



At a Glance

Why We Did This Audit

The U.S. Environmental Protection Agency (EPA), Office of Inspector General (OIG), received a hotline complaint and initiated an audit to determine whether the agency's Protective Service Detail (PSD) has adequate controls for the scheduling, approving and monitoring of employees' time.

PSD agents provide physical protection services for the EPA Administrator. As law enforcement officers, PSD agents may receive adjustments over their regular salary, including overtime, night-differential and law enforcement availability pay. However, PSD salaries are subject to both biweekly and annual pay caps, regardless of the hours worked.

The purpose of this management alert is to notify the agency of a finding—a control weakness that resulted in an unauthorized payment—while our audit continues.

This report addresses the following:

- *Compliance with the law.*

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Management Alert: Controls Failed to Prevent Employee From Receiving Payment in Excess of Statutory Limit

What We Found

Internal controls failed to prevent an unauthorized overpayment to a PSD 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. However, starting in May 2016, the EPA authorized a series of waivers that lifted the biweekly caps, including one waiver that retroactively applied to the pay periods from September 6, 2015, through April 30, 2016.

On January 18, 2017, the agent informed staff in the Office of Criminal Enforcement, Forensics and Training of this payment, expressing concern that the annual pay cap may be exceeded. The staff notified the Office of the Chief Financial Officer's Human Resources and Payroll Customer Service Help Desk, which subsequently referred the issue to the EPA's payroll provider, the Department of the Interior's Interior Business Center (IBC).

Neither the EPA nor the IBC could provide the OIG with an explanation for this unauthorized payment until July 2017. In July 2017, the IBC told us that the \$23,413 payment was for hours that were worked by the agent in 2016 but that could not be paid in 2016. The IBC could not process these hours until January 2017, when the EPA submitted an amended time-and-attendance file. As a result, because the payment was not processed until the next calendar year, the IBC's payroll system did not detect that the agent exceeded the 2016 annual pay cap. If not for the actions of the agent, this overpayment may have remained undetected.

According to the IBC, this payment was unauthorized and a debt collection notice was issued to the agent on July 14, 2017.

Recommendations and Planned Agency Corrective Actions

We recommend that the EPA's Chief Financial Officer design and implement new controls to prevent the reoccurrence of unauthorized payments. We also recommend that the Chief Financial Officer determine whether similar unauthorized payments have been made to other EPA employees and recover any overpayments. The agency did not provide any proposed corrective actions; therefore, all recommendations are unresolved.

Our audit identified an unauthorized pay adjustment of \$23,413 for a PSD agent.