



OFFICE OF INSPECTOR GENERAL

Semiannual Report to Congress

October 1, 2017–March 31, 2018

EPA-350-R-18-001
May 2018

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Inspector General Act of 1978, as amended

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Abbreviations

CFR	Code of Federal Regulations
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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1200 Pennsylvania Avenue, NW (2410T)
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Message to Congress

For the semiannual reporting period ending March 31, 2018, the Office of Inspector General (OIG) for the U.S. Environmental Protection Agency (EPA) saw a significant increase in congressional requests for audits and investigations. As we navigate the allocation of OIG resources needed to address numerous inquiries and strive to help the agency meet its mission to protect human health and the environment, the OIG remains committed to detecting and preventing fraud, waste and abuse.



Arthur A. Elkins Jr.

Resource allocation is also a factor in the work that we do as the OIG for the U.S. Chemical Safety and Hazard Investigation Board (CSB). Helping the CSB fulfill its mission to investigate and report on accidental chemical releases is yet another way the OIG allocates its resources to assist with protecting people and the environment.

Challenging Budget Environment

Since fiscal year (FY) 2014, the budget for the OIG has remained relatively flat. Despite an increase in congressional requests and high-profile audits and investigations, our budget decreased from \$51.7 million in FY 2014 to \$50.3 million in FY 2018. Further, our number one resource—appropriated full-time equivalent staff—has declined from 331 in FY 2014 to 270 in FY 2018. All of these constraints are occurring during a time of budget unpredictability and rising demands, which hampers our ability to perform our work at past levels.

OIG Accomplishments During Reporting Period

- More than \$374.74 million in potential monetary benefits.
- More than \$0.499 million in total fines and recoveries (including EPA only and joint investigations).
- 18 reports issued by EPA OIG.
- 54 investigative cases closed.
- 43 administrative actions resulting from investigative cases.
- 123 hotline inquiries closed.
- 197 hotline inquiries referred for action.

Impact of Our Work

Even with these constraints, we continue to move forward and post accomplishments. One of our audit reports this period was on self-insurance for companies with multiple cleanup liabilities. We found that the EPA does not sufficiently verify all self-insurance and that companies are not required to disclose all environmental liabilities. If a company's self-insurance is not valid, the company can default on cleanup operations and saddle the EPA and the American taxpayers with billions of dollars in cleanup costs.

In another audit report, we noted that during a 3-year period the EPA awarded over \$4 billion dollars in performance-based contracts. These contracts attempt to achieve better value and enhanced performance, and focus on the results to be achieved instead of how the work is to be performed. However, we found that over \$290 million awarded in performance-based contracts could have been put to better use if the EPA had not granted award terms for less-than-superior service.

We also audited the EPA's use of high-risk contracts and found that the agency could reduce the frequency of use of these contracts. Low-risk, firm-fixed-price contracts represented only 9 percent of the EPA's contract obligations as of the second quarter of FY 2017. Without improving its acquisition

planning process, the EPA may continue to spend hundreds of millions of dollars on high-risk contracts that waste taxpayer dollars.

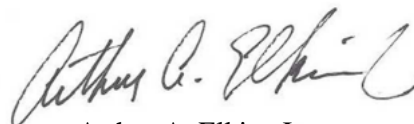
As the summer season approaches, another one of our audits found that the EPA has not reported to Congress on the Beaches Environmental Assessment and Coastal Health Act of 2000 (known as the BEACH Act), which provides states, territories and tribes with funds to operate beach monitoring and public notification programs. In FY 2013, the EPA stopped requesting funding for the program based, in part, on its view that the program is “mature.” Although the EPA no longer requests funds, Congress has continued to fund the program. We found that the agency’s failure to submit required reports and keep required records limits congressional, public and EPA knowledge about the impact of the program and decisions regarding the use of taxpayer dollars.

Highlights from our investigative work include the completion of our investigation into the August 2015 release of over 3 million gallons of contaminated mine water from the Gold King Mine. Rivers and streams in four western states were affected by the release. The U.S. Attorney’s Office declined prosecution under any criminal offenses, and the EPA did not take administrative action against any employees. Another important investigation involved a former Tribal Administrator receiving an 18-month prison sentence and a restitution fine of \$297,731 for embezzling funds. We also investigated a company president who was later ordered to serve a 12-month prison sentence, faces deportation, and has to repay \$180,392 for his role in deceiving U.S. municipalities into spending federal stimulus money on his company’s foreign-made products.

EPA Successes and Upcoming Projects

Two of our reports this period highlight the EPA implementing our recommendations and taking appropriate corrective actions to improve human health and the environment. In our follow-up review of recommendations made in our 2006 report on the Libby, Montana, Superfund site, we found that the EPA completed all outstanding recommendations. The agency’s corrective actions enabled the Libby toxicity assessment to be completed with transparency, and stakeholders received important human exposure information. The agency also took corrective actions following our audit of the EPA paying \$840,000 for subsidized parking and \$690,000 for unoccupied parking spaces over a 2-year period. The agency accepted our recommendations and chose no longer to offer reduced-rate or free parking.

The audit reports and investigations during this semiannual reporting period demonstrate the OIG’s capacity to produce quality work as we adapt to budget uncertainty, constrained resources and increased demands. Looking forward, we anticipate completing important projects involving the Flint (Michigan) water crisis, the EPA Administrator’s travels and protective service detail, asbestos in schools, and asbestos demolition at the Old Davis Hospital in Statesville, North Carolina. We hope to cover these projects in our semiannual reporting period that ends September 30, 2018.



Arthur A. Elkins Jr.
Inspector General

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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. The last external peer review of the EPA OIG's audit and evaluation offices was completed in June 2015 and the last external peer review of the EPA OIG's investigations office was completed in December 2014. Both reviews gave the EPA OIG the highest rating possible—*pass*. Further details are in Appendix 5. New peer reviews are currently underway.

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

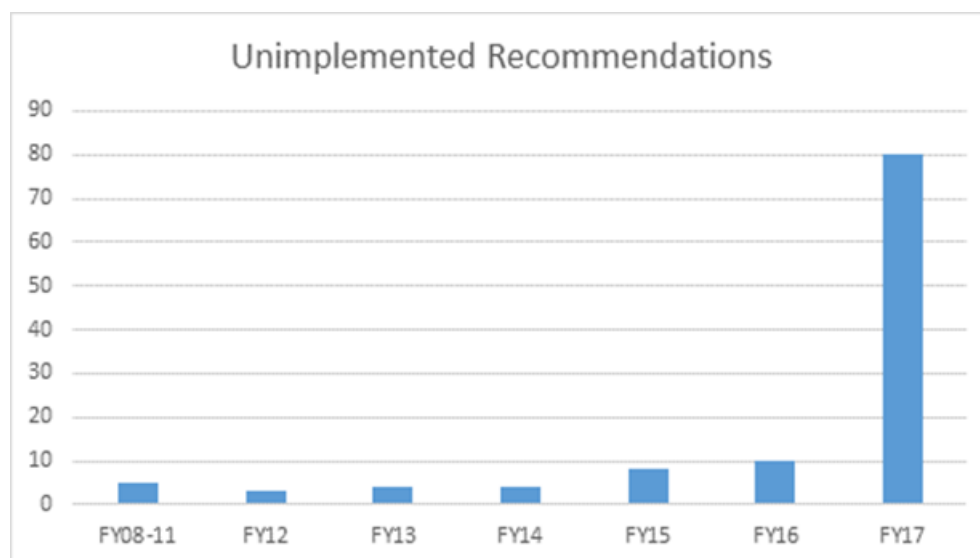
The information below shows taxpayer return on investment for work performed by the EPA OIG during the first half of fiscal year 2018 compared to FY 2018 annual performance goal targets. All results reported are based on goals and plans established under the Government Performance and Results Act.

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: 18 (9% of goal)	Supporting measures 3 Environmental/health improvements realized or influenced by OIG work 15 Environmental, chemical safety or business policy, practice or process change 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: 352 (77% of goal)	Supporting measures 12 Certifications, verifications, validations 91 Recommendations for improvement (including risk identified) 13 Referrals for agency action 7 Unimplemented recommendations identified in issued reports 228 OIG-identified findings in external reports impacting EPA 1 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: 580% of target	Supporting measures (in millions) OIG budget: \$50.3 Potential return: \$466.7 \$0.074 Questioned costs \$374.664 Potential monetary benefits identified in report—excluding questioned costs \$90.952 Monetary actions taken or resolved prior to report issuance \$0 Fines, penalties, settlements and restitutions resulting from EPA OIG investigations \$0.013 Actual cost saved identified after report issuance \$0.539 Cost avoidance savings/cost savings identified after report issuance or based on investigative results \$0.499 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: 151 (174% of goal)	Supporting measures 39 Allegations disproved 3 Indictments 1 Convictions 0 Civil actions 40 Administrative actions taken (other than debarments or suspensions) 3 Suspension or debarment actions 65 Fraud briefings conducted
Other (no targets established)	
Savings and recommendations sustained: <ul style="list-style-type: none"> 98 sustained environmental or business recommendations (resolved or agreed-to) for action \$9.03 million in sustained questioned costs \$374.66 million in sustained potential monetary benefits Reports Issued: 18	

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

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.



For the semiannual reporting period ending March 31, 2018, the EPA had 114 unimplemented recommendations with potential monetary benefits totaling \$860 million. The table below shows the status of the recommendations, which fall into six categories.

Category	Total	
	#	\$M
1. Management and Operations	48	\$24.5
2. Water Issues	17	\$791.8
3. Environmental Contamination and Cleanup	14	\$27.8
4. Toxics, Chemical Safety and Pesticides	16	\$0.0
5. Air Quality	9	\$15.9
6. Research and Laboratories	10	\$0.0
Total	114	\$860.0

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 48 unimplemented recommendations in this category offer potential for more effective and efficient operations, and potential monetary benefits of \$24.5 million.

- Improved oversight of:
 - Audio conferencing services (Report No. [17-P-0408](#)).
 - Puerto Rico’s assistance agreements (Report No. [17-P-0402](#)).
 - Leave bank program (Report No. [17-P-0374](#)).
 - Management of the Brownfields Revolving Loan Fund Program to maximize cleanups (Report No. [17-P-0368](#)).
 - Text messaging (Report No. [17-P-0062](#)).
 - Recording and management of funds receivable from other agencies (Report No. [17-F-0046](#)).
 - Use of religious compensatory time (Report No. [16-P-0333](#)).
 - Travel cards (Report No. [16-P-0282](#)).
 - Transit subsidy benefits program (Report No. [16-P-0268](#)).
 - Hawaii water quality grants (Report No. [16-P-0218](#)).
 - Cooperative agreements for Guam (Report No. [16-P-0166](#)).
 - Employees on extended absences (Report No. [15-P-0167](#)).
 - Grants execution in the U.S. Virgin Islands (Report No. [15-P-0137](#)).
 - Software costs (Report No. [15-1-0021](#)).
 - Emergency and Rapid Response Contracts ([14-P-0109](#)).
- Institutionalized the Lean program to reap cost and time benefits (Report No. [17-P-0346](#)).
- Better processes for information technology:
 - Internal controls for access management (Report No. [17-F-0046](#)).
 - Integration and use of cloud services (Report No. [15-P-0295](#)).
 - Information security vulnerability program (Report No. [15-P-0290](#)).
 - Internal controls for applications management (Report No. [10-1-0029](#)).

Category 2—Water Issues

The 17 unimplemented recommendations in this category offer the potential for improved human health and the environment, more effective and efficient operations, and potential monetary benefits of \$791.8 million.

- EPA’s voluntary WaterSense program demonstrated success (Report No. [17-P-0352](#)).
- Evaluate options to restore the viability of Puerto Rico’s Clean Water and Drinking Water State Revolving Funds (Report No. [17-P-0186](#)).

- Provide leadership and better guidance to improve fish advisory risk communications (Report No. [17-P-0174](#)).
- Drinking water contamination in Flint, Michigan, clarified EPA authority to issue emergency orders to protect the public (Report No. [17-P-0004](#)).
- More consistent annual reviews of Clean Water State Revolving Funds (Report No. [16-P-0222](#)).
- Assess environmental and economic benefits of completed Clean Water State Revolving Fund green projects (Report No. [16-P-0162](#)).
- Develop strategies for monitoring the impact of state activities on the Gulf of Mexico hypoxic zone (Report No. [14-P-0348](#)).
- Apply federal user fee policy in determining whether to charge fees for issuing National Pollutant Discharge Elimination System permits (Report No. [14-P-0129](#)).
- Revise outdated or inconsistent EPA/state clean water memorandums of agreement (Report No. [10-P-0224](#)).

Category 3—Environmental Contamination and Cleanup

The 14 unimplemented recommendations in this category offer the potential for improved human health and the environment, more effective and efficient operations, and potential monetary benefits of \$27.8 million.

- Assure distribution of Superfund human resources supports current regional workload (Report No. [17-P-0397](#)).
- Continue to reduce backlog of leaking underground storage tank cleanups in Indian Country and demonstrate compliance with requirements (Report No. [17-P-0118](#)).
- Reconcile Superfund special accounts balances to the special accounts database detail (Report No. [17-F-0046](#)).
- Implement management controls to complete the required Treatment, Storage and Disposal Facility inspections (Report No. [16-P-0104](#)).
- 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](#)).
- Improve oversight of facilities regulated by the EPA's oil pollution prevention program (Report No. [12-P-0253](#)).
- Make better use of Stringfellow Superfund Special Accounts (Report No. [08-P-0196](#)).

Category 4—Toxics, Chemical Safety and Pesticides

The 16 unimplemented recommendations in this category have the potential for improved human health and the environment.

- 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](#)).
- Improve oversight of state pesticide inspections to better ensure enforcement of safeguards for workers, the public and the environment (Report No. [15-P-0156](#)).
- Re-examine the estimated costs and benefits of the lead rule to determine whether the rule should be modified, streamlined, expanded or repealed (Report No. [12-P-0600](#)).
- Establish criteria and procedures outlining what chemical or classes of chemicals will undergo risk assessments and update/revise risk assessment tools and models (Report No. [10-P-0066](#)).

Category 5—Air Quality

The nine unimplemented recommendations in this category have the potential for improved human health and the environment, and potential monetary benefits of \$15.9 million.

- Improve data and oversight to assure compliance with the standards for benzene content in gasoline (Report No. [17-P-0249](#)).
- Strengthen reviews of small particle monitoring in Region 6 (Report No. [16-P-0079](#)).
- Provide a verifiable and enforceable remedy to reduce diesel emissions in the Baton Rouge ozone nonattainment area (Report No. [13-R-0297](#)).
- 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](#)).

Category 6—Research and Laboratories

The 10 unimplemented recommendations in this category have the potential for improved human health and the environment, and more effective and efficient operations.

- 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 (Report No. [17-P-0378](#)).
- Strengthen fraud controls for the EPA’s contract laboratory program through risk assessment and sharing investigative information (Report No. [17-P-0119](#)).
- Account for current and future lab renovations (Report No. [15-1-0021](#)).

Furthering EPA's Efforts

Our audit work during this reporting period addressed what we determined to be key areas of effort for the EPA. 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
Analysis of Toxics Release Inventory Data Identifies Few Noncompliant Facilities	18-P-0001		X				X		
EPA Telework Program Is Consistent With U.S. Office of Personnel Management Guidance	18-P-0024								X
EPA's Information Security Program Is Established, but Improvements Are Needed to Strengthen Its Processes	18-P-0031						X		X
EPA Paid \$1.5 Million for Subsidized and Unoccupied Parking Spaces Over a 2-Year Period	18-P-0036								X
EPA Reported Its Fiscal Year 2017 Second Quarter Financial and Award Data in Accordance With the DATA Act	18-P-0037								X
Improved Acquisition Planning Will Help EPA Reduce Hundreds of Millions of Dollars in High-Risk Contracts	18-P-0038								X
EPA's Fiscal Years 2017 and 2016 Consolidated Financial Statements	18-F-0039								X
Self-Insurance for Companies With Multiple Cleanup Liabilities Presents Financial and Environmental Risks for EPA and the Public	18-P-0059			X					X
Inconsistencies With EPA Policy Identified in Region 10's Biweekly Pay Cap Waiver Process	18-P-0068						X		X
EPA Has Not Reported to Congress on BEACH Act Progress as Statutorily Required or Fully Documented Budget Decisions	18-P-0071		X				X		
Follow-Up Review - EPA Completed OIG Recommendations for Superfund Site in Libby, Montana	18-P-0074			X					
EPA Can Better Manage State Pesticide Cooperative Agreements to More Effectively Use Funds and Reduce Risk of Pesticide Misuse	18-P-0079				X				
EPA Needs to Evaluate the Impact of the Revised Agricultural Worker Protection Standard on Pesticide Exposure Incidents	18-P-0080		X				X		
EPA Can Achieve Better Value by Complying With Performance-Based Contract Requirements	18-P-0089								X
Differences in Processing Practices Could Decrease the Reliability of Ozone Data Used for Assessing Air Quality to Protect Public Health	18-P-0105	X							
EPA Did Not Use Allegedly Flawed Studies to Estimate Methane Emissions or Set New Source Performance Standards for Oil and Natural Gas Production	18-P-0129	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 March 31, 2018.

Interference With Independence

The OIG's ability to conduct an employee misconduct investigation was impeded by a union representative who erroneously demanded that the OIG comply with numerous provisions in the union's collective bargaining agreement with the agency. This demand was contrary to established case law holding that Inspector General investigative procedures are determined exclusively by the Inspector General and are not subject to modification from a collective bargaining agreement. Such bargaining would impinge on the statutory authority of the Inspector General. (See *Nat'l R.R. Passenger Corp. v. Fraternal Order of Police, Lodge 189 Labor Committee*, 855 F.3d 335 (D.C. Cir. April 28, 2017), *cert. denied*, 86 U.S.L.W. 3409 (U.S. Feb. 20, 2018)). The union representative refused to make the subject, a union member, available for an interview until the OIG complied with the bargaining agreement. At the request of the union representative, OIG personnel met with the union representative in an attempt to resolve the situation, but the union representative was belligerent and subjected OIG personnel to yelling, cursing and an offensive comment. The OIG reported the unprofessional conduct to the union representative's supervisor.

Interference With Access

Although the OIG reported in past semiannual reports that progress has been made in the area of cooperation between our office and the EPA's Office of Homeland Security, we still encounter situations where the OIG is not given access to all information required to investigate threats against EPA employees and facilities, employee misconduct and computer intrusions.

In a July 2015 letter, a former EPA Administrator stated that every office within the EPA is subject to appropriate oversight by the OIG and should not impede OIG investigations. Further, she stated that she would "not tolerate any interference with OIG's work

authorized under the Inspector General Act.” In addition, the Federal Bureau of Investigation indicated that the OIG should have access to requisite information.

However, during this reporting period there were at least two employee misconduct investigations conducted by the OIG regarding which the EPA’s Office of Homeland Security did not share pertinent information. This failure to inform and share information with the OIG caused unnecessary vulnerability for the agency and wasted taxpayer dollars due to duplicative efforts.

Significant OIG Activity

Congressional Activities

Reports

No congressionally requested reports were issued during this period, although numerous such projects are currently in progress.

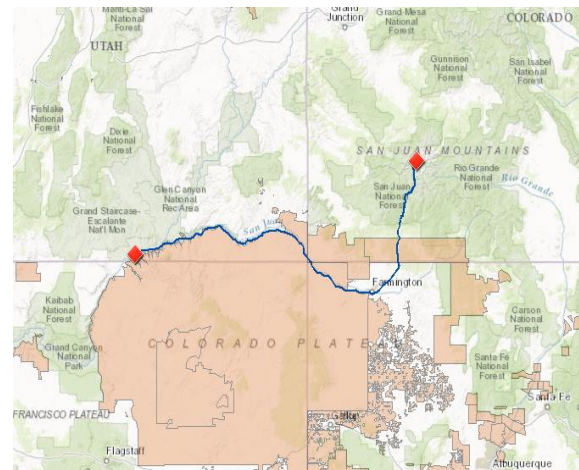
Investigations

Results of Gold King Mine Investigation

The OIG conducted an investigation into the August 5, 2015, release of over 3 million gallons of contaminated mine water at the abandoned Gold King Mine. We produced three Reports of Investigation, and on May 5, 2017, those reports were provided to the agency for action deemed appropriate. On December 14, 2017, the agency provided a memo detailing its responses.

The U.S. Attorney's Office responsible for the area where the mine is located was consulted during all stages of the investigation and declined prosecution of the matters noted below.

1. In response to a congressional request, the OIG investigated whether any EPA employees or contractors engaged in criminal or administrative misconduct in connection with the mine water release. The investigation supported that an EPA employee at the mine on August 5, 2015, engaged in both potential administrative and criminal misconduct in connection with the mine water release—a potential violation of 18 U.S.C. § 1001 (False Statements), and 33 U.S.C. §§ 1311 and 1319 (Direct Discharge to Waters of the United States). The EPA did not take any administrative action against the employee.



Gold King Mine and Lake Powell are identified with red markers. A blue line follows the river path that the released mine water from Gold King Mine traveled. Tribal lands are shown in tan.

Source: EPA OIG map.

2. In response to a letter from the Executive Director of the Colorado Department of Natural Resources, the OIG investigated whether any members of the EPA's internal review team engaged in misconduct by falsifying information in the report that the team issued—a potential violation of 18 U.S.C. § 1001 (False Statements). The Executive Director identified seven assertions that were alleged to be factually inaccurate in the team's report, which dealt with the state regulatory agency's roles and responsibilities with respect to the release of mine water. The OIG investigation did not support five of the seven assertions that the roles and responsibilities of the state regulatory agency were factually inaccurate. The investigation did support that one assertion was inaccurately reported (i.e., "for the Adit, a determination of no or low mine water pressurization was made by experienced professionals ..."). The investigation was inconclusive on whether a second assertion (i.e., "the ... experts ... who supported the removal investigation ...") was factually inaccurate. The EPA did not take administrative action against any members of the internal review team and did not retract the team's report.
3. In response to a letter from a state Attorney General regarding the timeliness and methods of notification made to affected downstream stakeholders subsequent to the mine water release, the OIG investigated whether there was a delay in reporting the release—a potential violation of 42 U.S.C. § 9603(a) (Notification Requirements Respecting Released Substances). The investigation did not support that any EPA employees involved in the reporting of the mine water release to affected governments, tribal authorities, water providers and communities downstream of the mine failed to complete their communications in an effective and efficient manner. The OIG found that the reporting was done in accordance with proper spill notification procedures. The agency did not take administrative action against any EPA employees involved.

EPA Officials Collaborate to Retract Congressional Testimony

Four EPA officials, including two Senior Executive Service (SES) officials, a GS-15 EPA attorney, and a GS-15 EPA employee, participated in requiring an EPA employee to retract testimony provided by that employee before a U.S. House of Representatives committee as a precondition to settle an Equal Employment Opportunity complaint filed by the employee against EPA managers, including one of the SES officials. The investigation revealed that the second SES official asked the EPA attorney to present the employee with the retraction offer as a settlement term, which the attorney did. The investigation also revealed that the GS-15 employee collaborated with the second SES official to condition the settlement of the employee's Equal Employment Opportunity complaint on the retraction of that employee's sworn congressional testimony. It was also found that the two SES officials collaborated to reach a settlement agreement with the EPA employee who filed the complaint against EPA management. The U.S. Attorney's Office, Fraud and Public Corruption Section, in Washington, D.C., and the Criminal Division of the U.S. Attorney's Office for the district where the employee was located,

declined to prosecute the subjects for obstruction of proceedings before departments, agencies and committees; bribery of public officials and witnesses; and conspiracy.

On December 7, 2017, the EPA attorney received a 10-day proposed suspension letter. On February 8, 2018, the proposed suspension was mitigated to a 7-day suspension, which was served by the attorney. On December 7, 2017, the first SES official and the GS-15 employees were each issued a memorandum of warning for negligent performance of duties. On December 7, 2017, the EPA issued the second SES official a notice of proposed suspension for 60 calendar days. However, that SES official retired on January 2, 2018 after receiving the written notice.

Briefings, Requests and Inquiries

Frequent Briefings Provided to Congress

During this reporting period, the OIG provided 16 formal briefings to Congress on the OIG's work. The OIG received considerable congressional interest in our work related to the EPA's travel policies and procedures, threat investigations, EPA policies and procedures for filling administratively determined positions, and the EPA's oversight of Puerto Rico's Clean Water and Drinking Water State Revolving Funds. In addition, several briefings were scheduled to introduce OIG staff and work to various committee staff of the 115th Congress.

The OIG also handled dozens of informal congressional inquiries, considered numerous requests for specific work to undertake, and responded to many data calls.

Human Health and Environmental Issues

Differences in Processing Practices Could Decrease the Reliability of Ozone Data Used for Assessing Air Quality to Protect Public Health

Report No. [18-P-0105](#), issued February 28, 2018

Three of the six state, local and tribal air monitoring agencies we reviewed did not consistently use the EPA’s recommended quality assurance practices for validating and adjusting data related to ozone in the ambient air. In addition, the EPA’s oversight controls did not always identify when data validation and adjustment practices were inconsistent with EPA guidance. Variation in data processing practices can decrease the reliability of the data that the EPA uses to determine whether air is healthy and to make regulatory decisions about air quality. We recommended that the EPA determine the risk of data adjustments impacting its National Ambient Air Quality Standards determinations and strengthen its oversight of air monitoring agencies’ data processes. The agency agreed with our recommendations.



An air monitor audit being conducted. (EPA photo)

Health effects of ozone

Short-term health effects	Long-term health effects
<ul style="list-style-type: none"> • Shortness of breath and pain when taking a deep breath. • Coughing and sore or scratchy throat. • Inflamed and damaged airways. • Increased frequency of asthma attacks. • Increased susceptibility to lung infection. 	<ul style="list-style-type: none"> • Aggravation of asthma, and is likely to be one of many causes of asthma development. • May be linked to permanent lung damage, such as abnormal lung development in children. • May increase the risk of death from respiratory causes.

Source: OIG analysis of EPA websites describing the health effects of ozone.

EPA Has Not Reported to Congress on BEACH Act Progress as Statutorily Required or Fully Documented Budget Decisions

Report No. [18-P-0071](#), issued January 18, 2018

States, territories and tribes use funds received under the Beaches Environmental Assessment and Coastal Health Act of 2000—known as the BEACH Act—to operate beach monitoring and public notification programs if contamination occurs in coastal recreation waters. However, the EPA has not submitted required quadrennial reports to Congress describing progress and impacts under the act since 2006, stating it no longer believes

A [podcast](#) on the Beach Act report is available.



Pensacola Beach in Florida. (EPA OIG photo)

reporting is needed. Also, beginning in FY 2013, the EPA stopped requesting funding for the program based, in part, on its view that the program is “mature.” While the agency documented initial deliberations and the final decision to no longer request funds for this grant program, it did not document supporting analysis and information used to make this decision. Congress has continued to fund the program. Failure to submit required reports and keep required records limits congressional, public and EPA knowledge about the impact of the program. The agency disagreed with our recommendation to submit mandated reports and resolution efforts are in progress. However, the agency agreed with our other recommendations related to improving controls for mandated reports. While the agency agreed to update its records management policy and schedules, it disagreed with our recommendation to develop and implement a tool to demonstrate compliance with recordkeeping requirements on budget decisions. Resolution efforts are in progress.

EPA Can Better Manage State Pesticide Cooperative Agreements to More Effectively Use Funds and Reduce Risk of Pesticide Misuse

Report No. [18-P-0079](#), issued February 13, 2018

The EPA could not ensure that its cooperative agreement funding under the Federal Insecticide, Fungicide, and Rodenticide Act achieved agency goals and reduced risks to human health and the environment from pesticide misuse. The EPA did not consistently assess whether funding requested by states for compliance inspections was reasonable, and funding for states varied significantly. Also, the EPA did not use the performance of completed state pesticide enforcement work plans to improve successive work plans or to demonstrate whether compliance inspections achieved goals and requirements. The agency agreed with our recommendations to develop additional guidance and conduct a national review of state work plans and performance to ensure consistent application.



Pesticide inspection. (EPA OIG photo)

EPA Needs to Evaluate the Impact of the Revised Agricultural Worker Protection Standard on Pesticide Exposure Incidents

Report No. [18-P-0080](#), issued February 15, 2018

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 our recommendation to develop a methodology to evaluate incident data, and resolution efforts are in progress.



Pesticide handler spraying a pesticide. (EPA photo)

Analysis of Toxics Release Inventory Data Identifies Few Noncompliant Facilities

Report No. [18-P-0001](#), issued October 5, 2017



Image of a 2005 fire at EQ Resource Recovery Inc. in Romulus, Michigan. (EPA photo)

Businesses that manufacture, process or otherwise use large volumes of listed chemicals and meet other conditions file Toxics Release Inventory reports with the EPA, and we sought to determine how the EPA could use cross-program data to identify potentially noncompliant facilities in the agency's major regulatory programs. Although we identified hundreds of potential non-filers, the EPA found few actual non-filers. During the course of our review, the Toxics Release Inventory program implemented changes in its filing software that notifies filers of potential requirements in other EPA programs. We recommended that the EPA clarify limitations to public data and review usefulness of that data. The agency agreed with the recommendations and initiated corrective actions.

Follow-Up Review: EPA Completed OIG Recommendations for Superfund Site in Libby, Montana

Report No. [18-P-0074](#), issued January 24, 2018

We found that the EPA had completed all five outstanding recommendations from the OIG's 2006 and 2013 reports regarding the Libby, Montana, Superfund site. Contaminated with asbestos, the Libby site was designated a national priority in the Superfund program in 2002. The EPA took corrective actions that enabled the Libby toxicity assessment to be completed with transparency and provided stakeholders with important human exposure information.



Cleanup at a Libby residential property. (EPA photo)

Agency Business Practices and Accountability

EPA Paid \$1.5 Million for Subsidized and Unoccupied Parking Spaces Over a 2-Year Period

Report No. [18-P-0036](#), issued November 8, 2017

Only EPA headquarters (based in Washington, D.C.) and Region 4 (based in Atlanta, Georgia) subsidized employee parking. From January 2015 through December 2016, these offices paid



EPA headquarters paid for unoccupied parking spaces. (EPA OIG photo)

over \$840,000 to subsidize employee parking and approximately \$690,000 for leased parking spaces that remained unoccupied. While allowed by law, providing subsidized parking is not required, and we questioned the EPA's doing so. We recommended that the EPA determine whether the costs of providing subsidized parking were justified according to federal requirements and, if not, eliminate or reduce the parking subsidy. The EPA concurred with all of our recommendations and provided corrective actions. The EPA chose no longer to offer reduced-rate or free parking.

A [podcast](#) on the EPA's parking subsidies report is available.

Calendar Years 2015 and 2016 subsidized parking spaces

	Headquarters	Region 4	Total
Number of leased spaces	344	30	374
EPA net costs for employee-related parking spaces			
Employer-subsidized spaces	\$811,628	\$29,991	\$841,619
Unoccupied spaces	682,363	11,083	693,446
Total	\$1,493,991	\$41,074	\$1,535,065

Source: OIG analysis of data provided by EPA regions and offices.

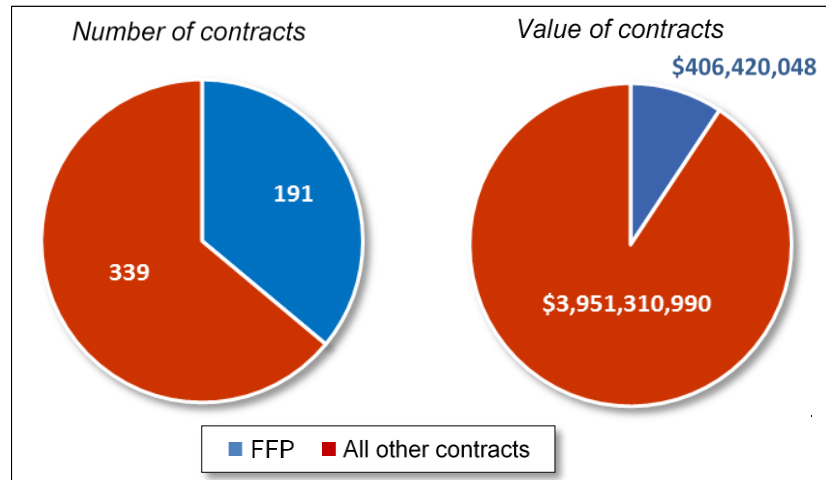
Improved Acquisition Planning Will Help EPA Reduce Hundreds of Millions of Dollars in High-Risk Contracts

Report No. [18-P-0038](#), issued November 15, 2017

The EPA's use of high-risk contracts could be reduced. Low-risk, firm-fixed-price contracts represented only 9 percent of the EPA's contract obligations as of the second quarter of FY 2017. Also, the agency cited planning difficulties as factors in each of the 10 sole-source bridge contracts sampled and did not always document acquisition planning as required. We recommended that the EPA permit high-risk and sole-source bridge contracts only under specific circumstances; require higher level approvals for

high-risk contracts; and issue guidance, policy and memorandums as needed. The EPA agreed with our recommendations.

EPA contract types and values as of second quarter FY 2017



Source: OIG analysis of EPA data as of second quarter FY 2017.

The OIG did not independently verify the EPA data.
“FFP” stands for “Firm-Fixed Price.”

EPA Can Achieve Better Value by Complying With Performance-Based Contract Requirements

Report [No. 18-P-0089](#), issued February 20, 2018

Over a 3-year period, the EPA awarded over \$4 billion dollars in performance-based contracts. These contracts attempt to achieve better value and enhanced performance, and focus on the results to be achieved instead of how the work is to be performed. However, we found that over \$290 million awarded in performance-based contracts could have been put to better use if the EPA had not granted award terms for less-than-superior service. We also found that over \$75 million could have been put to better use if the EPA required superior service in its award term contract language. The EPA agreed with 14 of our 15 recommendations.

Self-Insurance for Companies With Multiple Cleanup Liabilities Presents Financial and Environmental Risks for EPA and the Public

Report No. [18-P-0059](#), issued December 22, 2017

Financial assurance—which can include either self-insurance or assurance obtained through third parties—is meant to prove that companies responsible for cleaning up hazardous waste sites have the financial resources to do so. However, the EPA does not sufficiently verify all such self-insurance. Also, companies are not required to disclose all environmental liabilities. If self-insurance is not valid, a company may default on its

cleanup obligations, leaving the EPA and taxpayers with billions of dollars in cleanup costs. Unlike the EPA, some federal agencies do not accept corporate self-insurance. We made various recommendations regarding financial assurance. The agency agreed with nine of our 14 recommendations, and work is underway to resolve the remaining five recommendations.



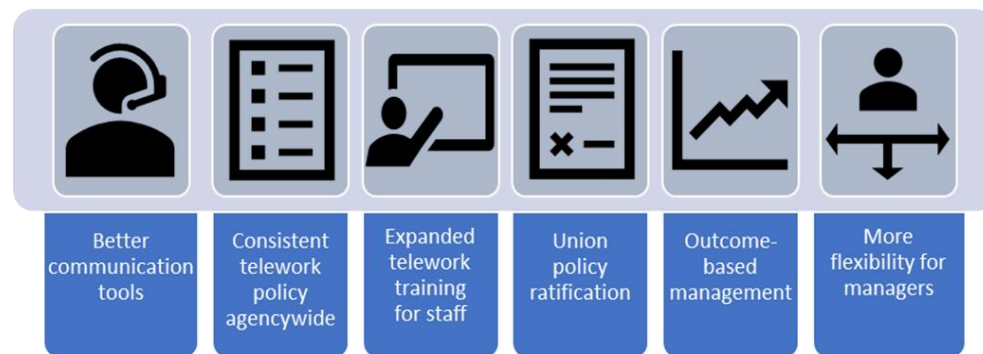
Cleanup activity at the Kerr-McGee Chemical Corp. Superfund site in Columbus, Mississippi. (EPA photo)

EPA Telework Program Is Consistent With U.S. Office of Personnel Management Guidance

Report No. [18-P-0024](#), issued October 16, 2017

We found that all EPA telework policies are consistent with Office of Personnel Management guidance, the EPA includes employee eligibility criteria in its telework policies, and the EPA has established telework training as mandatory for supervisors and managers of teleworking employees. While we issued no recommendations, we did provide the EPA with suggestions for improvement, which were submitted by EPA managers and supervisors in response to an OIG-fielded survey, as noted in the figure below.

A [podcast](#) on the EPA's telework program is available.



The figure above depicts possible telework program enhancements suggested by EPA managers and supervisors in an OIG-fielded survey. (EPA OIG)

EPA Reported Its Fiscal Year 2017 Second Quarter Financial and Award Data in Accordance With the DATA Act

Report No. [18-P-0037](#), issued November 9, 2017

In accordance with the Digital Accountability and Transparency Act of 2014, also known as the DATA Act, the EPA assessed the accuracy, completeness, quality and timeliness of the FY 2017 second quarter financial and award data submitted for publication on USASpending.gov. The EPA also implemented governmentwide financial data standards

set by the Office of Management and Budget and the U.S. Department of the Treasury. Historical program activity and budget class levels did not align with the act's reporting requirements, but a tool created by the EPA resolved this issue. Therefore, no recommendations were made.

EPA's Information Security Program Is Established, but Improvements Are Needed to Strengthen Its Processes

Report No. [18-P-0031](#), issued October 30, 2017



Cybersecurity Framework. (EPA OIG graphic)

The EPA has an effective information security program and has completed all the requirements to achieve a Level 3 (Consistently Implemented) maturity level for the five security functions and related domains defined within the FY 2017 Inspector General Federal Information Security Modernization Act reporting metrics. However, we found substantial weaknesses in the EPA's information security training program related to how the agency verifies whether contractor personnel with significant information security responsibilities comply with specialized security training requirements. We worked closely with EPA officials and briefed them on the results.

EPA's Fiscal Years 2017 and 2016 Consolidated Financial Statements

Report No. [18-F-0039](#), issued November 15, 2017

We rendered an unmodified opinion on the EPA's consolidated financial statements for FYs 2017 and 2016, meaning they were fairly presented and free of material misstatement. We did not note any significant noncompliance with laws and regulations. We did note the following material weaknesses:

- The EPA's accounting for software continues to be a material weakness.
- The EPA incorrectly recorded unearned revenue for Superfund special accounts and did not reconcile unearned revenue for those accounts.

In addition, we noted the following significant deficiencies:

- Additional efforts are needed to resolve the EPA's cash difference with the U.S. Department of the Treasury.
- The EPA needs to appoint a Project Manager to oversee the management of Compass Financials—the agency's accounting system—and to improve acquisition planning.

The EPA agreed with our findings and our recommendation and expects to complete the corrective action in FY 2018.

Investigations

Significant Investigations

Tribal Administrator Sentenced for Embezzling EPA Grant Funds

On January 22, 2018, Delia Commander, former Tribal Administrator of the Skagway Traditional Council in Skagway, Alaska, was sentenced to prison for embezzling funds from the council. Commander was sentenced to 18 months in prison and 3 years of supervised release. She was ordered to pay restitution in the amount of \$297,731 to the Skagway Traditional Council. The council had been awarded two EPA Indian General Assistance Program grants totaling over \$900,000, both of which were subject to the fraudulent activity.

This investigation was conducted jointly with the U.S. Department of the Interior Office of Inspector General.

Man Sentenced for Fraud Scheme to Collect Stimulus Funds

On February 27, 2018, Heon Seok Lee received a 12-month prison sentence, was fined \$20,000, and will be deported upon the completion of his term related to a fraud scheme to collect stimulus funds. In addition, restitution in the amount of \$180,392 will be divided between two municipalities that were victims of his scheme. A criminal forfeiture determination is pending.

Heon Seok Lee served as President of KTurbo Inc. in South Korea and President of its subsidiary, KTurbo USA Inc., which has an office and warehouse in Illinois. From January 2010 to February 2011, Lee directed others to procure contracts for KTurbo to provide centrifugal turbo blowers to municipal wastewater treatment facilities in the United States receiving American Recovery and Reinvestment Act of 2009 stimulus funds from the EPA. Lee and others sent at least five email communications to U.S. municipal wastewater treatment facilities falsely representing that KTurbo would manufacture and deliver turbo blowers in compliance with the “Buy American” provision of the Recovery Act. Lee had nine turbo blowers sent to the KTurbo facility in Illinois from South Korea. The turbo blowers were largely assembled in South Korea but had “Assembled in USA” placards. Lee and others did not intend to perform substantial transformation of the turbo blowers. In total, Lee and others intended to fraudulently obtain over \$1.3 million in Recovery Act funds. Lee was convicted on multiple fraud

charges for deceiving U.S. municipalities into spending federal stimulus money on foreign-made products.

This investigation was conducted with Interpol, the U.S. Department of Homeland Security and the U.S. Department of Justice.

Contractor Debarred From Participating in Federal Grants and Contracts

On October 11, 2017, an EPA contractor was debarred from participating in federal contracts and assistance activities for a period of 3 years. Nirilla Allen-Kearney, a contract employee at the EPA, was arrested at an EPA facility by Internal Revenue Service and Federal Bureau of Investigation investigators, with assistance from EPA OIG investigators. The arrest was conducted in conjunction with the arrests of several other individuals not associated with the EPA for various alleged narcotics charges, none of which were alleged to have occurred at an EPA facility. Allen-Kearney and several co-subjects were indicted on various charges by a federal grand jury in the Eastern District of North Carolina. Allen-Kearney pleaded guilty to conspiracy to commit money laundering and was sentenced to 24 months in prison. Allen-Kearney was also barred from accessing all EPA facilities and debarred by the EPA's Office of Suspension and Debarment from participating in government contracts for 3 years.

This investigation was conducted jointly with the Internal Revenue Service Criminal Investigation Division and the Federal Bureau of Investigation.

Man Sentenced for Providing False Asbestos Training Certifications

On November 15, 2017, the U.S. District Court for the District of Connecticut sentenced Guido Cortes-Rodriguez, an employee of an EPA grantee, to 2 years of probation, with the first 6 months served in home confinement, for making a false statement to the federal government. He also was ordered to perform 160 hours of community service. Cortes-Rodriguez was the training director for a nonprofit organization that received EPA grant funds to conduct asbestos training for contractors handling lead abatement and asbestos removal. In that role, Cortes-Rodriguez was responsible for conducting training classes and notifying the Connecticut Department of Public Health about who had attended and successfully completed asbestos and lead abatement training. The investigation supported that, in exchange for money, Cortes-Rodriguez provided false training certifications for certain individuals who, in reality, had not taken the training.

This investigation is ongoing and is being conducted jointly with the Federal Bureau of Investigation and the EPA Criminal Investigation Division.

Reports of Investigation

A Report of Investigation is a stand-alone document used to report the facts of an OIG investigation and generally involves an employee integrity matter. When the OIG’s Office of Investigations provides a Report of Investigation that has at least one “supported” allegation to the EPA or internally to the OIG, the Office of Investigations requests that the entity receiving the report provide a notification within 60 days as to whether there are plans to take any actions. 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 March 31, 2018, the Office of Investigations received one internal OIG response to a Report of Investigation after 60 days:

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
13	0	0	1**	0

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

** Report of Investigation issued within the OIG.

At the end of a reporting period, the Office of Investigations lists Reports of Investigation cases for which no agency or OIG response has been received, as shown below:

Cases awaiting agency response

Case No.	Date sent to agency	Number of days without response	Agency explanation
None	None	0	None

Cases awaiting OIG response

Case No.	Date sent to agency	Number of days without response	Agency explanation
None	None	0	None

Hotline Activities

The purpose of the EPA OIG Hotline is to receive complaints of fraud, waste or abuse in EPA programs and operations, including mismanagement or violations of law, rules or regulations by EPA employees or program participants. Examples of reportable violations include contract, procurement and grant fraud; bribery and acceptance of gratuities; significant mismanagement and waste of funds; conflict of interest; travel fraud; abuse of authority; theft or abuse of government property; and computer crime. As a result of hotline complaints, the OIG may conduct audits as well as investigations. In addition to being responsible for EPA-related hotline inquiries, we are responsible for CSB-related inquiries. Details on audit and investigative work during the semiannual reporting period follow.

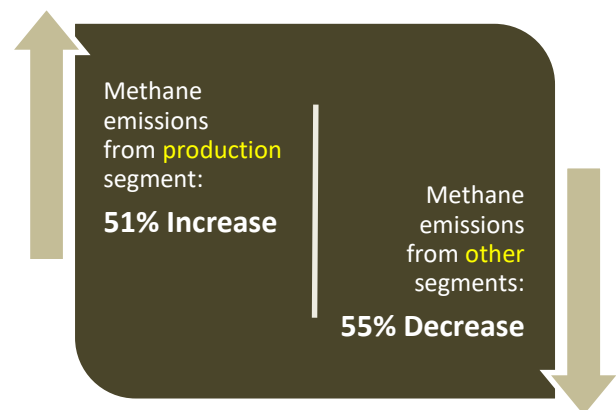
Audit Reports Initiated via OIG Hotline

EPA Did Not Use Allegedly Flawed Studies to Estimate Methane Emissions or Set New Source Performance Standards for Oil and Natural Gas Production

Report No. [18-P-0129](#), issued March 16, 2018

A hotline complaint alleged that the EPA used results from two flawed studies to estimate methane emissions and to make policy decisions regarding oil and natural gas production. We did not find the hotline complaint to be substantiated. The Inventory of U.S. Greenhouse Gas Emissions and Sinks (Greenhouse Gas Inventory) reflects the EPA's official nationwide estimate for greenhouse gas emissions from all man-made sources, including those from oil and natural gas production. We found that the EPA did not make any methodological revisions to the Greenhouse Gas Inventory or the Greenhouse Gas Reporting Program based on the two studies, and data from the studies have not been incorporated into the inventory. In addition, the EPA did not use data from the studies to set new source performance standards for oil and gas production.

Estimated methane emissions trends comparison for the natural gas industry (1990–2015)



Source: OIG image derived from EPA data.

Inconsistencies With EPA Policy Identified in Region 10's Biweekly Pay Cap Waiver Process

Report No. [18-P-0068](#), issued January 12, 2018

Our audit generated by a hotline complaint alleging that EPA Region 10 mismanaged its biweekly pay cap waiver process found that the region's process for approving such waivers was not consistent with agency policy. Of the 61 instances with valid pay cap exceedances noted during FYs 2015, 2016 and 2017 (through January 7, 2017), we determined that 25 instances required waivers. The pay cap may be waived for employees who earn premium pay while working during an emergency, but some waivers lacked adequate information to determine whether there was an emergency; Region 10 subsequently provided supplemental documentation to support that an emergency existed. We also found three instances in which Region 10 could not locate waiver requests to support exceedances totaling \$2,355. No recommendations were made because pertinent policies and procedures were implemented by Region 10 during the audit.

Significant Investigations Initiated via OIG Hotline

Individual Indicted on Theft of Federal Funds

On February 14, 2018, Tracy Bronson of Marshall, Michigan, was indicted on five counts of theft concerning programs receiving federal funds. 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. Bronson is accused of misappropriating over \$500,000 of grant funds for her own personal benefit and use.

Employee Retired While Under Investigation for Ethics Violations

On January 4, 2018, an EPA GS-13 employee retired from federal service after the EPA advised the employee of a proposed 3-day suspension related to an ethics violation. The employee was investigated for misrepresenting secondary employment status with a local university. The employee had submitted the information on the U.S. Office of Government Ethics Form 450. However, facts disclosed during the investigation confirmed that the employee did not fully disclose the secondary employment status with the university to the EPA on Form 450 submissions from 2011 and 2012. The investigation also revealed that the employee used university students to perform official EPA duties outside of an established memorandum of understanding.

Employee Resigns Prior to Removal for Inappropriate Use of Laptop

On December 21, 2017, the EPA issued a notice of proposed removal to a GS-13 employee for inappropriate conduct, lack of candor and misuse of government

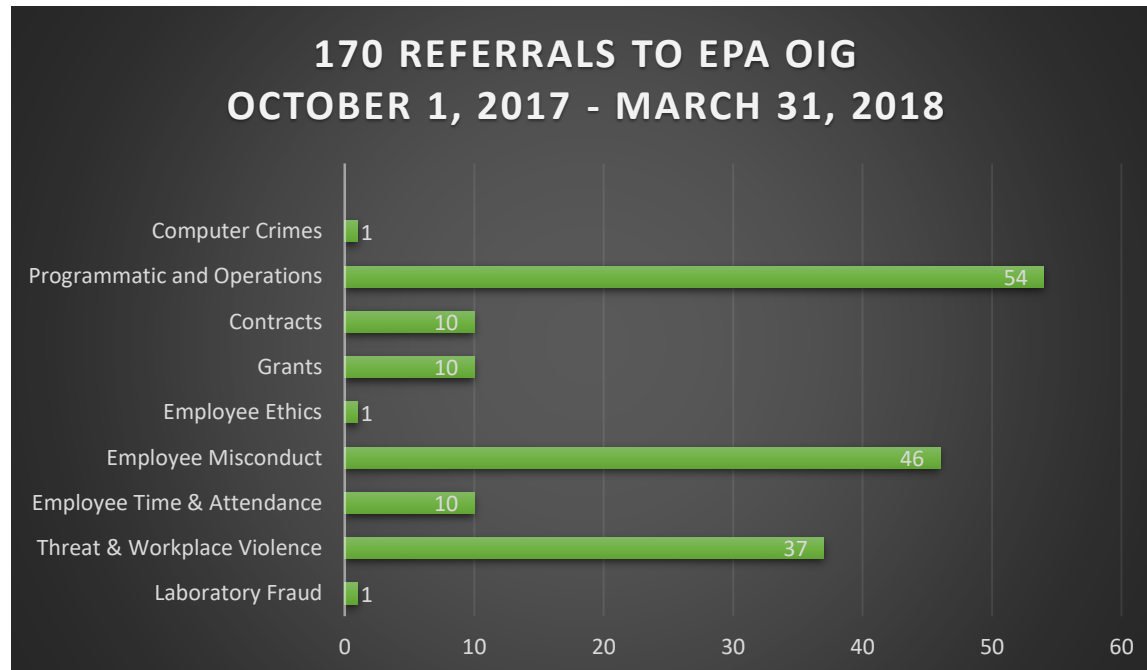
equipment. The employee allegedly engaged in the inappropriate use of an EPA laptop. The employee was arrested for stalking and unlawful surveillance offenses. The investigation revealed that at the time of arrest, the employee was in possession of an EPA laptop. The investigation also revealed that the employee used the laptop, the EPA's shared drive, and an EPA email account while involved in activities related to stalking and unlawful surveillance. The EPA issued a notice of proposed removal; however, the day before the proposed removal date of December 29, 2017, the employee resigned.

Hotline Statistics

The following table shows EPA OIG Hotline activity regarding complaints of fraud, waste and abuse in EPA programs and operations during the semiannual reporting period ending March 31, 2018.

	Semiannual period (October 1, 2017– March 31, 2018)
Issues open at the beginning of the period	220
Inquiries received during the period	197
Inquiries closed during the period	123
Inquiries pending at the end of the period	294
Issues referred to others	
OIG offices	170
EPA program offices	18
Other federal, state and local agencies	9
Contacts to the EPA OIG Hotline (telephone, voicemails, emails, website and correspondence)	5,343

The table 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 the first 6 months of FY 2018, the hotline retained 170 of the 197 inquiries received for review and action.



The hotline makes it easy to report allegations of fraud, waste, abuse, mismanagement or misconduct in the programs and operations of the EPA. Employees, as well as contractors, grantees, program participants and members of the general public, may report allegations to the OIG. Complaints may be submitted to the hotline by phone, fax and U.S. mail; or electronically by using email or the OIG's online complaint form.

Hotline Confidentiality

The Inspector General Act of 1978, as amended, and other laws protect those who make hotline complaints. For example, 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 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
Mailcode 2431T
Washington, DC 20460

Other Activities

Legislation and Regulations Reviewed

Section 4(a) of the Inspector General Act requires the Inspector General to review existing and proposed legislation and regulations relating to the program and operation of the EPA and to make recommendations concerning their impact. We also review drafts of Office of Management and Budget circulars, memorandums, executive orders, program operations manuals, directives and reorganizations. The primary basis for our comments are the audit, investigation and legislative experiences of the OIG, as well as our participation on the Council of the Inspectors General on Integrity and Efficiency. During the reporting period, we reviewed 30 proposed changes to legislation, regulations, policy, procedures or other documents that could affect the EPA or the Inspector General, and provided no comments.

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.

CSB Audit Reports

Improvements Needed in CSB's Identity and Access Management and Incident Response Security Functions

Report No. [18-P-0030](#), issued October 30, 2017



Personal Identity Verification authentication. (EPA OIG graphic)

We rated the CSB's information security program at Level 2 (Defined) for all five Cybersecurity Framework Security Function areas and corresponding metric domains assessed as specified by the FY 2017 Inspector General Federal Information Security Modernization Act Reporting Metrics. However, we found that the CSB did not include fully defined processes for Personal Identity Verification card technology for physical and logical access. Also, the CSB did not include fully defined incident response processes or technologies to respond to cybersecurity events. We worked closely with the CSB throughout the audit to keep it apprised of our findings.

Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2017 and 2016 Financial Statements

Report No. [18-F-0040](#), issued November 15, 2017

The firm that audited the CSB's financial statements for FYs 2017 and 2016 on behalf of the EPA OIG found the statements to be fairly presented and free of material misstatements. The firm noted no matters involving internal controls, instances of noncompliance or other matters that are required to be reported.

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 March 31, 2018, involved follow-up on prior OIG reports.

Report No.	Report Title	Date
18-P-0001	Analysis of Toxics Release Inventory Data Identifies Few Noncompliant Facilities	October 5, 2017
18-P-0030	Improvements Needed in CSB's Identity and Access Management and Incident Response Security Functions	October 30, 2017
18-P-0031	EPA's Information Security Program Is Established, but Improvements Are Needed to Strengthen Its Processes	October 30, 2017
18-P-0037	EPA Reported Its Fiscal Year 2017 Second Quarter Financial and Award Data in Accordance With the DATA Act	November 9, 2017
18-F-0039	EPA's Fiscal Years 2017 and 2016 Consolidated Financial Statements	November 15, 2017
18-F-0040	Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2017 and 2016 Financial Statements	November 15, 2017
18-P-0059	Self-Insurance for Companies With Multiple Cleanup Liabilities Presents Financial and Environmental Risks for EPA and the Public	December 22, 2017
18-P-0068	Inconsistencies With EPA Policy Identified in Region 10's Biweekly Pay Cap Waiver Process	January 12, 2018
18-P-0074	Follow-Up Review - EPA Completed OIG Recommendations for Superfund Site in Libby, Montana	January 24, 2018
18-P-0079	EPA Can Better Manage State Pesticide Cooperative Agreements to More Effectively Use Funds and Reduce Risk of Pesticide Misuse	February 13, 2018
18-P-0080	EPA Needs to Evaluate the Impact of the Revised Agricultural Worker Protection Standard on Pesticide Exposure Incidents	February 15, 2018
18-P-0089	EPA Can Achieve Better Value by Complying With Performance-Based Contract Requirements	February 20, 2018
18-P-0105	Differences in Processing Practices Could Decrease the Reliability of Ozone Data Used for Assessing Air Quality to Protect Public Health	February 28, 2018

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 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 a corrective action plan, with milestone dates, for addressing the findings in a single report. A summary of single audit reporting actions during the semiannual reporting period ending March 31, 2018, follows.

Summary of single audit activity for semiannual period ending March 31, 2018

No. of single audit memos issued to EPA	No. of single audit findings reported to EPA	Questioned costs reported to EPA	No. of quality reviews of single audits reports done by OIG	Deficiency letters issued to single auditors by OIG
126	258	\$73,802	3	1

Source: OIG analysis.

The OIG also provides technical assistance and advice to the EPA, single auditors and others involved with the single audit process. For example, cross-cutting single audit issues that were raised by several state single audit organizations were elevated by the OIG to the EPA. Those issues involved EPA grants policies. The EPA reviewed the issues and provided guidance to the state audit organizations.

Agency Best Practices

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

- The EPA's telework program is consistent with U.S. Office of Personnel Management guidance. The EPA's telework policies have resulted in nearly all managers being trained to supervise their teleworking employees. (Report No. [18-P-0024](#))
- In 2016, the EPA released a marine sanitary survey mobile application based on the agency's routine marine beach sanitary survey form. The mobile application provides managers of marine beaches with an innovative and consistent approach for identifying sources of beach pollution in the field. Additionally, the Office of Water published a non-technical guide on how to develop predictive tools in the context of an overall beach monitoring and notification program. (Report No. [18-P-0071](#))

Statistical Data

Profile of Activities and Results

OIG audits	
	October 1, 2017 – March 31, 2018 (\$ millions)
Questioned costs	\$0
Potential monetary benefits*	\$374.664
Reports issued by OIG	18

Investigative operations (\$ in millions)			
	October 1, 2017 – March 31, 2018 (\$ millions)		
	EPA OIG only	Joint**	Total
Total fines and recoveries	\$0.000	\$0.499	\$0.499
Cost savings	\$0.539	\$0.000	\$0.539
Civil settlements	\$0.000	\$0.000	\$0.000
Cases open during period	57	7	64
Indictments/Informations/Complaints	1	2	3
Cases closed during period	46	8	54
Convictions	0	1	1
Civil judgments/settlements/filings	0	0	0

* 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 with questioned costs for semiannual period ending March 31, 2018 (\$ in thousands)

Report category	No. of reports	Questioned costs *	Unsupported costs
A. For which no management decision was made by October 1, 2017 **	8	\$6,327	\$3,579
B. New reports issued during period	16	0	0
Subtotals (A + B)	24	6,327	3,579
C. For which a management decision was made during the reporting period:	20	250	227
(i) Dollar value of disallowed costs		24	226
(ii) Dollar value of costs not disallowed		226	1
D. For which no management decision was made by March 31, 2018	21	1,232	79

* 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 with recommendations that funds be put to better use for semiannual period ending March 31, 2018 (\$ in thousands)

Report Category	No. of reports	Dollar Value
A. For which no management decision was made by October 1, 2017 *	16	\$127,070
B. New reports issued during the reporting period	16	0
Subtotals (A + B)	32	127,070
C. For which a management decision was made during the reporting period:	20	21,335
(i) Dollar value of recommendations from reports that were agreed to by management		10,229
(ii) Dollar value of recommendations from reports that were not agreed to by management		11,106
D. For which no management decision was made by March 31, 2018	21	386,709

* 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.

Audits with no final action as of March 31, 2018, over 365 days past the date of the accepted management decision (including audits, inspections and evaluations in appeal)

Audits	Total	Percentage
Program	43	83%
Assistance agreements	2	13%
Financial statement	7	4%
Total	52	100%

Summary of Investigative Results

Summary of investigative activity during reporting period

Cases open as of October 1, 2017 *	197
Cases opened during period	64
Cases closed during period	54
Cases pending as of March 31, 2018	207
Complaints	
Complaints open as of October 1, 2017	26
Complaints opened during period	56
Complaints closed during period	59
Complaints pending as of March 31, 2018	23

* Adjusted from prior period.

Results of prosecutive actions

	EPA OIG only	Joint *	Total
Criminal indictments/informations/complaints **	1	2	3
Convictions	0	1	1
Civil judgments/settlements/filings	0	0	0
Criminal fines and recoveries	\$0	\$499,123	\$499,123
Civil recoveries	\$0	\$0	\$0
Prison time	0 months	30 months	30 months
Prison time suspended	0 months	0 months	0 months
Home detention	0 months	6 months	6 months
Probation	0 months	60 months	60 months
Community service	0 hours	160 hours	160 hours

* With another federal agency.

** Sealed indictments are not included in this category.

Administrative actions

	EPA OIG only	Joint *	Total
Suspensions	0	0	0
Debarments	0	3	3
Other administrative actions	36	4	40
Total	36	7	43
Administrative recoveries	\$27,503	\$0	\$27,503
Cost savings	\$538,912	\$0	\$538,912

* With another federal agency.

Summary of investigative reports issued and referrals *

Number of investigative reports issued	14
Number of persons referred to U.S. Department of Justice for criminal prosecution	15
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*

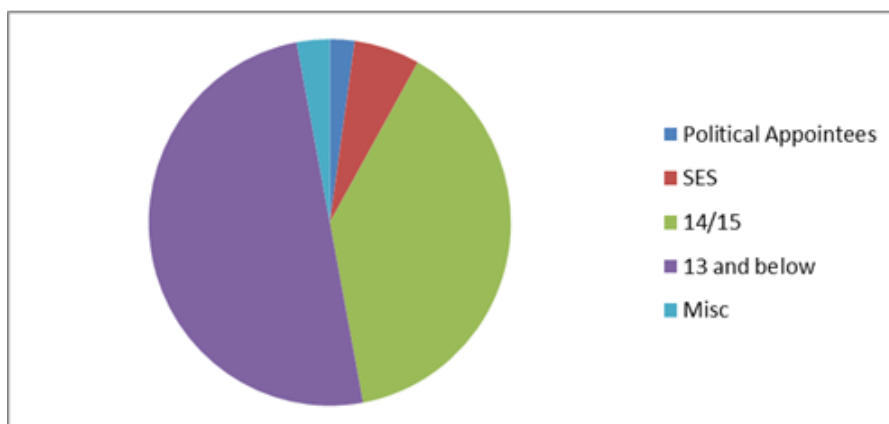
	Political appointees	SES	GS-14/15	GS-13 and below	Misc.	Total
Pending 10/1/18	2	9	61	72	7	151
Opened*	1	1	3	14	1	20
Closed*	0	3	11	19	3	36
Pending 3/31/18 **	3	8	53	68	4	136

* 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 amounts as of 3/31/18 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

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.

All reports listed below were performed in accordance with generally accepted government auditing standards.

Report No.	Report	Date	Questioned Costs			Potential Monetary Benefits
			Ineligible	Unsupported	Unreasonable	
FINANCIAL STATEMENT AUDIT REPORTS						
18-F-0039	EPA's Fiscal Years 2017 and 2016 Consolidated Financial Statements	11/15/2017	\$0	\$0	\$0	\$0
18-F-0040	Audit of the U.S. Chemical Safety and Hazard Investigation Board's Fiscal Years 2017 and 2016 Financial Statements	11/15/2017	0	0	0	0
	TOTAL FINANCIAL STATEMENT AUDIT REPORTS = 2		\$0	\$0	\$0	\$0
PERFORMANCE AUDIT REPORTS						
18-P-0001	Analysis of Toxics Release Inventory Data Identifies Few Noncompliant Facilities	10/5/2017	\$0	\$0	\$0	\$0
18-P-0024	EPA Telework Program Is Consistent With U.S. Office of Personnel Management Guidance	10/16/2017	0	0	0	0
18-P-0030	Improvements Needed in CSB's Identity and Access Management and Incident Response Security Functions	10/30/2017	0	0	0	0
18-P-0031	EPA's Information Security Program Is Established, but Improvements Are Needed to Strengthen Its Processes	10/30/2017	0	0	0	0
18-P-0036	EPA Paid \$1.5 Million for Subsidized and Unoccupied Parking Spaces Over a 2-Year Period	11/8/2017	0	0	0	1,524,000
18-P-0037	EPA Reported Its Fiscal Year 2017 Second Quarter Financial Award Data in Accordance With the DATA Act	11/9/2017	0	0	0	0
18-P-0038	Improved Acquisition Planning Will Help EPA Reduce Hundreds of Millions of Dollars in High-Risk Contracts	11/15/2017	0	0	0	0
18-P-0059	Self-Insurance for Companies With Multiple Cleanup Liabilities Presents Financial and Environmental Risks for EPA and the Public	12/22/2017	0	0	0	0
18-P-0068	Inconsistencies With EPA Policy Identified in Region 10's Biweekly Pay Cap Waiver Process	1/12/2018	0	0	0	0
18-P-0071	EPA Has Not Reported to Congress on BEACH Act Progress as Statutorily Required or Fully Documented Budget Decisions	1/18/2018	0	0	0	0
18-P-0074	Follow-Up Review: EPA Completed OIG Recommendations for Superfund Site in Libby, Montana	1/24/2018	0	0	0	0
18-P-0079	EPA Can Better Manage State Pesticide Cooperative Agreements to More Effectively Use Funds and Reduce Risk of Pesticide Misuse	2/13/2018	0	0	0	0
18-P-0080	EPA Needs to Evaluate the Impact of the Revised Agricultural Worker Protection Standard on Pesticide Exposure Incidents	2/15/2018	0	0	0	0
18-P-0089	EPA Can Achieve Better Value by Complying With Performance-Based Contract Requirements	2/20/2018	0	0	0	373,140,113
18-P-0105	Differences in Processing Practices Could Decrease the Reliability of Ozone Data Used for Assessing Air Quality to Protect Public Health	2/28/2018	0	0	0	0
18-P-0129	EPA Did Not Use Allegedly Flawed Studies to Estimate Methane Emissions or Set New Source Performance Standards for Oil and Natural Gas Production	3/16/2018	0	0	0	0
	TOTAL PERFORMANCE AUDIT REPORTS = 16		\$0	\$0	\$0	\$374,664,113
	TOTAL REPORTS ISSUED - 18		\$0	\$0	\$0	\$374,664,113

Appendix 2—Reports Issued Without Management Decisions

For Reporting Period Ended March 31, 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.

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 note the agency's explanation of the reasons a management decision had not been made as of March 31, 2018.

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. For 16 of these facilities, EPA staff had never reviewed these facilities for compliance using its 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 pending the EPA providing completion dates for the corrective actions.

Agency Explanation: The agency provided a response to the final report on October 19, 2017. Discussion regarding acceptance of the response is ongoing within the OIG.

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 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 had 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 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.

Agency Explanation: The OIG received the EPA's response. The agency and the OIG continue to have discussions about the unresolved recommendation.

Office of the Chief Financial Officer**Report No. 17-P-0410, Management Alert: Controls Failed to Prevent Employee From Receiving Payment in Excess of Statutory Limit, September 27, 2017**

Summary: Internal controls failed to prevent an unauthorized overpayment to a Protective Service Detail agent, causing the agent's 2016 salary to exceed the annual statutory pay cap. The agent's biweekly pay for the period ending January 7, 2017, included an adjustment of \$23,413. According to the agent, the additional payment was for work hours not compensated in 2016. The agent believed that payment for these hours was not issued in 2016 because of the biweekly pay cap. Neither the EPA nor the agency's payroll provider could provide the OIG with an explanation for this unauthorized payment until July 2017, when the OIG was informed that the payment was for hours worked by the agent in 2016, but the EPA payroll provider could not process those hours until January 2017. Since the payment was not processed until the next calendar year, the payroll provider's system did not detect the agent exceeding the 2016 annual pay cap. If not for the actions of the agent, this overpayment may have remained undetected. According to the EPA payroll provider, this payment was unauthorized.

Agency Explanation: The OIG is reviewing the EPA's response. The OIG and the agency continue working to resolve the report's recommendations.

Region 1—Regional Administrator**Report No. 17-P-0368, Improved Management of the Brownfields Revolving Loan Fund Program Is Required to Maximize Cleanups, August 23, 2017**

Summary: Approximately \$10.9 million available to clean up brownfields was not being used as intended. Contaminated brownfield properties were not being cleaned up and redeveloped for 10 of the 20 closed Brownfields Revolving Loan Fund cooperative agreements reviewed. The recipients of the cooperative agreements have not re-loaned or spent program income collected after the closeout agreement was signed. We found confusion among EPA regions and Revolving Loan Fund recipients, and dissimilarities in terms and conditions, leading to inconsistencies in program application. Program income was not maximized by depositing funds into an interest-bearing account, and sources of program income were excluded from the terms and conditions of cooperative agreements and closeout agreements. Another source of confusion was knowing when post-closeout program income was used, and when a closeout agreement can be terminated. These issues resulted in inconsistencies that could potentially affect the long-term sustainability of the Brownfields Revolving Loan Fund Program. We questioned over \$2.7 million that three Brownfields Revolving Loan Fund recipients received.

Agency Explanation: The OIG has not received a response from the EPA.

Region 2—Regional Administrator**Report No. 17-P-0053, Additional Measures Can Be Taken to Prevent Deaths and Serious Injuries From Residential Fumigations, December 12, 2016**

Summary: Since 2002, at least 11 deaths and two serious injuries occurred during residential fumigations in the two U.S. states with the most fumigation treatments—California and Florida. Compliance with current pesticide use requirements does not always prevent adverse impacts. We identified multiple factors that contributed to these adverse impacts, including: (1) no requirement to secure tenting around structures undergoing fumigation; (2) ineffective devices used to detect pesticide levels inside of structures and (3) failure to attend mandatory training by residential pesticide applicators who conduct fumigations. A recommendation remains unresolved regarding Region 2 needing to include additional requirements in a cooperative agreement with Puerto Rico regarding an investigation and evaluation of sulfur fluoride usage and whether misuse has occurred.

Agency Explanation: No official EPA response has been received. Discussions about the recommendations are ongoing within the OIG.

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.

Agency Explanation: 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 March 31, 2018 = 6

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 CSB from 2001 to March 31, 2018.

There is a total of 114 current and unimplemented recommendations for the EPA with total potential monetary benefits of \$860 million, of which \$0 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 were \$0.402 million of monetary benefits for the CSB.

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:

OA	Office of the Administrator
OAR	Office of Air and Radiation
OARM	Office of Administration and Resources Management
OCFO	Office of the Chief Financial Officer
OCSP	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 1	
Region 2	
Region 6	
Region 9	

EPA Reports With Unimplemented Recommendations

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
EPA Can Better Reduce Risks From Illegal Pesticides by Effectively Identifying Imports for Inspection and Sampling 17-P-0412 09/28/17	OECA	<ol style="list-style-type: none"> 1. Establish national compliance monitoring goals based on assessment and consideration of available regional resources. 2. Implement internal controls to monitor and communicate progress on regional goals. 3. Develop agency guidance and training for EPA regions on how to use the Automated Commercial Environment system for regional targeting of importers, manufacturers and pesticide products. 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. 	<p style="text-align: center;">09/30/19</p> <p style="text-align: center;">09/30/19</p> <p style="text-align: center;">09/30/18</p> <p style="text-align: center;">09/30/18</p>	
EPA Needs to Improve Oversight of Its Audio Conference Services 17-P-0408 09/26/17	OEI	<ol style="list-style-type: none"> 2. Design and implement internal controls that allow EPA program offices and regions to monitor audio conference activities to prevent unauthorized use and waste. 3. Increase the EPA's internal customer awareness of the Working Capital Fund Policy Standard's mandatory services requirements, and establish controls that require EPA program offices and regions to comply with the requirements. 	<p style="text-align: center;">09/30/18</p> <p style="text-align: center;">09/30/18</p>	<p style="text-align: center;">\$66</p> <p style="text-align: center;">\$264</p>
Region 2 Needs to Improve Its Internal Processes Over Puerto Rico's Assistance Agreements 17-P-0402 09/25/17	Region 2	<ol style="list-style-type: none"> 1. Train Project Officers to follow the EPA's Grants Policy Issuance-02-02 guidance, and require that programmatic baseline reviews include confirmation of equipment purchases and use during the post-award phase. 2. Require Project Officers and Grant Management Specialists to take specific, annual training on grant file management. 3. Require Project Officers to take specific, annual training on conducting baseline monitoring reviews, to include reviews of the EPA's financial system for drawdown information. 4. Determine whether the cooperative agreements under Grant Numbers 99206921 and 99206922 have the proper support for the fringe benefit costs requested for car allowances. 	<p style="text-align: center;">09/30/18</p> <p style="text-align: center;">03/31/18</p> <p style="text-align: center;">09/30/18</p> <p style="text-align: center;">03/31/18</p>	<p style="text-align: center;">\$207</p> <p style="text-align: center;">\$10</p>
EPA's Distribution of Superfund Human Resources Does Not Support Current Regional Workload 17-P-0397 09/19/17	OLEM	<ol style="list-style-type: none"> 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. 	<p style="text-align: center;">09/30/18</p>	

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
		<p>2. Review the U.S. Army Corps of Engineers and Naval Facilities Engineering Command workload management and full-time equivalent distribution practices to identify those aspects that may be beneficial for the EPA to adopt.</p> <p>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.</p> <p>4. Obtain information from the regions necessary to carry out Recommendations 2 and 3.</p>	<p>03/31/18</p> <p>09/30/18</p> <p>12/31/17</p>	
<p>Management Alert: EPA Should Promptly Reassess Community Risk Screening Tool 17-P-0378 09/07/17</p>	<p>ORD</p> <p>Deputy Administrator</p>	<p>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:</p> <ul style="list-style-type: none"> 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. <p>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.</p> <p>3. Review new and existing Office of Research and Development research tools to determine the applicability of the agency's information technology requirements.</p> <p>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.</p> <p>5. Examine all of the EPA's web-based risk screening and mapping tools to ensure the need for each tool and to avoid potential overlap, duplication and waste.</p>	<p>09/30/19</p> <p>09/30/18</p> <p>09/30/19</p> <p>09/30/19</p>	

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
		6. Develop a policy to require any new closeout agreements to include a program income definition that is consistent with the Revolving Loan Fund Grant Program Administrative Manual.	05/31/18	
		7. Develop and implement a policy that provides an explicit definition of program income for regions to distribute to existing recipients.	05/31/18	
		8. Develop and implement required training for all regional Brownfields Revolving Loan Fund staff. Have the training include all program policy and guidance relating to maintaining a Brownfields Revolving Loan Fund after the cooperative agreement is closed if program income exists.	09/30/18	
		9. Track staff completion of required training.	09/30/18	
		10. Require any new closeout agreement to include a standard term and condition describing the requirements that need to be met to terminate the agreement, and discontinue the agreed-to, post-closeout Brownfields Revolving Loan Fund activities.	05/31/18	
		11. Develop and implement a methodology that will align recipients with the same termination terms and conditions.	09/30/18	
		12. Provide an explicit definition of "expenditure" for EPA regions to distribute to recipients.	12/31/17	
		13. Require regional project officers, through a policy, to be assigned and maintain information on all closed cooperative agreements with pre- and post-program income.	05/31/18	
		14. Develop and implement a method for the Office of Brownfields and Land Revitalization to track closed cooperative agreements with pre- and post-program income.	09/30/18	
		15. Develop a policy to require terms and conditions in the cooperative agreement and/or the closeout agreement to require all recipients to report program income.	05/31/18	
		16. Create a method for the Office of Brownfields and Land Revitalization, and EPA regional managers, to track compliance with reporting requirements for closed cooperative agreements.	06/30/18	

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
	Region 1	<p>17. Train regional Brownfields Revolving Loan Fund project officers and managers on the Office of Grants and Debarment's Assistance Agreement Almanac, Chapter 4.5, titled "Compliance and Performance Issues," to include the roles and responsibilities of the project officer and instruction on enforcement actions available to the EPA if a recipient does not comply.</p> <p>20. Question unsupported use of \$1,983,198 in EPA Brownfields Revolving Loan Fund program income reported by Bridgeport, Connecticut, and recover remaining program income.</p> <p>21. Place Bridgeport, Connecticut, on a reimbursement basis for all EPA grants and agreements.</p> <p>22. Question unsupported use of an estimated \$608,712 in EPA Brownfields Revolving Loan Funds by the Rhode Island Economic Development Corporation and recover remaining program income.</p> <p>23. Place the Rhode Island Economic Development Corporation on a reimbursement basis for all EPA grants and agreements.</p>	<p>09/30/18</p> <p>06/30/18</p> <p>12/31/17</p> <p>06/30/18</p> <p>12/31/17</p>	<p></p> <p>\$1,983</p> <p></p> <p>\$609</p> <p></p>
<p>EPA's Voluntary WaterSense Program Demonstrated Success 17-P-0352 08/01/17</p>	OW	<p>1. Share WaterSense program practices in program design, implementation and reporting with the agency's Program Management Improvement Officer.</p> <p>2. Evaluate the appropriateness of adopting water savings as a program measure for WaterSense in the EPA's fiscal year 2019 National Program Guidance for the Office of Water.</p> <p>3. Develop and implement controls for WaterSense partners to periodically reconfirm their commitment to the program.</p> <p>4. Revise annual WaterSense program partner reporting to incorporate the following: b. If the program continues, improve the rate of reporting for all partners.</p>	<p>09/30/18</p> <p>09/30/17</p> <p>09/30/17</p> <p>03/31/18</p>	
<p>EPA Needs to Institutionalize Its "Lean" Program to Reap Cost and Time Benefits 17-P-0346 07/31/17</p>	OP	<p>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.</p> <p>2. Develop policies that specify how to plan, design, oversee and implement Lean practices within the agency.</p> <p>3. Develop a process for monitoring, tracking and measuring quantifiable results, including cost savings, for Lean projects.</p>	<p>06/30/18</p> <p>06/30/18</p> <p>01/31/18</p>	

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
		<p>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.</p> <p>5. Develop and implement a consistent and standardized Lean training effort for the EPA's staff.</p>	<p>06/30/18</p> <p>06/30/18</p>	
<p>EPA Should Assess Needs and Implement Management Controls to Ensure Effective Incorporation of Chemical Safety Research Products 17-P-0294 06/23/17</p>	OCSP	<p>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.</p> <p>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.</p>	<p>05/31/18</p> <p>05/31/18</p>	
<p>EPA Can Strengthen Its Oversight of Herbicide Resistance With Better Management Controls 17-P-0278 06/21/17</p>	OCSP	<p>1. Consider requiring mechanisms of action be included on relevant herbicide labels.</p> <p>2. Determine whether synergistic effects data should be required for the pesticide registration process and document the results of that determination.</p> <p>3. Improve data collection and reporting by developing an efficient system for the agency to collect and share herbicide resistance data using a standardized reporting format.</p> <p>4. Determine what performance metrics are suitable to document the progress of the EPA's actions related to slowing herbicide resistance.</p> <p>5. Establish a procedure to increase communication with government agencies, industry, academia, growers and other stakeholders regarding herbicide resistance. The procedure should include specific details concerning increased communication and collaboration with extension agents.</p>	<p>06/30/19</p> <p>06/30/19</p> <p>03/31/18</p> <p>09/30/18</p> <p>03/31/18</p>	
<p>Improved Data and EPA Oversight Are Needed to Assure Compliance With the Standards for Benzene Content in Gasoline 17-P-0249 06/08/17</p>	OAR	<p>1. Improve controls over the reporting system to assure facility submitted data are of the quality needed to assess compliance with the regulations. These controls should provide reasonable assurance that the following occurs:</p> <p>a. Volumes and average benzene concentrations in facilities' annual benzene reports match those calculated based on their batch reports.</p> <p>b. Benzene concentrations in facility batch reports and annual benzene reports contain two decimal places.</p>		

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
		<p>c. Production dates match the compliance year in facility reports.</p> <p>d. Facilities use only valid product codes in their reports.</p> <p>e. Only valid company and facility identification numbers are used.</p> <p>f. Maximum average benzene concentrations for the second compliance period and beyond match the corresponding annual average benzene concentrations.</p> <p>g. Import companies aggregate their facilities and submit just one annual benzene report.</p> <p>h. All required reports are submitted.</p> <p>2. Consult with the Office of Enforcement and Compliance Assurance to determine whether additional reporting controls are needed to enable enforcement staff to more efficiently conduct compliance assurance activities. Document the decisions made.</p> <p>3. Revise the benzene regulations to require that attest engagements verify annual average benzene concentrations and volumes with batch reports, to ensure that credits needed or generated are correct.</p> <p>6. 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.</p> <p>9. 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.</p>	<p>06/30/18</p> <p>09/30/20</p> <p>09/30/20</p>	
<p>Over \$774 Million of Puerto Rico State Revolving Funds at Risk 17-P-0186 04/26/17</p>	<p>Region 2</p>	<p>1. Evaluate options to restore the viability of Puerto Rico's Clean Water State Revolving Fund and Drinking Water State Revolving Fund or implement new strategies better suited to the financial, programmatic, public health and environmental needs of the government of Puerto Rico.</p>		<p>\$774,000</p>
<p>EPA Needs to Provide Leadership and Better Guidance to Improve Fish Advisory Risk Communications 17-P-0174 04/12/17</p>	<p>OW</p>	<p>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.</p> <p>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.</p>	<p>Draft 09/30/18 Final 03/31/20</p> <p>Draft 09/30/18 Final 03/30/20</p>	

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
	ORD	<p>3. Develop and implement methods to ensure that tribal members receive current fish advisory information.</p> <p>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.</p>	<p>09/30/18</p> <p>12/31/18</p>	
Fraud Controls for EPA's Contract Laboratory Program Are Adequate, but Can Be Strengthened With Formal Risk Assessment and Investigative Information Sharing 17-P-0119 03/06/17	OECA	2. Require the Criminal Investigation Division to share pertinent information from laboratory fraud findings with relevant EPA program and regional offices. Pertinent information includes the fraudulent method or technique used to commit fraud.	06/30/18	
Backlog of Leaking Underground Storage Tank Cleanups in Indian Country Has Been Reduced, but EPA Needs to Demonstrate Compliance With Requirements 17-P-0118 03/06/17	OLEM	<p>2. Once a process and criteria for prioritizing are documented, develop a tool or mechanism to track each Leaking Underground Storage Tank site in Indian Country according to the EPA's prioritization criteria.</p> <p>3. If EPA determines that it is not feasible or affordable to use the database for this purpose, the EPA will develop an alternative method to track the funding decisions for Leaking Underground Storage Tank Trust-funded sites.</p>	<p>09/30/18</p> <p>09/30/18</p>	
Congressionally Requested Audit: EPA Needs to Improve Processes for Preserving Text Messages as Federal Records 17-P-0062 12/21/16	OEI	<p>5. Develop a plan to replace any phones not technically compatible with the new mobile device management solution identified during market research in response to Recommendation 6. Also, develop a process to approve waivers for any office that identifies a significant business need to keep the existing device and identifies an alternative solution for records management for that existing device.</p> <p>6. Formalize a plan with milestone dates to conduct market research to determine whether an enterprise mobile device management solution can manage text message communications to help the agency meet its record-keeping responsibilities. Document a management decision if a new solution is appropriate for the implementation and, if needed, create a project plan with milestone dates for implementing the new solution.</p>	<p>09/30/18</p> <p>09/30/18</p>	
Additional Measures Can Be Taken to Prevent Deaths and Serious Injuries from Residential Fumigations 17-P-0053 12/12/16	OCSP	2. Provide label language that clearly defines the criteria for meeting the applicator stewardship training requirement, including the frequency of training.	05/31/18	
EPA's Fiscal Years 2016 and 2015 Consolidated Financial Statements 17-F-0046 11/15/16	OCFO	2. Modify the accounting model in Compass Financials to properly record all special account receivables and collections as unearned revenue, and reduce the unearned revenue and recognize earned revenue as expenses are incurred.	09/28/18	

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
		<p>3. Prepare a comprehensive quarterly reconciliation of Superfund special accounts general ledger balances to the special accounts database detail.</p> <p>9. Work with the Compass Financials service provider to establish controls for creating and locking administrative accounts.</p> <p>10. Work with the Compass Financials service provider to develop and implement a methodology to monitor accounts with administrative capabilities.</p>	<p>09/28/18</p> <p>09/30/21</p> <p>09/30/21</p>	
<p>Management Alert: Drinking Water Contamination in Flint, Michigan, Demonstrates a Need to Clarify EPA Authority to Issue Emergency Orders to Protect the Public 17-P-0004 10/20/16</p>	OECA	<p>1. Update the Final Guidance on Emergency Authority under Section 1431 of the Safe Drinking Water Act (1991) to:</p> <ol style="list-style-type: none"> Include the most relevant examples of Safe Drinking Water Act Section 1431 orders nationwide and examples of state actions that would be considered timely and protective. Reflect the current delegations of authority to both the Regional Administrators and the Assistant Administrator for Enforcement and Compliance Assurance. Establish checklists for when both the Regional Administrators and the Assistant Administrator for Enforcement and Compliance Assurance should consider emergency action under the Safe Drinking Water Act Section 1431. <p>2. Train, in cooperation with the Assistant Administrator for Water, all relevant EPA drinking water and water enforcement program management and staff on the Safe Drinking Water Act Section 1431 authority and updated guidance.</p>	<p>05/30/18</p> <p>05/30/18</p>	
<p>Religious Compensatory Time Is Subject to Abuse 16-P-0333 09/27/16</p>	OCFO	<p>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.</p>	09/30/18	
<p>EPA Needs a Risk-Based Strategy to Assure Continued Effectiveness of Hospital-Level Disinfectants 16-P-0316 09/19/16</p>	OCSP	<p>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:</p> <ol style="list-style-type: none"> Include a framework for periodic testing to assure products continue to be effective after resignation. Define a program scope that is flexible and responsive to current and relevant public health risks. Identify risk factors for selecting products to test. Identify the method to be used for obtaining samples for testing. Designate a date to commence risk-based post-registration testing. 	11/30/18	

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
EPA Regional Offices Need to More Consistently Conduct Required Annual Reviews of Clean Water State Revolving Funds 16-P-0222 07/07/16	OW	8. Evaluate regional approaches to conducting the annual reviews of Clean Water State Revolving Fund programs and address issues to ensure regions perform consistent reviews in accordance with the annual review guidance.	09/30/16	
Hawaii Department of Health Needs to Reduce Open Grants and Unspent Funds 16-P-0218 06/28/16	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.	07/31/17	\$8.312
EPA Region 9 Needs to Improve Oversight Over Guam's Consolidated Cooperative Agreements 16-P-0166 05/09/16	Region 9	2. Verify the program income received by the Guam Legislature for Guam Environmental Protection Agency-generated activities from 2010 to when the Guam Legislature relinquishes control. Take appropriate action to recover program income funding still controlled by the Guam Legislature up to \$2,015,719. 3. For the period from FY 2010 to when the Guam Legislature relinquishes control, obtain and review detailed Guam Environmental Protection Agency transactions for program income receipts and expenditures for all program income funds to verify expenditures are allowable costs per 40 CFR Part 31, and take appropriate action to recover unallowable costs.	04/30/18 09/30/17	\$2.015
EPA Needs to Assess Environmental and Economic Benefits of Completed Clean Water State Revolving Fund Green Projects 16-P-0162 05/02/16	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. Report collected environmental and economic benefits information to the public, in collaboration with states and Green Project Reserve loan recipients, and determine how Green Project Reserve funds could be efficiently used in accordance with Government Performance and Results Act standards for measuring program performance.	03/31/18 09/30/18	
EPA Has Not Met Statutory Requirements for Hazardous Waste Treatment, Storage and Disposal Facility Inspections, but Inspection Rates Are High 16-P-0104 03/11/16	OECA	1. Implement management controls to complete the required Treatment, Storage and Disposal Facility inspections. CA-1: Formalize existing process for prioritizing Research Conservation and Recovery Act Treatment, Storage and Disposal Facility inspections based on the risks posed to human health and the environment. CA-2: Revise Office of Enforcement and Compliance Assurance policies and procedures to clarify those facilities that properly fall within the definition of a Treatment, Storage and Disposal Facility.	06/29/18 09/28/18	

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
		CA-3: Strategically prioritize inspections, addressing hazardous waste management facilities that present the greatest concerns. The EPA will approach the Office of Management and Budget about whether a clarification to the statute is appropriate or necessary.	08/28/18	
EPA Can Strengthen Its Reviews of Small Particle Monitoring in Region 6 to Better Ensure Effectiveness of Air Monitoring Network 16-P-0079 12/17/15	OAR	3. Develop a process for ensuring that state and local monitoring agencies are provided with updated data analysis tools for future network assessments.	09/30/18	
EPA Needs to Improve the Recognition and Administration of Cloud Services for the Office of Water's Permit Management Oversight System 15-P-0295 09/24/15	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.	05/31/16	
Incomplete Contractor Systems Inventory and a Lack of Oversight Limit EPA's Ability to Facilitate IT Governance 15-P-0290 09/21/15	OEI	5. Implement the recommendation of the EPA's Information Security Task Force to manage the vulnerability management program.	09/30/18	
EPA's Oversight of State Pesticide Inspections Needs Improvement to Better Ensure Safeguards for Workers, Public and Environment Are Enforced 15-P-0156 05/15/15	OECA	2. Ensure that required Federal Insecticide, Fungicide, and Rodenticide Act project officer training is conducted periodically and the above guidance is included in the training. CA-4: Convert 3-day training content to E-learning module to post online and make available to Federal Insecticide, Fungicide, and Rodenticide Act project officers.	12/30/18	
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 04/17/15	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. 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.	09/30/18 09/30/18	 \$37.0

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
Audit of EPA's Fiscal Years 2014 and 2013 (Restated) Consolidated Financial Statements 15-1-0021 11/17/14	OCFO	5. Improve and maintain support for how EPA lab renovation projects are funded. 6. Review funding sources of all current and future lab renovations to ensure correct funding is utilized. 7. Develop policies and procedures for capital improvements/betterments to real property, specifically, to address EPA lab renovations which could bulk purchases of equipment and funding from agency program appropriations other than the Buildings & Facility appropriation.	07/31/18 07/31/18 07/31/18	
Nutrient Pollution: EPA Needs to Work with States to Develop Strategies for Monitoring the Impact of State Activities on the Gulf of Mexico Hypoxic Zone 14-P-0348 09/03/14	OW	1. Work with the state and federal Task Force members in the Mississippi River Watershed to develop and enhance monitoring and assessment systems that will track the environmental results of state nutrient reduction activities, including their contribution to reducing the size of the Gulf of Mexico hypoxic zone.	06/01/17	
Cloud Oversight Resulted in Unsubstantiated and Missed Opportunities for Savings, Unused and Undelivered Services, and Incomplete Policies 14-P-0332 07/24/14	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	
Internal Controls Needed to Control Costs of Emergency and Rapid Response Services Contracts, as Exemplified in Region 6 14-P-0109 02/04/14	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.	09/30/24	
EPA Did Not Conduct Thorough Biennial User Fee Reviews 14-P-0129 03/04/14	OW	5. Apply federal user fee policy in determining whether to (a) charge fees for issuing federal National Pollutant Discharge Elimination System permits in which the EPA is the permitting authority, or (b) request an exception from the Office of Management and Budget to charging fees.	10/01/17	\$17.8
Air Quality Objectives for the Baton Rouge Ozone Nonattainment Area Not Met Under EPA Agreement 2A-96694301 Awarded to the Railroad Research Foundation 13-R-0297 06/20/13	Region 6	1. Recover federal funds of \$2,904,578 unless the foundation provides a verifiable and enforceable remedy to reduce diesel emissions in the Baton Rouge ozone nonattainment area, as required by the cooperative agreement. CA2: Two of the five rebuilt locomotives will continue to operate in the Baton Rouge nonattainment area. CA3: The remaining three rebuilt locomotives will continue to operate in Baton Rouge and New Orleans until economic conditions in Baton Rouge necessitate moving as many locomotives as possible back to the Baton Rouge non-attainment area.	 09/30/20 09/30/20	\$2.905

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
		<p>CA5: Railroad Research Foundation will provide locomotive location data to the EPA on a quarterly basis showing where the five locomotives were operated.</p> <p>CA6: As a penalty for noncompliance, the Railroad Research Foundation will remit to the EPA \$4,841 for each locomotive for each month any of the five locomotives are operated outside of the restricted area for more than 10-plus consecutive days outside the Baton Rouge non-attainment area and the exception area (for other than maintenance).</p> <p>CA7: Each of the five locomotives will operate in the Baton Rouge area or the exception area for 10 years after the date each engine was placed back into service.</p>	<p>09/30/20</p> <p>09/30/20</p> <p>09/30/20</p>	
<p>Improvements Needed in EPA Training and Oversight for Risk Management Program Inspections 13-P-0178 03/21/13</p>	OLEM	<p>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.</p> <p>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.</p>	<p>02/28/19</p> <p>02/28/20</p>	
<p>EPA Needs to Improve Air Emissions Data for the Oil and Natural Gas Production Sector 13-P-0161 02/20/13</p>	OAR	<p>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.</p> <p>CA2.3 - The EPA will revise the Electronic Reporting Tool to accommodate those non-traditional measurement techniques identified in the cross-office strategy and fully developed by the 4th quarter of FY 2017.</p> <p>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).</p>	<p>9/30/18</p> <p>9/30/19</p>	
<p>Review of Hotline Complaint Concerning Cost and Benefit Estimates for EPA's Lead-Based Paint Rule 12-P-0600 07/25/12</p>	OCSP	<p>1. Consistent with a retrospective and flexible EPA regulatory culture, re-examine the estimated costs and benefits of the 2008 Lead Rule and the 2010 amendment to determine whether the rule should be modified, streamlined, expanded or repealed.</p>		

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
		CA1-3: Draft information and analysis submitted to OMB for interagency review as part of the Action Development Process. CA1-4: Work practice and cost information is published as part of proposed rule.	3/31/15 9/30/15	
Controls Over State Underground Storage Tank Inspection Programs in EPA Regions Generally Effective 12-P-0289 02/15/12	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 02/06/12	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.	06/30/20 06/30/20 06/30/20 06/30/20	
EPA Should Update Its Fees Rule to Recover More Motor Vehicle and Engine Compliance Program Costs 11-P-0701 09/23/11	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 09/14/10	OECA	2-2. Develop a systematic approach to identify which states have outdated or inconsistent memorandums of agreements; renegotiate and update those Memorandums of Agreements using the Memorandum of Agreements template; and secure the active involvement and final, documented concurrence of headquarters to ensure national consistency.	09/28/18	

EPA Needs a Coordinated Plan to Oversee Its Toxic Substances Control Act Responsibilities 10-P-0066 02/17/10	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 12/31/18	
Making Better Use of Stringfellow Superfund Special Accounts 08-P-0196 07/09/08	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				\$859,985

CSB Reports With Unimplemented Recommendations

Report Title/No./Date	Office	Unimplemented Recommendation	Planned Completion Date	Potential Monetary Benefits Recommended (in \$000s)
CSB Needs to Continue to Improve Agency Governance and Operations 16-P-0179 05/23/16	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	\$0.402
Total				\$0.402

Appendix 4—Closed Investigations Not Publicly Disclosed

For Reporting Period Ended March 31, 2018

Section 5(a)(19) of the Inspector General Act of 1978, as amended, requires detailed descriptions of each investigation involving a senior government employee (at least at the GS-15 level) where allegations of misconduct were substantiated. Section 5(a)(22) requires detailed descriptions of each investigation conducted by the OIG involving a senior government employee that was closed and not disclosed to the public, and detailed descriptions of the particular circumstances of each inspection, evaluation and audit conducted by the OIG that was closed and not publicly disclosed.

Details on each investigation conducted by the OIG involving both senior and non-senior employees closed during the semiannual reporting period ending March 31, 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 Publicly Disclosed

There were no closed investigations involving presidential appointees during this semiannual reporting period.

Investigations Involving Senior Employees Not Publicly Disclosed

CASE NUMBER: OI-HQ-2016-ADM-0012

An EPA GS-15 Special Agent in Charge in the EPA's Criminal Investigation Division allegedly engaged in inappropriate conduct toward another EPA employee and was under the influence of alcohol while on duty. The employees provided conflicting accounts of what happened. The allegations were not supported.

CASE NUMBER: OI-HQ-2015-ADM-0113

An EPA GS-15 Special Agent in Charge in the EPA's Criminal Investigation Division allegedly used an EPA laptop to access pornographic internet sites. A forensic analysis of the laptop yielded images of suspected child pornography. An outside entity examined the images and revealed it could not be determined with medical certainty that the people depicted in the images were under 18. The employee retired from the EPA during the investigation. No administrative action was taken.

CASE NUMBER: OI-HQ-2015-ADM-0133

An EPA GS-15 employee allegedly engaged in time-and-attendance fraud, provided an EPA username and password to a subordinate employee, and retaliated against a subordinate employee. EPA management and the EPA's Office of Human Resources, Labor and Employee Relations Division, addressed the allegation of retaliation. The allegation of time-and-attendance fraud was not supported. The allegation involving the username and password was supported. The GS-15 employee's action was a violation of EPA information technology security procedures. EPA management issued a letter of reprimand to the employee.

CASE NUMBER: OI-HQ-2017-ADM-0083

An EPA GS-15 employee allegedly failed to monitor the EPA's Office of Civil Rights Title VI email account, representing misconduct. The investigation supported the allegation, finding that the employee did not monitor the email account for approximately 1 year. EPA management issued a letter of counseling to the employee.

CASE NUMBER: OI-HQ-2016-ADM-0075

Management officials in the EPA's Office of Civil Rights External Compliance and Complaints Program (established under Title VI of the Civil Rights Act of 1964) allegedly were involved in misconduct and mismanagement of the office's email account. The investigation supported the allegations, finding that management officials did not monitor the Title VI email account for approximately 1 year, and failed to comply with regulation by not acknowledging email complaints within 5 days of receipt. The investigation also supported an allegation that the Office of Civil Rights issued an acknowledgment letter to a complainant over a year after

the complainant had sent an email to the Office of Civil Rights Title VI email account. Case number OI-HQ-2017-ADM-0083 is related. Another related OIG investigation, involving a Senior Executive Service-level employee, was reported in the OIG's November 2017 *Semiannual Report to Congress*.

CASE NUMBER: OI-SE-2015-ADM-0051

An EPA GS-15 employee allegedly failed to file *Confidential Financial Disclosure Report* forms since 2008, drank alcohol at work and misused authority as a government purchase card approving official. The investigation did not support the allegations.

CASE NUMBER: OI-HQ-2017-ADM-0066

An EPA GS-15 employee allegedly was converted from an administratively determined position to a permanent position without following applicable Office of Personnel Management and EPA policies. The investigation determined that the employee filed the proper paperwork and followed the appropriate procedures to gain the permanent position. The allegation was not supported.

Investigations Involving Non-Senior Employees Not Publicly Disclosed

CASE NUMBER: OI-HQ-2017-ADM-0092

An EPA GS-14 employee allegedly resided in and teleworked from another state while claiming a Washington, D.C., area address on official telework and medical telework agreements, and while collecting Washington, D.C., locality pay. The allegations were supported. The employee resigned before administrative action could be taken.

CASE NUMBER: OI-RTP-2018-OTH-0002

An EPA GS-14 employee lost an EPA laptop while on personal travel. All indications were that the laptop was stolen from an airport waiting area. Airport security cameras were unable to detect the theft. There was no evidence indicating the EPA employee intentionally caused the loss.

CASE NUMBER: OI-SA-2017-ADM-0139

An EPA GS-14 employee allegedly did not exercise due diligence in the authorization and approval of a subordinate employee's timecards. The investigation supported the allegation. EPA management issued the employee a warning letter for negligent performance of duties.

CASE NUMBER: OI-CH-2017-THT-0137

An EPA GS-13 employee made statements to another EPA employee indicating that the GS-13 employee was contemplating suicide. An investigation was conducted to determine whether the GS-13 employee posed a threat to other EPA employees. The investigation determined there was no credible threat against other EPA employees.

CASE NUMBER: OI-HQ-2015-ADM-0064

An EPA GS-13 employee allegedly committed travel fraud by taking unnecessary business trips to Asia. The investigation revealed that all of the international trips taken by the employee were in support of the EPA's mission in the Guangdong Agricultural Pollution Control Project in the People's Republic of China, the Global Methane Initiative in Indonesia, and other countries in Asia and Europe. The investigation did not support the allegation.

CASE NUMBER: OI-BO-2016-ADM-0110

An EPA GS-13 employee allegedly viewed pornographic material on the EPA network while on duty. Investigative activities that included an interview with the employee and a forensic examination of the employee's work computer supported the allegation. EPA management initiated a "last chance" agreement with the employee and took additional action that included a demotion in pay grade, a 4-week suspension, moving the employee's workspace to a more public and heavily traveled area, and requiring the employee to complete information technology security and ethics training.

CASE NUMBER: OI-NE-2014-ADM-0039

An EPA GS-13 employee allegedly returned to a previous EPA work location and destroyed official agency records. The investigation determined that the employee made a request through management to return to the

prior work location to retrieve personal items; however, the investigation was unable to determine whether the employee had destroyed any official agency records. The allegation was not supported.

CASE NUMBER: OI-HQ-2015-ADM-0115

An EPA GS-13 Special Agent in the EPA's Criminal Investigation Division allegedly engaged in inappropriate conduct with a subject under investigation. The investigation supported the allegation. EPA management issued the employee a 14-day suspension, which the employee served.

CASE NUMBER: OI-PH-2017-CAC-0086

An EPA GS-13 employee allegedly caused a possible breach of personally identifiable information by backing up information from an EPA laptop to a personally owned device. The investigation did not support the allegation.

CASE NUMBER: OI-HQ-2017-ADM-0104

An EPA GS-13 employee allegedly allowed contractors to include commute times for the hours they were supposed to be on-site working at an EPA Superfund site. The investigation supported the allegation. EPA management issued the employee a warning letter and provided the employee with additional training and enhanced supervision. In addition, the contractors reimbursed the EPA for funds that were received but had not been stipulated within the terms of the contract.

CASE NUMBER: OI-NE-2014-ADM-0094

An EPA GS-13 employee allegedly performed activities related to an outside position while on duty at the EPA. The employee had been informed that no official duty time could be used in conjunction with outside employment. Facts disclosed during the investigation supported the allegation that the employee had spent official duty time on outside employment. The employee resigned during the course of the investigation. The agency issued a debt letter to the employee seeking reimbursement for time owed. The employee paid the debt.

CASE NUMBER: OI-HQ-2017-ADM-0061

An EPA GS-13 employee allegedly directed a U.S. Department of Transportation employee to make false official statements. The investigation concluded that no evidence of an administrative or criminal violation took place. This investigation was conducted jointly with the U.S. Department of Transportation OIG.

CASE NUMBER: OI-HQ-2018-ADM-0022

An EPA GS-13 Special Agent in the EPA's Criminal Investigation Division allegedly engaged in employee misconduct by filing false workers' compensation claims, and lost access to the use of assigned agency-issued firearms and vehicle due to the misuse of prescription medication. The investigation did not support the allegations.

CASE NUMBER: OI-HQ-2017-ADM-0004

An EPA GS-12 employee allegedly touched an EPA employee inappropriately. The GS-12 employee admitted to touching the second employee. As a result of a previous management inquiry, EPA management relocated the GS-12 employee to a workstation farther away from the second employee.

CASE NUMBER: OI-AT-2018-ADM-0027

An EPA GS-12 employee allegedly was arrested by local authorities on domestic violence offenses. The OIG investigation confirmed that the employee was charged with three felony and three misdemeanor criminal offenses related to a domestic complaint involving the employee and the employee's family. Records related to the incident were provided to EPA management for administrative review.

CASE NUMBER: OI-HQ-2017-ADM-0091

An EPA GS-12 employee allegedly made a threatening hand gesture to an EPA manager. The subject acknowledged that the gesture was made but stated it was not meant as a threat of violence. The allegation was not supported.

CASE NUMBER: OI-AR-2015-ADM-0065

An EPA GS-12 employee allegedly misused a government credit card. The investigation supported the allegation that the employee used a government travel card for personal purchases, and that the employee

provided false information to investigators and EPA management. A notice of proposed removal was issued to the employee, but the employee resigned prior to removal action.

CASE NUMBER: OI-RTP-2017-ADM-0125

An EPA GS-12 employee allegedly resided in and teleworked from a state outside the Washington, D.C., area while collecting D.C.-area locality pay. The employee allegedly failed to notify management of the move. The allegations were supported. The employee was on full-time medical telework under a reasonable accommodation agreement. The relocation was discovered when the employee submitted the *Annual Recertification Application for Medical FlexiPlace* form, on which the employee listed the new home address. The employee claimed to be unaware of the need to obtain prior authorization to relocate to a new area if there was a change in the locality pay rate. EPA management issued the employee a warning letter for violation of Office of Personnel Management guidelines regarding locality pay and failure to follow proper time-and-attendance procedures. In addition, the wage overpayment was deducted from the employee's pay and returned to the EPA.

CASE NUMBER: OI-HQ-2014-ADM-0019

An EPA GS-11 employee allegedly engaged in time-and-attendance fraud by improperly accounting for time worked while in telework status. The investigation revealed that the employee was conducting personal business while in telework status. The allegation was supported, and the employee was removed from federal service.

CASE NUMBER: OI-HQ-2017-ADM-0116

The Office of Personnel Management issued an alert to the OIG alleging potential misconduct by an EPA GS-11 employee. The alert detailed multiple felony offenses committed by the employee, possibly during work hours. The OIG conducted investigative actions to determine whether any of the felony offenses were conducted during work hours or while using EPA resources. The investigation did not support an allegation of potential misconduct.

CASE NUMBER: OI-RTP-2013-ADM-0103

An EPA GS-9 employee allegedly engaged in time-and-attendance fraud, claiming overtime that was not worked. The investigation found that the allegation was supported. The agency terminated the employee for lack of candor during the investigation, inaccurate reporting of time and being absent without leave. The employee was ordered to pay \$6,973 in restitution. The EPA collected the funds.

CASE NUMBER: OI-SA-2017-ADM-0100

An EPA GS-8 employee allegedly engaged in time-and-attendance fraud, claiming time that was not worked. The allegation was supported and the employee was terminated by the EPA.

Investigations Involving Non-Employees Not Publicly Disclosed

CASE NUMBER: OI-AT-2016-CFR-0004

An environmental organization that receives Clean Water Act grant funds and one of its subcontractors were allegedly reimbursed for services not performed. In addition, the director of the organization allegedly violated ethics rules. The investigation did not support the allegations.

CASE NUMBER: OI-RTP-2018-CFD-0005

A security contracting company that provides security at an EPA facility allegedly violated the terms of its contract. Investigators reviewed the statement of work for the contract, which sets forth the requirements, training and qualifications under the contract. The allegations were not supported.

CASE NUMBER: OI-RTP-2014-CAC-0027

A South Carolina company's handling of the cleanup of two leaking underground storage tank sites allegedly used a cheaper, inferior product than specified in the bid solicitation. The use of this product reduced the effectiveness of the remedial efforts and resulted in a greater expenditure to complete the cleanup. In addition, the use of the cheaper, inferior product gave the company an unfair advantage. The cleanup projects were supposed to be funded with American Recovery and Reinvestment Act funds, but were funded by the South

Carolina State Underground Petroleum Environmental Response Bank. The allegation was supported, and the owner of the company pleaded *nolo contendere* to obtaining signature or property by false pretenses valued at \$2,000 or less. The individual was fined \$200 and suspended from the South Carolina underground storage tank program.

CASE NUMBER: OI-CH-2017-CAC-0101

The OIG discovered a post on a social media site, directed toward the EPA Administrator, that could be interpreted as intimidating and potentially threatening. The subject was interviewed and admitted to posting the message, but ultimately it was determined not to be a direct threat in violation of federal or state statutes.

CASE NUMBER: OI-DA-2017-CAC-0102

The OIG was notified of a threatening email received by a U.S. Senator. The email allegedly also was a potential threat to the lives of the EPA Administrator, the President, the Vice President and other members of Congress. Investigators coordinated efforts with federal, state and local law enforcement agencies. The subject was interviewed and admitted to sending the email threats. The allegations were supported, but the U.S. Attorney declined the case for prosecution. The agency issued a notice barring the individual from entering EPA facilities.

CASE NUMBER: OI-DE-2014-CFR-0046

An acting Tribal Environmental Director allegedly misused an EPA-funded tribal vehicle, committed timecard fraud and submitted false documents to the EPA. Investigators determined that the director only used the EPA-funded tribal vehicle to conduct business on tribal land and during business hours. The director was paid one salary from separate grant funds. The investigation did not support the allegations.

CASE NUMBER: OI-SA-2017-ADM-0103

An EPA contractor allegedly misused an EPA-funded, General Services Administration-leased vehicle and its registered highway toll tag. The investigation supported the allegation that the EPA contractor misused the EPA-leased vehicle during work and non-work hours. The EPA contractor was terminated, and the agency was reimbursed \$4,677.50 for unauthorized mileage on the vehicle and unauthorized use of the toll tag.

CASE NUMBER: OI-SA-2017-CAC-0089

A company allegedly sold various items embossed with the EPA logo via its website. The sales were not approved or sponsored by the EPA. The investigation supported the allegation and found that the company allowed customers to upload symbols, seals and other images to be printed on various products, such as shirts, bags and cups. The investigation showed the person involved with the sales was operating with an Internet Protocol address from an overseas location. The company received approximately \$3,700 in profits from the sales. Since sales were no longer ongoing, the agency determined that the matter was resolved.

CASE NUMBER: OI-WI-2014-CAC-0031

A technician working for an EPA grantee allegedly falsified 37 laboratory samples by using an editing program to manipulate laboratory reports. The investigation supported the allegation. The technician falsified laboratory data for monetary gain from a third party. The individual was debarred from participating in federal procurement and assistance activities for 3 years. The U.S. Attorney's Office declined the case for prosecution.

CASE NUMBER: OI-CH-2018-THT-0015

An individual allegedly left a threatening voicemail message directed to the EPA Administrator and EPA employees. Investigators were not able to identify a subject, and there was no evidence of a credible threat. The investigation was closed.

CASE NUMBER: OI-HQ-2017-CCR-0142

A General Services Administration contractor allegedly entered a locked and alarmed EPA OIG office unescorted. The investigation revealed that there appeared to be an absence of guidance regarding contractor access to OIG space and a lack of standardized procedure for the Federal Protective Service to respond to activated alarms in OIG space. The investigation revealed no evidence of criminal wrongdoing.

CASE NUMBER: OI-HQ-2017-CAC-0119

An EPA laptop allegedly was stolen from an EPA employee's car. Investigators were unable to locate the laptop or develop additional leads. The investigation was closed.

CASE NUMBER: OI-NE-2017-ADM-0090

A company allegedly used the official EPA seal on video advertisements related to the marketing of a dental waterline purification unit. The videos were posted on YouTube in various languages. Investigators reviewed the videos and determined that the allegation was supported. The matter was referred to the agency for resolution.

CASE NUMBER: OI-AR-2016-CAC-0065

An unknown individual allegedly posed as an EPA employee and demanded cash from an elderly person for environmental violations. The investigation supported the allegation. The elderly person was a victim of a fraudulent scheme perpetrated by a woman who resided with the victim at the time. The subject received \$300 from the victim and allegedly told the victim she had paid an EPA employee to resolve environmental violations. However, the investigation found that the subject fabricated the EPA's involvement. The subject admitted to her involvement in the scheme and pleaded guilty to a theft of less than \$1,000. She received an 18-month jail sentence and 5 years of supervised probation.

CASE NUMBER: OI-DA-2017-CAC-0019

A worker assigned to two EPA contracts at a private company allegedly was not working on the contracts and was possibly no longer employed by the company. In addition, the company allegedly violated the Small Business Innovation Research program requirements. After conducting a background investigation and interview, the employee was found to be currently employed by the company and working on both EPA contracts. The investigation also found that the company was not in violation of any reporting requirements set forth by the EPA contracting officer. The investigation did not support the allegations.

CASE NUMBER: OI-HQ-2017-ADM-0131

An enrollee in the EPA's Senior Environmental Employment Program allegedly possessed a counterfeit EPA Personnel Access and Security System identification badge. An EPA security guard seized the badge and turned it over to the EPA's Security Management Division. Investigators determined that the badge was counterfeit. The enrollee's participation in the program was terminated.

CASE NUMBER: OI-HQ-2017-ADM-0132

An enrollee in the EPA's Senior Environmental Employment Program allegedly possessed a counterfeit EPA Personnel Access and Security System identification badge. An EPA security guard seized the badge and turned it over to the EPA's Security Management Division. Investigators determined that the badge was counterfeit. The enrollee's participation in the program was terminated.

CASE NUMBER: OI-HQ-2018-ADM-0031

Property damage to an outside window was discovered at the EPA headquarters building in Washington, D.C. The window appeared to have been damaged by a brick and a piece of cobblestone found outside the window. No subject was identified. The investigation was closed.

CASE NUMBER: OI-AT-2018-THT-0053

An EPA employee claimed that his wife's co-worker at a local university made threats directed at a regional EPA office building and its occupants. The investigation determined that the complainant and the subject had never met or communicated. The allegation was not supported.

CASE NUMBER: OI-AT-2018-THT-0054

A Tennessee homeowner threatened to kill a Tennessee Department of Environment and Conservation employee while the employee was performing official duties. The employee was working on an EPA-delegated program. The homeowner contacted the Tennessee Department of Environment and Conservation by telephone after learning that it was placing a lien on his home related to unpaid fines from an environmental enforcement action that occurred 10 years earlier. During the call, the homeowner said he had been lied to by the employee, and he threatened the employee's life. This case was declined for prosecution by the U.S. Attorney's Office.

Appendix 5—Peer Reviews Conducted

Audits

The Social Security Administration OIG conducted the most recent external peer review of the EPA OIG audit organization, covering the fiscal year ended September 30, 2014, and issued a report on June 12, 2015. The review was conducted in accordance with guidelines established by the Council of the Inspectors General on Integrity and Efficiency. The external peer review stated that the EPA OIG audit organization's system of quality control 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 a rating of *pass*.

The U.S. Department of Defense OIG is currently conducting an external peer review of the EPA OIG audit organization covering the fiscal year ended September 30, 2017.

The EPA OIG is currently conducting an external peer review of the audit organization of the U.S. Department of Homeland Security OIG. The review is being conducted in accordance with guidelines established by the Council of the Inspectors General on Integrity and Efficiency. We are examining the audit function for the fiscal year ended September 30, 2017.

Investigations

The Federal Deposit Insurance Corporation OIG completed the most recent 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 December 2, 2014. The Federal Deposit Insurance Corporation OIG identified no deficiencies and found internal safeguards and management procedures compliant with quality standards.

The U.S. General Services Administration OIG completed a mandated Council of the Inspectors General on Integrity and Efficiency quality assurance review of the EPA OIG Office of Investigations in March 2018. The final report is forthcoming.

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 was 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/Evaluation: (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/Evaluation: (617) 918-1470
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/Evaluation: (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/Evaluation: (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/Evaluation: (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/Evaluation: (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/Evaluation: (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/Evaluation: (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/Evaluation: (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/Evaluation: (919) 541-2204
Investigations: (919) 541-1027

San Francisco

U.S. Environmental Protection Agency
Office of Inspector General
75 Hawthorne Street (IGA-1-2)
8th Floor
San Francisco, CA 94105
Audit/Evaluation: (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/Evaluation: (206) 553-6906
Investigations: (206) 553-1273