA OIG analysis.

Single Audit Reporting Efforts Make Impact

In accordance with the Single Audit Act of 1984 and Office of Management and Budget guidance, nonfederal entities that expend more than \$750,000 in federal funds (usually in the form of grants) are required to have a comprehensive annual audit of their financial statements and compliance with major federal program requirements. The entities receiving the funds include states, local governments, tribes and nonprofit organizations. The act provides that grantees are to be subject to one annual comprehensive audit of all their federal programs versus a separate audit of each federal program, hence the term “single audit.” The audits are usually performed by private firms. Federal agencies rely upon the results of single audit reporting when performing their grants management oversight of these entities.

The OIG provides an important customer service to the EPA by performing technical reviews of single audit reports, and issues memos to the EPA for audit resolution and corrective action. These memos recommend that EPA action officials confirm that corrective actions have been taken. If the corrective actions have not been implemented, the EPA needs to obtain planned corrective actions, with milestone dates, for addressing the findings in a single report. A summary of single audit reporting actions during the semiannual reporting period ending September 30, 2018, follows.

Summary of single audit activity in FY 2018

	April 1, 2018– September 30, 2018	Total for FY 2018
No. of single audit memos issued to EPA	116	242
No. of single audit findings reported to EPA	249	507
Questioned costs reported to EPA	\$2,943,508	\$3,017,310
No. of quality reviews of single audits reports done by OIG	6	9
Deficiency letters issued to single auditors by OIG	3	4

Source: EPA OIG analysis.

Agency Best Practices

During the semiannual reporting period, four OIG reports highlighted agency best practices that have potential value and applicability to other components in the EPA:

- The EPA provides financial support for research fellowships to encourage the pursuit of science-related careers. These fellowships are awarded directly by the EPA or by nonprofit organizations through cooperative agreements with the EPA. When the EPA directly awards fellowships, it requires that recipients have U.S. citizenship or permanent residency. Two of the three nonprofit organizations we audited had the same citizenship eligibility requirements, which we consider a best practice. (Report No. [18-P-0288](#))
- Region 8 implemented an Asbestos Hazard Emergency Response Act compliance monitoring strategy in 2013 that included significant efforts to conduct inspections and determine compliance levels among local educational agencies. In addition, since 2006, the region has used a database to track compliance. Region 8 is the only region to have a specific Asbestos Hazard Emergency Response Act compliance monitoring strategy despite EPA recommendations that each region have an overall annual strategy for its Toxic Substances Control Act compliance monitoring efforts. (Report No. [18-P-0270](#))
- On September 30, 2015, the White House Office of Science and Technology Policy directed agencies to advance the application of citizen science. The EPA's Office of Research and Development's innovation team began to develop a checklist of administrative and legal considerations for citizen science and crowdsourcing projects at the EPA. The Office of Research and Development also drafted an outreach and communication tool that highlights citizen science projects at the EPA to provide a representative distribution across the agency. The team intends to link the document to the citizen science intranet site to help EPA staff understand the breadth of projects underway. (Report No. [18-P-0240](#))
- Congress gives states the option to assume primary responsibility for implementing hazardous waste rules, with oversight from the federal government. For a state to assume the regulatory lead, however, it must be authorized by the EPA to do so. The EPA has taken steps to improve the state authorization process, including conducting a Lean effort to reduce the backlog and time required for authorization, implementing monthly conference calls with regions, and identifying state authorization as a priority in the FYs 2018–2019 National Program Managers' Guidance. (Report No. [18-P-0227](#))

Statistical Data

Profile of Activities and Results

OIG audits * (\$ in millions)		
	April 1, 2018, to September 30, 2018	FY 2018
Questioned costs	\$0.174	\$0.174
Potential monetary benefits **	\$0.387	\$375.051
Reports issued by OIG	34	52

Investigative operations * (\$ in millions)						
	April 1, 2018, to September 30, 2018			FY 2018		
	EPA OIG only	Joint***	Total	EPA OIG only	Joint***	Total
Total fines and recoveries	\$0.000	\$0.762	\$0.762	\$0.000	\$1.261	\$1.261
Cost savings	\$0.716	\$0.000	\$0.716	\$1.255	\$0.000	\$1.255
Civil settlements	\$0.362	\$0.000	\$0.362	\$0.362	\$0.000	\$0.362
Cases opened during period	45	5	50	102	12	114
Indictments/informations/complaints	2	1	3	3	3	6
Cases closed during period	66	14	80	112	22	134
Convictions	2	1	3	2	2	4
Civil judgments/settlements/filings	1	0	1	1	0	1

* Section 5(a)(22) requires detailed descriptions of the particular circumstances of each inspection, evaluation and audit conducted by the OIG that was closed and not publicly disclosed. There were no instances of inspections, evaluations or audits that were closed and not publicly disclosed during the semiannual period ending September 30, 2018. Investigations that were closed but not previously publicly disclosed are found in Appendix 4.

** Questioned costs and potential monetary benefits are subject to change pending further review in the audit resolution process.

*** With another federal agency.

Audit Report Resolution

Table 1: OIG-issued reports and value of questioned costs for semiannual period ending September 30, 2018 (\$ in thousands)

Report category	No. of reports	Questioned costs *	Unsupported costs
A. For which no management decision was made by April 1, 2018 **	10	\$3,102	\$3,037
B. New reports issued during period	34	174	0
Subtotals (A + B)	44	3,276	3,037
C. For which a management decision was made during the reporting period:	36		
(i) Dollar value of disallowed costs		69	0
(ii) Dollar value of costs not disallowed		0	0
D. For which no management decision was made by September 30, 2018	8	\$3,208	\$3,037

* Questioned costs include unsupported costs.

** Any difference in number of reports and amounts of questioned costs between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

Table 2: OIG-issued reports and recommendations that funds be put to better use for semiannual period ending September 30, 2018 (\$ in thousands)

Report category	No. of reports	Dollar value
A. For which no management decision was made by April 1, 2018 *	10	\$376,241
B. New reports issued during the reporting period	34	562
Subtotals (A + B)	44	376,803
C. For which a management decision was made during the reporting period:	36	
(i) Dollar value of recommendations from reports that were agreed to by management		373,596
(ii) Dollar value of recommendations from reports that were not agreed to by management		106
D. For which no management decision was made by September 30, 2018	8	\$3,207

* Any difference in number of reports and amounts of funds put to better use between this report and our previous semiannual report results from corrections made to data in our audit tracking system.

Summary of Investigative Results

Summary of investigative activity during reporting period

Cases open as of April 1, 2018*	207
Cases opened during period	50
Cases closed during period	80
Cases pending as of September 30, 2018	177
Complaints	
Complaints open as of April 1, 2018	23
Complaints opened during period	69
Complaints closed during period	70
Complaints pending as of September 30, 2018	22

* Adjusted from prior period.

Results of prosecutive actions

	EPA OIG only	Joint *	Total
Criminal indictments/informations/complaints **	2	1	3
Convictions	2	1	3
Civil judgments/settlements/filings	1	0	1
Criminal fines and recoveries	\$0	\$573,284	\$573,284
Civil recoveries	\$361,943	\$0	\$361,943
Prison time	0 months	55 months	55 months
Prison time suspended	0 months	0 months	0 months
Home detention	0 months	0 months	0 months
Probation	0 months	36 months	36 months
Community service	0 hours	0 hours	0 hours

* With another federal agency.

** Sealed indictments are not included in this category.

Administrative actions

	EPA OIG only	Joint *	Total
Suspensions	8	3	11
Debarments	3	2	5
Other administrative actions	41	6	47
Total	52	11	63
Administrative recoveries	\$0	\$188,838	\$188,838
Cost savings	\$716,178	\$0	\$716,178

* With another federal agency.

Summary of investigative reports issued and referrals *

Number of investigative reports issued	6
Number of persons referred to U.S. Department of Justice for criminal prosecution	20
Number of persons referred to state and local authorities for criminal prosecution	0
Number of criminal indictments and informations resulting from any prior referrals to prosecutive authorities	2

* Investigative reports are comprised of final Reports of Investigation, final summary reports, interim reports of investigation and supplemental reports of investigation. In calculating the number of referrals, corporate entities were counted as “persons.”

Employee integrity cases*

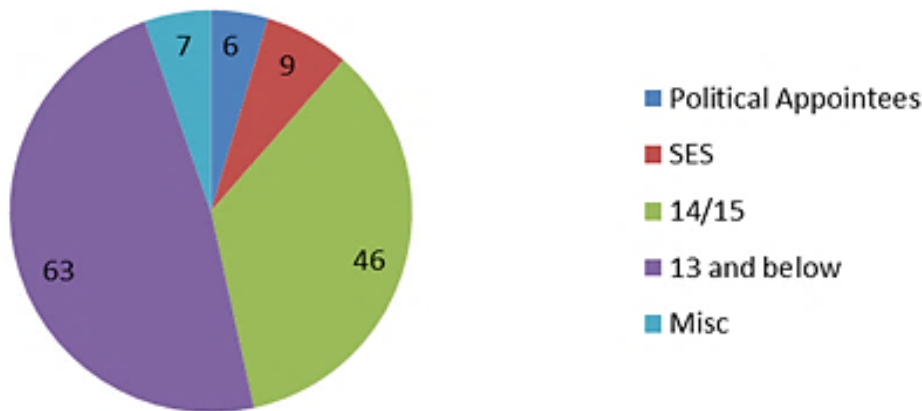
	Political appointees	SES	GS-14/15	GS-13 and below	Misc.	Total
Pending as of April 1, 2018	3	8	55	68	7	141
Opened*	4	2	1	6	3	16
Closed*	1	3	9	11	4	28
Pending as of September 30, 2018 **	6	9	46	63	7	131

* Integrity investigation cases involve allegations of criminal activity or serious misconduct by agency employees that could threaten the credibility of the agency, the validity of executive decisions, the security of personnel or business information entrusted to the agency, or financial loss to the agency (such as abuse of government bank cards or theft of agency funds). Allegations against former employees are included under “Misc.”

** Pending numbers as of September 30, 2018, may not add up due to investigative developments resulting in subjects being added or changed.

The chart below provides a breakdown by grade and number of employees who are the subject of employee integrity investigations.

Employee integrity cases: Breakdown by grade and number of employees



Appendices

Appendix 1—Reports Issued

Section 5(a)(6) of the Inspector General Act of 1978, as amended, requires a listing, subdivided according to subject matter, of each report issued by the OIG during the reporting period. For each report, where applicable, the Inspector General Act also requires a listing of the dollar value of questioned costs and the dollar value of recommendations that funds be put to better use.

Report no.	Report title	Date	Questioned costs			Potential monetary benefits
			Ineligible	Unsupported	Unreasonable	
INTERNAL AUDIT OF EPA OIG						
18-B-0228	OIG Office of Investigations' Records Demonstrate Compliance with Law Enforcement Availability Pay Requirements	8/6/18	\$0	\$0	\$0	\$0
	SUBTOTAL = 1		\$0	\$0	\$0	\$0
PROJECTS NOT IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS						
18-N-0154	Management Alert - Salary Increases for Certain Administratively Determined Positions	4/16/18	\$0	\$0	\$0	\$0
18-N-0174	EPA's Fiscal Year 2018 Management Challenges	5/8/18	0	0	0	0
18-N-0208	Fiscal Year 2018 U.S. Chemical Safety and Hazard Investigation Board Management Challenges	6/4/18	0	0	0	0
18-N-0219	Quality Assurance Review of EPA OIG Reports Issued in Fiscal Year 2017	7/9/18	0	0	0	0
	SUBTOTAL = 4		\$0	\$0	\$0	\$0
PERFORMANCE AUDITS IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS						
18-P-0151	EPA's Safe and Sustainable Water Resources Research Program Is Delivering Timely and Relevant Data to the Office of Water	4/9/18	\$0	\$0	\$0	\$0
18-P-0153	EPA Complied with Improper Payments Elimination and Recovery Act Requirements	4/16/18	0	0	0	0
18-P-0175	CSB Complied with Improper Payments Legislation and Requirements for Fiscal Year 2017	5/9/18	0	0	0	0
18-P-0176	EPA Region 5 Needs to Better Protect Information Technology Property, and Areas for Agencywide Improvement Exist	5/9/18	0	0	0	0
18-P-0181	EPA Did Not Identify Volkswagen Emissions Cheating; Enhanced Controls Now Provide Reasonable Assurance of Fraud Detection	5/15/18	0	0	0	0
18-P-0206	Atlanta Is Largely in Compliance with Its Combined Sewer Overflow Consent Decree, but Has Not Yet Met All Requirements	5/30/18	0	0	0	0
18-P-0207	Operational Efficiencies of EPA's Human Resources Shared Service Centers Not Measured	5/31/18	0	0	0	0
18-P-0217	Management Alert - To Minimize Risk of Environmental Harm, the Security Categorization of Electronic Manifest System Data Needs to Be Re-Evaluated	6/21/18	0	0	0	0
18-P-0218	CSB Purchase Card Program at Low Risk for Unauthorized Purchases	7/3/18	0	0	0	0
18-P-0220	EPA Complied with the <i>Statement of Federal Financial Accounting Standards No. 47</i> and <i>Treasury Financial Manual, Part 2, Chapter 4700</i>	7/12/18	0	0	0	0
18-P-0221	Management Weaknesses Delayed Response to Flint Water Crisis	7/19/18	0	0	0	0
18-P-0222	EPA Completed OIG Recommendations for the Presidential Green Chemistry Challenge Awards Program but Lacks Controls over Use of Unverified Results	7/20/18	0	0	0	0

Report no.	Report title	Date	Questioned costs			Potential monetary benefits
			Ineligible	Unsupported	Unreasonable	
18-P-0226	EPA's Chemical Data Reporting Rule Largely Implemented as Intended, but Opportunities for Improvement Exist	7/27/18	0	0	0	0
18-P-0227	Incomplete Oversight of State Hazardous Waste Rule Authorization Creates Regulatory Gaps and Human Health and Environmental Risks	7/31/18	0	0	0	0
18-P-0231	Without E-Invoicing and Stronger Payment Process Controls, EPA Is Placing \$1.2 Billion at Risk Annually	8/16/18	0	0	0	292,000
18-P-0232	EPA's Purchase Card and Convenience Check Program Controls Are Not Effective for Preventing Improper Purchases	8/20/18	57,017	0	0	94,983
18-P-0233	EPA Needs to Finish Prioritization and Resource Allocation Methodologies for Abandoned Uranium Mine Sites on or Near Navajo Lands	8/22/18	0	0	0	0
18-P-0234	Without a Process for Monitoring Sensitive Data, EPA Region 4 Risks Unauthorized Access to File Servers and Share Folders	8/28/18	0	0	0	0
18-P-0238	EPA's June 2018 Issuance of the Delayed Notice of Availability of Farm Worker Protection Training Materials Will Reduce Risks of Injury and Illness	8/30/18	0	0	0	0
18-P-0239	EPA Asserts Statutory Law Enforcement Authority to Protect Its Administrator but Lacks Procedures to Assess Threats and Identify the Proper Level of Protection	9/4/18	106,000	0	0	0
18-P-0240	EPA Needs a Comprehensive Vision and Strategy for Citizen Science that Aligns with Its Strategic Objectives on Public Participation	9/5/18	0	0	0	0
18-P-0241	EPA Can Strengthen Its Process for Revising Air Quality Dispersion Models that Predict Impact of Pollutant Emissions	9/5/18	0	0	0	0
18-P-0250	Management Alert - EPA Oversight of Employee Debt Waiver Process Needs Immediate Attention	9/12/18	0	0	0	0
18-P-0270	EPA Needs to Re-Evaluate Its Compliance Monitoring Priorities for Minimizing Asbestos Risks in Schools	9/17/18	0	0	0	0
18-P-0271	Delayed Cleanup of Asbestos Debris at the Old Davis Hospital Site Necessitates Changes for EPA Region 4 and North Carolina	9/18/18	0	0	0	0
18-P-0281	Measures and Management Controls Needed to Improve EPA's Pesticide Emergency Exemption Process	9/25/18	0	0	0	0
18-P-0283	Collecting Additional Performance Data from States Would Help EPA Better Assess the Effectiveness of Vehicle Inspection and Maintenance Programs	9/25/18	0	0	0	0
18-P-0288	EPA Paid \$14.5 Million to Foreign Fellows that Could Have Funded Research by U.S. Citizens or Permanent Residents	9/26/18	11,965	0	0	0
18-P-0298	Management Alert: EPA's Incident Tracking System Lacks Required Controls to Protect Personal Information	9/28/18	0	0	0	0
	SUBTOTAL = 29		\$174,982	\$0	\$0	\$386,983
	TOTAL REPORTS ISSUED = 34		\$174,982	\$0	\$0	\$386,983

Appendix 2—Reports Issued Without Management Decisions

For Reporting Period Ended September 30, 2018

Section 5(a)(10)(B) of the Inspector General Act of 1978, as amended, requires a summary of each audit, inspection and evaluation report issued during the reporting period for which no establishment comment was returned within 60 days of providing the report to the establishment. The literal language of Section 5(a)(10)(B) requests the OIG to track reports issued prior to commencement of the reporting period. However, given that this provision was intended to codify the February 27, 2015, semiannual requests from Senators Grassley and Johnson, the OIG interprets this provision to apply to reports within the semiannual period. There were no reports for which we did not receive a response within 60 days during the semiannual period.

Section 5(a)(10)(A) of the Inspector General Act of 1978, as amended, requires a summary of each audit, inspection and evaluation report issued before the commencement of the reporting period for which no management decision had been made by the end of the reporting period, an explanation of the reasons such management decision had not been made, and a statement concerning the desired timetable for achieving a management decision on each such report. Office of Management and Budget Circular A-50 requires resolution within 6 months of a final report being issued. In this section, we report on audits and evaluations with no management decision or resolution within 6 months of final report issuance. In the summaries below, we provide the resolution status of management decisions not made as of September 30, 2018, which the OIG desires to resolve as soon as possible.

Office of the Administrator

Report No. [17-P-0378](#), *Management Alert: EPA Should Promptly Reassess Community Risk Screening Tool*, September 7, 2017

Summary: Our review substantiated some hotline allegations about the Community-Focused Exposure and Risk Screening Tool, known as C-FERST. We found that the EPA's Office of Research and Development took 8 years to develop a tool that is different from its intended purpose, requires effective training to use, overlaps with other EPA tools, and has not been widely used in the approximately 9 months after it was publicly released. Without metrics to measure performance, it is unclear whether the Community-Focused Exposure and Risk Screening Tool is being used for its intended purpose or meets user needs. Further, having multiple agency mapping tools that perform similar functions can confuse potential users. One recommendation—for the Deputy Administrator to examine all of the EPA's web-based screening and mapping tools to ensure the need for each tool and to avoid potential overlap, duplication and waste—is unresolved.

Resolution Status: The OIG received the EPA's response. The agency and the OIG continue to have discussions regarding the unresolved recommendation.

Office of Air and Radiation

Report No. [17-P-0249](#), *Improved Data and EPA Oversight Are Needed to Assure Compliance with the Standards for Benzene Content in Gasoline*, June 8, 2017

Summary: The EPA could improve the effectiveness of its oversight processes and controls for the benzene fuels program to better assure that refineries and importers report accurate and complete data, and comply with the gasoline benzene standards. We reviewed all batch and annual benzene reports for the period 2011 through 2014. Reported annual volumes and/or annual average benzene concentrations did not match supporting batch reports for over 25 percent of the regulated facilities. We identified potential noncompliance with the benzene standards at 40 facilities. EPA staff had never reviewed 16 of these facilities for compliance using the compliance assessment tool, conducted an on-site compliance audit as of the time of our review, or reviewed the facilities prior to the year in which we identified the potential noncompliance. According to data reported to the EPA at the time of our review, these 16 facilities produced or imported over 13 billion gallons of gasoline during 2011 through 2014, which potentially did not meet applicable benzene standards for gasoline (about 3 percent of total U.S. volume during that period). We made 10 recommendations for the EPA to improve data quality and completeness, and review instances of potential noncompliance. Two recommendations remain unresolved.

Resolution Status: The agency provided a response to the final report on October 19, 2017. Discussion regarding the two remaining unresolved recommendations is ongoing between the OIG and agency management.

Office of Chemical Safety and Pollution Prevention**Report No. [18-P-0080](#), *EPA Needs to Evaluate the Impact of the Revised Agricultural Worker Protection Standard on Pesticide Exposure Incidents*, February 15, 2018**

Summary: The EPA had policies and procedures to implement the revised Agricultural Worker Protection Standard, designed to protect the nation's more than 2 million agricultural workers and pesticide handlers from pesticide exposure. However, management controls to implement the revised standard were not fully adequate as of January 2, 2017, when compliance with most of the revised rule was required. Although required training was provided, essential materials were not available when the majority of the training was conducted. Also, the EPA did not have the ability to collect pesticide exposure incident data to measure impact. The agency did not agree with the recommendation to develop a methodology to evaluate incident data.

Resolution Status: The OIG received the EPA's response. The agency and the OIG continue to have discussions regarding the proposed corrective actions.

Region 8—Regional Administrator**Report No. [2007-4-00078](#), *Cheyenne River Sioux Tribe Outlays Reported Under Five EPA Assistance Agreements*, September 24, 2007**

Summary: The tribe did not comply with the financial and program management standards under the Code of Federal Regulations and Office of Management and Budget Circular A-87. We questioned \$3,101,827 of the \$3,736,560 in outlays reported. The tribe's internal controls were not sufficient to ensure that outlays reported complied with federal cost principles, regulations and grant conditions. In some instances, the tribe also was not able to demonstrate that it had completed all work under the agreements and had achieved the intended results.

Resolution Status: The OIG has not received a response from the EPA.

**Total reports issued before reporting period for which
no management decision had been made as of September 30, 2018 = 4**

Appendix 3—Reports with Corrective Action Not Completed

In compliance with reporting requirements of Sections 5(a)(3) and 5(a)(10)(C) of the Inspector General Act of 1978, as amended, we are to identify each significant recommendation described in previous semiannual reports on which corrective action has not been completed, and a summary of each audit, inspection and evaluation report for which there are any outstanding unimplemented recommendations. We are also to identify the aggregate potential monetary benefits of the unimplemented recommendations.

This appendix contains separate tables of unimplemented recommendations for the EPA and the CSB from 2001 to September 30, 2018.

There is a total of 64 current and unimplemented recommendations for the EPA with total potential monetary benefits of approximately \$86 million, which was sustained by the agency. Sustained cost is the dollar value of questioned costs or monetary benefits identified by the OIG during an audit/evaluation and agreed to in whole or in part by the agency. There is one unimplemented CSB recommendation with a total potential monetary benefit of approximately \$0.402 million, all of which was sustained by the CSB.

In this report, corrective actions (CAs) and sub-recommendations (a., b. c., etc.) are not individually counted as recommendations.

Below is a listing of the responsible EPA offices to which recommendations included in the following tables are directed. While a recommendation may be listed as unimplemented, the agency may be on track to complete agreed-upon corrective actions by the planned due date.

Responsible EPA Offices:

OAR	Office of Air and Radiation
OARM	Office of Administration and Resources Management
OCFO	Office of the Chief Financial Officer
OCSPP	Office of Chemical Safety and Pollution Prevention
OECA	Office of Enforcement and Compliance Assurance
OEI	Office of Environmental Information
OLEM	Office of Land and Emergency Management
OP	Office of Policy (within the Office of the Administrator)
ORD	Office of Research and Development
OW	Office of Water
Region 2	
Region 6	
Region 9	

EPA Reports with Unimplemented Recommendations

Report title, number and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits recommended (in \$000s)
EPA Can Better Manage State Pesticide Cooperative Agreements to More Effectively Use Funds and Reduce Risk of Pesticide Misuse 18-P-0079 2/13/18	OECA	1. Develop and implement additional Federal Insecticide, Fungicide, and Rodenticide Act guidance to assist Project Officers in evaluating whether funding is reasonable given projected work plan tasks.	11/30/19		
		2. Conduct a national review of state work plans and performance for Federal Insecticide, Fungicide, and Rodenticide Act cooperative agreements to verify the consistent application of agency guidance and achievement of agency goals and requirements.	5/31/19		
Self-Insurance for Companies with Multiple Cleanup Liabilities Presents Financial and Environmental Risks for EPA and the Public 18-P-0059 12/22/17 <i>Note: Recommendations listed here differ from the recommendations published in the final report and reflect changes agreed upon by the OIG and the agency.</i>	OLEM & OECA	1. Conduct a study to qualitatively and quantitatively analyze and evaluate the program effectiveness and resource requirements to EPA of the corporate self-insurance instruments, including the financial test and corporate guarantee, in the Resource Conservation and Recovery Act regulations and the Superfund Program for current settlements and orders. Assess adequacy of self-insurance instruments for companies with multiple environmental liabilities and the nature and extent of any problems identified.	3/31/19		
		2. Once the study in Recommendation 1 is complete, use the information to develop appropriate risk management actions to mitigate any identified problems in line with agency practices for enterprise risk management under Office of Management and Budget Circular A-123, and determine whether additional controls, such as the requirement for full disclosure of all self-insured environmental liabilities over corporate self-insurance, should be implemented and if corporate self-insurance should continue as an option.	9/30/20		
		3. Update standard operating procedures and data systems to accommodate the implemented risk management actions.	9/30/21		
		4. Train staff on the implemented risk management actions.	12/31/22	12/31/21	
		5. Develop or update existing standard operating procedures to outline the Office of Land and Emergency Management and Office of Enforcement and Compliance Assurance roles and responsibilities for overseeing the validity of Resource Conservation and Recovery Act and Superfund financial assurance instruments, where needed.	6/30/20	3/31/19	
		6. Develop and include procedures for checking with other regions for facilities/sites with multiple self-insured liabilities in the standard operating procedures created for Recommendation 5.	6/30/20	3/31/19	
		7. In the standard operating procedures created for Recommendation 5, develop and include instructions on (1) the steps to take when an invalid financial assurance instrument (expired, insufficient in dollar amount, or not provided) is identified and (2) how to collect information on the causes of invalid financial assurance.	6/30/20	3/31/19	
		8. Train staff on the procedures and instructions developed for Recommendations 5 through 7.	9/30/20	9/30/19	
		9a. Develop and distribute to EPA regions and states annual reports that include the total dollar amount of Superfund financial assurance required and provided.	Unprovided	12/31/19	

Report title, number and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits recommended (in \$000s)
		9b. Work with EPA regions and states to identify and implement appropriate metrics, including metrics to help identify, track and correct, on a facility level, where there are monetary gaps in the amount of Resource Conservation and Recovery Act financial assurance required and provided. Develop and distribute to EPA regions and states annual reports on these metrics.	12/31/20	12/31/19	
		10. Develop and distribute to EPA regions and states annual reports that include progress on the reduction of financial assurance that is expired, insufficient and/or not provided.	9/30/19	12/31/19	
		11. To more accurately determine the value of insufficient instruments, add a data field(s) to the data system used for Superfund financial assurance to track when a lower amount of Superfund financial assurance is accepted by the EPA region or headquarters through negotiations with a responsible party or other arrangements.	12/31/18		
		12. Train staff on how to use the new data field created for Recommendation 11.	12/31/18		
EPA's Fiscal Years 2017 and 2016 Consolidated Financial Statements 18-F-0039 11/15/17	OCFO	1. Require the Compass Financials Project Manager to obtain the Federal Acquisition Certification for Program and Project Managers with the Information Technology specialization within the 1-year deadline, as required by the Office of Management and Budget, and take corrective actions if the Project Manager is not able to complete the certification requirements by the deadline.	10/31/18		
Analysis of Toxics Release Inventory Data Identifies Few Noncompliant Facilities 18-P-0001 10/5/17	OECA	2. After the implementation of mandatory electronic Discharge Monitoring Reports, review the usefulness of the Discharge Monitoring Report Comparison Dashboard for identifying possible unpermitted surface water dischargers using Toxics Release Inventory data, and modify as appropriate.	6/30/18	12/28/18	
EPA Can Better Reduce Risks from Illegal Pesticides by Effectively Identifying Imports for Inspection and Sampling 17-P-0412 9/28/17	OECA	1. Establish national compliance monitoring goals based on assessment and consideration of available regional resources.	9/30/19		
		2. Implement internal controls to monitor and communicate progress on regional goals.	9/30/19		
		4. Direct each EPA region to develop guidance or protocols that define how the region will coordinate with local U.S. Customs and Border Protection offices on illegal pesticides that are imported without Notices of Arrival.	9/30/18	3/30/19	
EPA's Distribution of Superfund Human Resources Does Not Support Current Regional Workload 17-P-0397 9/19/17	OLEM	1. In coordination with the Chief Financial Officer, develop and implement actions to address past obstacles that have affected the EPA's ability to make progress on the allocation of human resources. Obstacles include management's unwillingness to change its human resource allocation process and perceived short-term disruptions that would result from such a change.	9/30/18	1/31/19	
		3. Implement a national prioritization of all sites including risk and other factors in the prioritization and regularly distribute regional full-time equivalents according to the national prioritization.	9/30/18	1/31/19	
Management Alert: EPA Should Promptly Reassess Community Risk Screening Tool 17-P-0378 9/7/17	ORD	1. Review the Community-Focused Exposure and Risk Screening Tool and develop an action plan with timeframes to address issues identified, including considerations on whether to retain the tool. If retained: a. Develop metrics for measuring the tool's performance and establish a regular schedule for performance evaluations. b. Survey users to obtain feedback on tool utilization and any needed improvements.	9/30/19		

Report title, number and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits recommended (in \$000s)
		2. Develop policies and procedures for planning, developing, implementing and monitoring the performance of web-based research tools. Policies and procedures could build on the draft guidance for web-based tools developed by the National Exposure Research Laboratory, and should ensure that any new Office of Research and Development research tool stems from a clear project proposal that includes ongoing monitoring metrics and outcome measures, and vetting to ensure there is a need and no overlap with other tools.	9/30/18		
		3. Review new and existing Office of Research and Development research tools to determine the applicability of the agency's information technology requirements.	9/30/19		
		4. Work with agency offices responsible for other geospatial mapping tools to develop a decision support matrix for when to use certain tools and for what purposes.	9/30/19		
EPA Needs to Increase Oversight of Leave Bank Program to Improve Efficiency and Reduce Risk of Misuse 17-P-0374 8/28/17	OARM	6. Issue guidance to and train supervisors on the leave bank and leave transfer programs and their roles and responsibilities for approving and attesting timesheets of employees using the leave programs.	6/30/18		
EPA's Voluntary WaterSense Program Demonstrated Success 17-P-0352 8/1/17	OW	1. Share WaterSense program practices in program design, implementation and reporting with the agency's Program Management Improvement Officer.	9/30/18		
EPA Needs to Institutionalize Its "Lean" Program to Reap Cost and Time Benefits 17-P-0346 7/31/17	OP	1. Implement a strategy for institutionalizing the Lean Government Initiative within the agency by integrating the application of Lean practices and business process improvement approaches.	6/30/18		
		2. Develop policies that specify how to plan, design, oversee and implement Lean practices within the agency.	6/30/18		
		3. Develop a process for monitoring, tracking and measuring quantifiable results, including cost savings, for Lean projects.	1/31/18		
		4. Develop a process for a) vetting projects that have the potential for standardized implementation across the agency and b) collaborating on projects to maximize the application of Lean, as well as sharing experiences and lessons learned agencywide.	6/30/18		
		5. Develop and implement a consistent and standardized Lean training effort for the EPA's staff.	6/30/18		
EPA Should Assess Needs and Implement Management Controls to Ensure Effective Incorporation of Chemical Safety Research Products 17-P-0294 6/23/17	OCSPP	1. Conduct a needs assessment that identifies and addresses the challenges, timeframes, training and resources necessary to effectively incorporate Office of Research and Development products into Office of Chemical Safety and Pollution Prevention programs.	5/31/18	11/30/18	
		2. Develop and implement management controls that formalize the Office of Chemical Safety and Pollution Prevention's processes for collaborating with the Office of Research and Development to maintain current products and develop future products.	5/31/18	11/30/18	
EPA Can Strengthen Its Oversight of Herbicide Resistance with Better Management Controls 17-P-0278 6/21/17	OCSPP	1. Consider requiring mechanisms of action be included on relevant herbicide labels.	6/30/19		
		2. Determine whether synergistic effects data should be required for the pesticide registration process and document the results of that determination.	6/30/19		

Report title, number and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits recommended (in \$000s)
Improved Data and EPA Oversight Are Needed to Assure Compliance with the Standards for Benzene Content in Gasoline 17-P-0249 6/8/17	OAR	4. Ensure the integrity of benzene credit trading by developing and implementing a process to verify the annual average benzene concentration and total volume values that facilities input into the trading database are supported by batch reports.	9/30/20		
		5. Revise the annual benzene report so that facilities must report the number of benzene deficits or credits at the end of the current reporting year.	9/30/20		
EPA Needs to Provide Leadership and Better Guidance to Improve Fish Advisory Risk Communications 17-P-0174 4/12/17	OW	1. Provide updated guidance to states and tribes on clear and effective risk communication methods for fish advisories, especially for high-risk groups. This guidance could recommend posting fish advisory information at locations where fish are caught and using up-to-date communication methods that include social media, webinars, emails, newsletters, etc.	3/31/20		
		2. Working with states and tribes, develop and disseminate best practices they can use to evaluate the effectiveness of fish advisories in providing risk information to subpopulations, such as subsistence fishers, tribes and other high fish-consuming groups.	3/30/20		
		3. Develop and implement methods to ensure that tribal members receive current fish advisory information.	9/30/18		
	ORD	4. Conduct an assessment for methylmercury to determine whether the reference dose requires updating, as indicated by the Integrated Risk Information System, and as proposed in the system's 2012 and 2015 agendas.	12/31/18		
Additional Measures Can Be Taken to Prevent Deaths and Serious Injuries from Residential Fumigations 17-P-0053 12/12/16	OCSPP	2. Provide label language that clearly defines the criteria for meeting the applicator stewardship training requirement, including the frequency of training.	5/31/18	1/31/19	
Religious Compensatory Time Is Subject to Abuse 16-P-0333 9/27/16	OCFO	4. Modify the EPA's payroll and time and attendance system to include the enhanced internal controls, preventing employees from accumulating Religious Compensatory Time hours inconsistent with revised policies and procedures.	9/30/18	11/30/18	
EPA Needs a Risk-Based Strategy to Assure Continued Effectiveness of Hospital-Level Disinfectants 16-P-0316 9/19/16	OCSPP	2. Develop a risk-based antimicrobial testing strategy to assure the effectiveness of public health pesticides used in hospital settings once products are in the marketplace. At a minimum, the strategy should: <ul style="list-style-type: none"> a. Include a framework for periodic testing to assure products continue to be effective after registration. b. Define a program scope that is flexible and responsive to current and relevant public health risks. c. Identify risk factors for selecting products to test. d. Identify the method to be used for obtaining samples for testing. e. Designate a date to commence risk-based post-registration testing. 	11/30/18		
Hawaii Department of Health Needs to Reduce Open Grants and Unspent Funds 16-P-0218 6/28/16	Region 9	1. Re-evaluate the status of the fundable projects and the Hawaii Department of Health's progress on implementing the corrective action plan items prior to awarding the FY 2016 allotment of \$8,312,000 and any future award. The re-evaluation should continue until the Hawaii Department of Health meets the agency's funding utilization target.	7/31/17	11/30/18	\$8,312

Report title, number and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits recommended (in \$000s)
EPA Needs to Assess Environmental and Economic Benefits of Completed Clean Water State Revolving Fund Green Projects 16-P-0162 5/2/16	OW	2. Implement a process (through a grant requirement or otherwise) for routine collection of Green Project Reserve benefits of completed projects as part of the EPA's regular oversight of state programs.	3/31/18	9/30/18	
EPA Needs to Improve the Recognition and Administration of Cloud Services for the Office of Water's Permit Management Oversight System 15-P-0295 9/24/15	OW	4. Develop and implement an approved system authorization package (i.e., a risk assessment, System Security Plan and Authorization to Operate) and perform annual security assessments for the Permit Management Oversight System application.	5/31/16		
Incomplete Contractor Systems Inventory and a Lack of Oversight Limit EPA's Ability to Facilitate IT Governance 15-P-0290 9/21/15	OEI	5. Implement the recommendation of the EPA's Information Security Task Force to manage the vulnerability management program.	9/30/18		
Conditions in the U.S. Virgin Islands Warrant EPA Withdrawing Approval and Taking Over Management of Some Environmental Programs and Improving Oversight of Others 15-P-0137 4/17/15	Region 2	13. To improve oversight of the Underground Storage Tank/Leaking Underground Storage Tank program, establish an updated Underground Storage Tank/Leaking Underground Storage Tank Memorandum of Agreement with the U.S. Virgin Islands that reflects changes and new provisions results from the Energy Policy Act of 2005. The memorandum of agreement should also outline roles, responsibilities and expectations.	9/30/18	3/31/19	
		18. Develop a plan to address currently uncompleted tasks and activities, and develop a schedule for reprogramming grant funds to accomplish these tasks if the U.S. Virgin Islands does not or cannot complete them. Upon completion of the financial management corrective actions, follow the Office of the Chief Financial Officer's Resource Management Directive System 2520-03 to determine whether any of the current unspent funds of approximately \$37 million under the U.S. Virgin Islands' assistance agreements could be put to better use.	9/30/18	3/31/19	\$37,000
Cloud Oversight Resulted in Unsubstantiated and Missed Opportunities for Savings, Unused and Undelivered Services, and Incomplete Policies 14-P-0332 7/24/14	OEI	4. Prior to entering into any future Infrastructure-as-a-Service contracts, perform a formal documented analysis to determine whether such contracts are in the EPA's best interest that includes the investments the EPA would have to make to address integration requirements, obstacles and gaps identified as a result of the current Infrastructure-as-a-Service contract.	10/16/17	10/31/18	
Internal Controls Needed to Control Costs of Emergency and Rapid Response Services Contracts, as Exemplified in Region 6 14-P-0109 2/4/14	Region 6	3. Direct Contracting Officers to require that the contractor adjust all its billings to reflect the application of the correct rate to team subcontract Other Direct Costs.	9/30/24		

Report title, number and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits recommended (in \$000s)
Improvements Needed in EPA Training and Oversight for Risk Management Program Inspections 13-P-0178 3/21/13	OLEM	7. Coordinate with the Assistant Administrator for Enforcement and Compliance Assurance to revise inspection guidance to recommend minimum inspection scope for the various types of facilities covered under the program and provide detailed examples of minimum reporting.	2/28/19		
		8. Coordinate with the Assistant Administrator for Enforcement and Compliance Assurance to develop and implement an inspection monitoring and oversight program to better manage and assess the quality of program inspections, reports, supervisory oversight and compliance with inspection guidance.	2/28/20		
EPA Needs to Improve Air Emissions Data for the Oil and Natural Gas Production Sector 13-P-0161 2/20/13	OAR	2. Prioritize and update existing oil and gas production emission factors that are in greatest need of improvement and develop new emission factors for key oil and gas production processes that do not currently have emission factors. CA2.4 - The EPA will set forth procedures for developing emissions factors based on data collected with non-traditional measurement techniques and incorporate those procedures into the Web Information Retrieval System (WebFIRE).	9/30/19		
Controls Over State Underground Storage Tank Inspection Programs in EPA Regions Generally Effective 12-P-0289 2/15/12	OLEM	1. Require the EPA and states to enter into memorandums of agreement that reflect program changes from the 2005 Energy Policy Act and address oversight of municipalities conducting inspections.	10/13/18		
EPA Needs to Further Improve How It Manages Its Oil Pollution Prevention Program 12-P-0253 2/6/12	OLEM	1. Improve oversight of facilities regulated by the EPA's oil pollution prevention program by: d. Producing a biennial public assessment of the quality and consistency of Spill Prevention, Control, Countermeasure Plans and Facility Response Plans based on inspected facilities. CA1-2: A summary of findings will be developed by October 2013. These findings will help to identify areas where additional guidance and outreach are needed to improve the quality and consistency of Spill Prevention, Control, Countermeasure Plans. CA1-3: The model developed for the Spill Prevention, Control, Countermeasure program will then be used to develop a review protocol for Facility Response Plan by September 2013 to examine Facility Response Plan inspections conducted during the FY 2013 inspection cycle. CA1-4: A summary of findings will be developed by October 2014. These findings will help to identify areas where additional guidance and external outreach are needed to improve the quality and consistency of Facility Response Plans.	6/30/20		
EPA Should Update Its Fees Rule to Recover More Motor Vehicle and Engine Compliance Program Costs 11-P-0701 9/23/11	OAR	1. Update the 2004 fees rule to increase the amount of Motor Vehicle and Engine Compliance Program costs it can recover.	12/31/18		\$13,000
EPA Should Revise Outdated or Inconsistent EPA-State Clean Water Memoranda of Agreement 10-P-0224 9/14/10	OECA	2-2. Develop a systematic approach to identify which states have outdated or inconsistent memorandums of agreements; renegotiate and update those Memoranda of Agreements using the Memorandum of Agreements template; and secure the active involvement and final, documented concurrence of headquarters to ensure national consistency.	9/28/18	9/30/20	

Report title, number and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits recommended (in \$000s)
EPA Needs a Coordinated Plan to Oversee Its Toxic Substances Control Act Responsibilities 10-P-0066 2/17/10	OCSPP	2-4 Establish criteria and procedures outlining what chemical or classes of chemicals will undergo risk assessments for low-level and cumulative exposure. Periodically, update and revise risk assessment tools and models with the latest research and technology developments.	12/31/17		
Audit of EPA's Fiscal 2009 and 2008 (Restated) Consolidated Financial Statements 10-1-0029 11/16/09	OCFO	27. Ensure that all new financial management systems (including the Integrated Financial Management System replacement system) and those undergoing upgrades include a system requirement that the fielded system include an automated control to enforce separation of duties. CA27.9: The Office of Technology Solutions will modify Compass user profiles to create specific security roles to allow Compass Security Officers to better manage user access. CA27.10: The Office of Technology Solutions will enhance the Access Request Form application to add additional controls and automatic logic to check for approved waivers on file to prevent users from submitting security options that violate the separation of duties policy.	12/31/18		
Making Better Use of Stringfellow Superfund Special Accounts 08-P-0196 7/9/08	Region 9	2. Reclassify or transfer to the Trust Fund, as appropriate, \$27.8 million (plus any earned interest less oversight costs) of the Stringfellow special accounts in annual reviews, and at other milestones including the end of Fiscal Year 2010, when the record of decision is signed and the final settlement is achieved.	12/31/12		\$27,800
				Total	\$86,112

CSB Reports with Unimplemented Recommendations

Report title, number and date	Office	Unimplemented recommendation	Planned completion date	Revised completion date	Potential monetary benefits recommended (in \$000s)
CSB Needs to Continue to Improve Agency Governance and Operations 16-P-0179 5/23/16	CSB	6. Include the General Services Administration in any future office leasing plans and revisit office needs for a potential adjustment or supplement to the Washington, D.C., and Denver office leases to reduce space within the General Services Administration benchmarks.	D.C. 10/20/22 Denver 11/30/19		\$402
Total					\$402

Appendix 4—Closed Investigations Not Publicly Disclosed

For Reporting Period Ended September 30, 2018

Details on each investigation conducted by the OIG involving both senior and non-senior employees closed during the semiannual reporting period ending September 30, 2018, are provided below. We also include a separate listing of investigations conducted by the OIG and closed during the semiannual reporting period involving non-employees such as grant recipients, contractors and former EPA employees.

Investigations Involving Presidential Appointees Not Previously Publicly Disclosed

CASE NUMBER: OI-HQ-2018-ADM-0081

This case addressed multiple allegations against the EPA Administrator. This case was subsequently split into subsidiary cases addressing the separate specific allegations. The OIG does not identify or acknowledge the existence of any open cases.

CASE NUMBER: OI-HQ-2018-AFD-0112

The Inspector General reported his EPA OIG badge and credential as missing. The items could not be located, and this information was entered into the National Crime Information Center database.

Investigations Involving Senior Employees Not Previously Publicly Disclosed

CASE NUMBER: OI-HQ-2016-ADM-0080

An EPA SES-level director allegedly verbally and physically assaulted a subordinate employee during a workplace meeting. The Federal Protective Service was contacted. The OIG investigation was inconclusive but was referred to the EPA. Subsequently, the EPA conducted its own review. The SES employee retired after receiving a notice of suspension from EPA management for lack of candor in an official investigation.

CASE NUMBER: OI-HQ-2016-ADM-0063

An EPA SES-level director allegedly failed to attend a conference while on official government travel and was instead absent without leave. The allegation was not supported.

CASE NUMBER: OI-HQ-2018-ADM-0072

An EPA SES-level employee allegedly viewed classified material without a security clearance. This employee was allegedly allowed to view the material by a GS-14 employee. The investigation revealed that the SES employee maintained the proper security clearance. Therefore, the GS-14 employee did not commit a violation for allowing access to classified information. Neither allegation was supported.

CASE NUMBER: OI-HQ-2018-ADM-0066

An EPA SES-level employee allegedly engaged in inappropriate behavior with three subordinate female employees. It was alleged that two of the subordinate employees resigned due to their relationship with the SES employee and the remaining subordinate was promoted due to the relationship with the SES employee. Based on an extensive review of EPA documents and interviews of witnesses and the subject, it was determined that the allegations were not supported.

CASE NUMBER: OI-BO-2018-OTH-0067

The personal cell phone, government-issued cell phone and personal credit cards of an EPA OIG GS-15 employee were allegedly stolen while the employee was on official travel. The investigation found sufficient evidence to support that the employee's personal credit cards were stolen and used to make unauthorized purchases. However, the cell phones could not be recovered, and the identity of the suspect could not be determined.

CASE NUMBER: OI-BO-2016-CAC-0001

An EPA GS-15 employee allegedly retroactively manipulated timecards to falsely reflect telework or annual leave following a medical procedure. The employee also allegedly falsely claimed and received public transit

reimbursement. The investigation did not develop sufficient evidence to support the allegation that the employee improperly recorded time and attendance. However, the investigation, which looked at a 19-month period, did develop sufficient evidence to support the allegation that the employee claimed and received public transit reimbursement while not actually commuting to the office via public transit. The employee reimbursed the EPA \$2,690 and was issued a letter of reprimand for the submission of inaccurate public transit subsidy claims. The case was referred to and declined for prosecution by the U.S. Department of Justice on May 24, 2016.

CASE NUMBER: OI-HQ-2017-ADM-0036

An EPA GS-15 employee allegedly allowed a subordinate employee to attend school during core working hours. The investigation did not support the allegation.

CASE NUMBER: OI-HQ-2017-CAC-0048

An EPA GS-15 employee allegedly possessed marijuana while on official EPA travel. It was also alleged that the employee sold marijuana to EPA employees. The investigation supported the first allegation but not the second. The employee received a 3-day suspension. The case was referred to and declined for prosecution by the U.S. Department of Justice on June 7, 2017.

CASE NUMBER: OI-HQ-2018-ADM-0017

An EPA GS-15 employee allegedly traveled to a high-risk country with an EPA computer and, during the trip, the computer became infected with malware, was decrypted by unknown individuals, and was possibly used to compromise EPA network security. It was discovered during the investigation that the EPA had mistakenly turned off the encryption on the computer and the computer was not infected with malware. The allegation of traveling to a high-risk country with an EPA computer and compromising EPA network security was not supported.

CASE NUMBER: OI-AT-2017-CFD-0145

An EPA GS-15 supervisor allegedly had EPA contractors come to the supervisor's home regularly and promised work to these contractors. The investigation found no evidence of bribery or that the supervisor steered work to contractors. However, the investigation obtained evidence that showed the supervisor created an appearance of a loss of impartiality in interactions with EPA contractors and grantees. The supervisor frequently met with contractors for lunch or dinner and hosted contractors at home. On one occasion, the supervisor invited an EPA contractor to stay overnight at the supervisor's home in lieu of staying at a local hotel. Additionally, emails between the supervisor and EPA contractors contained references to alcohol and facilitating meetings with high-level EPA officials. The investigation found that the supervisor received a gift of alcohol from an EPA grantee. The supervisor received a 5-day suspension for "exercising poor judgment (social interactions with EPA contractor leading to the appearance of impropriety)." The case was referred to the U.S. Department of Justice on January 26, 2018, and declined for prosecution on March 1, 2018.

CASE NUMBER: OI-HQ-2015-ADM-0084

An EPA GS-15 employee allegedly provided false information on a federal job application. The investigation found information to support the allegation that the employee provided false information on Standard Form 85P, *Questionnaire for Public Trust Positions*. On the form, the employee claimed to have attained an associate degree from an area college. The employee admitted that the degree was not attained but said that enough credit hours were completed to be eligible for an associate degree. The employee's supervisor stated that a degree is not part of the criteria for that position, and no administrative action was taken by EPA management. The case was referred to the U.S. Department of Justice on September 4, 2015, and declined for prosecution on September 9, 2015.

CASE NUMBER: OI-AR-2016-ADM-0036

An EPA GS-15 employee allegedly used his official position to influence a contractor to hire a former EPA colleague. Multiple interviews and record reviews were conducted, and an EPA ethics official reviewed the facts of the case. The investigation did not support the allegation.

Investigations Involving Non Senior Employees Not Previously Publicly Disclosed

CASE NUMBER: OI-HQ-2017-ADM-0141

An EPA GS-14 employee allegedly misrepresented employment history on the employee's job application. The investigation discovered that periods of unemployment were omitted. The employee was within the 1-year new

employee probationary period, and the employee's management terminated the individual's employment with the EPA.

CASE NUMBER: OI-HQ-2017-ADM-0071

An investigation was initiated into whether an EPA GS-14 employee posed a potential threat when another employee found printed material about firearms in the GS-14 employee's workspace. Investigators were informed that the GS-14 employee had no work-related reason to have this type of material in the workspace. However, the investigation determined that the employee is a firearms collector and did not pose a threat to self or other EPA employees. The allegation was not supported.

CASE NUMBER: OI-HQ-2016-ADM-0007

An EPA GS-14 Criminal Investigator in the EPA's Criminal Investigation Division allegedly used a government-owned vehicle to travel out of town on a personal trip without approval. The Criminal Investigator allegedly allowed a fellow Criminal Investigation Division agent, who was off duty, to go on the unauthorized trip. The allegations were supported. It was also discovered that significant damage occurred to the government-owned vehicle during the trip. There were no corresponding vehicle reports, and EPA management was not notified of the vehicle damage. The actions of the GS-14 Criminal Investigator violated the office's policy and procedure related to the use of government-owned vehicles. The GS-14 Criminal Investigator retired from federal service after management issued a notice of proposed removal. This case is related to case number OI-HQ-2015-CAC-0090 (immediately below).

CASE NUMBER: OI-HQ-2015-CAC-0090

An EPA GS-13 Criminal Investigator in the EPA's Criminal Investigation Division traveled as a passenger while off duty with another Criminal Investigation Division agent on an unauthorized trip. The GS-13 Criminal Investigator was given 14 days' leave without pay for unauthorized use of a government-owned vehicle. This case is related to case number OI-HQ-2016-ADM-0007 (immediately above).

CASE NUMBER: OI-WI-2017-ADM-0017

An EPA GS-13 employee was arrested on sexual assault-related charges unrelated to the employee's EPA employment. The charges were a result of a 2003 case in which new evidence was developed. The employee was suspended and barred from EPA premises while the charges were pending. Due to the statute of limitations expiring, the case was dismissed by the court and the employee was reinstated.

CASE NUMBER: OI-SA-2018-ADM-0041

An EPA GS-13 employee was arrested for felony charges relating to destruction of private property and assault with the use of a vehicle. The arrest did not occur during work hours or while the employee was representing the EPA. The EPA employee was screened to determine if a threat within the workplace existed. The employee had already engaged the EPA Employee Assistance Program, has kept management advised of the situation, and is awaiting the outcome of the pending charges. It was determined that the EPA employee did not pose a threat within the workplace.

CASE NUMBER: OI-HQ-2016-CAC-0024

An EPA GS-13 employee allegedly allowed contractors to include commute times in billing for the hours that they were supposed to be completing work at an EPA site. The investigation supported the allegation. The employee received a written warning, additional training and enhanced supervision. The EPA was reimbursed by the contractor for the billed commuting time.

CASE NUMBER: OI-HQ-2018-ADM-0014

An EPA GS-13 employee allegedly lied on a resume and Standard Form 85P, *Questionnaire for Public Trust Positions*. The investigation did not find that any incorrect or false information was reported. The allegations were not supported.

CASE NUMBER: OI-HQ-2014-ADM-0049

An EPA GS-13 Criminal Investigator in the EPA's Criminal Investigation Division allegedly discharged a service weapon by accident, causing injury to self. The allegation was supported. The Criminal Investigator accidentally discharged a bullet into the Criminal Investigator's leg while holstering the firearm while sitting in a vehicle, causing injury.

CASE NUMBER: OI-CI-2016-ADM-0039

An EPA GS-13 employee allegedly misused the official government travel card. The investigation found that the employee made numerous cash withdrawals not associated with official travel. The employee had no recollection of making the cash withdrawals but acknowledged the withdrawals were made. The card balance was paid in full, and no further action was taken.

CASE NUMBER: OI-DA-2017-ADM-0051

An EPA GS-13 employee allegedly used an EPA email account and computer for personal business. The investigation supported the allegations. The employee admitted to using the EPA email account and computer to conduct personal business during work hours for several years. The employee received a letter of reprimand and was suspended from participation in the telework program for 1 year.

CASE NUMBER: OI-HQ-2017-ADM-0115

An EPA OIG GS-13 employee allegedly engaged in time-and-attendance fraud. The investigation did not support the allegation.

CASE NUMBER: OI-HQ-2017-ADM-0130

An EPA GS-13 employee was allegedly in possession of a counterfeit Personal Identity Verification card. The investigation supported the allegation in that the employee had created an almost identical copy of the EPA-issued Personal Identity Verification card. EPA management issued the employee a 4-day suspension.

CASE NUMBER: OI-AT-2017-ADM-0123

An investigation was initiated after an EPA GS-11 employee was arrested for soliciting a prostitute. The employee allegedly used an EPA cell phone and computer to facilitate the crime. The allegation was not supported, but the investigation found that the employee engaged in other activities facilitating the crime during official duty hours and falsely recorded the total number of work hours in the EPA timekeeping system for the date on which the arrest occurred. When confronted, the employee provided EPA management and OIG investigators with false and/or misleading information related to the arrest. The employee received a 14-day suspension for displaying a lack of candor in statements made to the supervisor and OIG investigators, engaging in conduct inappropriate for the workplace, and misusing official duty time.

CASE NUMBER: OI-HQ-2018-PFD-0038

An EPA employee was found unresponsive in an EPA facility restroom. The local fire department responded and found that the employee had died. An investigation was opened in case the results of the autopsy showed that the employee did not die from natural causes. The medical examiner ruled the employee's death was from natural causes.

CASE NUMBER: OI-HQ-2018-ADM-0028

An unknown EPA employee(s) allegedly accessed and disclosed, without authorization, the EPA Administrator's official EPA travel records regarding a trip abroad. Employees with access to the Administrator's travel account were interviewed and all denied committing the unauthorized release. The investigation was inconclusive.

Investigations Involving Non Employees Not Previously Publicly Disclosed**CASE NUMBER: OI-CH-2018-ADM-0001**

An EPA supervisor notified the OIG of suspected child pornography on an EPA computer. The supervisor had received a computer from a former EPA employee approximately a year after the employee separated from the EPA. A review of the computer showed suspicious child pornography wording on the computer files. Adult pornography, but not child pornography, was found on the computer. As the EPA employee already was separated from the EPA, no administrative action was taken.

CASE NUMBER: OI-AR-2017-CAC-0003

A network storage server hosted by the Office of Environmental Information was found to be unsecured, which could have enabled users to access the file shares on the server. This server routinely had been used to transfer the email files and folders of subjects under investigation by the OIG. The investigation determined that the audit log functions of the server were not enabled; therefore, detailed audit records were not available.

Without audit records, the root cause determination is not available. The server was secured, and no evidence of data exfiltration was observed.

CASE NUMBER: OI-NE-2014-CFR-0121

It was alleged that a company was not performing a certain water testing procedure in accordance with EPA regulations on an EPA-funded contract. The investigation found that the required testing procedure was not being followed, but it was inconclusive as to whether the analysts were purposely not following the proper testing procedure. In addition, the investigation was inconclusive as to whether the improper testing procedure that was used had any impact on projects funded directly or indirectly by the EPA.

CASE NUMBER: OI-DA-2014-CFR-0098

An investigation into an EPA grant recipient for potential fraudulent activity was initiated after the recipient was consistently unable to account for how EPA water grant funds were spent. The investigation determined that the grant recipient had charged labor hours based on estimated hours or percentages rather than actual hours worked. The EPA received from the grant recipient a repayment of \$172,045, while the remaining funds were deobligated and the grant was closed.

CASE NUMBER: OI-SA-2017-OTH-0128

A public safety officer allegedly conducted an inappropriate security screening and harassed an EPA employee at the checkpoint of a federal building. Investigators interviewed all parties involved and reviewed the security video footage. The investigation did not support the allegation.

CASE NUMBER: OI-DE-2013-CAC-0064

Contractors at a Superfund remediation site allegedly did not replace air filters in the vehicles used to haul asbestos-contaminated material prior to releasing the vehicles from the site to be used for general purposes. The investigation found no violations of company policy and procedures or contractual requirements regarding proper replacement of air filters. The allegation was not supported.

CASE NUMBER: OI-HQ-2018-ADM-0020

An unknown individual contacted the offices of a state Senator and the Speaker of the U.S. House of Representatives via email and impersonated the acting Deputy Director of the EPA's Criminal Investigation Division. Investigative techniques identified the use of numerous proxy servers to mask the location and identity of the sender, who was located abroad. The investigation was closed.

CASE NUMBER: OI-CH-2017-AFD-0134

An employee at an EPA-funded wastewater treatment plant allegedly accepted bribes from various contractors. The investigation found that the allegation was supported. Due to the death of the individual, the case did not move forward toward prosecution.

CASE NUMBER: OI-PH-2018-CFD-0013

A Canadian valve supplier was alleged to have supplied valves not compliant with the American Iron and Steel provision under a State Revolving Fund project. The investigation determined that the supplier complied with the requirements of the provision; therefore, the allegation was not supported.

CASE NUMBER: OI-DA-2018-ADM-0035

An individual was investigated for possible threats against the EPA. The suspect had a long history of contacting the EPA OIG Hotline and becoming offensive when matters were not addressed to the individual's satisfaction. During a 3-week period, the individual made four visits to Federal Bureau of Investigation offices in San Antonio and Houston, Texas, and the EPA Region 6 office in Dallas, Texas. While visiting the EPA office, the individual alleged that a former employer, who is a government contractor, committed fraud on a Superfund site over 10 years ago. The OIG investigated the allegation; it was not supported. However, due to the escalation in behavior exhibited by the individual in an effort to be heard, a bar notice was issued for the individual in EPA Region 6.

CASE NUMBER: OI-SA-2018-PFD-0003

An air purifier company allegedly claimed as part of its advertising and marketing to be funded by and partnering with the EPA. The company also may have used these claims to lure venture capitalists to invest in the company. The investigation supported the allegation that the company was misusing the EPA seal and logo, as

well as falsely claiming to be funded by and partnering with the EPA. The investigation did not support the allegation of defrauding investors. The EPA submitted a letter to the company stating that it was to stop using the EPA seal and logo and remove all claims regarding EPA partnership and funding from its website and advertising. The investigation also found that the company had not engaged the EPA regarding proper registration of potential pesticide products or devices, including nanotechnology. The matter was referred to the EPA Office of Pesticide Programs for further action.

CASE NUMBER: OI-DE-2013-CAC-0063

Contractors on a Superfund remediation site allegedly remediated residential and public properties with amphibole asbestos-contaminated soil. The investigation showed that applicable policy, procedures and contractual requirements were followed regarding the remediation of properties in and around the Superfund remediation site. The allegations were not supported.

CASE NUMBER: OI-AT-2015-CFR-0092

It was alleged that an engineering company falsified the hours worked in requests for payment claims made to a Leaking Underground Storage Tank trust fund awarded to a state by the EPA. The allegation was supported. The investigation identified instances where the company falsely reported the total hours spent at the Leaking Underground Storage Tank site and instances where the company was paid for geologist site visits that were either not conducted or were conducted by a field technician. The total loss due to fraudulent claims was identified as approximately \$31,000, of which approximately \$10,000 was associated with the federally funded Leaking Underground Storage Tank sites. The U.S. Department of Justice declined pursuit of federal remedies against any individual or entity identified in this investigation in lieu of state administrative actions associated with the recovery of lost funds from the engineering company.

CASE NUMBER: OI-SA-2017-CAC-0084

Four individuals associated with two companies allegedly conspired to defraud a Drinking Water State Revolving Fund to relieve themselves of the responsibility to repay a \$200,000 loan, which was funded by the EPA. A company that owned a mobile home park obtained funds from a Drinking Water State Revolving Fund to build and operate an arsenic treatment facility. After the facility was constructed, the company failed to properly fund and maintain the facility. The company also ceased all communications with the State Revolving Fund controlling entity. The investigation supported the allegation. Communications and business records were found showing that individuals within the company that owned the mobile home park conspired with other individuals—with whom they were already familiar and conducting business in other ventures—to put the mobile home park on notice of being foreclosed and up for auction and to have the second company purchase it. The second company then sold the mobile home park to a third, nonconnected series of investors. The first company was then dissolved, and the individuals associated with that company stated that they were no longer responsible for repayment of the loan. The OIG referred the case to the U.S. Department of Justice and the Nevada Attorney General, but they declined to prosecute or take civil action.

CASE NUMBER: OI-DE-2013-CFR-0111

Contractors on a Superfund remediation site allegedly violated the Response Action Work Plans by failing to restore properties to a condition equal to that which existed before the remediation work. No incidents were noted where the remediation contractors did not either restore residential properties to their pre-remediation condition or provide homeowners with monetary compensation for any damage sustained due to remediation work. The allegation was not supported.

CASE NUMBER: OI-DE-2014-CFR-0075

An EPA contract associated with the renovation of an environmental building located on a tribal reservation may have been fraudulently awarded. Further, the contractor may have submitted fraudulent documentation to request reimbursement from an EPA grant for materials never received and work never completed. The contracting authority went through three different bidding processes to ensure that proper protocol was followed surrounding the award of the contract. The investigation determined that the tribe's finance department mistakenly interpreted three documents submitted by the contractor as representing actual costs incurred rather than cost estimates for the renovation project. The tribe issued a check to pay the invoices but caught the invoicing mistake prior to the check being mailed. The check was subsequently voided. The allegations were not supported.

CASE NUMBER: OI-RTP-2018-CFD-0106

A former employee of an EPA contractor alleged contract fraud by that employer. The complainant believed that the contractor—the recent recipient of an EPA contract—intentionally did not request or obtain information needed to ensure an efficient transition from the previous contractor, resulting in overcharges to the EPA for work not completed during the transition period. This delay also allegedly resulted in security vulnerabilities for the EPA systems maintained under the contract. The investigation found that although the transition between the contractors did not occur smoothly and required the involvement of EPA contracting officers, no actual measurable loss to the EPA resulted. Upgrades to some EPA systems were temporarily delayed but ultimately completed. No security vulnerabilities were noted. The allegations were not supported.

CASE NUMBER: OI-CH-2018-THT-0080

An individual allegedly left a threatening voice message directed at EPA Office of Water employees. The allegation was not supported.

CASE NUMBER: OI-RTP-2018-THT-0055

An EPA office advised of a potential threat made by a former employee of an EPA contractor. The EPA contractor had fired the employee and barred the employee from the workplace, an EPA facility. Later that day, the former employee returned to the EPA facility but was denied access by security. The employee became agitated and made a comment that security believed was a veiled threat. The former contractor employee's EPA-issued desktop and laptop computers were seized by investigators as evidence. Interviews with coworkers and EPA employees with oversight responsibilities for the former employee indicated no previous threats or violent behavior by the individual. Review of the computers did not show any evidence of violent or threatening behavior. When interviewed, the former employee vigorously denied making a threat and apologized repeatedly for the misunderstanding. Since no threat was identified, the investigation was closed.

CASE NUMBER: OI-DE-2017-CAC-0118

An individual allegedly verbally threatened EPA personnel and contractors who were working to remove asbestos from an EPA cleanup site. Interviews of the parties involved disclosed that the individual was extremely intoxicated and did not recall the incident. After all the interviews were conducted, the investigation was determined to be inconclusive.

CASE NUMBER: OI-HQ-2016-CAC-0049

A private citizen sent threatening messages to numerous government officials, including a former EPA Administrator. The individual was located and contacted by investigators, admitted to sending the threatening messages, and agreed to cease the activity. The U.S. attorney's office declined the case for prosecution.

CASE NUMBER: OI-HQ-2017-CAC-0060

An unknown individual or group sent potentially dangerous mailings to family members of numerous presidential Cabinet nominees. The mailings each consisted of a plastic package of a white powdery substance and a card with the President's name written on it. The substance was tested and determined not to be harmful. This case was opened in anticipation of the EPA Administrator or his family receiving such a mailing, but they did not. The investigation was closed.

CASE NUMBER: OI-HQ-2018-THT-0004

An EPA employee received a threatening email from an unknown sender outside of the EPA. The email referenced personal information about the employee and his family; however, the information was publicly available. The email was found to be untraceable. There were no additional investigative leads to pursue, and the investigation was closed.

CASE NUMBER: OI-CH-2018-THT-0068

An individual allegedly sent a potentially threatening letter to the President referencing the use of a weapon. The individual cited construction being completed in his neighborhood and blamed the EPA for the inconvenience. The investigation determined that the letter was not intended as a threat and the individual did not pose a threat to EPA employees.

CASE NUMBER: OI-SE-2017-CAC-0058

An individual allegedly acted in a potentially threatening manner toward EPA contractors at an EPA Superfund site. The investigation determined that although the individual's behavior toward the contractors was disturbing,

the individual did not commit a crime. The individual was asked by the EPA to enter into a relocation agreement. The individual signed the relocation agreement, which stipulated that the individual would reside in a temporary location until work on and near the individual's property was completed.

CASE NUMBER: OI-HQ-2018-CCR-0065

An individual gained unauthorized access to EPA office space in the Ronald Reagan Building and International Trade Center in Washington, D.C. The individual was interviewed by OIG and Federal Protective Service investigators. The individual admitted to gaining unauthorized access to the EPA office space while attending a conference in the building. As a result of the unauthorized access, the individual was issued an "Order Not to Enter," and the EPA issued a bar notice for the individual. In addition, the EPA conducted remediation and repairs to security vulnerabilities that were identified by this incident.

CASE NUMBER: OI-HQ-2018-THT-0029

The OIG was notified that there was a video posted on a pro-Islamic State website that threatened the murder of, and called upon viewers to murder, U.S. government employees. The video displayed a list of government employees, some of whom worked for the EPA. The OIG notified the named EPA employees that they were on this list. The security offices for the EPA regions where those EPA employees worked were also notified.

CASE NUMBER: OI-SA-2018-THT-0089

An individual posted a potentially threatening message to the EPA Administrator's official Facebook page. It was determined that the message was not a credible threat.

CASE NUMBER: OI-SE-2017-CAC-0073

A postcard containing potentially threatening statements was sent to the EPA Administrator. It was determined that the message was not a credible threat.

CASE NUMBER: OI-HQ-2017-CAC-0069

An individual sent a potentially threatening email to the EPA Administrator. The OIG was unable to identify a sender. The investigation was closed.

CASE NUMBER: OI-HQ-2018-THT-0056

An individual made a potentially threatening post toward the EPA Administrator on Instagram. No threat was identified. The investigation was closed.

CASE NUMBER: OI-HQ-2018-THT-0026

An individual sent obscene and inappropriate emails to the EPA Administrator. Investigators interviewed the individual. The individual stated that the emails were sent out of frustration and there was no intention to harm the EPA Administrator. No threat was identified. The investigation was closed.

CASE NUMBER: OI-BO-2017-CAC-0093

An individual sent a potentially threatening email to the EPA Administrator. It was determined that the communication was not a direct threat. The investigation was closed.

CASE NUMBER: OI-HQ-2017-THT-0148

An individual made a potentially threatening post toward the EPA Administrator on Twitter. It was determined that the post was not a credible threat.

CASE NUMBER: OI-HQ-2018-THT-0042

An individual sent a potentially threatening email to the EPA Administrator. It was determined that the language within the email was not a credible threat.

CASE NUMBER: OI-HQ-2018-THT-0043

An individual sent a potentially threatening email to the EPA Administrator. It was determined that the language within the email was not a credible threat.

Appendix 5—Peer Reviews Conducted

Audits

The U.S. Department of Defense OIG completed an external peer review of the EPA OIG audit organization covering the fiscal year ended September 30, 2017, and issued its report on June 18, 2018. The review was conducted in accordance with generally accepted government auditing standards and the Council of the Inspectors General on Integrity and Efficiency's *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. The peer review report stated that the system of quality control for the EPA OIG audit organization in effect for the year ended September 30, 2017, was suitably designed and complied with to provide the EPA OIG with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The EPA OIG received an external peer review rating of *pass*.

The EPA OIG completed an external peer review of the audit organization of the U.S. Department of Homeland Security OIG and issued its report on August 27, 2018. The review was conducted in accordance with *Governmental Auditing Standards* and the Council of the Inspectors General on Integrity and Efficiency's *Guide for Conducting Peer Reviews of the Audit Organizations of Federal Offices of Inspector General*. We examined the audit function for the fiscal year ended September 30, 2017. We found that the Department of Homeland Security OIG had quality control policies and procedures that were intended to provide reasonable assurance of compliance with generally accepted government auditing standards. However, we believe that the Department of Homeland Security OIG should take additional steps to strengthen its system of quality control to ensure that all applicable standards are met and adequately documented. The Department of Homeland Security OIG received an external peer review rating of *pass with deficiencies*.

Investigations

The U.S. General Services Administration OIG completed the most recently mandated Council of the Inspectors General on Integrity and Efficiency quality assurance review of the EPA OIG Office of Investigations and issued its report on June 11, 2018. The U.S. General Services Administration OIG identified no deficiencies and found internal safeguards and management procedures compliant with quality standards.

On February 24, 2017, the EPA OIG completed its report on a quality assessment review of the U.S. Department of the Interior OIG's Office of Investigations in effect for the 1-year period ending April 30, 2016. We found that the Department of the Interior OIG's system of internal safeguards and management procedures for the investigative function for the period reviewed were in compliance with the applicable quality standards.

Appendix 6—OIG Mailing Addresses and Telephone Numbers

Headquarters

U.S. Environmental Protection Agency
Office of Inspector General
1200 Pennsylvania Ave., NW (2410T)
Washington, DC 20460
(202) 566-0847

Offices

Atlanta

U.S. Environmental Protection Agency
Office of Inspector General
61 Forsyth Street, SW
Atlanta, GA 30303
Audit: (404) 562-9830
Investigations: (404) 562-9857

Boston

U.S. Environmental Protection Agency
Office of Inspector General
5 Post Office Square, Suite 100 (OIG15-1)
Boston, MA 02109-3912
Audit: (617) 918-1475
Investigations: (617) 918-1466

Chicago

U.S. Environmental Protection Agency
Office of Inspector General
77 West Jackson Boulevard
13th Floor (IA-13J)
Chicago, IL 60604
Audit: (312) 353-2486
Investigations: (312) 886-7167

Cincinnati

U.S. Environmental Protection Agency
Office of Inspector General
26 West Martin Luther King Drive
Cincinnati, OH 45268-7001
Audit: (513) 487-2363
Investigations: (312) 353-2507

Dallas

U.S. Environmental Protection Agency
Office of Inspector General (6OIG)
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733
Audit: (214) 665-6621
Investigations: (214) 665-2249

Denver

U.S. Environmental Protection Agency
Office of Inspector General
1595 Wynkoop Street, 4th Floor
Denver, CO 80202
Audit: (303) 312-6969
Investigations: (303) 312-6868

Kansas City

U.S. Environmental Protection Agency
Office of Inspector General
11201 Renner Boulevard
Lenexa, KS 66219
Audit: (913) 551-7878
Investigations: (312) 886-7167

New York

U.S. Environmental Protection Agency
Office of Inspector General
290 Broadway, Suite 1520
New York, NY 10007
Audit: (212) 637-3049
Investigations: (212) 637-3033

Philadelphia

U.S. Environmental Protection Agency
Office of Inspector General
1650 Arch Street, 3rd Floor
Philadelphia, PA 19103-2029
Audit: (215) 814-5800
Investigations: (212) 637-3033

Research Triangle Park

U.S. Environmental Protection Agency
Office of Inspector General
Mail Drop N283-01
Research Triangle Park, NC 27711
Audit: (919) 541-1030
Investigations: (919) 541-0517

San Francisco

U.S. Environmental Protection Agency
Office of Inspector General
75 Hawthorne Street (IGA-1-2)
8th Floor
San Francisco, CA 94105
Audit: (415) 947-4527
Investigations: (415) 947-4507

Seattle

U.S. Environmental Protection Agency
Office of Inspector General
Mail Code OIG-173
1200 Sixth Avenue, Suite 155
M/S OIG-173
Seattle, WA 98101-3140
Audit: (206) 553-6906
Investigations: (206) 553-1273