

MEMORANDUM

SUBJECT: Corrective Action Plan for Inspector General Report No. 18-P-0239, *The EPA Asserts Statutory Law Enforcement Authority to Protect Its Administrator but Lacks Procedures to Assess Threats and Identify the Proper Level of Protection*, September 4, 2018

FROM: Susan Parker Bodine, Assistant Administrator
Office of Enforcement and Compliance Assurance

David A. Bloom, Acting Chief Financial Officer
Office of the Chief Financial Officer

TO: Sean O'Donnell, Inspector General
Office of the Inspector General

Thank you for the opportunity to respond to the unresolved issues related to the subject audit report and outlined in the Office of Inspector General's memorandum dated January 7, 2020. The agency has established corrective actions to address the final three recommendations for this audit. As stated in your memorandum, the OIG agreed that recommendations 1- 4 and 8 -12 were completed. The following is a summary of the U.S. Environmental Protection Agency's overall position. We have provided high-level anticipated corrective actions and estimated completion dates.

AGENCY'S OVERALL POSITION

The EPA concurs with Recommendations 5, 6 and 7. Recommendation 5 is specific to the Office of Enforcement and Compliance Assurance, and we have coordinated our recent progress on Recommendation 5 with the OIG. The January 7, 2020 memorandum, states, "*OECA's general response does not directly address the specific elements of the recommendation, and thus, the OIG continues to consider the recommendation unresolved.*" In the recent weeks following receipt of the OIG's memorandum, the OECA and the OIG jointly reviewed the OECA's Protective Service Directives. Both offices agreed the directives were released and properly dated in December 2018. The OIG's remaining concern regarding the Office Director signature on the directives has also been addressed. As of January 16, 2020, each of the directives has the Office Director's initials. Accordingly, the OECA believes Recommendation 5 has been fully implemented. A summary of Recommendation 5 is highlighted in the corrective action table below.

Recommendations 6 and 7, which have implications for both the Office of the Chief Financial Officer and the OECA, have corresponding corrective actions provided below. The OIG should note that the agency maintains that the Protective Service Detail agents followed proper procedure in obtaining their supervisor's pre-approval for overtime requests. Then, upon performing the work in accordance with the

pre-approved overtime requests, the PSD agents were paid by the EPA in the correct amount for valid actual overtime performed.

However, for a short period, the PSD Special Agent in Charge approved the overtime in advance. According to agency policy, these pre-approvals should have been signed at a higher level – specifically, by the Deputy Office Director. As a result, the EPA has determined that this inadvertent oversight constitutes an administrative process error that technically meets the definition of an improper payment, as defined by the Office of Management and Budget’s Circular A-123, Appendix C, *Requirements for Payment Integrity Improvement*. The OECA conducted a thorough analysis of the overtime hours worked by the PSD agents, and determined the appropriate overtime amount of improper payments, from January 2016 through March 2017, was \$54,116.52. Therefore, the OCFO will report the unauthorized overtime amounts as improper payments in the 2020 Agency Financial Report. Since the PSD agents were paid the correct amount for valid overtime work performed, the agency will not seek to recover any funds from the agents.

AGENCY’S RESPONSE TO REPORT RECOMMENDATIONS

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion Date
5	Create and implement comprehensive policies, procedures and standard operating procedures covering the PSD operations and proper protection level determinations.	The OECA updated directives governing PSD activities. The OCEFT Director initialed all directives	12/19/2018 01/16/2020
6	Determine the amount of overtime that was improperly authorized for Protective Service Detail agents in calendar years 2016 and 2017 and identify the amounts paid as improper payments.	The OECA will work with the OCFO to identify potentially reportable amounts.	03/24/2020
7	Report improper payments to Protective Service Detail agents to the Office of the Chief Financial Officer for inclusion in the annual Agency Financial Report.	Where appropriate, the OCFO will report applicable amounts in the FY 2020 AFR in November.	11/15/2020

Thank you for the opportunity to respond to this report. We believe the actions described in the corrective action table above satisfy the intent of the OIG’s recommendations. Accordingly, the agency believes these corrective actions should now be closed.

CONTACT INFORMATION

If you have any questions regarding this response, please contact the OCFO’s Audit Follow-up Coordinator, Andrew LeBlanc, at (202) 564-1761, or the OECA’s AFC, Gwendolyn Spriggs, at (202) 564-2439.

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